

Diatreme Resources Limited

ABN 33 061 267 061

NOTICE OF GENERAL MEETING

EXPLANATORY STATEMENT

PROXY FORM

Date of Meeting: Thursday 28 February 2019

Time of Meeting: 2.00pm (Brisbane time)

Place of Meeting: Unit 8
61 Holdsworth Street
Coorparoo QLD 4151

Diatreme Resources Limited
ABN 33 061 267 061

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Diatreme Resources Limited (ABN 33 061 267 061) (**Company**) will be convened at 2.00 pm on Thursday 28 February 2019 at the offices of the Company, Unit 8, 61 Holdsworth Street, Coorparoo, Brisbane.

Attached to, and forming part of, this Notice of Meeting is an Explanatory Statement that provides Shareholders with background information and further details on the Resolutions to be considered at the Meeting.

AGENDA

Resolution 1 – Ratification of prior issue of shares

To consider and, if thought fit, pass the following ordinary resolution:

“That for the purposes of Listing Rule 7.4 and for all other purposes, the issue of 13,888,889 fully paid ordinary shares in the capital of the Company on 15 May 2018 to Agile Industries Ltd, a sophisticated investor (Agile), for the purpose and otherwise on the terms described in the Explanatory Statement, be ratified.”

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of:

- *Agile; or*
- *an associate of Agile.*

However, the Company need not disregard a vote if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.*

Resolution 2 – Ratification of prior issue of shares

To consider and, if thought fit, pass the following ordinary resolution:

“That for the purposes of Listing Rule 7.4 and for all other purposes, the issue of 46,240,000 fully paid ordinary shares in the capital of the Company on 1 August 2018 and 2 October 2018 to existing sophisticated investors and new sophisticated investors (Placees), for the purpose and otherwise on the terms described in the Explanatory Statement, be ratified.”

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of:

- *any of the Placees; or*
- *an associate of any of those persons.*

However, the Company need not disregard a vote if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.*

Resolution 3 – Ratification of prior issue of shares to October 2018 Placees

To consider and, if thought fit, pass the following ordinary resolution:

“That for the purposes of Listing Rule 7.4 and for all other purposes, the issue of 106,876,154 fully paid ordinary shares in the capital of the Company on 16 October 2018 to various professional and sophisticated investors (October 2018 Placees), for the purpose and otherwise on the terms described in the Explanatory Statement, be ratified.”

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- any of the October 2018 Placees; or
- an associate of any of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Resolution 4 – Ratification of prior issue of listed options to October 2018 Placees

To consider and, if thought fit, pass the following ordinary resolution:

“That for the purposes of Listing Rule 7.4 and for all other purposes, the issue of 53,438,077 listed options on 16 October 2018 to various professional and sophisticated investors (Option Placees), for the purpose and otherwise on the terms described in the Explanatory Statement, be ratified.”

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- any of the Option Placees; or
- an associate of any of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Resolution 5 – Ratification of prior issue of listed options to Broker Nominees as a success fee

To consider and, if thought fit, pass the following ordinary resolution:

“That for the purposes of Listing Rule 7.4 and for all other purposes, the issue of 6,500,000 listed options (Broker Options) to nominees of one of the Company’s brokers (Broker Nominees), DH Flinders Pty Ltd (DHF) as a success fee in connection with their clients’ participation in the capital raisings referred to above under Resolutions 2 to 4, for the purpose and otherwise on the terms described in the Explanatory Statement, be ratified.”

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- *the Broker Nominees; or*
- *an associate of any of those persons.*

However, the Company need not disregard a vote if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.*

Resolution 6 – Ratification of prior issue of securities in lieu of fees for PR services

To consider and, if thought fit, pass the following ordinary resolution:

“That for the purposes of Listing Rule 7.4 and for all other purposes, the issue of 1,818,500 fully paid ordinary shares, together with a further 909,250 free attaching listed options (on a 1:2 basis) (together the PR Securities) to Mr. Robert Canning-Ure (the PR Adviser) in lieu of the payment of fees in connection with public relations services provided to the Company, for the purpose and otherwise on the terms described in the Explanatory Statement, be ratified.”

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- *Mr. Canning-Ure; or*
- *an associate of Mr. Canning-Ure.*

However, the Company need not disregard a vote if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.*

IMPORTANT NOTES

Voting entitlements

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) and ASX Settlement Operating Rule 5.6.1, the Board has determined that for the purpose of voting at the Meeting, the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00pm (Sydney time) on Tuesday 26 February 2019.

If you are not a registered Shareholder at that time, you will not be entitled to vote at the Meeting.

How to vote

You may vote by attending the Meeting in person, by proxy or authorised representative. Registration will commence just prior to the Meeting. To vote in person, attend the Meeting on the date and at the place set out on the front page of this Notice.

Voting at the Meeting

Ordinary resolutions require the support of more than 50% of the votes cast. Special resolutions require the support of at least 75% of the votes cast. All the Resolutions at this Meeting are ordinary resolutions.

Every question arising at this Meeting will be decided in the first instance by a show of hands. A poll may be demanded in accordance with the Company's Constitution. On a show of hands, every Shareholder who is

present in person or by proxy, representative or attorney, will have one vote. Upon a poll, every person who is present in person or by proxy, representative or attorney will have one vote for each Share held by that person.

Proxy votes

A Shareholder who is entitled to attend the Meeting and vote is entitled to appoint a proxy to attend and vote for the Shareholder at the Meeting. A proxy need not be a Shareholder. If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of votes which each proxy is appointed to exercise. A Proxy Form accompanies this Notice.

To be valid, the appointment of a proxy (made using a properly completed and executed Proxy Form) must be received by the Company no later than 48 hours before the commencement of the meeting.

Proxy Forms can be submitted by the below methods:

By posting:	Diatreme Resources Limited Share Registry C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235
By facsimile:	(02) 9287 0309
By delivery:	Link Market Services Limited Either: 1A Homebush Bay Drive Rhodes NSW 2138, or Level 12, 680 George Street Sydney NSW 2000
Online:	Lodging it online at Link's website (www.linkmarketservices.com.au) in accordance with the instructions given there (you will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website).

Voting Intention of the Chairman for the Resolution

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, subject to compliance with the Corporations Act.

BY ORDER OF THE BOARD

Tuan Do
Company Secretary

25 January 2019

Diatreme Resources Limited
ABN 33 061 267 061

EXPLANATORY STATEMENT

INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders of Diatreme Resources Limited (“**Company**”) in connection with the business to be conducted at the General Meeting to be held at 2.00 pm on Thursday 28 February 2019 to assist Shareholders to determine how to vote on the proposed Resolutions.

Shareholders should read this Explanatory Statement in full, as individual Sections may not give a comprehensive review of the proposal contemplated. This Explanatory Statement forms part of the accompanying Notice of Meeting and should be read with the Notice of Meeting.

Background in respect of Resolutions 1 to 6

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides that where a company’s shareholders ratify the previous issue of securities made pursuant to ASX Listing Rule 7.1 (provided that the previous issue of securities did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1.

Resolutions 1 to 6 (**Refresher Resolutions**) relate to the issue of different parcels of equity securities during 2018 and by approving all of those resolutions, Shareholders will refresh the Company’s 15% placement capacity. If Shareholders approve only some of the Refresher Resolutions, then only a portion of the Company’s 15% placement capacity will be refreshed.

The Company has worked with a number of brokers to identify the various places the subject of the Resolutions. No one broker acted as lead manager. Resolution 5 relates to the issue of listed options to nominees of one such broker, DH Flinders Pty Ltd (**DHF**), as a success fee in connection with their clients’ participation in the capital raisings referred to under Resolutions 2 to 4

The efforts of the Company, its brokers and advisers in successfully completing the placement, were also supported by public relations services provided by Mr. Robert Canning-Ure (**PR Adviser**). Resolution 6 relates to the issue of shares and listed options to the PR Adviser in lieu of his fees.

Resolution 1 – Ratification of prior issue of shares

This Resolution seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of a total of 13,888,889 Shares to sophisticated investor Agile Industries Ltd (**Agile**). These shares formed part of the placement as announced to ASX on **16 May 2018** and were issued pursuant to the Company’s capacity under ASX Listing Rule 7.1.

By ratifying the prior issue of 13,888,889 Shares to Agile Industries Ltd (and the other Refresher Resolutions), the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity without the requirement to obtain prior shareholder approval.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.5:

- (a) The number of securities issued to Agile was 13,888,889 Shares;
- (b) The issue price of the Shares was \$0.018 (1.8 cents) per Share;
- (c) The securities issued were fully paid ordinary Shares in the Company having the same terms and rights as, and ranking equally with, the Company’s existing listed fully paid ordinary Shares;
- (d) The Shares were issued to sophisticated investor Agile Industries Ltd. Agile is not a related party of the Company;

- (e) Funds raised by the issue of the shares were used to fund the Company's project activities and for working capital;
- (f) A voting exclusion statement is contained in the Notice of General Meeting.

The Directors recommend that the resolution be passed.

Resolution 2 – Ratification of prior issue of shares

This Resolution seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of a total of 46,240,000 Shares to various new and existing sophisticated investors (**Placees**). The placement of these shares was announced to ASX on **31 July 2018**. The Company issued 11,375,000 of these shares on 1 August 2018 followed by 34,865,000 shares on 2 October 2018. The shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

By ratifying the prior issue of 46,240,000 Shares to the Placees (and the other Refresher Resolutions), the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity without the requirement to obtain prior shareholder approval.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.5:

- (a) The number of securities issued to the Placees was 46,240,000 Shares;
- (b) The issue price of the Shares was \$0.020 (2.0 cents) per Share;
- (c) The securities issued were fully paid ordinary Shares in the Company having the same terms and rights as, and ranking equally with, the Company's existing listed fully paid ordinary Shares;
- (d) The Shares were issued to 13 new and existing sophisticated investors (identified by the Company's brokers), none of whom are related parties of the Company;
- (e) As announced on 31 July 2018, the funds raised by the issue of the shares were used to fund the ongoing DFS activities at the Cyclone Mineral Sands project and for working capital;
- (f) A voting exclusion statement is contained in the Notice of General Meeting.

The Directors recommend that the resolution be passed.

Resolution 3 – Ratification of prior issue of shares to October 2018 Placees

This Resolution seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of a total of 106,876,154 Shares to professional and sophisticated investors (**October 2018 Placees**). The completion of the placement of these shares was announced to ASX on **16 October 2018**. The shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1 (40,170,223 shares) and 7.1A (66,705,931 shares)..

By ratifying the prior issue of 106,876,154 Shares to the October 2018 Placees (and the other Refresher Resolutions), the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity without the requirement to obtain prior shareholder approval.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.5:

- (a) The number of securities issued to October 2018 Placees was 106,876,154 Shares;
- (b) The issue price of the Shares was \$0.020 (2.0 cents) per Share;
- (c) The securities issued were fully paid ordinary Shares in the Company having the same terms and rights as, and ranking equally with, the Company's existing listed fully paid ordinary Shares;
- (d) The Shares were issued to 57 professional and sophisticated investors, none of whom are related parties of the Company;
- (e) As announced on 5 October 2018, the funds raised by the issue of the shares were used to fund the following:
- completion of the Cyclone Zircon Project definitive feasibility study (**DFS**) undertaken by China ENFI Engineering. Results of the DFS were announced to ASX on 15 November 2018;
 - undertaking further resource drilling and bulk sampling programs at the Cape Bedford Silica Project; and
 - commencement of the mining lease permitting and approvals process for the Cape Bedford Silica Project; and
 - ancillary working capital;
- (f) A voting exclusion statement is contained in the Notice of General Meeting.

The Directors recommend that the resolution be passed.

Resolution 4 – Ratification of prior issue of listed options to October 2018 Placees

This Resolution seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of a total of 53,438,077 listed options to professional and sophisticated investors (**Option Placees**). The issue of these options was announced to ASX on 16 October 2018. The options were issued pursuant to the Company's capacity under ASX Listing 7.1.

By ratifying the prior issue of 53,438,077 listed options to the Option Placees (and all other Refresher Resolutions), the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity without the requirement to obtain prior shareholder approval.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.5:

- (a) The number of securities issued to Option Placees was 53,438,077 listed options;
- (b) The listed options were issued for nil cash consideration. They were issued as free-attaching options to the shares, referred to at Resolution 3 above (on the basis of 1 free option for every 2 shares subscribed).
- (c) The listed options have an exercise price of \$0.03 (3.0 cents) per option with an expiry date of 16 December 2019. Refer to **Annexure A** for full terms and conditions of the options;
- (d) The listed options were issued to 57 professional and sophisticated investors, none of whom are related parties of the Company;
- (e) No funds were raised from this issue, however the intended use of the funds upon exercise of the listed options will be used for the same purposes as all other funds as set out in section 3(e) above;
- (f) A voting exclusion statement is contained in the Notice of General Meeting.

The Directors recommend that the resolution be passed.

Resolution 5 – Ratification of prior issue of listed options as a success fee

This Resolution seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of a total of 6,500,000 listed options (**Broker Options**) to nominees of one of the Company's brokers (**Broker Nominees**), DH Flinders Pty Ltd (**DHF**).

The Broker Options were issued to the **Broker Nominees** as a success fee for DHF in connection with their clients participation in the capital raisings referred to above under Resolutions 2 to 4. Neither DHF nor the Broker Nominees are related parties of the Company.

The issue of these options formed part of the placement as announced to ASX on **16 October 2018** and were issued under ASX Listing 7.1.

By ratifying the prior issue of 6,500,000 listed options to the Broker Nominees (and all other Refresher Resolutions), the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity without the requirement to obtain prior shareholder approval.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.5:

- (a) The number of securities issued to the Broker Nominees was 6,500,000 listed options;
- (b) The listed options were issued for nil cash consideration. They were issued as success fees payable to DHF as referred to in the preceding paragraphs.
- (c) The listed options have an exercise price of \$0.03 (3.0 cents) per option with an expiry date of 16 December 2019. Refer to **Annexure A** for full terms and conditions of the options;
- (d) The listed options were issued to 11 Broker Nominees identified by DHF, none of whom are related parties of the Company;
- (e) No funds were raised from this issue, however the intended use of the funds upon exercise of the listed options will be for the same purposes as all other funds as set out in section 3(e) above;
- (f) A voting exclusion statement is contained in the Notice of General Meeting.

The Directors recommend that the resolution be passed.

Resolution 6 – Ratification of prior issue of securities in lieu of fees for PR services

This Resolution seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of a total of 1,818,500 fully paid ordinary shares, together with a further 909,250 free attaching listed options (on a 1:2 basis) (together the **PR Securities**) to Mr. Robert Canning-Ure (the **PR Adviser**). The shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1A, and the options were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

The PR Securities were issued in lieu of the payment of fees of \$36,370 by the Company to Mr. Robert Canning-Ure (**PR Adviser**) in connection with public relations assistance provided to the Company in carrying out its October 2018 Placement. The PR Adviser assisted the Company with the preparation and presentation of investor presentations that were undertaken by the Company (in conjunction with its brokers) to identify the participants in the October 2018 Placement.

The issue of these shares and options formed part of the placement as announced to ASX on **16 October 2018**.

By ratifying the prior issue of the PR Securities to the PR Adviser (and all other Refresher Resolutions), the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity without the requirement to obtain prior shareholder approval.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.5:

- (a) The number of securities issued to the PR Adviser was 1,818,500 fully paid ordinary shares (at a notional issue price of 2.0 cents per share) and 909,250 free attaching listed options;
- (b) The PR Securities were issued for nil cash consideration. They were issued in lieu of fees payable to the PR Adviser as referred to in the preceding paragraphs;
- (c) The PR Adviser is not a related party of the Company;
- (d) The fully paid ordinary Shares issued have the same terms and rights as, and rank equally with, the Company's existing listed fully paid ordinary Shares; and the listed options have an exercise price of \$0.03 (3.0 cents) per option with an expiry date of 16 December 2019. Refer to **Annexure A** for full terms and conditions of the options;
- (e) No funds were raised from this issue, however the intended use of the funds upon exercise of the listed options will be for the same purposes as all other funds as set out in section 3(e) above;
- (f) A voting exclusion statement is contained in the Notice of General Meeting.

The Directors recommend that the resolution be passed.

ANNEXURE A – TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the Options are as follows:

1. The Options have:
 - a. an issue date of 16 October 2018 (**Issue Date**);
 - b. an expiry date of at 5:00 pm (Brisbane time) on 16 December 2019 (**Expiry Date**), being 14 months after their Issue Date. If the Expiry Date falls on a day that is not a Business Day[^], the final date will be the next Business Day.
 - c. an exercise price of \$0.03 (**Exercise Price**).
2. No additional amount is payable for the issue of the Options.
3. Each Option will entitle the holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) upon payment of the Exercise Price on or before the Expiry Date.
4. The Options are exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the option holder to exercise all or a specified number of Options, accompanied by the relevant Option Certificate (if any) and a cheque made payable to the Company for the Exercise Price of each Option.
5. Subject to the Corporations Act, the Listing Rules, the Constitution of the Company and any restriction obligations, the Options are freely transferable.
6. The Company will apply to the ASX for, and will use its best endeavours to obtain, official quotation of the Options. The Company gives no assurance that such Quotation will be granted.
7. In the event of liquidation of the Company, all unexercised Options will lapse.
8. An exercise of only some Options will not affect the rights of the option holder under the balance of the Options held by him or her.
9. Upon the valid exercise of an Option the Company must issue the resultant Share and dispatch a holding statement within the time required by the ASX Listing Rules.
10. New Shares issued on an exercise of Options will rank, from the date of issue, equally with existing Shares of the Company in all respects, and will otherwise be subject to the provisions of the Constitution and any escrow restrictions imposed on them by ASX.
11. The Company will, in accordance with the ASX Listing Rules and subject to any restrictions by ASX, apply to have new Shares issued upon exercise of Options listed for official quotation.
12. The Options will not give any right to participate in dividends until new Shares are issued on the exercise of the relevant Options.
13. The holder of Options will not be permitted to participate in any new pro-rata issue of securities of the Company without first exercising the Options. The option holder will be notified by the Company of any proposed pro-rata issue in accordance with the requirements of the ASX Listing Rules and afforded the requisite period to exercise the Options.
14. If the Company, while a Option remains unexercised, reorganises its issued capital (including a consolidation of capital, subdivision of capital, return of capital, reduction of capital by cancellation of paid up capital that is lost or not represented by available assets where no securities are

cancelled, a pro rata cancellation of capital or in any other case), the number or exercise price (or both) of Options to which the option holder is entitled will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.


15. Other than as set out in paragraph 14 above, the Options do not confer any right to a change in Exercise Price, or a change in the number of underlying Shares over which the Options may be exercised.
16. Notices may be given by the Company to an option holder in the manner prescribed by the Constitution of the Company for the giving of notices to Shareholders and the relevant provisions of the Constitution of the Company will apply with all necessary modification to notices to be given to the option holder.

[^] *Business day has the meaning given in the ASX Listing Rules.*


17. The Options are exercisable at any time from the Issue Date in multiples of \$1,000.00, unless the whole parcel is exercisable for less than \$1,000.00, in which case the whole parcel must be exercised.
18. If during the currency of any Options and prior to their exercise a takeover offer or a takeover announcement (within the meaning of the Corporations Act) is made to holders of Shares then within 10 Business Days after the Company becomes aware of the offer, the Company must forward a notice notifying the Option holder of the offer and from the date of such notification, the Option holder has one month within which to exercise the Options notwithstanding any other terms and conditions applicable to the Options or arrangement. If the Options are not exercised within one month after notification of the offer, the Options may be exercised at any other time according to their terms of issue.
19. If an offer for shares in the Company is made to Shareholders pursuant to a scheme of arrangement which has been approved in accordance with the Corporations Act, the Option holder will be entitled to exercise Options within the period notified by the Company.
20. The option holder will be sent all reports and accounts required to be laid before Shareholders in general meeting and all notices of general meeting of Shareholders, however, if the option holder is not a Shareholder, the option holder will not have any right to attend or vote at these meetings.

LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Diatreme Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Diatreme Resources Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy


or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **2:00pm (Brisbane time) on Thursday, 28 February 2019 at the offices of the Company, Unit 8, 61 Holdsworth Street, Coorparoo, Brisbane** (the Meeting) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolution	For	Against	Abstain*	For	Against	Abstain*
1 Ratification of prior issue of 13,888,889 fully paid ordinary shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
2 Ratification of prior issue of 46,240,000 fully paid ordinary shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
3 Ratification of prior issue of 106,876,154 fully paid ordinary shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
4 Ratification of prior issue of 53,438,077 listed options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
5 Ratification of prior issue of 6,500,000 listed options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
6 Ratification of prior issue of 1,818,500 fully paid ordinary shares, and 909,250 attaching listed options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

DRX PRX1901A

For personal use only

STEP 1

STEP 2

STEP 3



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm (Brisbane time) on Tuesday, 26 February 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Diatreme Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**