

ASX

ANNOUNCEMENT



DIATREME DIVESTS EL5478 IN REFOCUS ON STRATEGIC ASSETS

Diatreme Resources Limited is an Australian based diversified mineral explorer with significant projects in WA and QLD.

The Board and senior personnel exhibit wide experience, ranging through the exploration, development and financing phases of resource project management.

Australian Securities Exchange
Codes: DRX, DRXO

Board of Directors
Non-executive:
William Wang - Chairman
Andrew Tsang
Daniel Zhuang

Executive:
Neil McIntyre – Chief Executive
Tuan Do – Chief Financial Officer
Ian Reudavey – Chief Geologist

Joint Company Secretaries:
Leni Stanley
Tuan Do

Key Projects:
• Cyclone Zircon Project
• Tick Hill Gold Project
• Cape Bedford Silica/HMS Project
• Clermont Copper Project

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10 April 2015

HIGHLIGHTS

- **Diatreme divests EL5478 to Stavelly Minerals Ltd (ASX:SVY) as part of ongoing strategic divestment process**

Diatreme Resources Limited (ASX:DRX) has announced the divestment of EL5478 to Stavelly Minerals Limited (ASX:SVY) as part of the Company's refocus on strategic long-term assets.

Stavelly Minerals has acquired 100% of EL5478, which covers an interpreted offset of the Mount Stavelly Volcanic Belt in Victoria (refer SVY's ASX announcement dated 10/04/2015).

Welcoming the transaction, Diatreme's Chief Executive Officer, Neil McIntyre said: "Diatreme is determined to divest itself of greenfield exploration tenement areas which do not satisfy the Company's new and rigorous commercial, geological and geographic examination process."

Since launching its strategic divestment process, Diatreme has systematically consolidated its tenement portfolio from 29 exploration properties (including 13 applications and no mining leases) in early 2014, to just nine high value exploration properties (including one application) and four mining leases at the Company's flagship Cyclone Zircon Project and the Tick Hill Gold Project.

“Under Diatreme’s refocus on its project pipeline, any retained tenements must be seen having potential for advancement to discovery and capacity for commercial mining, thereby generating long-term value for shareholders.”

The latest tenement divestment follows Diatreme’s ASX announcement of 9 April 2015, concerning a major upgrade to the Mineral Resource at the Cyclone Project in Western Australia’s Eucla Basin. The Company’s key project now has an estimated resource of 211 million tonnes (Mt) at 2.3% heavy minerals (HM) containing 4.8Mt HM, increasing contained HM by 60% and confirming Cyclone’s status as one of the highest zircon grade projects under development.

“Diatreme has an excellent outlook, based on rising Asian demand for zircon and other mineral sands to support its next stage of urbanisation. By refocusing on our strategic projects and divesting non-core greenfields tenements, the Company is maximising valuable shareholder funds and ensuring it is in the best position to deliver value for shareholders,” Mr. McIntyre said.



Neil McIntyre
CEO

Competent Person Statement

The information in this report, insofar as it relates to Exploration Results and Mineral Resources is based on information compiled by Mr Ian Reudavey, who is a full time employee of Diatreme Resources Limited and a Member of the Australian Institute of Geoscientists. Mr Reudavey has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of ‘The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Reudavey consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.