

ASX ANNOUNCEMENT

19 May 2023

Permitting pathway advances for Northern Silica Project

- **Permitting pathway progresses for Diatreme’s Northern Silica Project (NSP) in Far North Qld, with lodgement of EPBC referral with federal government**
- **Decision expected in late June on “controlled action” designation, prior to final determination**
- **NSP advancing rapidly, with detailed Scoping Study due for release in Q2 2023 amid continuing demand for high grade silica products to power solar energy boom.**


Emerging silica sands developer and explorer, Diatreme Resources Limited (ASX:DRX) has advanced the permitting and approvals pathway for its Northern Silica Project (NSP) in Far North Queensland, with the lodgement of its *Environment Protection and Biodiversity Conservation Act 1999* (EPBC) referral with the Australian (federal) Government Department of Climate Change, Energy, the Environment and Water (DCCEEW).

The lodgement is a key milestone in the regulatory approval process, with a decision expected in late June on a “controlled action” designation by the DCCEEW, prior to the final determination.

EPBC Referral Process

The Queensland Government notified Diatreme of its acceptance of an application to commence an Environmental Impact Statement (EIS) under the Queensland *Environmental Protection Act 1994* on 23 January 2023 and agreed that an EIS is appropriate for the project. The approval enables Diatreme to prepare an Initial Advice Statement (IAS) about the project and obtain Draft Terms of Reference (ToR) for an EIS study.

Associated with this EIS process, a referral application under the federal EPBC Act was made in March 2023 to the federal government. The NSP referral and associated preliminary assessment documentation has now been validated by DCCEEW for a short public comment period (10 days) prior to the final assessment/determination process by DCCEEW.



A formal decision on confirmation of the referral by DCCEEW is expected in late June. The Company has identified a range of controlled actions will be triggered given the project's location and sensitivities to development in the areas in which it proposes to operate.

Diatreme's CEO, Neil McIntyre commented: *"We welcome this process and expect a decision on the EPBC referral documentation to be formalised in late June as we move through this lodgement and validation process."*

"The referral identifies and reflects that the NSP is proposed in areas of environmental sensitivity and we intend to meet all environmental requirements stipulated by federal and State regulatory agencies."

"We aim to ensure our project is planned, developed and operated in a manner consistent with the highest possible environmental standards, reflecting our commitment to sustainable development that delivers genuine benefits to all stakeholders, including local communities."

Next Steps

The referral decision and DCCEEW's assessment requirements will feed into the EIS process underway with the Queensland Government, facilitating the preparation and advertisement of a single terms of reference (ToR) later this year. The project's subsequent EIS will therefore address both State and federal environmental requirements.

Once the federal and State EIS processes are confirmed, Diatreme will ramp up site investigations and studies to support the EIS throughout 2023. Investigations this year will include flora and fauna surveys in both terrestrial and aquatic areas, groundwater monitoring, surface water quality monitoring, soil sampling and analysis and cultural heritage surveys. Social impact assessment work will also commence later this year.

Northern Silica Project Overview

Excerpts from EPBC referral lodgement documents

"The Northern Silica Project (NSP) is a proposed silica mine within a known silica province that extends from Cape Bedford to Cape Flattery, located 15km to the southwest of the Port of Cape Flattery and immediately adjacent (to the south) to the world's largest high quality silica sand mine, Cape Flattery Silica Mine (CFSM)."

The NSP consists of a series of proposed mining leases (MLAs):

- *MLA100308 Northern Silica – this is an MLA for mining activities and contains the mining, processing and stockpile areas for the NSP and associated infrastructure as well as a potential infrastructure corridor to the Port of Cape Flattery*
- *MLA100310 Northern Silica Port Access – this is an MLA for mining infrastructure, providing access to the Port of Cape Flattery across the existing ML for Cape Flattery Silica Mine (ML2965)*
- *MLA100313 FNQPCL Cape Flattery Access – this is an MLA for mining infrastructure, providing access over freehold lot held by Far North Queensland Ports Corporation ('Ports North')*
- *MLA100311 Starcke-Northern Silica Access 1 – this is an MLA for mining infrastructure, representing the preferred of two options for an access road to the site from Starcke Road*
- *MLA100312 Stacke-Northern Silica Access 2 – this is an MLA for mining infrastructure, representing the alternative option for an access road to the site from Starcke Road.*

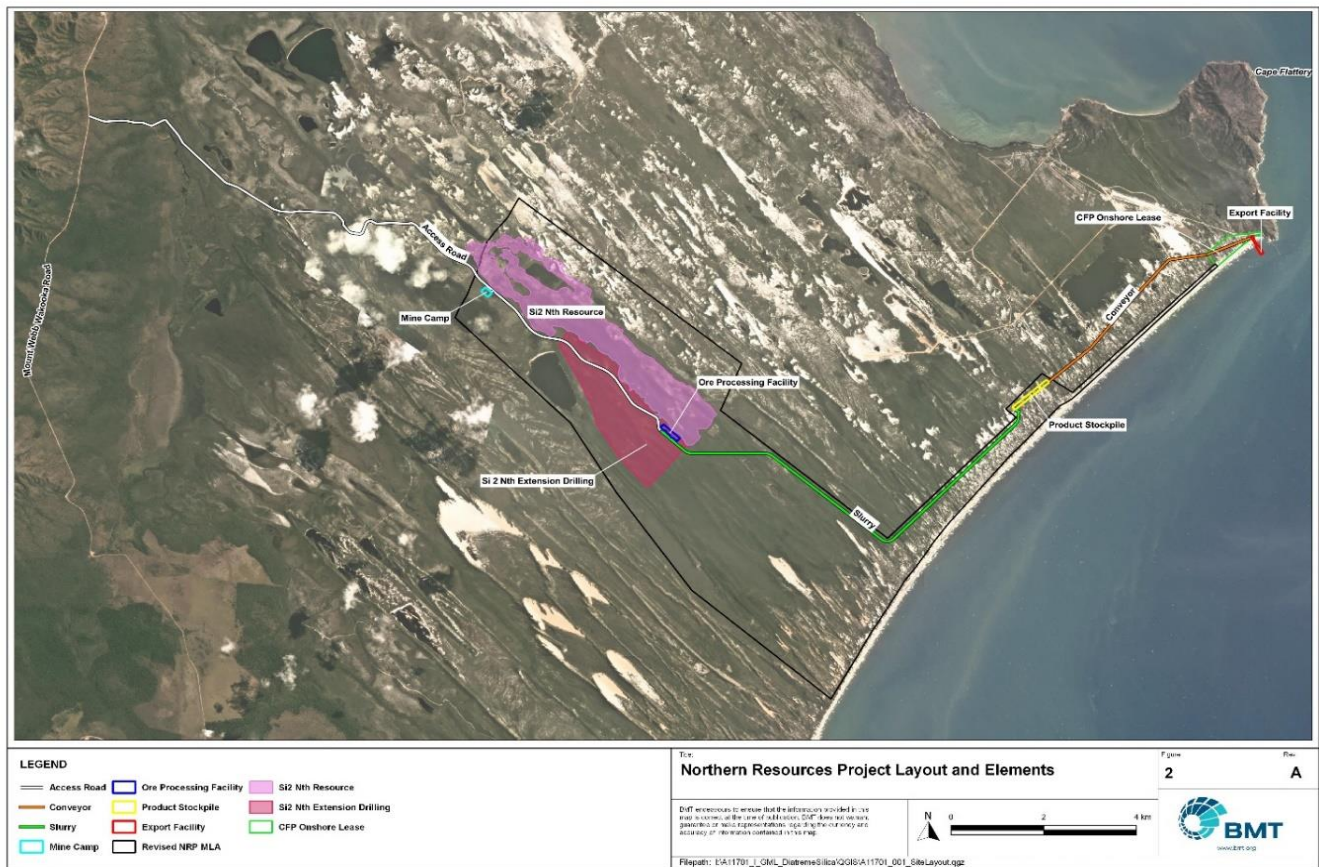



Figure 1: Conceptual layout of Northern Silica Project

End of Excerpt



In March 2023, Diatreme announced a major silica resource expansion, with the NSP's estimated silica sand resource increasing from 124.1 million tonnes (Mt) to 235Mt, including an upgraded Indicated Resource of 103Mt (refer ASX release 13 March 2023).

Diatreme's total FNQ silica sand resource now exceeds 310Mt, providing a substantial base for a long-term operation producing high-grade silica product suitable for the solar PV and other markets. Importantly, the Company's expanding resource base is highly strategic given its location in a stable and ESG compliant jurisdiction and amid an increasing focus on supplying the critical minerals needed for global decarbonisation.

This announcement has been authorised for release by the Board of Diatreme.

Neil McIntyre

Chief Executive Officer

Wayne Swan

Chairman

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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 Galalar Silica Project and Northern Silica 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.

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

References to previous ASX releases

- Quarterly Activities Report – 28 April 2023
- Major silica resource expansion from 124Mt to 235Mt – 13 March 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.