

ASX ANNOUNCEMENT

2nd December 2022

Sibelco completes 1st tranche investment in Cape Silica JV

- Global material solutions company, Sibelco completes A\$11 million first tranche investment in joint venture company, Cape Silica Holdings Pty Ltd, for 9.99% stake
- Second tranche investment of A\$24 million expected within 12 months, as part of strategic joint venture
- Investment boosts plans for production of high purity silica from North Queensland projects, amid surging demand from clean energy, solar PV industry.

Emerging silica sands developer and explorer, Diatreme Resources Limited (ASX:DRX) has advanced its partnership with global material solutions company, SCR-Sibelco N.V., with a Sibelco subsidiary (FIRB approvals in place) completing the A\$11 million first tranche subscription for a 9.99% stake in newly incorporated joint venture company (Cape Silica Holdings Pty Ltd (CSHPL)).

The investment will advance the development of Diatreme's emerging Silica Projects in northern QLD, amid surging demand for high purity silica from the fast-growing solar PV industry.

A second tranche investment of A\$24 million is expected within 12 months, subject to any right of deferral or termination under the subscription agreement (refer ASX announcement dated 27 June 2022). On completion of the second tranche investment, Sibelco will hold a 26.8% fully diluted interest in CSHPL.

The strategic partnership with Sibelco also included a \$13.97 million corporate strategic placement, which saw Sibelco become a significant shareholder in Diatreme with a 15% equity stake post-raising. The long-term joint venture also includes plans for joint product marketing, pursuit of onshore silica processing downstream opportunities and assistance in accessing project finance, benefitting from Sibelco's established global networks.

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DIATREME RESOURCES LIMITED | ABN 33 061 267 061 | ASX:DRX

+61 7 3397 2222
Unit 8, 55–61 Holdsworth St
Coorparoo, Qld, 4151

diatreme.com.au



An initial works program and budget has been agreed between Diatreme and Sibelco for the joint venture through until December 2023 , using funds from the first tranche investment to advance the silica projects through next step permitting, approvals and commercial studies.

Welcoming Sibelco's investment, Diatreme's CEO Neil McIntyre commented: *"We are delighted to work with Sibelco to advance our high purity silica sand projects, with this investment representing the formal start of the joint venture.*

"Sibelco's investment in Diatreme at both the corporate and project level will speed development of our projects amid surging demand for high purity silica from the solar energy industry.

"Having access to Sibelco's world-leading technical, processing and marketing expertise is also extremely important for our long-term success.

Diatreme continues to advance on its flagship high purity "low iron" silica projects, working closely with community, traditional owners and key stakeholders to ensure the long-term viability and sustainability of our operations, including health, safety and environmental stewardship.

This announcement was authorised for release by:

Neil McIntyre
Chief Executive Officer

Wayne Swan
Chairman

Contact – Mr Neil McIntyre - Ph – 07 3397 2222
Website - diatreme.com.au
E-mail - manager@diatreme.com.au

For investor/media queries, please contact:

Anthony Fensom, Republic PR
anthony@republicpr.com.au
Ph: +61 (0)407 112 623





About Diatreme Resources

Diatreme Resources (ASX:DRX) is an emerging Australian producer of mineral and silica sands based in Brisbane. Our key projects comprise the Galalar Silica Project and Northern Resource Project in Far North Queensland, located next to the world's biggest silica sand mine at Cape Flattery. In Western Australia's Eucla Basin, Diatreme's 'shovel-ready' Cyclone Zircon Project is considered one of a handful of major zircon-rich discoveries of the past decade.

Diatreme has an experienced Board and management, with expertise across all stages of project exploration, mine development and project financing together with strong community engagement skills.

Diatreme's silica sand resources will contribute to global decarbonisation by providing the necessary high-grade silica for use in the solar PV industry. The Company has a strong focus on ESG, working closely with Traditional Owners and all other key stakeholders to ensure the long-term sustainability of our operations, including health, safety and environmental stewardship.

For more information, please visit www.diatreme.com.au

About Sibelco

Sibelco is a global leader in material solutions. Sibelco mines, processes and sells specialty industrial minerals particularly silica, clays, feldspathics and olivine – and is a leader in glass recycling.

Sibelco's solutions support the progress of modern life and serve industries as diverse as glass, ceramics, construction, coatings, polymers and water purification.

The Sibelco Group has production facilities in more than 30 countries and a team of some 5,000 people.

For more information, visit www.sibelco.com

References to previous ASX releases

- 27 June 2022 – Transformational strategic partnership and placement