

ASX

ANNOUNCEMENT

31 May 2024

NSP environmental approvals advance with draft Terms of Reference released

- Coordinator-General releases draft Terms of Reference (ToR) for the Northern Silica Project's Environmental Impact Statement (EIS) process
- Draft ToR outlines the environmental, heritage, social and economic study requirements for the Far North Qld project, including State and Federal assessment stipulations
- Draft ToR available for public review and comment 3rd June to 8th July
- Diatreme continuing to advance low iron, high purity silica sand project set to supply solar PV industry, supporting global decarbonisation and generating significant economic benefits for region.

Emerging silica sands developer, **Diatreme Resources Limited (ASX:DRX)** is advancing the environmental regulatory approval process for its flagship Northern Silica Project (NSP), with the Company receiving the draft Terms of Reference (ToR) from Queensland's Office of the Coordinator-General for the Far North Queensland project's EIS.

Diatreme's CEO, Neil McIntyre welcomed the draft ToR as another key milestone in the NSP's development.

"This is another significant regulatory step as Diatreme advances development of this low iron, high purity silica sand project, which will help power the booming solar PV industry while providing major economic benefits for the Hope Vale and Cooktown region," Mr McIntyre said.

"Diatreme is focused on achieving the highest possible level of environmental and social management, while ensuring full engagement with local stakeholders to ensure the project delivers genuine benefits to the FNQ community.

"We look forward to incorporating public feedback into the EIS process to help ensure the community is onboard with us every step of the way in this journey towards building a truly sustainable and long-lasting operation."

1. EIS Terms of Reference

The NSP was gazetted by the Queensland Government as a 'Coordinated Project' in January 2024 (refer ASX release 15 January 2024), a major milestone that recognised the NSP's strategic value, including its infrastructure and approval requirements. The status also established the environmental assessment process, including preparation of an EIS, to be assessed and decided under the joint Queensland and Commonwealth Government bilateral agreement.

The draft ToR for the EIS have been prepared by the Queensland Office of the Coordinator-General ("OCG") with input from the Department of Climate Change, Energy, the Environment and Water ("DCCEEW"), the agency that administers the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

The draft ToR sets out the study requirements for the EIS, including the scope and detail of investigations, surveys and impact analysis that must be conducted before the project is formally assessed and decided. This includes environmental as well as social, heritage and economic studies and investigations.

2. Notification Period

It is anticipated the draft ToR will be available to the public for review and comment **from 3rd June to 8th of July**. Any person can make a submission on the draft ToR to the Coordinator-General during the public notification period.

Electronic copies of the draft ToR and instructions on how to make a submission are available from the Queensland Government's website¹. This notification process is managed by the Queensland Government as part of the Coordinated Project pathway.

The OCG will consider any submissions properly made during the public comment period and then issue a final ToR for the NSP. A copy of the final ToR will also be a public document and be made available from the Queensland Government website listed above for the project's life.

3. EIS Progressing

The draft ToR has provided Diatreme with further clarity and certainty concerning the scope and detail of its site-based data collection and baseline surveys, which are already well progressed.

Data collection and surveys on-site will continue over the dry season, with initial baseline technical reporting for the wet season surveys already completed. This will be followed by Impact Assessment reporting later in 2024.

In addition to the regular engagement occurring between Diatreme and the relevant Registered Native Title Bodies, local authorities and State and Federal regulatory agencies, additional engagement is planned between Diatreme's

¹ <https://www.statedevelopment.qld.gov.au/coordinator-general/assessments-and-approvals/coordinated-projects/current-projects/northern-silica-project>

social and heritage consultants and key local stakeholders and the community of Hope Vale and Cooktown. This initial engagement is proposed for late May or early June, with subsequent consultation proposed for later in 2024.

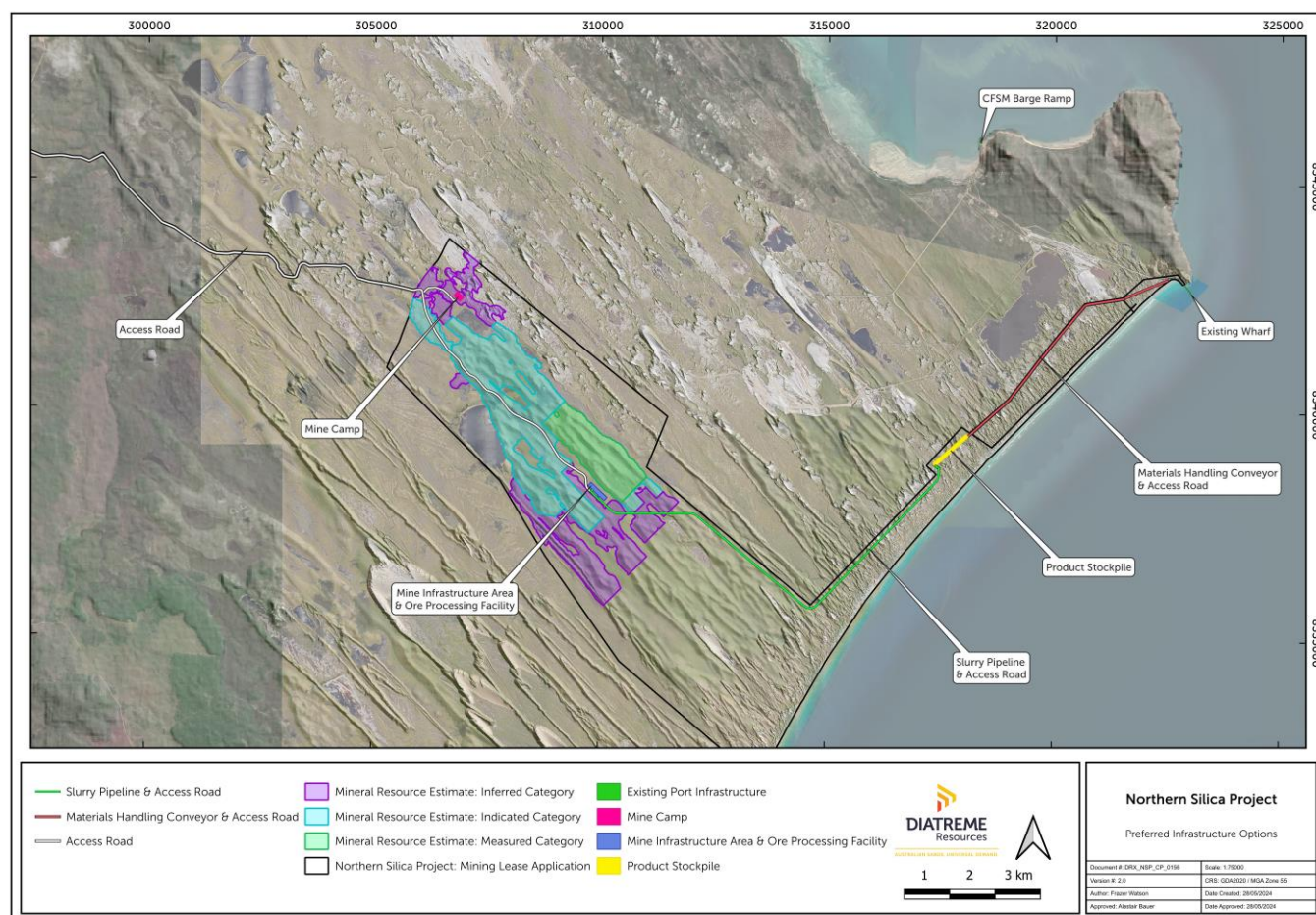


Figure 1: Northern Silica Project, Far North Queensland

Continuing its engagement with the local community, Diatreme recently signed a negotiation protocol with Walmbaar Aboriginal Corporation RNTBC (WAC), representing the Dingaal Clan. The protocol establishes a framework and set of principles which will guide the parties during future negotiations as the parties work towards delivering mutually beneficial opportunities from the NSP (refer ASX release 10 May 2024).

Additionally, Diatreme recently upon request and following negotiations with WAC re-signed a new cultural heritage management agreement (CHMA) with strengthened heritage protection provisions to be implemented during exploration and per-development activities (refer ASX release 29 May 2024).

This follows Diatreme's signing in November 2023 of a Memorandum of Cooperation with Hope Vale Aboriginal Shire Council, aimed at securing economic and employment opportunities for native title holders and other Hope Vale residents, including training and business development programs.

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.

More information about the project is available from Diatreme's website (www.diatreme.com.au), including the option of signing up to receive specific project updates.

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 adjacent 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 also holds a 49% interest in the Clermont Copper-Gold Project located in central Queensland, subject to a farm-in agreement with Metallica Minerals Limited (ASX:MLM).

Diatreme has an experienced Board and management, with expertise across all stages of project exploration, mine development and project financing together with strong community and government engagement skills.

Global material solutions group Sibelco is Diatreme's development partner on its Queensland silica projects portfolio. Sibelco has completed a two tranche investment of \$35 million taking their total project interest to 26.8%, with the balance (73.2%) held by Diatreme. In addition, Sibelco made a \$13.97 million investment at the corporate level.

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 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 Shire Council – 20 November 2023
- Diatreme's Northern Silica Project declared Coordinated Project – 15 January 2024
- Negotiation protocol signed with Walmbaar Aboriginal Corporation RNTBC – 10 May 2024
- Cultural heritage management agreement signed with Walmbaar Aboriginal Corporation RNTBC - 29 May 2024

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.