



Notice of General Meeting

The General Meeting of Diatreme Resources Limited will be held at:

- Unit 8, 61 Holdsworth Street, Coorparoo, QLD 4151; at
- 2.00 pm (AEST) on 3 February 2020.

This notice of General Meeting should be read in its entirety. If Shareholders are in any doubt as to how they should vote, they should seek advice from their professional advisor prior to voting.

Please contact the Company Secretary on +61 7 3397 2222 or tuan.do@diatreme.com.au if you wish to discuss any matter concerning the Meeting.

Diatreme Resources Limited
ACN 061 267 061

Notice of General Meeting

Notice is hereby given that a general meeting of the Shareholders of Diatreme Resources Limited will be held at Unit 8, 61 Holdsworth Street, Coorparoo, Brisbane, on 3 February 2020 at 2.00 pm (AEST) (**Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Statement and Proxy Form form part of this Notice of Meeting.

Shareholders are urged to vote by attending the Meeting in person or by returning a completed Proxy Form. Instructions on how to complete a Proxy Form are set out in the Explanatory Statement.

Proxy Forms must be received by no later than 2.00 pm (AEST) on 1 February 2020.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in Schedule 1 of the Explanatory Statement.

Agenda

RESOLUTION 1 - RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

To consider, and if thought fit, to pass the following as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 363,428,729 Shares under the Placement on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 2 - ISSUE OF PLACEMENT OPTIONS

To consider, and if thought fit, to pass the following as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 181,714,365 Placement Options to the participants of the Placement on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 3 - ISSUE OF REBATE SHARES TO ILWELLA

To consider, and if thought fit, to pass the following as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 25,000,000 Shares to Ilwella Pty Limited (or its nominee) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 4 - RATIFICATION OF PRIOR ISSUE OF CEO SHARES

To consider, and if thought fit, to pass the following as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,083,334 fully paid ordinary shares to the Company’s CEO, Mr Neil McIntyre, pursuant to a service agreement and on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

VOTING PROHIBITION AND EXCLUSION STATEMENTS

Under Listing Rule 14.11, the Company will disregard any votes cast in favour of the following resolutions by or on behalf of:

- (a) the below named person or class of persons excluded from voting; or
- (b) an associate of that person or those persons:

Resolution	Persons excluded from voting
Resolution 1 - Ratification of prior issue of Placement Shares	a person who participated in the issue and/or who is a counterparty to the agreement being approved or his/her associates.
Resolution 2 - Issue of Placement Options	a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or his/her associates.
Resolution 3 - Issue of Rebate Shares to Ilwella	Ilwella Pty Limited or its associates.
Resolution 4 - Ratification of prior issue of CEO Shares	Mr Neil McIntyre or his associates.

However, this does not apply to a vote cast in favour of a resolution by:

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (e) a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

By order of the Board of Directors

Tuan Do
Company Secretary
Diatreme Resources Limited
24 December 2019

DIATREME RESOURCES LIMITED
ACN 061 267 061

Explanatory Statement

INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Unit 8, 61 Holdsworth Street, Coorparoo, Brisbane, on 3 February 2020 at 2.00 pm (AEST). The purpose of this Explanatory Statement is to provide information to Shareholders in deciding how to vote on the Resolutions set out in the Notice.

This Explanatory Statement should be read in conjunction with and forms part of the accompanying Notice, and includes the following:

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A Proxy Form is located at the end of this Explanatory Statement.

Please contact the Company Secretary on +61 7 3397 2222 or tuan.do@diatreme.com.au if you wish to discuss any matter concerning the Meeting.

1 ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice and this Explanatory Statement carefully before deciding how to vote on the Resolutions.

1.1 Voting in person

All Shareholders are invited and encouraged to attend the Meeting.

To vote in person, attend the Meeting at the time, date and place set out in the Notice.

1.2 Voting by Proxy

If a Shareholder is unable to attend in person, they can appoint a proxy to attend on their behalf by signing and returning the Proxy Form (attached to the Notice) to the Company in accordance with the instructions on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- (a) each Shareholder has the right to appoint a proxy;
- (b) the proxy need not be a Shareholder of the Company; and
- (c) a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

The Company encourages Shareholders completing a Proxy Form to direct the proxy how to vote on each Resolution.

The Proxy Form must be received no later than 48 hours before the commencement of the Meeting, i.e. by no later than 2.00 pm (AEST) on 1 February 2020. Any Proxy Form received after that time will not be valid for the Meeting. Proxy Form must be received at the following address:

In person: Link Market Services Limited, either:
1A Homebush Bay Drive Rhodes NSW 2138; or
Level 12, 680 George Street Sydney NSW 2000.

By mail: Diatreme Resources Limited
Share Registry C/- Link Market Services Limited
Locked Bag A14 Sydney South NSW 1235.

By fax: +61 (02) 9287 0309.

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).

Shareholders lodging a Proxy Form are not precluded from attending and voting in person at the Meeting.

1.3 Corporate representatives

Shareholders who are body corporates may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority may be sent to the

Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

An appointment of corporate representative form is available from the website of the Company's share registry (Link Market Services Limited).

1.4 Eligibility to vote

For the purposes of regulations 7.11.37 and 7.11.38 of the Corporations Act Regulations, the Directors have determined that, for the purposes of voting at the Meeting, Shareholders are those persons who are the registered holders of Shares at 5:00pm (AEST) on [1 February] 2020.

2 INTRODUCTION

2.1 Background

On 21 November 2019, the Company announced that it had issued 363,428,729 fully paid ordinary shares (**Placement Shares**) at \$0.01 per Share to a new cornerstone investor, Ilwella Pty Ltd, and new and existing sophisticated investors to raise \$3,634,287 before costs (**Placement**). Hartleys Limited acted as the lead manager for the Placement which was made without Shareholder approval using the Company's existing 15% and 10% capacities.

Funds raised from the Placement will be used to advance the Company's Galalar project through permitting, approvals and commercial studies following a successful scoping study as announced to ASX on 9 September 2019, and to meet the costs of the Placement. Funds raised upon exercise of Placement Options will be used for general working capital.

Under the Placement, the Company has agreed, subject to shareholders approval, to issue attaching options (**Placement Options**) to the participants of the Placement on the basis of one Placement Option for every two Placement Shares issued, or a total of 181,714,365 Placement Options. The Placement Options have an exercise price of \$0.02 and expire 24 months from date of issue.

In conjunction with the Placement and subject to prior Shareholder approval, the Company agreed to rebate Ilwella Pty Limited, the Placement's cornerstone investor, 10% of its subscription amount through the issue of 25,000,000 Shares at the same issue price as the Placement (\$0.01 per Share) (**Rebate Shares**).

The Company also seeks to ratify the issue of Shares to the Company's CEO following certain KPIs being met.

Following is a table that sets out the dilution to Shareholders as a result of the issues:

	Securities	% prior to any Placement Shares being exercised	% on a fully diluted basis
Shares on issue prior to issues the subject of the Resolutions	1,464,939,283	78.95	71.91
Placement	363,428,729	19.59	17.84
Placement Options	181,714,365	-	8.92
Rebate Shares	25,000,000	1.35	1.23
CEO Shares	2,083,334	0.11	0.10

Existing Shareholders were diluted by 21.05% as a result of the Placement, Rebate Share and CEO Share issues. Existing Shareholders will be diluted by a further 7.04% in the event all Placement Options are exercised.

2.2 Listing Rules

Listing Rule 7.1 limits the number of equity securities a company can issue in a Relevant Period to 15% of its issued share capital, except for certain issues, including where first approved by Shareholders. Listing Rule 7.1A allows an eligible entity to issue up to a further 10% of its issued share capital in a Relevant Period, subject to certain conditions including prior approval at the company's annual general meeting. Securities issues that are ratified by Shareholders under Listing Rule 7.4 are not included in calculating an entity's 15% or 10% capacities.

Resolutions 1 to 4 seek Shareholder approval to complete or ratify the above issues.

3 RESOLUTION 1 - RATIFICATION OF PRIOR ISSUE OF THE PLACEMENT SHARES

3.1 Introduction

The 363,428,729 Placement Shares were issued by the Company without shareholder approval using its 15% (for 217,282,558 Placement Shares) and 10% (for 146,146,171 Placement Shares) placement capacities under Listing Rule 7.1 and Listing Rule 7.1A.

Resolution 1 seeks Shareholder approval to ratify the issue of the Placement Shares. The effect of Shareholders passing Resolution 1 and ratifying the issue will be to restore the Company's 15% and 10% annual placement limits permitted by Listing Rule 7.1 and Listing Rule 7.1A.

3.2 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5, the following information is provided about the issue:

- (a) The securities were issued to a new cornerstone investor, Ilwella Pty Limited, and new and existing sophisticated investors (managed by Hartleys Limited), none of whom are related parties to the Company.
- (b) The number of securities issued by the Company was 363,428,729 Shares.
- (c) The securities issued are fully paid ordinary shares which rank equally to the existing Shares on issue.
- (d) The securities were issued on 21 November 2019.
- (e) The securities were issued at \$0.01 per Share for a total of \$3,634,287.
- (f) The issue was made to raise working capital and fund the Company's Galalar project. The intended use of funds from the issue is set out in section 2.1.
- (g) Other than those set out in section 2.1 and this section 3, there are no other material terms in relation to the issue of the Placement Shares.
- (h) A voting exclusion statement is included in the Notice.

3.3 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 1. This will restore the 15% and 10% annual placement limits permitted by Listing Rules 7.1 and 7.1A.

4 RESOLUTION 2 - ISSUE OF PLACEMENT OPTIONS

4.1 Introduction

Resolution 2 seeks Shareholder approval for the issue of the Placement Options.

The effect of Shareholders passing Resolution 2 is to allow the Company to issue Placement Options to satisfy its obligations under the Placement.

4.2 Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, the following information is provided about the issue:

- (a) The securities will be issued to the participants of the Placement, a new cornerstone investor, Ilwella Pty Limited, and new and existing sophisticated investors (managed by Hartleys Limited), none of whom are related parties to the Company.
- (b) The maximum number of securities to be issued is 181,714,365 Placement Options.

- (c) The Placement Options have an exercise price of \$0.020 per Placement Option and expire 24 months from date of issue, otherwise on terms set out in SCHEDULE 2.
- (d) The securities will be issued no later than 3 months after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date.
- (e) The Placement Options will be issued for nil cash consideration and as attaching options to the Placement Shares.
- (f) No funds will be raised from the issue. Funds raised from the exercise of the Placement Options will be used towards working capital of the Company.
- (g) Other than those set out in section 2.1, this section 4 and SCHEDULE 2, there are no other material terms in relation to the issue of the Placement Options.
- (h) A voting exclusion statement is included in the Notice.

4.3 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 2. This will allow the Company to issue securities to satisfy its obligations under the Placement whilst preserving the Company's 15% annual limit permitted by Listing Rule 7.1.

5 RESOLUTION 3 - ISSUE OF REBATE SHARES

5.1 Introduction

Resolution 3 seeks Shareholder approval for the issue of the Rebate Shares to Ilwella.

The effect of Shareholders passing Resolution 3 is to allow the Company to issue securities to satisfy its obligations under the Placement whilst preserving the Company's 15% annual limit permitted by Listing Rule 7.1.

5.2 Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, the following information is provided about the issue:

- (a) The securities will be issued to Ilwella Pty Limited, who is not a related party to the Company.
- (b) The maximum number of securities to be issued is 25,000,000 Shares.
- (c) The terms of the securities issued are fully paid ordinary shares which rank equally to the existing Shares on issue.

- (d) The securities will be issued no later than 3 months after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date.
- (e) The securities are issued at a deemed issue price of \$0.01 per Share.
- (f) The securities are issued as part consideration for Ilwella Pty Limited's participation in the Placement, and no funds will be raised through the issue.
- (g) Other than those set out in section 2.1 and this section 5, there are no other material terms in relation to the issue.
- (h) A voting exclusion statement is included in the Notice.

5.3 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 3. This will allow the Company to issue securities to satisfy its obligations under the Placement whilst preserving the Company's 15% annual limit permitted by Listing Rule 7.1.

6 RESOLUTION 4 - RATIFICATION OF PRIOR ISSUE OF CEO SHARES

6.1 Introduction

Pursuant the service agreement between Mr Neil McIntyre as the chief executive officer (CEO) and the Company, the Company will issue Shares to the CEO upon achieving certain key performance indicators (KPIs).

On 7 May 2019 the Company issued 2,083,334 Shares (the **CEO Shares**) to Mr Neil McIntyre as certain KPIs were satisfied. The Shares were issued without Shareholder approval and using its 15% placement capacity under Listing Rule 7.1.

Resolution 4 seeks Shareholder approval to ratify the issue of the CEO Shares. The effect of Shareholders passing Resolution 4 and ratifying the issue will be to restore the 15% annual placement limit permitted by Listing Rule 7.1.

6.2 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5, the following information is provided about the issue:

- (a) The securities were issued to Mr Neil McIntyre, the CEO of the Company.
- (b) The number of securities issued by the Company was 2,083,334 Shares.
- (c) The terms of the securities issued are fully paid ordinary shares which rank equally to the existing Shares on issue.
- (d) The securities were issued on 7 May 2019.

- (e) The securities were issued at a deemed issue price of \$0.012 per Share (being 30 day VWAP to 6 May 2019).
- (f) The securities were issued to the Mr Neil McIntyre, the CEO of the Company, pursuant to the CEO's service agreement for achieving certain KPIs. No funds were raised from the issue.
- (g) Other than those set out in this section 6, there are no other material terms in relation to the issue of the CEO Shares.
- (h) A voting exclusion statement is included in the Notice.

6.3 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 4. This will allow the Company to issue securities to satisfy its obligations under the CEO's service agreement whilst preserving the Company's 15% annual limit permitted by Listing Rule 7.1.

SCHEDULE 1 DEFINITIONS

In this Notice and Explanatory Statement:

AEST	means Australia East Standard Time.
ASX	means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires.
Board	means the board of Directors.
CEO Shares	has the meaning given in section 6.1 of the Explanatory Statement.
Chair or Chairperson	means the chair of the Company.
Company or DRX	means Diatreme Resources Limited (ACN 061 267 061).
Constitution	means the constitution of the Company as amended.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended.
Director	means a director of the Company.
Equity Securities	has the same meaning given in the Listing Rules.
Explanatory Statement	means this Explanatory Statement.
Ilwella	means Ilwella Pty Ltd.
Key Management Personnel	has the same meaning given in the Listing Rules.
KPI	has the meaning given in section 6.1 of the Explanatory Statement.
Listing Rule	means the listing rules of the ASX.
Meeting	means the meeting convened by this Notice (as adjourned from time to time).
Notice	means this notice of meeting.
Placement	has the meaning given in section 2.1 of the Explanatory Statement.
Placement Shares	has the meaning given in section 2.1 of the Explanatory Statement.

Placement Costs Shares	has the meaning given in section 2.1 of the Explanatory Statement.
Placement Options	has the meaning given in section 2.1 of the Explanatory Statement.
Proxy Form	means the proxy form attached to this Notice.
Relevant Period	has the meaning given in Listing Rule 7.1, being: <ul style="list-style-type: none"> (a) if the entity has been admitted to the official list for 12 months or more, the 12 month period immediately preceding the date of the issue or agreement; or (b) if the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.
Resolution	means a resolution set out in the Notice.
Securities	has the meaning given in the Listing Rules.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of a Share.
VWAP	means volume weighted average price as defined in the Listing Rules.

SCHEDULE 2 TERMS OF THE PLACEMENT OPTIONS

2.1 Entitlement

Each Placement Option entitles the holder to subscribe for one Share upon exercise of the Placement Option.

2.2 Exercise Price

Subject to paragraph 2.12, the amount payable upon exercise of each Placement Option will be \$0.02 (**Exercise Price**).

2.3 Expiry Date

Each Placement Option will expire after 2 years from issue (**Expiry Date**). A Placement Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

2.4 Exercise Period

The Placement Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

2.5 Notice of Exercise

The Placement Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Placement Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Placement Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

2.6 Number of Options on Notice of Exercise

The Placement Options held by each option holder may be exercised in whole or in part, and if exercised in part, multiples of 50,000 options must be exercised on each occasion.

2.7 Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Placement Option being exercised in cleared funds (**Exercise Date**).

2.8 Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of Placement Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and

- (b) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Placement Options.

2.9 Shares issued on exercise

Shares issued on exercise of the Placement Options rank equally with the then issued Shares of the Company.

2.10 Reconstruction of capital

If at any time the issued capital of the Company is reconstructed (including consolidation, sub-division, reduction or return), all rights of a Placement Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

2.11 Participation in new issues

There are no participation rights or entitlements inherent in the Placement Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Placement Options without exercising the Placement Options. However, the Company will ensure that Option-holders will be allowed 7 business days' notice to convert their Placement Options to Shares to participate in an entitlement issue on the same basis as ordinary shareholders.

2.12 Change in exercise price

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the exercise price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Placement Option.

E = the number of underlying Shares into which one Placement Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

2.13 Transferability


The Placement Options are not transferable without consent of the Board.

2.14 Unquoted

The Company will not apply for quotation of the Placement Options.

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
Level 12, 680 George Street, Sydney NSW 2000

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

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

STEP 1

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 Extraordinary General Meeting of the Company to be held at **2:00pm (Brisbane time) on Monday, 3 February 2020 at Unit 8, 61 Holdsworth Street, Coorparoo, QLD 4151** (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 .

Resolutions

	For	Against	Abstain*
1 Ratification of prior issue of placement shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Issue of placement options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Issue of rebate shares to Ilwella	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of prior issue of CEO shares	<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.

STEP 2

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

STEP 3

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).

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" must 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 Saturday, 1 February 2020**, 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).



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*
Level 12
680 George Street
Sydney NSW 2000

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

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