

ASX

ANNOUNCEMENT

5 October 2018

Diatreme Raises \$2.048M in Placement

Diatreme Resources Limited (ASX: DRX) (“**Diatreme**” or “**Company**”) is pleased to announce it has received commitments to raise \$2.048M (before costs) via a private placement (“**Placement**”) to professional and sophisticated investors, through the issue of 102,376,154 shares at \$0.02 per share.

The Company will also issue 51,188,077 attaching options (“**Attaching Options**”) on a 1: 2 basis (1 option for every 2 shares), with an exercise price of \$0.03 per option and expiring 14 months from date of issue. The Company will seek quotation of the attaching options subject to compliance with the ASX Listing Rule 2.5 (Condition 6).

The placement and attaching options will be completed by utilising the Company’s existing capacity under ASX Listing Rules 7.1 (101,017,550 securities) and 7.1A (52,546,681 securities).

The proceeds from this placement will be used to undertake the following:

- Completion of the Cyclone Zircon Project definitive feasibility study (DFS) currently being undertaken by China ENFI Engineering and due for completion during the current month (October 2018)
- Undertaking further resource drilling and bulk sampling programs at the Cape Bedford Silica Project
- Commencement of the mining lease permitting and approvals process for the Cape Bedford Silica Project, and
- Ancillary working capital.

The Directors are pleased with the outcome and level of support shown in the company’s on-going activities and wish to thank the applicants, who are all new investors, and welcome them to the Company.

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