



DIATREME RESOURCES LIMITED

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EUCLA BASIN HEAVY MINERAL SANDS (ZIRCON) PROJECT WYOLA PROSPECT – SOUTH AUSTRALIA DRILL PROGRAM UPDATE

Initial heavy mineral ("HM") assays from the 2006 Wyola Prospect scout drilling program, which commenced in late October, have been received. Early results have been encouraging, with 54 samples (1.5 metre intervals) assaying in excess of 1.0% HM, with values ranging up to 13.27% HM. To date, 332 samples have been assayed and further work will be undertaken to determine zircon, rutile, leucoxene and ilmenite product percentages in the HM concentrates.

The stratigraphic air-core scout drilling has been conducted on wide spaced (approximately 10km) traverse lines in generally unexplored areas within EL 3614. By mid November 2006 the Company had completed a total of 64 drill holes for a total of 3,004 metres.

Further air-core scout drilling is targeting magnetic anomalies identified through the Company's recent ground magnetometer surveys. On completion of drilling, the new exploration data along with further drill assay results will be compiled and reported to the market.

A J FAWDON
Executive Chairman/CEO

The Eucla Basin Heavy Mineral Sands Project is held by Lost Sands Pty Ltd, a subsidiary of Diatreme Resources Limited. Minerals Corporation Limited currently holds a 20% equity position in Lost Sands Pty Ltd.
