

ASX ANNOUNCEMENT

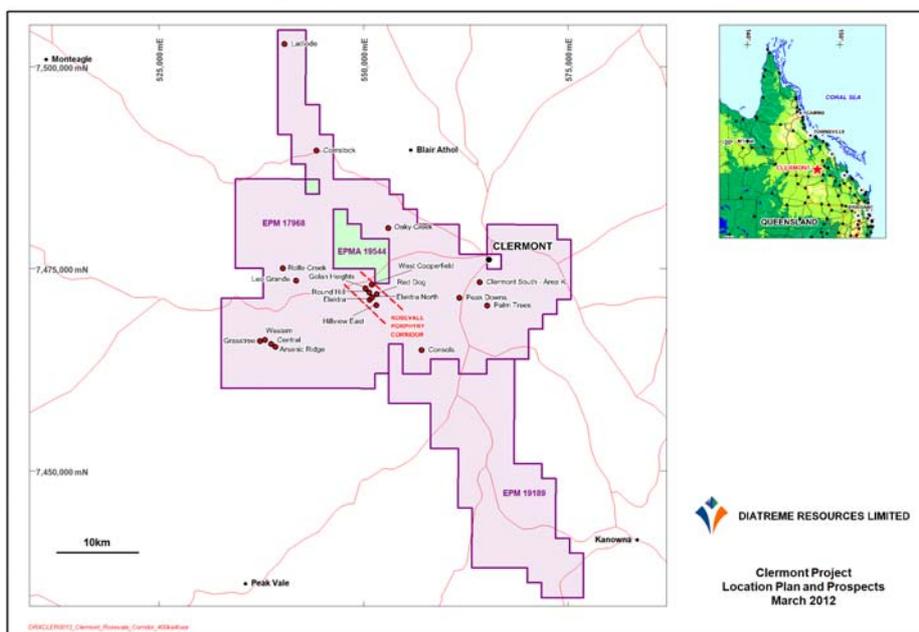
18 January 2013

CLERMONT COPPER PROJECT ANTOFAGASTA MINERALS AUSTRALIA PTY LTD FARM-IN AGREEMENT SIGNED AND DRILLING COMMENCES

Diatreme Resources Limited (ASX:DRX) is pleased to announce:

- **The Farm-In Agreement with Antofagasta Minerals Australia Pty Ltd (“Antofagasta”) has been executed.**
- **RC and Diamond drilling has commenced over the Rosevale Project, central Queensland.**

The Antofagasta Farm-In Agreement terms were detailed in DRX’s market release dated 30 October 2012. An initial budget of US\$700,000 is being applied. With DRX as operator, initial Reverse Circulation (“RC”) drilling has now commenced and is to be followed by deep diamond drilling over the Rosevale Project in the quest for discovery of large scale porphyry copper mineralisation. The drilling is expected to take up to eight weeks to complete, with mineral analytical results becoming progressively available over a longer period.



Clermont Project Location Plan showing prospects

Diatreme Resources is an Australian based diversified mineral explorer with significant projects in heavy mineral sands, copper, base metals and gold.

The Company owns the world class Cyclone Zircon Deposit in Western Australia, situated within the recognised Eucla Basin province, along with extensive areas of underexplored ground prospective for heavy mineral sands.

The Board and senior personnel exhibit wide experience, ranging through the exploration and development phases of resource management.

Australian Securities Exchange
Codes: DRX and DRXO

Securities

Ordinary shares (DRX):
473,582,422

Listed 15c options (30/09/13)(DRXO):
88,650,035

Board of Directors

Executive:

Tony Fawdon - Chairman/CEO

David Hall - Operations

Non-executive:

George White

Andrew Tsang

William Wang

Neil McIntyre

Joint Company Secretaries:

Leni Stanley

Tuan Do

Key Projects:

- Eucla Basin Cyclone Zircon Project
- Clermont Copper Project
- Anabama Copper Project
- Gilbert River Base Metals Project

Diatreme Resources Contact:

Tony Fawdon

Executive Chairman/CEO

Phone: +61 7 3832 5666

Fax: +61 7 3832 5300

Share Registry:

Link Market Services

Level 15, ANZ Building

324 Queen Street, Brisbane, Q4000



RED DOG PROSPECT (copper molybdenum)

Initial drilling is being conducted at Red Dog within the central zone of the 10km long Rosevale Porphyry belt. Three 150m deep RC percussion holes are planned for completion to determine the extent, size and geometry of shallow alluvium covered aplitic granite rocks, where outcrop is hosting disseminated chalcopyrite (copper iron sulphide) mineralisation.

ELEKTRA PROSPECT (copper)

Three 150m deep RC percussion drill holes are planned for completion at Elektra, approximately 1km to the west of Red Dog, to test a brown pink diorite intrusive and a structural corridor that hosts a series of minor prospector pits with abundant secondary carbonate copper mineralisation. The drilling is designed to establish the extent of the diorite body and the degree of mineralisation within.

GOLLAN PROSPECT (copper)

At the Gollan Prospect toward the north of the Rosevale Porphyry belt, DRX has established from previous drilling a wide zone of "Redification" alteration of monzonite intrusives, located in a zone of abundant secondary carbonate copper on surface. The geological setting is reminiscence of the high grade Ridgeway Deposit at Cadia NSW.

An initial 700m target depth diamond core hole located 300m along strike from a previous diamond core hole will test deeper into the alteration vector, as part of seeking out the mineralised source of the alteration.

A second diamond core hole, also with a target depth of 700m, will be positioned and drilled once results from the initial drill holes are ascertained.

For further information:

Tony Fawdon

Executive Chairman/CEO

Ph: +61 7 3832 5666

Competent Person Statement

The information in this report, insofar as it relates to Exploration Results is based on information compiled by company personnel under the supervision of Mr David Jelley, who is a full time employee of Diatreme Resources Limited and a Member of the Australasian Institute of Mining and Metallurgy. Mr Jelley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Jelley consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.