

## Mining projects



Neil McIntyre is CEO of Queensland's Diatreme Resources, whose silica plans have the support of industry giant Sibelco.

# European backing buoys silica miner

The world's decarbonisation drive has produced another minerals winner: silica. A key component of solar panel production, silica is benefiting from the enormous growth in the world's solar power industry, with Australia set to gain.

Solar photovoltaic (PV) generation increased by a record 23 per cent in 2020 to reach 821 terrawatt hours, only trailing wind in the world's renewables production, according to the International Energy Agency (IEA).

Solar PV accounted for 3.1 per cent of global electricity generation, comprising the world's third-largest renewable electricity technology behind hydropower and onshore wind. A record 133 gigawatts of solar PV was installed globally in 2020, with strong growth in nations such as China, the United States and Vietnam.

"Solar PV is becoming the lowest-cost option for electricity generation in most of the world, which is expected to propel investment in the coming years," the IEA says in its November 2021 report.

Significantly, the IEA's 'Net Zero Emissions by 2050 Scenario' calls for average annual generation growth of 24 per cent between 2020 and 2030, corresponding to an almost fivefold increase in annual deployment.

This demand growth has spurred silica's addition to the "critical minerals" list by both the European Union and Australia.

"Dependence of critical minerals may soon replace today's dependence on oil," a European Commission study says.

One Australian company set to supply this much-needed critical mineral of silica is

Queensland's Diatreme Resources. The Brisbane-based miner's plans have picked up speed after winning support from one of the giants of the global industry.

In a deal described by Diatreme as "transformative", Brussels-based Sibelco has inked a new partnership with Diatreme that should see Queensland become a long-term supplier of the critical mineral.

Announced in June, the agreement will see Sibelco invest nearly \$50 million in Diatreme, via a \$14 million placement and a progressive, two-tranche investment of up to \$35 million in a joint venture. Diatreme's major shareholder, the Brian Flannery-backed Ilwella, will inject a further \$3.3 million to support the \$52 million capital raising.

Importantly, the agreement includes Sibelco providing assistance in joint product marketing, potential onshore downstream processing and access to project finance, providing the benefit of its global networks built over its 150 years of operations.

The partnership has put Diatreme and its Far North Queensland projects on the map, according to chief executive Neil McIntyre.

"It may be a cliché, but this is a truly transformational partnership for Diatreme," McIntyre says. "Sibelco's investment at both the corporate and silica projects portfolio level is a vote of confidence in our company, our strategy and the inherent quality of our high-grade, world-class silica sand projects."

"We are now perfectly placed with Sibelco's support to secure a leading position in the fast-

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Neil McIntyre

infrastructure mining lease applications were also submitted to regulators, which if approved would provide access to Cape Flattery port and road connections to the nearby community of Hope Vale.

Diatreme sees the potential for two low-capex projects producing a high-grade silica sand product, providing long-term jobs and other economic benefits for a region of high unemployment.

Significantly, Diatreme has formed a partnership with the native title holders affected by the mine's development, granting them a direct 12.5 per cent equity stake in the Galalar project. This far-sighted move was undertaken early in the project's development and has set a model for other mining companies to follow.

It was this vision that helped win the backing of former Australian treasurer Wayne Swan, who in November 2021 joined the board as non-executive chairman.

"Diatreme has shown enormous foresight in its approach towards the Traditional Owners, giving them a direct stake in the project at an early stage to ensure they receive its economic benefits," explains Swan.

Researchers IMARC have projected an extra 40 million tonnes a year of high-quality silica sand is needed in the Asia-Pacific region alone to fill a widening supply gap.

"We have the right product at the right time and the world desperately needs more supply, particularly from a stable and ESG-friendly supplier such as Australia," McIntyre says. "With production planned as early as 2024, we see an extremely bright future ahead."

## IT'S OUR TIME TO SHINE.

As the renewable energy revolution gathers pace, premium-quality low iron silica sand from our Galalar and Northern Silica Projects in North Queensland will be in demand for Asia's fast-growing solar photovoltaic market.

We have the right product. At the right time.

**And our future has never been brighter.**

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