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China ENFI signs on with Cyclone project

| Josh Chiat

A mining project in the Eucla basin which is the subject of a native title agreement with residents of the remote Aboriginal community of Tjuntjuntjara, has moved a step closer with the support of one of China's biggest miners.

Brisbane-based explorer Diatreme Resources announced this week China ENFI Corporation, a subsidiary of China's Minmetals Group, had signed a formal agreement to undertake a definitive feasibility study on the

Cyclone Mineral Sands project on the WA-SA border.

China ENFI will also help source off-takers for the mineral sands — primarily zircon — Diatreme plans to produce.

The project received approval from the WA Environmental Protection Authority last January, with a native title agreement signed with the Pila Nguru Aboriginal Corporation, representing the Spinifex people in late 2014.

Located 300km north of Eucla and 170km east-north-east of Tjuntjuntjara, the last major study at Cyclone, discovered in

2007, was more than five years ago.

Released in 2012, a pre-feasibility study put a \$223 million price tag on developing the project, which could ship out of Esperance, with a 10-year mine-life, producing about 65,000t of zircon and 56,000t of titanium dioxide a year.

The company said it had "effectively derisked" the project since then.

Diatreme stock soared 114 per cent to 3¢ on Thursday, before coming back 10 per cent yesterday to 2.7¢ a share last night.