

23 May 2024

CHAIRMAN'S ADDRESS
Presented to Annual General Meeting of Shareholders
Thursday 23 May 2024

Good afternoon and welcome to this year's Annual General Meeting.

On behalf of the Company, I would like to acknowledge the Indigenous custodians of the land on which we meet today and pay our respects to all Elders past, present and emerging. I extend that respect to all Aboriginal and Torres Strait Islander people here today.

Looking back, the past year featured a number of highlights for our Company:

- An expansion of our low iron, high purity silica sand resource to more than 402 million tonnes;
- A positive Scoping Study for the Northern Silica Project (NSP) showing its potential to become a valuable, long-life mining operation. The positive financials included a pre-tax NPV of \$1.4 billion and an IRR of 33 per cent;
- A continued strong partnership with Sibelco, which completed its second tranche investment in our silica sand joint venture, earning a 26.8 per cent project interest;
- A solid financial base, with a net profit for fiscal 2023 of \$10.4 million, more than double the previous year's \$4.9 million. Importantly, Diatreme ended the calendar year with a strong cash position of \$10.8 million and a further \$26.7 million in the silica projects joint venture.

Based on the positive Scoping Study, Diatreme is now progressing a full Feasibility Study for the NSP. This involves all the necessary technical studies, environmental impact assessments, permits and approvals required to move towards a final investment decision, potentially as early as 2025.

Importantly, the NSP's permitting pathway has continued to progress, with Diatreme aiming to lodge a draft EIS before the end of this calendar year.

Pleasingly, Diatreme has continued to engage actively with the local community where we operate. In November 2023, Diatreme signed a Memorandum of Cooperation with Hope Vale Aboriginal Shire Council aimed at maximising local economic benefits.

This was followed by our recent signing of a negotiation protocol with Walmbaar Aboriginal Corporation RNTBC, which sets a framework for future negotiations on delivering mutually beneficial opportunities.

Diatreme is the only regional developer with an office based in Hope Vale, permanently staffed by our Community engagement and field exploration teams. Diatreme is a proud supporter of Hope Vale and we are focused on maintaining a successful long-term partnership.



Diatreme's low iron, high purity silica sand resources are extremely well placed to benefit from the continued global solar energy boom, supporting government efforts aimed at building a supply chain for this important renewable industry.

Australian Prime Minister Anthony Albanese has publicly supported the development of a solar panel manufacturing industry in Australia. In March 2024, the Prime Minister announced a \$1 billion investment in the "Solar Sunshot program." As the Prime Minister said: "Australia should not be the last link in a global supply chain built on an Australian invention."

In our home state, the Queensland Government has listed silica among the state's critical minerals in its "Critical Minerals Strategy". The strategy includes the potential development of a critical minerals hub for silica sand around Cape Flattery, a highly welcome development.

The importance of new silica sand projects is shown by the International Energy Agency's latest research. IEA data showed the world added 50% more renewable capacity in 2023 than in 2022, with solar PV accounting for three quarters of the new additions.

Looking ahead, Diatreme is set for another year of expansion in 2024, in all areas of our business.

In February, the Company announced its conditional intention to make a takeover bid for all of the ordinary shares in Metallica Minerals Limited. Metallica's Cape Flattery silica sands project is located adjacent to the current Cape Flattery Silica Mines (CFSM) operation, with the former's silica sand resource estimated at around 50 million tonnes.

Diatreme's offer is a compelling opportunity for the shareholders of both companies. It would potentially create a leading ASX-listed silica development company, with a pro-forma market capitalisation of around \$110 million and a significant combined resource base.

Diatreme has the financial capacity, technical expertise, industry partners and third-party stakeholder relationships to advance the silica assets of the combined entity in the interests of all combined shareholders. We look forward to advancing this offer to fruition and delivering its benefits for all stakeholders.

Elsewhere, Diatreme's Cyclone Zircon Project in Western Australia continues to attract interest from development partners, and we are confident of unlocking shareholder value from this high-grade zircon project. In central Queensland, the Clermont Copper-Gold Project has also picked up steam, including a new gold exploration target.

At the Board level, it was pleasing to welcome in July 2023 our new Non- Executive Director, Kara Keys. Ms Keys has a strong board and financial background, together with a track record of advocacy for women and Indigenous communities.

Her experience is highly valuable and we look forward to further increasing our engagement with these key communities, ensuring we 'walk the talk' on sustainable development, economic empowerment and equality.



Finally, I would like to thank my fellow Directors, management, staff, contractors and all those associated with Diatreme for the achievements of the past year.

Much more lies ahead for Diatreme. With your support, I look forward to helping create an even bigger and better company that takes advantage of the compelling opportunity presented by the world's clean energy drive.

Yours sincerely

Wayne Swan
Chairman