MEDIA RELEASE

30 October 2012

CHILEAN GIANT EYES US$8M INVESTMENT IN DIATREME'S CLERMONT COPPER PROJECT

Brisbane: Boosting prospects for a new copper mine close to the mining centre of Clermont, central Queensland, Diatreme Resources Limited (ASX:DRX) today confirmed that Antofagasta Minerals S.A. ("Antofagasta") has exercised its option to invest up to US$8 million in the Clermont Copper Project over four years.

Welcoming the decision, Diatreme's Executive Chairman, Tony Fawdon, said it was a vote of confidence in the area's potential to host a significant porphyry copper-gold system and become a further source of mineral wealth for Queensland.

"Diatreme first discovered a zone of copper, gold, silver and molybdenum porphyry-style mineralisation in the highly prospective Rosevale Porphyry Corridor in 2008," Mr Fawdon said.

"This commitment by a major international miner confirms our belief in the area's significant potential, particularly in the central tenement areas, for the discovery of large-scale porphyry mineralisation."

Antofagasta Minerals S.A. is the mining division of UK-listed Antofagasta plc, with a market value of around GBP12.6 billion.

After completing the initial six-month assessment period announced in March, Antofagasta will now invest a further US$700,000, with Diatreme as operator, to drill:

1. a 700-900m deep diamond drillhole at Gollan, where affinities with Cadia Ridgeway (NSW) host rock alteration styles have been identified, and
2. up to 2,100m of RC percussion drilling at Elektra North and Red Dog, where previous wide intercepts of mineralisation were drilled by DRX.

Antofagasta will focus its efforts on the corridor now known as the Rosevale Project, approximately 15km south-west of Clermont.

Should the results prove positive, Antofagasta will expand its work program under the farm-in agreement, via an option to earn a 51 per cent stake in the project by funding US$8 million in exploration expenditure over a four-year period.

Antofagasta then has the option to earn an additional 9 per cent to increase its stake to 60 per cent by delivering a JORC-compliant inferred resource and completing a scoping study on at least one mineral deposit.

“The exploration funding and technical expertise Antofagasta brings to the Rosevale Project is of immense value to Diatreme in advancing the potential identification, delineation and development of a large polymetallic, porphyry-style mining operation in the Clermont area,” Mr Fawdon said.

“Together with our flagship, $200 million Cyclone Zircon Project, Diatreme is focused on developing its range of projects spanning heavy mineral sands, copper, base metals and gold for the benefit of shareholders.”

An established mining district, Clermont has been subject of multi-million dollar exploration deals from major miners due to the potential of its porphyry deposits, which are amongst the largest tonnage sources for copper.

For further details of the agreement, refer to the ASX announcement released by Diatreme Resources, dated 30 October 2012.

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For further information:

Tony Fawdon
Executive Chairman/CEO
Ph: 07 3832 5666

For media queries:

Anthony Fensom
BWH
Ph: 07 3368 2355

About Antofagasta Minerals S.A.

Antofagasta Minerals S.A. is wholly owned by Antofagasta plc, a London Stock Exchange listed company and a constituent of the FTSE-100 Index, with interests major interests in mining in addition to transport and water distribution. Currently, Antofagasta plc activities are primarily concentrated in Chile where it owns and operates four copper mines: Los Pelambres, Esperanza, El Tesoro and Michilla. Total production in 2011 was 640,500 tonnes of copper, 9,900 tonnes of molybdenum and 196,800 ounces of gold. A fifth mine, Antucoya, is now starting construction. Antofagasta plc also has exploration, evaluation and/or feasibility programs in North America, Latin America, Europe, Asia, Australia and Africa.

About Diatreme Resources Limited

Diatreme Resources Limited (ASX code: DRX) is a diversified Australian mineral explorer with significant projects in heavy mineral sands, copper, base metals and gold. The Company owns the world-class Cyclone Zircon Deposit in Western Australia, situated within the recognised Eucla Basin province, along with extensive areas of ground prospective for heavy mineral sands, copper, base metals and gold.

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