

ASX

ANNOUNCEMENT

23 February 2021

Canberra meetings highlight Galalar's community support

- **Diatreme delegation meets key Commonwealth Government ministers in Canberra as part of stakeholder engagement activities**
- **Meetings highlight strong regional support for Galalar Silica Project in North Qld, with project to generate new jobs and investment for Hope Vale/Cooktown region**
- **Nob Point development option favoured to ensure minimum impacts on local community.**

Emerging mineral and silica sands developer and explorer, Diatreme Resources Limited (ASX:DRX) has advanced its stakeholder engagement efforts, following meetings in Canberra with key Commonwealth Government ministers concerning the Galalar Silica Project in North Queensland.

Cairns-based, the Hon. Warren Entsch MP and his office facilitated meetings with the Hon. Ken Wyatt AM, MP, Minister for Indigenous Australians and the Hon. Sussan Ley MP, Minister for the Environment, with a Diatreme delegation including representatives of the Hopevale Congress Aboriginal Corporation (RNTBC) and affected native title holders (Thiithaarr steering committee).

The meetings introduced Diatreme and the Galalar project to the ministers, highlighting the project's benefits including the creation of approximately 110 FTE jobs for the local community and an economic injection of up to \$42 million during its operation (refer ASX release 8 April 2020). The project has high Indigenous employment targets and offers a genuine 'closing the gap' opportunity, with a direct equity stake of 12.5% ensuring affected native title holders benefit from its development.

Welcoming the consultations, Diatreme's CEO Neil McIntyre said: *"It is impossible to stress enough the significance of such stakeholder engagement in ensuring our Galalar project earns a social licence to operate. I would like to sincerely thank the Hon. Warren Entsch MP for facilitating these meetings at the very highest levels in Canberra."*

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“In particular, I would like to thank the Hon. Ken Wyatt AM, MP and the Hon. Sussan Ley MP for their time in meeting with our delegation and for their consideration of our project, which offers the potential to support the region’s post-pandemic recovery efforts.”

Hopevale Congress Chairman, Willie Gordon commented: *“We would like to thank the Hon. Warren Entsch MP for co-ordinating and arranging these meetings. He has a deep and long-term understanding of the importance of regional development and the positive effects well managed and sensibly developed opportunities such as Galalar can have on local communities for current and future generations, with long-term benefits including employment, training, investment and commercial participation.”*

The Hon. Warren Entsch MP said: *“As the regional federal MP I am pleased to assist projects of benefit to my local community. The Galalar Silica Project will be transformational for Hope Vale and Cooktown, an area of high unemployment, and is a great example of how sensible, low impact development can have a profoundly positive impact on local communities.*

“The preferred development option at Nob Point, which will ship a benign product used in the production of solar panels, should be supported by all arms of Government and I will continue to assist the community in ensuring a sensible and positive development outcome is achieved.

“I have also asked Diatreme to continue pursuing further downstream processing opportunities regionally and to maximise the potential investment, jobs and development, which North Queensland greatly needs in these difficult times.”


The Canberra meetings follow recent community consultation efforts in Hope Vale as part of the social impact assessment process, with Diatreme also recently undertaking various site visits in Townsville to explore potential opportunities for downstream processing or manufacturing to add further value to the project’s premium quality silica product (refer ASX release 11 February 2021).

Diatreme’s Mr McIntyre added: *“Diatreme is determined to ensure the local community gains maximum economic benefits from the Galalar project, which will help fuel the Asia-Pacific region’s solar energy boom. North Queensland needs new, sustainable projects to power its economic future and Galalar is perfectly placed to deliver.”*

This announcement was authorised for release by:

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Canberra delegation, including representatives of affected native title holders (Thiithaarr steering committee), Hopevale Congress Aboriginal Corporation, and DRX CEO at Parliament House, Canberra



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 in Far North Queensland, located next to the world's biggest silica sand mine, together with the Cyclone Zircon Project in Western Australia's Eucla Basin, considered one of a handful of major zircon-rich discoveries of the past decade.

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

About Galalar Silica Project

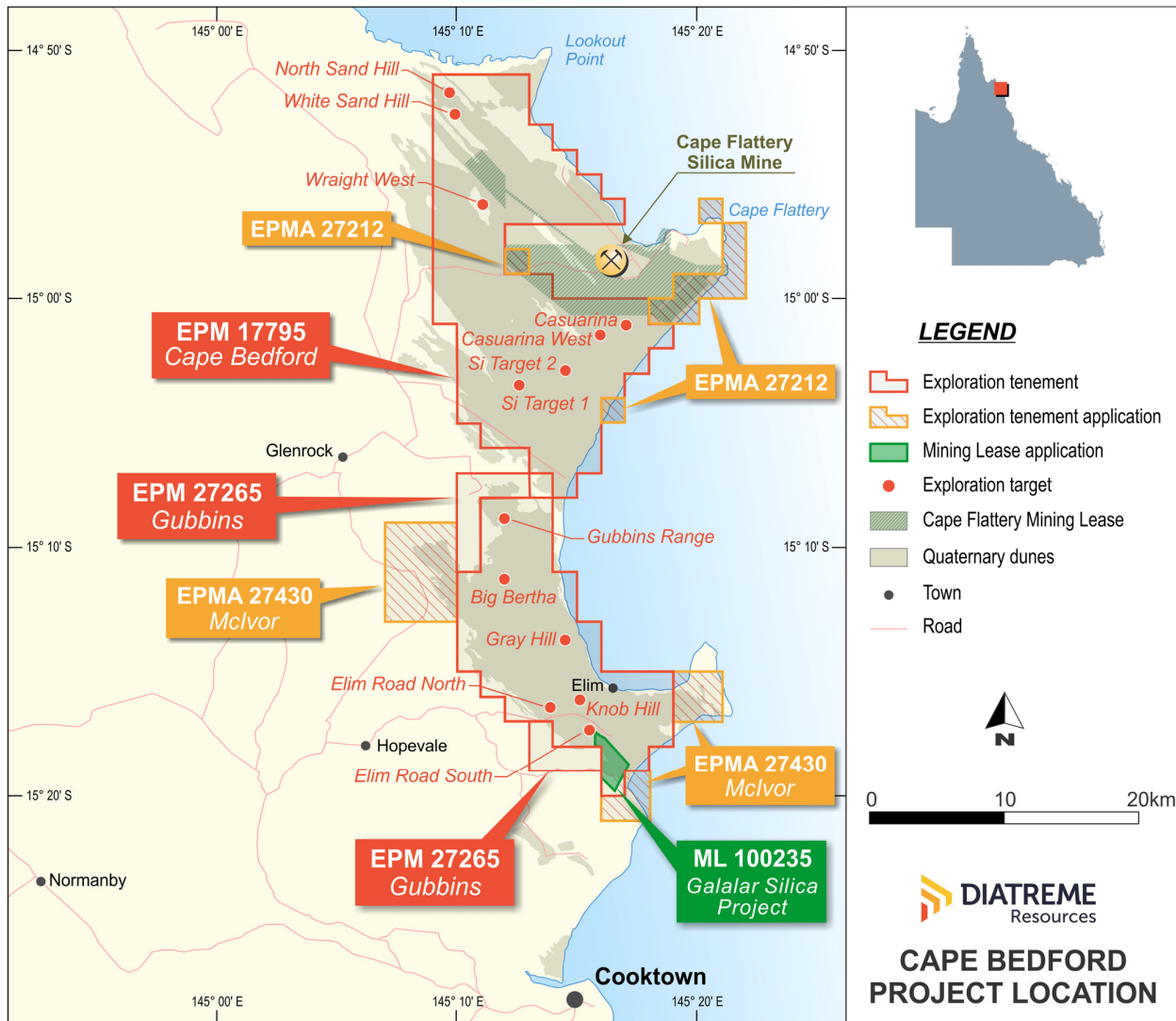
Located around 200km north of Cairns and 20km north of the port of Cooktown, the Galalar Silica Project (EPM 17795) lies within the same sand dune system and in close proximity to the world's largest operating silica sand mine at Cape Flattery. The Cape Flattery silica sand product is recognised as a global benchmark for quality silica sand and is widely used for industrial purposes throughout Asia.

The global silica sand market is seen reaching nearly US\$10 billion in annual revenues by 2022, with a compound annual average growth rate of 7.2% (source: IMARC Group), while the global solar PV glass market is estimated to reach US\$48.2 billion by 2025, up from US\$3.3 billion in 2016 (source: Bizwit Research & Consulting).

An independent economic study has shown the Galalar project's potential to deliver a sizeable economic injection into the Hopevale/Cooktown region, including \$23-\$24 million in the construction phase and up to \$42m in operation, creating up to 110 full-time equivalent jobs and contributing \$1.475m in annual state royalties.

In May 2020, Diatreme announced a total Mineral Resource of 47.5 million tonnes (Mt), with the potential for further expansion (refer ASX release 12 May 2020). Bulk sample testwork has shown the project's ability to produce a premium grade silica product suitable for high-end glass and solar panel manufacturing, with more than 99% silica dioxide and low iron levels of less than 100 parts per million.

Following lodgement of a mining lease application in December 2019 and receipt of final terms of reference for the environmental studies in November 2020, Diatreme is now progressing through various environmental and regulatory approvals towards mining activity.



Galalar Silica Project, North Qld

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