

# Offtake, EPC deals progressing for Cyclone Zircon Project

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Mineral and silica sands developer Diatreme Resources has entered new proposed agreements for its Cyclone Zircon Project located in the zircon-rich Eucla Basin, Western Australia, with demand heating up for its high-grade zircon-dominant heavy mineral concentrate (HMC) product.

The agreements follow January's appointment of independent corporate advisers Blackbird Partners with the aim of extracting maximum value for shareholders from Cyclone.

Diatreme continues to engage in further discussions with a range of other potential project participants including China's Hunan Rare Earth Industry Group (HRE), whose parent holding company – Hunan Gold Corporation – executed a non-binding Memorandum of Understanding (MoU), with particular interest in HMC product offtake.



Diatreme Eucla Basin mineral sands drilling

Key terms of the agreement include an immediate progression to more binding agreements and examination of the potential for direct project participation.

According to Diatreme, during current negotiation process, HRE has “expressed its interest in acquiring 100 per cent of available HMC for the life of the mine, which is under further consideration by Diatreme”.

Additional to the MoU, Diatreme has confirmed that MCC International Corporation, which is part of the China Minmetals Group, has expressed interest in providing engineering, procurement and construction services to Cyclone, as well as assisting in sourcing suitable (Chinese banks and lending institutions) project finance to facilitate development.

Diatreme CEO, Neil McIntyre said the agreements showed potential for Cyclone to become a profitable new mine for Western Australia, providing new jobs and investment for the benefit of the community, including the traditional owners.

“We are delighted by the high level of interest in Cyclone which has rapidly advanced following last year's positive DFS and are confident of progressing these negotiations towards a successful outcome

for all parties,” he said.

“In addition to Cyclone, our emerging Galalar Silica Project in Far North Queensland is showing potential to become a new source of premium quality silica for fast-growing Asian markets.”

Source: [www.diatreme.com.au](http://www.diatreme.com.au)

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