



## DIATREME RESOURCES LIMITED

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ASX : DRX

Company Announcement Office  
Australian Securities Exchange  
Level 4, 20 Bridge Street  
Sydney NSW 2000

12 February 2014

### RENOUNCEABLE RIGHTS ISSUE

#### Highlights

##### **Funding:**

- 1 for 4 pro-rata rights issue at 2 cents per share with one free attaching option (exercisable at 2 cents on or before 11 March 2016) allotted to shareholders to raise approximately \$3 million.
- Application will be made to list the options on ASX.

##### **Lead Manager:**

- Patersons Securities Limited.

##### **Purpose of Offer:**

- To raise funds for advancement of Company projects (exclusive of the Cyclone Zircon Project - funded to \$2 million by current joint venture), working capital and costs of the Offer.

Diatreme Resources Limited (**Diatreme**) will undertake a 1 for 4 renounceable rights issue of ordinary shares at 2.0 cents per share with 1 free attaching option for each new ordinary share (**Rights Issue**) to shareholders to raise approximately \$3 million. Application will be made to list the options on ASX. Eligible Shareholders will be able to trade their rights commencing on the 17 February 2014 and ending on 6 March 2014.

Shareholders will have the opportunity to apply for additional shares (with attaching free options) under the Rights Issue if these are available.



## Purpose of the Offer

The funds raised will be used as follows:

- **Cape Bedford QLD - \$0.8 million**  
On grant of the tenement, Diatreme will initially target known silica sand/heavy mineral mineralisation with drilling to define a mineral resource, to be followed by an assessment of mining feasibility.
- **Clermont QLD - \$0.4 million**  
Further exploration will be conducted on the Rosevale Porphyry Corridor in the search for Cadia/Ridgeway style copper gold mineralisation and also exploration of the Palm Trees Prospect for gold.
- **Glenthompson VIC - \$0.4 million**  
Drilling will be carried out on geophysical targets within the tenement, in a zone which is highly prospective for porphyry copper gold mineralisation.
- **Noorina SA - \$0.1 million**  
Drilling over a 100km long strand system for heavy mineral sands, zircon and titanium, east of the Cyclone Project area, in the northern Eucla Basin.
- **Other Projects & Project Generation - \$0.2 million**
- **Working Capital - \$0.8 million**
- **Costs of Entitlement Offer - \$0.3 Million**

**It should be noted that 2014 funding joint venture expenditure of \$2.0 million by the Company on the Cyclone Zircon joint venture 2014 is not part of this Entitlement Offer.**

## Prospectus and Offer details

A Prospectus setting out the details of the Offer has been lodged with Australian Securities and Investments Commission on 12 February 2014. Eligible shareholders will also be sent a copy of the Prospectus and Entitlement and Acceptance Form in accordance with the timetable below.

The Offer is renounceable, which means that rights to participate in the Offer can be sold and to the extent that shareholders entitled to participate in the Offer do not take up their entitlement, they will not receive any value in respect of those entitlements not taken up.

Fractional entitlements will be rounded up to the nearest whole New Share and New Option.

## Additional shares

Eligible Shareholders who apply for their full entitlement may apply for additional New Shares and New Options in excess of their entitlement. Any additional New Shares and New Options will be allotted at the same time as other New Shares and New Options. Eligible Shareholders may apply for additional New Shares and New Options by completing the Entitlement and Acceptance Form that will accompany the Prospectus. There is no guarantee that shareholders will be successful in being allocated any additional New Shares and New Options.

**Timetable**

The New Shares will be offered in accordance with the following timetable:

<b>ACTIVITY</b>	<b>DATE</b>
Announcement of the Entitlement Offer	Wed 12 February
Lodgement of Prospectus at ASIC and ASX	Wed 12 February
Lodgement of Appendix 3B at ASX	Wed 12 February
Despatch letter to Option holders advising of the Entitlement Offer	Wed 12 February
Despatch letter to Shareholders containing the information in Appendix 3B	Fri 14 February
Shares quoted on 'ex' basis	Mon 17 February
Rights trading commences	Mon 17 February
Record Date for identifying Eligible Shareholders entitled to participate in the Entitlement Offer (7:00 pm Sydney time)	Fri 21 February
Despatch Prospectus to Eligible Shareholders and announce despatch to ASX	Thu 27 February
Rights trading ends	Thu 6 March
New Shares and New Options quoted on a deferred settlement basis	Fri 7 March
Closing Date of Entitlement Offer (5:00 pm Brisbane time)	Fri 14 March
ASX notified of any under subscriptions	Wed 19 March
Issue of New Shares and New Options under Entitlement Offer	Mon 24 March
Deferred settlement trading ends	Mon 24 March
Trading of New Shares and New Options expected to commence	Tue 25 March

The above dates are indicative only. The Company, reserves the right to vary the above dates without notice, including extending the Closing Date of the Entitlement Offer without notice, subject to the Corporations Act, the ASX Listing Rules and the agreement of the Lead Manager.

**Anthony J Fawdon**  
Executive Chairman/CEO

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