



QUEENSLAND FOCUS

## Diatreme ticks over to silica

Galalar's resource was recently increased by 22% to 26.4mt of greater than 99% silicon dioxide

upgrade of the Galalar resource for the coming months, with submission of a mining lease application and some initial feasibility cost estimates to also be undertaken this quarter.

Given the current demand for premium-grade silica for solar panels, Diatreme also intends to open discussions with potential offtake partners and attempt to lock in some early stage agreements which could underwrite a development and funding pathway for the project.

"The Chinese are scrambling to get surety of supply because the growth curves for their manufacturing are huge, to try and meet the demand for solar panels," McIntyre said.

"We've been to see a number of their plants and they're all screaming for product, trying to work around expansion plans, but they need more corporatised supply, so they need people like us and arguably others who are perhaps in the public company space who can make regular supplies to them, hit these very particular specifications and develop long-term relationships.

"We see that market very much maturing, it's undergoing quite an aggressive corporatisation process where the window is now open for the more corporate and commercial-style of supplier who can hit those very demanding specifications, is environmentally compliant and can be a regular source of supply."

With the sale of Tick Hill likely to be completed next month, Diatreme will look on with interest as Berkut undertakes what is expected to be an aggressive exploration programme at one of Australia's highest-grade gold projects.

Tick Hill was previously mined between 1991 and 1995, producing 513,333oz at a recovered grade of 22.6 g/t gold.

Armed with a solid bank balance totalling \$4.9 million, Berkut recently appointed former Beadell Resources Ltd chief Peter Bowler as chairman and geologist Rob Watkins as managing director.

Berkut has also proposed changing its name to Carnaby Resources Ltd to reflect the new direction of the company, having previously been focused on cobalt exploration in Scandinavia.

— Michael Washbourne

**D**iatreme Resources Ltd's decision to offload its interest in one Queensland asset is set to benefit an emerging silica sands play it also holds in the State.

The non-core Tick Hill gold project, of which Diatreme held 75%, has been sold to Berkut Minerals Ltd for \$562,500 worth of escrowed shares.

Diatreme is to also be refunded \$336,844 from the transfer of environmental bonds to Berkut.

While Diatreme does not receive a huge cash injection from the sale, removal of the expenditure obligations associated with managing the three tenements which make up Tick Hill will benefit the company in the longer run, according to chief executive Neil McIntyre.

"In the balance of our portfolio, we could see other projects that required us to focus on and really dedicate our capital, both in fiscal and manpower terms, to get a maximum return for shareholders," McIntyre told Paydirt.

"They [Berkut] are putting together a broader play regionally, so it made a lot of sense to vend Tick Hill into that process and get some value out of it, reduce our holding costs and other things so we can concentrate on our other Queensland asset."

That other Queensland asset is, of course, the Galalar silica sands project at

Cape Bedford, where the resource was recently upgraded to 26.4mt of greater than 99% silicon dioxide, up 22% on the previous estimate.

Metallurgical test work has demonstrated the premium-grade silica sourced from Galalar is suitable for input into solar panels – a growth market desperately seeking new supply, particularly in China.



Diatreme has sold its 75% interest in the Tick Hill gold project to Berkut Minerals

"They require a very particular specification of silica sand that not only has to be very high purity silica, but very low in iron, less than 100 ppm, which is a very little trace element of iron," McIntyre said.

"Our bulk testing tells us we can produce that product out of our resource. We are now understanding exactly what we can produce there and we think, in terms of development opportunities, it's definitely appropriate for a company of our size to take this on and really transition it through to mining."

Diatreme is already planning another