

**Diatreme Resources Limited**  
ACN 061 267 061

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**NOTICE OF ANNUAL GENERAL MEETING**  
**EXPLANATORY STATEMENT**  
**PROXY FORM**

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Date of Meeting: Thursday, 30 May 2019  
Time of Meeting: 2:00 pm (Brisbane time)  
Place of Meeting: Unit 8  
61 Holdsworth Street  
Coorparoo QLD 4151

**Diatreme Resources Limited**  
**ACN 061 267 061**

**NOTICE OF ANNUAL GENERAL MEETING**

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**NOTICE IS HEREBY GIVEN** that a General Meeting of Diatreme Resources Limited (ACN 061 267 061) (**Company**) will be convened at 2.00 pm on Thursday, 30 May 2019 at the offices of the Company, Unit 8, 61 Holdsworth Street, Coorparoo, Brisbane QLD.

Attached to, and forming part of, this Notice of Meeting is an Explanatory Statement that provides Shareholders with background information and further details on the Resolutions to be considered at the Meeting.

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**AGENDA**

**FINANCIAL STATEMENTS AND REPORTS**

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To receive and consider the annual financial statements, the directors' report and the audit report of the Company for the year ended 31 December 2018.

**RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

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To consider and, if thought fit, pass the following Resolution as a **non-binding resolution** with or without modification:

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s annual financial report for the financial year ended 31 December 2018.”*

The vote on this item is advisory only and will not bind the company. However, the Board will take the outcome of the vote into consideration when reviewing the Company’s remuneration practices and policies.

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of Resolution 1 (in any capacity) by or on behalf of:

- a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- a Closely Related Party of such a member.

However, the Company need not disregard a vote on this Resolution if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

If you are a member of the Key Management Personnel of the Company or a closely related party of such person (or are acting on behalf of any such person) and purport to cast a vote (other than as a proxy as permitted in the manner set out above), that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

## **RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR YUFENG ZHUANG**

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To consider and, if thought fit, pass the following Resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 14.4, rule 20.3 of the Constitution and for all other purposes, Mr Yufeng Zhuang, a Director, retires, and being eligible, is re-elected as a Director of the Company.”*

## **RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SECURITIES**

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To consider and, if thought fit, pass the following Resolution as an **ordinary resolution**:

*“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the allotment and issue of 125,521,205 Shares to the Placees, for the purpose and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of any person who participated in the issue and any associate of that person. However, the Company need not disregard a vote on this Resolution if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## **RESOLUTION 4 – APPROVAL OF SHARE ISSUE TO RELATED PARTY – CHEN (WILLIAM) WANG**

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To consider and if thought fit, pass the following Resolution as an ordinary resolution with or without modification:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 1,500,000 Company Shares to Mr Chen (William) Wang or a nominee entity of Mr William Wang for the purpose and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- Mr William Wang; and
- any associate of Mr Wang.

However, the Company need not disregard a vote on this Resolution if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## **RESOLUTION 5 – APPROVAL FOR ISSUE OF BROKER SHARES AND OPTIONS**

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To consider and, if thought fit, pass the following Resolution as an ordinary resolution with or without modification:

*"That, for the purposes of ASX listing Rule 7.1 and for all other purposes, Shareholder approval is given for the company to issue 5,113,636 Shares and 50,000,000 Unlisted Options to Hartleys Limited for the purpose and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."*

### **Voting exclusion statement:**

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- Hartleys Limited;
- an associate of Hartleys Limited

However, the Company need not disregard a vote on this Resolution if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## **SPECIAL BUSINESS**

### **RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY**

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To consider and, if thought fit, pass the following Resolution as a **special resolution** with or without modification:

*"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Ordinary Shares totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and for the purpose and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."*

### **Voting exclusion statement:**

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity);
- any associate of that person

However, the Company need not disregard a vote on this Resolution if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## **IMPORTANT NOTES**

### **VOTING ENTITLEMENTS**

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that for the purpose of voting at the Meeting, Shareholders eligible to vote at the Meeting are those persons who are the registered holders of Shares at 7.00pm (Sydney time) on Tuesday, 28 May 2019.

If you are not the registered holder of a relevant share at that time, you will not be entitled to vote at the Meeting.

### **CORPORATE REPRESENTATIVES**

In order to vote at the Annual General Meeting (other than by proxy or under power of attorney), a corporation that is a shareholder must appoint a person to act as its representative. The appointment must comply with section 253B of the *Corporations Act*. The representative must bring to the Annual General Meeting evidence of his or her appointment, including any authority under which it was signed.

### **HOW TO VOTE**

You may vote by attending the Meeting in person, by proxy or authorised representative. Registration will commence just prior to the Meeting. To vote in person, attend the Meeting on the date and at the place set out above.

### **VOTING AT THE MEETING**

Ordinary resolutions require the support of more than 50% of the votes cast. Special resolutions require the support of at least 75% of the votes cast. All the Resolutions at this Meeting, other than Resolution 4, are ordinary resolutions. Resolution 4 is a special resolution.

Every question arising at this Meeting will be decided in the first instance by a show of hands. A poll may be demanded in accordance with the Company's Constitution.

On a show of hands, every Shareholder who is present in person or by proxy, representative or attorney, will have one vote. Upon a poll, every person who is present in person or by proxy, representative or attorney will have one vote for each Share held by that person.

### **PROXY VOTES**

A Shareholder who is entitled to attend this Meeting and vote is entitled to appoint a proxy to attend and vote for the Shareholder at the Meeting. A proxy need not be a Shareholder. If the Shareholder is entitled to cast two or more votes at the Meeting the Shareholder may appoint two proxies and may specify the proportion or number of votes which each proxy is appointed to exercise. A form of proxy accompanies this Notice.

To be valid, the appointment of a proxy (made using a properly completed and executed Proxy Form) must be received by the Company no later than 48 hours before the commencement of the meeting.

Proxy Forms can be submitted by the below methods:

By posting:	Diatreme Resources Limited Share Registry C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235
By facsimile:	+61 2 9287 0309
By delivery:	Link Market Services Limited Either: 1A Homebush Bay Drive Rhodes NSW 2138, or Level 12, 680 George Street Sydney NSW 2000

Online: Lodging it online at Link's website ([www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)) in accordance with the instructions given there (you will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website).

Pursuant to section 250BC of the Corporations Act, if:

- an appointment of a proxy specifies the way the proxy is to vote on a resolution at the Annual General Meeting;
- the appointed proxy is not the Chairman of the Annual General Meeting;
- at the Annual General Meeting, a poll is duly demanded on the resolution; and
- either the proxy is not recorded as attending the Annual General Meeting or the proxy does not vote on the resolution,

the Chairman of the Annual General Meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the Annual General Meeting.

Please note that if the Chairman of the Meeting is your proxy (or becomes your proxy by default), you expressly authorise the chair to exercise your proxy on Resolution 1 even though they are connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. If you appoint the chair as your proxy, you can direct the chair to vote for or against or abstain from voting on any of the Resolutions by marking the appropriate box on the Proxy Form.

#### **VOTING INTENTION OF THE CHAIR FOR ALL RESOLUTIONS**

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, subject to compliance with the *Corporations Act*.

**By Order of the Board**

Tuan Do  
Company Secretary  
Dated 29 April 2019

**Diatreme Resources Limited**  
**ACN 061 267 061**

**EXPLANATORY STATEMENT**

**1 INTRODUCTION**

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This Explanatory Statement forms part of the Notice of Meeting and has been prepared for Shareholders in connection with the Meeting to be held at 2:00 pm, on Thursday, 30 May 2019 at the offices of the Company, Unit 8, 61 Holdsworth Street, Coorparoo, Brisbane QLD.

This Explanatory Statement provides information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions contained in the Notice of Meeting. The Meeting Materials are all important documents that should be read carefully and in their entirety before Shareholders make a decision on how to vote at the Meeting.

Capitalised terms used in this Explanatory Statement are defined either in the Glossary section or where the relevant term is first used.

**2 FINANCIAL STATEMENTS AND REPORTS**

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The Corporations Act requires the annual financial report, directors' report and the auditor's report (Annual Financial Statements) be received and considered at the Annual General Meeting. The Annual Financial Statements for the period ended 31 December 2018 are included in the Company's annual financial report, a copy of which can be accessed on-line at <http://www.diatreme.com.au>. Alternatively, a hard copy will be made available on request.

There is no requirement for Shareholders to approve these reports and no vote will be taken on the Annual Financial Statements. However, Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Annual Financial Statements and the management of the Company.

The Company's auditor, William Buck, will be present at the Annual General Meeting and Shareholders will have the opportunity ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the auditor's report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the Annual Financial Statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the meeting date:

In person or post to: Unit 8, 61 Holdsworth Street, Coorparoo, Brisbane QLD

By email to: [manager@diatreme.com.au](mailto:manager@diatreme.com.au)

**3 RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

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**3.1 General**

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the director's report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

### 3.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report (**Strike**) and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting, those persons whose election or re-election as directors of the company is approved will be the directors of the company.

The Company did not receive a Strike at its 2018 annual general meeting and as a result, if the Remuneration Report receives a Strike at this Meeting, the Company will not be required to put a Spill Resolution. However, if the Remuneration Report receives a Strike at this Meeting and a second Strike at the 2020 Annual General Meeting, the Company is then required to put a Spill Resolution.

### 3.3 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

***If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy, you must direct your proxy how to vote on this Resolution.***

*Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.*

*If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member) you **do not** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, you **must mark the acknowledgement on the Proxy Form** to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.*

*The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 1.*

If you appoint any other person as your proxy, you do not need to direct your proxy and you do not need to mark any acknowledgement on the Proxy Form.

### 3.4 Directors' recommendation

***The Directors unanimously recommend that shareholders vote in favour of Resolution 1.***

## **4 RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR YUFENG ZHUANG**

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### **4.1 General**

Pursuant to the Constitution of the Company, one-third of the Directors or, if their number is not a multiple of three, the number nearest to one-third, except the Managing Director, are required to retire by rotation at each Annual General Meeting. Additionally, under ASX Listing Rule 14.4, a Director must not hold office without re-election past the third annual general meeting following the director's appointment, or three years whichever is longer. A Director who retires in accordance with these provisions is eligible for re-election.

The board is currently comprised of three non-executive directors, none of whom are presently required to retire and offer themselves for re-election.

However, to satisfy the one-third requirement under the Constitution, Mr Yufeng Zhuang voluntarily retires at the end of the meeting and offers himself for re-election to the Board. Details of Mr Yufeng Zhuang's qualifications, experience, other directorships and special responsibilities are set in the Directors' Report on page 6 of the 2018 Annual Report.

Mr Zhuang was nominated to the Board by the former association of Chinese shareholders Messrs Z Zhuang, C Zhuang and Q Lin, to represent their significant investment and ongoing corporate commitments towards the Company.

Mr Zhuang holds a Bachelor of Arts in Economics (Investment Management) from the Central University of Finance and Economics (Beijing, China). He has worked for Ping An Securities in Beijing and Fujian Minxing Group in Zhangzhou, China.

### **4.2 Directors' recommendation**

***The Directors (other than Mr Zhuang) unanimously recommend that shareholders vote in favour of Resolution 2.***

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 2.

## **5 RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SECURITIES**

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### **5.1 Background**

ASX Listing Rule 7.1 prohibits the Company (subject to certain exceptions such as pro-rata issues), from issuing or agreeing to issue Equity Securities representing more than 15% of its total issued securities, during a rolling 12-month period without Shareholder approval (**15% Threshold**).

ASX Listing Rule 7.4 allows an issue of Equity Securities, for which Shareholder approval was not first obtained, to not be counted towards the 15% Threshold when Shareholder approval for that issue is subsequently obtained.

That is, ASX Listing Rule 7.4 permits an issue of Shares to be approved retrospectively. It provides that an issue of securities is treated as having been made with Shareholder approval if ASX Listing Rule 7.1 was not breached at the time the securities were issued and Shareholders subsequently approve (ratify) the issue. This has the effect of refreshing the entity's 15% Threshold.

### **5.2 Initial Placement Shares**

This Resolution seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of a total of 125,521,205 Shares (Initial Placement Shares) to various new and existing professional and sophisticated investors and existing shareholders identified by the Company's broker, Hartleys Limited (Placees). The placement of these shares was announced to ASX on 27 March 2019 and 4

April 2019. The Initial Placement Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

The Company did not breach ASX Listing Rule 7.1 at the time the Placement Shares were issued.

By ratifying the prior issue of 125,521,205 Placement Shares to the Placees, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity under LR 7.1 without the requirement to obtain prior shareholder approval.

If Shareholders do not ratify the issue of the Placement Shares, the issue will not be affected; however, the Company will be limited in the number of Shares it can issue in the upcoming 12 months without Shareholder approval.

### 5.3 Information required by ASX Listing Rule 7.5

The following information is provided pursuant to ASX Listing Rule 7.5:

<b>Number of Shares issued</b>	125,521,205 Shares were issued pursuant to Listing Rule 7.1.
<b>Price at which the Shares were issued</b>	The issue price per Initial Placement Share was \$0.011 to raise \$1,380, 733.
<b>Terms of the Shares</b>	The Initial Placement Shares are fully paid Ordinary Shares in the capital of the Company, having the same terms and rights as, and ranking equally with, the Company's existing listed fully paid ordinary Shares.
<b>Persons to whom the Company issued the Shares</b>	The Initial Placement Shares were issued to various new professional and sophisticated investors and existing shareholders (identified by Hartleys Limited, the Company's broker), none of whom are related parties of the Company.
<b>Intended use of funds raised</b>	As announced on 27 March 2019, the funds raised by the issue of the shares will be used to fund the Galalar Silica Project and for working capital purposes.
<b>Voting exclusion statement</b>	A voting exclusion statement is contained in the Notice of Meeting.

### 5.4 Share Investment – Neil McIntyre (CEO)

The Directors advise that they have considered the investment by Neil McIntyre, CEO of the Company. The Directors have considered Neil's involvement in relation to Chapter 2E of the Corporations Act and the ASX Listing Rules. The Directors have determined that Neil is not a related party for the purposes of Chapter 2E of the Corporations Act. Irrespective of whether Neil were to satisfy the related party provisions contained within the Corporations Act, the arms' length exemption would still apply to the transaction.

The Company engaged in a discussion with the ASX who confirmed that Neil will not be treated as a related party for the purposes of the Listing Rules in relation to his participation in the placement. On this basis, a separate resolution for Shareholder approval is not required for Neil's investment, which instead forms part of this Resolution. Pursuant to LR 7.4, the Directors advise that **Neil McIntyre will be excluded from the voting** pursuant to the voting exclusion statement in the Notice of Meeting due to his personal interest in this matter.

### 5.5 No Other Material Information

There is no other material information known to the Company's Directors which may reasonably be expected to affect Shareholders' decision making as to whether or not to vote in favour of Resolution

3 other than what is set out in these Meeting Materials and has been previously disclosed to Shareholders.

## 5.6 Directors' recommendation

***The Directors unanimously recommend that shareholders vote in favour of Resolution 3.***

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 3.

## **6 RESOLUTION 4 – APPROVAL OF SHARE ISSUE TO CHEN (WILLIAM) WANG**

### 6.1 Background

Mr William Wang wishes to purchase 1,500,000 Shares to raise funds for the Galalar Silica Project in North Queensland (**Wang Share Issue**). By virtue of his role as a Company Director, Mr Wang is considered a related party for the purposes of the ASX Listing Rules and Chapter 2E of the Corporations Act. For a related party to be issued Shares, shareholder approval is required under the ASX Listing Rules and also under Chapter 2E of the Corporations Act, unless an exception to the requirement for shareholder approval applies.

One of the nominated exceptions to the requirement to obtain shareholder approval under Chapter 2E of the Corporations Act is where the provision of the financial benefit is on terms that would be reasonable in the circumstances if the Company and the related party were dealing at arm's length (or on terms less favourable than arm's length). Given that Mr Wang will be issued Shares on the same arm's length terms as the parties who have been issued Initial Placement Shares and who are not related parties of the Company, the Board (other than Mr. Wang) considers the issue of Shares under Resolution 4 to constitute provision of a financial benefit on arm's length terms, and accordingly that Shareholder approval under Chapter 2E of the Corporations Act is not required..

ASX Listing Rules 10.11 requires shareholder approval to be obtained by ordinary resolution for the issue of securities to a related party. Approval pursuant to Listing Rule 7.1 is not required for the Wang Share Issue as approval is being sought under ASX Listing Rule 10.11. The Wang Share Issue will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1, in accordance with Listing Rule 7.2 Exception 14.

### 6.2 The Wang Share Issue

This resolution seeks shareholder approval pursuant to ASX Listing Rule 10.11 to allow the total issue of 1,500,000 Shares to Mr William Wang. Mr William Wang will provide \$16,500 as consideration for the Shares at the issue price of \$0.011. The purpose for the share issue is to fund progress the Galalar Silica Project.

The Company has not issued the Shares to Mr Wang and has not breached ASX Listing Rule 10.11. Mr Wang and any associate of his will be precluded from voting on this Resolution.

If Shareholders do not approve the Wang Share Issue then the shares will not be issued.

### 6.3 Information Required by ASX Listing Rule 10.13

The following information is provided to Shareholders for the purposes of ASX Listing Rule 10.13:

<b>Named Person the Securities will be issued to:</b>	Mr. Chen (William) Wang
<b>Maximum Number of Securities to be Issued:</b>	1,500,000

<b>Date the Securities will be issued:</b>	After 30 May 2019, but not more than 1 month after the date of this meeting.
<b>Issue price of the Securities:</b>	The shares will be issued at \$0.011 per share with a total consideration of \$16,500 to be paid by Mr. Wang.
<b>Terms of the Issue of the Securities:</b>	The Shares will rank equally with the fully paid ordinary shares already issued by the Company.
<b>Voting Exclusion:</b>	A voting exclusion statement is contained within the Notice of Meeting.
<b>Intended Use of the Funds Raised:</b>	The Shares will be issued to assist funding the progression of the Galalar Silica Project.

#### 6.4 No Other Material Information

There is no other material information known to the Company's Directors which may reasonably be expected to affect Shareholders' decision making as to whether or not to vote in favour of Resolution 4 other than what is set out in these Meeting Materials and has been previously disclosed to Shareholders.

#### 6.5 Directors' Recommendation

As Mr William Wang has a personal interest in relation to this resolution he has declined to give a recommendation.

*The remaining Directors recommend that eligible Shareholders vote in favour of the Resolution 4.*

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 4.

## 7 RESOLUTION 5 – APPROVAL FOR ISSUE OF BROKER SHARES AND OPTIONS

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### 7.1 Background

On 11 March 2019, the Company engaged Hartleys Limited (ABN 33 104 195 057) (**Hartleys**) to act as Lead Manager for the issue of the Initial Placement Shares. As part payment for Hartleys's services and pursuant to ASX Listing Rule 7.1, the Company has conditionally agreed to issue the following:

**1. 5,113, 636 Shares**

The Shares are fully paid ordinary shares amounting to payment of \$56,250. The Shares are provided as payment for a portion of the advisory fees payable to Hartleys for the Placement Shares;

**2. 50, 000, 000 Unlisted Options**

The unlisted options will be exercisable at \$0.024 per Share, being a 118% premium to the Initial Placement Share price of \$0.011, at any time over a two year period from the date of issue,

(together, the '**Hartleys Securities**').

The Board is seeking Shareholder approval pursuant to ASX Listing Rule 7.1 for the Hartleys Securities. Listing Rule 7.1 requires a company to obtain shareholder approval by way of ordinary

resolution for any issue of securities that exceeds more than 15% of its securities issued in any 12 month period (unless the issue is exempted under Listing Rule 7.2).

The Hartleys Securities have not been issued prior to the General Meeting. The consideration provided for the Hartleys Securities is the broker services provided by Hartleys for the Placement Shares outlined in Resolution 3. The effect of approving Resolution 5 is that the Company will be able to issue the Hartleys Securities without including this issue when calculating the 15% Threshold for the purposes of Listing Rule 7.1.

## 7.2 Information Required by ASX Listing Rule 7.3

In compliance with ASX Listing Rule 7.3, Shareholders are supplied with the following information in relation to the Hartleys Securities:

<b>Maximum Number of Securities to be Issued:</b>	5,113,636 Shares. 50,000,000 Unlisted Options.
<b>Statement regarding the Issue Date:</b>	The Hartleys Securities will be issued as soon as practicable after this Meeting, but no later than 3 months after the date of this Meeting.
<b>Issue Price:</b>	\$0.011 per Share. The Unlisted Options were issued for no consideration, and have an exercise price of \$0.024 per Unlisted Option.
<b>Name of the Entity to whom the Securities were issued:</b>	Hartleys Limited.
<b>Terms of the Hartleys Securities:</b>	The Shares are fully paid Ordinary Shares in the capital of the Company, having the same terms and rights as, and ranking equally with, the Company's existing listed fully paid ordinary Shares. The Company will apply to ASX for official quotation of the Shares. The Unlisted Options are exercisable at \$0.024 per Share, being a 118% premium to the Initial Placement Share price of \$0.011, at any time over a two year period from the date of issue. The Company will not apply to ASX for official quotation of the Unlisted Options.
<b>Intended Use of the Funds Raised:</b>	The Hartleys Securities will not raise any funds, and were provided as partial payment for their engagement as lead managers for the Placement Shares.
<b>Voting Exclusion Statement</b>	A voting exclusion statement is contained within the Notice of Meeting.

## 7.3 No other material information

There is no other material information known to the Company's Directors which may reasonably be expected to affect Shareholders' decision making as to whether or not to vote in favour of Resolution 5 other than what is set out in these Meeting Materials and has been previously disclosed to Shareholders.

## 7.4 Directors' recommendation

***The Directors unanimously recommend that shareholders vote in favour of Resolution 5.***

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 5.

## 8 RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY

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### 8.1 General

ASX Listing Rule 7.1A enables an eligible entity to seek Shareholder approval at its annual general meeting to allow it to issue equity securities in an existing quoted class of the Company's equity securities – in the Company's case, Ordinary Shares (**Equity Securities**) up to 10% of its issued capital (**10% Placement Capacity**). The Additional 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The Company is an eligible entity. If Shareholders approve this Resolution6, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 8.2).

The effect of this Resolution 6 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval.

Resolution 6 is a **special resolution** and requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### 8.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables an eligible entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the eligible entity's 15% annual placement capacity.

An eligible entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000 or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$20 million.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (a) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (b) plus the number of partly paid Shares that became fully paid in the previous 12 months;
  - (c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under ASX Listing Rules 7.1 and 7.4. This does not include an issue of Shares under the entity's 15% placement capacity without shareholder approval;
  - (d) less the number of fully paid Shares cancelled in the 12 months.
- D** is 10%; and

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue of agreement to issue that are not issued with the approval of holders of ordinary shares under the ASX Listing Rule 7.1 or 7.4.

### **8.3 Information required by ASX Listing Rule 7.3A**

The following information is provided pursuant to Listing Rule 7.3A:

#### **Minimum price at which the Shares were issued:**

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

#### **Date of issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (a) 12 months after the date of this Meeting; and
- (b) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under ASX Listing Rule 7.1A ceases to be valid).

#### **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 6 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Variable "A" In Listing Rule 7.1A.2		10 % Voting Dilution		
		\$0.006 50% decrease in Market Price	\$0.012 Market Price	\$0.018 50% increase in Market Price
<b>Current Variable "A"</b>  1,455,825,647 Shares	Shares issued	145,582,565 New Shares	145,582,565 New Shares	145,582,565 New Shares
	Funds Raised	\$873,495	\$1,746,991	\$2,620,486
<b>50 % increase in current Variable "A"</b>  2,183,738,470 Shares	Shares issued	218,373,847 New Shares	218,373,847 New Shares	218,373,847 New Shares
	Funds raised	\$ 1,310,243	\$ 2,620,486	\$ 3,930,729
<b>100% increase in current Variable "A"</b>  2,911,651,293 Shares	Shares issued	291,165,129 New Shares	291,165,129 New Shares	291,165,129 New Shares
	Funds Raised	\$ 1,746,991	\$ 3,493,982	\$ 5,240,972

**The table above uses the following assumptions:**

- (a) Variable A is 1,455,825,647 being the number of ordinary securities on issue on 15 April 2019;
- (b) The issue price of \$0.012 set out above is the closing price of the Shares on the ASX on 15 April 2019;
- (c) No Options are exercised into Shares before the date of issue of the Equity Securities;
- (d) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity;
- (e) The Company has not issued any Equity Securities in the 12 months prior to the Annual General Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1;
- (f) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. For this reason, the voting dilution is shown in each example as 10%. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances; and
- (g) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (a) the market price for the Company's Shares may be significantly different upon the issue date than on the date of the Meeting; and

- (b) the Shares may be issued at a price that is a discount to the market price for those Shares upon the date of issue.

### **Issue period**

If Shareholders approve Resolution 6, the Company will have a mandate to issue Equity Securities under the 10% Placement Facility under Listing Rule 7.1A from the date of the Annual General Meeting until the earlier of the following to occur:

- (a) the date that is 12 months after the date of the Annual General Meeting; and
- (b) the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the **Additional 10% Placement Period**).

The Company will only issue and allot Equity Securities during the Additional 10% Placement Period.

### **Purpose of issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (a) as cash consideration in which case the Company intends to use funds raised for advancement of the Galalar Silica Project and general working capital; or
- (b) as non-cash consideration for services or acquisition, in such circumstances that the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of Equity Securities.

### **Allocation policy**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (a) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (b) the effect of the issue of the Equity Securities on the control of the Company;
- (c) the financial situation and solvency of the Company; and
- (d) advice from corporate, financial and broking advisers (if applicable).

### **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to 10% Placement Capacity, it must give to ASX:

- (a) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- (b) the following information required by ASX Listing Rule 3.10.5A for release to the market:
  - (i) details of the dilution to the existing holders of +ordinary securities caused by the issue;
  - (ii) where the +equity securities are issued for cash consideration, a statement of the reasons why the +eligible entity issued the equity securities as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing ordinary security holders would have been eligible to participate;
  - (iii) details of any underwriting arrangements, including any fees payable to the underwriter; and
  - (iv) any other fees or costs incurred in connection with the issue.

### Previous approval

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at the Annual General Meeting held on 30 May 2018.

As the Company has previously obtained Shareholder approval under Listing Rule 7.1A, the following information is provided to Shareholders, in accordance with Listing Rule 7.3A.6, regarding the Equity Securities issued in the previous 12 months preceding the date of the AGM (that is, since 30 May 2018):

Number of equity securities on issue at commencement of 12 month period	1,088,198,480 Shares 8,000,000 Unlisted Options 1,096,198,480 Equity Securities Total
Number of equity securities issued in the prior 12 month period	367,627,167
Percentage previous issues of total number of equity securities on issue at commencement of 12 month period	33.54%

Details of equity securities issued in previous 12 months:

Date	Number of equity securities	Type of equity security	Summary of terms	Recipients	Issue price and discount to Market Price (if applicable)	If issued for cash – the total consideration received, and what it was spent on	Amount of cash consideration spent	Intended use for remaining amount of cash	If issued for non-cash consideration – a description of the consideration and the current value of the consideration
1 Aug 2018	11,375,000	Fully paid ordinary shares	Placement of shares to sophisticated investors	Various	2.0 cents  19% discount to 15-day VWAP	\$227,500 Funding DFS activities of Company's Cyclone Project and for working capital	\$227,500	N/A	N/A
2 Oct 2018	34,865,000	Fully paid ordinary shares	Placement of shares to sophisticated investors	Various	2.0 cents  19% discount to 15-day VWAP	\$697,000 Funding DFS activities of Company's Cyclone Project and for working capital	\$697,000	N/A	N/A
16 Oct 2018	106,876,154	Fully paid ordinary shares	Placement of shares to sophisticated investors	Various	2.0 cents  15% discount to 15-day VWAP	\$2,137,523 Funding for: Cyclone Project's DFS, resource drilling and bulk sampling programs	\$2,102,678	N/A	N/A

						mining lease and permitting approvals for Cape Bedford Project, and working capital			
16 Oct 2018	53,438,077	Listed options	Exercise price of \$0.03 per option and expiry date 16 Dec 2019	Various	N/A	N/A	N/A	N/A	Free-attaching listed options to the 106,876,154 shares issued on 16 Oct 2018
16 Oct 2018	6,500,000	Listed options	Exercise price of \$0.03 per option and expiry date 16 Dec 2019	Various	N/A	N/A	N/A	N/A	Issued for nil cash consideration as success fees payable to one of the Company's brokers DH Flinders Pty Ltd
16 Oct 2018	1,818,500	Fully paid ordinary shares	Placement of shares to sophisticated investor	Mr Robert Canning-Ure (not a related party)	2.0 cents  15% discount to 15-day VWAP	N/A	N/A	N/A	Issued for nil cash consideration in lieu of payment of fees of \$36,370 by the Company to Mr. Robert Canning-Ure in connection with public relations assistance
16 Oct 2018	909,250	Listed options	Exercise price of \$0.03 per option and expiry date 16 Dec 2019	Mr Robert Canning-Ure (not a related party)	N/A	N/A	N/A	N/A	Free-attaching listed options to the 1,818,500 shares issued on 16 Oct 2018

24 Oct 2018	75,000,000	Fully paid ordinary shares	Issue of shares from conversion of Notes	Jie Wu (not a related party)	2.0 cents N/A	N/A	N/A	N/A	Issue of shares from conversion of Notes with a face value of \$1,500,000, at the fixed price of \$0.020
24 Oct 2018	12,171,308	Fully paid ordinary shares	Issue of shares on all accrued interest of \$316,454 due on the Notes	Jie Wu (not a related party)	2.6 cents N/A	N/A	N/A	N/A	Issue of shares on all accrued interest of \$316,454 due on the Notes, at price of \$0.026
4 April 2019	125,521,205	Fully paid ordinary shares	Placement of shares to new sophisticated investors and existing shareholders	Various	1.1 cents 21.2% discount to 15-day VWAP	\$1,380,733 Funding for Galalar project, including: resource drilling, bulk testing and product definition, permitting approvals, economic studies and, working capital	\$615,115	Resource drilling, bulk testing and product definition, permitting approvals, economic studies for Galalar project and, working capital	N/A

### **Voting exclusion statement**

A voting exclusion statement is contained in the Notice of Meeting.

As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 6.

### **No other material information**

There is no other material information known to the Company's Directors which may reasonably be expected to affect Shareholders' decision making as to whether or not to vote in favour of Resolution 4 other than what is set out in these Meeting Materials and has been previously disclosed to Shareholders.

### **8.4 Directors' recommendation**

***The Directors unanimously recommend that shareholders vote in favour of Resolution 6.***

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 6.

## **9 ENQUIRIES**

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Shareholders are requested to contact the Company Secretary, Mr Tuan Do on +61 7 3397 2222 if they have any queries in respect of the matters set out in these Meeting Materials. If you do not understand these Meeting Materials or are unsure about how to vote in respect of a resolution, you should seek professional advice from your lawyer, accountant or other professional adviser.

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## GLOSSARY

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In the Explanatory Statement:

<b>ASX</b>	means the Australian Securities Exchange, operated by ASX Limited ACN 008 624 691.
<b>ASX Listing Rules</b>	means the official rules of the ASX.
<b>Board</b>	means the board of Directors of the Company.
<b>Closely Related Party</b>	means but is not limited to family members, nominee companies and family trusts of Key Management Personnel.
<b>Chair or Chairman</b>	means the chairman of the Meeting.
<b>Closely Related Party</b>	of a member of the Key Management Personnel means: <ul style="list-style-type: none"><li>(a) a spouse of child of the member</li><li>(b) a child of the member's spouse;</li><li>(c) a dependent of the member or the member's spouse;</li><li>(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity;</li><li>(e) a company the member controls; or</li><li>(f) a person prescribed by the <i>Corporations Regulations 2001</i> (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.</li></ul>
<b>Company or Diatreme Resources Limited</b>	means Diatreme Resources Limited ACN 061 267 061.
<b>Constitution</b>	means the constitution of Diatreme Resources Limited ACN 061 267 061.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Equity Securities</b>	includes a Share or an option, a convertible security and any security that ASX decides to classify as an equity security.
<b>Explanatory Statement</b>	means this explanatory memorandum that accompanies and forms part of the Notice of Meeting.
<b>Director</b>	means a director of the Company.
<b>Key Management Personnel</b>	the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.
<b>Meeting or Annual General Meeting</b>	means the annual general meeting of the Company to be convened by the Notice of Meeting (unless the context otherwise requires).
<b>Meeting Materials or Notice of Meeting</b>	means this Notice of Meeting, Explanatory Statement, Annexures, Schedules and Proxy Form.
<b>Ordinary Share or Share</b>	means fully paid ordinary shares in the Company.

<b>10% Placement Capacity</b>	has the meaning given in section 8.1 of the Explanatory Statement.
<b>Proxy Form</b>	means the proxy form accompanying the Notice of Meeting.
<b>Remuneration Report</b>	the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2018.
<b>Resolution</b>	means each resolution set out in the Notice of Meeting, or any one of them, as the context requires.
<b>Shares</b>	ordinary shares of the Company.
<b>Shareholder</b>	means a holder of one of more Shares.
<b>15% Threshold</b>	has the meaning given in section 5.1 of the Explanatory Statement.

**LODGE YOUR VOTE**

 **ONLINE**  
www.linkmarketservices.com.au

 **BY MAIL**  
Diatreme Resources Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**  
Telephone: 1300 554 474 Overseas: +61 1300 554 474



**X99999999999**

**PROXY FORM**

I/We being a member(s) of Diatreme Resources Limited and entitled to attend and vote hereby appoint:

**APPOINT A PROXY**

the Chairman of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **2:00pm on Thursday, 30 May 2019 at Unit 8, 61 Holdsworth Street, Coorparoo QLD 4151** (the Meeting) and at any postponement or adjournment of the Meeting.

**Important for Resolution 1:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

**VOTING DIRECTIONS**

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

**Resolutions**

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval for issue of broker shares and options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Mr Yufeng Zhuang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval of 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of prior issue of securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval of share issue to related party – Cheng (William) Wang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

 \* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm on Tuesday, 28 May 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MAIL

Diatreme Resources Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**