



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

16 March 2010

ASX/MEDIA RELEASE

DIATREME BUILDS PROJECT TEAM FUNDING FOR CYCLONE ZIRCON PROJECT

Diatreme Resources Limited (ASX:DRX) is pleased to provide an update on the Company's planned zircon production in the Eucla Basin of Western Australia.

Following the Company's announcement on 3 March 2010 of positive scoping study results for the Cyclone Heavy Mineral Deposit, Diatreme is now in the process of assembling a dedicated project team to manage the prefeasibility studies being undertaken during the remainder of this year. On the completion of successful prefeasibility studies, feasibility studies would follow in 2011 and project construction anticipated to begin in late 2012.

Meanwhile, discussions are underway with international industry groups with a view to co-funding the development process for the Wanna Heavy Mineral Sands Project (encompassing the Cyclone Deposit). Any development would include the identified Cyclone heavy mineral resources and any satellite resources feeding into a central mining operation. The results of these discussions will be advised to the market in due course.

<ENDS>

For further information:

Tony Fawdon
Executive Chairman/CEO
Ph: 07 3832 5666

For media queries:

Anthony Fensom
Bayly Willey Holt
Ph: 07 3368 2355

About Diatreme Resources

Diatreme Resources Limited (ASX code: DRX) is a diversified Australian mineral explorer with significant projects in heavy mineral sands, copper, base metals and gold. Based in Brisbane, Queensland, the company listed on the Australian Securities Exchange in June 2005. The Board and senior personnel have wide experience in the exploration and development phases of resource management.

About zircon

Zircon is a mineral sand used in the production of ceramics, including sanitary ware, tiles and tableware. It is also used in refractories, TV glass and foundry applications. Zircon is the source material for zirconia and a range of chemicals used in high-tech applications, including fuel cells and abrasives. Zirconium metal is used in nuclear fuel rods, while zirconia is used in jewellery.

Global zircon consumption in 2008 was estimated at 1.3 million tonnes, with China the largest single consumer followed by Western Europe, North America, Japan and other countries.