



DIATREME RESOURCES LIMITED

ABN 33 061 267 061

Level 2, 87 Wickham Terrace, Spring Hill, Qld, 4000
PO Box 10288
Brisbane Adelaide Street
Queensland 4000

Telephone : 61 7 3832 5666
Facsimile : 61 7 3832 5300
Email : manager@diatreme.com.au
Internet : www.diatreme.com.au

ASX Code: DRX

Australian Securities Exchange Notice

28 April 2008

NOTICE OF ANNUAL GENERAL MEETING

The Notice of Annual General Meeting of Shareholders of the Company has today been lodged with the ASX. A copy of the Notice of Meeting is attached.

The meeting will be held at the registered office of the Company at Level 2, 87 Wickham Terrace, Spring Hill, Queensland.

The Company's 2007 Annual Report will be available for download on the Company's website at www.diatreme.com.au. Printed versions will be mailed shortly to those shareholders who, earlier in the year, elected to receive one. Hardcopies will also be available for all shareholders who specifically request a copy from the Company (refer address details above).

The business of the meeting includes the following Ordinary Resolutions:

- the adoption of the Remuneration Report;
- the re-election of Mr George White as a Director;
- the issue of options to directors under employee and officers option plan 2006;

Shareholders are advised to refer to the Explanatory Memorandum in the Notice of Meeting for further details in relation to each Resolution.

Lawrence Litzow
Company Secretary

Encl.

Diatreme Resources Limited

ABN 33 061 267 061

Notice of 2008 Annual General Meeting of Shareholders

**to be held at the office of the Company,
Level 2, 87 Wickham Terrace, Spring Hill, Qld,
29 May 2008 at 10:00am**

The details of the resolutions contained in the Explanatory Notes accompanying this Notice of Annual General Meeting should be read together with and form part of this Notice of Annual General Meeting.

Business

FINANCIAL STATEMENTS

Receive and consider the Financial Statements for the year ended 31 December 2007 incorporating the Profit and Loss Account for the year, and the Balance Sheet as at that date, together with the Directors' Report and the Auditor's Report thereon.

RESOLUTIONS

To consider and if thought fit, resolve:

1. REMUNERATION REPORT (Non-binding resolution)

"That the remuneration report covering directors and executives, as detailed in the Annual Report, be and is hereby approved and adopted."

2. RE-ELECTION OF DIRECTOR – Mr. George White

"That Mr. George White, who retires by rotation in accordance with the Constitution of the Company but is offering himself for re-election, be and is hereby appointed for a further term of office."

3. ISSUE TO DIRECTOR UNDER EMPLOYEE AND OFFICERS OPTION PLAN 2006

"That, for the purposes of ASX Listing Rule 10.14, and all other purposes one million three hundred thousand (1,300,000) options be issued to Mr. Anthony Fawdon under the Employee and Officers Option Plan 2006."

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 3 by:

- *a director of the Company; and*
- *any associate of the directors.*

However, the Company need not disregard a vote on Resolution 3 if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

4. ISSUE TO DIRECTOR UNDER EMPLOYEE AND OFFICERS OPTION PLAN 2006

"That, for the purposes of ASX Listing Rule 10.14, and all other purposes one million (1,000,000) options be issued to Mr. David Hall under the Employee and Officers Option Plan 2006."

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 4 by:

- a director of the Company; and
- any associate of the directors.

However, the Company need not disregard a vote on Resolution 4 if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5. ISSUE TO DIRECTOR UNDER EMPLOYEE AND OFFICERS OPTION PLAN 2006

"That, for the purposes of ASX Listing Rule 10.14, and all other purposes five hundred thousand (500,000) options be issued to Mr. Lawrence Litzow under the Employee and Officers Option Plan 2006."

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 5 by:

- a director of the Company; and
- any associate of the directors.

However, the Company need not disregard a vote on Resolution 5 if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. ISSUE TO DIRECTOR UNDER EMPLOYEE AND OFFICERS OPTION PLAN 2006

"That, for the purposes of ASX Listing Rule 10.14, and all other purposes five hundred thousand (500,000) options be issued to Mr. George White under the Employee and Officers Option Plan 2006."

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 6 by:

- a director of the Company; and
- any associate of the directors.

However, the Company need not disregard a vote on Resolution 6 if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;
- it is cast by the person chairing the meeting as proxy for a person who is entitled to

By Order of the Board of Directors,



Lawrence Litzow
Company Secretary

Dated 28 April 2008

Voting and Proxies

1. Voting

Diatreme Resources Limited (DRX) has determined in accordance with Regulation 7.11.37 of the Corporations Regulations 2001 that for the purposes of voting at the Meeting securities will be taken to be held by those persons recorded on the Company's share register as at 7:00pm (Brisbane time) on 27 May 2008. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

If you have any queries on how to cast your votes then telephone Lawrence Litzow on 0418 727 866 or David Hall on 07 3832 5666 during business hours.

2. Proxies

(a) Any member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote in his or her stead.

(b) If a shareholder appoints more than one proxy, the appointment of the proxy may specify the proportion or number of that shareholder's votes that each proxy may exercise. If the appointment does not specify the proportion or the number of the shareholder's votes each proxy may exercise, each proxy may exercise one half of the votes.

(c) Where a shareholder appoints more than one proxy neither proxy is entitled to vote on a show of hands.

(d) A proxy need not be a shareholder of DRX.

(e) To be effective, DRX must receive the completed Proxy Form and, if the form is signed by the shareholder's attorney, the authority under which the Proxy Form is signed (or a certified copy of the authority) by no later than 48 hours before the commencement of the meeting. Proxy Forms and other documentation may be lodged at the registered office of the Company or as follows:

By posting, delivery or facsimile:	Diatreme Resources Limited Share Registry C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Facsimile: (02) 9287 0309
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By delivery:	Level 12, 680 George Street Sydney NSW 2000
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(f) Proxies given by corporate shareholders must be executed in accordance with their constitutions, or under the hand of a duly authorised officer or attorney.

(g) If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting as he or she thinks fit.

(h) If a shareholder appoints the Chairman of the meeting as the shareholder's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as proxy for that shareholder for that item.

NOTE: APPOINTMENT OF PROXY FORM IS ENCLOSED

Explanatory Notes to the Notice of Annual General Meeting 2008

REMUNERATION REPORT (non-binding resolution) (Resolution 1)

Pursuant to the Corporations Act 2001 the Annual General Meeting of a listed company must propose a resolution that the Remuneration Report, contained within the Annual Report, be adopted. Also pursuant to the Corporation Act 2001, the vote on this Resolution is advisory only and does not bind either the Directors or the Company.

The purpose of Resolution 2 is to lay before the Shareholders the Company's Remuneration Report so that Shareholders may ask questions about or make comments on the management of the Company in accordance with the requirements of the Corporations Act 2001 and vote on a non-binding resolution to adopt the Remuneration Report for the year ended 31 December 2007.

RE-ELECTION OF GEORGE WHITE AS A DIRECTOR (Resolution 2)

Mr. White has been a director of the Company since January 2005. He retires by rotation in accordance with the Constitution of the Company, but being eligible, offers himself for re-election. Details of Mr. White's experience and qualifications are set out in the section "Information on Directors" within the Annual Report.

The Directors recommend that the resolution be passed.

ISSUES TO DIRECTORS UNDER EMPLOYEE AND OFFICERS OPTION PLAN 2006 (Resolutions 3 to 6)

ASX Listing Rule 10.14 provides that a company may not issue options to a director under an employee incentive scheme without the approval of holders of ordinary shares

Resolutions 3 to 6 are proposed to obtain approval for the allotment of options under the Employee and Officers Option Plan 2006 to directors of the Company.

The below table describes the maximum number and the terms upon which the options that are to be issued to each recipient for which approval is sought under Resolutions 3 to 6.

Director	No of Options	Expiry Date	Exercise Price
Anthony Fawdon	1,300,000	30 June 2011	0.47
David Hall	1,000,000	30 June 2011	0.47
George White	500,000	30 June 2011	0.47
Lawrence Litzow	500,000	30 June 2011	0.47

A copy of the terms and conditions of the Employee and Officers Option Plan 2006, previously approved on 31 May 2006, is available from the Company, at no cost, on request.

Messrs A J Fawdon, D H Hall and L J Litzow have served the Company in the roles of directors and/or officers since January 2001. During that time they have diligently managed and maintained the exploration assets and provided services to the Company. All directors continue to maintain a high level of commitment in undertaking their respective roles in the daily operations and management of the Company as it endeavours to achieve the position of a successful Australian mineral explorer. Mr. White has served as a non-executive director since 2005 and provides valuable corporate strategy and direction to the Company.

No monies will be payable for the options which are to be issued by way of a performance incentive and also, in the case of Messrs Fawdon, Hall and Litzow, as reward for the provision of past services at reduced rates. None of the directors have entered into any loan agreements in relation to the acquisition of the options under Resolutions 3 to 6.

Options have previously been issued pursuant to the Employee and Officers Option Plan 2006 on 3 July 2006 and 31st May 2007 as follows:

Director	No of Options	Expiry Date	Current Exercise Price
Anthony Fawdon	1,200,000	30 June 2011	0.47
David Hall	3,100,000	30 June 2011	0.47
George White	2,000,000	30 June 2011	0.47
Lawrence Litzow	2,000,000	30 June 2011	0.47

Mr. Fawdon was also issued with 2,500,000 options on similar terms and conditions in July 2006, but not under the Employee and Officers' Option Plan.

The options that are the subject of Resolutions 3 to 6 are expected to be issued on or about 1 June 2008, and in any case, no later than one month from the date of the meeting. In accordance with the terms of the Employee and Officers Plan 2006, all current directors are eligible to participate in the issue.

Details of any securities issued under the Employee and Officers Option Plan 2006 will be published in each annual report of the Company relating to a period in which securities have been issued, and where appropriate confirmation that approval for the issue of securities was obtained under ASX Listing Rule 10.14 will be provided.

Any additional directors who become entitled to participate in the Employee and Officers Option Plan 2006 after Resolutions 3 to 6 are approved and who are not named as being entitled to participate will not participate until approval is obtained under ASX Listing Rule 10.14.

Shareholders are directed to the analysis at the conclusion of the Explanatory Notes relating to the effect that the issue of options under Resolutions 3 to 6 will have upon the directors' individual remuneration, including a valuation of the options determined using the Black-Scholes option-pricing Method.

No funds will be raised from the issue of the options. Funds raised from the exercise of the options will be applied towards the working capital requirements of the Company at the time.

Approval under ASX Listing Rule 7.1 is not required if the same issue is approved by Shareholders pursuant to Listing Rule 10.11 (as provided for by Listing Rule 7.2, exception 14).

EFFECT OF ISSUE OF OPTIONS ON DIRECTORS REMUNERATION

The table below provides information relating to the effect that the issue of options as contemplated by Resolutions 3 to 6 will have upon the directors individual remuneration, including a valuation of the options determined under the Black-Scholes option-pricing Method.

Director	A J Fawdon	D H Hall	G H White	L J Litzow
No of Shares (ASX code DRX) currently held (direct & indirect) ^{NOTE 1}	3,231,398	2,450,000	0	4,420,874
No of September 2008 Options currently held (direct & indirect) ^{NOTE 1}	0	31,488	0	162,561
No of June 2011 Options (\$0.47) issued in 2006 & 2007	3,700,000	3,100,000	2,000,000	2,000,000
No of June 2011 Options (\$0.47) proposed to be granted	1,300,000	1,000,000	500,000	500,000
Current Annual Remuneration including Superannuation ^{NOTE 2}	\$245,250	\$223,450	\$32,700	\$65,000
Consideration for June 2011 Options to be granted	Nil	Nil	Nil	Nil
(Value of June 2011 Options as at 14/04/2008 is \$0.00 per option ^{NOTE 3})				
Total Annual Remuneration Package (incl. proposed June 2011 Options)	\$245,250	\$223,450	\$32,700	\$65,000

NOTE 1 Number of securities includes securities held by associates of the director.

NOTE 2 L Litzow provides services remunerated by way of directors fees and professional fees through a professional service entity.

NOTE 3 The valuation of the options to be issued to the Directors under these resolutions has been based upon the Black-Scholes option-pricing Method using the following parameters:

Share Price	17 cents	Interest Rate	6%
Strike Price	47 cents	Volatility	10%
Time to maturity	36 months		

This equates to a valuation of \$0.00 per option. However, as the Options will be unlisted and they will lack negotiability to realise a value, a discount of 50% has been applied resulting in a Value per Option of \$0.00.

Over the ten day ASX trading period from 7 April 2008 to 18 April 2008, and on a volume of 2,469,115 shares, the Company's closing share price has ranged from a low of 16 cents to a high of 20 cents, averaging 17 cents.