

ASX

ANNOUNCEMENT

17 June 2024

Diatreme declares its takeover bid for Metallica is unconditional

Diatreme urges all remaining Metallica shareholders to ACCEPT without delay

- The standstill undertaking has been waived by Metallica
- Diatreme has declared its Offer for Metallica to be UNCONDITIONAL
- Diatreme has a relevant interest of 57.34% in Metallica
- The Offer is scheduled to close on 25 June 2024
- The Offer consideration is Diatreme's best and final offer and will not be increased

Overview

Diatreme Resources Limited (ASX: DRX) (**Diatreme**) has today declared its off-market takeover bid for all of the ordinary shares in Metallica Minerals Limited (ASX: MLM) (**Metallica**) (**Offer**) free from all defeating conditions. This means that the Offer is now **UNCONDITIONAL**.

As no Superior Offer was announced by Metallica before today, **Metallica has now waived the standstill undertaking.**

Accordingly, Diatreme is pleased to advise that:

- It currently has a relevant interest in 57.34% of Metallica shares.
- The Offer is due to close on 25 June 2024, unless extended. Diatreme encourages shareholders to **ACCEPT NOW AND NOT WAIT**.
- Diatreme has declared the Offer consideration its best and final offer and it will not be increased. If you accept the Diatreme Offer you will receive 1.3319 Diatreme shares for every Metallica share held.
- Accepting Metallica Shareholders may be eligible for rollover tax relief if Diatreme acquires at least 80% of outstanding Metallica Shares under the Offer.

Chief Executive Officer, Neil McIntyre said, "We are pleased that we have a majority interest in Metallica, and that the Offer is now free from all defeating conditions. Diatreme believes the Offer is in the best interests of **ALL** Metallica Shareholders. We strongly encourage all remaining shareholders to accept our attractive offer before it closes."

Diatreme's Intentions and potential implications for Metallica Shareholders who do not accept the Offer

The Board of Diatreme wishes to advise and confirm the following:

- Metallica Shareholders who do not accept the Offer prior to the close will not receive the consideration under the Offer, unless Diatreme is entitled to proceed to compulsory acquisition (in which case they will receive the consideration, but later than if they accepted the Offer).
- If Diatreme does not reach the compulsory acquisition threshold by the close of the Offer, Metallica shareholders who do not accept the Offer will remain minority shareholders in Metallica. If Metallica continues to be listed on the ASX following the Offer, the decrease in the number of Metallica shares available for trading may have a material adverse impact on their liquidity and trading price.
- As indicated in its Bidder's Statement dated 28 March 2024, Diatreme intends to seek to remove Metallica from the ASX (to de-list Metallica), subject to the relevant ASX guidelines and other relevant considerations. In that event, it will likely become materially more difficult for Metallica shareholders to sell their Metallica shares as they would no longer be traded on the ASX.¹
- If Diatreme does not reach the compulsory acquisition threshold by the close of the Offer, remaining minority shareholder in Metallica who do not, or are unable to, participate in any future equity raising by Metallica would be diluted.

How to Accept the Offer

Instructions on how Metallica shareholders can accept the Offer are contained in the Bidder's Statement and on the acceptance form (which accompanies the Bidder's Statement). Metallica shareholders can accept the offer by returning their acceptance form or contacting their controlling participant (usually their broker).

Any Metallica shareholders with questions about the Offer, should contact their legal, financial or other professional adviser or call the shareholder information line on 1300 636 752 (or +61 2 8318 7933 for overseas domiciled holders) between 8.30am (Sydney time) and 5.00pm (Perth time) Monday to Friday.

Additional information

Attached to this announcement is a notice under section 650F(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**). This announcement constitutes service on ASX pursuant to section 650F(3)(a) of the Corporations Act. A copy of the notice has also been served on Metallica.

¹ Please refer to Section 8.3 of the Bidder's Statement dated 28 March 2024 for further information on the circumstances in which Diatreme may seek to de-list Metallica.

This market announcement was authorised for release by:

Neil McIntyre

Chief Executive Officer

Greg Starr

Non-executive director

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About Diatreme Resources Limited

Diatreme Resources Limited (ASX:DRX) is an emerging Australian producer of mineral and silica sands based in Brisbane. Our key projects comprise the Northern Silica Project and Galalar Silica Sand Project in Far North Queensland, located next to the world's biggest silica sand mine at Cape Flattery.

In Western Australia's Eucla Basin, Diatreme's 'shovel-ready' Cyclone Zircon Project is considered one of a handful of major zircon-rich discoveries of the past decade. Diatreme also holds a 49% interest in the Clermont Copper-Gold Project located in central Queensland. Diatreme has a farm-in agreement with Metallica Minerals Limited (MLM) which already owns a 51% interest and has provided its intention to earn up to a 75% interest by meeting certain further expenditure obligations of an additional \$1 million.

Diatreme has an experienced Board and management, with expertise across all stages of project exploration, mine development and project financing together with strong community engagement skills.

Global material solutions group Sibelco Asia Pacific is Diatreme's development partner on its Queensland silica projects portfolio. Sibelco Asia Pacific has completed a two tranche investment of \$35 million taking its total project interest to 26.8%, with the balance (73.2%) held by Diatreme. In addition, Sibelco Asia Pacific made a \$13.97 million investment at the corporate level.

For more information, please visit www.diatreme.com.au

DIATREME RESOURCES LIMITED
ACN 061 267 061

To: Metallica Minerals Limited ACN 076 696 092 (**Metallica**)

ASX Limited

NOTICE FREEING OFFERS FROM CONDITIONS
SECTION 650F CORPORATIONS ACT 2001 (Cth)

This notice is given by Diatreme Resources Limited ACN 061 267 061 (**Diatreme**) in respect of the offers dated 11 April 2024 made by Diatreme under its off-market takeover bid to acquire all of the ordinary shares in Metallica (**Offers**). The Offers are contained in Diatreme's bidder's statement dated 28 March 2024 (as varied by notices dated 17 May 2024, 24 May 2024, 3 June 2024 and 6 June 2024, and as supplemented by the first supplementary bidder's statement dated 10 April 2024, second supplementary bidder's statement dated 17 April 2024, third supplementary bidder's statement dated 8 May 2024 and fourth supplementary bidder's statement dated 5 June 2024) (**Bidder's Statement**). Unless the context requires otherwise, terms defined in the Bidder's Statement have the same meaning in this notice.

Diatreme hereby gives notice under section 650F(1) of the *Corporations Act 2001* (Cth) that:

- (a) as announced on 21 May 2024, the Condition set out in paragraph 1 (Minimum acceptance) contained in Schedule 2 of the Bidder's Statement has been fulfilled;
- (b) the Offers and each contract resulting from acceptance of the Offers are freed from all other Conditions contained in Schedule 2 of the Bidder's Statement; and
- (c) as at the date of this notice, Diatreme's voting power in Metallica is 57.34%, comprising 550,391,309 Metallica Shares out of a total 959,923,922 Metallica Shares presently on issue.

Dated 17 June 2024

Signed for and on behalf of
Diatreme Resources Limited
by:



Tuan Do
Company Secretary