

ASX

ANNOUNCEMENT

25 June 2024

Diatreme's Unconditional Takeover Offer

- **Diatreme's Offer represents an attractive premium and is its best and final offer – it will not be increased**
- **Metallica board confirms that it is unlikely that any alternative proposal will arise**
- **Diatreme's unconditional Offer has been extended and is scheduled to close on Tuesday, 9 July 2024. Remaining Metallica shareholders are encouraged to ACCEPT NOW AND NOT WAIT in order to participate in the Offer's benefits**
- **Diatreme has increased its relevant interest in Metallica to 63.79%**
- **Certain members of the Metallica SSAG have now accepted Diatreme's Offer**

Diatreme Resources Limited (ASX: DRX) (**Diatreme** or the **Company**) refers to its takeover offer (**Offer**) for all the ordinary shares in Metallica Minerals Limited (ASX: MLM) (**Metallica**).

1. Offer now due to close on Tuesday, 9 July 2024 – ACCEPT NOW and participate in the Offer's benefits

The Offer is now **due to close on Tuesday, 9 July 2024**, unless extended. Diatreme encourages all Metallica shareholders to **ACCEPT THE OFFER NOW AND NOT WAIT**. Information regarding the formal extension of the closing date for the Offer is set out below.

As announced this morning, Diatreme has a relevant interest in **63.79%** of Metallica Shares and expects its control position will increase in the next two weeks. Diatreme notes that acceptances have been received from certain members of the Metallica Small Shareholders Action Group (**SSAG**).

Diatreme has decided to extend the Offer given the large number of Metallica shareholders (many of whom have relatively small shareholdings) and to continue to provide Metallica's minority shareholders the opportunity to participate in the many benefits of becoming a Diatreme shareholder. Accepting Metallica shareholders will become shareholders in a larger, well-funded ASX-listed company with greater market relevance, project financing capacity and optionality while still maintaining exposure to Metallica's assets.

2. Diatreme's Offer represents an attractive premium. The Offer will not be increased

Diatreme confirms its Offer consideration of 1.3319 Diatreme shares for every Metallica share is Diatreme's **best and final offer**. The Offer consideration **cannot and will not be increased**. Diatreme notes Metallica's Fourth Supplementary Target's Statement dated 24 June (**MLM's Fourth TS**) confirms that Diatreme's offer consideration will not be increased and that "one of the objectives of the SSAG, to have DRX increase its offer price, will not be achieved in the context of DRX's current bid".

Diatreme's Offer of 1.3319 Diatreme Shares for each Metallica Share continues to provide an attractive premium to Metallica shareholders. As at close of trading on 24 June, the Offer:

- Based on Diatreme's closing price of \$0.017, represented a highly attractive premium of **50.67%** to Metallica's closing price of \$0.015 on that date; and
- Based on Diatreme's 30-day VWAP of \$0.0176¹, the Offer represented an attractive premia of:
 - **22.73%** to Metallica's 30-day VWAP of \$0.0191; and
 - **56.28%** to Metallica's closing price of \$0.015 on 24 June 2024.

3. Potential implications for Metallica Shareholders who do not accept the Offer

Diatreme's Bidder's Statement sets out possible adverse implications for Metallica Shareholders who do not accept the Offer. These include:

- the potential for materially lower liquidity and trading prices of Metallica Shares (if Metallica continues to be listed on ASX); and
- it being materially more difficult to sell Metallica Shares in the event Diatreme de-lists Metallica from the ASX, which Diatreme intends to do (subject to the relevant ASX guidelines and other relevant considerations).

Diatreme also notes Metallica's statements on page 2 of MLM's Fourth TS relating to the factors that "may mean MLM shareholders would prefer to accept the Offer". In addition, MLM's Fourth TS specifically states:

"Since the Third Supplementary Bidder's Statement was lodged, the MLM board has received formal confirmation from the Interested Party (as defined in the Second Supplementary Target's Statement) that it will not pursue a transaction with MLM. Accordingly, the MLM board re-iterates that it is unlikely any alternative proposal will arise, and any MLM shareholder who intends to reject the DRX offer ought to be aware of the risk that it may take time for MLM minority shareholders to realise their investment in MLM (if at all) and there is no guarantee that MLM minority shareholders will achieve consideration any better than that available to MLM shareholders now under the DRX offer".

Accordingly, the Diatreme Board re-iterates its encouragement to Metallica Shareholders to accept Diatreme's Offer.

¹ The VWAP is calculated up to and including 24 June 2024.

4. Payment terms

Subject to the terms of the Offer (set out in Schedule 1 of Diatreme's Bidder's Statement):

- Metallica Shareholders that accepted the Offer on or before 17 June 2024 (the date Diatreme declared the Offer unconditional) will be issued the Offer consideration no later than 17 July 2024.
- Metallica Shareholders that have accepted or do accept the Offer after 17 June 2024 will be issued the Offer consideration by the earlier of one month after accepting the Offer and 21 days after close of the Offer.

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 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.

Notice of Variation

Enclosed with this announcement is a notice under section 650D(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**) extending the closing date for the Offer to 7.00pm (Sydney time) on 9 July 2024 (**Notice of Variation**). The Notice of Variation has been lodged today with ASIC, served on Metallica, and despatched to each Metallica shareholder and other person referred to in section 650D(1)(c) of the Corporations Act (as modified by *ASIC Corporations (Takeover Bids) Instrument 2023/683*). In accordance with section 650D(2) of the Corporations Act, Metallica Shareholders that and have already accepted the Offer will not receive a copy of the Notice of Variation.

In accordance with section 110D of the Corporations Act, despatch of the Notice of Variation occurred by the following means:

- Metallica securityholders who have provided Metallica with an electronic address for the purposes of receiving electronic copies of securityholder communications have been sent to their electronic address an email providing a link to an electronic copy of the Notice of Variation (**Electronic Letter**); and
- Metallica securityholders who have not provided Metallica with an electronic address for the purposes of receiving electronic copies of securityholder communications have been sent to their registered postal address a letter providing a link to an electronic copy of the Notice of Variation (**Access Letter**).

A copy of the Electronic Letter and the Access Letter is **enclosed** with this announcement.

This market announcement was authorised for release by:

Neil McIntyre
Chief Executive Officer

Greg Starr
Non-executive director

Contact – Mr Neil McIntyre - Ph – +61 (0)7 3397 2222
Website - www.diatreme.com.au
Email - manager@diatreme.com.au

For investor/media queries, please contact:
Anthony Fensom, Fensom Advisory
anthony@fensom.com.au
Ph: +61 (0)407 112 623

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. Diatreme has a farm-in agreement with Metallica Minerals Limited (MLM) which already owns a 51% interest and has provided its intention to earn up to a 75% interest by meeting certain further expenditure obligations of an additional \$1 million.

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

Global material solutions group Sibelco Asia Pacific is Diatreme's development partner on its Queensland silica projects portfolio. Sibelco Asia Pacific 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 Asia Pacific made a \$13.97 million investment at the corporate level.

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

DIATREME RESOURCES LIMITED
ACN 061 267 061

To: Australian Securities and Investments Commission (**ASIC**)

Metallica Minerals Limited ACN 076 696 092 (**Metallica**)

Each Metallica shareholder and other person referred to in section 650D(1)(c) of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as modified by *ASIC Corporations (Takeover Bids) Instrument 2023/683*)

NOTICE OF VARIATION
SECTION 650D CORPORATIONS ACT 2001 (Cth)

This notice is given by Diatreme Resources Limited ACN 061 267 061 (**Diatreme**) in respect of the offers dated 11 April 2024 made by Diatreme under its off-market takeover bid to acquire all of the ordinary shares in Metallica (**Offers**). The Offers are contained in Diatreme's bidder's statement dated 28 March 2024 (as varied by notices dated 17 May 2024, 24 May 2024, 3 June 2024 and 6 June 2024, and as supplemented by the first supplementary bidder's statement dated 10 April 2024, second supplementary bidder's statement dated 17 April 2024, third supplementary bidder's statement dated 8 May 2024 and fourth supplementary bidder's statement dated 5 June 2024) (**Bidder's Statement**). Unless the context requires otherwise, terms defined in the Bidder's Statement have the same meaning in this notice.

A copy of this notice was lodged with ASIC on 25 June 2024. Neither ASIC nor any of its officers takes any responsibility for the content of this notice.

1 Variation of Offer – Extension of Offer Period

Diatreme hereby gives notice for the purposes of section 650D of the Corporations Act that each of the Offers are varied by:

- (a) extending the period during which the Offers will remain open for acceptance until 7.00pm (Sydney time) on 9 July 2024 (unless further extended under the Corporations Act); and
- (b) replacing '25 June 2024' with '9 July 2024' in each place that the closing date of the Offer, or the end of the Offer Period, is referenced in the Bidder's Statement (including in the Acceptance Forms).

2 Approval of this notice

This notice has been approved by a unanimous resolution passed by the directors of Diatreme under section 650D(3A) of the Corporations Act, as inserted by *ASIC Corporations (Takeover Bids) Instrument 2023/683*.

Dated 25 June 2024

Signed for and on behalf of
Diatreme Resources Limited

by:



Wayne Swan
Chairman



DIATREME RESOURCES LIMITED OFF-MARKET TAKEOVER BID FOR METALLICA MINERALS LIMITED

Dear Metallica securityholder,

We refer to the off-market takeover bid by Diatreme Resources Limited (**ASX: DRX, Diatreme**) under Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**) for all the fully paid ordinary shares in Metallica Minerals Limited (**ASX: MLM, Metallica**) (**Offer**).

EXTENSION OF OFFER PERIOD

Please be advised that Diatreme has today lodged a notice of variation with ASIC, which includes an extension to the closing date of the Offer to 7.00pm (Sydney Time) 9 July 2024 (**Notice of Variation**).

The Notice of Variation can be downloaded by clicking [here](#).

If you have any questions in relation to the Offer, please call the Metallica Offer Information Line Monday to Friday, between 8.30am and 7.00pm (Sydney time) on 1300 636 752 (within Australia) and +61 2 8318 7933 (outside Australia), or by email to hello@atomicgroup.com.au.

Yours sincerely

Tuan Do
Company Secretary
Diatreme Resources Limited



«Registration_Details_Line_1»
«Registration_Details_Line_2»
«Registration_Details_Line_3»
«Registration_Details_Line_4»
«Registration_Details_Line_5»
«Registration_Details_Line_6»

Diatreme Resources Limited
Unit 8, 55-61 Holdsworth Street
Coorparoo
Queensland 4151, Australia
<https://diatreme.com.au/>

25 June 2024

Dear Metallica securityholder,

**RE: OFFER UPDATE AND NOTICE OF VARIATION - DIATREME RESOURCES LIMITED
OFF-MARKET TAKEOVER BID FOR METALLICA MINERALS LIMITED**

We refer to the off-market takeover bid by Diatreme Resources Limited (**ASX: DRX, Diatreme**) under Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**) for all the fully paid ordinary shares in Metallica Minerals Limited (**ASX: MLM, Metallica**) (**Offer**).

Please be advised that Diatreme has today lodged a notice of variation with ASIC, which includes an extension to the closing date of the Offer to 7.00pm (Sydney Time) 9 July 2024 (**Notice of Variation**).

WHERE CAN I ACCESS THE NOTICE OF VARIATION AND BIDDER'S STATEMENT?

The Diatreme Notice of Variation, along with the Bidder's Statement and personalised acceptance form, can be viewed and downloaded by following the steps in one of these options:

I already have an online account with the Automatic Share Registry	https://investor.automic.com.au/#/home <ol style="list-style-type: none">1. Select: "Existing Users Sign In".2. Once you have successfully signed in, click on "Documents and Statements".
I don't have an online account with the Automatic Share Registry	https://investor.automic.com.au/#/signup <ol style="list-style-type: none">1. Click "Register" then select "Metallica Minerals Takeover Offer" from the dropdown list in the Issuer Name Field2. Enter your Holder Identification Number / Holder Reference Number (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. Once you have successfully signed in, click on "Documents and Statements".

To download the Notice of Variation, Bidder's Statement and **ACCEPT** the offer online, scan the barcode to the right with your 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.



ENQUIRIES

If you have any queries about the terms of the Offer or how to accept, please call the Metallica Offer Information Line (Monday to Friday, between 8.30am (Sydney time) and 5.00pm (Perth time) on 1300 636 752 (within Australia) and +61 2 8318 7933 (outside Australia).

Tuan Do
Company Secretary
Diatreme Resources Limited