

ASX ANNOUNCEMENT

11 July 2024

Diatreme welcomes Metallica recommendation to ACCEPT Offer

- **Metallica's Independent Board Committee has recommended that Metallica shareholders ACCEPT Diatreme's Offer**
- **Diatreme's relevant interest in Metallica continues to rise, reaching 82.37% as at 10 July 2024**
- **The Offer consideration is BEST AND FINAL and will not be increased**
- **Diatreme's unconditional Offer is scheduled to close Tuesday, 23 July 2024**
- **Remaining Metallica shareholders are encouraged to ACCEPT NOW AND NOT WAIT to participate in the Offer's benefits**

Emerging silica sands developer, Diatreme Resources Limited (ASX: DRX) has welcomed the decision by an Independent Board Committee (IBC) of Metallica Minerals Limited (ASX:MLM) (**Metallica**) to recommend that Metallica shareholders accept Diatreme's takeover bid for all the ordinary shares in Metallica (**Offer**).

Diatreme notes Metallica's fifth supplementary target's statement dated 10 July 2024 (**STS**), where Metallica's IBC has revised the recommendation of its Board to accept Diatreme's Offer. Consisting of independent non-executive directors Mr Stephen Everett and Mr Brad Sampson, the IBC's decision was based on a number of factors detailed in the STS, which outlines why Metallica shareholders are considered better off accepting the Offer and why it may not be attractive to remain a minority shareholder of Metallica.

Notably, Metallica Non-Executive Director, Mr Brad Sampson has elected to accept the Diatreme Offer in respect to the 534,063 Metallica shares that he owns.

Diatreme considers its Offer a compelling opportunity for shareholders of both Metallica and Diatreme, based on Diatreme's vision of becoming a sustainable, long-term producer of low iron, high-purity silica sand in the Cape Flattery region.

The Offer is a logical joining of Diatreme and Metallica that is expected to create value for all shareholders and stakeholders, including traditional owners, local businesses and the broader Cooktown and Hope Vale communities, while advancing the contribution of the region to global decarbonisation efforts. It aligns with Diatreme's strategy of building a world-class asset portfolio of high purity silica deposits of regional significance and scale.

Significantly, Diatreme has the financial capacity, technical expertise, industry partners and third-party stakeholder relationships required to advance the silica assets of the combined entity in the interest of all combined shareholders.

A full merger between Diatreme and Metallica will allow the Diatreme Board to effect the synergies detailed in Diatreme's Bidders Statement, benefitting all shareholders.

Diatreme's CEO Neil McIntyre commented: *"The decision by Metallica's IBC is sensible and pragmatic given that acceptances have now reached 82 per cent and climbing, with the momentum clearly in favour of Diatreme's bid."*

"The IBC has correctly noted that Diatreme's potential move to de-list Metallica from the ASX could result in remnant shareholders holding an illiquid, untradeable stock. The IBC also correctly identified the likelihood of any competing bid as non-existent."

"For these reasons and the attractive synergies of our bid, we encourage all remaining Metallica shareholders to accept the Offer before its current 23 July 2024 closing date to participate in the many benefits of a combined company, set to become Australia's leading listed silica sand miner."

How to Accept the Offer

Instructions on how Metallica shareholders can accept the Offer are contained in the Bidder's Statement and on the acceptance form (which accompanies the Bidder's Statement). Metallica shareholders can accept the offer by returning their acceptance form or contacting their controlling participant (usually their broker).

To ACCEPT the offer online, scan the barcode to the right with your smart phone or tablet or visit <https://investor.automic.com.au/#/signup> on your browser and follow these instructions:

1. Click "Register" then select "Metallica Minerals Takeover Offer" from the dropdown list in the Issuer Name Field
2. Enter your Holder Identification Number / Holder Reference (HIN/SRN)
3. Enter your postcode OR country of residence (only if outside Australia)
4. Tick the box "I'm not a robot" and then select "Next"
5. Complete the prompts to set up your username and password details
6. Once you are logged in, select "Offers" from the left-hand vertical menu and follow the prompts.



Any Metallica shareholders with questions about the Offer, should contact their legal, financial or other professional adviser or call the shareholder information line on 1300 636 752 (or +61 2 8318 7933 for overseas domiciled holders) between 8.30am (Sydney time) and 5.00pm (Perth time) Monday to Friday.

This market announcement was authorised for release by the Company.

Neil McIntyre

Chief Executive Officer

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About Diatreme Resources Limited

Diatreme Resources Limited (ASX:DRX) is an emerging Australian producer of mineral and silica sands based in Brisbane. Our key projects comprise the Northern Silica Project and Galalar Silica Sand Project in Far North Queensland, located next to the world's biggest silica sand mine at Cape Flattery.

In Western Australia's Eucla Basin, Diatreme's 'shovel-ready' Cyclone Zircon Project is considered one of a handful of major zircon-rich discoveries of the past decade. Diatreme also holds a 49% interest in the Clermont Copper-Gold Project located in central Queensland, subject to a farm-in agreement with Metallica Minerals Limited (MLM).

Diatreme has an experienced Board and management, with expertise across all stages of project exploration, mine development and project financing together with strong community and government engagement skills.

Global material solutions group Sibelco is Diatreme's development partner on its Queensland silica projects portfolio. Sibelco has completed a two tranche investment of \$35 million taking its total project interest to 26.8%, with the balance (73.2%) held by Diatreme. In addition, Sibelco made a \$13.97 million investment at the corporate level.

Diatreme's silica sand resources will contribute to global decarbonisation by providing the necessary high-grade silica for use in the solar PV industry. The Company has a strong focus on ESG, working closely with its local communities and all other key stakeholders to ensure the long-term sustainability of our operations, including health, safety and environmental stewardship.

For more information, please visit www.diatreme.com.au