

DeSoto Resources Limited



ABN 75 658 510 242

Half-year Report - 31 December 2025

Directors	Paul Roberts - Non-Executive Chairperson Finbarr (Barry) Murphy - Non-Executive Director Christopher Swallow - Managing Director
Company secretary	Tony Tomba
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Solicitors	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street Perth WA 6000
Stock exchange listing	Australian Securities Exchange (ASX code: DES, DESO)
ACN	658 510 242

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The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of DeSoto Resources Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2025.

The following persons were Directors of the Company during the whole of the financial period and up to the date of this report, unless otherwise stated:

Directors

Paul Roberts (Non-Executive Chairperson)
Finbarr (Barry) Murphy (Non-Executive Director)
Christopher Swallow (Managing Director)

Principal activities

The principal activities of the Group during the half-year were exploration for mineral resources.

Review of operations

The following is a summary of the activities of the Group for the period covering 1 July 2025 – 31 December 2025. It is recommended that this report be read in conjunction with any public announcements made by the Company during the period.

In accordance with the continuous disclosure requirements, readers are referred to the announcements lodged with the Australian Securities Exchange (ASX) regarding the activities of the Company.

PROJECTS OVERVIEW

DeSoto's primary focus during the reporting period remained its Guinea Gold Portfolio (Figure 1), located within the prolific Siguiri Basin, one of West Africa's most significant gold provinces.

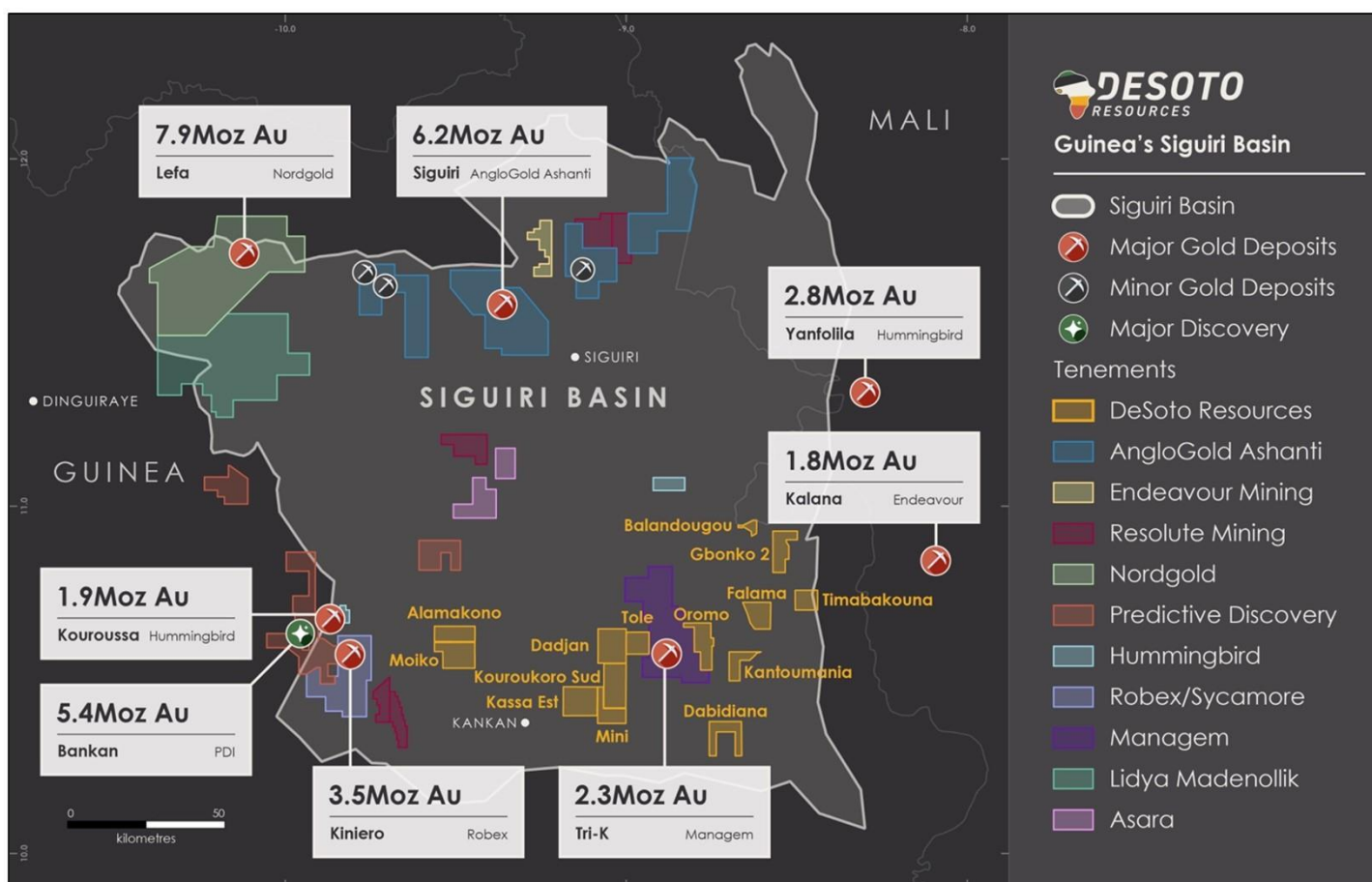


Figure 1– DeSoto's portfolio of Applications, Reconnaissance and Exploration Authorisations, located in the Siguiri Basin, Guinea.

The Company controls a large and highly prospective landholding covering multiple gold projects across the Siguiri Basin and adjacent gold belts. Exploration throughout the period focused on identifying and advancing district-scale gold systems through systematic regional targeting, auger drilling, RC drilling, geochemistry and structural interpretation.

Key project areas advanced during the period included Dadjan, Tolé, Dabidiana and Syncerus, where exploration continued to confirm the presence of large mineralised systems and favourable structural architecture. The Company's Guinea portfolio spans multiple projects across more than 1,200 km² and is located within a region hosting several multi-million-ounce gold deposits.

DeSoto maintains a complementary exploration portfolio in the Northern Territory, Australia.

GUINEA – SIGUIRI BASIN

On 1 October 2025, DeSoto executed a binding HOA with Fortuna Mining Corp to establish an alliance and joint venture (JV) framework to apply for, acquire and explore additional permits within a defined area of interest in Guinea's Siguiri Basin.

Under the agreed structure, once target permits are acquired, Fortuna may fund up to US\$12.5M over three years to earn 70%, with DeSoto retaining 30%, and importantly, DeSoto's existing 100%-owned permits/applications remain outside the JV.

Dadjan

The period was marked by rapid transition from target generation to drilling. By October, DeSoto had commenced maiden RC drilling at Dadjan, supported by trenching and surface geochemistry programs.

The October field update referenced a planned 5,000m RC program at Dadjan and reported additional trench/soil/dump results to refine target areas.

By November, DeSoto reported that RC drilling across Dadjan and Tolé totalled 51 holes (5,743m), with assays pending at that time.

Subsequently, DeSoto released initial RC assay results from Dadjan in December. Reconnaissance drilling designed to test gold-bearing lodest beneath artisanal workings returned high-grade intervals including 1m @ 318 g/t Au from 13m (DJNRC10015) and 5m @ 5.15 g/t Au from 64m (DJNRC10021) along with multiple additional gold intercepts across the reconnaissance program.

Tolé

At Tolé, DeSoto advanced both drilling and low-cost coverage tools in parallel. The October update referenced a planned 7,500m power-auger program across NE Tolé (Bofoani) and Central Tolé, together with supporting trench/rock-chip sampling to prioritise follow-up drilling areas.

By early November, DeSoto reported 124 power-auger holes (2,327m) completed at Bofoani, ahead of additional RC drill testing, and confirmed trenching, mapping and sampling of structures in and around the Bofoani trench.

December RC results from Tolé Main Zone included intercepts such as:

- 2m @ 3.64 g/t Au from 55m (TLRC30005) supported by Bofoani power-auger results including:
- 2m @ 4.81 g/t Au from 14m (TLAU0296) with additional gold-bearing intervals reported across both datasets.

Timbakouna

During the period, DeSoto progressed systematic early-stage work at Timbakouna, reporting collection of 857 soil samples and 33 rock samples (assays pending at the time of reporting).

In the December update, the Company outlined further planned work at Timbakouna, including a permit-wide 200m x 200m soil sampling program to support drill targeting ahead of planned drilling.

Other Projects

Basin-wide generative exploration commenced at Koba, Nérékoro Sud, Mini, Kassa Est and Komah, with the Company continuing to build a pipeline of targets and project-scale optionality across the broader Siguiri footprint during the period.

During the period, the Company reported that Koba, Nérékoro Sud and Mini had received approvals enabling exploration works to commence, supporting consolidation of ground south of Dadjan and Tolé and linkage with Kassa Est.

Also during the period, the Company reported BLEG sampling and mapping at Komah (formerly Syncerus), and in December first-pass BLEG soil sampling commenced across Koba, Nérékoro Sud, Kassa Est and Mini.

FENTON GOLD PROJECT – NORTHERN TERRITORY

In late December, the Company reported final assay outcomes from its Spectrum Project drilling (10 RC/DD holes for 4,388m) and stated that, based on these results, it will focus exploration activities on its Siguiri Basin Projects and seek divestment and/or JV opportunities for its Northern Territory portfolio.

CORPORATE

The loss for the Group after providing for income tax amounted to \$5,200,777 (31 December 2024: \$689,548). As at 31 December 2025, the Group had cash and cash equivalents of \$12,726,847 (30 June 2025: \$6,244,738).

On 10 October 2025, the Company announced that it had secured binding commitments to raise A\$14.0 million (before costs) through a two-tranche placement priced at A\$0.16 per share (Placement). The Placement was completed in November 2025, after obtaining shareholder approval at the AGM held on 20 November 2025.

GRANTED TENEMENTS

Siguiri Basin					
Tenement ID	Name	Area (sq.km)	Type	Status	Holder
24094	Timbakouna	45.0	Reconnaissance	Granted	ANGEX Services
24396	Syncerus (Komah)	99.3	Reconnaissance	Granted	Syncerus Golden Mining
22627	Tole	50.8	Exploration	Renewal	Wassolon Mining Group
23760	Falama	61.3	Exploration	Application	Wassolon Mining Group
23761	Dabidiana	66.4	Reconnaissance	Granted	Societe ID Gold Mining
23759	Oromo	77.1	Exploration	Application	Wassolon Mining Group
23456	Balandougou	13.5	Reconnaissance	Granted	MS African Partners
23400	Gbonko 2	68.6	Exploration	Application	MS African Partners
24590	Kantoumanina	43.0	Exploration	Application	Societe Guinea Peak Mining
22611	Mini	55.8	Exploration	Revoked/Under renewal*	Societe Sofac SA
23395	Kassa Est	99.6	Reconnaissance	Granted	Societe Sofac SA
22621	Dadjan	98.5	Exploration	Renewal	Societe ID Gold Mining
23978	Moiko	91.8	Reconnaissance	Renewal	Angex Services
23979	Alamakono	63.1	Reconnaissance	Renewal	Angex Services
22606	Koba	56.5	Exploration	Revoked/Under renewal*	Societe ID Gold Mining
22302	Nérékoro Sud	99.8	Exploration	Revoked/Under renewal*	Societe ID Gold Mining

*Note to the table: Since 2021, the Republic of Guinea has undertaken major reforms in the mining sector, notably the **modernisation and cleansing of the mining cadastre**, in order to improve management and transparency in line with **international best practices and ESG standards**. This process has resulted in the withdrawal of permits and authorisations that were no longer compliant with the provisions of the Mining Code and its implementing regulations. When DeSoto acquired the ANGEX properties in February 2025 it was aware that as part of the Project packages that the Nérékoro Sud, Koba and Mini Projects would be revoked, but likely re-acquired by DeSoto. Subsequent to this, the Company has received a comfort letter from the Minister of Mines assuring the Company of the Ministry of Mines' full support for the development of its Projects. These renewals are awaiting processing in accordance with current procedures. In light of the investments already made under the Technical Partnership, the Ministry understands the delays and in order to reassure partners for the financing of exploration work, in line with Article 78 of the Mining Code, the Minister has authorized Groupe Wassolon Mining and its partners, DeSoto Resources Ltd and ANGEX Services SARLU, to continue exploration work on the aforementioned permits and authorizations until completion of the cadastre modernization and regularization process.

Gauoul Gold Province					
Tenement ID	Name	Area (sq.km)	Type	Status	Holder
23823	Sabere	99.956	Reconnaissance	Granted	Angex Services
23732	Natatigare	99.936	Reconnaissance	Granted	Angex Services
23733	Kakony	98.61	Reconnaissance	Granted	Angex Services

TENEMENT No.	LOCATION	INTEREST %	HOLDER
Pine Creek Projects	NT	100%	Mangusta Minerals Pty Ltd
EL32884 (relinquished)			
EL32886			
EL33188			
EL33189			
EL33225			
EL31356			
EL32148			
EL31899			
EL33615			

Matters subsequent to the end of the financial half-year

On 9 February 2026, the Company announced signing of an agreement with United Mining SARL (UGM), a local Guinean mining company, to acquire three reconnaissance authorisations, which are concurrently being converted to exploration permits¹.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Paul Roberts
 Non-Executive Chairperson

23 February 2026
 Perth, Western Australia

¹ ASX Announcement: *New Ground Acquired as Exploration Accelerates*

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Desoto Resources Limited for the half-year ended 31 December 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
23 February 2026



N G Neill
Partner

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DeSoto Resources Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2025



		Consolidated	
	Note	31 Dec 2025	31 Dec 2024
		\$	\$
Other income			
Interest income		83,683	89,216
Expenses			
Consultants and contractors	3	(118,624)	(75,903)
Corporate costs		(136,020)	(30,032)
Exploration and evaluation expenditure	4	(4,188,624)	(229,671)
Accounting and audit fees		(101,372)	(38,357)
Non-executive director fees		(65,000)	(65,000)
Employee benefits expense		(248,294)	(202,268)
Depreciation and amortisation expense		(34,210)	(32,423)
Listing and compliance		(116,541)	(58,892)
Finance costs		(1,322)	(2,058)
Unrealised foreign exchange gain		19,958	82
Share-based payments expense		(294,411)	(44,242)
Loss before income tax expense		(5,200,777)	(689,548)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of DeSoto Resources Limited		(5,200,777)	(689,548)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year attributable to the owners of DeSoto Resources Limited		(5,200,777)	(689,548)
		Cents	Cents
Basic loss per share		(2.45)	(0.75)
Diluted loss per share		(2.45)	(0.75)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

		Consolidated	
	Note	31 Dec 2025	30 Jun 2025
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	5	12,726,847	6,244,738
Trade and other receivables	6	134,742	69,343
Other		48,560	30,787
Total current assets		<u>12,910,149</u>	<u>6,344,868</u>
Non-current assets			
Property, plant and equipment	7	128,505	82,186
Right-of-use assets	8	67,740	94,838
Exploration and evaluation	9	9,168,798	7,500,610
Security deposits		59,247	59,247
Other		5,104	5,101
Total non-current assets		<u>9,429,394</u>	<u>7,741,982</u>
Total assets		<u>22,339,543</u>	<u>14,086,850</u>
Liabilities			
Current liabilities			
Trade and other payables	10	336,090	757,096
Lease liabilities		58,051	56,623
Employee benefits		53,940	32,808
Total current liabilities		<u>448,081</u>	<u>846,527</u>
Non-current liabilities			
Lease liabilities		14,866	44,251
Total non-current liabilities		<u>14,866</u>	<u>44,251</u>
Total liabilities		<u>462,947</u>	<u>890,778</u>
Net assets		<u>21,876,596</u>	<u>13,196,072</u>
Equity			
Issued capital	11	31,265,208	17,635,131
Reserves	12	2,029,272	1,778,048
Accumulated losses		(11,417,884)	(6,217,107)
Total equity		<u>21,876,596</u>	<u>13,196,072</u>

The above statement of financial position should be read in conjunction with the accompanying notes

DeSoto Resources Limited
Statement of changes in equity
For the half-year ended 31 December 2025



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	11,414,446	935,476	(3,309,003)	9,040,919
Loss after income tax expense for the half-year	-	-	(689,548)	(689,548)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(689,548)	(689,548)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 13)	-	44,242	-	44,242
Balance at 31 December 2024	<u>11,414,446</u>	<u>979,718</u>	<u>(3,998,551)</u>	<u>8,395,613</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2025	17,635,131	1,778,048	(6,217,107)	13,196,072
Loss after income tax expense for the half-year	-	-	(5,200,777)	(5,200,777)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(5,200,777)	(5,200,777)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of shares, net of transaction costs (note 11)	13,586,890	-	-	13,586,890
Share-based payments (note 13)	-	294,411	-	294,411
Transfer between classes of equity	43,187	(43,187)	-	-
Balance at 31 December 2025	<u>31,265,208</u>	<u>2,029,272</u>	<u>(11,417,884)</u>	<u>21,876,596</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

		Consolidated	
	Note	31 Dec 2025	31 Dec 2024
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(900,769)	(472,721)
Payments for exploration and evaluation expensed		(4,137,863)	(285,121)
Interest received		83,683	89,216
Other		-	8,823
Net cash used in operating activities		<u>(4,954,949)</u>	<u>(659,803)</u>
Cash flows from investing activities			
Payment for acquisition of mining tenements		-	(154,045)
Payment for exploration and evaluation		(2,077,804)	(627,941)
Payments for property, plant and equipment	7	<u>(53,431)</u>	<u>(51,590)</u>
Net cash used in investing activities		<u>(2,131,235)</u>	<u>(833,576)</u>
Cash flows from financing activities			
Proceeds from issue of shares	11	14,000,000	-
Share issue transaction costs		(425,110)	-
Repayment of lease liabilities		<u>(29,278)</u>	<u>(29,127)</u>
Net cash from/(used in) financing activities		<u>13,545,612</u>	<u>(29,127)</u>
Net increase/(decrease) in cash and cash equivalents		6,459,428	(1,522,506)
Cash and cash equivalents at the beginning of the financial half-year		6,244,738	5,659,619
Effects of exchange rate changes on cash and cash equivalents		<u>22,681</u>	<u>-</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>12,726,847</u></u>	<u><u>4,137,113</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Operating segments

Identification of reportable operating segments

The Group has identified its operating segments on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The business is analysed in two geographical segments namely, Australia and the Republic of Guinea. The principal activity in these locations is mineral exploration and evaluation.

Reportable segments disclosed are based on aggregating leases where the evaluation and exploration interests are considered to form a single project. This is indicated by:

- having the same ownership structure; and
- exploration programs targeting the leases as a group, indicated by the use of the same exploration team, shared geological data and knowledge across the leases.

All amounts reported to the Board of Directors as the chief decision maker are determined in accordance with AASB 8 Operating Segments.

Note 2. Operating segments (continued)

Operating segment information

The following table presents, revenue, expenditure and certain asset information regarding geographical segments for the period ended 31 December 2025.

Consolidated - 31 Dec 2025	Australia \$	Guinea \$	Consolidated \$
Other income	83,683	-	83,683
Loss before income tax expense	(1,234,719)	(3,966,058)	(5,200,777)
Income tax expense			-
Loss after income tax expense			(5,200,777)
Assets			
Segment assets	21,747,629	591,914	22,339,543
Total assets			22,339,543
<i>Total assets includes:</i>			
Exploration and evaluation assets	8,708,148	460,650	9,168,798
Liabilities			
Segment liabilities	295,134	167,813	462,947
Total liabilities			462,947

Note 3. Consultants and contractors

	Consolidated 31 Dec 2025 \$	31 Dec 2024 \$
Legal	59,211	37,774
Marketing	42,429	27,834
Other	16,984	10,295
	118,624	75,903

Note 4. Exploration and evaluation expenditure

	Consolidated 31 Dec 2025 \$	31 Dec 2024 \$
Exploration and evaluation expenditure	4,188,624	229,671

Note 5. Current assets - cash and cash equivalents

	Consolidated 31 Dec 2025 \$	30 Jun 2025 \$
Cash on hand	31,640	125,776
Cash at bank	12,695,207	6,118,962
	12,726,847	6,244,738

Note 6. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Other receivable	1,979	1,994
GST receivable	132,763	67,349
	<u>134,742</u>	<u>69,343</u>

Note 7. Non-current assets - property, plant and equipment

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Leasehold improvements - at cost	49,749	49,749
Less: Accumulated depreciation	(36,883)	(31,736)
	<u>12,866</u>	<u>18,013</u>
Plant and equipment - at cost	105,021	51,590
Less: Accumulated depreciation	(1,951)	(1,951)
	<u>103,070</u>	<u>49,639</u>
Computer and office equipment - at cost	15,185	15,185
Less: Accumulated depreciation	(2,616)	(651)
	<u>12,569</u>	<u>14,534</u>
	<u>128,505</u>	<u>82,186</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Leasehold	Plant and	Computer and	
	improvements	equipment	office	Total
	\$	\$	equipment	\$
Consolidated				
Balance at 1 July 2025	18,013	49,639	14,534	82,186
Additions	-	53,431	-	53,431
Depreciation expense	(5,147)	-	(1,965)	(7,112)
	<u>12,866</u>	<u>103,070</u>	<u>12,569</u>	<u>128,505</u>

Note 8. Non-current assets - right-of-use assets

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Buildings - right-of-use	261,933	261,933
Less: Accumulated depreciation	(194,193)	(167,095)
	<u>67,740</u>	<u>94,838</u>

Note 8. Non-current assets - right-of-use assets (continued)

Movements in right-of-use asset

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Opening balance	94,838	150,020
Lease adjustments	-	(2,610)
Amortisation charge	(27,098)	(52,572)
Closing balance	67,740	94,838

Note 9. Non-current assets - exploration and evaluation

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Exploration and evaluation - at cost	9,168,798	7,500,610

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	\$
Balance at 1 July 2025	7,500,610
Expenditure capitalised during the half-year	1,668,188
Balance at 31 December 2025	9,168,798

Exploration and evaluation expenditure during the period related to the Company's exploration programs undertaken at the Spectrum and Fenton projects in the Northern Territory.

The ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas.

Note 10. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Trade payables	230,192	476,650
Accruals	105,898	280,446
	336,090	757,096

Note 11. Equity - issued capital

	Consolidated			
	31 Dec 2025	30 Jun 2025	31 Dec 2025	30 Jun 2025
	Shares	Shares	\$	\$
Ordinary shares - fully paid	276,785,579	186,224,454	31,265,208	17,635,131

Note 11. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2025	186,224,454		17,635,131
Issued capital - cashless exercise of options	9 July 2025	500,000	\$0.000	43,187
Issued capital - Tranche 1 share placement	20 October 2025	46,681,113	\$0.160	7,468,978
Issued capital - Tranche 2 share placement	28 November 2025	40,818,887	\$0.160	6,531,022
Share based payment ¹	30 December 2025	2,561,125	\$0.185	473,808
Capital raising costs		-	\$0.000	(886,918)
Balance	31 December 2025	276,785,579		31,265,208

¹ The Company issued ordinary shares to JLM Brokers in lieu of 50% of the cash fee for the placement with the shares being valued on the date of completion of placement. The offsetting amount was recorded within capital raising costs.

Note 12. Equity - reserves

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Share-based payments reserve	841,089	591,714
Options reserve	1,188,183	1,186,334
	2,029,272	1,778,048

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

	Options	Share-based payments	Total
	\$	\$	\$
Balance at 1 July 2025	1,186,334	591,714	1,778,048
Share based payments	45,036	249,375	294,411
Transfer on exercise of options	(43,187)	-	(43,187)
Balance at 31 December 2025	1,188,183	841,089	2,029,272

Note 13. Share-based payments

Total share-based payments expenses recognised in profit or loss during the period were as follows;

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$	\$
Performance rights	249,375	44,242
Options	45,036	-
	294,411	44,242

Note 13. Share-based payments (continued)

Movements in options on issue

Details	Date	Options No.	Exercise Price \$	Expiry date
Opening Balance	1 July 2025	93,354,818	Multiple	Multiple
Exercise of employee options	9 July 2025	(500,000)	-	7 May 2030
Issue of employee options	28 November 2025	14,000,000	-	28 November 2030
Balance 31 Dec 2025		<u>106,854,818</u>		

Employee incentive options

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
07/05/2025	07/05/2030	\$0.000	2,500,000	-	(500,000)	-	2,000,000
28/11/2025	28/11/2030	\$0.000	-	14,000,000	-	-	14,000,000
			<u>2,500,000</u>	<u>14,000,000</u>	<u>(500,000)</u>	<u>-</u>	<u>16,000,000</u>

On 28 November 2025, 14,000,000 options were issued to employees as remuneration under the Employee Incentive Options Plan with multiple vesting conditions as follows:

- **Class A:** 4,666,666 to vest upon announcement of an Inferred (or higher) Mineral Resource Estimate of 2 million ounces of gold, at a minimum cut-off grade of 1.0 g/t, in accordance with the JORC Code.
- **Class B:** 4,666,666 to vest upon announcement of an Inferred (or higher) Mineral Resource Estimate of 4 million ounces of gold, at a minimum cut-off grade of 1.0 g/t, in accordance with the JORC Code.
- **Class C:** 4,666,668 to vest upon announcement of an Inferred (or higher) Mineral Resource Estimate of 6 million ounces of gold, at a minimum cut-off grade of 1.0 g/t, in accordance with the JORC Code.

The fair value of the options at grant date was determined using a Black Scholes valuation model using the following key inputs and assumptions.

Field	Class A	Class B	Class C
Valuation date	23/11/2025	23/11/2025	23/11/2025
Vesting date	Per performance hurdle	Per performance hurdle	Per performance hurdle
Expiry date	28/11/2030	28/11/2030	28/11/2030
Vesting period (years)	5	5	5
Option life (years)	5	5	5
Stock price (\$)	0.155	0.155	0.155
Exercise price (\$)	-	-	-
Risk free rate	3.93%	3.93%	3.93%
Volatility	101%	101%	101%
Value per option (\$)	0.155	0.155	0.155

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 4.8 years.

Note 13. Share-based payments (continued)

Performance rights

On 20 November 2025, 27,000,000 performance rights were issued to eligible participants under the Company's equity incentive arrangements. Each performance right will convert to 1 ordinary shares in the Company if the following performance milestones are met:

- **Class A:** 9,000,000 to vest upon announcement of an Inferred (or higher) Mineral Resource Estimate of 2 million ounces of gold, at a minimum cut-off grade of 1.0 g/t, in accordance with the JORC Code.
- **Class B:** 9,000,000 to vest upon announcement of an Inferred (or higher) Mineral Resource Estimate of 4 million ounces of gold, at a minimum cut-off grade of 1.0 g/t, in accordance with the JORC Code.
- **Class C:** 9,000,000 to vest upon announcement of an Inferred (or higher) Mineral Resource Estimate of 6 million ounces of gold, at a minimum cut-off grade of 1.0 g/t, in accordance with the JORC Code.

The fair value of the performance rights at was determined using the Company's share price on grant date. Refer to table below for valuation assumptions and terms of performance rights:

Field	Class A	Class B	Class C
Grant date	20/11/2025	20/11/2025	20/11/2025
Vesting date	28/11/2030	28/11/2030	28/11/2030
Expiry date	28/11/2030	28/11/2030	28/11/2030
Vesting period (years)	5	5	5
Option life (years)	5	5	5
Stock price (\$)	0.16	0.16	0.16
Exercise price (\$)	-	-	-
Valuation per performance right (\$)	0.16	0.16	0.16

Set out below are summaries of performance rights granted under the plan:

31 Dec 2025

Grant date	Expiry date	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
01/12/2022	01/12/2027	2,750,000	-	-	-	2,750,000
20/11/2025	28/11/2030	-	27,000,000	-	-	27,000,000
		<u>2,750,000</u>	<u>27,000,000</u>	<u>-</u>	<u>-</u>	<u>29,750,000</u>

The weighted average remaining contractual life of performance rights outstanding at the end of the financial half-year was 4.6 years.

Note 14. Contingent liabilities

Since the last reporting date of 30 June 2025, there has been no material change to the Group's contingent liabilities.

Note 15. Commitments (continued)

Note 15. Commitments

The Group has the following commitments principally relating to the minimum expenditure requirements for its granted tenements;

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
<i>Exploration expenditure</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	4,517,947	4,675,857
One to five years	16,999,794	17,515,902
	<u>21,517,741</u>	<u>22,191,759</u>

Note 16. Related party transactions

Parent entity

DeSoto Resources Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 17.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$	\$
Payment for goods and services:		
Payment of consulting services (excluded director fees) to Fractore Pty Ltd, a Company of which Dr Finbarr (Barry) Murphy is a director	17,601	11,550
Payment for services to Propel Agency Pty Ltd, a geological diagram and presentation company in which Mr Christopher Swallow has a 50% ownership interest	14,376	11,902

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 17. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 Dec 2025	30 Jun 2025
		%	%
Mangusta Minerals Pty Ltd	Australia	100.00%	100.00%
MN25 Investments Pty Ltd	Australia	100.00%	100.00%
Benin Aust Minerals	Benin	100.00%	100.00%
Angex Australia Pty Ltd	Australia	100.00%	100.00%
ANGEX Services	Republic of Guinea	100.00%	100.00%
Syncerus Gold SARLU	Republic of Guinea	100.00%	100.00%
Sankarani Resources SARLU	Republic of Guinea	100.00%	100.00%

Note 18. Financial Instruments

The Group holds a number of financial assets and liabilities measured at fair value on a recurring basis. The carrying values of other financial instruments are considered to be a reasonable approximation of fair value.

Note 19. Events after the reporting period

On 9 February 2026, the Company announced signing of an agreement with United Mining SARL (UGM), a local Guinean mining company, to acquire three reconnaissance authorisations, which are concurrently being converted to exploration permits¹.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

¹ ASX Announcement: *New Ground Acquired as Exploration Accelerates*

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read "P. Roberts", written over a horizontal line.

Paul Roberts
Non-Executive Chairperson

23 February 2026
Perth, Western Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Desoto Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Desoto Resources Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Desoto Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibility is further described in the *Auditor's Responsibility for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
23 February 2026



N G Neill
Partner