

DIATREME Resources

DIATREME RESOURCES | ASX:DRX

QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDED 30 September 2026

ASX RELEASE

30 October 2026

Quarterly Activities Report

For the period ended 30 September 2026

This announcement was authorised for release by the Board.

Neil McIntyre
Chief Executive Officer

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CORPORATE

Diatreme completed the sale of the Cape Flattery Silica Project to the Diatreme/Sibelco joint venture company Cape Silica Holdings Pty Ltd (CSH), in a funding boost for the silica sands JV. Total funding received as part of the transaction was approximately $7.4 million. On conclusion of the transaction, Diatreme's interest in CSH has reverted to 73.2%.

Diatreme released its Financial Report for the half year ended 30 June 2026, highlighted by the ongoing development of its flagship Northern Silica Project.

The net loss of the Group for the half year was $3,024,840 (2025: loss of $727,754). At 30 June 2026, the Group had $2.7 million in cash and cash equivalents, while the silica sand JV had $4.5 million.

Diatreme presented at the Noosa Mining Investor Conference (22-24 July 2026). A recording of the presentation by Diatreme's CEO, Neil McIntyre, is available via the Company's website.

During the quarter, the Company made total payments of $106k to related parties, comprising $79k of director fees, and $27k for specialist marketing consultancy services to a related party of one director of the Company.

The Company's cash and liquids position totalled **$1.9 million** (not including a further **$6.9 million** in the silica projects J/V), giving total cash of **$8.8 million** as at **30 September 2026.**

QUARTERLY HIGHLIGHTS

Silica Projects

Northern Silica Project (NSP)

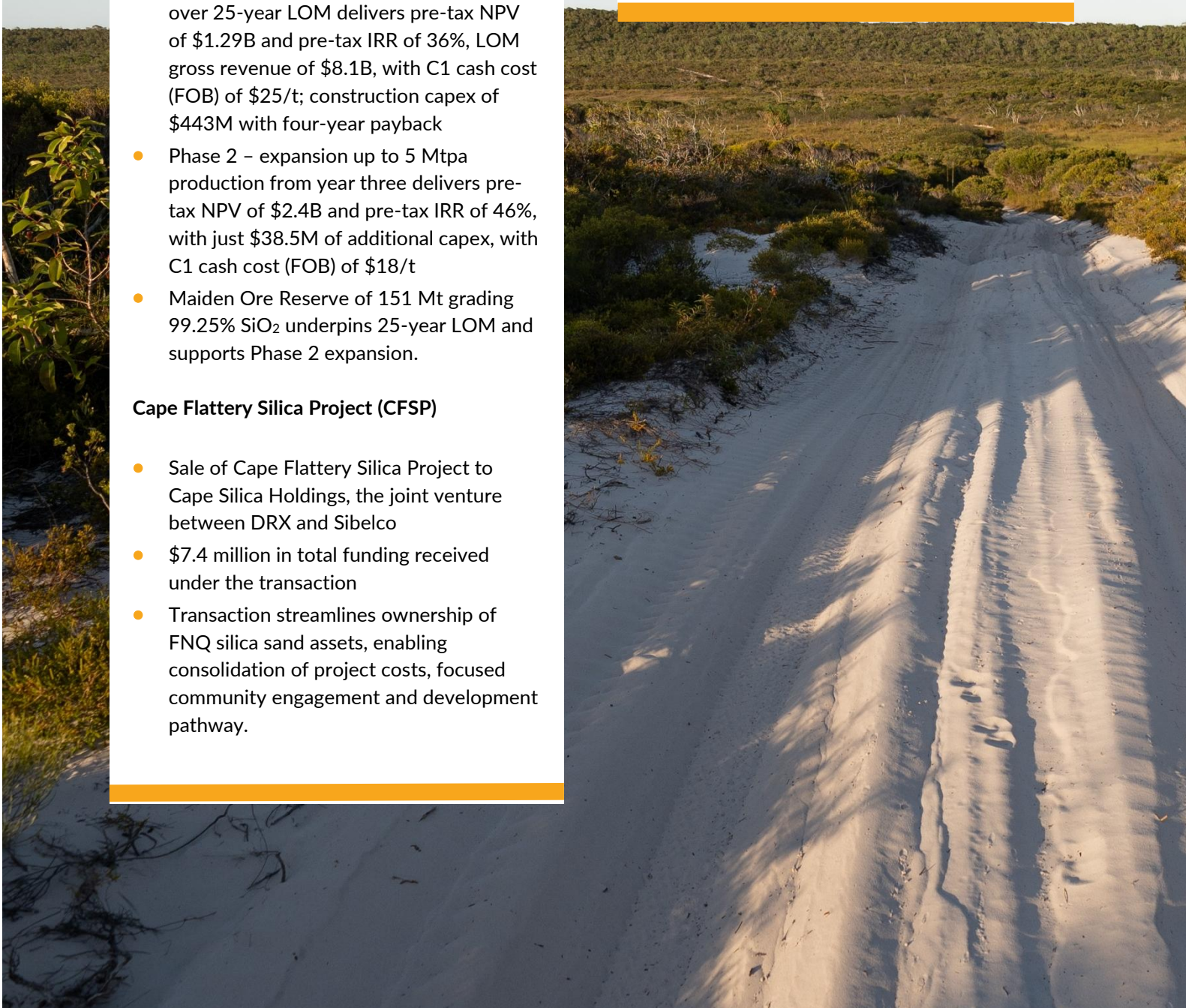
- **Post-quarter:** Pre-Feasibility Study (PFS) confirms Northern Silica Project's potential as a long life, low cost and high margin silica sand operation
- Phase 1 – start-up operation (3 Mtpa) over 25-year LOM delivers pre-tax NPV of $1.29B and pre-tax IRR of 36%, LOM gross revenue of $8.1B, with C1 cash cost (FOB) of $25/t; construction capex of $443M with four-year payback
- Phase 2 – expansion up to 5 Mtpa production from year three delivers pre-tax NPV of $2.4B and pre-tax IRR of 46%, with just $38.5M of additional capex, with C1 cash cost (FOB) of $18/t
- Maiden Ore Reserve of 151 Mt grading 99.25% SiO_2 underpins 25-year LOM and supports Phase 2 expansion.

Cape Flattery Silica Project (CFSP)

- Sale of Cape Flattery Silica Project to Cape Silica Holdings, the joint venture between DRX and Sibelco
- $7.4 million in total funding received under the transaction
- Transaction streamlines ownership of FNQ silica sand assets, enabling consolidation of project costs, focused community engagement and development pathway.

Cyclone Zircon Project

- Discussions continuing with potential project partners/investors to generate value from Australian critical minerals project.



COMING DECEMBER QUARTER 2026 ACTIVITIES

Diatreme's operational focus for the December quarter 2026 comprises the following:

FNQ silica sand projects

Northern Silica Project (NSP)

- Ongoing discussions and negotiations with Ports North for access to infrastructure at Cape Flattery Port
- Ongoing progression through the EIS permitting and approvals process
- 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.

Cyclone Zircon Project

- Further assessment of best options to realise project value including sale, joint venture and/or use of a separated company vehicle to facilitate potential "asset spin out."
- Continuous engagement with interested parties regarding potential asset sale.

NORTHERN SILICA PROJECT

PFS confirms NSP's potential

Post-quarter, on 15 October 2026 (refer ASX release "PFS confirms NSP potential as new FNQ silica sand mine") Diatreme announced a positive Pre-Feasibility Study (PFS) for its flagship Northern Silica Project (NSP), which confirmed the Project's potential as a long life, low cost, high margin silica sand operation supplying fast-growing solar PV and specialty glass markets.

The PFS demonstrated compelling economics for a Phase 1 operation of 3 Mtpa production with no expansion over an initial 25-year mine life. The PFS also evaluated a potential Phase 2 expansion of up to 5 Mtpa of production from Year 3 over an initial 25-year mine life, which showed an upside case requiring limited additional CAPEX of just $38.5m but delivering significant additional returns with a pre-tax NPV of $2.419b and pre-tax IRR of 46%.

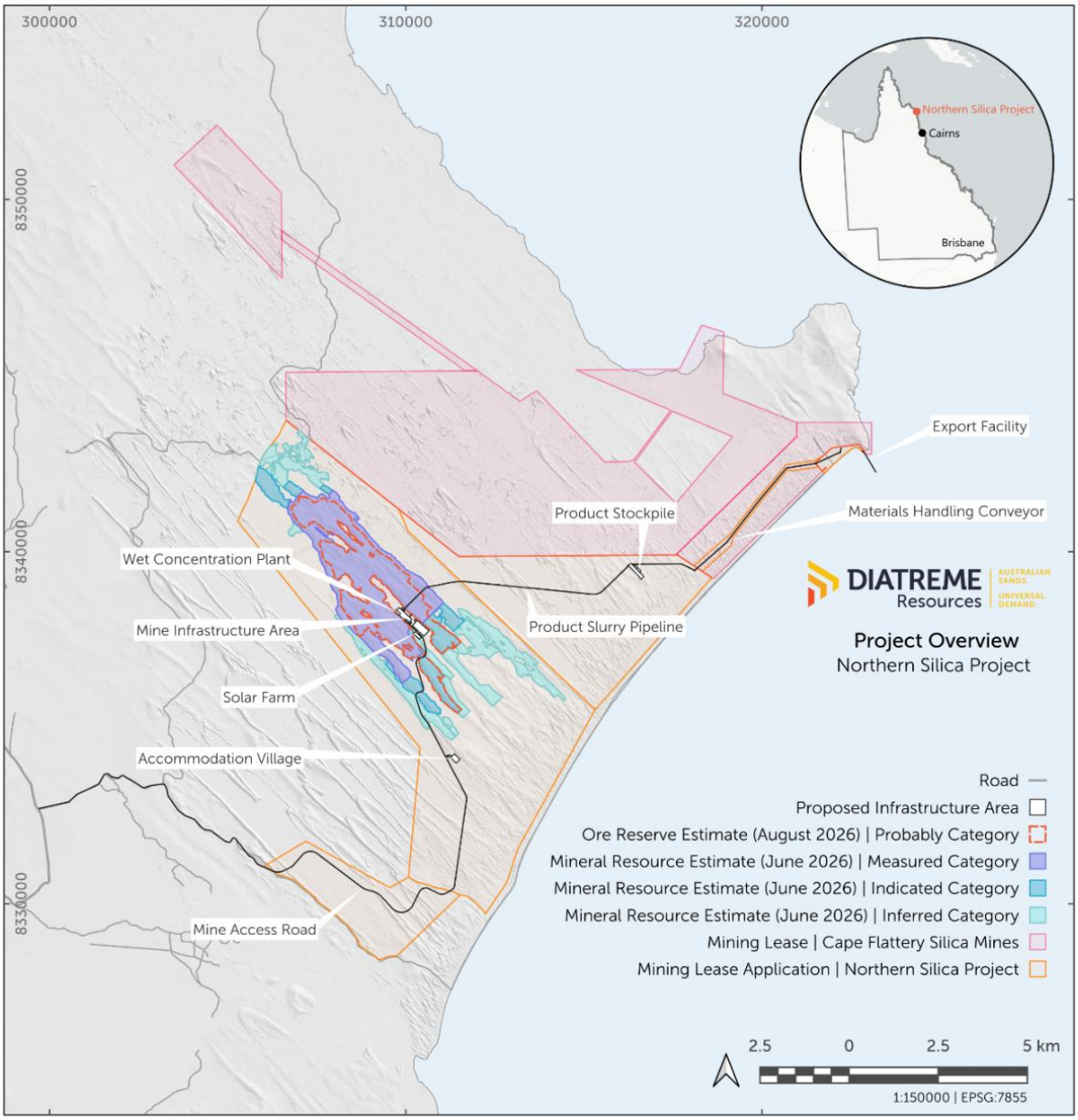
The NSP is a proposed greenfield open-cut high purity "low iron" silica sand mine located adjacent to existing export and port infrastructure within the Cape Flattery to Cape Bedford silica mineral province. The Phase 1-only base case assumes a 25-year mine life at a 3 Mtpa production rate, producing 75 Mt of product over LOM. The Phase 2 expansion case contemplates an increase of up to 5 Mtpa of production from Year 3, producing 121 Mt over LOM. The estimated additional CAPEX of $38.5 million for the Phase 2 expansion is expected to be funded from Phase 1 free cash flows, which will be further evaluated during the DFS.

The Phase 1-only case has been adopted as the base case as any expansion decision remains subject to market conditions and product demand. Approvals for the Phase 2 expansion are being progressed alongside Phase 1 to preserve optionality for a future scale-up to 5 Mtpa. The Phase 1-only economics detailed in Table 1 reflect a long-life, low-cost operation with strong margins driven by premium product pricing into the solar PV and specialty glass markets.

The NSP is being advanced through Diatreme's joint venture (JV) with Sibelco Asia Pacific (Sibelco), whose European based parent company Sibelco is one of the world's leading providers of industrial minerals, bringing world-class silica processing, technical, marketing and Asian market access. Sibelco has invested c.$56 million in DRX and the silica joint venture and plays an active role in supporting the FNQ silica sand joint venture.

Sibelco has a c.27% direct holding in the JV (Diatreme c.73%) and within the JV terms has the right, commensurate with its ownership share to product offtake (subject to agreement of terms and any required shareholder approvals). Product pricing is to be at a yet to be agreed arm's length commercial basis.

Figure 1: Project Overview



Detailed Project Economics – PFS Results

A financial model has been developed for the Project which has evaluated the economics of the Phase 1 and 2 developments, as well as a Phase 1-only development case over a consistent 25-year mine life.

The PFS has delivered robust economics for the NSP under both scenarios - delivering low production costs and modest CAPEX requirements over a long project life with the likely ability to extend.

Table 1: Economic Metrics

Key Economic Metric	Unit	Phase 1-only 3Mtpa Production (no expansion)	Phase 1 & 2 5Mtpa Production
NPV (pre-tax)	**A$m**	**$1,290**	**$2,419**
IRR (pre-tax)	**%**	**36%**	**46%**
NPV (post-tax)	A$m	$867	$1,661
IRR (post-tax)	%	29%	38%
Payback Years	years	4	4
Mine Life	years	25	25
Production over LOM	Mt	75Mt	121Mt
Construction CAPEX - Phase 1 (inc Contingency)	A$m	$443.5	$443.5
Construction CAPEX - Phase 2 (inc Contingency)	A$m	$0	$38.5
Gross Revenue	A$m	$8,134	$13,123
Shipping and Insurance	A$m	$2,007	$3,239
Marketing	A$m	$61	$97.9
Net Revenue	A$m	$6,066	$9,787
*C1 OPEX Cost (FOB)	A$m	$1,397	$1,700
EBITDA	A$m	$4,571	$7,975
Net Free Cash Flow (Post tax)	A$m	$2,764	$5,048
***C1 Cash Cost (FOB)**	**A$/t**	**$25**	**$18**

**Excludes Sustaining Capital and Royalties*

Table 2: LOM Assumptions

LOM Assumption Metric	Unit	Value
Average FX	AUD/USD	0.68
Discount rate (real, unleveraged)	% pa	8
Average product yield (recovery)	%	80
Average sales price (FOB)	USD/t	$55
Average sales price (FOB)	AUD/t	$80.90
Shipping and Insurance	AUD/t	$26.80
Marketing	AUD/t	$0.81

Capital Cost Breakdown

The economic assessment of the Project is supported by a CAPEX estimate which was prepared and based upon PFS level Class 4 pricing and suitable engineering detail for process and non-process infrastructure by external consultants, together with internally sourced data by Diatreme's technical team.

The CAPEX estimate includes all direct (process and non-process infrastructure) costs, indirect (owners and other) costs, contingency and other allowances. The tables below provide a summary of the capital cost estimate for the Project. Note that all costs provided in this section are in $AUD millions (unless stated otherwise).

Table 3: Capital Cost Breakdown

WBS	Description	Phase 1: 3 Mtpa Prod A$m	Phase 2: 5 Mtpa Prod A$m	Phase 1 & 2 Cumulative Totals A$m
1000	Mining	17.5	2.70	20.2
2000	Processing	73.9	18.8	92.7
5000	Common Services	42.6	2.8	45.3
6000	On Site Infrastructure	121.4	3.5	124.9
7000	Off Site Infrastructure	36.7	0.0	36.7
8000	Pre-Production Cost	6.7	0.8	7.5
9000	Owners / Indirect Cost	77.0	4.9	81.8
10000	Offsets & Rehabilitation	10.00	0.00	10.0
	Total excluding contingency	**385.6**	**33.5**	**419.1**
	Contingency (15%)	57.8	5.02	62.9
	Total including contingency	**443.5**	**38.5**	**482.0**

Figure 2: NSP Project layout | Accommodation Village Area

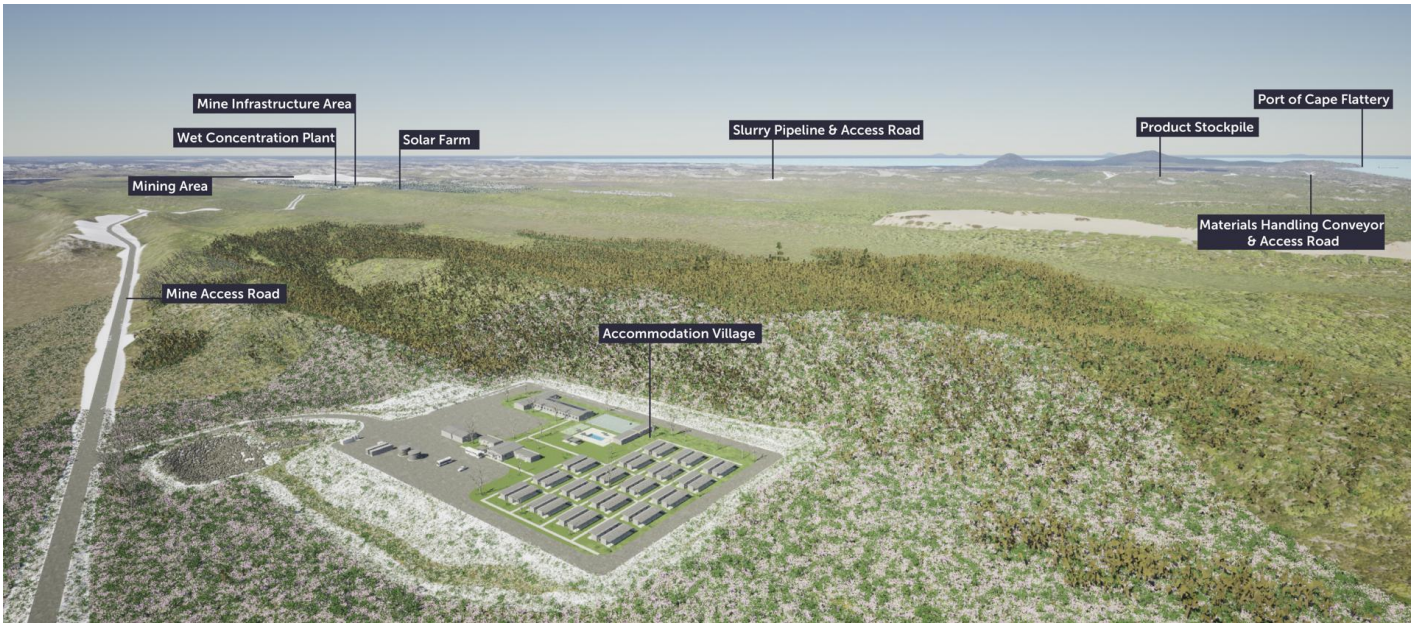


Figure 3: NSP Project layout | Wet Concentration Plant and Mine Infrastructure Area

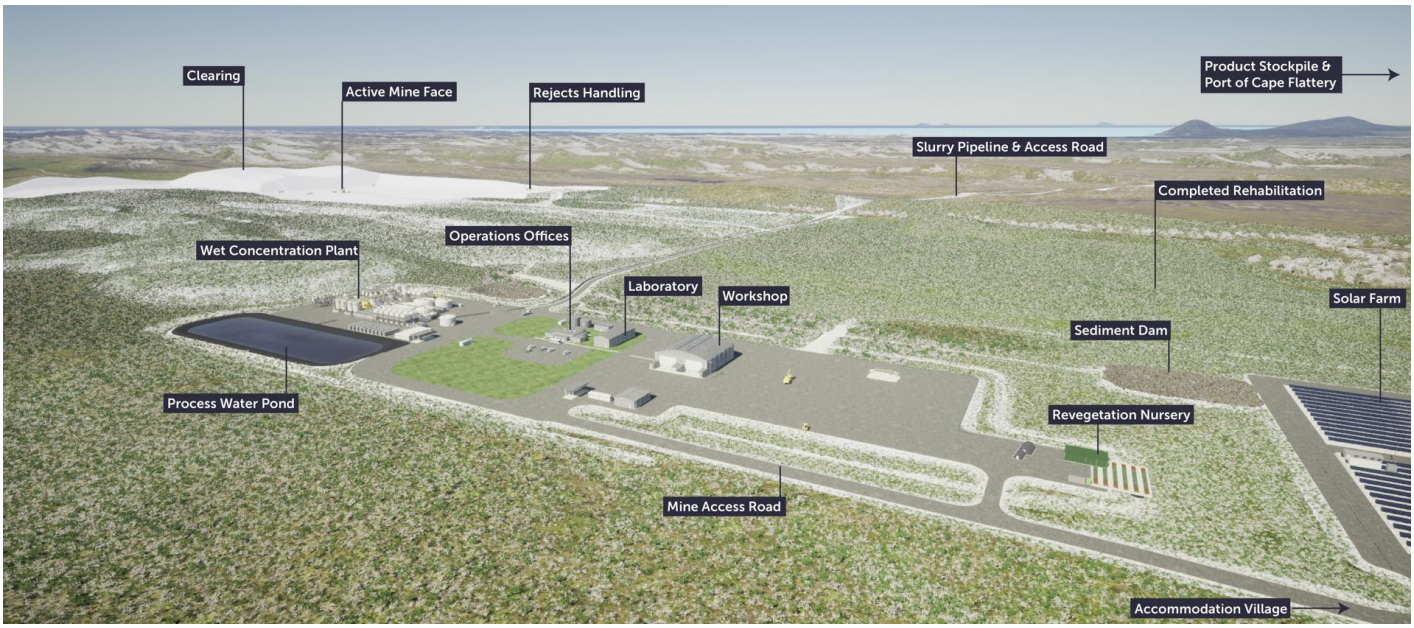
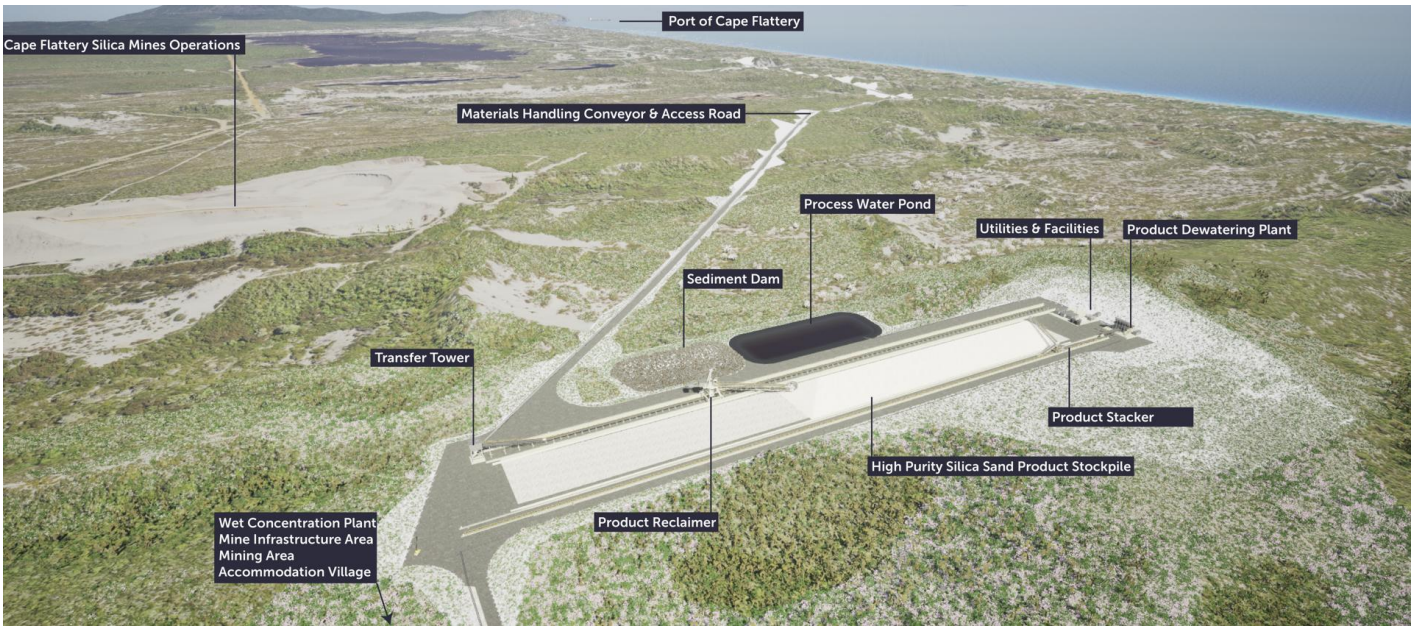


Figure 4: NSP Project layout | Product Stockpile and Export Conveyor



Silica Sand Pricing

The NSP can produce a premium grade “low iron” silica product (also known as PV grade) suitable for use as direct feed product by glass manufacturers for ultimate end use in the sheet or covering glass used on solar panels. The characteristics needed for PV grade silica sand are primarily focused on low iron, ideally sub or no more than 100ppm, but manufacturers will also accept product in the 50-150ppm range (with additional premiums or price penalties within the range), correct particle size range and low levels of other key contaminants.

The long-term forecast suggests an overall stable growth trajectory, underpinned by the ongoing global energy transition and increasing demand for high-specification materials. The Base Case price is expected to rise moderately, settling at approximately US$60 by 2040 (real terms). This stability assumes a steady, sustainable premium for quality feedstock commensurate with supply-demand equilibrium.

Social and Economic Benefits

The NSP is expected to deliver significant long-term social and economic benefits for Far North Queensland through construction and operational employment, local procurement, skills development and sustained engagement and partnerships with Traditional Owners and regional communities. The Project will utilise a predominantly local workforce, targeting 50% Indigenous employment. The total construction workforce will consist of approximately 214 FTE, before transitioning to a steady-state operational workforce of approximately 128 FTE over LOM.

This workforce profile is expected to create direct employment opportunities, support training and capability development, and provide a platform for longer-term careers in mining, processing, logistics, environmental management and project services.

The Company-owned proposed accommodation village is expected to minimise pressure on local housing availability and community infrastructure, while local procurement and contracting opportunities should provide flow-on benefits for regional suppliers and service providers.

Together with NSP's role in supplying high-purity silica sand for solar PV and specialty glass markets, these benefits reinforce the Project's potential to support local jobs, Indigenous participation, government revenue and regional economic resilience while contributing to Queensland's critical minerals supply chain.

Port and Development Pathway

The development case is based on **direct loading from an existing jetty to ocean-going vessels (OGVs)** at the Port of Cape Flattery, with the potential to **share loading facilities** with existing Cape Flattery Silica Mines (CFSM) operations. This approach reduces infrastructure duplication, lowers per-tonne operating costs through direct conveyor-to-ship loading, and importantly minimises environmental impact.

Existing port infrastructure offers excess capacity to service multiple operations from an estimated **~8.4 Mtpa capacity** with current estimated utilisation of around 32%. The Project's export solution is proposed to utilise excess export capacity within existing underutilised marine infrastructure at the Port via a Full User Agreement or similar commercial agreement.

Based on the historic and current Port leasing arrangements, it is considered that access as a Full User, and utilisation of existing spare capacity and marine infrastructure, can be achieved via various mechanisms including commercial negotiations with Cape Flattery Silica Mines (CFSM) and/or Ports North, direct State intervention and potential identified legal processes.

The current preference is to work within the existing leasing arrangements and undertake commercial negotiations with CFSM and Ports North, which is the basis of this PFS, and would result in fees being charged for the use and maintenance of the Port.

Figure 6: Port of Cape Flattery



Figure 7: NSP potential tie in transfer point to existing Port export infrastructure



Next Steps and Key Milestones

As the Project continues to progress, key next steps comprise:

- **DFS** - targeting completion in **Q2/3 CY2028** to support financing and FID.
- **Environmental Impact Statement (EIS),** which is well advanced under the bilateral Queensland/Commonwealth assessment process.
- **Mining agreement** negotiations with Traditional Owners, with negotiations progressing.
- **Port export commercial arrangement** with Ports North and CFSM.
- **Financing and Offtake** discussions which are advancing, supported by the Sibelco partnership and strong PFS economics.
- **FID, currently** targeted for **Q3 CY2028.**

Figure 8: Project Development Progression – Key Stages



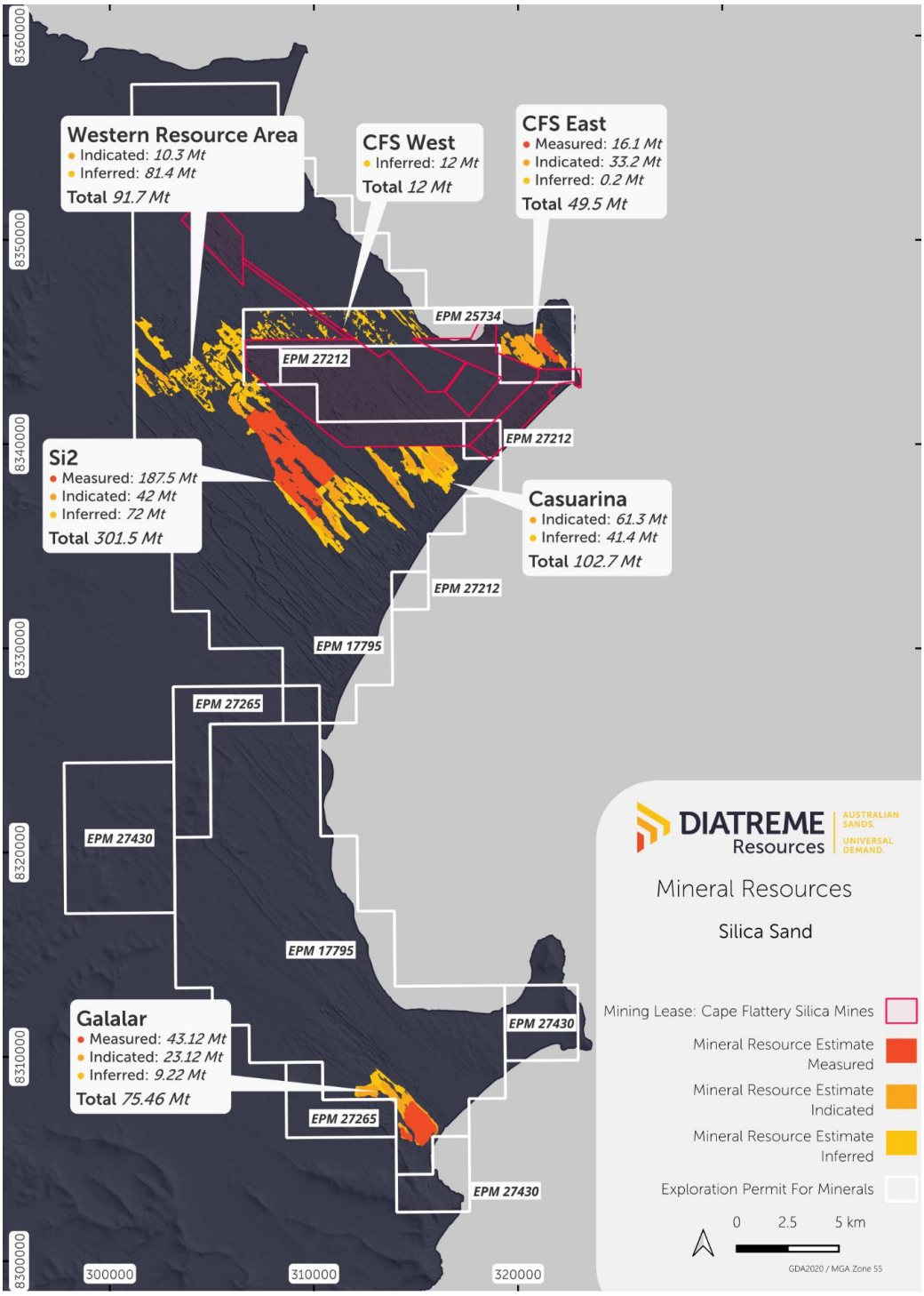


Figure 9: Diatreme's silica sand mineral resources, Far North Queensland

Community engagement

Diatreme continues to actively engage with the communities where it operates, strengthening Traditional Owner relationships and regional partnerships across education, workforce development and service delivery.

Ongoing meetings with impacted Traditional Owners continue to strengthen relationships through dialogue and project discussions, with Traditional Owner participation in cultural heritage and ecological assessments for the EIS bringing knowledge of Country and the Project area into the assessment process.

Diatreme collaborated with the Cooktown District Community Centre (CDCC) through its services forum, engaging with regional organisations on service opportunities. Continued engagement focused on practical arrangements for service delivery in Hope Vale and surrounding regions, while discussions with local shire councils deepened Diatreme's insight into regional health requirements informing future social impact engagement and management.

Through its established partnership with Country Universities Centre Cape York, Diatreme continued to support the Aspire program, connecting local students with further education and career pathways as part of its longer-term investment in education, workforce preparedness and regional capacity.

Alongside this work, Diatreme continued its sponsorship program, supporting cultural, sporting and community initiatives. The program complements Diatreme's broader engagement activities, maintaining connections with local organisations and communities while supporting initiatives that reflect our shared priorities.



Figure 10: Diatreme CEO Neil McIntyre (second from right) and Alastair Bauer, General Manager – Development Projects (second left) at the Country Universities Centre Cape York's Aspire Cape Camp



Figure 11: Diatreme staff welcomed to Country by the Gulaal Clan

CAPE FLATTERY SILICA PROJECT

Diatreme streamlined ownership of its Far North Queensland silica sand assets, with the Company successfully divesting the Cape Flattery Silica Project (CFSP) (Cape Flattery Silica Pty Ltd) to rationalise project ownership and facilitate increased funding and synergies for its flagship NSP.

On 8 July 2026 Diatreme announced that Sibelco had exercised its option to acquire additional shares in the Diatreme/Sibelco joint venture company (CSH), in a funding boost for the Far North Queensland silica sands joint venture.

Consequently, CSH issued 376 fully paid ordinary shares in CSH to Sibelco Silica Pty Ltd (Sibelco) for approximately $4.4 million, with total funding now received as part of the transaction being approximately $7.4 million (before costs and payment of any applicable stamp duty). On completion of the issue of the shares following exercise, Diatreme's interest in CSH reverted to 73.2%, being its original interest prior to the transaction announced to the ASX on 9 June 2026.

Diatreme acquired 100% of the CFSP following its successful takeover of MLM in 2024. 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.

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).

CYCLONE ZIRCON PROJECT, WA

Diatreme Resources continued discussions with potential project partners and investors during the September quarter, aiming to maximise shareholder value for this Australian critical minerals project. This followed meetings with potential project partners and investors in both Tokyo, Japan and Washington, USA, as part of Australian critical minerals delegations.

Diatreme announced on 19 March 2026 the successful completion of metallurgical test work undertaken by Mineral Technologies (MT) on bulk samples from the zircon-rich heavy mineral sands Cyclone project. The results showed substantial improvements in projected product yields, strengthening the development outlook for the zircon-rich heavy mineral sands project in WA's Eucla Basin.

Mineral Technologies has finalised MSP test work and flowsheet optimisation, delivering major gains in processing performance and product recovery. This follows earlier WCP test work on an 8-tonne bulk sample, representing the first three years of mining, which achieved 76.5% heavy mineral (HM) recovery to HMC, a 21.6% improvement over previous test work.

Additional opportunities are being evaluated to further refine the MSP flowsheet, which would require extra test work when the project advances to the final phase of feasibility studies.

In its Quarterly Review released on 28 July 2026, major producer Iluka Resources reported a Q2 2026 weighted average zircon sand price of US$1,546 per tonne, up US$55/t from Q1. The company said it anticipated price increases of up to US$215/t for Q3, varying by market segment, geography and product quality.

Iluka's Q2 realised rutile price (excluding HyTi) averaged US$1,256/t, in line with Q1.

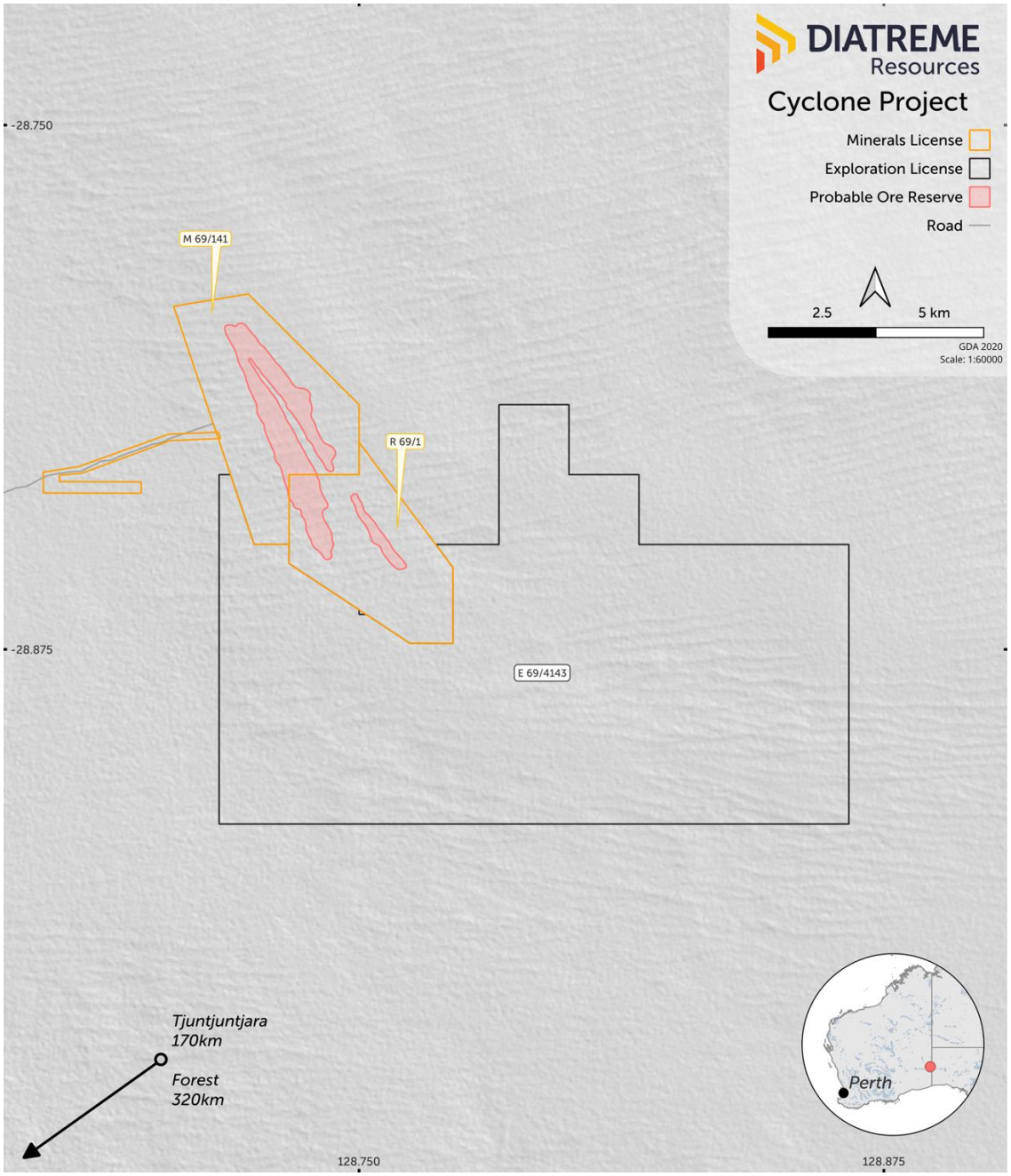


Figure 12: Cyclone Zircon Project outline, WA

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

- 15 October 2026 – "PFS confirms NSP potential as new FNQ silica sand mine"
- 31 August 2026 – "Half Year Accounts"
- 22 July 2026 – "Presentation to Noosa Mining Investor Conference"
- 8 July 2026 – "Sibelco injects $4.4M in boost for silica sand joint venture"
- 9 June 2026 – "Completion of sale of CFS to DRX/Sibelco Silica J/V"
- 13 April 2026 – "Sale of CFS to DRX/Sibelco Silica JV"

Diatreme confirms that it is not aware of any new information or data that materially affects the information included in the original releases and that all material assumptions and technical parameters underpinning the estimates in the original releases 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	Cape Bedford	EPM 17795	Granted	Cape Bedford – Cape Flattery	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
	McIvor	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 Casuarina	MLA 100550	Application		100%*	Northern Silica Pty Ltd
	Northern Silica Access 1	MLA 100551	Application		100% *	Northern Silica Pty Ltd
	Northern Silica Production	MLA 100552	Application		100% *	Northern Silica Pty Ltd
	Northern Silica Port Access	MLA 100553	Application		100% *	Northern Silica Pty Ltd
	FNQPCL Cape Flattery Access	MLA 100313	Application		100% *	Northern Silica Pty Ltd
	Cape Flattery Silica	MLA 100284	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%. During the quarter ending 31 December 2022, the following tenement interests were transferred from DRX to Cape Silica Holdings Pty Ltd, Northern Silica Pty Ltd, and Galalar Silica (QLD) Pty Ltd, as set out in the table above: EPM 17795, EPM 27265, EPM 27212, EPM 27430 and MLA 100235.*

*** Company notes the award of tenement area E69/4143 in late November 2023. No exploration activity has been undertaken to date.*

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	LSPL – Lost Sands Pty Ltd
E	Western Australia	Exploration Licence	
EPM	Queensland	Exploration Permit for Minerals	
MLA	Queensland	Mining Lease Application	

Appendix 5B

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

Name of entity	
DIATREME RESOURCES LIMITED	
ABN	**Quarter ended ("current quarter")**
33 061 267 061	30 September 2026

Consolidated statement of cash flows *		**Current quarter $A'000**	**Year to date (9 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	(192)	(710)
	(e) administration and corporate costs	(629)	(1,615)
1.3	Dividends received (see note 3)		
1.4	Interest received	22	45
1.5	Interest and other costs of finance paid	(34)	(72)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)	149	311
1.9	**Net cash from / (used in) operating activities**	**(684)**	**(2,041)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(1)	(4)
	(d) exploration & evaluation	(113)	(426)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows *		Current quarter $A'000	Year to date (9 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 - reimbursement received on completion of Cape Flattery Silica transaction (refer ASX announcement dated 9 June 2026)	-	2,109
2.6	**Net cash from / (used in) investing activities**	**(114)**	**1,679**

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)	(17)	(59)
3.10	**Net cash from / (used in) financing activities**	**(17)**	**(59)**

Consolidated statement of cash flows *		Current quarter $A'000	Year to date (9 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,733	2,339
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(683)	(2,040)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(114)	1,679
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(17)	(59)
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**1,919**	**1,919**

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	919	1,433
5.2	Call deposits	1,000	1,300
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)**	**1,919**	**2,733**

*** Note:** In addition to the cash and cash equivalents shown above, the Company's Cape Silica Joint Venture with Sibelco received a further $4.4 million in relation to the Cape Flattery Silica sale in July 2026 (refer to ASX announcement dated 8 July 2026) and incurred $2.0 million of exploration and evaluation expenditure, leaving a closing balance of $6.9 million at the end of the quarter. Consequently, the total cash held by the Company and the joint venture at 30 September 2026 was **$8.8 million**.

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	106
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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.

7.	**Financing facilities** *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.*	**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.	

$1.0 million debt facility, due for repayment on 30 May 2027, with an interest rate of 7.5% p.a. following a 12-month extension agreed during the quarter. The facility is unsecured. (Refer to ASX announcements dated 2 June 2026.)

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(684)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(113)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(797)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,919
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,919
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	2.4

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.

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?

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.

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: 30 October 2026

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.