

**FOR IMMEDIATE RELEASE**

**DIADEM ANNOUNCES KIMBERLITE INDICATOR MINERAL RESULTS  
FROM OTISH MOUNTAINS 2003 EXPLORATION PROGRAM**

**TORONTO, May 5, 2004 - Diadem Resources Ltd. (TSX-V: "DIR")** is pleased to announce long-awaited results from the extensive till sampling program carried out on its properties in the Otish Mountains District of north-central Quebec. Further to Diadem's news release of February 26, 2004 results are now available for all 518 till samples collected down-ice from 189 discrete aeromagnetic targets distributed over Diadem's original 267,000 acres of claims. The helicopter-assisted sampling program was carried out from August through October, 2003.

The 518 20 kg till samples (totalling over 10 tonnes) were collected 200 to 500 meters down-ice from each of the 189 selected targets. The samples were shipped to Lakefield Laboratories which processed a heavy mineral concentrate for each sample. The concentrated sample was subsequently microscopically examined for kimberlite indicator minerals. Because of the high volume of diamond exploration carried out by numerous companies in 2003, extensive backlogs had developed at diamond processing laboratories. Therefore, to expedite the process, the heavy mineral concentrates were apportioned between Lakefield Laboratories and HDM Laboratories.

Preliminary sorting results have now been received. Of the 518 till samples collected and processed, about 20% of the samples contained one or more indicator minerals consisting of olivine, ilmenite, chromite, clinopyroxene, clinopyroxene megacryst and pyrope garnet. In diamond exploration this is a high level of result at this stage of exploration.

The processing of the concentrated samples continues. Indicator grains currently are being analysed by electron microprobe at Lakefield Laboratories and to date only partial results are available. In summary, the ilmenite chemistry shows good to high diamond preservation potential and the presence of proximal mineral indicators (pyrope and olivine) in some samples is very encouraging, suggesting the presence of kimberlite nearby.

Initial results indicate a kimberlite provenance for a significant proportion of the indicator minerals and the Company anxiously awaits the balance of its electron microprobe results in order to quantify indicator mineral significance and to delineate specific geographic areas for follow-up.

Based on the results of this processing, a priority rating of the various claim areas is being developed and further work planned. The follow-up work is budgeted for the testing of 10 anomalous targets. This work initially would include detailed airborne magnetometer surveys whereby priority target areas would be evaluated further by additional ground work including quaternary mapping, anomaly mapping, further till sampling, ground geophysics and diamond drilling and core sampling of potential kimberlite targets, with analysis for diamonds by caustic fusion. The budget for the next phase will be developed based on the scope of the program and availability of adequate financing.

Paul Carroll, President and CEO of Diadem, stated " We consider the Otish region to be one of the most prospective areas in Canada for diamond discovery. The area has reported some of the highest diamond grades in Canada, second only to the Slave District, and it is well known that kimberlites tend to occur in clusters over a large area. The Ashton/Soquem joint venture has had considerable success to date with its Renard pipes and Ashton has announced that it is spending \$18 million in 2004 on a bulk sample (currently under way) and further exploration of its Renard and Lynx properties. Ashton recently announced that at two locations within its Lynx discovery (which lies between Renard and some of Diadem's claims to the west) they have identified zones of kimberlitic dykes. Stornaway Diamond Corp. recently announced an agreement with Majescor Resources on the latter's Portage property in the Otish district. Stornaway can earn a 51% interest by spending \$3.5 million on further diamond exploration. The Portage property likewise lies between Ashton's Renard and Lynx properties and some of Diadem's claims to the west. Diadem believes that its geographically extensive and wide spread holdings in the Otish Mountains area enhance its chances of a diamond discovery within that region."

For further information, please contact:

**Diadem Resources Ltd.**

Paul A. Carroll, President and CEO  
Phone: 416-369-7217  
Fax: 416-369-6088  
Email: [paul.carroll@diademresources.com](mailto:paul.carroll@diademresources.com)  
Website: [www.diademresources.com](http://www.diademresources.com)

**Renmark Financial Communications Inc.**

Tina Cameron / Henri Perron  
Phone: 514-939-3989  
Fax: 514-939-3717  
Email: [tcameron@renmarkfinancial.com](mailto:tcameron@renmarkfinancial.com)  
Website: [www.renmarkfinancial.com](http://www.renmarkfinancial.com)

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