

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Diatreme Resources Limited

ACN/ARSN 061 267 061

1. Details of substantial holder (1)

Name Sibelco Asia Pacific Pty Ltd

ACN/ARSN (if applicable) 092 916 811

The holder became a substantial holder on 27/06/2022

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares	559,465,000	559,465,000	15.55%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Sibelco Asia Pacific Pty Ltd	Registered holder pursuant to a Placement Agreement dated 27 June 2022 – see Annexure A	559,465,000 ordinary shares
SCR-Sibelco NV	SCR-Sibelco NV has a relevant interest under section 608(3)(a) of the <i>Corporations Act 2001</i> (Cth) in the same securities in which Sibelco Asia Pacific Pty Ltd has a relevant interest	559,465,000 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Sibelco Asia Pacific Pty Ltd	Sibelco Asia Pacific Pty Ltd	Sibelco Asia Pacific Pty Ltd	559,465,000 ordinary shares
SCR-Sibelco NV	Sibelco Asia Pacific Pty Ltd	Sibelco Asia Pacific Pty Ltd	559,465,000 ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Sibelco Asia Pacific Pty Ltd	27 June 2022	AUD13,968,096		559,465,000 ordinary shares
SCR-Sibelco NV	27 June 2022	N/A		559,465,000 ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:


Name and ACN/ARSN (if applicable)	Nature of association
SCR-Sibelco NV	SCR-Sibelco NV is an associate of Sibelco Asia Pacific Pty Ltd under section 12(2)(a) of the <i>Corporations Act 2001</i> (Cth)

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Sibelco Asia Pacific Pty Ltd	c/- Christies, Level 3, 240 Queen Street, Brisbane QLD 4000
SCR-Sibelco NV	Plantin Moretuslei 1A B-2018, Antwerp, Belgium

Signature

print name	Douglas Paton	capacity	Director
sign here		date	28/06/2022

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the *Corporations Act 2001*.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the *Corporations Act 2001*.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the *Corporations Act 2001*.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A

This is Annexure A of 28 pages (including this page) referred to in Form 603 (Notice of initial substantial holder) for Sibelco Asia Pacific Pty Ltd, signed by me and dated 28 June 2022. I certify that the information contained in this Annexure is true and correct.



Signature: _____

Name: Douglas Paton

Capacity: Director

Date: 28 June 2022

Placement agreement

Diatreme Resources Limited ACN 061 267 061

Sibelco Asia Pacific Pty Ltd ACN 092 916 811

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Placement agreement

Dated 27 June 2022

Parties

Company	Diatreme Resources Limited ACN 061 267 061 of Unit 8, 61 Holdsworth Street, Coorparoo, Queensland 4151
Subscriber	Sibelco Asia Pacific Pty Ltd ACN 092 916 811 of PO Box 47, Dunwich, Queensland 4183

Background

- A The Subscriber has agreed to subscribe for, and the Company has agreed to issue to the Subscriber, the Subscription Shares on the terms and conditions of this document.
- B The parties have agreed to enter into this document to record the terms of their agreement.

Agreed terms

1 Definitions and interpretation

1.1 Definitions

In this document:

Term	Definition
Accounts	means the consolidated accounts (including statements, directors' reports, auditor's report and notes attached to or intended to be read with the accounts) for the Company for the financial year ending 31 December 2021, lodged with ASX on 27 April 2022.
Affiliate	where the party to whom the reference relates is a body corporate, means: <ol style="list-style-type: none"> (a) a Related Body Corporate of the party; (b) an associate of the party (within the meaning of section 15 Corporations Act); (c) any entity (such as a natural person, body corporate, partnership or trust) which controls the party, or which is controlled by the party (within the meaning of section 50AA Corporations Act); or

Term	Definition
	(d) a director or secretary of the party or a body corporate referred to in clauses (a), (b) and (c) above.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Board	means the board of directors of the Company.
Business Day	means a day that is not a Saturday, Sunday or public holiday in Brisbane.
Claim	means any claim, action, proceeding or demand, however it arises and whether it is present or future, fixed or unascertained, actual or contingent.
Cleansing Statement	means a written notice by the Company to ASX pursuant to section 708A(5) of the Corporations Act meeting the requirements of sections 708A(6) and 708A (7) of the Corporations Act in respect of the Subscription Shares.
Completion	means completion of the issue and allotment of the Subscription Shares to the Subscriber under this document.
Completion Date	means the date of this document.
Confidential Information	has the meaning given to that term in clause 6.1.
Constitution	means the constitution of the Company
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Due Diligence Material	means all documents and other information: <ul style="list-style-type: none"> (a) in the Dropbox hosted folder titled 'Sibelco Projects Information Feb 2022' as at 5:00pm on 21 June 2022; or (b) published or lodged with ASX by the Company prior to the date of this document.
Encumbrance	means any one or more of the following: <ul style="list-style-type: none"> (a) a security interest as that term is defined in the PPSA; (b) any other mortgage, charge, pledge or lien or a preferential or adverse interest of any kind; (c) a title retention arrangement; (d) a right of any person to purchase, occupy or use assets (including under a hire purchase agreement, option, licence, lease, or agreement to purchase); (e) a right to set-off or right to withhold payment of a deposit or other money; (f) an easement, restrictive covenant, caveat or similar restriction over property (except, in the case of land, a covenant noted on the certificate of title to the land concerned);

Term	Definition
	<ul style="list-style-type: none"> (g) an agreement to create any of the items referred to in paragraphs (a) to (f) above or to allow any of those items to exist; (h) a notice under section 255 Tax Act (1936), subdivision 260-A in schedule 1 <i>Taxation Administration Act 1953</i> (Cth), or any similar legislation; or (i) any other right (including under a trust or agency arrangement) of a creditor to have its claims satisfied before other creditors with, or from the proceeds of, or by recourse to any asset and includes any agreement, arrangement or deed conferring that right.
Fairly Disclosed	means disclosed in sufficient detail so as to enable a reasonable and sophisticated investor or its advisors to identify the nature, significance, and the intended timing (where applicable) of the relevant matter, event or circumstance.
Forecasts	means any financial or operational forecasts, projections, estimates, budgets, opinions as to future performance or other forward-looking statements relating to the financial or operational prospects of the Company and its Related Bodies Corporate or any part of it provided to the Subscriber by or on behalf of the Company.
Government Agency	means: <ul style="list-style-type: none"> (a) a government or government department or other body; (b) a governmental, semi-governmental or judicial person; or (c) a person (whether autonomous or not) who is charged with the administration of a law.
Group	means the Company and each of its Subsidiaries.
GST	has the meaning given to that term in the GST Act.
GST Act	means <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
Immediately Available Funds	means cash, bank cheque or telegraphic or other electronic means of cleared funds.
Inside Information	has the meaning set out in section 1042A Corporations Act.
Listing Rules	means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
Nominee Director	has the meaning given to that term in clause 5.1(b).
Other Tenements	means any: <ul style="list-style-type: none"> (a) licences, permits and authorisations; and (b) renewals, replacements, substitutions or upgrades of licences, permits and authorisations, including any

Term	Definition
	superior tenure granted from those exploration permits such as a mineral development licence or a mining lease, which are held by the Group as at the date of this document or obtained by the Group after the date of this document, other than the Tenements.
Placement	means the placement of Shares in accordance with this document together with any other placements of Shares at or about the time of the placement of Shares to Sibelco in accordance with this document.
PPSA	means <i>Personal Property Securities Act 2009</i> (Cth).
Shares	means fully paid ordinary shares in the capital of the Company.
Subscription Amount	means the amount equal to the Subscription Price multiplied by the number of Subscription Shares.
Subscription Price	means \$13,968,096 (thirteen million, nine hundred and sixty-eight thousand, and ninety-six Australian dollars), calculated as: <ul style="list-style-type: none"> (a) 455,727,393 Subscription Shares at \$0.0248 (2.48 cents) per Share; and (b) 103,737,607 Subscription Shares at \$0.0257 (2.57 cents) per Share.
Subscription Shares	means the 559,465,000 Shares, or such other number of Shares that results in Sibelco holding 15.55% (rounded to two decimal places) of the Shares on a fully diluted basis immediately after the Placement (excluding unexercised options over Shares on issue at the date of this document).
Subsidiary	has the meaning given to that term by section 9 Corporations Act.
Supplier	means the entity making the Supply.
Supply	has the meaning given to that term in the GST Act.
Recipient	has the meaning given to that term in the GST Act.
Related Body Corporate	has the meaning given to that term by section 9 Corporations Act.
Tax Act (1936)	means <i>Income Tax Assessment Act 1936</i> (Cth).
Tax Claim	means a claim in respect of a Tax Warranty.
Tax Invoice	has the meaning given to that term in the GST Act.
Tax Warranty	means each Warranty in clause 8 of Schedule 2.
Taxable Supply	has the meaning given to that term in the GST Act.
Tenements	means: <ul style="list-style-type: none"> (a) the licences, permits and authorisations specified in Schedule 1; (b) any renewals, replacement, substitution or upgrade of the licences, permits and authorisations specified in Schedule 1, including any superior tenure granted from

Term	Definition
	those exploration permits such as a mineral development licence or a mining lease; and (c) any other mining interests, licences, permits or authorisations which the Group obtains after the date of this document.
Warranties	means the warranties in Schedule 2.

1.2 Interpretation

In this document:

- (a) a reference to a clause, schedule, annexure or party is a reference to a clause of, and a schedule, annexure or party to, this document and references to this document include any schedules or annexures;
- (b) a reference to a party to this document or any other document or agreement includes the party's successors, permitted substitutes and permitted assigns;
- (c) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) a reference to a document or agreement (including a reference to this document) is to that document or agreement as amended, supplemented, varied or replaced;
- (e) a reference to this document includes the agreement recorded by this document;
- (f) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
- (g) if any day on or by which a person must do something under this document is not a Business Day, then the person must do it on or by the next Business Day;
- (h) a reference to a person includes a corporation, trust, partnership, unincorporated body, government and local authority or agency, or other entity whether or not it comprises a separate legal entity; and
- (i) a reference to 'month' means calendar month.

2 Subscription Shares

2.1 Subscription

The Subscriber will subscribe for, and the Company will issue to the Subscriber, the Subscription Shares on the Completion Date for the Subscription Amount.

2.2 Agreement to serve as application

This document serves as an application by the Subscriber for the allotment of the Subscription Shares on the Completion Date and accordingly it will not be necessary for the Subscriber to provide a separate (additional) application on or prior to the Completion Date. The Subscriber

consents to become a member of the Company and agrees to be bound by the Constitution upon the issue of the Subscription Shares.

2.3 Rights attaching to Subscription Shares

The Subscription Shares will be issued by the Company fully paid and free of all Encumbrances, be freely transferable on ASX, and rank equally in all respects with the existing Shares of the Company on issue when the Subscription Shares are issued (including as to voting rights, entitlement to dividends and upon a winding-up).

3 Completion

3.1 Obligations of the Company

On the Completion Date, the Company must:

- (a) **(ASX announcements)** lodge all ASX announcements in connection with the entry into this document in the form agreed between the parties prior to the date of this document;
- (b) **(issue Subscription Shares)** issue, or procure its share registry to issue, the Subscription Shares to the Subscriber (or its nominees or custodians, as directed in writing by the Subscriber);
- (c) **(Appendix 2A)** execute and lodge with ASX in accordance with the Listing Rules and all applicable laws and regulations an Appendix 2A in respect of the Subscription Shares;
- (d) **(Cleansing Statement)** lodge with ASX in accordance with the Corporations Act and all applicable laws and regulations, a Cleansing Statement in respect of the Subscription Shares in the form agreed by the parties prior to the date of this document; and
- (e) **(deliver holding statement)** instruct its share registry to deliver to the Subscriber a holding statement in respect of the Subscription Shares.

3.2 Obligations of the Subscriber

On the Completion Date, the Subscriber must pay, or cause to be paid, the Subscription Amount in Australian dollars in Immediately Available Funds to the Company's account, such account to be notified by the Company to the Subscriber no later than the date of this document.

3.3 Simultaneous actions

In respect of the Completion Date:

- (a) the obligations of the parties under this document are interdependent; and
- (b) unless otherwise stated, all actions required to be performed by a party on the Completion Date are taken to have occurred simultaneously on the Completion Date.

4 Undertakings

4.1 The Company's undertakings

The Company undertakes in favour of the Subscriber that:

- (a) **(third-party challenge)** it will promptly (and in any event within one (1) Business Day) notify the Subscriber if at any time before allotment of the Subscription Shares the Company becomes aware of any third-party objecting to, challenging, interfering with or obstructing (or proposing to object to, challenge interfere with or obstruct) any of the transactions contemplated by this document, including without limitation, the issue of the Subscription Shares;
- (b) **(notifications)** it will notify the Subscriber of any breach of any representation, warranty or undertaking given by the Company under this document promptly after it becomes aware of any such matter;
- (c) **(correspondence with ASIC or ASX)** to the extent permitted by the terms of such communication, it will promptly provide the Subscriber with copies of any communication from ASX, ASIC, or any other Governmental Agency in relation to this document or any issues or approvals that would prevent or restrict the Company's ability to perform its obligations under this document (including to issue the Subscription Shares) to the Subscriber and give the Subscriber a reasonable opportunity to comment on any such correspondence from the Company (or any of its advisers) to ASIC or ASX or any other Governmental Agency (as relevant) (or any of their respective advisers) in relation to any such issues or approvals; and
- (d) **(other)** it will use all reasonable efforts to take, or cause to be taken, all other action and do, or cause to be done, all other things necessary or appropriate to consummate the transactions contemplated by this document.

4.2 The Subscriber's undertakings

- (a) The Subscriber will use all reasonable efforts to co-operate with the Company and its representatives in:
 - (i) preparing all documents to be lodged by the Company with ASX in connection with the execution, delivery and performance of this document and the transactions contemplated by it; and
 - (ii) timely lodgement of all such documents.
- (b) The Subscriber will use all reasonable efforts to take, or cause to be taken, all other action and do, or cause to be done, all other things necessary or appropriate to consummate the transactions completed by this document.

5 Nominee Director

5.1 The Subscriber's Board nomination

- (a) From Completion, and for so long as the Subscriber and its Related Bodies Corporate (or their respective nominees or custodians) hold in aggregate 10% or more of the Shares, then, subject to clause 5.1(b), the Company shall appoint one representative of the Subscriber, if the Subscriber so elects (nominated in writing by the Subscriber) to the Board as a non-executive director of the Company.
- (b) The Subscriber agrees that any director nominated by the Subscriber and appointed by the Company pursuant to clause 5.1(a) (**Nominee Director**) shall have the appropriate commercial and professional experience to fulfil the role and that such person otherwise satisfies any Listing Rule requirements. The Subscriber will discuss and consult on the identity of the Nominee Director (and any replacement director) with the Board.

- (c) The Company agrees to use reasonable endeavours to encourage the Company's directors to unanimously recommend that the Company's shareholders vote in favour of the appointment of the Nominee Director when such person is up for election at the Company's annual general meeting, subject at all times to the directors' fiduciary duties.
- (d) The Subscriber's Board representation rights under this clause 5.1 cease and expire as soon as the Subscriber and its Related Bodies Corporate (or their respective nominees or custodians) cease to hold in aggregate 10% or more of the Shares. If the Subscriber's Board representation rights under this clause 5.1 cease, the Subscriber must procure that the Nominee Director resigns.
- (e) The Company agrees that:
 - (i) all reasonable and customary costs, expenses and disbursements to the extent incurred by the Nominee Director in connection with the Nominee Director's role as a director of the Board will be borne by the Company; and
 - (ii) director fees, D&O insurance and all other arrangements of support provided by the Company to its non-executive Directors (including by way of deeds of indemnity and access or similar) will be provided by the Company for the Nominee Director (including tail coverage) at the Company's expense (including any relevant insurance premiums) and at the Nominee Director's direction (if applicable), on terms that are no more or less favourable than those provided for the other Directors.
- (f) The Subscriber agrees that its Nominee Director must adhere to any protocols or other requirements of the Company (including the execution of the Company's usual director appointment documentation for a non-executive director) and/or the Board.

5.2 Re-election of Nominee Director

The Nominee Director will be subject to election or re-election as required by the Listing Rules or the Constitution and the Company will use reasonable endeavours to encourage the Company's directors to unanimously recommend that its shareholders vote in favour of any such re-election subject to:

- (a) the Subscriber and its Related Bodies Corporate (or their respective nominees or custodians) holding in aggregate at least 10% of the Shares at any time; and
- (b) at all times to the directors' fiduciary duties.

6 Confidential Information

6.1 Confidential Information

Subject to clause 6.3, each party shall treat as strictly confidential and shall not disclose to any other person or use any information (including written information and information transferred or obtained orally, visually, electronically or by any other means) received or obtained as a result of entering into or performing this document which relates to:

- (a) the provisions of this document;
- (b) the negotiations and subject matter of this document; and
- (c) the other party,

(collectively, **Confidential Information**).

6.2 Subscriber's investment in the Company

Subject to clause 6.3, a party will not make any public announcements or statements in relation to this document or its subject matter, the involvement of the Subscriber in the Company or any strategic relationships or investments involving the Subscriber and the Company, except in accordance with the prior written consent of the other party, which consent will not be unreasonably withheld or delayed.

6.3 Exceptions

Notwithstanding the other provisions of this clause 6, a party may disclose or use Confidential Information or make any other public announcements or statements which would otherwise be subject to the provisions of clause 6.1 or clause 6.2 (as applicable), if and to the extent:

- (a) the disclosure or use is required to be made by law or the rules of a recognised stock or securities exchange and the party whose obligation it is to keep matters confidential or procure that those matters are kept confidential has, before disclosure is made, notified the other party of the requirement to disclose;
- (b) Confidential Information is disclosed on a need to know and strictly confidential basis to a party's Affiliates, professional advisors and financiers (and their officers/employees), provided that such recipients agree to be bound by equivalent confidentiality restrictions;
- (c) Confidential Information was lawfully in its possession, without breach of any obligation owed to a party to this document or in the possession of any of its Affiliates, professional advisors or financiers (in either case as evidenced by written records) free of any restriction as to its use or disclosure prior to it being so disclosed;
- (d) Confidential Information is or becomes in the public domain other than by breach of that party or any of its Affiliates, professional advisors or financiers;
- (e) that the other party has given prior written consent to the disclosure (which may be withheld at the absolute discretion of the other party);
- (f) Confidential Information is independently developed after Completion; or
- (g) the disclosure or use is required to enable that party to perform this document or enforce its rights under this document or otherwise vest the full benefit of this document in that party;

and provided that, to the extent permitted by law and as is reasonably practicable in the circumstances, any Confidential Information to be disclosed in reliance on clauses 6.3(a) shall be disclosed only after consultation with the other party with a view to providing the other party with the opportunity to contest such disclosure or use or otherwise agree the timing and content of such disclosure or use and the party intending to disclose the Confidential Information shall take into account reasonable comments or requests of the other party and, in the case of either party, it must as far as practicable seek to obtain the other party's consent and, should such disclosure obligation be required in less than 4 hours, then the disclosing party must as a

minimum use best endeavours to provide the other party with an email and a courtesy call to inform of the circumstances.

The restrictions contained in this clause 6 shall continue to apply after the termination of this document without limit in time.

7 Company's warranties

7.1 Warranties

- (a) The Company warrants to the Subscriber that each Warranty is true, complete and accurate, at the date of this document and on the Completion Date.
- (b) The Subscriber has entered into this document in reliance on the Warranties.
- (c) Each Warranty is separate and independent.
- (d) Each Warranty survives and does not merge on Completion.

7.2 Subject to disclosure

The Warranties (other than the Tax Warranties) are given subject to anything:

- (a) Fairly Disclosed in the Due Diligence Material; or
- (b) that would have been Fairly Disclosed in respect of the Company, in public records maintained as at 20 June 2022 by:
 - (i) ASIC; or
 - (ii) the registrar of security interests under the PPSA; or
- (c) that would have been Fairly Disclosed in respect of the Company, in public records maintained as at 8 March 2022 by the registries of:
 - (i) the Federal Court of Australia;
 - (ii) the High Court of Australia;
 - (iii) the Supreme Court of any state or territory of Australia; and
- (d) that would have been Fairly Disclosed in respect of Diatreme, in public records maintained as at 3 June 2022 by the registries of the Queensland Government with respect to resource authorities (being the register maintained pursuant to section 197 of the *Mineral and Energy Resources (Common Provisions) Act 2014* (Qld)); or
- (e) that would have been Fairly Disclosed in respect of Diatreme, in public records maintained as at 20 June 2022 by the registries of the National Native Title Tribunal with respect to the National Native Title Register (being the register maintained pursuant to the *Native Title Act 1993* (Cth)).

7.3 Limitation on claims

Subject to clause 7.4:

- (a) notwithstanding any other right of the Subscriber (whether arising under this document, at common law, under any legislation or otherwise), the Company is not liable to the Subscriber for a breach of this document, including breach of any Warranty, for amounts exceeding (in aggregate) the Subscription Amount paid by the Subscriber;
- (b) the Subscriber must not make a Claim for breach of a Warranty and the Company will not be in breach of a Warranty to the extent that the facts, matters or circumstances giving rise to such Claim are disclosed or deemed to be disclosed under clause 7.2;
- (c) the Subscriber may only make a claim for breach of Warranty (other than a Tax Warranty) if it has given written notice to the Company of the claim within 24 months of the Completion Date and within six months of that date:
 - (i) the claim has been agreed, compromised or settled; or
 - (ii) the Subscriber has served legal proceedings against the Company;
- (d) the Subscriber may only make a claim for breach of a Tax Warranty if it has given written notice to the Company of the claim within 7 years of the Completion Date and within six months of that date:
 - (i) the claim has been agreed, compromised or settled; or
 - (ii) the Subscriber has served legal proceedings against the Company;
- (e) the Subscriber may only make a claim for breach of Warranty if the amount finally agreed or adjudicated to be payable for that claim:
 - (i) exceeds \$250,000; and
 - (ii) either alone or together with the amount finally agreed or adjudicated to be payable for other claims for breach of Warranty exceeds \$500,000,

in which case, the Company is liable for the whole amount of the claim;
- (f) the Subscriber may not make a claim for breach of Warranty as a result of:
 - (i) the enactment or amendment of any legislation or regulations;
 - (ii) a change in the judicial or administrative interpretation of the law; or
 - (iii) a change in the practice or policy of any Government Agency,

after the Completion Date, including legislation, regulations, amendments, interpretation, practice or policy that has a retrospective effect;
- (g) the Subscriber may not make a claim for breach of Warranty to the extent that the Subscriber has been compensated for such loss by any other means, from another source

whether by way of contract, indemnity or otherwise (including under a policy of insurance or from a Governmental Agency); and

- (h) in respect of any Forecasts provided by the Company (including in the Due Diligence Materials):
 - (i) all such Forecasts were provided for information purposes only;
 - (ii) there are uncertainties inherent in attempting to make the Forecasts and the Subscriber is familiar with these uncertainties;
 - (iii) the Subscriber is taking full responsibility for making its own evaluation of the adequacy and accuracy of all Forecasts;
 - (iv) no warranty is given or representation made that any such Forecasts will be met or achieved;
 - (v) any Warranties as to accuracy or completeness of disclosed information do not apply to such Forecasts; and
 - (vi) the Company is not liable under any Claim arising out of or relating to any Forecast.

7.4 Exception for Tax Claims

The limitations in clause 7.3(a), 7.3(b), 7.3(c) and 7.3(e) do not apply to any Tax Claim.

7.5 Other liability

Notwithstanding any provision to the contrary in this document, the parties are not liable to each other for any consequential loss. For the purpose of this clause, **consequential loss** means any indirect, incidental, special, reliance, punitive or consequential loss or damages (including, without limitation, operational downtime, lost business opportunity, lost revenues or profits) but does not include the diminution in value of the Subscription Shares.

7.6 No reliance

The Subscriber has at no time relied on any representation, warranty, promise or undertaking about the Company, its business or prospects other than the Warranties.

7.7 Awareness

Where a Warranty is given 'so far as the Company is aware' or with a similar qualification as to the Company's awareness or knowledge, the Company will be deemed to know or be aware of a particular fact, matter or circumstance only if Neil McIntyre, Peter Brown or Tuan Do are actually aware of that fact, matter or circumstance or would have been aware of that fact, matter or circumstance had they made reasonable enquiries in respect of that fact, matter or circumstance as at the date of this document.

8 Subscriber's warranties

8.1 Warranties

The Subscriber warrants to the Company at the date of this document and the Completion Date that:

- (a) it is validly existing under the laws of its place of incorporation;
- (b) it has full power to enter into and perform its obligations under this document and to carry out the transactions contemplated by this document;
- (c) it has taken all necessary action to authorise its entry into and performance of this document and to carry out the transactions contemplated by this document;
- (d) its obligations under this document are valid and binding and enforceable against it;
- (e) it is a person to whom the Company can offer the Subscription Shares without any requirement for disclosure or registration under any applicable law; and
- (f) it is not acquiring the Subscription Shares for the purpose of selling or transferring them, or granting, issuing or transferring interests in, or options over them.

8.2 No reliance

The Company has at no time relied on any representation, warranty, promise or undertaking about the Subscriber other than the warranties in clause 8.1.

8.3 Duration

The warranties in clause 8.1 survive and do not merge on Completion.

9 GST

9.1 GST exclusive

The consideration for a Supply made under or in connection with this document does not include GST.

9.2 Taxable Supply

If a Supply made under or in connection with this document is a Taxable Supply, then at or before the time the consideration for the Supply is payable:

- (a) the Recipient must pay the Supplier an amount equal to the GST for the Supply (in addition to the consideration otherwise payable under this document for that Supply); and
- (b) the Supplier must give the Recipient a Tax Invoice for the Supply.

10 General

10.1 Amendments

This document may only be amended by written agreement between all parties.

10.2 Assignment

A party may only assign this document or a right under this document with the written consent of the other party.

10.3 Counterparts

This document may be signed in any number of counterparts. All counterparts together make one instrument.

10.4 No merger

The rights and obligations of the parties under this document do not merge on completion of any transaction contemplated by this document.

10.5 Entire agreement

- (a) This document supersedes all previous agreements about its subject matter. This document embodies the entire agreement between the parties in connection with its subject matter.
- (b) To the extent permitted by law, any statement, representation or promise made in any negotiation or discussion, is withdrawn and has no effect except to the extent expressly set out or incorporated by reference in this document.
- (c) Each party acknowledges and agrees that it does not rely on any prior conduct or representation by the other party in entering into this document.

10.6 Further assurances

Each party must do all things reasonably necessary to give effect to this document and the transactions contemplated by it.

10.7 No waiver

- (a) The failure of a party to require full or partial performance of a provision of this document does not affect the right of that party to require performance subsequently.
- (b) A single or partial exercise of or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy.
- (c) A right under this document may only be waived in writing signed by the party granting the waiver, and is effective only to the extent specifically set out in that waiver.

10.8 Governing law and jurisdiction

- (a) Queensland law governs this document.

- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

10.9 Severability

- (a) A clause or part of a clause of this document that is illegal or unenforceable may be severed from this document and the remaining clauses or parts of the clause of this document continue in force.
- (b) If any provision is or becomes illegal, unenforceable or invalid in any jurisdiction, it is to be treated as being severed from this document in the relevant jurisdiction, but the rest of this document will not be affected.

11 Notice

11.1 Method of giving notice

A notice, consent or communication under this document is only effective if it is:

- (a) in writing in English;
- (b) addressed to the person to whom it is to be given; and
- (c) given as follows:
- (i) delivered by hand to that person's address;
 - (ii) sent to that person's address by prepaid mail or by prepaid airmail, if the address is overseas;
 - (iii) sent by email to that person's email address.

11.2 When is notice given

A notice, consent or communication given under clause 11.1(a) is given and received on the corresponding day set out in the table below. The time expressed in the table is the local time in the place of receipt.

If a notice is	It is given and received on
Delivered by hand or sent by email	<p>(a) that day, if delivered or sent by 5.00pm on a Business Day; or</p> <p>(b) the next Business Day, in any other case.</p>
Sent by post	<p>(a) three Business Days after posting, if sent within Australia; or</p> <p>(b) seven Business Days after posting, if sent to or from a place outside Australia.</p>

11.3 Address for notices

A person's address and email address are those set out below, or as the person notifies the sender:

Name	Diatreme Resources Limited
Attention	Neil McIntyre
Address	Unit 8, 61 Holdsworth Street, Coorparoo, Queensland 4151
Email address	neil.mcintyre@diatreme.com.au , with a copy to adahl@mccullough.com.au

Name	Sibelco Asia Pacific Pty Ltd
Attention	Doug Paton
Address	PO Box 47, Dunwich, Queensland 4183
Email address	Doug.paton@sibelco.com , with a copy to sandrine.besnard-corblet@sibelco.com

Schedule 1

Tenements (clause 1.1)

Name	Tenement ID	Location	Held by
Cape Bedford	MLA 100235	Hopevale, Qld (Pending)	Diatreme Resources Limited
Cape Bedford	MLA 100285	Hopevale, Qld (Pending)	Diatreme Resources Limited
Cape Bedford	EPM 17795	Hopevale, Qld	Diatreme Resources Limited
Cape Bedford	EPM 27265	Hopevale, Qld	Diatreme Resources Limited
Cape Bedford	EPM 27212	Hopevale, Qld	Diatreme Resources Limited
Cape Bedford	EPM 27430	Hopevale, Qld	Diatreme Resources Limited

Schedule 2

Warranties (clause 7)

1 The Company

The Company:

- (a) is validly existing under the laws of its place of incorporation;
- (b) has full power to enter into and perform its obligations under this document and to carry out the transactions contemplated by this document;
- (c) has taken all necessary action to authorise its entry into and performance of this document and to carry out the transactions contemplated by this document; and
- (a) is not required to obtain under the Corporations Act or Listing Rules the approval of its shareholders in relation to the performance of any of its obligations under this document (including the issue of the Subscription Shares).

2 Subscription Shares

- 2.1 The Company has all necessary power and authority to issue the Subscription Shares.
- 2.2 The Company is issuing the Subscription Shares for a purpose that does not include any or all of the Subscription Shares being offered for the purpose of the person to whom they are issued selling or transferring them or granting, issuing or transferring interests in, or options or warrants over them.
- 2.3 On issue:
 - (a) the Subscription Shares will be fully paid and validly issued;
 - (b) the Subscriber will be the legal and beneficial owner of the Subscription Shares;
 - (c) the Subscription Shares will rank equally in all respects with the existing Shares of the Company on issue;
 - (d) the Subscription Shares will have the rights set out in the Constitution;
 - (e) the Subscription Shares will be free from all Encumbrances; and
 - (f) the Subscription Shares will have no restriction on their issue or transfer.

3 Capital

- 3.1 Immediately prior to issue of the Subscription Shares, the Company had 3,038,182,626 Shares on issue.

- 3.2 On issue of the Subscription Shares and completion of the Placement, the Subscription Shares will represent not less than 15.55% of the Company's total issued Share capital on a fully diluted basis (excluding unexercised options over Shares on issue at the date of this document).

4 Solvency

- (a) No order has been made, application filed, or resolution passed or notice of intention given to pass a resolution for the winding up of the Company or any of its Related Bodies Corporate and there are no circumstances justifying commencement of that action.
- (b) No petition or other process for winding-up or dissolution has been presented or threatened in writing against the Company or any of its Related Bodies Corporate and there are no circumstances justifying that petition or other process.
- (c) No receiver, receiver and manager, judicial manager, liquidator, controller, trustee, administrator or similar official has been appointed over all or any part of the assets or undertaking of the Company or any of its Related Bodies Corporate and there are no circumstances justifying that appointment.
- (d) Neither the Company nor any of its Related Bodies Corporate have entered into or taken steps or proposed to enter into, any arrangement, composition or compromise with all or any class of its creditors.
- (e) Neither the Company nor any of its Related Bodies Corporate have:
 - (i) gone, or is proposed to go, into liquidation;
 - (ii) passed a winding-up resolution or commenced steps for winding-up or dissolution; or
 - (iii) received a deregistration notice under section 601AB Corporations Act or any communication from ASIC that might lead to that notice or applied for deregistration under section 601AA Corporations Act.
- (f) No writ of execution has been issued against the Company or any of its Related Bodies Corporate or any of their assets, and there are no circumstances justifying a writ.

5 Position since the last accounts

- 5.1 Since the date of the Accounts:
- (a) the business of the Company and each of its Related Bodies Corporate has been carried on in the ordinary and usual course and no contracts or commitments different to those ordinarily necessitated by the nature of that business have been entered into or incurred; and
 - (b) there has been no material change in the assets, liabilities, financial position or profits of the Company or any of its Related Bodies Corporate from that set out in the Accounts, except changes in the ordinary course of business, none of which individually or in the aggregate is likely to have a material adverse effect on the Company.
- 5.2 Since the date of the Accounts no alteration has been made to the rights attached to any Shares in the Company.

6 Litigation

Neither the Company nor any of its Related Bodies Corporate are involved in any prosecution, litigation or arbitration involving the Company, a Related Body Corporate or any person for whom the Company or a Related Body Corporate may be liable. Neither the Company nor any of its Related Bodies Corporate have been threatened with any prosecution, litigation or arbitration involving the Company, a Related Body Corporate or any person for whom the Company or a Related Body Corporate may be liable. Neither the Company nor any of its Related Bodies Corporate is involved in any proceeding before or investigation by any Governmental Agency or other body and no such proceeding or investigation is pending or threatened against the Company, a Related Body Corporate or any person for whom the Company or a Related Body Corporate may be liable.

7 Compliance

- 7.1 As far as the Company is aware, the Company and each of its Related Bodies Corporate have complied in all material respects with all applicable laws and regulations, including the Listing Rules, in respect of its business and activities and no material contravention or allegation of any material contravention of any applicable laws and regulations, including the Listing Rules, is known to the Company.
- 7.2 The Company has complied with all its disclosure requirements under the Corporations Act and the Listing Rules and there is no material information or circumstance which the Company is obliged to notify ASX about pursuant to Listing Rule 3.1.
- 7.3 The Company has not withheld any information in reliance on the exemption in Listing Rule 3.1A and is not in possession of any Inside Information, other than in respect of the transactions contemplated by this document.

8 Taxation

- 8.1 All tax and duty returns required by law (including all laws relating to income tax, fringe benefits tax, sales tax, payroll tax, group tax, land tax, water and municipal rates and stamp and customs duty) to be lodged or filed by the Company and each of its Related Bodies Corporate have been lodged or filed.
- 8.2 No tax or duty return referred to in this Warranty contains a statement that is false or misleading in any material particular or omits to refer to any material matter which is required to be included or without which the statement is false or misleading in a material way.
- 8.3 All records relating to tax or duty returns referred to in this Warranty or to the preparation of those returns required by law to be maintained by the Company or any of its Related Bodies Corporate have been duly maintained in all material respects.
- 8.4 All taxes, levies, assessments, contributions, fees, rates, duties, and other governmental or municipal charges or impositions (other than those which may be paid without penalty or interest) for which the Company or any of its Related Bodies Corporate is liable, including any penalty or interest, have been paid.
- 8.5 There is no current dispute between the Company and/or any of its Related Bodies Corporate and the Commissioner of Taxation of the Commonwealth of Australia or any other federal, state or municipal body or authority responsible for the collection of tax or duty in Australia.

9 Tenements

- 9.1 The Company is the sole legal and beneficial owner of the Tenements and, to the best of its knowledge, there are no complaints, objections or Encumbrances over or affecting any part of the Tenements.
- 9.2 There is no agreement, option or right capable of becoming or giving rise to an agreement or option for the purchase of the Tenements or an interest in the Tenements.
- 9.3 There is no production or profit sharing, carried interest, farm-in arrangement or similar agreement or arrangement affecting the Tenements or any product which may be derived from the Tenements.
- 9.4 The Company has the right to assign its legal and beneficial interest in the Tenements subject to obtaining any required consents from a Governmental Authority.
- 9.5 The Tenements have been duly and properly applied for.
- 9.6 All rent, rates and other amounts payable to any Government Authority in respect of the Tenements are fully paid.
- 9.7 The Group is not involved in legal proceedings relating to the Tenements and there are no facts of which it is aware or reasonably ought to be aware of that is likely to give rise to such proceedings.
- 9.8 The Tenements are in good standing and in full force and effect in accordance with applicable laws and all conditions and obligations specified in or relating to the Tenements have been complied with and performed.
- 9.9 The Company is not aware of any matter which may:
- (a) render the Tenements subject to cancellation, revocation or forfeiture;
 - (b) cause any term or condition of the Tenements to be amended or varied;
 - (c) restrict the enjoyment or exploitation of the Tenements;
 - (d) prejudice the renewal of the Tenements; or
 - (e) otherwise adversely affect the Tenements.
- 9.10 There is no outstanding obligation to pay money or carry out any work in relation to the Tenements or the Other Tenements, in order to comply with any requirement by any Government Authority.

10 Environment

- 10.1 The Group has not violated or infringed any environmental law or any environmental conditions or obligations in relation to the Tenements or any Other Tenements in the conduct of its operations on the Tenements or the Other Tenements.
- 10.2 The Group has conducted its operations on the Tenements and the Other Tenements in full compliance with all environmental and other applicable laws.

- 10.3 All authorisations and approvals required under any environmental law relating to operations on the Tenements and the Other Tenements have been obtained and are in full force and effect.
- 10.4 There is no actual or contingent obligation to pay money or carry out any work in relation to the Tenements or the Other Tenements in order to comply with any environmental law.
- 10.5 There is no outstanding requirement by any Government Authority in relation to restoration or rehabilitation of any areas within the Tenements or the Other Tenements.

11 Occupational Health and Safety

- 11.1 Each Group company has complied in all respects with its obligations under any agreement (including, without limitation, any employment agreement), statute, modern award or enterprise agreement or other industrial instrument or improvement or prohibition notice in respect of its employees, including all applicable workplace legislation, occupational health and safety legislation and discrimination legislation.
- 11.2 There is no existing or threatened, investigation or prosecution of any Group company or statutory notice or litigation under work health and safety laws relating to the employees of the Group company for the 3 years prior to the date of this agreement or persons engaged or previously engaged or employed by the Group company.
- 11.3 No Group company has violated or infringed any applicable occupational health and safety law or any applicable occupational health and safety conditions or obligations in relation to the Tenements or the Other Tenements, or in the conduct of operations on the Tenements or the Other Tenements.
- 11.4 Each Group company has conducted its operations on the Tenements and the Other Tenements, as the case may be, in full compliance with all occupational health and safety laws.

12 Native Title

The land which is the subject of the Tenements is not subject to a native title claim or native title determination or, as far as the Company is aware, any pending or threatened native title claim which may affect that land.

13 Information

- 13.1 The Company has not knowingly or intentionally:
 - (a) included in the Due Diligence Material any information which is inaccurate or misleading in any material respect; or
 - (b) withheld or concealed from the Subscriber any information which a reasonable person would consider to be material to a subscriber of the Subscription Shares.
- 13.2 As far as the Company is aware, all copies of documents given by the Company to the Subscriber, including without limitation all copies of Due Diligence Material, are true copies.

Execution

EXECUTED as an agreement.

Executed by
Diatreme Resources Limited ACN 061 267 061 by:

▲ _____
Director 

▲ _____
Greg Starr
Full name of Director

▲ _____
Secretary 

▲ _____
Tuan Do
Full name of Secretary

Executed by
Sibelco Asia Pacific Pty Ltd ACN 092 916 811 by:

▲ _____
Director

▲ _____
Full name of Director

▲ _____
Director/Secretary

▲ _____
Full name of Director/Secretary

Execution

EXECUTED as an agreement.

Executed by
Diatreme Resources Limited ACN 061 267 061 by:


▲ _____
Director

▲ _____
Director/Secretary

▲ _____
Full name of Director

▲ _____
Full name of Director/Secretary

Executed by
Sibelco Asia Pacific Pty Ltd ACN 092 916 811 by:


▲ _____
Director


▲ _____
Director/Secretary

Thomas Charles Cutbush
▲ _____
Full name of Director

Douglas Robert Paton
▲ _____
Full name of Director/Secretary