



## DIATREME RESOURCES LIMITED

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16 May 2013

### CAPITAL RAISING

On 15 March 2013, Diatreme Resources Limited (**Diatreme**) announced a placement of 34,000,000 ordinary fully paid shares (to rank equally in all respects with existing shares) at A\$0.025 per share to existing sophisticated investor shareholders. In follow-up on 9 May 2013, Diatreme announced the completion of the capital raising with the issue of the 1<sup>st</sup> tranche of 4,797,363 shares (**Tranche 1 Shares**) on that date with the remaining 2<sup>nd</sup> tranche of 29,202,637 shares (**Tranche 2 Shares**) to be issued subject to shareholder approval being received at the Annual General Meeting (**AGM**) to be held on 29 May 2013.

As part of Diatreme's continuing drive to secure substantial funding to advance its Cyclone Zircon Project along with its significant portfolio of other projects, the Company has received firm agreements to subscribe for further placements totalling 22,000,000 ordinary fully paid shares (**New Placement Shares**) (to rank equally in all respects with existing shares) at A\$0.02 (two cents) per share to raise gross proceeds of A\$440,000 from sophisticated investors. This issue price of the New Placement Shares sits at a significant premium to the Company's current 30 day VWAP and the existing share price and will represent approximately 4.3% of the Company's issued share capital assuming all previous placement approvals are received at the forthcoming AGM.

The New Placement Shares will be issued following the AGM on condition that the Company's 15% placement facility is renewed by shareholders voting in favour of Resolutions 4 and 5 seeking ratification of prior issues of shares and Resolution 6 seeking approval for issue of the Tranche 2 shares.

The New Placement Shares will be subject to a voluntary escrow period of 12 months, except when overridden by requirements of the Corporations Act 2001 (Cth).

Funds raised from the issue of the New Placement Shares will be applied to the Company's project activities and for working capital.

Application for quotation of the New Placement Shares will be made to ASX Limited once the placement is finalized.

For and on behalf of the Board

**Leni Stanley**  
Company Secretary