

The logo features the text "ASX" in a large, bold, dark grey font, with "ANNOUNCEMENT" in a smaller, bold, dark grey font below it. A vertical orange line is positioned to the left of the text. The background of the top half of the page is a network of yellow lines connecting several yellow circular nodes.

Friday, 28 April 2023

Unmarketable Parcel Share Sale Facility

Silica sands developer and explorer Diatreme Resources Ltd (Diatreme or Company, ASX: DRX) is pleased to announce that it has established an unmarketable parcel sale facility (**Facility**) of fully paid ordinary shares in Diatreme (**Shares**) for shareholders who hold less than a marketable parcel of shares. Under the ASX Listing Rules, a parcel of securities with a market value less than \$500 is considered an “**Unmarketable Parcel**”. While the Company values each of its shareholders, it incurs significant administrative and share registry fees for these small holdings.

The sale of Unmarketable Parcels is permitted under ASX Listing Rules and rule 25 of Diatreme’s Constitution. Diatreme has initiated the Facility to enable holders of Unmarketable Parcels to have their Shares sold without paying brokerage. Diatreme has appointed Bell Potter Securities Limited as broker for the Shares to be sold under the Facility with all funds to be remitted to shareholders.

The Company expects the sale of the Unmarketable Parcels through the Facility will also benefit the Company, as it is expected to help to reduce administrative costs, including printing and mailing costs and share registry expenses associated with maintaining a large number of Unmarketable Parcels.

Based on the price of Shares at the close of trading on Thursday, 27 April 2023 (**Record Date**) of \$0.028, a holding of less than 17,857 Shares constitutes an Unmarketable Parcel of Diatreme Shares. As at 7pm AEST on the Record Date, there are 1,312 holdings of Diatreme Shares of an Unmarketable Parcel (from a total of 3,632 holdings), totalling 4,733,455 Shares and constituting approximately 0.127% of the 3,729,759,126 Diatreme Shares on issue. Notice of the Facility will be sent to holders of Unmarketable Parcels at the Record Date and the Facility is expected to close on Wednesday, 14 June 2023 (**Closing Date**).

Diatreme will arrange to complete the Facility and remit funds to shareholders as soon as practicable after the Closing Date. All associated costs and brokerage fees will be paid by the Company, excluding any tax consequences which are the responsibility of participating shareholders.

The key dates for the Facility are detailed below:

Event	Date
Record Date for holders of Unmarketable Parcels	Thursday, 27 April 2023
Announcement of Unmarketable Parcel share sale facility	Friday, 28 April 2023
Despatch of notice to holders of unmarketable parcels	Wednesday, 3 May 2023
Closing Date for receipt of Share Retention Forms	Wednesday, 14 June 2023

The Company reserves the right to change any of the dates referred to in this announcement or the enclosed letter and Share Retention Form, or to vary, cancel or delay the Facility or the sale of Shares at any time before Shares are sold, by making an announcement to ASX.

An information sheet about the Facility and a copy of the letter and retention form that will be sent to all shareholders holding an Unmarketable Parcel of Diatreme Shares on the Record Date are attached to this announcement.

If you have any questions about the Facility, please contact Diatreme on manager@diatreme.com.au or 07 3397 2222 for further information.

This release has been authorised by the Board of Diatreme.



Neil McIntyre

Chief Executive Officer

For investor/media queries, please contact:

Anthony Fensom, Republic PR

E-mail: anthony@republicpr.com.au

Ph: +61 (0)407 112 623

About Diatreme Resources Ltd

Diatreme Resources Ltd (ASX:DRX) is an emerging Australian producer of mineral and silica sands based in Brisbane. Our key projects comprise the Galalar Silica Project and Northern Resource 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 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 are Diatreme's development partner on its silica projects portfolio in Nth Qld . Sibelco completed in December 2022 its first tranche investment (\$11m) holding a 9.99% interest, with a second investment tranche due by December 2023 (\$24m) taking their total project interest to 26.8% at completion.

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 Traditional

Owners 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

Friday, 28 April 2023

Sale of unmarketable parcels of shares

Dear Shareholder

Diatreme Resources Ltd (**Diatreme, Company, we or our, ASX: DRX**) is pleased to advise that the Company has established an unmarketable parcel share sale facility (**Facility**) of fully paid ordinary shares in Diatreme (**Shares**) for shareholders who hold less than a marketable parcel of shares on Thursday, 27 April 2023 (**Record Date**).

Under the ASX Listing Rules, a parcel of securities with a market value less than \$500 is considered to an “**Unmarketable Parcel**”. Based on the price of Shares at the close of trading on the Record Date of \$0.028, a holding of less than 17,857 Shares constitutes an Unmarketable Parcel of Diatreme Shares.

We appreciate that Unmarketable Parcels can be difficult or expensive to sell. Accordingly, Diatreme has initiated the Facility to enable holders of Unmarketable Parcels to have their Shares sold without paying brokerage. Diatreme will pay all costs associated with the sale and transfer of Shares through the Facility (excluding any tax consequences of the sale, which will be your responsibility and we recommend you seek appropriate tax advice). The sale of the Unmarketable Parcels through the Facility will also benefit the Company, as it is expected to help to reduce administrative costs associated with maintaining a large number of small shareholdings on the Company’s share register.

Diatreme has the ability to establish the Facility and implement the sale of Unmarketable Parcels pursuant rule 25 of the Company’s constitution (**Constitution**) and rule 15.13 of the ASX Listing Rules.

Why are you receiving this letter?

Our records indicate that you held an Unmarketable Parcel as at close of trade on the Record Date. Unless you advise the Company by 5:00pm (AEST) on Wednesday, 14 June 2023 (**Closing Date**) that you do **NOT** wish to have your Shares sold, we intend to sell your Shares through the Facility. You do not need to do anything if you wish to have your Shares sold through the Facility.

Shareholders with an Unmarketable Parcel are not obliged to sell their Shares. To advise the Company that you do **NOT** wish to have your Shares sold, you must complete the share retention form enclosed with this letter (**Share Retention Form**), and return it to the Company's share registry, Automic Pty Ltd (**Automic**), in accordance with the instructions on the Share Retention Form, so that it is received prior to the Closing Date.

If, at the Closing Date, the value of your Shares has increased such that you no longer have an Unmarketable Parcel (for example, due to an increase in the market price of Shares or the number of Shares you hold), your Shares will **NOT** be sold.

If you have multiple holdings of Shares which, if aggregated, would not constitute an Unmarketable Parcel, you may contact Automic on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) to amalgamate your holdings. In these circumstances, your Shares will **NOT** be sold. If you choose not to aggregate any holdings of Shares that are Unmarketable Parcels, each of these Unmarketable Parcels will be sold.

Please also note that, pursuant to rule 25.1(a) of the Constitution and ASX Listing Rule 15.13.5, Diatreme will not sell your Shares in the event that a third-party announces a takeover offer for the Company.

In accordance with its continuous disclosure obligations, Diatreme may release information to the ASX which may affect your decision as to whether you wish to have your Shares sold or to retain your Shares. If such information is released, it will be published on the ASX website (www.asx.com.au, ASX code: DRX) and on the Company's website (www.diatreme.com.au).

You should be aware that the fact that your holding of Shares is described in this letter as an "unmarketable parcel" does not mean that you cannot sell your Shares at any time. The use of the term "unmarketable parcel" in this letter is to identify the value of Shares which are eligible for sale through the Facility.

This letter is the first and final notice to holders of an Unmarketable Parcel of Shares regarding the Facility.

What do you need to do?

As a holder of an Unmarketable Parcel as at the Record Date, your options are as follows:

Option 1 – Sell your Unmarketable Parcel

If you **WISH TO SELL** your Shares through the Facility, you should **TAKE NO ACTION**. By refraining from taking any action, you will be deemed to have irrevocably appointed the Company as your agent to:

- (a) sell, or procure the sale of, all of your Shares at a price to be determined, without any costs being incurred by you; and

(b) deal with the proceeds of the sale as set out in this letter (for more information about the payment of the sale proceeds, please refer to Question 7 and Question 12 of the enclosed Information Sheet).

Diatreme has appointed Bell Potter Securities Limited to facilitate the sale of the Unmarketable Parcels. The Shares sold under the Facility will be sold at market prices, subject to prevailing market conditions and available liquidity. You will receive a proportionate share of the total sale proceeds of all Shares sold under the Facility. Payment for your Shares will be remitted to you as soon as practicable following settlement of the sale of all Shares sold through the Facility.

If you wish to sell your Shares through the Facility **YOU MUST** ensure your bank account details with Automic are correct so that payment of the sale proceeds can be made to you electronically. To do this, please access Automic's investor portal at <https://investor.automic.com.au/#/home> to login and view and manage your portfolio details or to register.

Option 2 – Retain your Unmarketable Parcel

If you **DO NOT WISH TO SELL** your Unmarketable Parcel, you **MUST OPT-OUT** of the Facility by completing and returning the **enclosed** Share Retention Form in accordance with the instructions on the Share Retention Form so that it is received by Automic prior to the Closing Date. Please carefully read the instructions on the Share Retention Form before completing it.

Key Dates

Event	Date
Record Date for holders of Unmarketable Parcels	Thursday, 27 April 2023
Announcement of Unmarketable Parcel share sale facility	Friday, 28 April 2023
Despatch of notice to holders of unmarketable parcels	Wednesday, 3 May 2023
Closing Date for receipt of Share Retention Forms	Wednesday, 14 June 2023

The Company reserves the right to change any of the dates referred to in its ASX announcement dated Friday, 28 April 2023, this letter (including the **enclosed** Information Sheet) or Share Retention Form, or to vary, cancel, suspend or delay the Facility or the sale of Shares at any time before Shares are sold, by making an announcement to ASX.

The Company does not provide any recommendation or advice as to whether you should sell or retain your Shares. **This letter is important. If you are in any doubt about what to do, you should consult your legal, financial, taxation or other professional advisor.**

Enclosed is an Information Sheet to answer questions that you may have with respect to the Facility. If you have any questions about the Facility, please contact Diatreme on manager@diatreme.com.au or 07 3397 2222 for further information.

This communication has been authorised by the Board of Diatreme.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Tuan Do', with a long, sweeping horizontal stroke extending to the right.

Tuan Do
Company Secretary

Unmarketable Parcel Share Sale Facility

Information Sheet

1 What is an Unmarketable Parcel?

An unmarketable parcel is a holding of fully paid ordinary shares in the Company (**Shares**) that has a market value less than \$500 (**Unmarketable Parcel**). Based on the closing price of shares on Thursday, 27 April 2023 (**Record Date**) of \$0.028, this is equivalent to a holding of 17,857 Shares or less.

2 Why has the Facility been established?

The Company has decided to establish an unmarketable parcel sale facility (**Facility**) to enable you to sell your Unmarketable Parcel without incurring brokerage or handling costs that could otherwise make a sale of your Unmarketable Parcel uneconomic or difficult. The sale of Unmarketable Parcels through the Facility will also enable the Company to reduce administrative costs associated with maintaining a large number of relatively small holdings of Shares.

3 Why have I received this letter?

You have received this letter because our records indicate that you held an Unmarketable Parcel of Shares based on the price of Shares of \$0.028 as at the close of trade on the Record Date.

4 What do I need to do to sell my Shares?

If you wish to have your Shares sold, you should **TAKE NO ACTION**. Your Shares will be sold through the Facility unless a duly completed Share Retention Form in respect of your Shares is received by Automic before the Closing Date in accordance with the instructions on the Share Retention Form. A Share Retention Form is enclosed with this letter.

5 What if I do not wish to sell my Unmarketable Parcel?

If you do not wish to have your Shares sold, you **MUST OPT-OUT** of the Facility by completing and returning the enclosed Share Retention Form to the address provided in the Share Retention Form so that it is received by Automic prior to the Closing Date. If Automic has not received your Share Retention Form by the Closing Date, your Shares will be sold through the Facility. Alternatively, you can purchase more Shares on-market so that you hold at least \$500 worth of Shares as at the Closing Date (see Question 10 below for further information).

6 How will my shares be sold under the Facility?

Your Shares will be sold by the appointed broker, Bell Potter Securities Limited, on the Australian Securities Exchange (**ASX**), subject to prevailing market conditions and available liquidity.

7 What price will I receive for Shares sold through the Facility?

The Shares will be sold at market prices on ASX, subject to prevailing market conditions and available liquidity, as soon as practicable after the Closing Date. You will receive an average price for your Shares and a proportionate share of the total sale proceeds of all Shares sold under the Facility. You will not have control over the time or price at which your Shares are sold, and the price you receive may not reflect the price of Shares appearing in the media or quoted by the ASX on any given day, nor be the best price for Shares available on the day your Shares are sold. If, at the Closing Date, the value of your Shares has increased so that you no

longer have an Unmarketable Parcel, your Shares will not be sold.

8 Do I need to pay anything if I participate in the Facility?

We will pay all costs and expenses arising in connection with the Facility. Any tax payable, or other tax consequences from the sale, will be your responsibility.

9 Can I withdraw my Share Retention Form?

You can only withdraw your Share Retention Form before the Closing Date by sending a written request to Automic which details your name, address and holder number (SRN or HIN) and states that you would like to withdraw your Share Retention Form. Your request must be signed. If your holding is in more than one name, your request must be signed by all shareholders. Your written request must be received by the Automic before the Closing Date in order to be effective.

10 If I buy more Shares in the Company, will I retain my holding?

The Company will not sell your Shares if you increase your holding to a marketable parcel, being a holding of Shares with a market value of at least \$500 based on the price of Shares as at the Closing Date. Please note that any additional Shares acquired must be registered by the Closing Date, under the same name and address and with the same holder number (SRN or HIN) as set out in the enclosed Share Retention Form.

11 What if the price of Shares changes between the Record Date and the Closing Date?

If the market price of Shares increases between the Record Date and the Closing Date, such that at the Closing Date the value of your Shares is equal to or greater than \$500, your Shares will not be sold through the Facility.

12 When will I receive the proceeds for the Shares sold?

Payment will be remitted to you as soon as reasonably practicable following settlement of all Shares sold under the Facility. The proceeds will be remitted via a direct credit to your bank account at an Australian financial institution or otherwise by cheque in Australian dollars sent to your postal address as recorded in the Company's share register. If your direct credit details or address requires updating, you can amend your details online through Automic's investor portal at <https://investor.automic.com.au/#/home> or you can register. Payment will be made in Australian dollars.

13 What are the advantages and disadvantages of participating in the Facility?

You may consider the following consequences of participating in the Facility to be advantageous to you:

- receiving a cash payment from the sale of your Unmarketable Parcel;
- avoiding any brokerage or related selling expenses in connection with the sale of your Shares (other than tax consequences);
- utilising a cost-effective way of disposing of an Unmarketable Parcel; and
- the sale price of your Shares being determined by reference to the prevailing market price of Shares.

You may consider the following consequences of participating in the Facility to be disadvantageous to you:

- no longer holding any Shares in Diatreme (unless you subsequently buy more Shares);
- possible capital gains tax being payable following the sale of your Shares; and
- the price of Diatreme's shares subsequently rising following the sale of your Shares.

14 What if I hold multiple Unmarketable Parcels of Shares?

If you hold multiple Unmarketable Parcels of Shares, you must complete and return a Share Retention Form for each separate Unmarketable Parcel that you wish to retain. Alternatively, you may aggregate your multiple holdings prior to the Closing Date to avoid them being sold. To do this, please contact Automic on 1300 288 664 (within Australia) or +61 2 9698 5414. If you wish to sell your Unmarketable Parcels through the Facility, you should take no action.

15 What if my holding of Shares in the Company is a CHESS Holding?

If your Unmarketable Parcel of Shares remain in a CHESS Holding, we may move those Shares to an Issued Sponsored Holding and the Shares will then be sold under the Facility.

16 How does the Company have the authority to establish the Facility?

The Company has the authority to establish the Facility and facilitate the sale of Unmarketable Parcels under rule 25 of the Company's Constitution and rule 15.13 of the ASX Listing Rules.

17 Where can I obtain further information?

If you have any other questions about the operation of the Facility, please contact the Company at manager@diatre.me or on 07 3397 2222.

18 What if I am unsure of what to do?

If you are in doubt about what to do, you should consult a financial, legal, taxation or other professional adviser. This Information Sheet does not constitute advice, nor is it a recommendation to sell, buy or hold Shares in Diatre.me.

19 Important notes

The Company reserves the right to change any of the dates referred to in its ASX announcement dated Friday, 28 April 2023, this Information Sheet, or the Share Retention Form, or to vary, cancel, suspend or delay the Facility (either generally or in specific cases), or the sale of your Shares, at anytime before Shares are sold under the facility, by making an announcement to ASX.



By Mail:

GPO Box 5193, Sydney NSW 2001

For All enquiries

1300 288 664 (within Australia)

+61 2 9698 5414 (international)

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

Shares held at 7.00pm (AEST) on
Thursday 27 April 2023: [DRXUMP23RDHolding]

ASX Security Code: DRX

Holder Number (SRN/HIN): [HolderNumber]

UNMARKETABLE PARCEL SALE FACILITY RETENTION FORM

YOUR ELECTION MUST BE RECEIVED BY NO LATER THAN 5.00PM (AEST) ON WEDNESDAY 14 JUNE 2023.

This is an important document and requires your immediate attention. This document should be read in conjunction with the enclosed shareholder letter. If you are in any doubt as to how to deal with this form, you should consult your professional advisor.

IMPORTANT: Automic will only accept direct credit instructions where holders elect to sell their DRX shares via the online election portal. To provide your bank details for direct credit, please log in online and make an election to sell.

Option A: Elect Online (Recommended)

Visit <https://investor.automic.com.au/#/home>

To elect online, simply scan the barcode to the right with your tablet or mobile device or enter the above link into your browser. Instructions lodging your election online and accessing this portal are provided in the section overleaf.

- ✓ **It's fast and simple:** Electing online is very easy to do, it eliminates any postal delays and removes any potential risk of it being lost in transit.
- ✓ **It's secure and confirmed:** Electing online provides you with greater privacy over your instructions and provides you with confirmation that your Election has been successfully processed.



IMPORTANT: Automic will only accept direct credit instructions via the online election portal.

Option B: Paper Election

Step 1: Make your election below:

PLEASE TICK THE BOX TO INDICATE YOU WISH TO RETAIN YOUR SHARES

Step 2: Provide your contact details:

<p>Telephone Number</p> <input style="width: 98%; height: 20px;" type="text"/>	<p>Contact Name (PLEASE PRINT)</p> <input style="width: 98%; height: 20px;" type="text"/>
<p>Email Address</p> <input style="width: 98%; height: 20px;" type="text"/>	

SUPPORT YOUR COMPANY: By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

Step 3: Sign and return the form in accordance with the instructions provided:

I/We authorise you to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions relating to this Unmarketable Parcel Sale Facility.

Individual or Securityholder 1

Sole Director or Sole Director &
Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary



INSTRUCTIONS FOR COMPLETION OF THIS FORM

ELECTION OPTIONS

A: RETENTION OF SHARES

If you wish to retain your shares, please place a tick in the box provided. Should you validly sign the form but fail to place a tick in the box, it will be at the Company's discretion as to whether or not it is your intention to retain your shares.

B: SELLING YOUR SHARES

If you do not complete this retention form, your DRX shares will be sold. If you wish to sell your shares and provide your direct credit instructions, please make an election to sell via the online election portal and provide your bank details online.

SIGNING REQUIREMENTS

- Individual:** Where the holding is in one name, the Shareholder must sign.
- Joint holding:** Where the holding is in more than one name, all of the Shareholders must sign.
- Power of Attorney:** If any signatory signs under Power of Attorney, please attach an originally certified photocopy of the Power of Attorney to this Form when you return it.
- Companies:** To be signed in accordance with your Constitution. Please sign in the box which indicates the office held by you.
- Estates:** If any signatory signs in the capacity of Executor/s, please attach to this Form when you return it, a certified photocopy of the Probate or Death Certificate together with the Will.

LODGING YOUR UNMARKETABLE PARCEL SALE FACILITY RETENTION FORM



**IMPORTANT! Retention Forms cannot be returned by fax or email.
Your Retention Form must be returned via one of the return methods provided below.**

Due to recent changes to delivery times by Australia Post, standard delivery may now take up to ten Business Days, or longer from regional areas. Shareholders should bear this in mind when returning Retention Forms using Australia Post.

ONLINE

Existing users: If you have an existing Automic Investor Portal account, with access to Diatreme Resources Limited, you do not need to register and can log in with your existing username and password at <https://investor.automic.com.au>

If you do not automatically see your DRX shareholding in your account, you can easily add it by selecting the "Add holding" button on the top right-hand corner of the screen and following the prompts.

New users: If you do not have an existing Automic account you will need to register for Investor Portal by visiting <https://investor.automic.com.au/#/signup> and following these steps:

1. In the Company Name field, select "Diatreme Resources Limited (DRX)"
2. Enter your Holder Number (SRN or HIN) as shown on the top of this form
3. Enter the postcode (Australian address) or click "change country" to select the country code (overseas address) relevant to your holding
4. Tick the "I'm not a robot" box and click "Next"
5. Complete the prompts to set up your Username and Password

Once you are logged in, select "Offers" from the left-hand vertical menu and follow the prompts.

BY MAIL

Diatreme Resources Limited – Unmarketable Parcel Sale Facility
C/- Automic Group
GPO Box 5193
Sydney NSW 2001

BY HAND DELIVERY (Between Sydney office hours 9.00am – 5.00pm AEST)

Automic Group
Level 5
126 Phillip Street
Sydney NSW 2000

**YOUR UNMARKETABLE PARCEL SALE FACILITY RETENTION FORM MUST BE RECEIVED BY NO LATER THAN
5.00PM (AEST) ON WEDNESDAY 14 JUNE 2023.**