DIATREME Resources

DIATREME RESOURCES | ASX:DRX

QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDED 30 September 2024

DIATREME Resources

ASX RELEASE

28 October 2024

Quarterly Activities Report

For the period ended 30 September 2024

This announcement was authorised for release by the Board.

Neil McIntyre
Chief Executive Officer

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, Fensom Advisory
anthony@fensom.com.au;
Ph: +61 (0) 407 112 623

Share Registry: Automic Group
automicgroup.com.au
Investor Services: 1300 288 664

CORPORATE

Diatreme announced on 16 February 2024 its conditional intention to make a takeover bid for all of the ordinary shares in Metallica Minerals Limited (ASX:MLM). On 24 July, DRX announced it had acquired a relevant interest in more than 90% of MLM shares. On 5 August, DRX announced the commencement of compulsory acquisition (100%), which was completed on 18 September.

Greg Starr resigned as a Director following his appointment to the MLM Board as Managing Director. Post-quarter, on 9 October, DRX appointed globally experienced mining executive and major shareholder Brian Flannery as a Non-Executive Director, with a representative of major shareholder and silica sand projects partner Sibelco to be appointed in due course. Current Director, Kara Keys was appointed Deputy Chairperson to enhance stakeholder engagement.

Diatreme released its Half Year Accounts on 26 August, reporting a net loss for the half year to 30 June 2024 of $937,701 (2023: loss of $1,137,828).

During the quarter, the Company made total payments of $110k to related parties, comprising $68k of director fees, and $42k for specialist marketing consultancy, community engagement, risk management and corporate advisory services to related parties of three directors of the Company.

The Company's cash and liquids position, which now includes remnant MLM cash, totaled **$7.2M** (not including a further **$18.8M** in the silica projects J/V), giving total cash of **$26M** as at 30 September 2024.

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QUARTERLY HIGHLIGHTS

Silica Projects

Northern Silica Project (NSP)

- Final Terms of Reference received from Office of Coordinator General for EIS, outlining environmental, heritage, social and economic study requirements for Northern Silica Project
- Community engagement meetings held including with Traditional Owners

Cape Flattery Silica (CFS)

- Takeover completed for Metallica Minerals including all silica assets
- DFS review well advanced

Clermont Copper/Gold Project

- Diatreme re-evaluating project, with potential gold and graphite targets to be further examined

Cyclone Zircon Project

- New air-core drilling program of 156 holes for up to 5,500m commenced
- Program designed to facilitate new metallurgical testwork using latest innovative processing technologies

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COMING DECEMBER QUARTER 2024 ACTIVITIES

Diatreme's operational focus for the December quarter 2024 comprises the following:

FNQ silica sand projects

Northern Silica Project (NSP)

- Continue impact assessments for various studies and ongoing environmental monitoring and baseline assessment studies within the EIS framework.
- Exploration drilling focusing on extensional and infill drilling at the Si2 dune complex located within and around the NSP.
- Ongoing negotiations for a Part User agreement with Ports North for elements of the Cape Flattery port.
- Commence further bulk metallurgical testwork on the Si2 resource.
- Continue engagement with the local community and related programs.
- Conduct Cultural Heritage surveys on the NSP project area and EIS information sessions with Traditional Owner groups.
- Undertake seasonal Flora and Fauna site surveys and migratory species surveys.
- 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 project technical information and DFS material assessments.
- Liaise with affected native title holders on various project development agreements.
- Liaise with various State regulatory agencies.
- Assess regional project synergies.
- Investigate further infrastructure sharing potential between NSP and CFS.

Cyclone Zircon Project

- Air-core drilling program comprising up to 156 holes for 5,500m, aiming to update metallurgical testwork and confirm previous drilling results.
- Undertake site visits from technical team to confirm economic and technical base assumptions in previously undertaken DFS studies.
- 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" to a listed entity.

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NORTHERN SILICA PROJECT

Final Terms of Reference for EIS

Diatreme is further advancing the approval process for its flagship Northern Silica Project (NSP) in Far North Queensland, following the release by Queensland's Office of the Coordinator-General (OCG) of the final Terms of Reference (ToR) for the NSP's Environmental Impact Statement (EIS).

The release of the final ToR on 20 September 2024 followed a period of public review and submissions regarding the draft ToR from 3 June 2024 to 8 July 2024, with these submissions forming part of the OCG's formation of the final ToR. A 99-page document, the draft ToR outlined a comprehensive study program for the future EIS across environmental, social, heritage and economic requirements.

In addition to minor edits and clarifications, changes included in the final ToR included:

- Additional requirements for studies related to groundwater extraction and use by the NSP, including potential impacts on neighbouring areas;
- Additional requirements for studies related to flora and fauna;
- Additional requirements for studies and accounting related to greenhouse gas emissions;
- Clarification of requirements for studies related to the coastal environment; and
- Clarification of offset requirements related to the EPBC Act.

The final ToR is available from the following Queensland Government website:

https://www.statedevelopment.qld.gov.au/coordinator-general/assessments-and-approvals/coordinated-projects/current-projects/northern-silica-project

The final ToR provides Diatreme with certainty concerning the scope and detail of its site-based data collection and baseline surveys, which are already well progressed. It also provides an indication of key issues for further study and investigation as raised by regulatory agencies and stakeholders.

With this information, the data collection and surveys on the NSP site are being finalised over the dry season period, with impact assessment reporting progressing.

Diatreme is continuing and intensifying its community consultation and stakeholder engagement program in Hope Vale and Cooktown, with the key focus for the remainder of calendar 2024 on social impact assessment and cultural heritage and cultural values engagement and surveys.

Next steps

The Draft EIS will now be prepared by Diatreme in accordance with the final ToR, outlining baseline and impact assessments, mitigation measures and proposed strategies and management plans to manage project risks and impacts. Submission for Government review is planned before the end of Q2 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).

Figure 1: Diatreme's Alastair Bauer, General Manager – Development Projects, discusses the NSP's EIS process at a community information session in Cooktown, Qld

Community engagement

Diatreme has continued to actively engage with the community where it operates. Recent events have included Community Information Sessions held during September in both Cooktown and Hope Vale, where Diatreme invited residents to learn about the NSP, its permitting and approvals pathway, the EIS process, project opportunities and impacts and more.

Current focus areas include supporting and facilitating engagement with community members to attend the Social, Cultural and Heritage assessment works for the NSP's EIS; co-designing a workforce preparedness program in direct consultation with WAC; participating in various community sponsorships and events in Hope Vale; and continuing to support the Hope Vale school.

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CAPE FLATTERY SILICA PROJECT

Diatreme acquired 100% of the Cape Flattery Silica Project (CFSP) following its successful takeover of MLM. 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.

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.

Diatreme is now undertaking 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.

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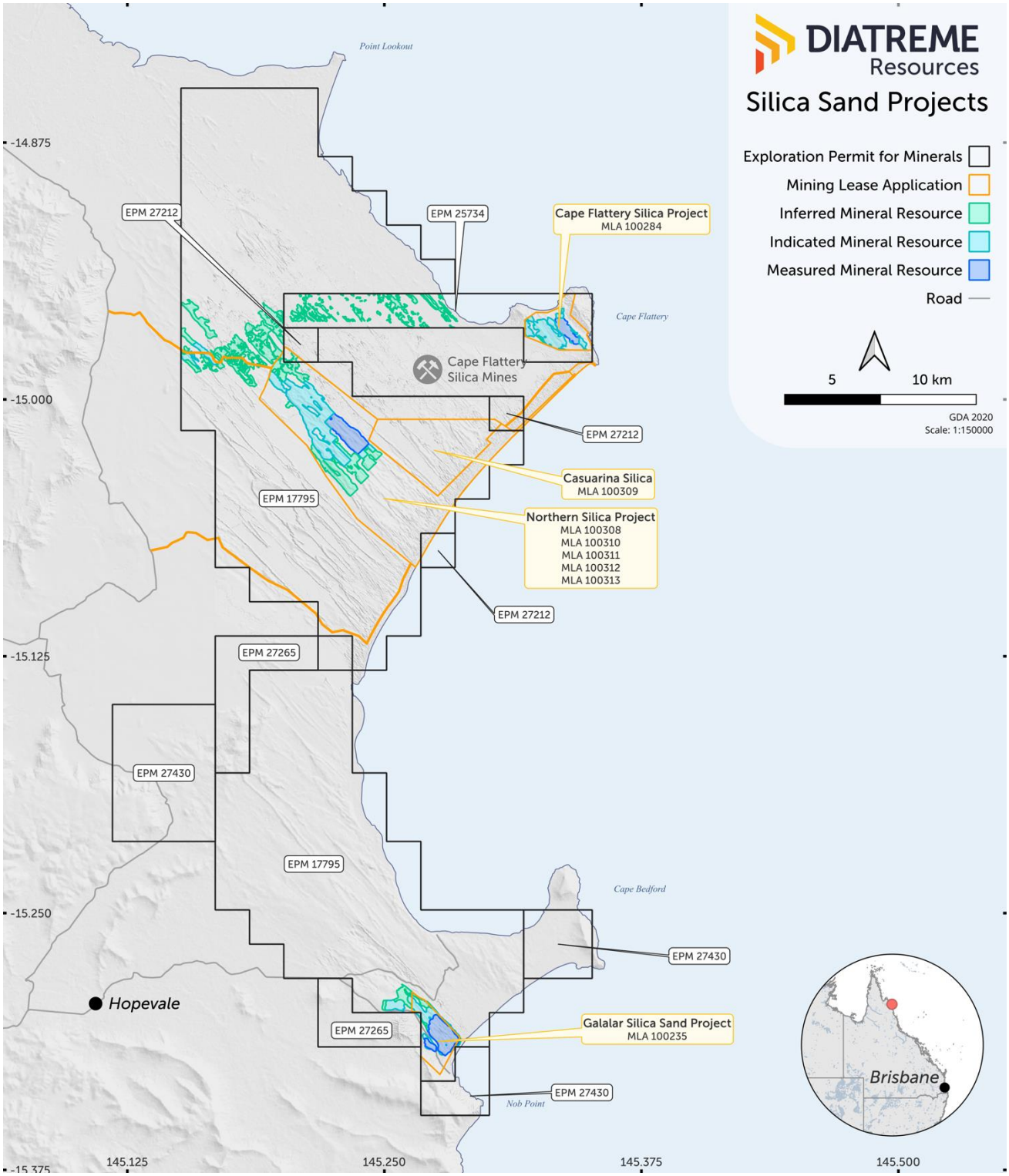

Figure 2: Diatreme's Far North Queensland silica sand projects

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CLERMONT COPPER/GOLD PROJECT, QLD

The Clermont Copper/Gold Project, located in Central Queensland, is now wholly owned by Diatreme following the successful conclusion of its takeover of Metallica Minerals Limited.

Diatreme is now examining options to unlock shareholder value from this strategic project.

No further project work was undertaken during the September quarter.

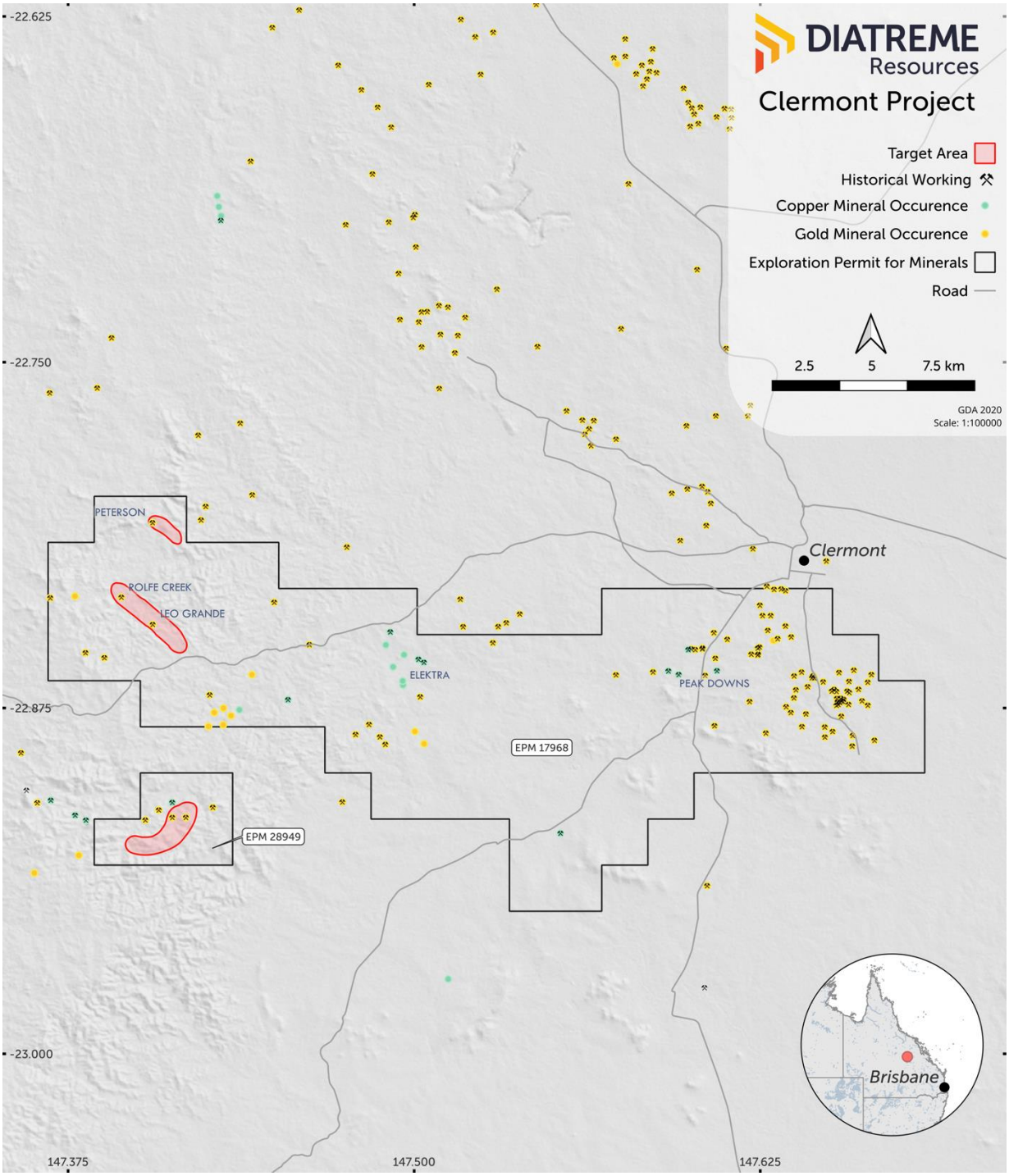

Figure 3: Clermont Copper/Gold Project, Central Queensland

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CYCLONE ZIRCON PROJECT, WA

Diatreme has launched a new air-core drilling program for its Cyclone Zircon Project in Western Australia, seeking to update metallurgical testwork and confirm previous drilling results from the zircon-rich heavy mineral sands project (refer ASX release 25 September 2024).

Under the program, 10 tonnes of heavy mineral sand will be obtained from the Cyclone Deposit, representing the first three years of planned production under the current mine design. The program aims to collect sufficient samples for processing testwork using the latest equipment and processes, process products and confirm previous drilling results for potential customers and investors.

The 2024 Cyclone drilling program encompasses up to 156 holes totalling approximately 5,500m of NQ air-core. Drilling will be on six existing grid lines, with holes nominally 'twinning' and 'infilling' 25m apart from existing holes to:

- Provide more certainty in data, more accurately determine target depth and sampling intervals;
- Obtain two bulk samples to test mineralogy viability for mining development;
- Test new and innovative processing and mineral recovery technologies.

The drilling program has been designed to target existing traverses through the first three years of production to create further confidence in the reserve through twinning and infilling existing holes. New data generated will include new geological logging and interpretations based on assaying on 1m intervals.

Metallurgical Testwork

Diatreme has received a proposal from Mineral Technologies for metallurgical testwork on the 10-tonne bulk sample of Cyclone ore. The extensive program of investigations will be conducted over a period of approximately six months and will involve separation and concentration testwork using the latest innovative developments in mineral sand technology.

The objectives of the testwork are to improve recovery and product quality for zircon and the full suite of titanium minerals through improvements to process flowsheets for the wet concentrator plant (WCP) and the mineral separation plant (MSP). These improvements are targeted at improving the project economics by producing higher quality products in line with recent discussions involving potential customers for zirconium and titanium minerals.

WCP testwork will produce a heavy mineral concentrate product (HMC) using a range of equipment and operational settings for screens, spiral concentrators, classifiers and shaking tables. MSP testwork will produce zircon product and TiO2 products (HiTi) using a range of equipment and settings for screens, electrostatic separators, magnetic separators, acid leach processing and floatation for fine zircon. Potential customers in China and USA are aware of this testwork program and will receive samples of HMC and final products for downstream testwork at their processing facilities.

The Australian components of this testwork program, including supporting activities that are required to prepare the bulk sample and transport it to Mineral Technologies' test facility, will be assessed and are expected to be eligible for partial funding through the Australian Government's Research and Development tax rebate scheme.

Diatreme recently expanded (39 sub blocks) the exploration tenement area surrounding Cyclone, with the grant by the Western Australian Government (DEMIRS) of E69/4143. This strategic application was made

immediately following Diatreme being made aware of the area being relinquished by another party. This EPM area further protects Cyclone's existing tenement (mining and retention licence) holdings.

In its Quarterly Review released on 23 July 2024, major producer Iluka Resources reported a weighted average zircon sand price in the second quarter 2024 of US$1,907 per tonne, up 2% compared to the first quarter. Iluka expects zircon prices to be "broadly flat" in the third quarter 2024. Iluka also reported a Q2 2024 rutile price of US$1,690/t and a synthetic rutile price of US$1,194/t.

These positive market dynamics support Diatreme's aim to maximise shareholder value from Cyclone, amid projected constrained supply and consistent demand for high-grade zircon.

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 newly listed company shell, should market conditions facilitate support for this.

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Figure 4: Exploration drilling at Cyclone Zircon Project

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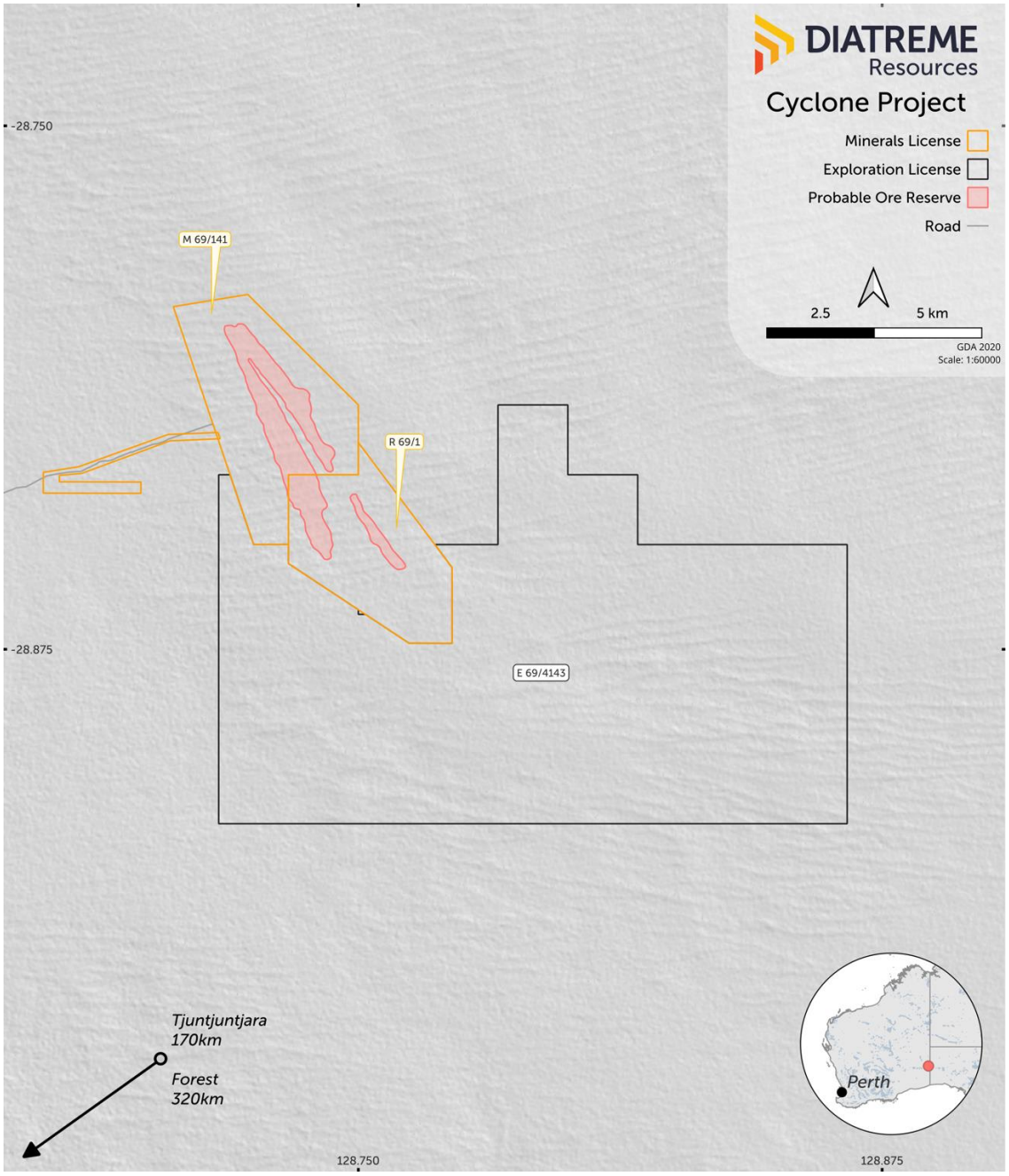

Figure 5: Cyclone Zircon Project outline, WA

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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.

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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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
WA	Cyclone	E69/4143	Granted	Eucla Basin	100%***	DRX
QLD	Clermont	EPM 17968	Granted	Clermont	100%*	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*

** PGE Minerals Pty Ltd had historically earned a 51% interest in the tenement through a progressive earn-in. Note: PGE Minerals Pty Ltd was a wholly owned subsidiary of Metallica Minerals Limited (**MLM which is now wholly owned by DRX**).*

*** 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.*

**** Company notes award of tenement area E69/4143 in late November 2023 –no exploration activity has been undertaken.*

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.

Mining tenements acquired during the quarter.

State	Tenement Name	Tenement ID	Status	Location	Holder
QLD	Cape Flattery Silica	EPM 25734	Granted	Cape Flattery	Cape Flattery Silica Pty Ltd
QLD	Cape Flattery Silica	MLA 100284	Application	Cape Flattery	Cape Flattery Silica Pty Ltd
QLD	Clermont	EPM 17968	Granted	Clermont	PGE Minerals Pty Ltd

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*Note : During the quarter ending 30 September 2024, DRX increased its interest in the above tenements from 68.67% (as at 30 June 2024), held via a relevant interest in shares in Metallica Minerals Limited (**MLM**), to 100% on 18 September 2024 following completion of the compulsory acquisition of the remaining shares in MLM that DRX did not already own as at the close of its off-market takeover bid for MLM. Cape Flattery Silica Pty Ltd and PGE Minerals Pty Ltd are wholly owned subsidiaries of MLM.*

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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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 2024

Consolidated statement of cash flows * *Incorporating Diatreme Resources Ltd and 100% of Metallica Minerals Ltd (MLM) from acquisition date of 17 June 2024	**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	(944)	(1,477)
(e) administration and corporate costs	(1,349)	(3,839)
1.3 Dividends received (see note 3)		
1.4 Interest received	115	344
1.5 Interest and other costs of finance paid	(25)	(92)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	60	186
1.9 Net cash from / (used in) operating activities	**(2,143)**	**(4,877)**

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(23)	(191)
(d) exploration & evaluation	(630)	(721)
(e) investments		
(f) other non-current assets		

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Consolidated statement of cash flows * *Incorporating Diatreme Resources Ltd and 100% of Metallica Minerals Ltd (MLM) from acquisition date of 17 June 2024	**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	-	8
(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 – cash from acquisition of subsidiary (MLM)	-	2,756
2.6 Net cash from / (used in) investing activities	**(653)**	**1,852**

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	-	(500)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)	(18)	(64)
3.10 Net cash from / (used in) financing activities	**(18)**	**(564)**

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Consolidated statement of cash flows * *Incorporating Diatreme Resources Ltd and 100% of Metallica Minerals Ltd (MLM) from acquisition date of 17 June 2024		**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	9,997	10,772
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,143)	(4,877)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(653)	1,852
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(18)	(564)
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**7,183**	**7,183**

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	518	359
5.2	Call deposits	6,665	9,638
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)**	**7,183**	**9,997**

*** Note:** in addition to the above cash balances, the Cape Silica Joint Venture (JV) between Diatreme and Sibelco spent during the quarter, $2.9m of exploration & evaluation expenditure on the Company's Silica projects in northern Queensland. Consequently, cash at end of September 2024 for the JV totalled $18.8M, giving total cash of **$26.0m** being held by the Company.

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	110
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.

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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.		
	$1.0M 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)	(2,143)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(630)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,773)
8.4	Cash and cash equivalents at quarter end (item 4.6)	7,183
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	7,183
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	2.59

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: 28 October 2024

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.

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