



Company Announcement Office
Australian Securities Exchange
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CYCLONE (HEAVY MINERAL) DEPOSIT MINERALOGY

The Company is pleased to announce that it has completed further mineralogical testwork on the Cyclone Heavy Mineral (HM) Deposit, Western Australia - current Inferred Resource of 60 million tonnes at 3.1% HM (Figure 1). The results from this work highlight the deposit as being particularly valuable in terms of its mineral species.

A spread of mineralogy samples were selected across the mineral resource and analysed by *SGS Australia Pty Ltd* using the "QEMSCAN" method. Results are presented below in Table 1:

Mineral	% Mass	% Mass Range
Zircon	33	18-42
Rutile	12	5-24
Leucoxene	27	14-43
Altered Ilmenite	17	4-30
Others	11	n/a

Table 1: Average Mineralogy (QEMSCAN) result from Cyclone HM Deposit, WA.

Previous mineral assemblage testwork by *Diamantina Laboratories* using point counting over a single central drill line of the deposit indicated that the deposit contained Zircon (41%), Rutile (3%), Leucoxene (42%), Ilmenite (10%) and valueless trash minerals (4%). The recent work has been more exhaustive, covering a larger area of the resource along with different stratigraphic levels of the deposit. It uses a more accurate method of analysis than the more subjective point counting.

Weather conditions have improved and the Company plans to resume fieldwork in the Wanna Lakes Project area shortly. Further drilling, including bulk sample testwork on the Cyclone Deposit, to be used for ore characterization, will be conducted.

The Directors believe there is high potential to increase the size of the current Cyclone Deposit resource, along with a strong possibility of establishing further mineralisation to the north and east within the Company's tenements. There is also potential to the south of the deposit, immediately to the west of the boundary of the Image Resources NL (ASX:IMA) tenement where IMA reported encouraging HM grades and high zircon in February 2009.

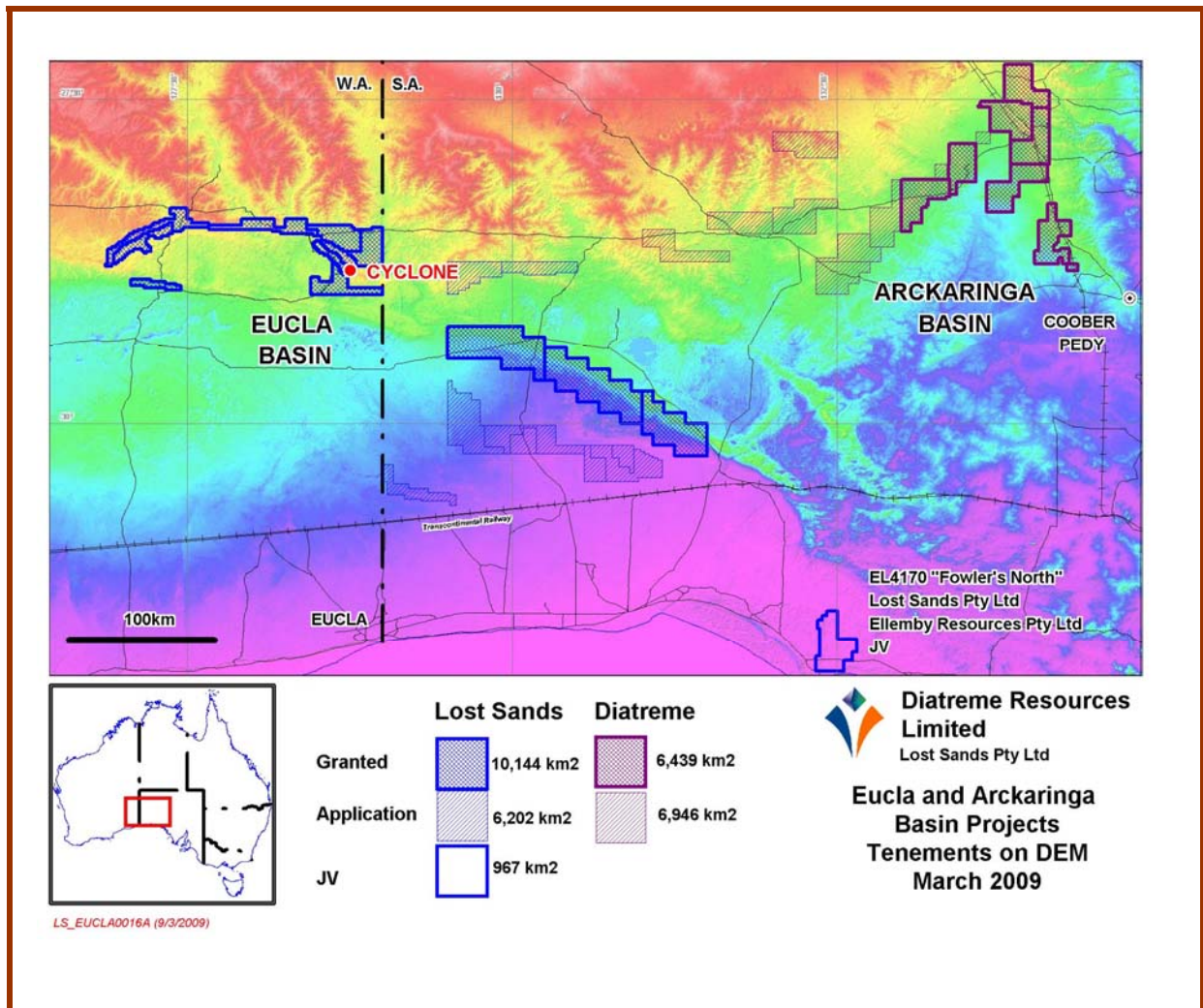


Figure 1: Eucla and Arckaringa Basin Project tenements on Digital Elevation Model base - total tenement area is approximately 30,700 sq km

Geology

The Cyclone Deposit is made up of numerous mineralised strand systems which are believed to represent ancient beach placer deposits with associated dunal deposits and nearshore mineralisation between the stacked beach systems. The sands are free flowing with very little induration (rock) and low slimes contents, thus favourable to traditional sand mining techniques.

The deposit lies within 25km of the WA/SA state border approximately 220km north of the transcontinental railway.

All drilling undertaken to date has been by contracted drill rigs using the NQ aircore system and samples taken at 1.5m intervals within vertical drill holes. Samples with heavy mineral intercepts of greater than 0.3% heavy minerals were submitted to the company operated

pre-preparation laboratory in Ceduna for wet screening at 2mm and 53 micron (oversize and slimes analyses respectively).

Sub-samples were submitted to a contract laboratory, *Diamantina Laboratories*, for heavy media separation using TBE (tetrabromoethane), with a density of 2.9 grams per cubic centimetre. The QAQC data assessed as part of the drilling programme returned very acceptable results and included duplicate samples submitted at a rate of 1 in 20 as a primary check on the laboratory and at a rate of 1 in 50 as a secondary check using a different contract laboratory, *Western Geolabs Pty Ltd*.

Drill holes were located using handheld GPS equipment with sub-five metre resolution. Collar elevations were assigned from a digital terrain model derived from the Shuttle Radar Topography Mission (SRTM) data.

Mineralogy Methodology

Samples were micro-riffled, and representative aliquots of each mixed with graphite and mounted in permanent epoxy resin. Thirty-eight (38) polished blocks were prepared in total for the analysis. The samples were carbon-coated prior to analysis using the QEMSCAN system.

The samples were analysed using Particle Mineralogical Analysis (PMA). A PMA measurement is performed on a particle by particle and pixel by pixel basis. This results in an X-ray map of each particle analysed.

QEMSCAN data is classified using a very detailed chemical-based mineral list. A simplified mineral grouping was applied to these analyses for the bulk mineralogy.



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The information in this report, insofar as it relates to Exploration Results and Mineral Resources is based on information compiled by Mr David Jelley, of David Jelley Pty Ltd, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Jelley 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 Jelley consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.