DIATREME RESOURCES LIMITED

ABN 33 061 267 061

PO Box 295
Brisbane Albert Street BC
Queensland 4002

Telephone : 61 7 3229 9927
Facsimile : 61 7 3229 6627
Email : manager@diatreme.com.au
Internet : www.diatreme.com.au

NSX ANNOUNCEMENT

ACTIVITIES REPORT FOR THE QUARTER ENDING 31 MARCH 2004

QUARTERLY HIGHLIGHTS

Gywdir Diamond Project
(*formerly the Warialda Diamond Project*)
Northern New South Wales

A four hole Reverse Circulation (RC) percussion drilling program was completed on two magnetic targets for a total of 197.5m. Two holes at the Moven Prospect intersected basic diatremes of probable Jurassic age. Petrological analysis work is in progress to determine the nature and mineralogy of the basic rocks. Further drilling is planned.

The results are encouraging as they confirm that magnetic surveys can locate possible diamond bearing diatremes below cover.

Based upon initial exploration success and follow up literature studies, the Company has expanded its hard rock diamond search in the district by applying for three exploration licences north and west of the Bingara alluvial diamond field covering multiple untested geophysical anomalies.

Clermont Gold Prospect
Central Queensland

A seven hole Reverse Circulation (RC) percussion drilling program at the Clermont South Prospect was completed for a total of 532m. Best grades encountered were 2m at 4.05 g/t gold and 2m at 2.46% copper.

EXPLORATION ACTIVITIES

Gywdir Diamond Project (Diatreme 100%)
EL 5900, ELA No's 2329, 2330, 2331 - *Northern New South Wales*

Geophysical Surveys - EL 5900

The Company completed detailed ground magnetic surveys over five geophysical magnetic anomalies (anomalies W1, W2, W4 and W5 in the Company's 2003 prospectus). This work enabled the location of drill targets on the ground to be refined. Results are summarised in Table 1. Two other anomalies (W6 and W7 in the Company's 2003 prospectus) were field inspected but downgraded due to evidence of a Tertiary age basaltic origin. No further work was conducted on anomalies W6 and W7.

Table 1 : Ground Magnetic Survey Results Summary

Prospect Name	Anomaly Identifier *	Survey Results
Kyalla	W1	Identified two adjacent magnetic anomalies coalescing into one anomaly
Moven	W2	Identified three separate magnetic anomalies
Poinciana	W4	Sourced a possible diatreme under sandstone cover
Bundilla	W5	Magnetics combined with ground reconnaissance indicate that the anomaly is sourced by Tertiary river gravels containing magnetic minerals.

* Anomaly number as identified in the Company's 2003 Prospectus

Drilling - EL 5900

In March, RC percussion drilling was carried out at the Moven and Kyalla prospects. However, the program was suspended due to wet weather and the failure of the drill rig to handle the clayey ground conditions. Drill hole collar details are tabulated in Table 2. The program will be concluded at a later date using a larger capacity drill rig.

Table 2 : Drill Hole Collar Details

Prospect	Hole No	Easting (m)	Northing (m)	Depth (m)	Azimuth	Dip
Moven	WA001	241887	6740152	47	0	-90
	WA002	242038	6740273	60	0	-90
	WA003	241795	6740275	49.5	0	-90
Kyalla	WA004	242217	6736227	41	0	-90

At the Moven Prospect, three RC percussion drill holes (WA001 - WA003) were completed.

- WA001 intersected 23.5m of Jurassic age sandstone and claystone followed by 23.5m (to a total depth of 47m) of a basic intrusive rock with a fragmental texture.
- WA002 intersected 38m of Jurassic age sediments followed by 22m (to a total depth of 60m) of a basic intrusive.
- WA003, drilled on the side of the magnetic anomaly north west of WA002, intersected 25m of Jurassic age sediments followed by 24.5m (to a total depth of 49.5m) of andesitic volcanoclastics.

At the Kyalla Prospect, WA004 intersected 41m of Tertiary lateritised sandstone and claystone and failed to intersect basement. Drilling of the two discrete Kyalla Prospect magnetic anomalies to basement will be conducted at a later date.

Whole rock analyses were completed on all drill samples and the Company is now in the process of having specific drill samples from WA001 and WA002 analysed for petrology and mineralogy.

Diamond Potential

Drilling results to date are encouraging in that they confirm the validity of the Company's diamond exploration model approach based upon magnetic and radiometric geophysical signatures. The drilling at the Moven Prospect has intersected basic intrusive diatremes under shallow sedimentary rock cover. This augers well for exploration targeting diamond bearing diatremes under cover in, and adjacent to, a region hosting alluvial diamond fields.

.

Regional Studies
Regional work continued in the diamond bearing areas and surrounding regions of northern New South Wales with interpretation of additional airborne magnetic and radiometric data. This work, in conjunction with the recent drilling results, has further confirmed the Company's diamond exploration model for the provenance source zones of the Bingara (and possibly Copeton) alluvial diamonds.

A number of highly prospective areas, over which there appears to be no recorded diamond exploration, have been identified. As a result, the Company lodged applications for three new exploration licences (Table 3) in northern New South Wales.

Table 3 : Exploration Licence Applications - April 2004

Exploration Licence Name	Application Identification No	Minerals *	Date of Application	Application Area (square km)
Bellata	ELA No 2329	Group 6	14 April 2004	298.0
Yetman	ELA No 2330	Group 6	14 April 2004	298.0
Pallamallawa	ELA No 2331	Group 6	14 April 2004	256.3

* Group 6 minerals - Corundum, diamond, ruby and sapphire as defined in NSW Mining Act Regulations

Clermont Gold Copper Project (Diatreme 100%)
EPM's 12867, 12956, EPMA14026 - *Central Queensland*

Drilling - EPM 12867

In February, RC percussion drilling was carried out at the Clermont South Prospect. Seven drill holes for a total of 532m, were completed to depths ranging between 40 and 144m. Drill hole collar details are tabulated in Table 4. The program was designed to test a discontinuous exhalative chert horizon, anomalous in gold and copper, for mineralisation within the shallow oxide and deeper sulphide zones. The erosion of this unit is believed to have contributed significant quantities of gold to the historic alluvial gold workings in the local area.

Table 4 : Drill Hole Collar Details

HOLE	DEPTH (m)	EASTING AMG	NORTHING AMG	RL (m)	AZIMUTH (Degrees)	DIP (Degrees)
CS008	60	563701	7473318	492.035	32	-60
CS009	66	564030	7473347	489.668	120	-60
CS010	60	564076	7473439	489.139	121	-60
CS011	66	564529	7473337	499.524	0	-90
CS012	40	564447	7473228	504.372	0	-90
CS013	144	564541	7473195	502.688	0	-90
CS014	96	564415	7473058	506.301	0	-90

Drilling Results - EPM 12867

The RC percussion chip samples were composited to two metre drill intervals within each drill hole and assayed for gold, copper, zinc and other elements. Significant composited drill hole assay intersections of gold and copper grades recovered from the drilling are listed in Table 5.

Gold grades recovered from the drilled chert horizon tended to be similar to the grades recovered from surface outcrop, approximately 0.5 g/t gold over several metres. The highest gold grade intersection in the quartz veins within the schists (chert horizon host rock) was 2m at 4.05 g/t gold.

The best copper intersection within the schists was 2m at 2.46% copper.

The Company considers that the drilling program adequately tested the chert horizon in the prospect area and that future exploration should be targeted on other areas.

Table 5: Significant Composited Drill Hole Assay Intersections

HOLE	FROM (m)	TO (m)	LENGTH (m)	Gold/Copper Grades	Host Rock Type
CS008	18	20	2	0.56 g/t Au	chert
CS009	18	20	2	0.45 g/t Au	chert
CS010	No significant mineralisation				
CS011	6	8	2	4.05 g/t Au	schist
CS012	20	24	4	0.38 g/t Au	chert
CS012	24	26	2	2.46% Cu	schist
CS013	112	116	4	0.54 g/t Au	schist
CS014	No significant mineralisation				

Gold/Copper Potential

Future exploration will be directed towards generating copper / gold drill targets along the exhalite chert horizon where it is interpreted to extend toward the north west (Oaky Creek and Comstock areas). Any copper resources identified in the prospective areas would augment the reported 30 000 tonnes of copper metal oxide resources within the Company's Copperfield Prospect, 5km south west of the Clermont South Prospect.

Summary of Proposed Work – Second Quarter 2004

During the next quarter the Company's proposed exploration includes:

EL5900 Warialda (Gywdir Diamond Project, Northern NSW)

Recommence RC percussion drilling on airborne geophysical anomalies at the Kyalla, Murdering Creek, Poinciana and Bundilla prospects.

EPM 12903 Mt Cannindah (Yarrol Gold Project, South East Queensland)

Conduct a ground magnetic survey over an identified airborne geophysical anomaly along with geological reconnaissance over a ridge hosting an epithermal quartz vein system that appears to be the source area for local anomalous gold geochemistry.

Dated this 29th day of April 2004

Signed for and on behalf of the Board

Anthony J Fawdon
Executive Chairman/CEO

The basis for the information contained in this report is compiled by a competent person or persons (as defined by the Australasian Code of Reporting of Identified Mineral Resources and Ore Reserves) with relevant experience in the field of activity being reported.