

ASX ANNOUNCEMENT

19 August 2021

Early Extension of debt facility

- **Diatreme arranges early extension of November 2021 maturing \$1.5 million debt facility for further 12 months to November 2022**
- **Early extension negotiated on favourable terms**

Emerging silica and mineral sands miner **Diatreme Resources Limited (ASX: DRX, or Company)** announced today an agreement to further extend maturity date for an existing \$1.5 million debt facility (**Debt Facility**).

The Convertible note facility with a debt component was first announced to ASX on 19 May 2015 and the debt component is currently due for repayment on 30 November 2021.

Key terms of the original facility comprised:

- \$3 million total facility, drawn in lots of \$500,000;
- Interest rate of 5.2% per annum payable by half yearly instalments in arrears;
- Term of 36 months from commencement date;
- 50% (\$1.5 million) to be converted to ordinary shares of Diatreme at \$0.02 at maturity date;
- 50% (\$1.5 million) to be repaid by Diatreme at maturity date.

(Note: the original convertible note facility was fully drawn by 2 May 2017 and relevant shares were issued after maturity date (in October 2018 pursuant to shareholder approval) and the debt component (\$1.5 million) has had two extensions to the maturity dates.

Under the new 3rd agreement there is an extension to the loan facility for a further 12 months from the current maturity date (30 November 2021) to 30 November 2022, with the only major change being a small increase in the applicable interest rate.



Key terms of the extended debt facility comprise:

- Interest rate shall at current maturity date (30 November 2021) be revised from 7.0% to 7.5% payable quarterly in arrears;
- Loan extension period is 12 months from maturity date of 30 November 2021 to 30 November 2022;
- At the new maturity date of 30 November 2022, the parties will negotiate in good faith at that time to further extend or repay the loan facility;
- The loan facility remains unsecured and can be repaid at any time by the Company without any early repayment fee.

The Directors wish to thank the lender (Ms Jie Wu), an unrelated party, for her continued support and confidence in the Company.

Welcoming the agreement, Diatreme's CEO Neil McIntyre said: "We are again highly appreciative of this continuing support and confidence in the Company from Ms Wu and this ensures that we are able to maintain our prudent approach to capital management and protection of shareholder value."

This announcement was authorised for release by the board of the Company:

Neil McIntyre

Chief Executive Officer

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Greg Starr

Chairman

ASX releases related to this facility:

- Diatreme gains \$3M funding to advance Cyclone project – 19 May 2015
- Rollover of Convertible Note – 6 August 2018
- Notice of General Meeting (seeking shareholder approval to convert Note) – 7 September 2018
- Results of General Meeting – approval to convert Note – 11 October 2018
- Extension of debt facility – 27 March 2020