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High-grade find lifts prospects of silica future

Cape York Weekly, Cape York

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DIATREME Resources has discovered a second high-grade silica sand deposit within the northern area of its Si 2 North Project, which could result in a second mine for the ASX-listed company.

The Si 2 North Project is roughly 53 kilometres north of Cooktown and closer to Cape Flattery. The project is adjacent to the south-west corner of the Cape Flattery Silica Mines lease.

CFSM has been in operation since 1967 and is Queensland's largest producer of world class silica and the highest production of silica sand of any mine in the world.

Diatreme's Si 2 North Project project is located at the northern end of the Cape Flattery/Cape Bedford dune field complex.

In addition to the Si 2 North Project, Diatreme has identified a number of significant silica sand exploration target areas.

Diatreme CEO Neil McIntyre said the finding showed the potential for a second new silica sand mine that could generate new jobs and investment for Far North Queensland.

"2022 has started on an extremely bright note for Diatreme with this further new discovery showing the benefits of our exploration efforts," Mr McIntyre said.

"Our Galalar Silica Project in the southern section of our tenement is advancing through its permitting and approvals process and remains our immediate development priority, however, this new maiden inferred resource in the northern section of our exploration tenement of (approximately) 53 million tonnes shows Diatreme has the potential for multiple operations within its

extraordinarily prospective tenement area."

In November last year, Diatreme told *Cape York Weekly* that it wanted to give Traditional Owners from the Hope Vale and Cooktown area a slice of the pie.

Mr McIntyre said the company hoped to build a silica mine around 20km north of Cooktown that would provide around 80 permanent jobs and have a lifespan of more than 20 years.

The fledgling company received a shot in the arm when former Treasurer and political heavyweight Wayne Swan agreed to join Diatreme as chairman of the board.

"We are transitioning and we were looking at adding weight and value to the board," Mr McIntyre said at the time.

"We had a hit list of prominent Queenslanders to attract as an independent chairman. He was at the top of the list."

Mr Swan enjoyed a lengthy career in federal politics, serving as treasurer from 2007 to 2013 and Deputy Prime Minister from 2010 to 2013.

"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," Mr Swan said.

"I will be working to ensure the company delivers these benefits to all the community, while also minimising its environmental impact and protecting worker health and safety.

"I also will be striving to ensure successful stakeholder engagement for Diatreme, with such support critical to the company earning a social licence to operate."

Negotiations are ongoing with the Hope



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Vale Congress Aboriginal Corporation, the prescribed body corporate for the clan groups who belong to the land of the proposed mine.

Diatreme has offered the clan groups a 12.5 stake in ownership.

“They’ll get the benefit of equity and get a seat at the table and have input,” Mr McIntyre said.

“It’s important to us that the Traditional Owners have a genuine interest in seeing the project do well.

“We also want to stick our necks out and aim for a 60 per cent Indigenous employment rate, which would make us a leader in the Cape.”

The CEO said the proposed ownership structure and ambitious employment targets were key to winning Mr Swan’s presence on the board.



Silica prospecting by Diatreme Resources at Cape Bedford, 20kms north of Cooktown.