DIATREME Resources

DIATREME RESOURCES | ASX:DRX

QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDED 30 June 2023

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ASX RELEASE

27 July 2023

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Quarterly Activities Report

For the period ended 30 June 2023

This announcement was authorised for release by the Board.

Neil McIntyre
Chief Executive Officer

Wayne Swan
Chairman

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CORPORATE

Diatreme held its Annual General Meeting on 26 May 2023 in Brisbane. All three resolutions were passed on a poll (refer ASX release for details).

On 30 June 2023, Diatreme announced the completion of the sale of shares pursuant to an Unmarketable Parcel Share Sale Facility, details which were announced to the ASX on 28 April 2023. Following the close of the facility, approximately 4 million shares owned by 1,178 shareholders were sold on market, at an average price of $0.024 per share.

The Company made payments for Directors' remuneration totaling $61,051 during the quarter.

The Company's cash and liquids position as at 30 June 2023 totalled $12.82m (not including a further $7.4m in current silica projects J/V funds).

Noosa Mining Investor Conference July 2023

Diatreme presented at the Noosa Mining Investor Conference, held from 19-21 July 2023 in Noosa, Queensland.

A copy of the presentation by Diatreme's CEO, Neil McIntyre is available at www.diatreme.com.au

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QUARTERLY HIGHLIGHTS

FNQ silica sand projects

- Positive Scoping Study for Northern Silica Project (NSP) strengthens development plans; potential target production rate of 5 Mtpa could be sustained for 25 years
- Tripartite Deed of Access signed to facilitate Cape Flattery port precinct environmental studies
- NSP permitting pathway progresses with EPBC referral; EIS studies advancing
- Queensland Government announces "Queensland Critical Minerals Strategy" including potential development of critical minerals hub for silica sand around Cape Flattery

Clermont Copper/Gold Project

- Farm-out partner Metallica Minerals (ASX: MLM) undertook new drilling program in April-May
- Results announced post-quarter (4 July); Metallica has met expenditure condition to gain 51% stake in project

Cyclone Zircon Project

- Diatreme engaging with range of potential development partners to secure positive outcome for shareholders

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COMING SEPTEMBER QUARTER 2023 ACTIVITIES

Diatreme's operational focus for the upcoming September quarter 2023 comprises the following:

FNQ silica sand projects

Northern Silica Project (NSP)

- Continued exploration and project development, focussed on the Si2 dune complex located within and around the NSP, adjacent to the Cape Flattery Silica Mines (CFSM) operations.
- Bulk sample metallurgical test work to continue on the Si2 project, to determine its amenability to processing utilising Diatreme's Galalar optimised silica product processing criteria. This targets assessment and delivery of a high value low iron, high purity silica product.
- Environmental monitoring and studies within the framework of the EIAS studies for the ML100308 Northern Silica Application process.
- Finalise award of tenders to specialist firms and commence environmental monitoring and studies (flora, fauna etc) within the framework of the EIAS studies for the ML100308 Northern Silica Application process.
- Plan EIAS public notice timelines and broader regulatory engagement process.
- Continued engagement with the local community and related programs.
- Further discussions and negotiations regarding 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 Hopevale community.

Cyclone Zircon Project

- Continue discussions with potential development partners, both domestic and international, to secure the best outcome for Diatreme shareholders amid continued strong demand and constrained supply of zircon and titanium products.
- Detailed examination of use of a separated company vehicle to facilitate potential "asset spin out" to a new listed entity.

NORTHERN SILICA PROJECT

Positive Scoping Study strengthens development plans.

A positive Scoping Study for Diatreme's Northern Silica Project (NSP) has boosted plans to develop the emerging Far North Queensland critical minerals project.

On 14 June 2023, Diatreme released the study, highlighting the NSP's potential to become a long-term and leading supplier of low cost, premium quality "low iron" silica sand products for fast-growing photovoltaic (PV) glass markets such as solar panels.

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The Scoping Study has boosted confidence in the project, with Diatreme now planning to advance to a full Feasibility Study involving all necessary technical studies, environmental impact assessments, permits and approvals required to move to a final investment decision.

The NSP has undergone continued expansion, with additional drilling planned in 2023 anticipated to further increase its high-grade silica sand resource. In March, Diatreme announced an 89% increase in its Mineral Resource estimate to 235 million tonnes (Mt), up from 124.1 Mt previously (refer ASX release 13 March 2023).

The Scoping Study's Production Target uses 151Mt, or 64% of the total Mineral Resources for the 25-year production scenario, which is the basis of the study's financial analysis.

Importantly, the proposed NSP mining area is located in sand dunes adjacent to dunes where Cape Flattery Silica Mines has been mining and processing silica sand and exporting high quality silica sand products for decades.

Study highlights included an estimated pre-tax Net Present Value (NPV) of $1.41 billion, a pre-tax Internal Rate of Return (IRR) of 33% and a payback period of six years.

The estimated yield to product from run of mine dune sand is approximately 80%, indicating 151Mt of sand would be mined to produce 121Mt of product. This yield is based on previous bulk sample test work for Diatreme's Galalar Silica Sand Project (GSSP) and recent metallurgical test work on composite samples from the NSP's Mineral Resource area.

Significantly, composite sample processing test work showed NSP sand and Galalar sand are metallurgically very similar. The sample products achieve the quality standards required for raw materials used in the manufacture of "low iron" sheet glass, a key component of solar panel manufacturing.

The product value has been estimated in the range of $77 to $88 (A$) per tonne FOB. The base case assumption in the financial analysis is $81 FOB. Long-term average shipping rates, including an international marketing cost have been used to discount the current average high purity silica price at Chinese ports to obtain the estimated FOB price at Cape Flattery. The long-term shipping and marketing rate is estimated to be approximately $24 (A$).

Average life of mine unit FOB cost for the operation is estimated to be approximately $27.40 per tonne of product loaded onto a receiving vessel at Cape Flattery Port. The FOB cost includes royalties and distribution of capital costs for the life of the mine.

The base case analysis used an initial project capital estimate of approximately $356 million ($A, including contingencies of $46.4 million) to establish an operation capable of exporting 3 Mt per year. An additional capital requirement of approximately $179 million (including contingencies of $23.4m) has been included two years later to increase the production rate to 5 Mt per year.

Diatreme is focused on minimising revenue risk through high quality engineering design, construction and operation to ensure the main drivers of revenue, production rate and product quality can be sustained over the life of the operation.

Commenting on the Scoping Study, Diatreme's CEO Neil McIntyre said: "*This Scoping Study demonstrates the extraordinary potential of our Northern Silica Project to become a long-term producer of high purity "low iron" silica products, contributing extremely valuable new jobs and investment for the Hope Vale/Cooktown region, focusing on local communities.*

"Standouts include the project's large and expanding resource base, strong underpinning economics, pathway to growing export markets and ability to meet the requirements of solar panel sheet glass manufacturers, a market under pressure for new sources of supply. For example, solar investment is expected to exceed oil investment for the first time ever in 2023, with total clean energy investment expected to exceed US$1.7 trillion, according to the International Energy Agency.

"For Diatreme shareholders, the Scoping Study results show the potential returns achievable from this project and we look forward to advancing a full Feasibility Study to cement these indicative numbers, while also further optimising the project's development.

"With the NSP's permitting and studies pathway now advancing, including access to the port precinct to undertake relevant studies, the NSP has become Diatreme's most immediate silica project development priority. We look forward to further de-risking the project and ensuring its delivery in the quickest possible timeframe for the benefit of all stakeholders."

Diatreme, Ports North and CFSM recently executed a tripartite "Deed of Access" which allows Diatreme, its employees and contractors to access Ports North leasehold and freehold land parcels to undertake environmental monitoring and surveys. Additionally, the deed also provides for access to existing port infrastructure to support Part Facility user agreement investigations regarding the NSP under agreed conditions.

The NSP's location adjacent to a current large-scale, long-term silica mine reduces many of the risks associated with a greenfield mining project. In addition, Diatreme's joint venture with Sibelco offers a high degree of comfort around many other risk factors including funding, technology and market access.

Diatreme is expecting further upgrades to the NSP's Mineral Resources during 2023 and planning for bulk samples has commenced to deliver data for final process design and product quality specification. Sufficient samples will be produced from this testwork to provide potential customers with product samples representative of early production from the operation.

Further information regarding the NSP's projected development is available from the Scoping Study, released to the ASX on 14 June 2023.

Diatreme's total FNQ silica sand resource exceeds 310Mt, providing a substantial base for a long-term operation producing high-grade silica products suitable for the solar PV and other markets. Importantly, the Company's expanding resource base is highly strategic given its location in a stable and ESG compliant jurisdiction and amid an increasing focus on supplying the critical minerals needed for global decarbonisation.

Next steps

Immediate priorities for the NSP include the following:

- Advancement of EIS preparation for public comment and determining final terms of reference.
- Concurrently undertaking EIS planning and relevant studies (water, flora, fauna, social impact etc).
- Advancing further project definitive studies and project enhancement analysis.
- Advancing various discussions with potential product offtakers.

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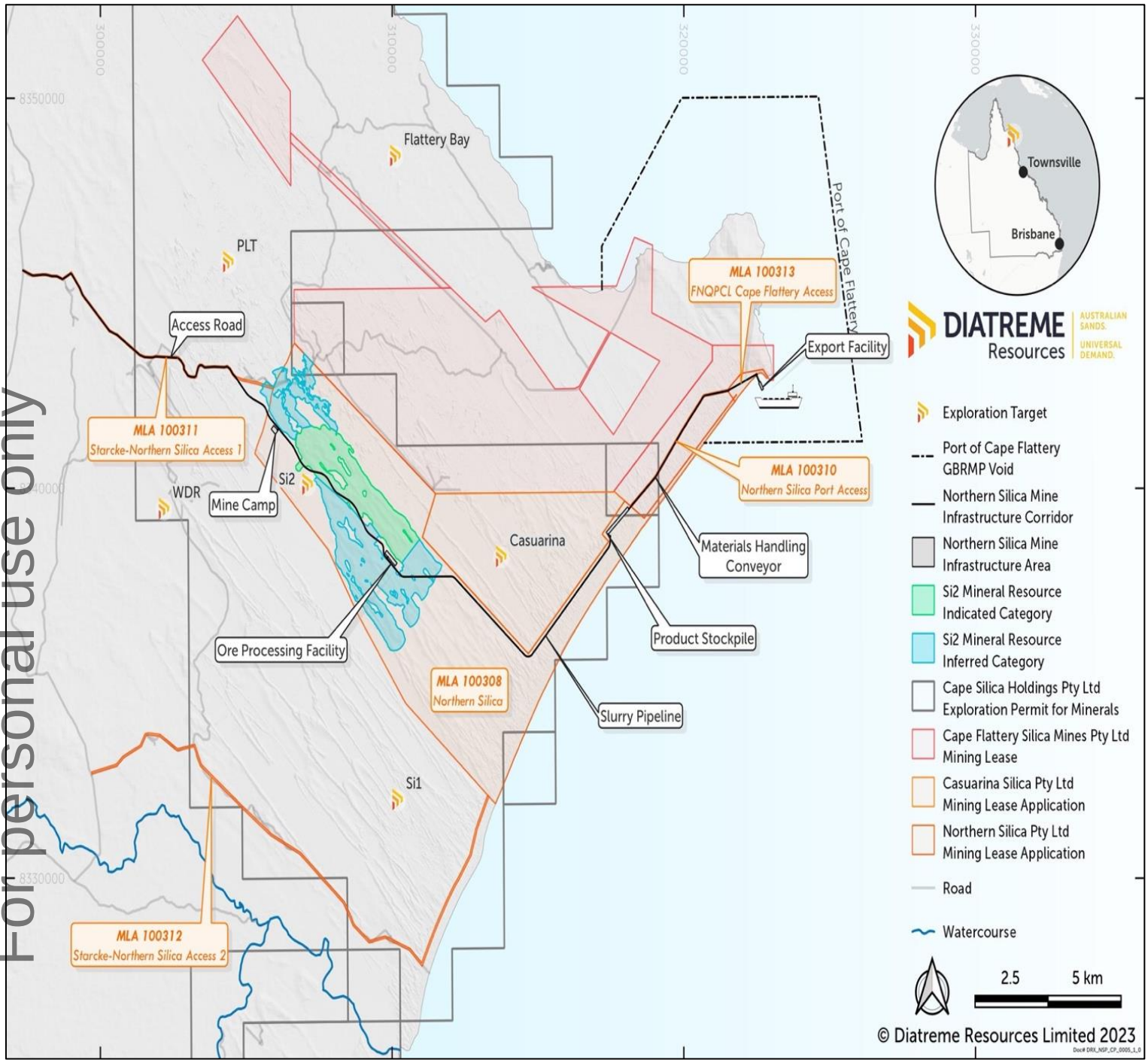

Figure 1: Northern Silica Project Infrastructure Layout

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Figure 2: Cape Flattery Port with NSP in background

Permitting pathway advances

Diatreme completed another milestone in the advancement of the permitting and approvals pathway for the NSP, with the project being determined a "controlled action" under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC) via a referral with the Australian (federal) government Department of Climate Change, Energy, the Environment and Water (DCCEEW) (refer ASX release 16 June 2023).

This followed the lodgement of the referral with the Department in May, with the Queensland Government having earlier agreed that an EIS is appropriate for the Far North Queensland project (refer ASX release 19 May 2023).

The DCCEEW has deemed that the NSP constitutes a controlled action under the Act for the following matters: World Heritage properties (sections 12 & 15A), National Heritage places (sections 15B & 15C), Listed threatened species and communities (sections 18 & 18A), Listed migratory species (sections 20 & 20A) and Great Barrier Reef Marine Park (sections 24B & 24C).

As expected, the DCCEEW has directed that the NSP be assessed through an EIS process. The EIS will be delivered through the accredited Queensland EIS process, allowing for a single EIS document to address both State and federal requirements.

With these important EIS processes now confirmed, Diatreme will be advancing further site investigations and studies to support the EIS throughout 2023.

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Investigations on-site this year will include flora and fauna surveys in both terrestrial and aquatic areas, groundwater monitoring, surface water quality monitoring, soil sampling and analysis and cultural heritage surveys. Social impact assessment work will also commence later in 2023.

The next step in the EIS process will be to prepare the draft Terms of Reference (ToR) for the EIS. This process will set out the specific matters and issues that the EIS must address, inviting feedback from the public during a notification period for affected and interested persons.

The draft ToR are expected to be released for public comment in Q3 2023 and will be published on government websites as well as Diatreme's website (www.diatreme.com.au). Details regarding the public notification will also be published in the media.

Community engagement

Engagement with the community in which the Company operates has continued to be at the forefront of Diatreme's activities. In May, Diatreme opened a new office in Cairns, Queensland, hosting senior personnel including Alastair Bauer, General Manager, Development Projects; Chris Wicks, General Manager, Commercial; and Robyn Bartlett, General Manager, Community & Social Performance.

Diatreme's Hope Vale office has also continued to expand, forming a base for the Company's Community Liaison Representatives and its field team when in Hope Vale. On 12 June, Diatreme held its first community Open Day at its Hope Vale office, opening the doors from 8am to 10am to around 100 community members to obtain information regarding the Company's emerging silica sand projects.

Figure 3: Left to right: Robyn Bartlett, General Manager, Community & Social Performance; CEO, Neil McIntyre; Alastair Bauer, General Manager, Development Projects and Chris Wicks, General Manager, Commercial

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Figure 4: Diatreme team members at the Hope Vale Open Day

Queensland Critical Minerals Strategy

The Queensland Government has launched a new strategy to grow the state's critical minerals sector, overseeing anticipated investment of $245 million. Announced at the World Mining Congress in Brisbane on 27 June 2023, the strategy positions Queensland as a global leader in delivering the critical minerals needed for the world's net-zero emissions future.

The strategy includes the following initiatives:

- Reduced rent for new and existing exploration permits for minerals to zero for the next five years, worth $55 million.
- Establishing critical mineral zones, initially at Julia Creek/Richmond and around Mount Isa, with $75 million to support investment and renewed focus in advancing critical minerals projects.
- Establish Critical Minerals Queensland, a one-stop office to oversee the development of the sector and help drive and attract international investment.
- Invest $5 million to target mining waste and tailings for critical minerals, and $8 million towards scientific research including circular economy initiatives.
- Provide $1 million to foster research and ESG excellence.
- Deliver the $100 million Critical Minerals and Battery Technology Fund to support new investments in projects.

Diatreme welcomes the new strategy, which highlights the potential for critical minerals such as silica sand to advance the global energy transition and power decarbonisation.

The potential creation of a critical minerals silica hub at Cape Flattery to facilitate and fast track development of a mineral vital to the solar power industry is enormously significant and shows great foresight and initiative from the Queensland Government.

Diatreme's NSP is now expected to be prioritised for development, with the hub also expected to open up important supporting infrastructure, such as Cape Flattery Port, allowing genuine and efficient access to these export facilities.

Diatreme is determined to help advance this critical mineral initiative, unlocking economic and social value for the people of Queensland and local stakeholders including First Nations communities.

Further information on the Queensland Critical Minerals Strategy is available via this link:
https://www.resources.qld.gov.au/__data/assets/pdf_file/0005/1726430/critical-minerals-strategy.pdf

The International Energy Agency (IEA) has projected that investment in solar power will overtake oil production investment for the first time ever in 2023, with solar power investment of US$286 billion set to exceed oil's US$280 billion. The shift to solar power is being driven by a number of factors, including the falling cost of solar panels and increasing focus on renewable energy.

The IEA's announcement highlights the need for new sources of silica sand production to power the growth of the solar energy industry, with Diatreme's silica sand projects well placed to benefit.

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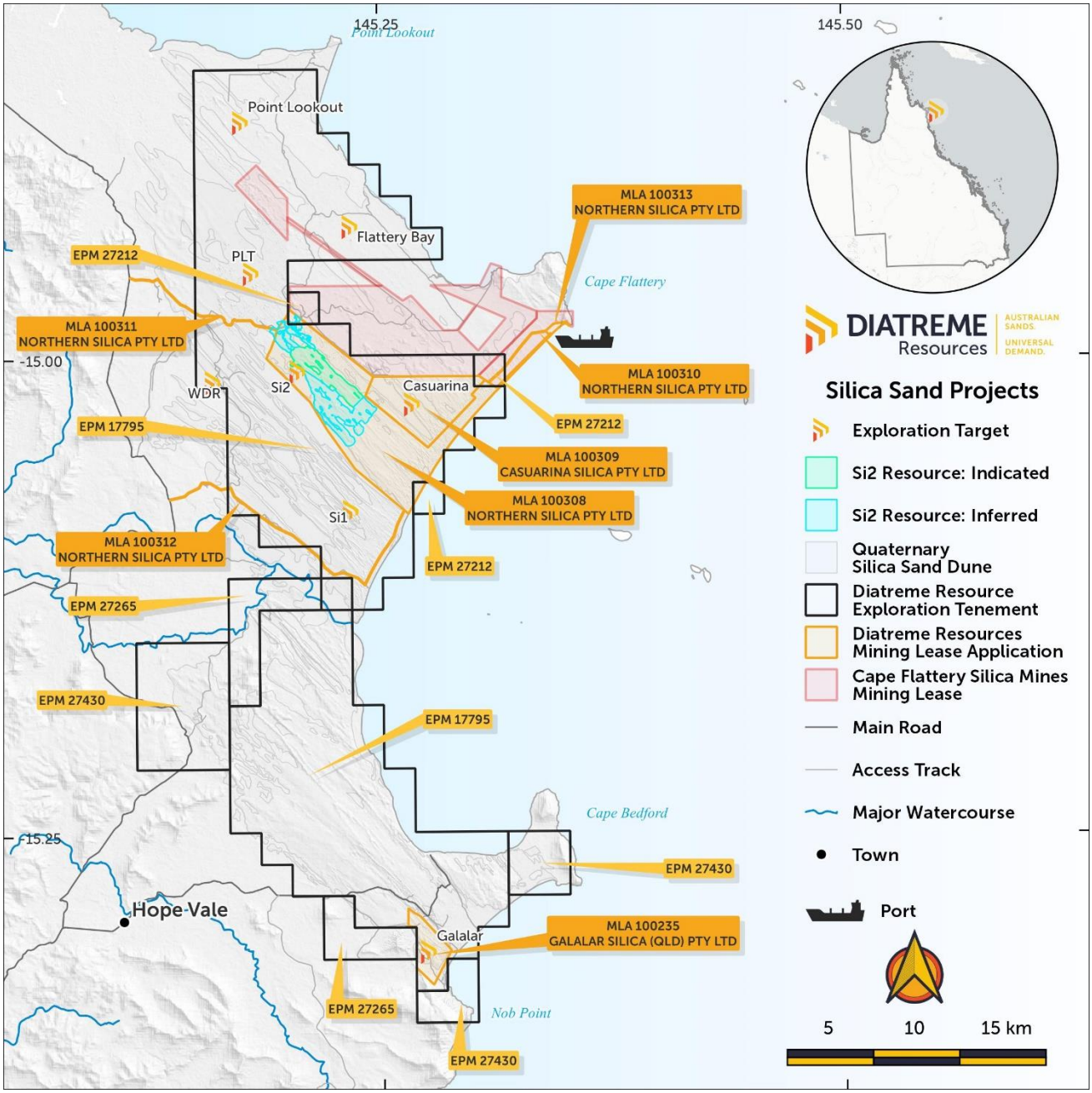

Figure 5: Diatreme's FNQ silica sand projects

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GALALAR SILICA PROJECT, QLD

The Galalar Silica Sand Project (GSSP) continues to remain a strategic and important silica asset of the Company.

However, given the Northern Silica Project's rapid advancement, its much larger scale (resource base) and close proximity to the Port of Cape Flattery clearly evidencing a clear low-cost export pathway, the development of the NSP to eventual mining activity has been given priority.

This further follows from the advancement of two key agreements and the release of the NSP Scoping Study:

- The Company's signing of a Memorandum of Understanding (MOU) with government-owned corporation Far North Queensland Ports Corporation (Ports North), the relevant port authority for the Port of Cape Flattery, concerning planned silica exports from Diatreme's Northern Silica Project (NSP) (refer ASX announcement 18 August 2022).
- The recent execution of a tripartite entry deed (refer ASX release 14 June 2023) between Diatreme, Ports North and Cape Flattery Silica mines (wholly owned by Mitsubishi Corporation) which provides for access to Ports land and marine facilities for the purposes of undertaking relevant studies to advance environmental approvals and more detailed commercial understandings.
- The NSP Scoping Study (refer ASX announcement 14 June 2023) outlined a project with the potential for robust returns, long mine life (large resource) and significant scale (3-5 Mtpa production target).

These agreements will allow Diatreme to advance the NSP with a high degree of certainty of positive outcomes (successful project delivery) for the establishment of mining activity and product export through use of the Port of Cape Flattery.

As a consequence, the GSSP EIS process has been put on hold. Recommencing this process will be reviewed after the NSP has been granted its primary permitting and approvals and commenced export activities.

The Company believes this approach to be the most prudent in terms of allocation of its management and fiscal resources to ensure both the best commercial outcomes, but also the most certainty in achieving delivery of required permitting to facilitate development and eventual exports.

Diatreme has also undertaken detailed discussions with the local community and the relevant State and Federal regulatory agencies to ensure this revised permitting pathway can be prioritised and understood.

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CLERMONT COPPER/GOLD PROJECT, QLD

The Clermont Copper/Gold Project continues to advance under a binding Memorandum of Understanding (MOU) with Metallica Minerals Limited (ASX: MLM).

Post-quarter, on 4 July 2023 Metallica announced assay results for the extension to diamond drill hole RDD020 drilled in April and May 2023.

Hole RDD020 was extended by approximately 450m to test an intense magnetic low anomaly observed in the regional airborne magnetic data and confirmed by a close spaced drone magnetic survey completed in August 2022. The magnetic low feature had a modelled depth to top of +500m and remained untested after the 2022 drilling program (refer Metallica's ASX Announcement dated 13 July 2022: "*Clermont assays indicate potential mineralised porphyry*" for the prior drill program that identified the porphyry target).

Hole RDD020 was deepened to test the magnetic low and provide cross sectional geochemical data across the anomaly. The extension to RDD020 intersected a quartz-monzonite porphyry which exhibits potassic and phyllic alteration which are characteristic of mineralised porphyry systems. The intensity of mineralisation and alteration increased with depth to 510m then the tenor of mineralisation alteration dropped off, with only narrow zones of intense alteration with varying degrees of mineralisation observed in the hole.

Geochemical plots of the copper intensity show a gradual increase in copper anomalism from the top of the hole to 510m, the copper grade then decreases with depth showing a drop off in overall copper and gold values to the bottom of the hole at 950m. There is a slight increase in the copper anomalism at approximately 790m where the copper peaks at 4,080ppm Cu, which is related to a zone of intense strong alteration.

Sulphide mineralisation in the form of iron pyrite, chalcopyrite and molybdenum was observed in the extension to hole RDD020 with the majority of the mineralisation confined to fracture surfaces or mineralised quartz veins (pyrite ± chalcopyrite + molybdenum). Fine disseminations of pyrite, chalcopyrite and molybdenum were also observed in the rock matrix but with concentration of less than 1% total sulphides.

Anomalous copper, gold and molybdenum was recorded in narrow zones in the extension to RDD020 with copper values ranging from 1.8ppm Cu to 4,080ppm Cu, gold grades ranging from <0.005 g/t Au to 0.62g/t Au and Molybdenum grades varying from 0.5ppm to 682ppm Mo. The highest 1m intercept from the extended hole was from 789m, where the quartz monzonite was intensely altered and contained over 5% iron-pyrite, with this 1m section returning assays of 0.41% copper, 0.62 g/t gold and 228ppm molybdenum.

Metallica plans to review the additional geochemical data from RDD020 in conjunction with data available from historical holes drilled on the periphery of the magnetic low. This is expected to further assist in identifying which part of the mineralised porphyry system has been intersected and to aid in recommending further exploration activities.

Under the terms of the MOU with Diatreme, on the completion of this drill hole, Metallica has met the expenditure condition to move to a 51% share of the Clermont Project.

Further information is available from Metallica's ASX release dated 4 July 2023.

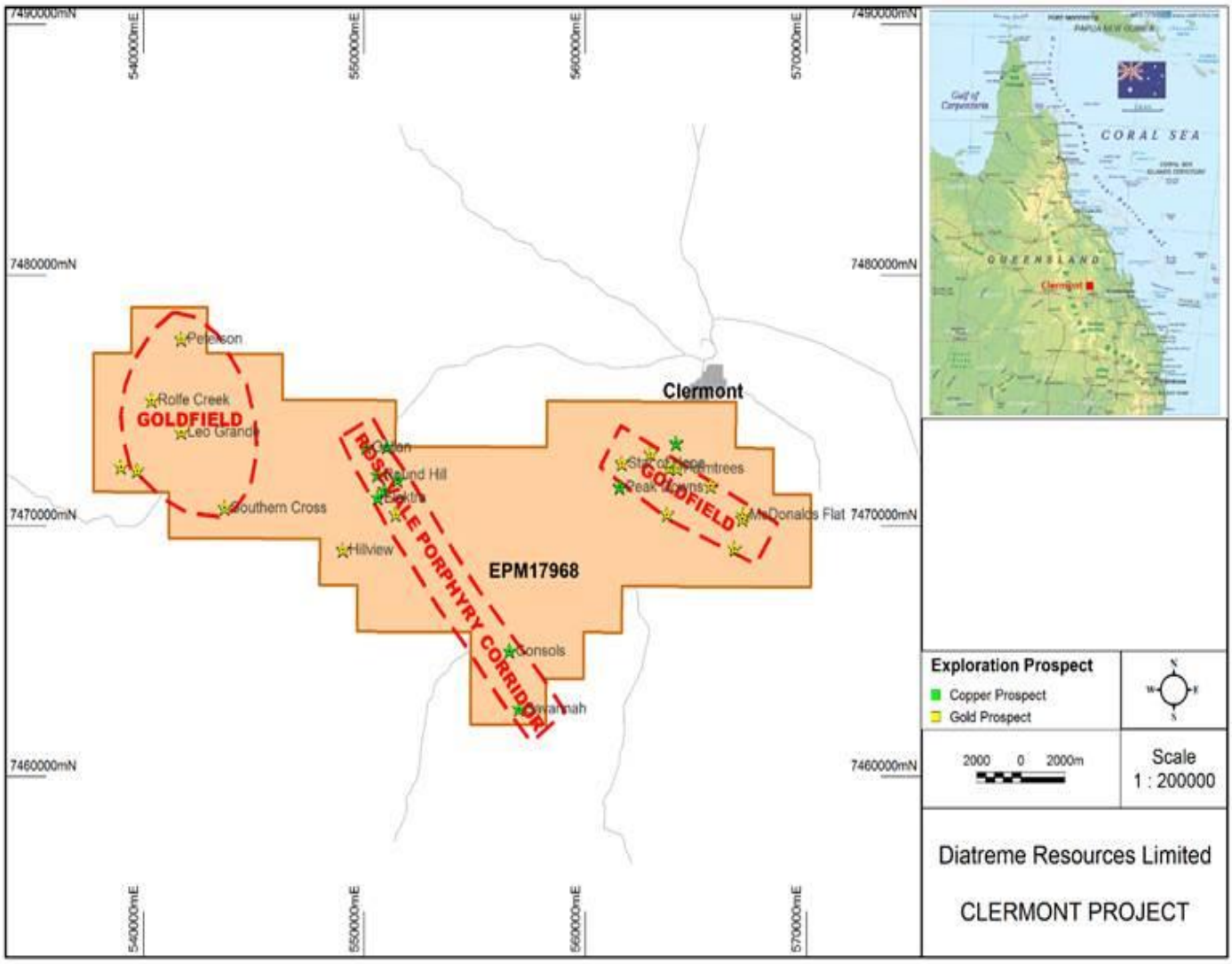

Figure 6: Clermont Copper/Gold Project

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CYCLONE ZIRCON PROJECT, WA

Diatreme has continued to engage with a range of parties to unlock shareholder value from its Cyclone Zircon Project.

Talks are advancing and the Company anticipates a number of opportunities for Cyclone's development, with both domestic and international interest in this high-grade zircon project.

Located in Western Australia's Eucla Basin, the project remains well positioned for development, given declining global supply and continued strong demand for high-grade zircon.

In an investor presentation on 3 May 2023, major producer Iluka Resources reported short and long-term tightness of global supply, with low inventories. It said it had received a US$50 per tonne price increase for the second quarter 2023, with a net realised FOB price for zircon of US$2,053 per tonne in the first quarter 2023.

High chlorine prices have also supported demand for high-grade titanium feedstock. In Q1 2023, Iluka reported a synthetic rutile net realised FOB price of US$1,265 per tonne, with a rutile net realised price of US$1,903.

These positive market dynamics support Diatreme's aim to maximise value from Cyclone by attracting a suitable investment partner to develop this shovel-ready project.

The Company will keep the market fully informed when talks potentially transition to a more formally documented process.

In addition, the company is now also reviewing the potential for use of a separated company vehicle for the purposes of a potential asset "spin out" to a newly listed company shell should market conditions facilitate support for this.

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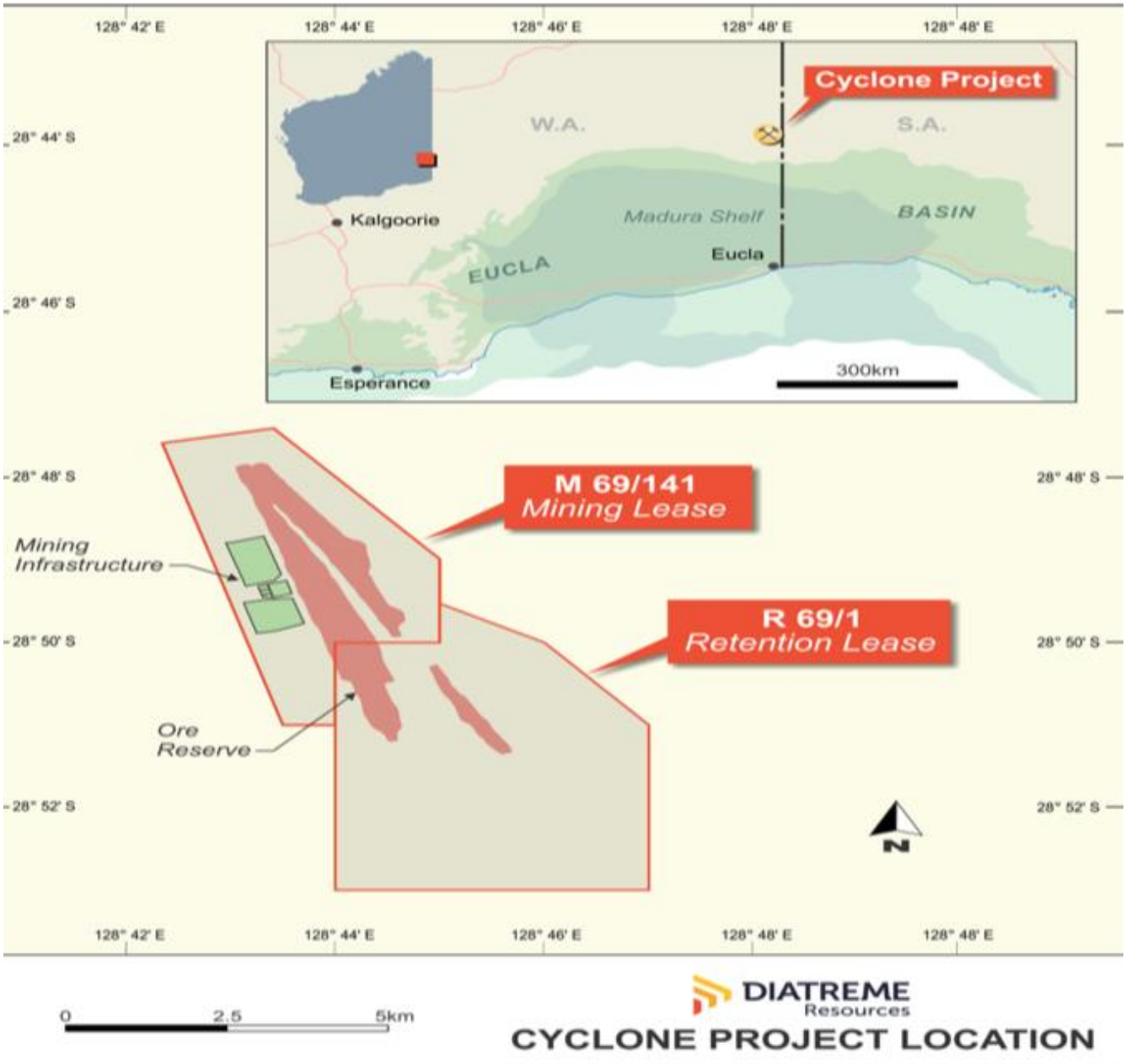

Figure 7: Cyclone project location

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MINERAL SANDS AND SILICA - COMPETENT PERSON STATEMENTS

The information in this report that relates to Mineral Resources at the Cape Bedford Project (including the Northern Silica Project & Galalar Silica Project) is based on information compiled by Bryce Mutton from Ausrocks Pty Ltd who has significant experience in Industrial Minerals and Quarry Resource assessments.

Bryce Mutton has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code). Bryce Mutton consents to the inclusion in the report on the matters based on their information in the form and context in which it appears.

The information in this presentation that relates to Exploration Targets & Exploration Results is based on information compiled by Mr Frazer Watson, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy, and the Australian Institute of Geoscientists. Mr Watson is a full-time employee of Diatreme Resources Limited. Mr Watson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Mr Watson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report, insofar as it relates to Mineral Resources at the Cyclone Project is based on information compiled by Mr Ian Reudavey, who was a full-time employee of Diatreme Resources Limited and a Member of the Australian Institute of Geoscientists. Mr Reudavey has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of 'The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Reudavey consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report, insofar as it relates to Ore Reserves at the Cyclone Project is based on information compiled by Mr Phil McMurtrie, who is a director of Tisana Pty Ltd (a consultant to Diatreme Resources Limited), and a Member of the Australasian Institute of Mining and Metallurgy. Mr McMurtrie has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of 'The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr McMurtrie consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

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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
WA	Cyclone Extended	R 69/1	Granted	Eucla Basin	100%	DRX
QLD	Clermont	EPM 17968	Granted	Clermont	49%*	CHAL
QLD	Cape Bedford	EPM 17795	Granted	Hopevale	100%**	Cape Silica Holdings Pty Ltd*
QLD	Cape Bedford	EPM 27265	Granted	Hopevale	100%**	Cape Silica Holdings Pty Ltd*
QLD	Cape Bedford	EPM 27212	Granted	Hopevale	100%**	Northern Silica Pty Ltd*
QLD	Cape Bedford	EPM 27430	Granted	Hopevale	100%**	Cape Silica Holdings Pty Ltd*
QLD	Cape Bedford	MLA 100235	Application	Hopevale	100%**	Galalar Silica (QLD) Pty Ltd*
QLD	Cape Bedford	MLA 100308	Application	Cape Flattery	100%**	Northern Silica Pty Ltd*
QLD	Cape Bedford	MLA 100309	Application	Cape Flattery	100%**	Casuarina Silica Pty Ltd
QLD	Cape Bedford	MLA 100310	Application	Cape Flattery	100%**	Northern Silica Pty Ltd*
QLD	Cape Bedford	MLA 100311	Application	Cape Flattery	100%**	Northern Silica Pty Ltd*

QLD	Cape Bedford	MLA 100312	Application	Cape Flattery	100%**	Northern Silica Pty Ltd*
QLD	Cape Bedford	MLA 100313	Application	Cape Flattery	100%**	Northern Silica Pty Ltd*
QLD	Cape Bedford	MLA 100285	Application withdrawn 21/10/2022	Hopevale	-	DRX

** PGE Minerals Pty Ltd has earned a 51% interest in the tenement through a progressive earn-in.*

*** Cape Silica Holdings Pty Ltd is owned by DRX (90.01%) and Sibelco Silica Pty Ltd (9.99%). 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 90.01%. 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
EPMA	Queensland	Exploration Permit for Minerals Application	
MLA	Queensland	Mining Lease Application	

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