



DIATREME RESOURCES LIMITED

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ASX : DRX

28 May 2014

CHAIRMAN'S ADDRESS

Presented to Annual General Meeting of Shareholders Wednesday 28 May 2014

Ladies and Gentlemen

We are all aware of the severe downturn within the junior exploration sector of the Mining Industry. This has significantly impacted your Company as well, reflected through a historic low share price in line with the sector generally.

Notwithstanding the current industry malaise, Diatreme has been proactive in progressing its flagship Cyclone Zircon Project in the Western Australian section of the Eucla Basin. This remains a very exciting project with potential to significantly increase the existing mineral resource from 137 million tonnes grading 2.2% Heavy Minerals* through exploration over a current tenement package that traverses partially explored strand systems to the southeast of Cyclone and having a strike length in total of 50km.

The Company will continue to drive the feasibility process at Cyclone with the grant of the project's Mining Lease application being pursued for the last quarter of 2014, and licensing of the planned haulage roads, proposed airstrip and mine infrastructure land planned for early 2015. Development of the Cyclone Zircon Project is being pushed ahead as fast as dealing with compliance issues will allow.

Diatreme remains active with exploration at the Clermont Copper/Gold Project in Queensland, with current joint venture negotiations progressing over the Peak Downs Copper oxide prospect and geological mapping of both the Palm Trees and Exhibition Creek goldfield prospects.

Following recent completion of a geophysical gravity survey, drilling is planned over the Glenthompson Copper Project in Victoria. Drilling with the Company's own aircore drill rig is also planned for the recently granted Elliston heavy mineral sands tenement in South Australia.

The Company's activities will build on the successes of the past year, which included the successful delineation of copious water resources at Cyclone. In the year ahead, Diatreme will be taking the mining lease application through to grant along with progressing the licensing requirements for Cyclone's development. The team looks forward to realising the potential of identifying further mineral discoveries in the balance of the Company's tenement portfolio.

Diatreme is on course to maintain progress towards mine development and new mineral discoveries.

Tony Fawdon
Executive Chairman/CEO

* DRX ASX release dated 9 January 2014