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Positive DFS confirms Cyclone Zircon Project to proceed

20 Nov, 2018 6



Image of Diatreme drilling mineral sands at Eucla Basin, courtesy of Diatreme Resources Limited

Emerging mineral sands miner, Diatreme Resources Limited (Diatreme), has just announced positive results following a Definitive Feasibility Study (DFS) on their flagship Cyclone Zircon Project (Cyclone) in Western Australia's world-class Eucla Basin, putting the project on track for development.

Undertaken by China ENFI Engineering Corporation, the DFS results indicate that the Cyclone project has the potential to become highly profitable, with lower capital costs than previously forecast, amid growing demand for high-grade zircon driven by Asia's rapid and continuing urbanisation.

With a life of mine estimate of 13.2 years, Cyclone’s development costs are now estimated at \$135.7 million, which include significant contingencies with a rapid capital payback period post-production commencement of 2.7 years.

The results further indicate a life of mine production of 1.94 million tonnes of heavy mineral concentrate, containing 936 kilotonnes of zircon and providing 772 kilotonnes of final zircon product.

Lastly, the project is also expected to generate new jobs for the region’s traditional owners, the Spinifex People, with around 100 jobs in both the construction and operational stages.

In welcoming the DFS findings, Diatreme’s Chairman, Gregory Starr said: “We are delighted by these results, which confirm that Cyclone’s economics are sound and the project is capable of attracting the necessary investment. In a market where zircon is entering a period of constrained supply, the development opportunity for Diatreme is immediately apparent.”

ENFI’s Lead Cyclone Project Study Manager, Mr Shuxun Wang, also stated that ENFI was pleased to undertake the Definitive Feasibility study for the project.

“Our study findings confirm this is an economically robust project and well worth attention for investment purposes,” Mr Wang announced.

“It is further recommended that Diatreme undertake the project’s development and construction as soon as possible,” he said.

The full announcement, along with more information on the Cyclone Zircon Project can be found [here](#).

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