



DIADEM RESOURCES LTD.

NEWS RELEASE

FOR IMMEDIATE RELEASE

DIADEM CLOSES FLOW-THROUGH SHARE FINANCING

TORONTO, ONTARIO, September 8, 2003 - Diadem Resources Ltd. (TSX – Venture: “DIR”) announced today that it had closed the initial \$500,000 financing arranged through its agent, Dundee Securities Corporation, by the issue of 5,000,000 Flow-Through Common Shares at a price of \$0.10 per share. The resale hold period for the Flow-Through Common Shares will be four months and one day after closing. As part of its compensation, the agent received a broker warrant exercisable for 350,000 Common Shares. When the warrant is exercised, the resale hold period for the Common Shares acquired also will be four months and one day after closing.

The Company plans to raise up to an additional \$500,000 in Units, each Unit consisting of one Common Share, one Flow-Through Common Share and one half of one Common Share Purchase Warrant for each one Common Share. The issue price for the Units will be \$0.20 per Unit and each whole Common Share Purchase Warrant will entitle the holder to purchase one Common Share for a period of two years at a price of \$0.13 for the first year and \$0.17 thereafter.

Proceeds of the issue of the flow-through shares will be used for payment of Canadian exploration expenses related to the Company's *Otish Mountains* diamond properties in north-central Quebec in the area of the Ashton Mining / SOQUEM *Renard* diamond discovery. These expenses will qualify as “flow-through mining expenditures” for purposes of the Income Tax Act (Canada). The Company has commenced a field exploration program on the properties which comprise 2,064 claims with a total area of approximately 267,000 acres. The program is being managed by Roscoe Postle Associates Inc. and consists of analysis of data produced by the claim vendors based on previous field work, data compilation, mapping and helicopter-supported till sampling. It is expected to continue through the field season and the balance of 2003. The till samples will be shipped to a commercial laboratory for processing and examination for kimberlite indicator minerals. The estimated cost of the program is up to \$750,000.

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