

ASX ANNOUNCEMENT

9 October 2025

Receipt of R&D Tax Incentive Rebate

Silica sands developer **Diatreme Resources Ltd (ASX: DRX)** announces it has received a cash refund of \$226,894 (including \$3,048 in interest) from the Australian Government under the Research and Development (R&D) Tax Incentive Rebate for its 2024 financial year, related to the Company's Cyclone Zircon Project.

The rebate follows the successful lodgement of an application with the Department of Industry, Science, Energy and Resources (AusIndustry) under the Australian Government's R&D Tax Incentive Program. The claim relates to eligible R&D activities conducted by Diatreme during the year ended 31 December 2024, specifically focused on the development of new processes to extract high-purity critical mineral products from mineral sands at the Company's Cyclone Zircon Project in Western Australia.

Diatreme intends to submit further claims for eligible R&D expenditure incurred during the Company's current financial year ending 31 December 2025.

Welcoming the rebate, Diatreme's CEO, Neil McIntyre said the funds would support further advances at the Company's critical minerals projects including Cyclone together with its Queensland silica sand projects, with the Company's Northern Silica Project the key focus which was recently awarded 'Major Project Status' by the federal government, is currently undergoing a pre-feasibility study, finalising its EIS submissions for final scrutiny and progressing towards its definitive feasibility studies.

"This funding is an important demonstration of the federal government's commitment to R&D, supporting the development of Diatreme's critical minerals projects which are advancing Australia's clean energy transition. We are focused on advancing our mineral and silica sands projects for the benefit of all stakeholders, facilitating regional economic development together with the government's critical minerals strategy," Mr McIntyre said.

This release has been authorised by the Board of Diatreme.

Neil McIntyre
Chief Executive Officer

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About Diatreme Resources Limited

Diatreme Resources (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 adjacent to the world's biggest silica sand mine at Cape Flattery, together with the Cape Flattery Silica Project. Both the Northern Silica and Cape Flattery projects have been designated "Coordinated Projects" by the Queensland Government and all are strategically located near the silica sand export focused Cape Flattery Port.

The NSP has been designated a Major Project by the federal government, currently the only **such Major Project declared for Queensland**. This reflects the significance of the low iron, high purity silica sand project in the context of critical minerals, both for Queensland and Australia.

In Western Australia's Eucla Basin, Diatreme's Cyclone Zircon Project is considered one of a handful of major zircon-rich discoveries of recent decades. Diatreme also owns 100% of the Clermont Copper-Gold Project in central Queensland however this is currently the subject of a binding sale process, pursuant to certain conditions.

Global material solutions group Sibelco is Diatreme's development partner on its silica projects portfolio. Sibelco has invested circa \$49 million into both the silica sands project and Diatreme at the corporate level, and is an important partner in all aspects of the projects development.

Diatreme's silica sand resources will contribute to support global decarbonisation by providing the necessary high-grade, premium quality silica for use in the solar PV industry. The Company has a strong focus on ESG, and in particular its social licence to operate, working closely with its local communities and other key stakeholders to ensure the long-term sustainability of our operations, including health, safety and environmental stewardship.

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

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