



DIATREME RESOURCES | ASX:DRX

QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDED 31 March 2025

ASX RELEASE

23 April 2025

Quarterly Activities Report

For the period ended 31 March 2025

This announcement was authorised for release by the Board.

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Chief Executive Officer

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CORPORATE

Diatreme announced the sale of a dormant IP asset acquired through its takeover of Metallica Minerals Limited. The sale of the IP related to scandium extraction and refining netted subsidiary, Touchstone Resources Pty Ltd \$562,500, with such funds to support silica sand project development.

Diatreme also released its Financial Report for the year ended 31 December 2024, highlighted by the significant expansion of the Company's silica sand resources. The Company reported a net loss for the fiscal year of \$439,527.

During the quarter, the Company made total payments of \$163k to related parties, comprising \$88k of director fees, and \$75k for specialist marketing consultancy, community engagement and risk management services to related parties of two directors of the Company.

The Company's cash and liquids position totaled **\$4.2M** (not including a further **\$13.7M** in the silica projects J/V, giving total cash of **\$17.9M** as at 31 March 2025.

PROJECTS

Silica Projects

Northern Silica Project (NSP)

- Environmental Impact Statement studies progress to final stages of impact assessment and mitigation, following receipt of Final Terms of Reference
- 2024 drilling results to form basis of new Mineral Resource Estimate and maiden Ore Reserves

Cape Flattery Silica (CFS)

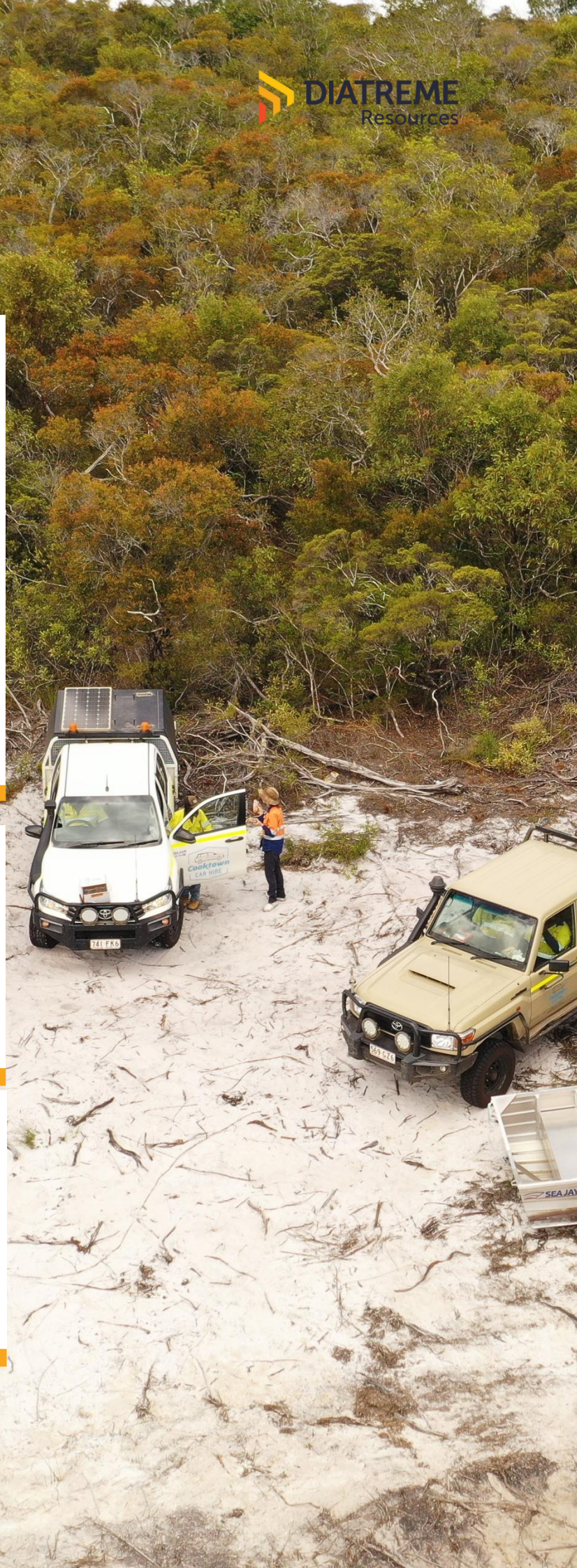
- Review continues with view to maximising synergies with current silica sand projects.

Clermont Copper/Gold Project

- Project being re-evaluated, focusing on potential gold and graphite targets amid surging precious metal prices
- Divestment options being considered for this non-core asset

Cyclone Zircon Project

- Work continues with Mineral Technologies on metallurgical test work program
- Discussions continue with potential project partners/investors to generate value for shareholders



COMING JUNE QUARTER 2025 ACTIVITIES

Diatreme's operational focus for the June quarter 2025 is heavily towards our core silica projects and comprises the following:

FNQ silica sand projects

Northern Silica Project (NSP)

- Community workshops to undertake consultation on final project footprint, mitigations and benefits.
- Conduct Cultural Heritage surveys on the NSP project area and EIS information sessions with Traditional Owner groups.
- Finalisation of draft EIS in preparation for lodgment with the Office of the Coordinator General.
- Completion of updated Mineral Resource Estimate for the Si2 High Purity Silica Sand deposit.
- Completion of bulk metallurgical testwork on the Si2 resource.
- Commencement of Pre-Feasibility Study and maiden Ore Resources.
- Ongoing negotiations for a Part User agreement with Ports North for access of the Cape Flattery port to tailor our export solution.
- Continue engagement with the local community and related programs.
- Further discussions and negotiations regarding the establishment of a mining project agreement for the NSP with Hopevale Congress Aboriginal Corporation (RNTBC), Walmbaar Aboriginal Corporation (RNTBC), affected native title holders and the broader Hope Vale community.

Cape Flattery Silica Project (CFS)

- Continue detailed technical information and DFS material assessments.
- Liaise with affected native title holders on various project development agreements and project impacts.
- Liaise with various State regulatory agencies.
- Assess regional project synergies.
- Infrastructure sharing potential between NSP and CFS subject to on-going assessment and study.

Cyclone Zircon Project

- Processing testwork continues to confirm previous drilling results for potential customers and investors.
- Site visits from technical team to reconfirm economic and technical base assumptions in previously undertaken DFS studies.
- Ongoing assessment of options to realise project value including sale, joint venture and or use of a separated company vehicle to facilitate potential "asset spin out" to a potential listed entity.

NORTHERN SILICA PROJECT

EIS studies progress to final stages

Diatreme announced in January 2025 that the NSP's EIS studies had progressed to the final stages of impact assessment and mitigation following receipt of the Final Terms of Reference (FToR) for the project.

The FToR were released for the project on 20 September 2024 by the Office of the Coordinator-General (OCG) (refer ASX release 23 September 2024), following the public notification and comment period of the draft Terms of Reference. The public notification period was a crucial step in the EIS process, providing an opportunity for stakeholders and the public to ensure that potential project impacts are adequately investigated and mitigated through the EIS framework.

Following further review on works undertaken prior to receipt of the FToR, Diatreme has been able to significantly progress the EIS studies and assessments in parallel to receiving the final assessment framework.

EIS update

The NSP has the benefit of 12 months of continuous monthly background data logging required to satisfy the requirements under the FToR for surface and groundwater, marking completion of the most significant long-term and time consuming component of the EIS data collection.

Baseline studies and works completed as per the FToR include:

Terrestrial Ecology (flora and fauna)

- Littoral rainforest (LRF) vegetation communities – Mapping, ground truthing and habitat assessment
- Targeted assessment of skink species *Ctenotus rawlinsoni* (Cape Heath ctenotus)
- Assessment of migratory species and shore birds
- Fixed field observations, noise, photography and trapping

Aquatic ecology

- Seasonal dry and wet season electrofishing
- Stygofauna sampling and analysis

Water sampling and analysis

- Monthly surface water and groundwater sample collection and analysis
- Full suite pesticide analysis
- On-site reject water and slurry characteristics, flocculation & coagulation assessment and return water quality characterisation

Groundwater assessments

- Pumping flow rate and draw down tests
- Continuous bore pressure logging (groundwater levels) and hydrostatic slug testing
- Drilling of additional groundwater bores to test for deep and perched aquifer systems
- Hydrogeological modelling

Marine data collection

- Sub-sea scanning, habitat mapping and photography
- Wave action, ocean current, sediment and water analysis
- Underwater noise assessment

Cultural Heritage

- Initial on-site survey conducted across the project area with the Dingaal Clan
- Initial Clan meetings to discuss heritage, values, story places and connection to country

Social Impact and Engagement

- Open community information sessions in Hope Vale and Cooktown as well as clan specific information sessions
- Initial community surveys conducted on project development, impact and mitigations

General

- Soils sample collection and analysis – Geology verification and Potential Acid Sulphate Soils (PASS) assessment
- Flood modelling – Mining and infrastructure areas
- Climate change assessment

Next steps

The Draft EIS is now being prepared by Diatreme in accordance with the FToR, outlining baseline and impact assessments, mitigation measures and proposed strategies and management plans to manage project risks and impacts. Diatreme aims to lodge the Draft EIS for adequacy checks with the OCG by mid-2025, pending the results of further consultation and engagement in the first half of calendar 2025.

Once approved, the Draft EIS will undergo another public comment period, which may identify that additional studies or work is required to address further issues or concerns. Following the notification and submission period on the Draft EIS and the carrying out of any additional studies, the EIS will be revised and resubmitted for formal Government assessment and decision on the NSP's advancement.

The NSP was gazetted by the Queensland Government as a 'Coordinated Project' on 12 January 2024 (refer ASX release 15 January 2024). This major milestone recognised the NSP's strategic value, including its infrastructure and approval requirements. This also established the environmental assessment process, including preparation of an EIS.

The draft ToR for the EIS were prepared by the OCG with input from the Department of Climate Change, Energy, the Environment and Water ("DCCEEW"), which administers the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act).

2024 exploration program results

Diatreme announced in March 2025 an update on NSP exploration activities. The 2024 drilling program was completed in late December 2024, with 3,420m drilled across 154 holes at the Si2 deposit. Strategic infill drilling targeted zones requiring increased geological and grade continuity for mineral resource upgrades, while step-out holes tested a south-eastern area that could open the door to further resource expansion beyond the current model.

The program included a new assaying regime focusing on the 0.71mm to 0.106mm fraction to enable better predictability of production quality and alignment with end-user product requirements. Both the 2024 samples as well as 683 composite samples produced from the 2023 program were screened and assayed using the newly developed methods.

Across the 154 holes drilled, mineralised intercepts averaged around 20m in thickness, highlighting solid continuity of silica-rich material. Notably, a 48m drillhole Si220097 tapped into 46m of high-quality silica sand, with 96.7% falling within the $- <0.71\text{mm} >0.106\text{mm}$ fraction, with an average grade of 0.082% Fe_2O_3 on the $- <0.71\text{mm} >0.106\text{mm}$ fraction and 0.11% Fe_2O_3 on the raw sample, across the mineralised interval.

The results have confirmed the scale and consistency of the resource, a silica deposit highly amenable for on-site processing, with high product recoveries and potential use as a direct feed product by photovoltaic grade glass manufacturers.



Figure 1: Left – Aquatic Ecology works being undertaken in typical tannin-stained freshwater streams.
Right – Helicopter undertaking water sampling during wet season in remote water bodies.

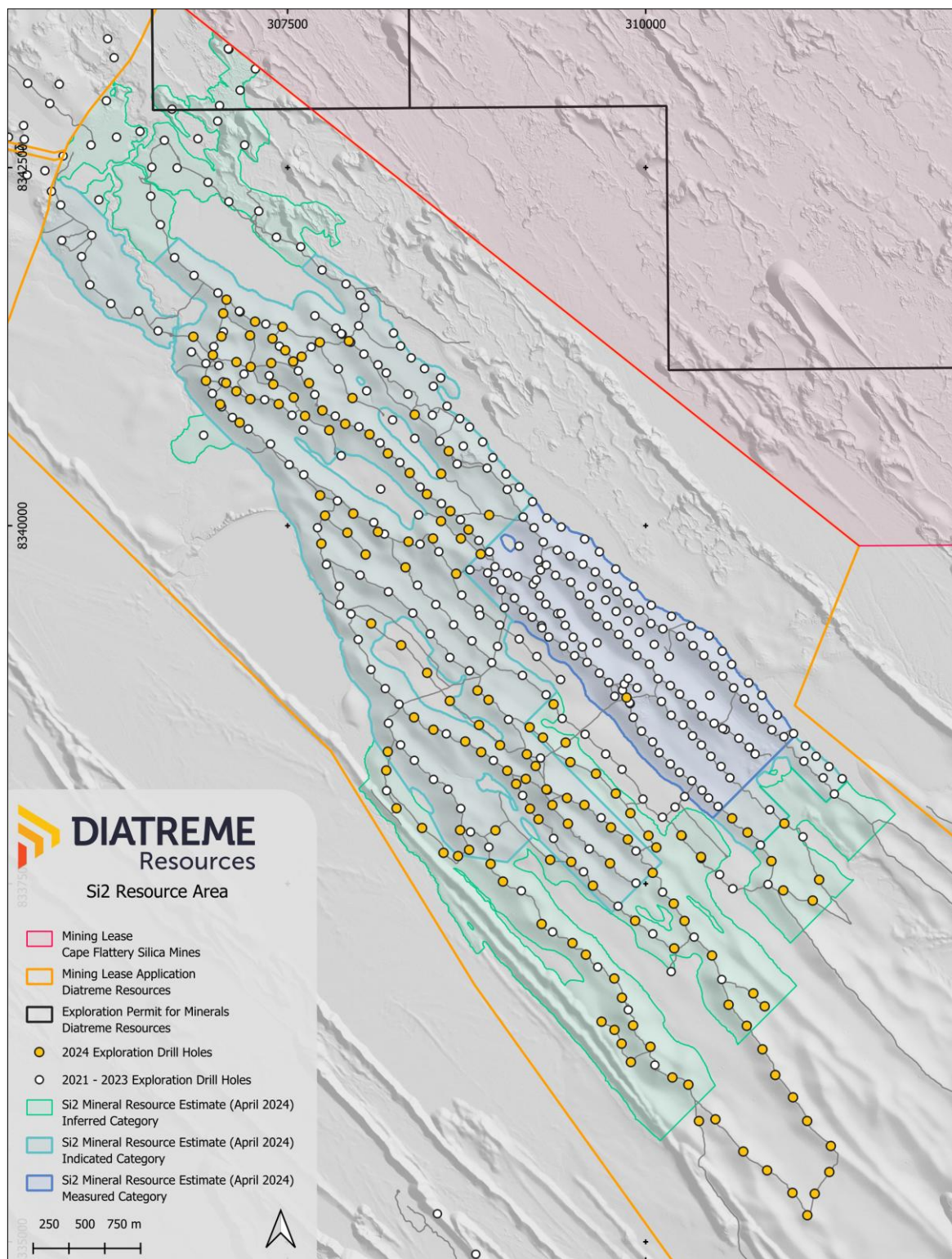


Figure 2: Si2 exploration to date

Processing testwork

Benchtop characterisation tests on a subset of the 1-tonne bulk sample at Mineral Technologies confirmed the ability to produce a low-iron, high-purity silica sand with Fe_2O_3 grade at 100ppm – directly meeting the specification under Chinese National Industrial Standard JC/T2314–2015. Achieving these standards confirms the project's capacity to meet the PV glass market's expectations, with a high **94.8% recovery rate**.

Satisfying the rigorous JC/T2314–2015 standards and achieving such a high recovery rate further strengthens Diatreme's ability to engage with prospective PV glass manufacturers on offtake agreements.

| Chinese National Standard Criteria | | Benchtop Characterisation Results |
|------------------------------------|----------------------|-----------------------------------|
| Fe_2O_3 | $\leq 100\text{ppm}$ | 100ppm |
| TiO_2 | $\leq 300\text{ppm}$ | 140ppm |
| Cr_2O_3 | $\leq 5\text{ppm}$ | 2ppm |
| 0.104mm Fraction | $\leq 5\%$ | 0.3% |

Table 1: Benchtop characterisation results

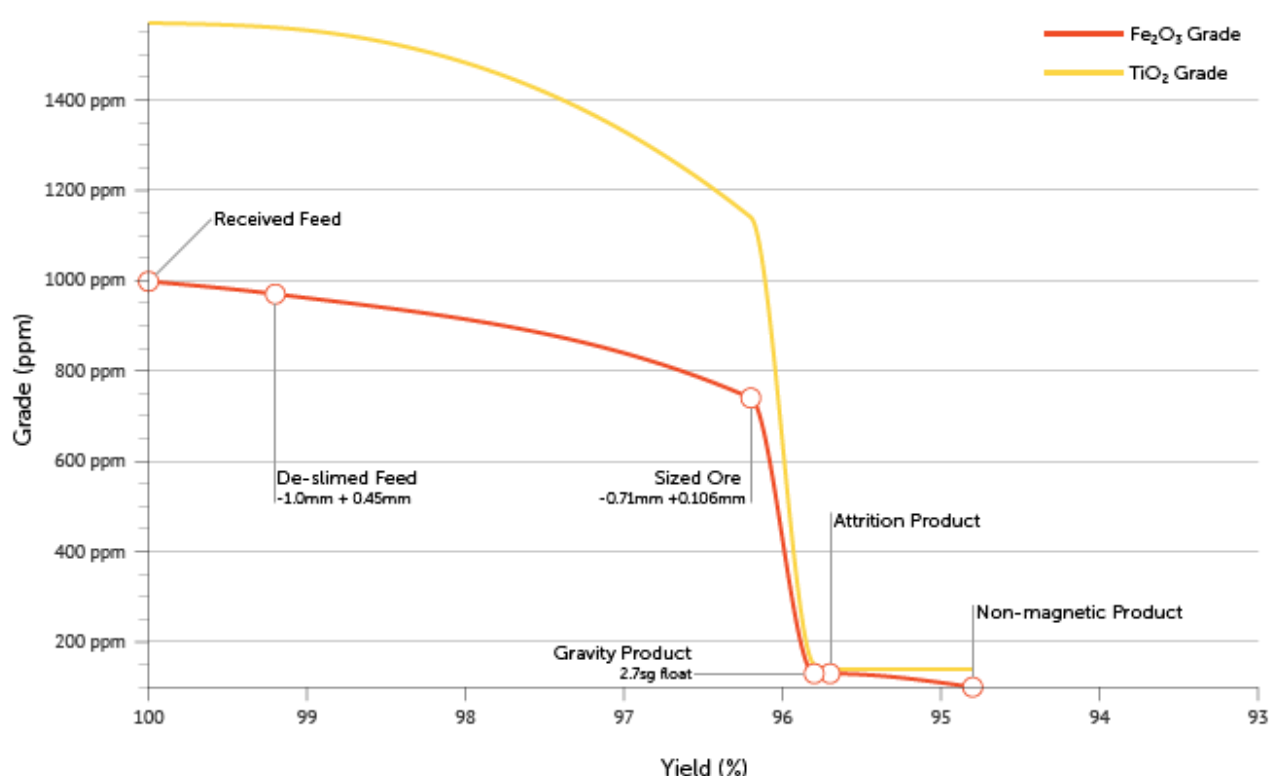


Figure 3: Fe_2O_3 and TiO_2 performance through benchtop characterisation

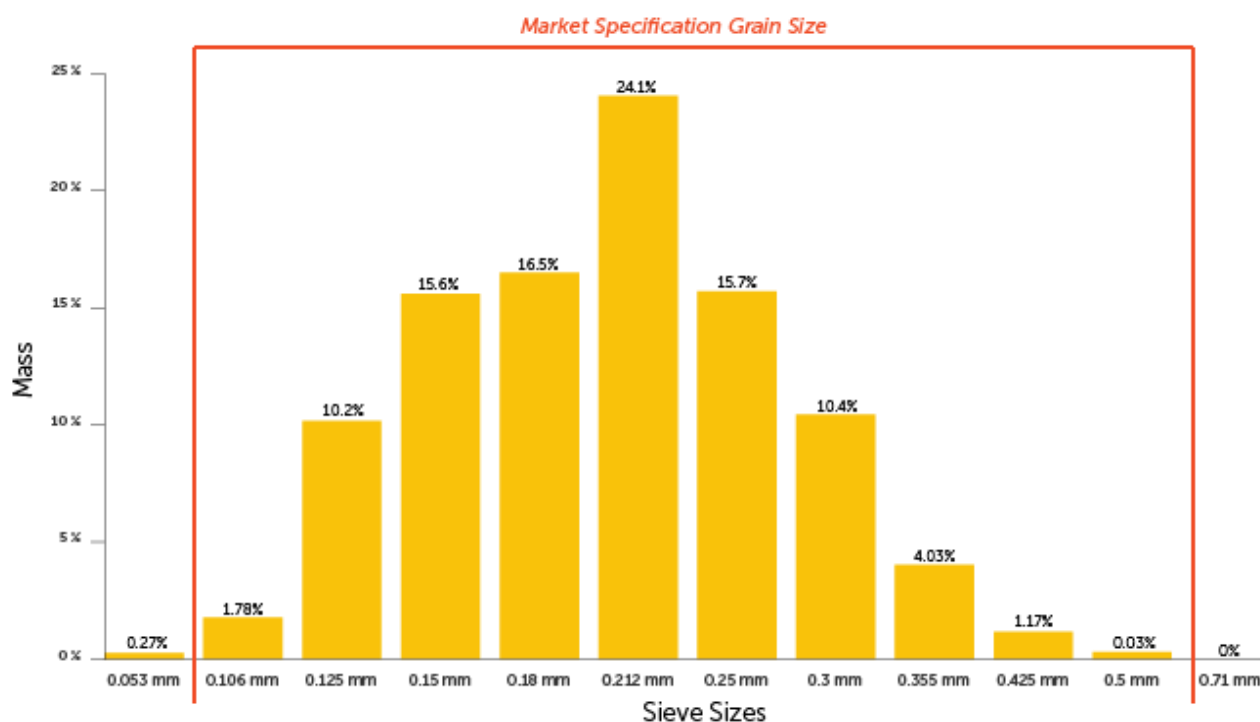


Figure 4: NSP product grain size

Next steps

Results are expected in April 2025 from a 1-tonne bulk sample program at Mineral Technologies, focused on producing demonstrative product from NSP sands. These findings are expected to validate the proposed flow sheet at scale.

Building on recent drilling and metallurgical data, Diatreme plans to undertake an updated Mineral Resource Estimate (MRE) in Q2 2025. This update will refine the geological model, incorporating the latest assay results, extents of environmental and cultural constraints identified during the ongoing EIS, and metallurgical test results to form the basis for subsequent development milestones.

Upon completion of the MRE update and bulk metallurgical testwork, Diatreme will then focus on delivering maiden Ore Reserves and the next phase of the NSP's Feasibility Study.

Community engagement

Diatreme has continued to actively engage with the community where it operates. The Company's Hope Vale office continues to serve as a base for both the Community Team and the field team when in Hope Vale.

The Community Team is on-ground to support and facilitate engagement with community members by attending and facilitating the Social, Cultural and Heritage assessment works for the EIS. The team continues to participate in various community sponsorships and events, while also undertaking numerous project community information sessions across Hope Vale and Cooktown.

During the March quarter, Diatreme supported a number of local events in Hope Vale, including supporting families in times of need (Sorry Business). In January, the Company joined the community in honouring and remembering former Diatreme colleagues Robbie Deemal and Kathy Gibson at a memorial morning tea.

Diatreme was also honoured to join the Hope Vale Cape York Academy in celebrating International Women's Day. Post-quarter, in April, Diatreme hosted a successful whole of community bingo night which attracted a large number of participants. The Company also visited Woorabinda with some of the Dingaal Directors from Walmbaar Aboriginal Corporation, providing an update on the NSP's development.



Figure 5: International Women's Day event, Hope Vale, Qld

CAPE FLATTERY SILICA PROJECT

In 2024 Diatreme acquired 100% of the Cape Flattery Silica Project (CFSP). The project is located in the Cape Flattery area, on the eastern coastline of Cape York Peninsula, 220 km north of Cairns and 55km from Cooktown. The project is adjacent to the Cape Flattery Silica Mines mining and shipping operation owned by Mitsubishi Corporation and in close proximity to Diatreme's other silica projects, which results in the potential to deliver significant synergies.

CFSP has an estimated Ore Reserve of 47Mt with the total JORC Mineral Resource estimated at 61Mt (refer MLM's ASX announcement dated 15 November 2023). The project and in particular its updated DFS is under review, with a view to capturing the potential synergies between it and Diatreme's flagship NSP to facilitate shared infrastructure and reduced CAPEX.

Initial exploration drilling by MLM in late 2019 confirmed high purity silica sand within EPM 25734. Further drilling programs were undertaken in 2020 and 2021 followed by the successful completion of a Pre-Feasibility Study in March 2022, a Definitive Feasibility Study in July 2023 and Updated Definitive Feasibility Study in November 2023. With both currently undergoing integrity checking.

The Updated Definitive Feasibility Study proposed extracting and processing raw sand to produce a high purity silica sand (HPSS) product of suitable quality for glassmaking in the manufacture of display panels, e-glass and in particular solar PV glass, of which over 80% of global supply is manufactured in the Asia Pacific region. Export by ship was planned from Cape Flattery to glass manufacturing companies, most likely in Asia.

The project area is bounded by the Cape Flattery coastline in the Cape Flattery Port area, which is owned and operated by Ports North, a Queensland Government owned corporation. Ports North owns the Mitsubishi leased jetty, just south of the tenement, with the jetty's ship-loading equipment primarily owned by Mitsubishi.

During the quarter, Diatreme continued with its detailed assessments of the assets and development optionality, given these now form part of a larger strategic regional silica tenement holding to determine optimal development pathways which may include shared infrastructure and export facility solutions.

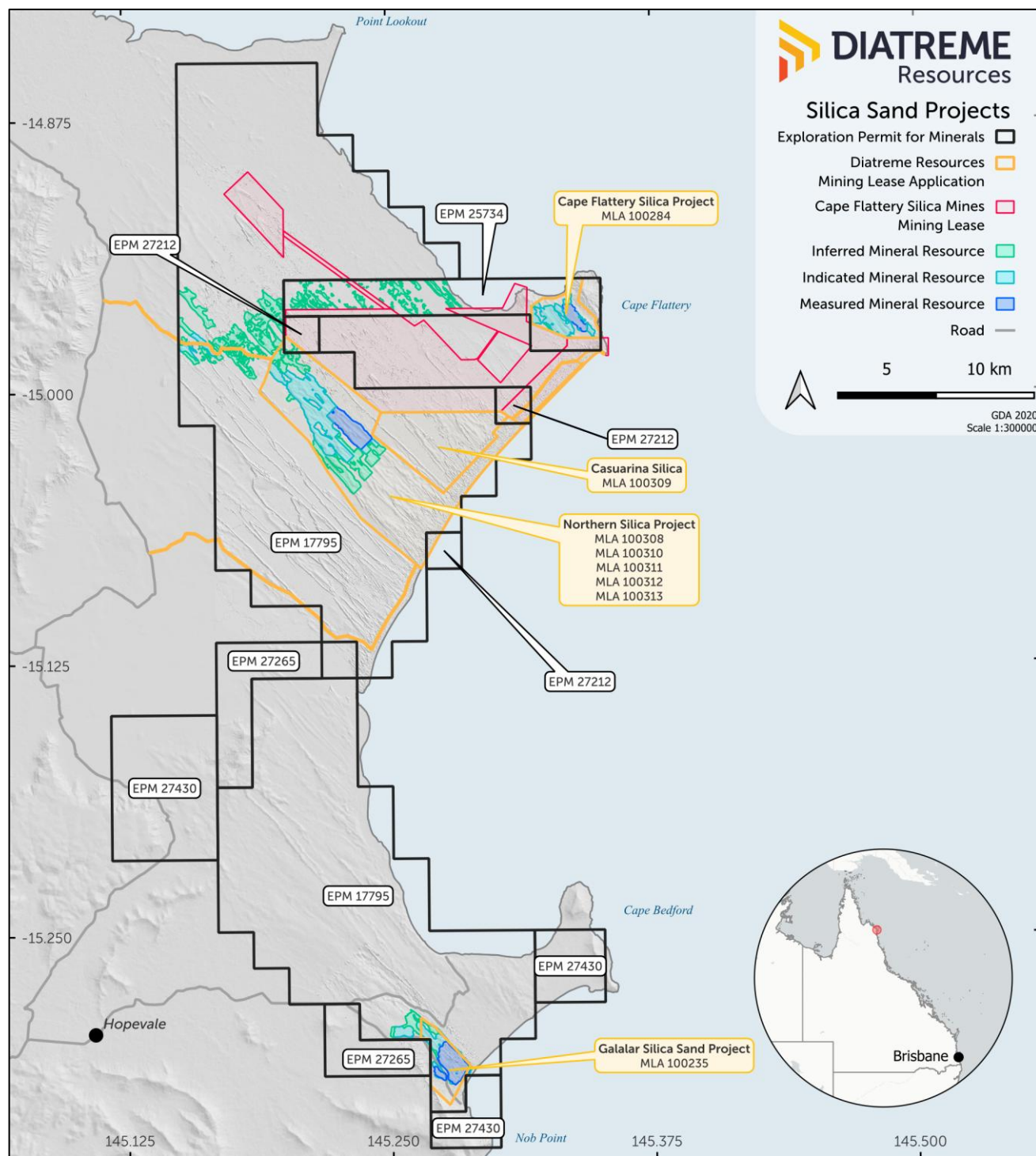


Figure 6: Diatreme's Far North Queensland silica sand projects

CLERMONT COPPER/GOLD PROJECT, QLD

Diatreme continues to examine options to unlock shareholder value from the Clermont Copper/Gold Project in central Queensland, amid record high gold prices.

Minimal project work or expenditure was undertaken during the March quarter.

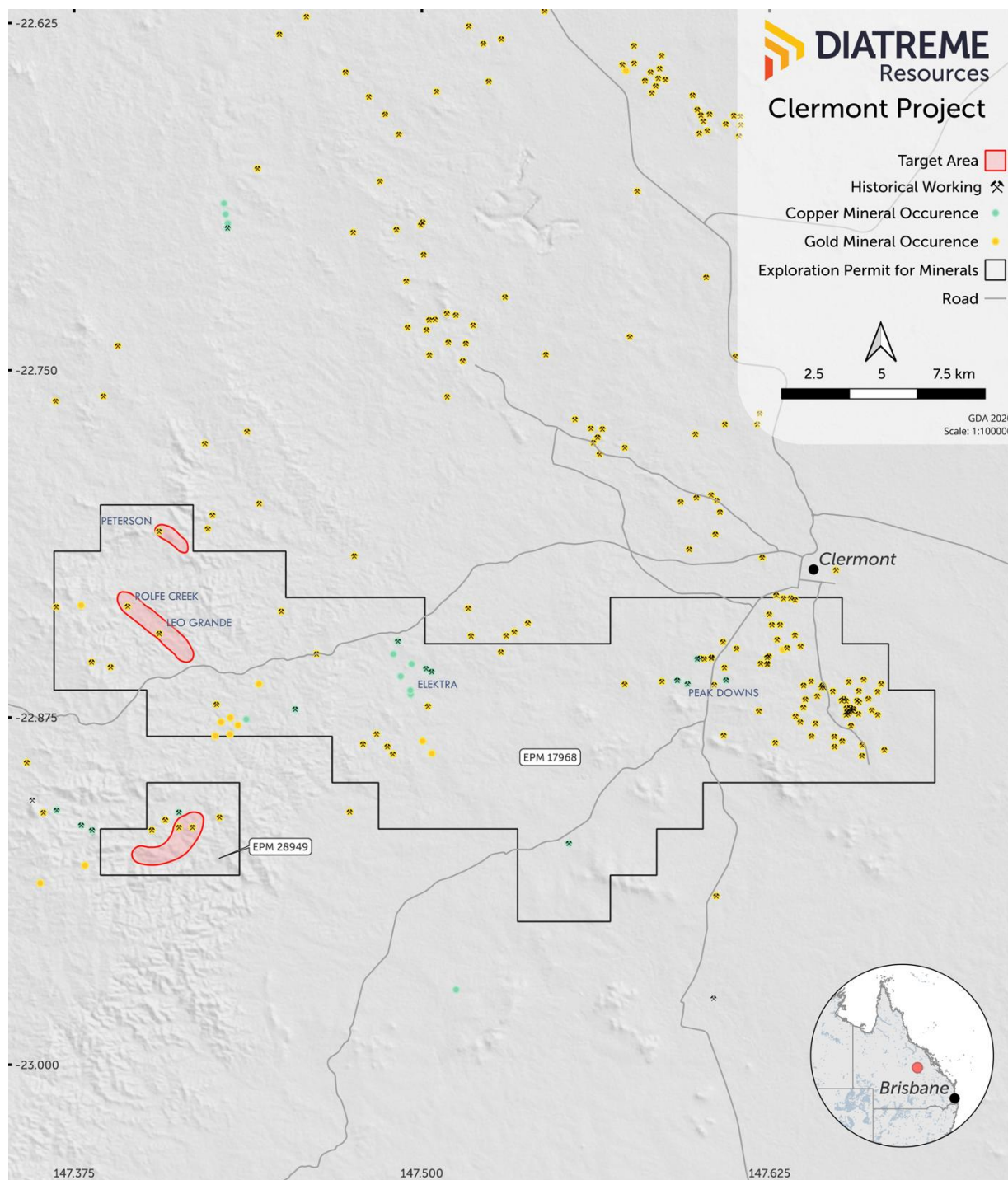


Figure 7: Clermont Copper/Gold Project, Central Queensland

CYCLONE ZIRCON PROJECT, WA

In October 2024 Diatreme successfully completed a drilling program comprising 106 holes for 3,278m of NQ-sized air-core for its Cyclone Zircon Project in Western Australia. The program aimed to update metallurgical testwork and confirm previous drilling results from the zircon-rich heavy mineral sands project (refer ASX release 31 October 2024).

More than 11 tonnes of sand containing heavy minerals were collected from the Cyclone Deposit, representing samples from the first three years of planned production under the current mine design. The program collected sufficient samples for processing testwork which will use the latest equipment and test recent innovative processes and advancements to produce products and confirm drilling results for potential customers and investors.

Process design testwork

Diatreme continues to work with Mineral Technologies (MT) on a metallurgical testwork program that will be used for the design of an improved flowsheet for processing the Cyclone ore into zircon and titanium dioxide (TiO₂) products. The dominant mineral in the Cyclone assemblage is zircon, which accounts for approximately 50% of the minerals in the heavy mineral concentrate that will be produced by the wet concentrator plant (WCP), and 75% of the value of all final products that will be produced from a mineral separation plant (MSP).

Previous testwork by MT identified opportunities that required additional sampling and testwork and would involve a different approach using recent technological developments with potential to improve zircon recovery and quality. This will be the focus of the testwork with potential for improving the project economics by producing an increased quantity of higher quality zircon.

Previous testwork produced two high TiO₂ (HiTi) products, a non-magnetic HiTi with +85% TiO₂ and a magnetic HiTi with +65% TiO₂. Cyclone has an unusual suite of TiO₂ minerals with a range of TiO₂ content from 60% for altered ilmenite to 95% for rutile. The testwork currently being planned will use a different processing procedure and is expected to improve the recovery and quality of the TiO₂ products. Another feature of the testwork is production of a single TiO₂ product to a specification provided by a potential customer and assessing other options for HiTi products for use by other end users.

Cyclone is being evaluated based on the production and export of heavy mineral concentrate (HMC). The value of the HMC is dependent on the assemblage of minerals produced by the WCP, the cost to produce the final products from a MSP, and the quality of the final zircon and TiO₂ products. The results of this testwork will result in optimised flowsheets for the production of HMC and final products.

This testwork is expected to be completed in Q2 2025. Diatreme will keep the market informed as results become available.



Figure 8: *Cyclone drilling program on-site*

Diatreme continues to engage with a range of parties to unlock shareholder value from Cyclone. There is also potential for use of a separated company vehicle for the purposes of a potential asset “spin out” to a possible newly listed company, should market conditions facilitate support for this.

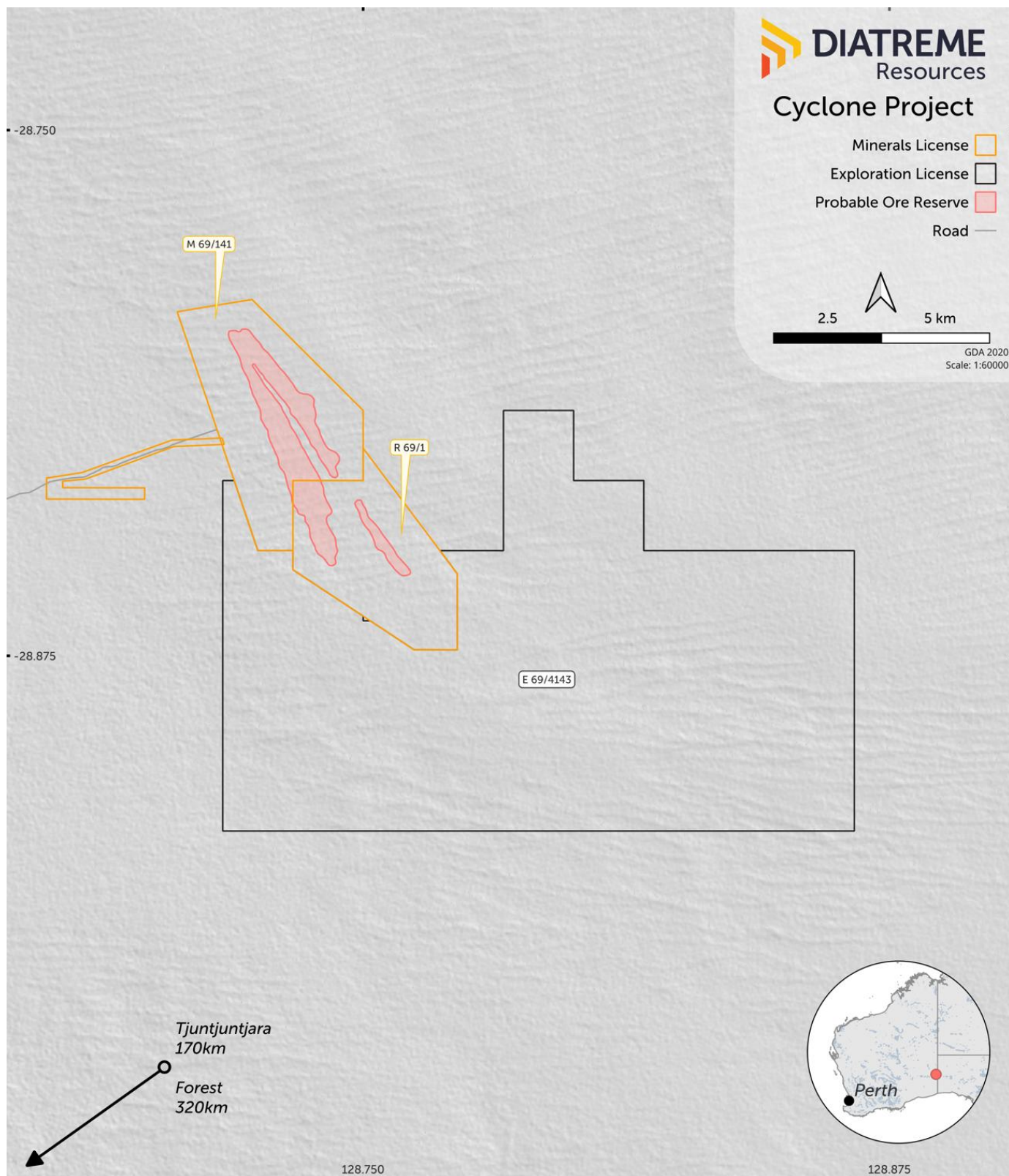


Figure 9: Cyclone Zircon Project outline, WA

Forward-looking statements: This document may contain forward-looking statements. Forward looking statements are often, but not always, identified by the use of words such as “seek”, “indicate”, “target”, “anticipate”, “forecast”, “believe”, “plan”, “estimate”, “expect” and “intend” and statements that an event or result “may”, “will”, “should”, “could” or “might” occur or be achieved and other similar expressions. Indications of, and interpretations of, future expected exploration results or technical outcomes, production, earnings, financial position, and performance are also forward-looking statements. The forward-looking statements in this presentation are based on current interpretations, expectations, estimates, assumptions, forecasts and projections about Diatreme, Diatreme’s projects and assets and the industry in which it operates as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. The forward-looking statements are subject to technical, business, economic, competitive, political and social uncertainties and contingencies and may involve known and unknown risks and uncertainties. The forward-looking statements may prove to be incorrect. Many known and unknown factors could cause actual events or results to differ materially from the estimated or anticipated events or results expressed or implied by any forward-looking statements. All forward-looking statements made in this presentation are qualified by the foregoing cautionary statements.

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ASX releases referenced for this release

- 31 March 2025 – “Sale of dormant IP asset”
- 20 March 2025 – “2024 exploration program results for Northern Silica Project”
- 7 March 2025 – “Full year statutory accounts”
- 22 January 2025 – “NSP environmental studies progress to final stages”

The information in relation to the recent Exploration Results for the Northern Silica Project were prepared and disclosed in accordance with the JORC Code 2012, and reported in an announcement to the Australian Securities Exchange (ASX) on 20 March 2025 “21024 Exploration Program results for Northern Silica Project”.

The information in relation to the Galalar Mineral Resource Estimate was prepared and disclosed in accordance with the JORC Code 2012, and reported in an announcement to the Australian Securities Exchange (ASX) on 20 September 2021 “Galalar Silica Resource Expands by 22% to 75.5 Mt”.

The information in relation to the Si2 Mineral Resource Estimate was prepared and disclosed in accordance with the JORC Code 2012, and reported in an announcement to the Australian Securities Exchange (ASX) on 17 April 2024 “Mineral Resource upgrade paves way for Northern Silica Project PFS”.

The information in relation to the WRA Mineral Resource Estimate was prepared and disclosed in accordance with the JORC Code 2012, and reported in an announcement to the Australian Securities Exchange (ASX) on 6 December 2023 “New maiden 91.7Mt silica resource at Western Resource Area”.

The information in relation to the Cape Flattery Silica West Mineral Resource Estimate was prepared and disclosed in accordance with the JORC Code 2012, and reported in an announcement to the Australian Securities Exchange (ASX) by Metallica Minerals on 3 March 2023 "Maiden Inferred Mineral Resource of 12Mt at 99.15% SiO₂, 0.09% Fe₂O₃ Estimated for Cape Flattery Silica West Project".

The information in relation to the Cape Flattery Silica East Mineral Resource Estimate was prepared and disclosed in accordance with the JORC Code 2012, and reported in an announcement to the Australian Securities Exchange (ASX) by Metallica Minerals on 17 July 2023 "Cape Flattery Silica DFS Confirms Excellent Economics".

The information in relation to the Cape Flattery Silica (East) Ore Reserve Estimate was prepared and disclosed in accordance with the JORC Code 2012, and reported in an announcement to the Australian Securities Exchange (ASX) by Metallica Minerals on 17 July 2023 "Cape Flattery Silica DFS Confirms Excellent Economics".

The information in relation to the Cyclone Ore Reserve Estimate was prepared and disclosed in accordance with the JORC Code 2012, and reported in an announcement to the Australian Securities Exchange (ASX) on 15 June 2016 "Cyclone Study Reaffirms Project Profitability".

Diatreme confirms that it is not aware of any new information or data that materially affects the information included in the Original Reports and that all material assumptions and technical parameters underpinning the estimates in the Original Reports continue to apply and have not materially changed.

APPENDIX 1

Appendix 1 provides information required under ASX listing rule 5.3.3 for mineral exploration entities.

Interest in mining tenements at end of quarter

| State | Tenement Name | Tenement ID | Status | Location | Interest | Holder |
|-------|------------------------------------|-------------|-------------|--------------|----------|------------------------------|
| WA | Cyclone | M 69/141 | Granted | Eucla Basin | 100% | LSPL |
| | Cyclone Extended | R 69/1 | Granted | | 100% | DRX |
| | Cyclone | E 69/4143 | Granted | | 100% | DRX |
| | Cyclone | L 69/26 | Granted | | 100% | LSPL |
| QLD | Clermont | EPM 17968 | Granted | Clermont | 100% | CHAL (49%) & PGE (51%) |
| | Hillview North | EPM 28949 | Granted | | 100% | PGE |
| QLD | Cape Bedford | EPM 17795 | Granted | Silica Sands | 100% | Cape Silica Holdings Pty Ltd |
| | Cape Flattery Project | EPM 27265 | Granted | | 100% | Cape Silica Holdings Pty Ltd |
| | Cape Flattery Project | EPM 27212 | Granted | | 100% | Northern Silica Pty Ltd |
| | Mclvor | EPM 27430 | Granted | | 100% | Cape Silica Holdings Pty Ltd |
| | Cape Flattery | EPM 25734 | Granted | | 100% | Cape Flattery Silica Pty Ltd |
| | Galalar Silica | MLA 100235 | Application | | 100% | Galalar Silica (QLD) Pty Ltd |
| | Northern Silica | MLA 100308 | Application | | 100% | Northern Silica Pty Ltd |
| | Casuarina Silica | MLA 100309 | Application | | 100% | Casuarina Silica Pty Ltd |
| | Northern Silica Port Access | MLA 100310 | Application | | 100% | Northern Silica Pty Ltd |
| | Starcke – Northern Silica Access 1 | MLA 100311 | Application | | 100% | Northern Silica Pty Ltd |
| | Starcke Northern Silica Access 2 | MLA 100312 | Application | | 100% | Northern Silica Pty Ltd |
| | FNQPCL Cape Flattery Access | MLA 100313 | Application | | 100% | Northern Silica Pty Ltd |
| | Cape Flattery Silica | MLA 100283 | Application | | 100% | Cape Flattery Silica Pty Ltd |
| | Cape Flattery | MLA 100352 | Application | | 100% | Cape Flattery Silica Pty Ltd |

**** Cape Silica Holdings Pty Ltd is owned by DRX (73.2%) and Sibelco Silica Pty Ltd (26.8%). Northern Silica Pty Ltd and Galalar Silica (QLD) Pty Ltd are wholly owned subsidiaries of Cape Silica Holdings Pty Ltd. Accordingly, DRX's beneficial ownership of the mining tenements held by these entities is 73.2%. In the quarter ending 31 December 2022, transfers of the following tenement interests from DRX to Cape Silica Holdings Pty Ltd, Northern Silica Pty Ltd and Galalar Silica (QLD) Pty Ltd were completed (held as set out in the table above): EPM 17795, EPM 27265, EPM 27212, EPM 27430 and MLA 100235.**

Beneficial percentage interests held in farm-in or farm-out agreements at end of quarter.

| State | Project name | Agreement type | Parties | Interest held at end of quarter by exploration entity or child entity | Comments |
|-------|------------------------|-----------------------------|---|---|---|
| WA | Cyclone Zircon Project | Farm-out Heads of Agreement | LSPL and Perpetual Mining Holding Limited | 94% | HoA announced Jan 2014, initial 6% farm-out completed 18 Sept 2014 – Subject to dilutionary non-contribution clauses. |

Abbreviations:

| | | | |
|-----|-------------------|---------------------------------|--------------------------------------|
| M | Western Australia | Mining Lease | DRX - Diatreme Resources Limited |
| R | Western Australia | Retention Licence | CHAL – Chalcophile Resources Pty Ltd |
| EPM | Queensland | Exploration Permit for Minerals | LSPL – Lost Sands Pty Ltd |
| MLA | Queensland | Mining Lease Application | PGE – PGE Minerals Pty Ltd |

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

DIATREME RESOURCES LIMITED

ABN

33 061 267 061

Quarter ended ("current quarter")

31 March 2025

| Consolidated statement of cash flows * | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--|---|----------------------------|---------------------------------------|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | | |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | | |
| | (b) development | | |
| | (c) production | | |
| | (d) staff costs | (256) | (256) |
| | (e) administration and corporate costs | (466) | (466) |
| 1.3 | Dividends received (see note 3) | | |
| 1.4 | Interest received | 89 | 89 |
| 1.5 | Interest and other costs of finance paid | (21) | (21) |
| 1.6 | Income taxes paid | | |
| 1.7 | Government grants and tax incentives | | |
| 1.8 | Other (provide details if material) | 56 | 56 |
| 1.9 | Net cash from / (used in) operating activities | (598) | (598) |
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | | |
| | (b) tenements | | |
| | (c) property, plant and equipment | (2) | (2) |
| | (d) exploration & evaluation | (432) | (432) |
| | (e) investments | | |
| | (f) other non-current assets | | |

| Consolidated statement of cash flows * | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|---|------------------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | | |
| | (b) tenements | | |
| | (c) property, plant and equipment | | |
| | (d) investments | | |
| | (e) other non-current assets | | |
| 2.3 | Cash flows from loans to other entities | | |
| 2.4 | Dividends received (see note 3) | | |
| 2.5 | Other | | |
| 2.6 | Net cash from / (used in) investing activities | (434) | (434) |

| | | | |
|-------------|---|-------------|-------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | | |
| 3.2 | Proceeds from issue of convertible debt securities | | |
| 3.3 | Proceeds from exercise of options | | |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | | |
| 3.5 | Proceeds from borrowings | | |
| 3.6 | Repayment of borrowings | | |
| 3.7 | Transaction costs related to loans and borrowings | | |
| 3.8 | Dividends paid | | |
| 3.9 | Other (provide details if material) | (24) | (24) |
| 3.10 | Net cash from / (used in) financing activities | (24) | (24) |

| | | | |
|-----------|--|-------|-------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 5,200 | 5,200 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (598) | (598) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (434) | (434) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (24) | (24) |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows * | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--|---|----------------------------|---------------------------------------|
| 4.5 | Effect of movement in exchange rates on cash held | | |
| 4.6 | Cash and cash equivalents at end of period | 4,144 | 4,144 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|---|--|----------------------------|-----------------------------|
| 5.1 | Bank balances | 1,644 | 1,644 |
| 5.2 | Call deposits | 2,500 | 2,500 |
| 5.3 | Bank overdrafts | | |
| 5.4 | Other (provide details) | | |
| 5.5 | * Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 4,144 | 4,144 |
| <p>* Note: in addition to the above cash balances, the Cape Silica Joint Venture (JV) between Diatreme and Sibelco spent during the quarter, \$2.6m of exploration & evaluation expenditure on the Company's Silica projects in northern Queensland. Consequently, cash at end of March 2025 for the JV totalled \$13.7M, giving total cash of \$17.9m being held by the Company.</p> | | | |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|--|---|----------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 163 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | |
| <p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> | | |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| | | |
|---|---|--|
| 7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
| 7.1 Loan facilities | | |
| 7.2 Credit standby arrangements | | |
| 7.3 Other (please specify) | 1,000 | 1,000 |
| 7.4 Total financing facilities | 1,000 | 1,000 |
| 7.5 Unused financing facilities available at quarter end | | |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| \$1.0M debt facility, due for repayment 30 May 2025, with interest rate of 7.5% p.a. (Refer to ASX announcement 31 May 2024) | | |

| | |
|---|----------------|
| 8. Estimated cash available for future operating activities | \$A'000 |
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (598) |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (432) |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | (1,030) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 4,144 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 4,144 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 4.0 |
| <i>Note: if the entity has reported positive relevant outgoings (i.e. a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | |
| 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| 8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| 8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? | |
| <i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i> | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 23 April 2025

Authorised by: The Board of Diatreme Resources Ltd

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.