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Diatreme soars as Chinese back Cyclone project

Stuart McKinnon

Diatreme Resources shares rocketed after the Brisbane-based company announced it had locked in a big Chinese company to help bring its Cyclone zircon project in the Eucla Basin into production.

ENFI Engineering Corporation, part of the Metallurgical Corporation of China and the broader China Minmetals Group, will complete a definitive feasibility study on the project, source equity and debt funding and secure offtake partners. Diatreme already has a mining lease, native title agreement, environmental approval and a secure water supply in place for Cyclone with the definitive feasibility study expected to be completed by the middle of the year.

A key focus of the study will be examining the best transport and infrastructure solution for the remote \$161 million project with road and rail to be considered and export through Esperance or Port Pirie.

The Chinese partnership

comes at a time of bullishness around prices for mineral sands.

Market leader Iluka Resources recently upgraded its reference price for zircon to \$US1230/t with analysts suggesting it will exceed \$US1300/t this year.

Discovered 10 years ago, Cyclone lies 300km north of Eucla near the South Australian border and hosts a 211mt heavy mineral resource.

Diatreme shares closed up 1.6¢, or 114.29 per cent, at 3¢ after hitting an intraday peak of 3.5¢.

DIATREME RESOURCES

