

ASX ANNOUNCEMENT

15 January 2024

Diatreme's Northern Silica Project declared Coordinated Project

- Diatreme's Northern Silica Project (NSP) designated a 'Coordinated Project' by Queensland Government, with project's regulatory approvals to be coordinated by Qld's Office of the Coordinator General (OCG)
- Environmental Impact Statement (EIS) to be assessed under State Development and Public Works Organisation Act 1971 (QLD).
- EIS studies advancing amid continued demand growth from global solar PV industry for high purity, silica sand product.

Emerging silica sands developer and explorer, Diatreme Resources Limited (ASX:DRX) has achieved another significant milestone in the approval process for its Northern Silica Project (NSP), with the Far North Queensland project designated 'Coordinated Project' status under Queensland's State Development and Public Works Organisation Act 1971 (QLD) by the Office of the Coordinator General (OCG).

Coordinated project status is a major milestone recognising the NSP's strategic value, including its infrastructure and approval requirements. The status also establishes the environmental approvals process, including an Environmental Impact Statement (EIS), which will be assessed and decided through the joint Queensland and Commonwealth Government bilateral agreement.

The draft Terms of Reference (ToR) will now be prepared for the project's EIS, which will then be released for public comment. EIS studies have continued in parallel to the finalisation of the project's approval pathway and draft ToR. These studies are now well advanced, including baseline studies and impact assessments on air and noise, aquatic ecology, climate change, coastal environment, cultural heritage, economic impact, groundwater, landscape and visual impact, progressive rehabilitation and closure plan (PRCP) social impact, soils and geology, surface water and flooding, terrestrial ecology, and transport.

Diatreme's CEO, Neil McIntyre commented: *"Diatreme welcomes this decision as another key step in the approval process for our proposed new silica sand mining operation near Cape Flattery. The NSP will deliver valuable new jobs and other economic benefits for the local community of Hope Vale/Cooktown, with a strong focus on Indigenous employment and creating business opportunities, while the product will help power the booming global solar energy industry."*

"We look forward to advancing the EIS process, with Diatreme strongly committed to the highest possible level of environmental and social management and engagement with local stakeholders to ensure the project both meets and exceeds community expectation."

The decision follows the designation of 'Project of Regional Significance' status in August 2023 by Queensland's Department of Regional Development, Manufacturing and Water (DRDMW) (refer ASX announcement 3 August 2023), a designation that confirmed the NSP's important economic and social impact for the future of the Hope Vale/Cooktown region.

In June 2023, the Queensland Government released its Critical Minerals Strategy, which included the potential development of a critical minerals hub for silica sand around Cape Flattery. Diatreme has welcomed this initiative, which has the potential to assist development of a mineral vital to the solar power industry, unlocking increased economic and social value for the people of Queensland and local stakeholders including First Nations communities.

Diatreme recently signed a Memorandum of Cooperation agreement with Hope Vale Aboriginal Shire Council, aimed at securing mutually beneficial opportunities for the Hope Vale community from the NSP's development (refer ASX release 20 November 2023).

The NSP's Scoping Study showed the potential for a valuable long life mining operation, with a potential production rate of 5 million tonnes per annum capable of being sustained for 25 years, supplying high-grade, low iron, silica products to the solar PV and specialty glass market (refer ASX release 14 June 2023).

The importance of this new project has been highlighted by the International Energy Agency's latest research, which showed the world added 50% more renewable capacity in 2023 than in 2022, with solar PV accounting for three-quarters of the global additions (refer IEA report, 11 January 2024).

Located around 35 km north of Hope Vale township and 14 km west of the Port of Cape Flattery, the NSP is expected to generate more than 120 direct local employment opportunities and additional business development opportunities to the Hope Vale community and surrounding region.

The community and other interested stakeholders will have the opportunity to provide formal input into the NSP during the EIS process, including the ToR. In the meantime, stakeholders can find out more about the project by signing up to receive project newsletters via Diatreme’s website, www.diatreme.com.au.

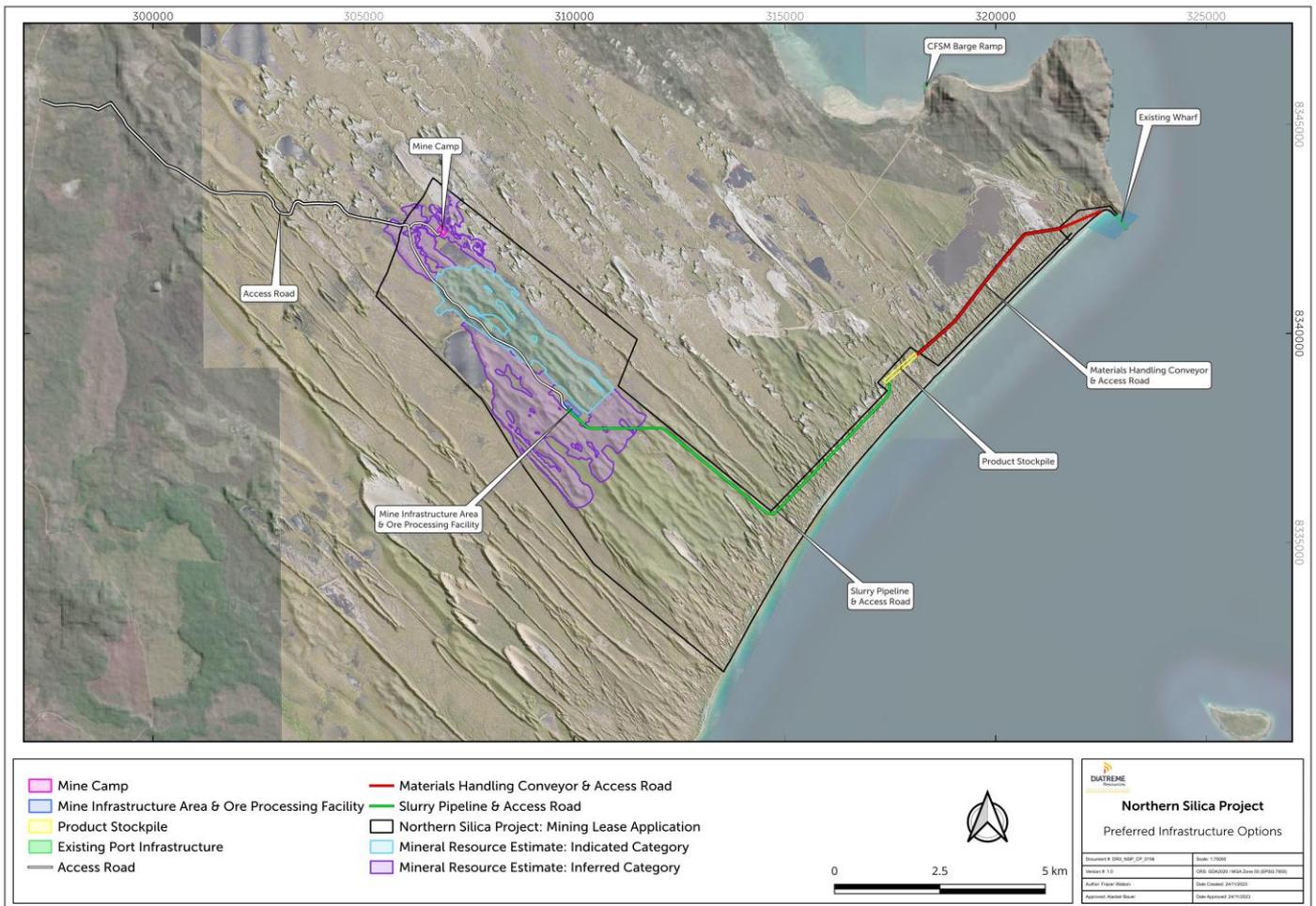


Figure 1: Northern Silica Project

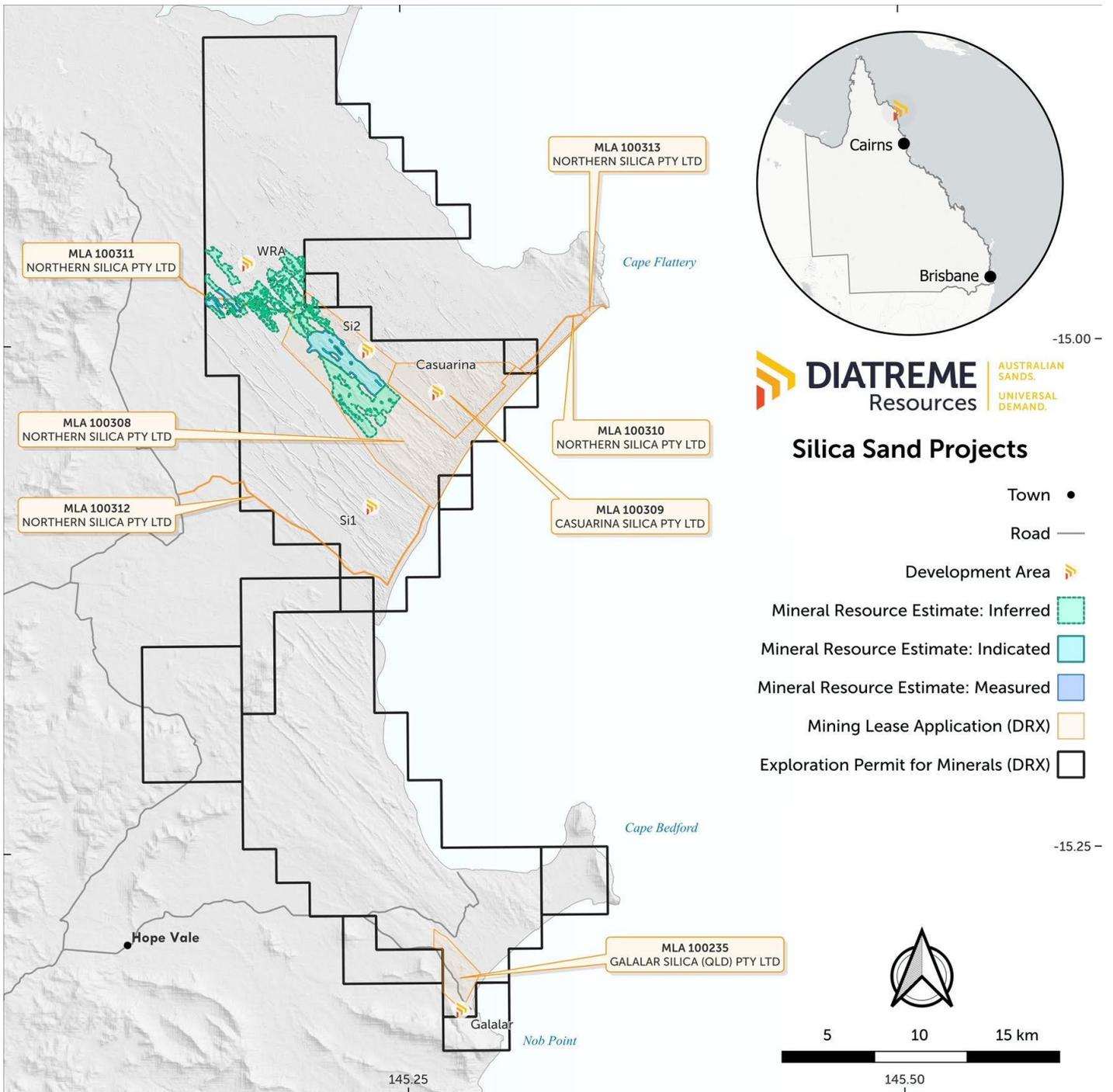


Figure 2: Diatreme's silica sand projects, Far North Queensland

This announcement is authorised for release by the Board.

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About Diatreme Resources

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 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 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 are Diatreme's development partner on its silica projects portfolio in Nth Qld. Sibelco completed in December 2022 its first tranche investment (\$11m) to hold a 9.99% interest, with a second investment tranche undertaken in October 2023 (\$24m) taking its total project interest to 26.8%, with the balance (73.2%) held by Diatreme.

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

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

ASX releases referenced for this release:

- Cooperation agreement signed with Hope Vale Aboriginal Shire Council – 20 November 2023
- Quarterly Activities Report – 30 October 2023
- Northern Silica Project development advances – 9 October 2023
- NSP granted Project of Regional Significance status – 3 August 2023
- Positive Scoping Study for Northern Silica Project – 14 June 2023

Diatreme confirms that it is not aware of any new information or data that materially affects the information included in the original releases and that all material assumptions and technical parameters underpinning the estimates in the original releases continue to apply and have not materially changed. Diatreme confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original releases.