

DIATREME RESOURCES | ASX:DRX

# QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDED 31 March 2024

# ASX RELEASE

29 April 2024

## Quarterly Activities Report

For the period ended 31 March 2024

This announcement was authorised for release by the Board.

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## 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). Under the offer, MLM shareholders will receive 1.3319 fully paid ordinary shares in Diatreme for every share held in MLM on the record date. The offer represented an implied value of \$0.0309 per MLM share and a 37.3% premium to MLM's 30-day VWAP.

On 28 March 2024, Diatreme released its bidder's statement in relation to the offer. Post-quarter, on 11 April 2024 the Company advised that it had completed the despatch of the bidder's statement and first supplementary bidder's statement, with the offer now open for acceptance by MLM shareholders.

Diatreme undertook various investor relations activities during the quarter, including presenting at the Brisbane Mining Investor Conference on 13 March 2024.

During the quarter the Company made total payments of \$176k to related parties, comprising \$74k of director fees, and \$102k 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 as at 31 March 2024 totalled **\$9.8M** (not including a further **\$24.2M** in the silica projects J/V), giving total cash of **\$34m**.

Diatreme reported a **net profit** for fiscal year 2023 of **\$10.366 million**, more than double the previous fiscal year's profit of \$4.9 million.



# QUARTERLY HIGHLIGHTS

## Northern Silica Project

- NSP declared a 'Coordinated Project' by Queensland Government
- Draft EIS Terms of Reference progressing with Office of Coordinator General
- EIS and infrastructure studies advancing
- **Post-quarter:** Mineral Resource upgrade for NSP, with 17% increase in Indicated Resource and maiden 49.5 Mt Measured Resource, providing foundation for upcoming PFS and Ore Reserve

## Clermont Copper/Gold Project

- Farm-out partner Metallica Minerals (ASX: MLM) announces gold exploration target for Leo Grande Project
- Gold and graphite intercepts released from December 2023 drilling

## Cyclone Zircon Project

- Talks continue with potential development partners amid positive project outlook



# COMING JUNE QUARTER 2024 ACTIVITIES

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

## FNQ silica sand projects

### Northern Silica Project (NSP)

- Public notification of draft Terms of Reference for the Northern Silica Project Environmental Impact Statement.
- Commence impact assessments for various studies and continue environmental monitoring and baseline assessment studies within the framework of the EIS for the NSP.
- Commence preparations for the 2024 exploration program, focusing on extensional and infill drilling at the Si2 dune complex located within and around the NSP, adjacent to the Cape Flattery Silica Mines (CFSM) operation.
- Receive results for bulk sample metallurgical test work on the Si2 resource currently being undertaken at specialist laboratories. This work is designed to determine Si2's amenability to processing utilising Diatreme's Galalar Project's optimised silica product processing criteria. This targets assessment and delivery of a high value low iron, high purity silica product.
- Continue advancement of the NSP's Pre-Feasibility Study and maiden Ore Reserves.
- Continue engagement with the local community and related programs.
- Further discussions and negotiations regarding establishment of a mining project agreement for the NSP with Hopevale Congress Aboriginal Corporation (RNTBC), Walmbaar Aboriginal Corporation (RNTBC), affected native title holders and the broader Hope Vale community.

### Cyclone Zircon Project

- Continue discussions with potential development partners, both domestic and international, to secure the best outcome for Diatreme shareholders amid continued strong demand and constrained supply of zircon and titanium products.
- Further works planned on-site, including a bulk sampling drilling program to enable further metallurgical assessment of the deposit's amenability to latest processing technologies and to reconfirm DFS modelling.
- Further examination of use of a separated company vehicle to facilitate potential "asset spin out" to a new listed entity.



## NORTHERN SILICA PROJECT

### 'Coordinated Project' declaration

Diatreme continues to advance the regulatory approval process for its flagship Northern Silica Project (NSP) in Far North Queensland. A further milestone in this regard was achieved in January 2024, with the NSP declared a 'Coordinated Project' under Queensland's *State Development and Public Works Organisation Act 1971 (QLD)* by the Office of the Coordinator General (OCG).

Coordinated project status is a major milestone recognising the NSP's strategic value, including its infrastructure and approval requirements. The status also establishes the environmental approvals process, including an Environmental Impact Statement (EIS), which will be assessed and decided through the joint Queensland and Commonwealth Government bilateral agreement.

The EIS will be guided by a Terms of Reference ("ToR") currently being prepared by the Queensland Office of the Coordinator General ("OCG"). It is expected the draft ToR will be released by the OCG for public comment late in the second quarter of 2024.

Diatreme will be invited to comment on the draft ToR prior to its release for public comment for the statutory period (20 business days). The draft ToR will set out the EIS' study requirements, including the scope and detail of investigations, surveys and impact analysis that must be carried out before the project is formally assessed and decided. This includes environmental as well as social, heritage and economic studies. The OCG will consider submissions made during the public comment period and then issue a final ToR for the NSP.

Diatreme has made significant progress in the last quarter regarding its EIS studies for the NSP, which it expects will culminate with lodging the draft EIS with the OCG at the end of 2024.

Recent progress includes:

- Appointment of all technical consultants has now been completed across all the required scopes of work:
  - o Umwelt – Cultural Heritage and Social Impact Assessments.
  - o BMT – Aquatic Ecology, Coastal Environment Assessment, Climate Change Assessment and Surface Water & Flooding Assessment.
  - o EMM Consulting – Groundwater Assessment and Soils Impact Assessment.
  - o Engeny – Air & Greenhouse Gas Technical Assessment, Transport Assessment, Noise and Vibration, Progressive Rehabilitation and Closure Plan (PRCP).
  - o KPMG – Economic Impact Assessment.
  - o Biosphere - Terrestrial Ecology Assessment.
  - o LatStudios – Landscape and Visual Impact Assessment.
- Baseline technical reporting is currently being completed, which will be followed by Impact Assessment reporting.
- Social impact baseline assessment.
- Transport engineering and roadworks assessment.
- Review of mine development sequencing and links to progressive rehabilitation.
- Preliminary design of mine site infrastructure and concept design of proposed offshore structures.

- Installation of groundwater bores and commencement of groundwater monitoring.
- Commencement of surface water monitoring in local creeks and nearshore marine areas.
- Offshore wave and current data collection.
- Dry season aquatic ecology surveys of lakes, wetlands and creeks.
- Initial terrestrial ecology surveys of the mine site and key infrastructure locations.
- Landscape and visual amenity field surveillance and baseline.
- Air quality and greenhouse gas emission modelling.

This is in addition to ongoing engagement occurring between Diatreme and the relevant Native Title Parties, local community and stakeholders in the Hope Vale region and with key regulatory agencies at both the State and Commonwealth level.

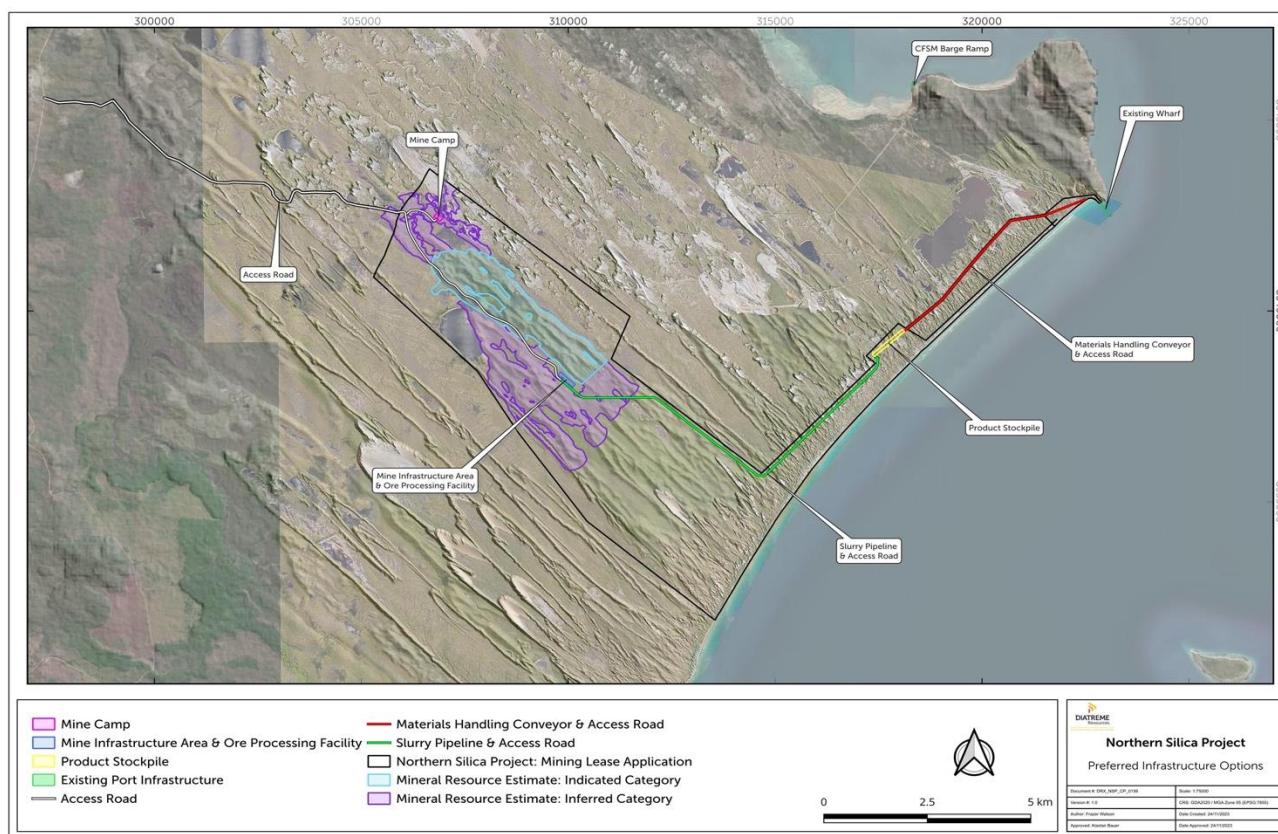


Figure 1: Northern Silica Project, Far North Queensland

## Export infrastructure planning

Diatreme is also examining two principal options in relation to the movement and export of silica product from the NSP:

1. Current Scoping Study Export Methodology – Permittable infrastructure within Cape Flattery Port Area

This option is permissible within existing regulatory guidelines, is wholly within the designated Cape Flattery Port area and would involve the construction of minimal new infrastructure. This would be located in an area that has been used to export silica for decades and would comprise:

- a barge ramp facility operated by Diatreme to the south of the existing Cape Flattery Wharf ("Wharf"), which would be used to support initial construction and then for transshipment of silica product to a moored oceangoing vessel ("OGV"); and
- a mooring arrangement for the OGV at either newly constructed mooring dolphins or at the existing berth of the Wharf (subject to approval by Far North Queensland Ports Corporation Limited ("Ports North").

This solution was fully defined and demonstrated as economic in the NSP Scoping Study (refer ASX release dated 14 June 2023 – "Positive Scoping Study for NSP"). To assist in advancing this solution to support the EIS relevant studies, Diatreme has entered into a licensing agreement to access the Ports North land and the Wharf. Further, Diatreme is currently negotiating a "Partial Facility User Agreement" with Ports North that would allow mooring of OGV's at the Wharf to allow transshipping and export of silica sand.

## **2. Alternate Solution – Full use of existing infrastructure**

This solution would involve the use of the existing Port of Cape Flattery marine infrastructure (loading and mooring facilities) which is owned by Ports North but operated by CFSM as the lessee. This option involves no new maritime infrastructure being developed for the NSP, although some minor modification to existing structures on land may be required. Accordingly, this solution is expected to have lower environmental impact and reduced capex.

This option would be subject to a user agreement (including all commercial terms) being agreed with CFSM and Ports North. Independent capacity assessments undertaken by Diatreme indicate the exporting capacity of the Port of Cape Flattery ("PCF") is significantly underutilised. The PCF currently exports 3-3.5 million tonnes of silica per annum solely from the operations of CFSM. Diatreme estimates its actual capacity if efficiently operated at 8-9 million tonnes per annum, with no additional significant infrastructure required. Earlier leases between CFSM and Ports North required the Port to have a minimum capacity to export up to 6 million tonnes of silica per annum.

The Coordinated Project status of the NSP and current contemplation by the Queensland State Government to designate Cape Flattery as a critical minerals zone will assist in ensuring a whole of Government solution is reached for future export operations at the PCF, including arrangements for any additional infrastructure and maritime shipping.

Diatreme will continue to engage with CFSM and the various State agencies to achieve the optimal solution for the NSP's development, pushing for efficient utilisation of the State's Port infrastructure allowing free open market access to maximise benefits to all Queenslanders.

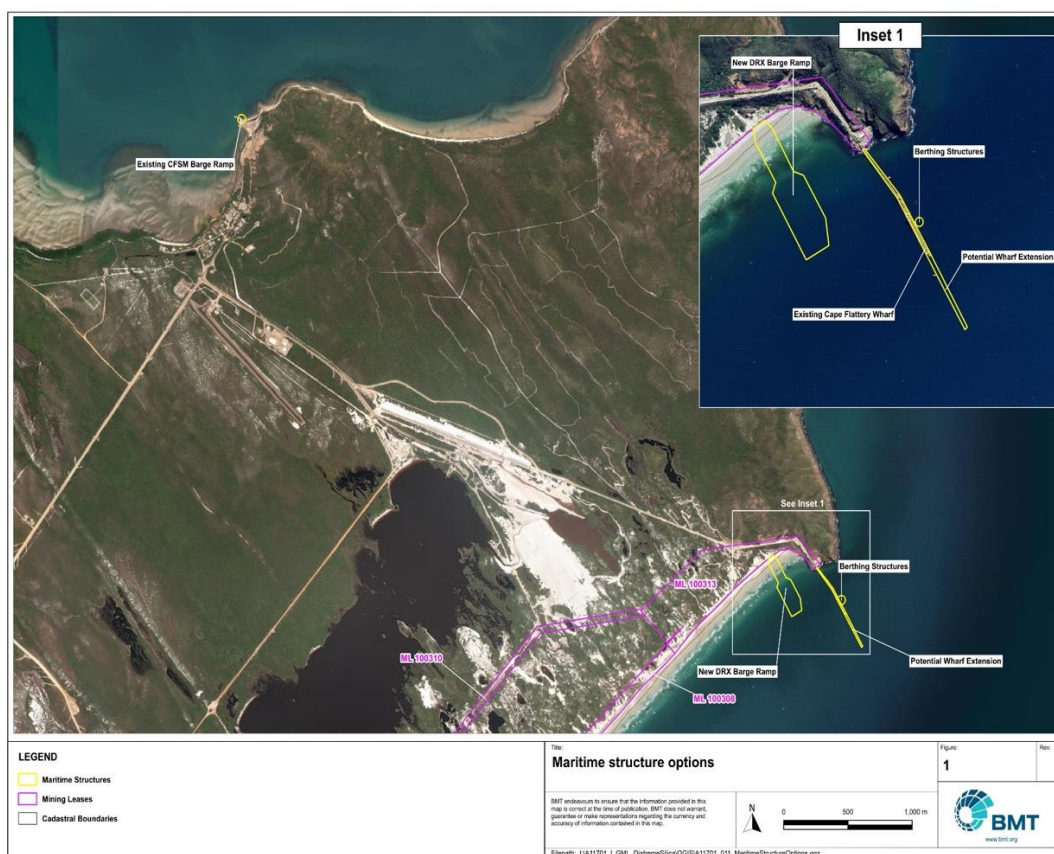


Figure 2: NSP Marine Options – Cape Flattery Port

## Mineral Resource upgrade – Post Quarter

Post-quarter, on 17 April 2024 Diatreme announced a significant upgrade to the estimated Si2 Mineral Resource at the NSP, highlighting the critical mineral project’s potential amid an accelerating solar energy boom.

In the last two months Diatreme has advanced the NSP significantly, with results from the 2023 infill drilling program delivered in late February 2024, through to Particle Size Distribution results arriving in late March 2024, and a deposit scale bulk density program completed in early April 2024. Each phase was designed to enhance the precision of Resource modelling and to improve project confidence.

The latest data has shown an increase in both the estimated Mineral Resource categories, with the inclusion of a maiden Measured Resource of 49.5 Mt, as well as increasing the size of the Indicated Resource to 120.5 Mt (up 17% from the previous estimate). Diatreme’s total low iron, high purity silica sand resource base exceeds 402 Mt, an extremely strategic and highly valuable resource that is well positioned to supply the fast-growing solar PV market.



Deposit	JORC Resource Category	Silica Sand (Mt)	SiO <sub>2</sub> (%)	Fe <sub>2</sub> O <sub>3</sub> (%)	TiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	LOI (%)
Si2	Measured	49.5	99.33	0.11	0.13	0.11	0.12
	Indicated	120.5	99.32	0.10	0.14	0.10	0.14
	Inferred	65	99.20	0.12	0.17	0.12	0.17
<b>Total</b>		<b>235</b>	<b>99.29</b>	<b>0.11</b>	<b>0.15</b>	<b>0.11</b>	<b>0.14</b>

Table 1: Mineral Resource estimate for Si2

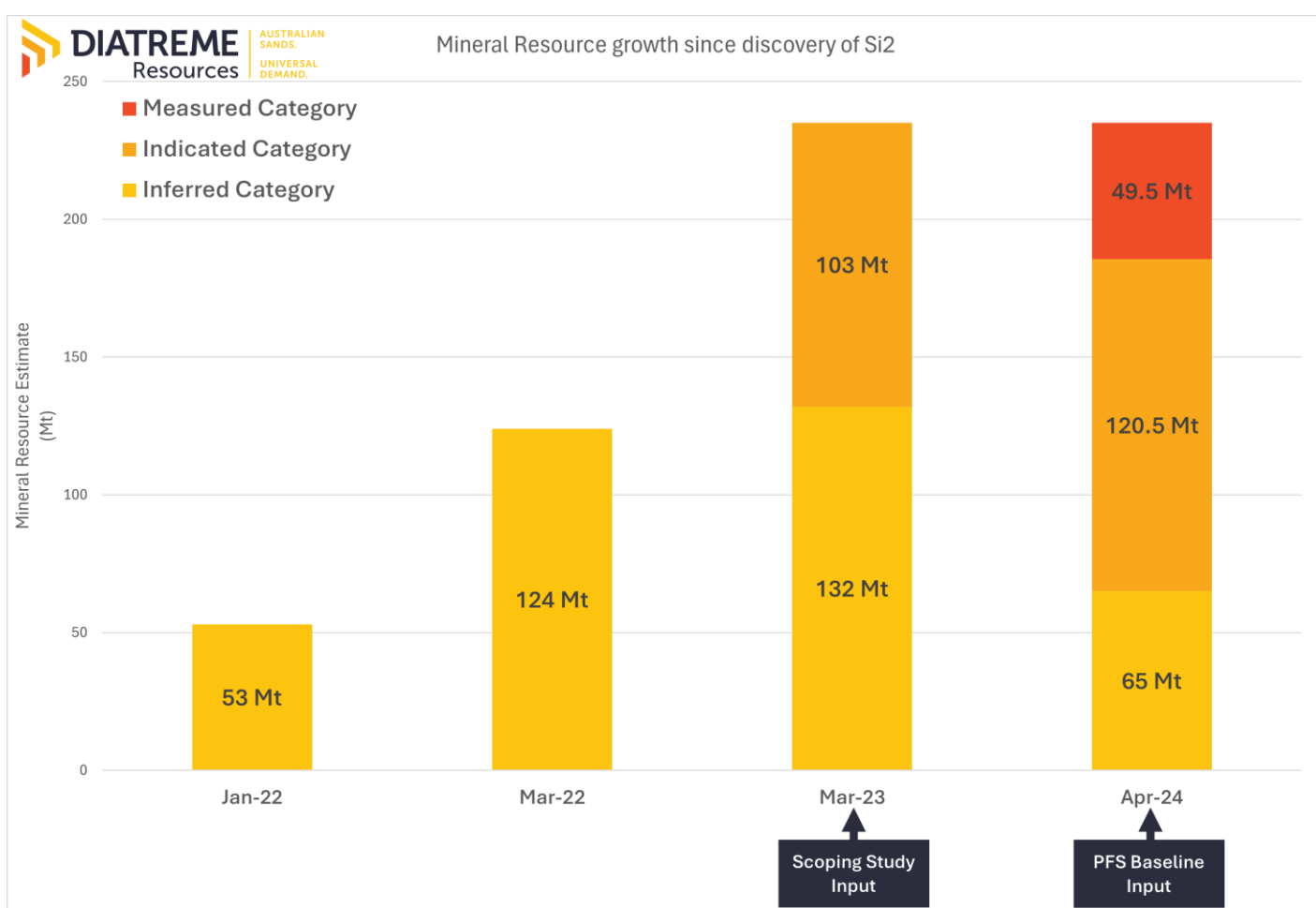


Figure 3: Mineral Resource growth since discovery of Si2

### Community engagement

Engagement with the community in which the Company operates has continued to be at the forefront of Diatreme’s activities. The Company continues to hold bi-monthly community Open Mornings at its Hope Vale office, opening the doors to members of the local community.

Recent events have included the Community Progressive Morning Tea on 8 April 2024, organised by My Pathway Hope Vale, and a Community Bingo Night held on 19 March 2024, which attracted more than 100 people from the local community.



Figure 4: Community Bingo Night held in Hope Vale

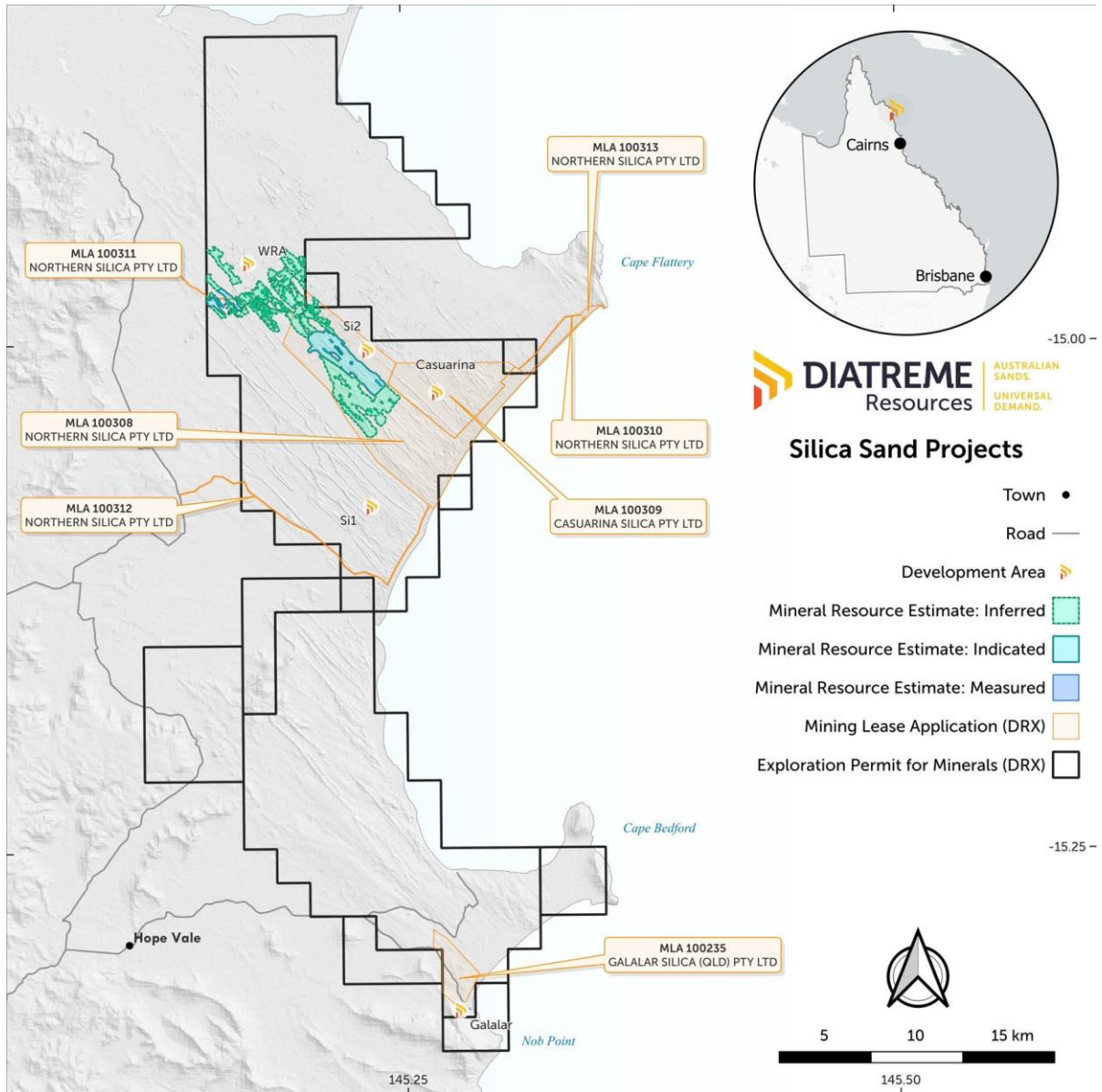


Figure 5: Diatreme's Far North Queensland silica sand projects



## CLERMONT COPPER/GOLD PROJECT, QLD

The Clermont Copper/Gold Project, located in Central Queensland, continues to progress under a binding Memorandum of Understanding (MOU) with Metallica Minerals Limited (ASX: MLM).

On 12 October 2023, Metallica elected to earn an additional 24% in the Clermont project, increasing its ownership of the project from 51% to 75% by expending an additional \$1M under the terms of the JV agreement with Diatreme.

On 11 December 2023, Metallica announced that drilling had commenced at the Leo Grande Graphite Gold Project (LGGP), located within the Clermont EPM (EPM 17698). Metallica completed five RC holes totalling 301m at the Leo Grande prospect in December 2023, with the results announced on 19 February 2024. The holes drilled by Metallica were “twins” of holes drilled by Plutonic in 1989 and 1990 which had noted moderate to high levels of graphite associated with gold mineralisation in the geological logs.

The best gold intercept recorded was in hole LGRC058, which intersected **21m @ 2.35 g/t Au from 40m, which included a 10m zone from 49m which assayed 3.05 g/t Au.**

The highest graphite intercept was **14m @ 0.53%TC in hole LGRC055 from 40m, with the hole also intersecting 45m @ 1.03 g/t Au from 6m.**

Metallica also announced a JORC (2012) Exploration Target\* of 150,000 to 2,300,000 ounces of contained gold at the Leo Grande Project.

*\*The potential quantity and grade of the Exploration Target is conceptual in nature and therefore is an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target has been prepared and reported in accordance with the 2012 edition of the JORC Code.*

Min# length (m)	Max length (m)	Min depth (m)	Max depth (m)	Min Width (m)	Max Width## (m)	Min Grade### g/t Au	Max Grade g/t Au	Min Tonnage (MT)	Max Tonnage (MT)	Min oz Au	Max oz Au
3,200m	3,200	100	300	10	20	0.60	1.0	8	78	150k	2.3M

**Table 2: Leo Grande Exploration Target components showing size grade and tonnage ranges.**

Metallica stated that the next stage of exploration at Leo Grande would comprise the drilling of two or three diamond holes to obtain core for metallurgical testwork to determine how to extract the gold and graphite from the mineralised mylonite, expected to take place within the next 12 to 24 months.

Other potential gold prospects located near Leo Grande include the Rolfe Creek, Petersens and Gold Finger Prospects. Further information is available in MLM’s ASX announcement released 19 February 2024.

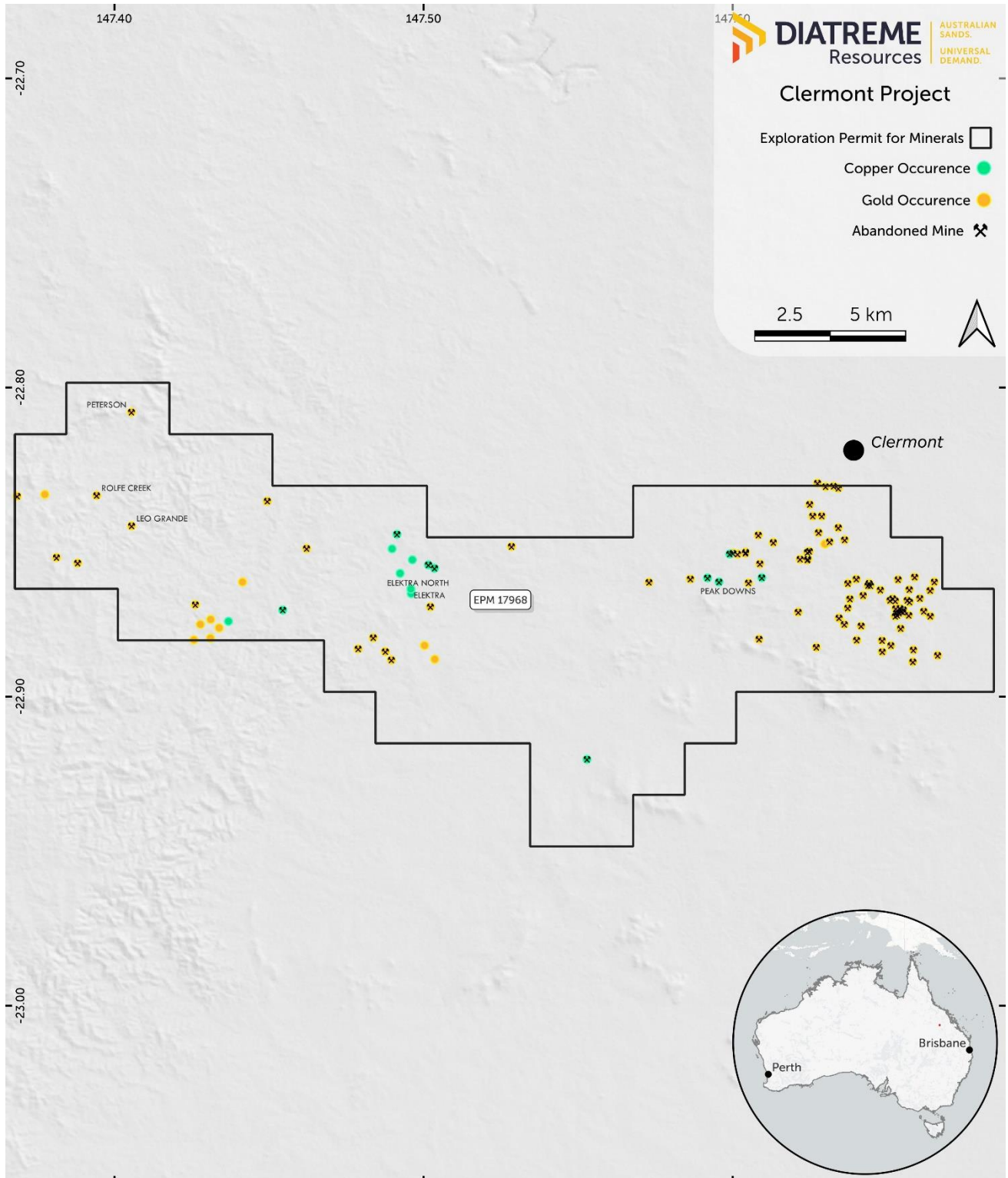


Figure 6: Clermont tenement area

## CYCLONE ZIRCON PROJECT, WA

Diatreme continues to engage with a range of parties to unlock shareholder value from the Cyclone Zircon Project, which has potential to become one of Australia's important critical minerals projects.

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

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

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 January 2024, major producer Iluka Resources reported a weighted average zircon price (premium and standard) in the fourth quarter 2023 of US\$2,045 per tonne, compared with US\$2,054/t in Q4 2022. The company's full year weighted average zircon price was up 6% on 2022.

Iluka also reported a Q4 2023 rutile price of US\$1,871/t and a synthetic rutile price of US\$1,241/t.

These positive market dynamics support Diatreme's aim to maximise value from Cyclone by attracting a suitable investment partner to develop this shovel-ready project. The Company will keep the market fully informed when talks potentially transition to a more formally documented process.

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.

Diatreme is currently planning an additional bulk sampling drilling program to enable further metallurgical assessment of the deposit's amenability to the latest processing technologies and to reconfirm DFS modelling on Cyclone's HM product suite is maximised for both market acceptability and pricing.



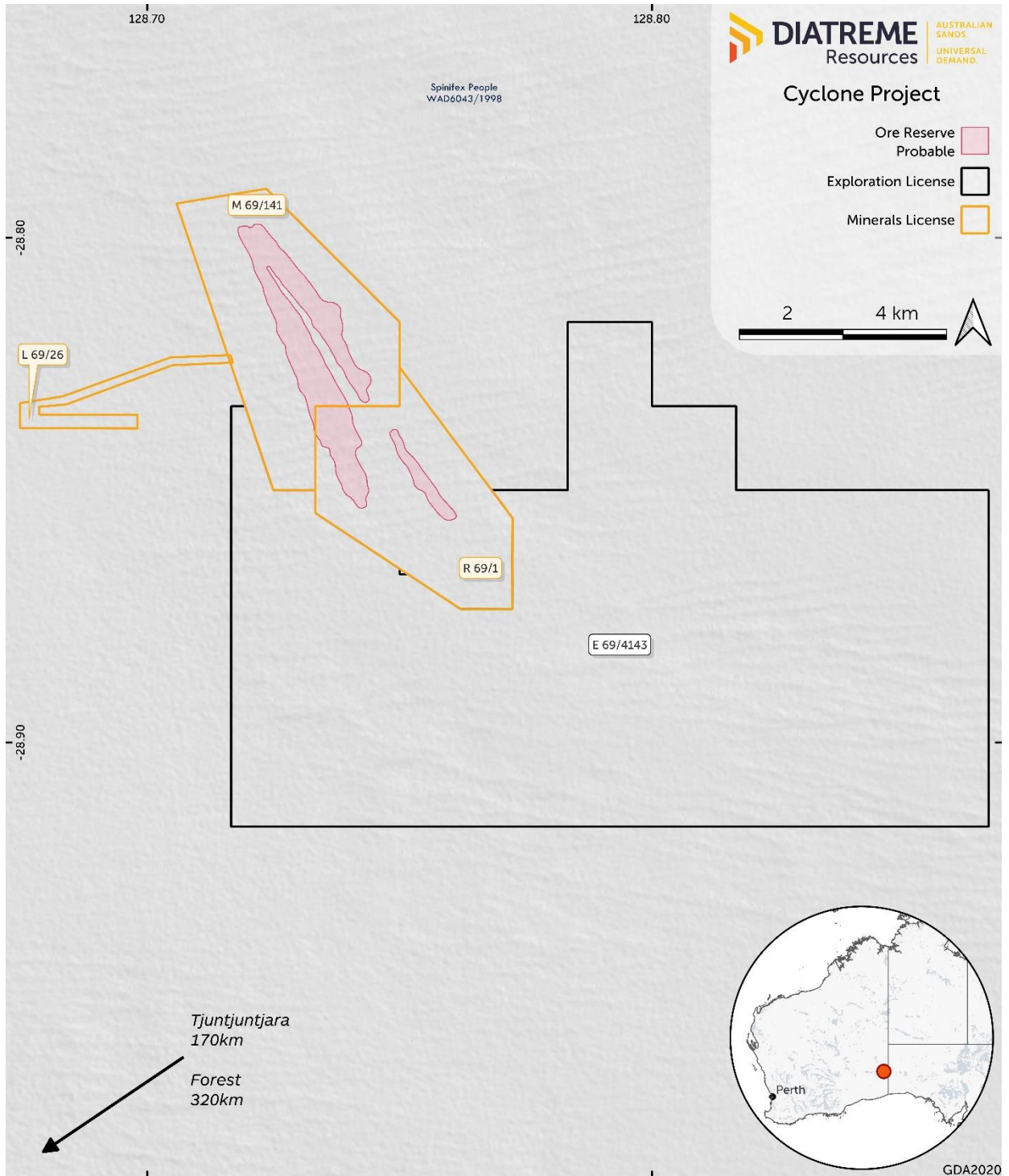


Figure 7: Cyclone project location

## CORPORATE

### Financial statements – fiscal 2023

During the quarter (refer ASX release dated 14 March 2024) the Company released its audited financial statements for the period ending 31 December 2023.

A snapshot of key indicators over the last five years contained in the report is shown below.

Diatreme's asset base has shown solid growth, with the Company reporting a net profit after tax of \$10.366M for 2023, up from the \$4.978M profit reported in the prior fiscal year.

	Unit	2019	2020	2021	2022	2023
Share price at year end	\$/share	0.012	0.018	0.021	0.027	0.024
Market capitalisation	\$	21,965,416	46,313,220	63,288,069	100,703,496	89,514,219
Revenue and other income	\$	19,393	21,279	23,938	8,392,012	14,304,394
Total assets	\$	19,881,539	25,622,323	33,135,877	55,333,890	66,531,895
Net profit/(loss) after tax	\$	(1,373,529)	(1,041,547)	(2,149,567)	4,978,378	10,366,209

Table 3: Key financial indicators – fiscal 2019-23

### Off Market Offer for Metallica Shares – Key Dates

On 28 March 2024, Diatreme released its bidder's statement in relation to the offer. Post-quarter, on 11 April 2024 the Company advised that it had completed the despatch of the bidder's statement and first supplementary bidder's statement, with the offer now open for acceptance by MLM shareholders.

Confirming the timetable for the Offer is as follows:

KEY EVENT	TIMING*
Date of the Offer (Offer opened)	11 April 2024
Last date for notice on the status of Offer conditions	17 May 2024
<b>Offer closes (unless extended or withdrawn)</b>	<b>27 May 2024</b>

\*These dates may vary as permitted under the Corporations Act. Any changes to the above timetable will be announced on ASX and notified on Diatreme's website at [www.diatreme.com.au](http://www.diatreme.com.au).

## 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	49%*	CHAL
QLD	Cape Bedford	EPM 17795	Granted	Hopevale	100%**	Cape Silica Holdings Pty Ltd*
QLD	Cape Bedford	EPM 27265	Granted	Hopevale	100%**	Cape Silica Holdings Pty Ltd*
QLD	Cape Bedford	EPM 27212	Granted	Hopevale	100%**	Northern Silica Pty Ltd*
QLD	Cape Bedford	EPM 27430	Granted	Hopevale	100%**	Cape Silica Holdings Pty Ltd*
QLD	Cape Bedford	MLA 100235	Application	Hopevale	100%**	Galalar Silica (QLD) Pty Ltd*
QLD	Cape Bedford	MLA 100308	Application	Cape Flattery	100%**	Northern Silica Pty Ltd*
QLD	Cape Bedford	MLA 100309	Application	Cape Flattery	100%**	Casuarina Silica Pty Ltd
QLD	Cape Bedford	MLA 100310	Application	Cape Flattery	100%**	Northern Silica Pty Ltd*

QLD	Cape Bedford	MLA 100311	Application	Cape Flattery	100%**	Northern Silica Pty Ltd*
QLD	Cape Bedford	MLA 100312	Application	Cape Flattery	100%**	Northern Silica Pty Ltd*
QLD	Cape Bedford	MLA 100313	Application	Cape Flattery	100%**	Northern Silica Pty Ltd*
QLD	Cape Bedford	MLA 100285	Application withdrawn 21/10/2022	Hopevale	-	DRX

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

\*\* Cape Silica Holdings Pty Ltd is owned by DRX (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.

### 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	