



DIADEM RESOURCES LTD.

NEWS RELEASE

FOR IMMEDIATE RELEASE

DIADEM RATIONALIZES INVESTMENT IN WASECO RESOURCES

TORONTO, ONTARIO, October 15, 2003 - Diadem Resources Ltd. (TSX Venture Exchange: "DIR") announced today that it has completed an agreement with private investors, led by Waseco Resources Inc. President, Richard Williams, to sell to the investors 2,890,000 common shares of Waseco owned by Diadem and to assign a demand note of Waseco for C\$225,000 for an undisclosed consideration. Diadem will retain a 500,000 passive share position in Waseco. Heretofore, Diadem owned 15.4% of the Waseco outstanding common shares and was its largest shareholder. The investors have agreed with Waseco to convert the note into 2,250,000 treasury common shares of Waseco at a price of \$0.10 per share and to inject fresh capital into Waseco..

Diadem also has agreed with Waseco to convert an additional C\$250,000 note of Waseco, plus accrued interest on both notes, into: (i) a 2% NSR royalty on Waseco's 60% interest in the *Tewah* alluvial gold project in Indonesia and (ii) a 2% gross diamond royalty on Waseco's interest in production from the *Attawapiskat* diamond claims optioned from Condor Diamond Corp. Each of these royalties can be repurchased by Waseco for C\$500,000 at any time prior to the commencement of commercial production or for C\$1.0 million at any time prior to the first anniversary of commercial production. If Waseco wishes to sell its interest in the *Attawapiskat* diamond claims or to joint venture exploration or development thereof, it will first offer it to Diadem. In conjunction with this transaction, Diadem has agreed to forego all of its other interests in the *Tewah* gold project.

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The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of the information contained in this news release.