



DIADEM RESOURCES LTD.

NEWS RELEASE

FOR IMMEDIATE RELEASE

DIADEM REPORTS PROGRESS ON OTISH MOUNTAINS DIAMOND PROJECT

TORONTO, ONTARIO, September 29, 2003 - Diadem Resources Ltd. (TSX Venture Exchange: "DIR") reported today on the status of field exploration work on the Company's *Otish Mountains* diamond properties in north-central Quebec. In August, the Company commenced a field exploration program on the properties which comprise 2,064 claims with a total area of approximately 267,000 acres in the area of the Ashton Mining / SOQUEM *Renard* diamond discovery. The program is being managed by Roscoe Postle Exploration Services, based out of the old Eastmain mine site, and has consisted of analysis of data produced by the claim vendors based on previous field work, data compilation, mapping and helicopter-supported till sampling. To date, the Company has collected over 350 till samples to evaluate over 125 discrete magnetic targets and expects to collect about 500 till samples when the field program is completed in mid-October. The till samples collected to date have been sent to SGS Lakefield Research Limited for analysis for kimberlite indicator minerals. It is anticipated that the first laboratory results will be available by the end of November, 2003.

Paul Carroll, President and CEO of Diadem, said that "we are quite enthused about the *Otish* project. This is the first new diamond project for the Company in several years and we are well funded to complete the initial field program and laboratory analysis." He said that "the program is expected to continue through the balance of the field season and 2003. The estimated cost of the 2003 program is up to \$750,000."

Further discussions have been held with the Company's partner in the *Leek Springs* diamond project in California where the Company has a 40% fully-vested and non-dilutable interest. If suitable revised terms for the joint venture can be reached with the partner, further exploration work may be undertaken. However, because of delays in reaching a revised agreement with the partner and the limited field season in the area there cannot be any further on-site activity this year. In addition, the Company has been investigating additional diamond exploration projects in Canada, the USA and elsewhere.

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