# DIATREME RESOURCES LIMITED

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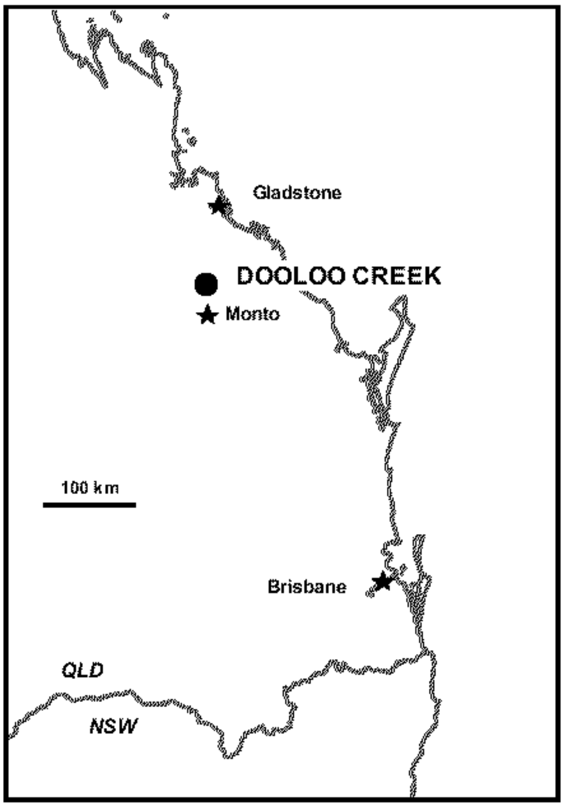
## DOOLOO CREEK GOLD-COPPER PROSPECT
## SOUTHEAST QUEENSLAND

Diatreme Resources Limited (*Diatreme*) has been granted Exploration Permit Minerals (EPM) 15343 over the Dooloo Creek Gold-Copper Prospect, 30 km north of Monto, southeast Queensland (Figure 1). The permit area covers approximately 28 sq km.

The Dooloo Creek Prospect was identified by North Limited (*North*) in 1997 as a very large (4 km by 2 km) area of anomalous gold-copper mineralisation in Devonian volcaniclastic rocks close to a major regional mineralised structure. The prospect is interpreted to resemble the upper part of a Mount Morgan-style mineralisation system having similar host rock age, host rock lithologies, sulphide geochemistry and mineralisation styles.

*North* defined anomalous gold-copper mineralisation in surface rock chip samples with approximately 75% of 334 samples collected containing detectable gold. Of these, 44 samples recorded higher than 2 g/t gold to a maximum of 414 g/t.




One *North* drill hole intersected an alteration zone and recorded 18m @ 1.2 g/t gold. Numerous costeans in this central zone recorded anomalous gold with the best results being 12m @ 2.2 g/t gold and 16m @ 1.77 g/t gold.

Under the conditions of the permit *Diatreme* has committed over the next two years to spending $500,000 on exploration entailing drilling, geophysical surveys and assays. A 3,000 metre RC percussion drilling program is currently being planned.

*Diatreme* has entered into an agreement with Mr David Horton of Horton Geoscience Consultants Pty Ltd, the discoverer of Dooloo Creek Prospect, for a consulting services/share issue agreement on EPM 15343, whereby, should *Diatreme* hold this tenement whilst exploring for more than 2 years or should they assign it to other parties, Mr Horton's consideration will be 1 million *Diatreme* shares.

**TONY FAWDON**
Executive Chairman/CEO