Diatreme advances Galalar Environmental Approvals

- Draft terms of reference on Galalar Silica Project’s EIS study released for public comment
- Permitting and approvals process moving forward, with key EIS studies being advanced early
- EPBC Act referral received; project designated as “controlled action” for purposes of assessment by Commonwealth
- Diatreme aiming to advance project development to support Cooktown/Hopevale region’s post-pandemic recovery, with potential to deliver new jobs and investment from project backed by traditional owners

Emerging mineral and silica sands developer and explorer, Diatreme Resources Limited (ASX: DRX) announced today the latest advance in the approval process for its Galalar Silica Project in North Queensland.

Following acceptance by the Queensland Department of Environment and Science (DES) of the Company undertaking a voluntary Environmental Impact Statement (EIS) process under the Environmental Protection Act 1994 (Qld) (EP Act) (refer ASX release dated 6 February 2020), Diatreme has released the Initial Advice Statement (IAS) and draft terms of reference (DTO) for the project’s environmental impact statement (EIS).

The DTO are now available for public comment and input, with a public advertisement regarding the public engagement process expected to be placed in the Weekend Australian newspaper dated 25 July 2020.

Diatreme’s CEO, Neil McIntyre commented: “This is another important step forward as we develop this important project for North Queensland, with the potential to deliver new jobs and investment for the Cooktown/Hopevale region and support its post-pandemic recovery.

“Working closely with our project partner, Hopevale Congress, which represents the traditional owners, we are determined to ensure maximum local community benefits while minimising any environmental impacts.
“This reflects our preference for shipping via Nob Point, which would reduce truck and barge impacts on the community compared to trucking product to Cooktown.

“We will also be paying close attention to all feedback received as part of the EIS process to ensure any issues are addressed, as per our commitment to being a responsible corporate citizen.”

He added: “The Galalar project is capable of producing premium quality silica sand that will support Asia’s fast-growing solar PV market. We look forward to advancing the project into production as quickly as possible, with first production commencing potentially as early as 2022, for the benefit of all stakeholders.”

The Company has also received notice that the Commonwealth Government’s Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) referral process is now complete following the Commonwealth Minister’s ‘controlled action’ decision of 5 June 2020. The Commonwealth Department of Agriculture, Water and the Environment (DAWE) has provided guidelines setting out its requirements for the EIS and these will complement the final Queensland ToR.

Comments on the scope and terms of the DTO R will be received and collated by DES over a period of 30 business days and then forwarded to Diatreme for review. The Company will then prepare a detailed report setting out information concerning all comments received and recommendations for any necessary changes to the DToR. DES will then review these recommendations and issue the final ToR, at which point the EIS process will formally commence.

The EIS will be informed by a program of detailed technical studies designed to address the ToR and guidelines. Many of these studies have already commenced and are well advanced, as part of Diatreme’s aim of speeding the project’s development and reducing any uncertainties.

The IAS that is now out for public comment along with the DToR has been informed by these early studies and is a far more comprehensive document than is normally issued at this stage of a project. The public will therefore be able to have a sound appreciation of the Galalar project and the efforts that have been made to minimise impacts early in the process.

Once the draft EIS has been deemed to be satisfactory by DES and DAWE, another round of public input will commence and if necessary, the draft EIS will be revised or supplementary studies undertaken. At that time, assessment of state and Commonwealth matters will be undertaken under the Queensland/Commonwealth bilateral agreement.
Following approval of the EIS, Diatreme will then proceed to finalise the Environmental Authority (EA) which, together with the mining lease (ML) that was applied for in December 2019 and various operational works approvals, will permit the project to commence.

**Expected timelines and next steps**

The following diagram provides an outline of the expected EIS timelines and next steps for the Galalar project:

**Near-term production**

![Diagram showing expected timelines and next steps for Galalar project]

This announcement was authorised for release by:

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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 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, Diatreme is now progressing through various environmental and regulatory approvals towards mining activity.
Figure 1: Diatreme's Galalar Silica Project, North Qld