

26 May 2023

CHAIRMAN'S ADDRESS
Presented to Annual General Meeting of Shareholders
Friday 26 May 2023

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 respect to all Elders past, present and emerging. I extend that respect to all Aboriginal and Torres Strait Islander people here today.

In June 2022, Diatreme announced a partnership with Sibelco that ensures an extremely bright future for both companies. The announcement detailed a significant investment by Belgium-based Sibelco into our Company, via a strategic placement of nearly \$14 million for a 15% shareholding, together with a two-tranche investment of up to \$35 million for a direct project interest.

However, there is far more to this partnership than just dollars.

In bringing Sibelco onboard, we have been given access to its world-leading marketing network and expertise. Currently celebrating its 150th anniversary as a company, Sibelco has committed to co-operating on joint product marketing, potential onshore downstream processing and assistance with project finance.

Yet 2022 was about more than our partnership with Sibelco, however ground-breaking that was.

Northern Silica Project's new high-grade deposit


In January 2022, Diatreme announced the discovery of a second high-grade silica deposit, at our Northern Silica Project in Far North Queensland.

This deposit, Si2 North, comprised some 53 million tonnes at 99.32% silica sand. It is also extremely well placed, being located in proximity to the Cape Flattery Port.

The overall Northern Silica Project continues to expand, following our successful exploration efforts.

In March 2022, we announced a new milestone with our high-grade silica sand resource base growing to more than 200 million tonnes across our Far North Queensland projects. Not only size but also quality matters and this high-grade resource will be in demand for decades to come.

In July, Diatreme announced the lodgement of mining lease and infrastructure applications for the Northern Silica Project. This was followed a month later with the signing of a Memorandum of Understanding with Ports North, the Queensland Government entity responsible for Cape Flattery Port.



Diatreme has identified a new export pathway for our silica sand resources via Cape Flattery Port: an onshore infrastructure corridor located primarily within our tenement area that minimises environmental impacts while maximising financial returns.

The outlining of this new pathway is another important step forward in our progression from explorer to developer. I welcome this development and look forward to further successful talks with Ports North that maximise the benefits of our projects for the Hope Vale community.

Post-balance date, in March 2023 we announced another large expansion in the Northern Silica Project's high-grade silica sand resource, increasing from 124 million tonnes to 235 million tonnes. This is another huge increase in our resource that ensures we will have a long-lasting operation that delivers long-term benefits to all stakeholders, including valuable new jobs and investment for the Hope Vale region.

Indigenous community commitments

We move forward with genuine determination to ensure the Indigenous communities that we operate in receive maximum benefits from our projects, as well as being engaged in their development from day one.

I would again like to restate our commitment, which is to conduct early, consistent and appropriate engagement with native title holders, the trustee of the land, and key community stakeholders. We do talk about the Hope Vale community as being our partner because we believe that a successful mining operation requires a successful partnership with the community.

We are not naive either; we know that a good partnership holds space for disagreement and hard conversations, is open to learning different points of view and values and, importantly, is constantly evolving.


Diatreme has a committed, full-time presence in our Hope Vale office. Engaging with the community on our development journey isn't just something that we talk about. We have invested in fee-free business development programs to grow practical business skills. These businesses will grow alongside our operation. Successful, local, Indigenous business that will complement the proposed mine.

Our partnership informs Diatreme's social investments. Youth engagement has been a top priority for the community and local government alike. Diatreme is proud to have been the inaugural sponsor of the Hope Vale Cockatoos Junior Rugby League Football Club and has committed to three more years as the club's major sponsor. The Cockatoos are preparing for a bigger and brighter 2023 and we look forward to being a part of the club's growth.

We will continue to work on and in our partnership with the Hope Vale community to ensure this unique community benefits from our project's development.

Project advances

Looking ahead for 2023, we have an exciting year as we further advance the development of our high-grade silica sand projects.



This will include a new Scoping Study for our Northern Silica Project to potentially fast-track the development of a second, high-grade silica sand operation, together with further studies on infrastructure and export solutions via Cape Flattery Port.

Elsewhere, our Clermont Copper-Gold Project continues to show promise thanks to the efforts of our earn-in partner. We welcome the advancement of this project, with Diatreme set to benefit from its successful development.

Our Cyclone Zircon Project also is attracting growing interest from potential development partners. With prices remaining strong and the zircon market continuing to face a shortage of high-grade product, this Western Australian project is extremely well placed and we are confident of unlocking shareholder value from this asset.

Finally, I would like to thank my fellow directors, management, staff and all those associated with our Company for your support during the past year.

These have been challenging times as we emerge from the coronavirus pandemic. Without your support, recent progress simply would not have been possible, and I thank you again for your invaluable efforts.

It is hard to escape the conclusion that a new wind is blowing in 2023, one that favours the developers of critical minerals projects that genuinely contribute to a sustainable future.

Australian Prime Minister Anthony Albanese and other Government ministers have stated the need for this nation to de-risk our supply chains and maximise domestically the value of critical minerals such as silica, including through the development of a local solar panel manufacturing industry.

Diatreme welcomes these comments, particularly since our silica sand product is perfectly suited for the needs of solar PV manufacturers forming an important part of the world's decarbonisation targets.

Talks have occurred previously regarding making Townsville the base for such downstream processing efforts. We look forward to further fruitful discussions with all levels of government and private sector participants to make sure we have a role to play in making this a reality.

Our immediate focus however is on advancing our projects towards production. With our strong partner and quality projects together with growing demand for our products, I am very confident our team will make this happen.

Yours sincerely



Wayne Swan
Chairman