DIATREME RESOURCES LIMITED

ABN: 33 061 267 061

Postal Address: P.O Box 10288 Brisbane Adelaide Street QLD 4000
Registered Office: Level 2 87 Wickham Terrace Spring Hill QLD 4000
PH: +61 (0)7 3832 5666 FX: +61 (0)7 3832 5300
www.diatreme.com.au manager@diatreme.com.au

ASX : DRX

Market Announcements Office
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

7 November 2012

TZMI CONGRESS 2012 – 5-8 November 2012 PRESENTATION

The Company's Chairman, Mr Tony Fawdon, has presented the "Cyclone Zircon Deposit – Discovery to Bankable and Beyond" to delegates of the 6th Annual TZMI Congress 2012 in Hong Kong.

The Congress, being held over three days, attracts about 400 industry leaders and representatives who attend the in-depth examination of the titanium and zircon industries, TiO_2 pigment and end-use markets. Good opportunity exists for the Company to update industry players on progress of the DFS at Cyclone and provide exposure to other mineral sand projects held in Diatreme's portfolio.

There is strong and increasing global demand across the mineral sands supply chain, and in the current environment, Cyclone continues to attract investment interest as a future supplier of zircon and titanium products.

The Hong Kong presentation is attached and may also be accessed on the Company's website at www.diatreme.com.au.

DAVID H HALL
Executive Director - Operations

Attachment: *TZMI Congress 2012 Presentation "Cyclone Zircon Deposit – Discovery to Bankable and Beyond"*

DIATREME RESOURCES

Cyclone Zircon Deposit

Discovery to Bankable and Beyond

November 2012

Statements

This presentation contains certain forward-looking statements and forecasts which include without limitation, expectations regarding future performance, exploration, mineral resources, the financial position of Diatreme Resources Limited (the "Company"), industry growth or other trend projections.

Whilst this presentation is based on information from sources which are considered reliable, the Company, its directors, employees and consultants do not represent, warrant or guarantee, expressly or impliedly, that the information in this presentation is complete or accurate. To the maximum extent permitted by law, the Company disclaims any responsibility to inform any recipient of this presentation of any matter that subsequently comes to its notice, which may affect any of the information contained in this document and presentation.

Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

STATEMENT IN ACCORDANCE WITH THE AUSTRALASIAN CODE FOR REPORTING OF EXPLORATION RESULTS, MINERAL RESOURCES AND ORE RESERVES (THE JORC CODE)

The information in this report that relates to Mineral Resources is based on information compiled by Mr Ian Reudavey, who is a Member of the Australian Institute of Geoscientists, and a full time employee of Diatreme Resources Limited. 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 2004 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.

The information in this report that relates to Ore Reserves is based on information compiled by Mr Phil McMurtrie, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr McMurtrie is a director of Tisana Pty Ltd, and is a consultant to Diatreme Resources Limited. Mr McMurtrie 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr McMurtrie consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Diatreme Resources Limited

A Snapshot

Copper, Gold, Base Metals

Rosevale Porphyry

Clermont, Central Queensland

100% Equity (Antofagasta Minerals earning 60%)

- 10x3km Porphyry Cu Au System
- Affinities to Cadia / Ridgeway Geology
- Deep Diamond Core Drilling 700 to 900m planned (Gollan Prospect)
- Red Dog & Electra Prospects 1300m RC Drilling

Anabama, South Australia

- Copper Gold Cobalt (100%)
- Iron Ore Exploration
- Seeking JV Partner

Gilbert River, North Queensland

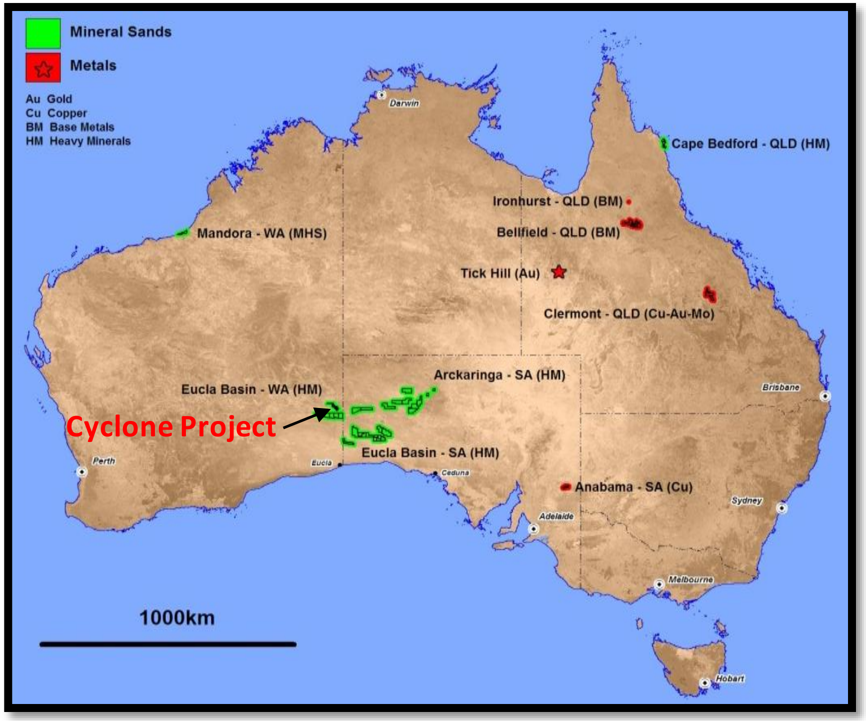
100% Equity

- Porphyry, Structure and Stratiform Controlled Cu, Au, Au, Ag, Pb, Zn, Prospects

Tick Hill, Northwest Queensland

Superior Resources (earning 50%)

- Very High Grade Au past Production



Heavy Mineral Sands

100% Equity

Cyclone Deposit

- Advanced Zircon Project located in Western Australia
- Probable Reserve – 97Mt @ 2.5% HM
- 770,000 Tonnes of Zircon in Ground (Reserve)
- Prefeasibility study completed –DFS underway
- 3 further Prospective HMS Targets

Diatreme Resources Limited

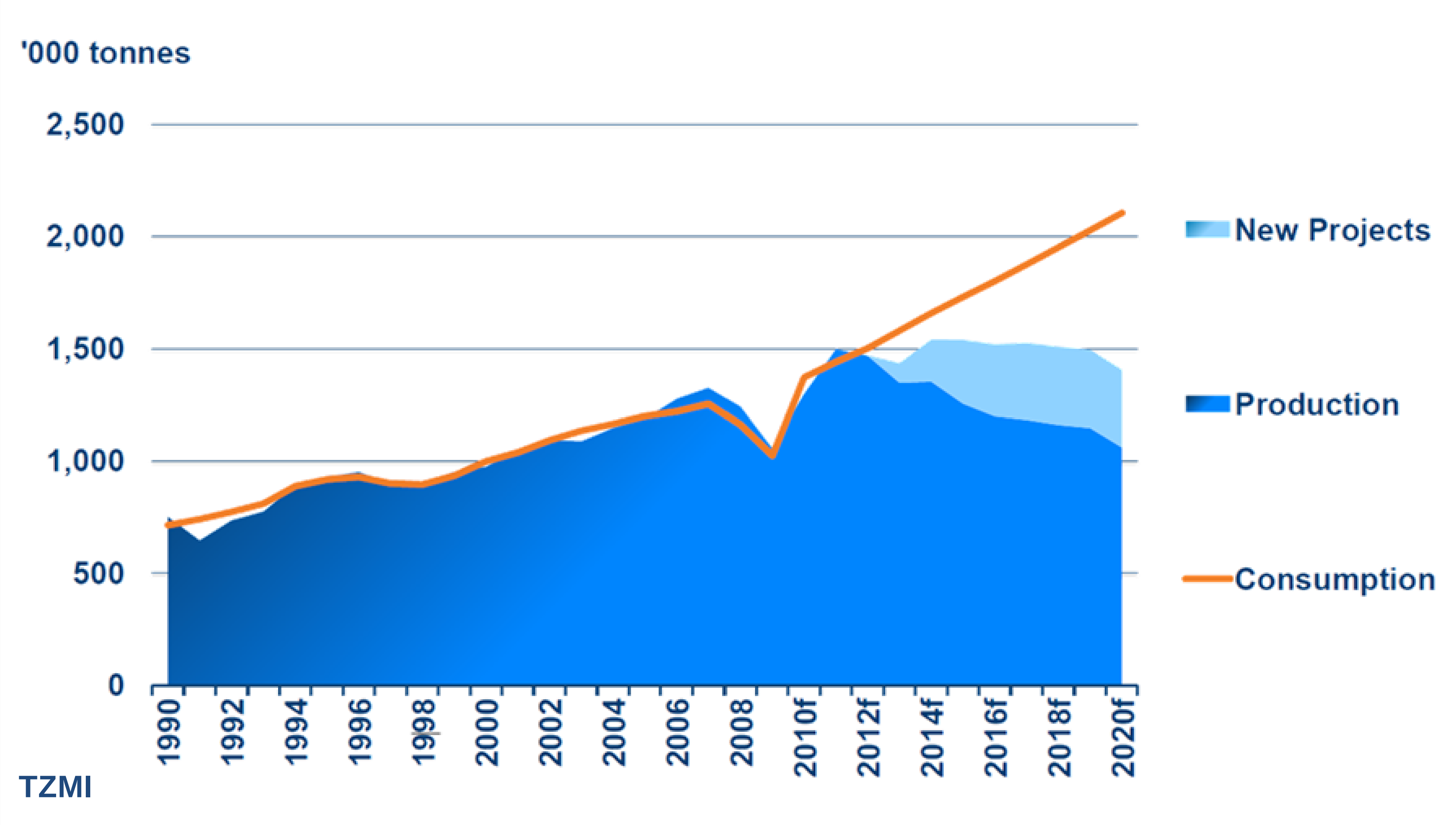
David Hall, George White, William Wang, Tony Fawdon, Andrew Tsang, Neil McIntyre

Investment Fundamentals

Zircon & DRX Dynamics

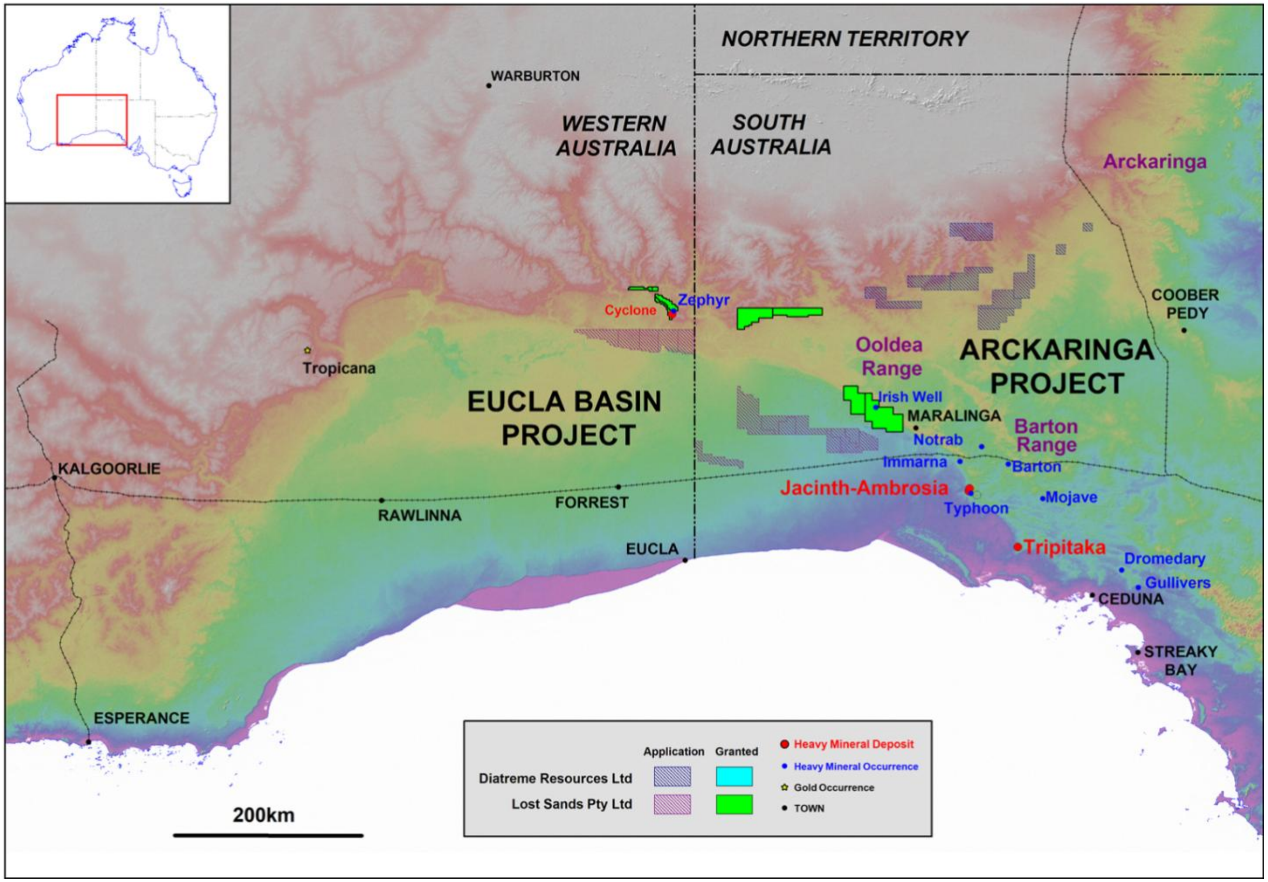
- Mineral Sands sector commanding attention with demand driven by urbanisation and wealth.
- Emerging supply shortfall of Zircon worldwide.
- No relief of zircon short supply on the horizon.
- Massive imbalance between current share price and value of Cyclone deposit.
- PFS completed, NPV of Cyclone is AUD$194M.

Zircon Supply / Demand Analysis



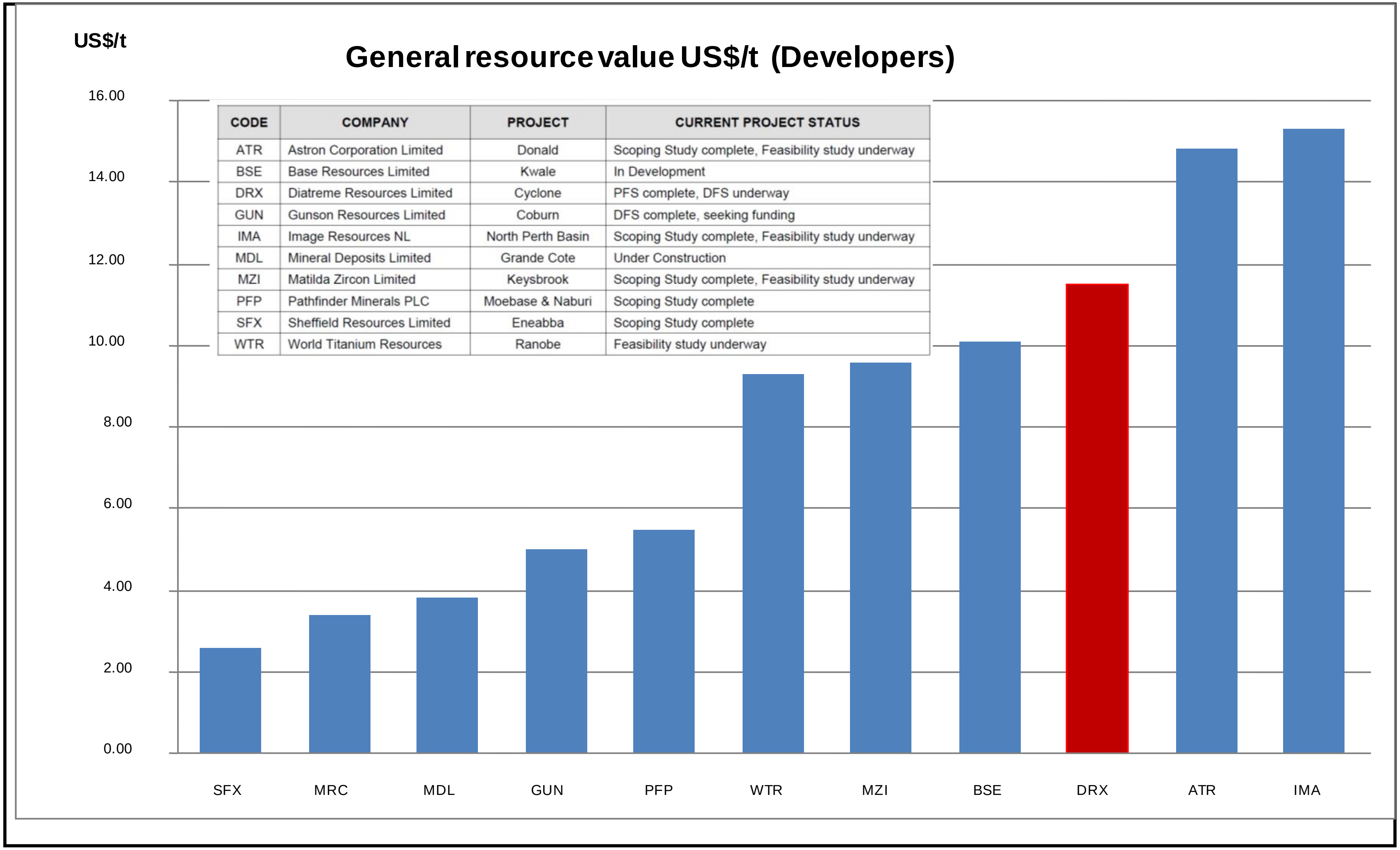

CYCLONE DEPOSIT
EUCLA BASIN
WESTERN
AUSTRALIA

Location - Eucla Basin



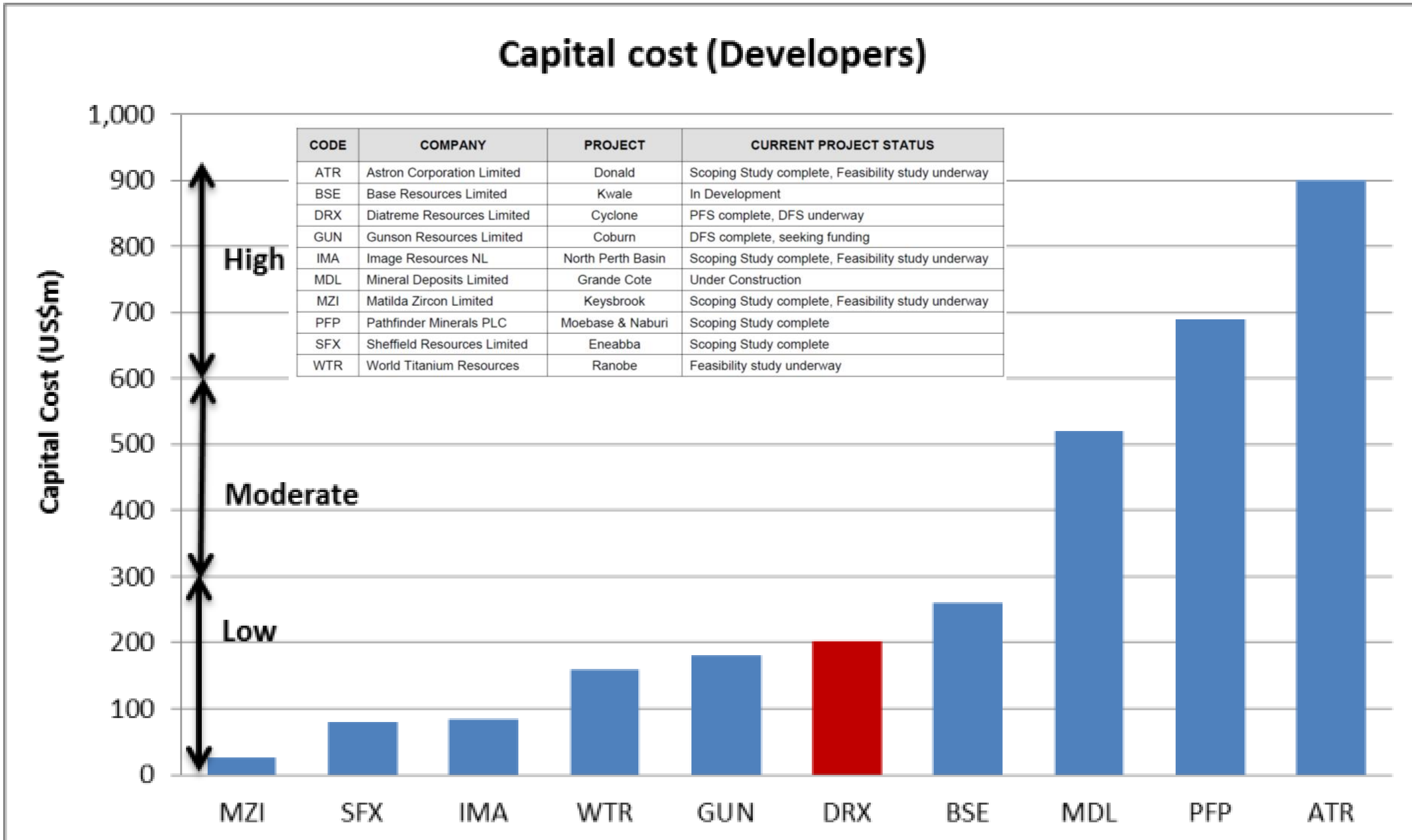
- The Cyclone Deposit is in the highly prospective Eucla Basin
- Eucla Basin known for very high value mineral sand deposits including Iluka's Jacinth-Ambrosia Project.
- Single underlying landowner who is committed to development.
- Port options by standard gauge railway.
- Western Australia – well known mining state.

Peer Comparison for Cyclone



CODE	COMPANY	PROJECT	CURRENT PROJECT STATUS
ATR	Astron Corporation Limited	Donald	Scoping Study complete, Feasibility study underway
BSE	Base Resources Limited	Kwale	In Development
DRX	Diatreme Resources Limited	Cyclone	PFS complete, DFS underway
GUN	Gunson Resources Limited	Coburn	DFS complete, seeking funding
IMA	Image Resources NL	North Perth Basin	Scoping Study complete, Feasibility study underway
MDL	Mineral Deposits Limited	Grande Cote	Under Construction
MZI	Matilda Zircon Limited	Keysbrook	Scoping Study complete, Feasibility study underway
PFP	Pathfinder Minerals PLC	Moebase & Naburi	Scoping Study complete
SFX	Sheffield Resources Limited	Eneabba	Scoping Study complete
WTR	World Titanium Resources	Ranobe	Feasibility study underway

Peer Comparison for Cyclone



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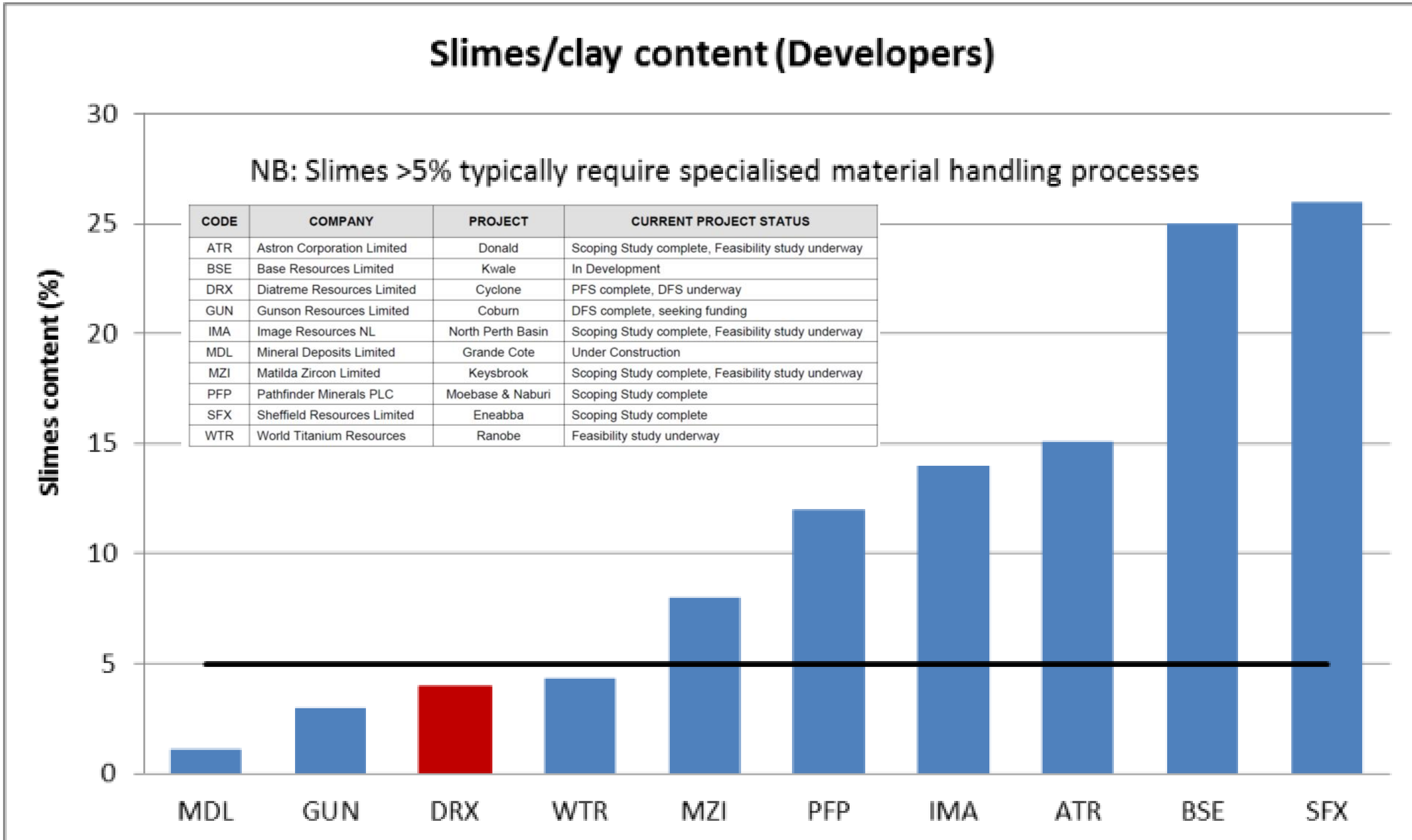

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Cyclone Project Financials – PFS

Capital Investment (including PFS & DFS)	AUD$223 Million
Average Annual Sales Revenue	AUD$191 Million
Average Annual Operating Costs	AUD$88 Million
Average Annual Tax Payable	AUD$24 Million
Average Annual Operating Cash Flow After Tax	AUD$78 Million
Payback Period (Years)	2.1
IRR	32%
NPV (10%) Base Case	AUD$194 Million

Cyclone Project Timeline

Schedule	Date
Pre-Feasibility Study	**Completed - March 2012**
Definitive Feasibility Study	Q2 2014
Project Financing	Q3 2014
Construction & Development	2014-2015
Mining & Production	2015

Cyclone Mining Stats

Strip Ratio	1.1 : 1
Mining Rate (Dry)	1,300 tonnes per hour – 2 x Dozer traps
Mine Site Wet Concentration Plant Product	26 Tonnes / Hour 147,000 Tonnes PA @ 98.5% Concentrate
Transport - Road	240km - 4 trucks x 110 tonnes to Forrest.
Transport - Rail	1,000km

OPTIONS
Mineral Separation Plant in Australia
Mineral Separation Plant in China or Other Country
Direct sale of HMC within Australia
Direct sale of HMC offshore

Cyclone Products

Zircon: 65,000 tonnes per year

ZrO_2 %	FE_2O_3 %	SiO_2 %	Al_2O_3 %	TiO_2 %	P_2O_5 %	U+Th ppm	CeO_2 %
66.0	0.10	32.8	0.20	0.31	0.07	369	0.020

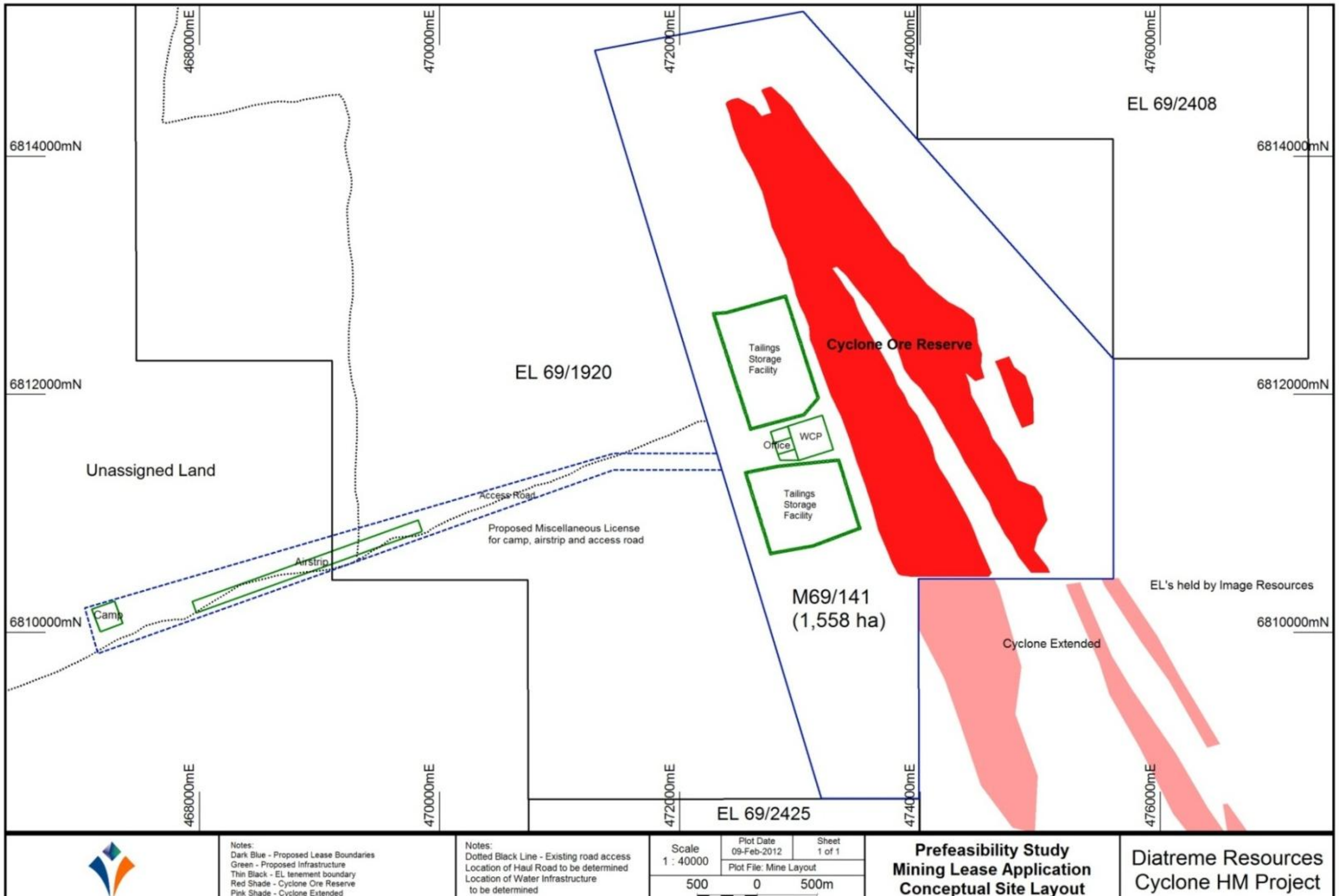
HiTi87: 10,000 tonnes per year

TiO_2 %	FE_2O_3 %	SiO_2 %	Al_2O_3 %	ZrO_2 %	MgO %	MnO %	CaO %	CR_2O_3 %	U+Th ppm
86.6	2.6	5.0	1.01	3.3	0.04	0.02	0.03	0.06	84

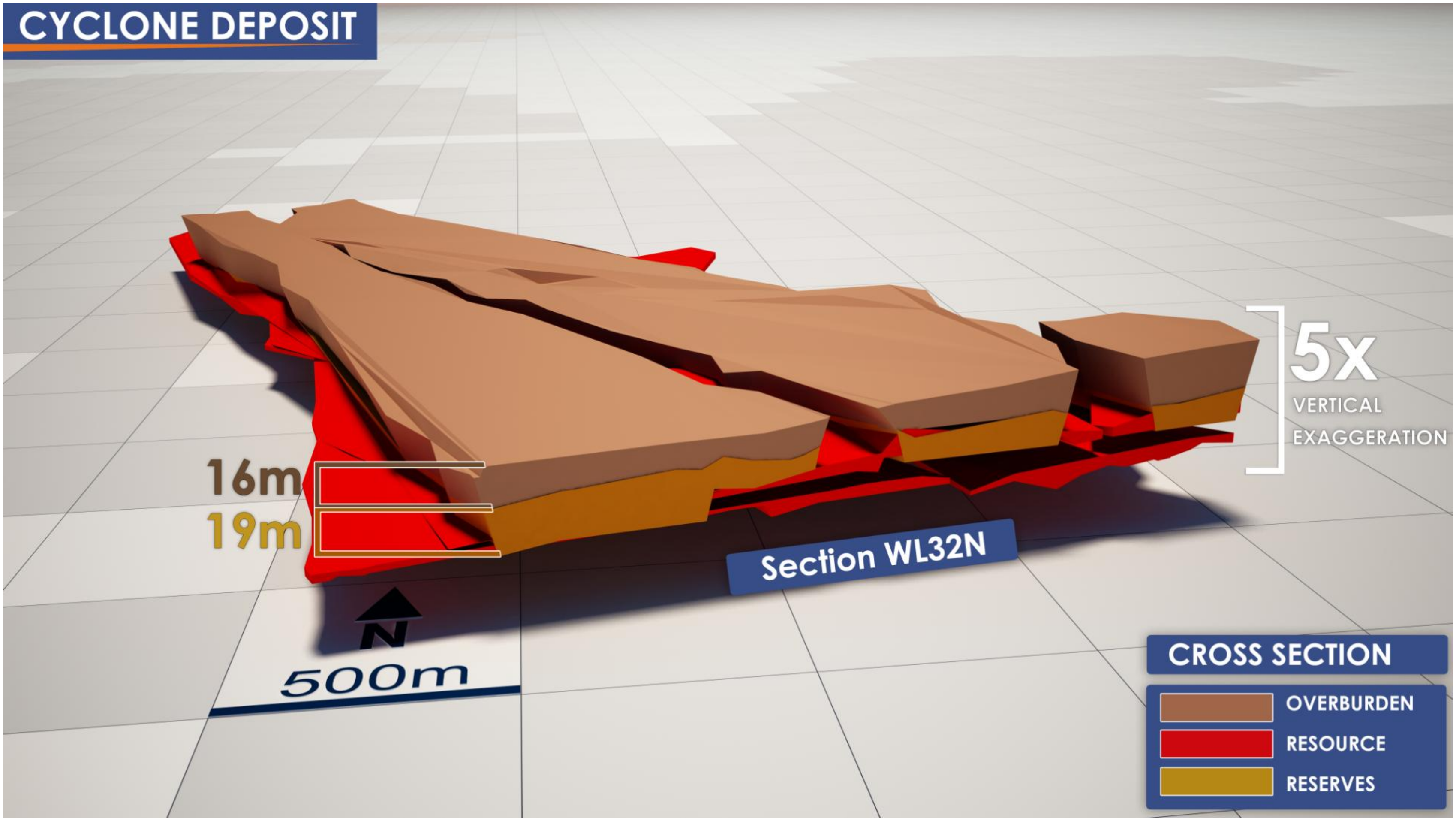
HiTi67: 46,000 tonnes per year

TiO_2 %	FE_2O_3 %	SiO_2 %	Al_2O_3 %	ZrO_2 %	MgO %	MnO %	CaO %	CR_2O_3 %	U+Th ppm
67.3	20.1	6.3	1.75	0.5	0.10	0.42	0.07	0.08	94

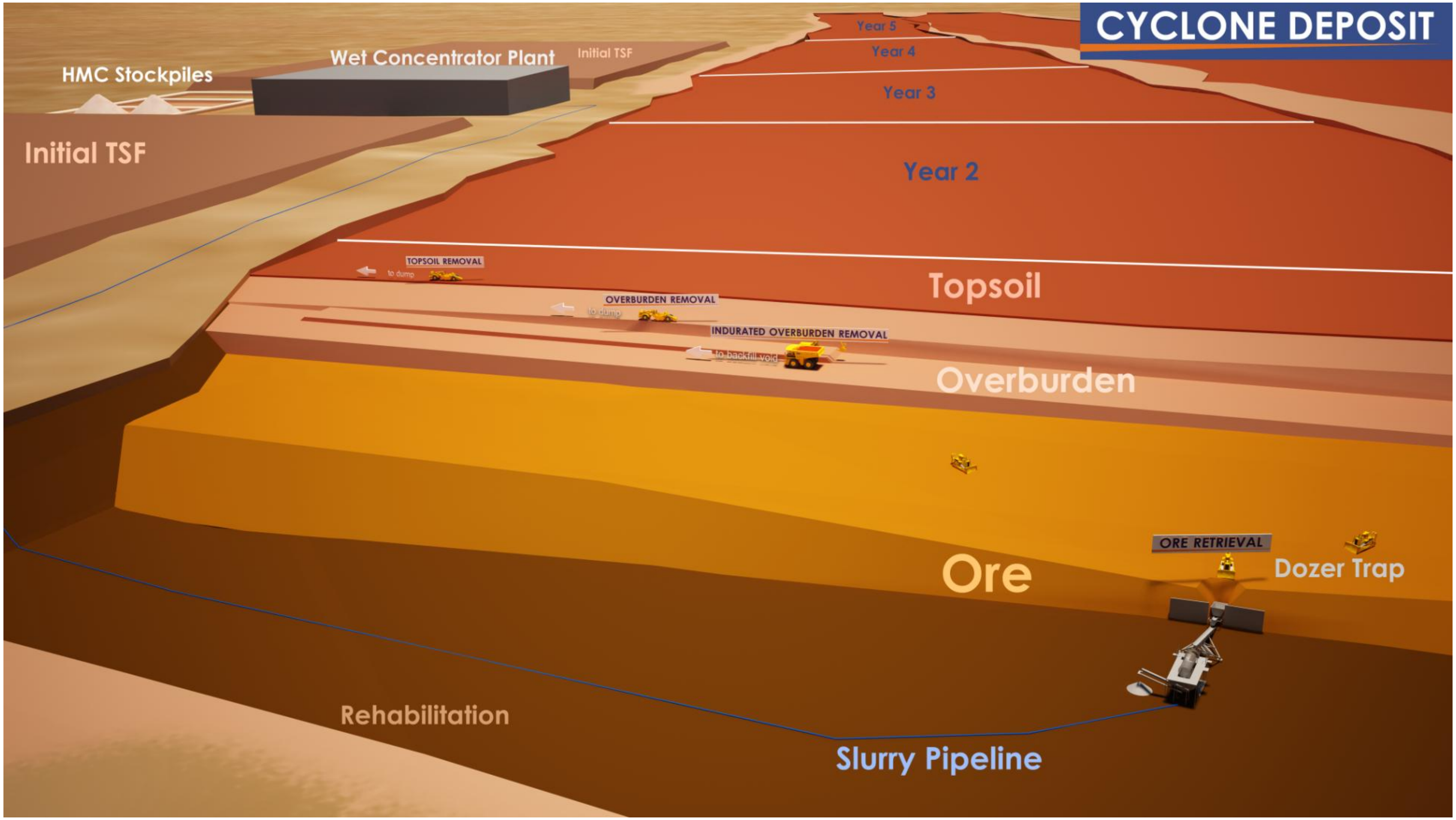
Cyclone Mining Lease Application



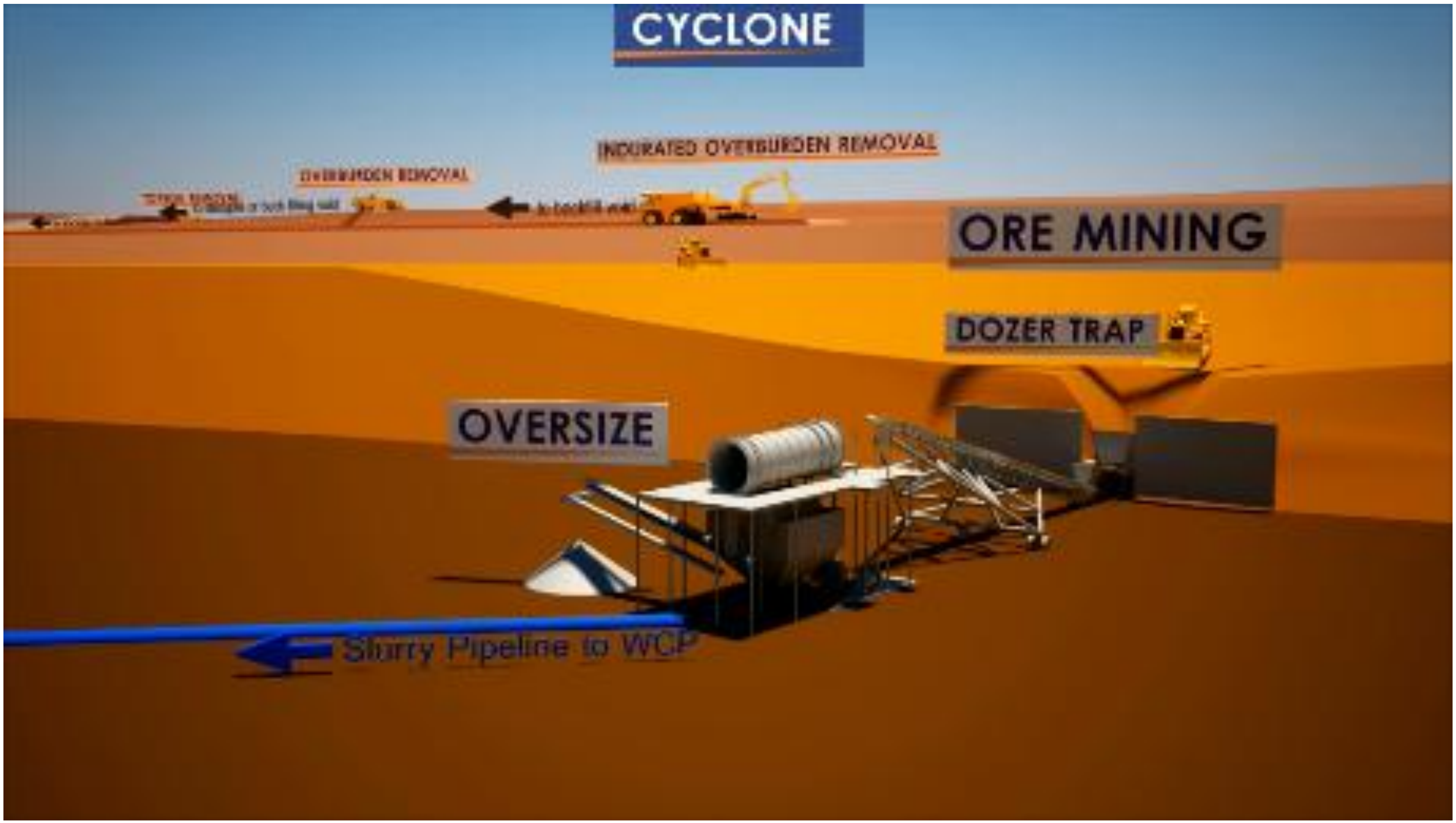
Cyclone Deposit – 3D



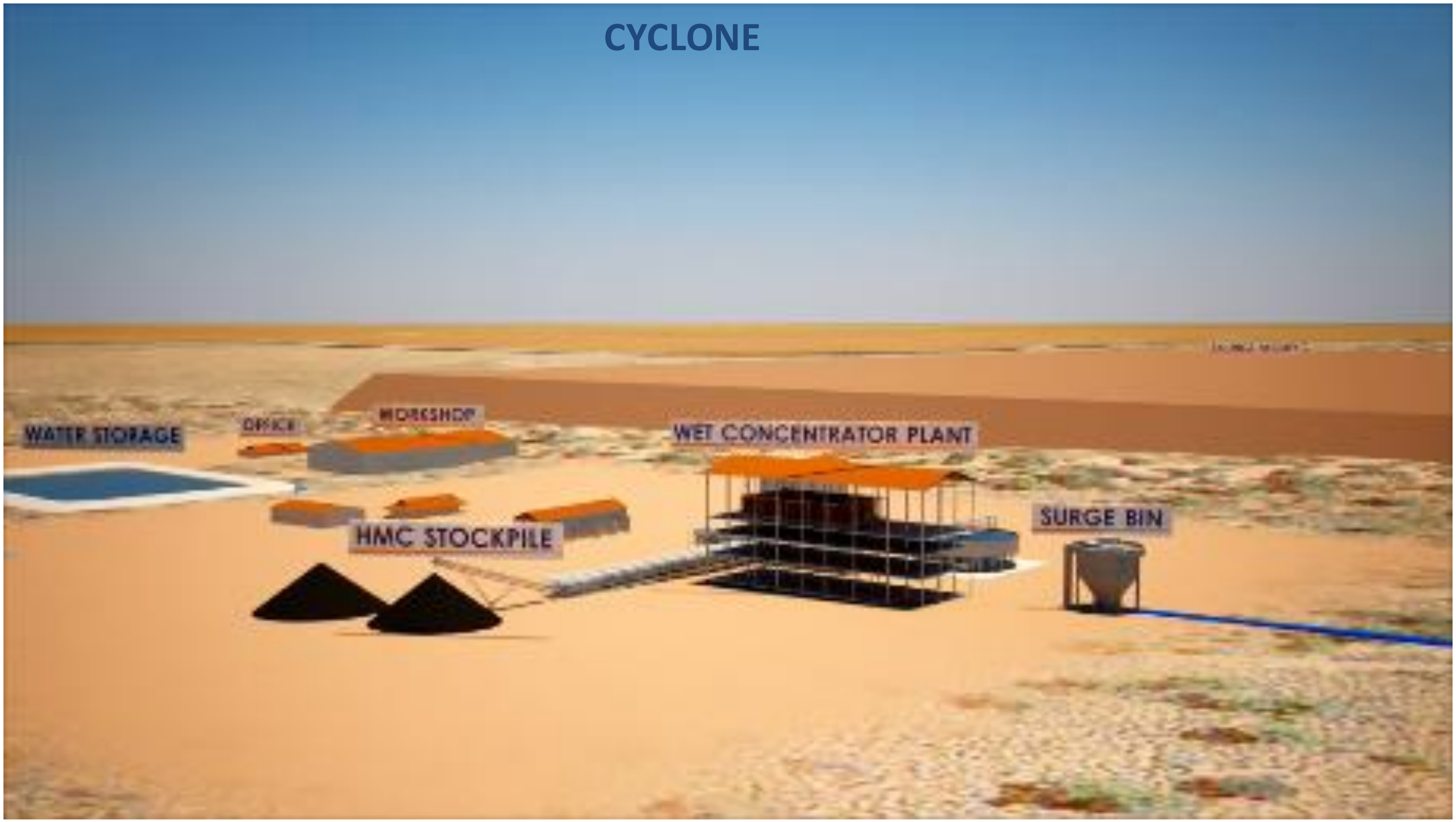
Proposed Mining Methods



Mining Operations



Wet Concentration Plant



Transport Options

DRX Corporate Details

DRX—Capital Structure	
Shares on Issue	442 Million
Options on Issue (ex Sept 2013 @ $0.15)	88.7 Million
Share Price (as at 25/10/2012)	A$0.025
Market Capitalisation	A$11 Million
Cash at Bank	A$2M

Substantial Shareholders	Interest
Mr Andrew Tsang	24.2%
Doral Industries Ltd	6.1%
Zhangxi Zheng	3.9%
Chenfei Zhuang	2.2%
Huntley Custodians	1.8%
Total Interest of Top 20 Shareholders	48%

Directors	Position
Tony Fawdon	Executive Chairman / CEO
David Hall	Executive Director Operations
William Wang	Non Executive Director
George White	Non Executive Director
Neil McIntyre	Non Executive Director
Andrew Tsang	Non Executive Director

Management	Position
Phil McMurtrie	Cyclone Project Manager
David Jelley	Exploration Manager
Ian Reudavey	Chief Geologist Mineral Sands
Bob Findlay	Chief Geologist Metals
Greg Bitmead	Ceduna Base Manager

DIATREME RESOURCES

Cyclone Zircon Deposit

Discovery to Bankable and Beyond

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