

10 November 2020

Corey Lian
Listings Adviser, Listings Compliance (Sydney)
ASX Limited
20 Bridge Street
Sydney NSW 2000

(By email: ListingsComplianceSydney@asx.com.au)

Dear Corey

Diatreme Resources Ltd ('DRX'): Price – Query

In reference to your letter of 9 November 2020 regarding the price and volume of the Company's securities, the response to your queries in number order is as follows:

1. No
2. N/A
3. The Company is aware of the following information, which may also possibly explain the price and volume change in the Company's securities:
 - a. The Company is aware from recent substantial shareholder notices lodged that a new substantial shareholder (Deutsche Balaton Aktiengesellschaft) has, since 16 October 2020, been purchasing shares on-market.
 - b. The Company believes the President elect Biden's recently announced win in the US Presidential election is positive for the renewable energy sector and in particular for demand for photovoltaic grade "low iron" silica which is a major component of the materials used in the manufacture of solar panels and which the Company is intending to produce from its principal project, the Galalar Silica Project.
 - c. The Company believes that given its capital structure and share price, it may be susceptible to large price and volume movements as a result of trading activity by day traders.
4. It is confirmed that the Company is in compliance with the listing rules, and in particular Listing Rule 3.1.



5. It is confirmed that the responses to the questions above have been authorised and approved by the Board of the Company.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tuan Do', written in a cursive style.

Tuan Do
Company Secretary



9 November 2020

Reference: 27324

Mr Tuan Do
CFO & Company Secretary
PO Box 382, Coorparoo, QLD 4151

By email:

Dear Mr Do

Diatreme Resources Ltd ('DRX'): Price - Query

ASX refers to the following:

- A. The change in the price of DRX's securities from a low of \$0.014 to a high of \$0.02 today.
- B. The significant increase in the volume of DRX's securities traded today.

Request for information

In light of this, ASX asks DRX to respond separately to each of the following questions and requests for information:

1. Is DRX aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is DRX relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in DRX's securities would suggest to ASX that such information may have ceased to be confidential and therefore DRX may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that DRX may have for the recent trading in its securities?
4. Please confirm that DRX is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that DRX's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of DRX with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2:30 PM AEST Monday, 9 November 2020**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall

within the exceptions mentioned in Listing Rule 3.1A, DRX's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require DRX to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in DRX's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in DRX's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to DRX's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that DRX's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Kind regards

Corey Lian
Listings Adviser, Listings Compliance (Sydney)