

ASX ANNOUNCEMENT

11 September 2013

CYCLONE ZIRCON PROJECT

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

- **Three shallow water bores have been drilled near Cyclone.**
- **Exploration air core drilling has re-commenced over areas north of Cyclone.**



Shallow water bore drilling along access road to Cyclone using Diatreme's drill rig – September 2013

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):
609,582,422

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
Daniel Zhuang

Joint Company Secretaries:

Leni Stanley
Tuan Do

Key Projects:

- Eucla Basin Cyclone Zircon Project
- Clermont Copper Project

Diatreme Resources Contact:

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Share Registry:

Link Market Services
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324 Queen Street, Brisbane, Q4000



An outline of the Company's plans for progressing the Cyclone Zircon Project have been detailed in the ASX release dated 12 August 2013.

DRX is pleased to report successful drill completion and construction of three shallow water bores within 20km of the Cyclone Deposit. Water supplies will be drawn from these bores for use in the deep water bore scheduled for drilling in October at the proposed minesite.

The Company's drilling rig is now undertaking regional air core drilling in the vicinity of the Anne Beadell Hwy (50km to the north of Cyclone) as part of the continuing search for satellite heavy mineral deposits. This exploration drilling continues to exhibit DRX's commitment to the Eucla Basin and the mineral sands industry which is showing signs of market recovery.

For further information:

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