

FOR IMMEDIATE RELEASE

DIADEM COMPLETES \$2,000,000 EQUITY FINANCING

TORONTO, October 28, 2004- Diadem Resources Ltd. (TSX-V: "DIR") announced today that it has completed the previously-announced non-brokered private placement of 33,333,331 Units at \$0.06 per Unit to raise \$2,000,000 of new equity. Each Unit consists of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.10 per share during the period to October 22, 2006. A small portion of the financing placed with Quebec-resident investors (\$135,000) was closed in escrow pending receipt of formal approval from Autorité des marchés financiers du Quebec. The shares issued or issuable in the private placement have a hold period expiring February 22, 2005.

After giving effect to the placement, and the issue of 300,000 shares as compensation for advisory services, Diadem has outstanding 113,793,494 common shares. On a fully diluted basis, giving effect to exercise of all outstanding share purchase warrants and incentive stock options granted under its stock option plan, Diadem would have 159,987,458 common shares outstanding. All share issuances have received the approval of the TSX Venture Exchange.

The proceeds of the equity financing have been used, in part, to retire all of Diadem's funded debt and to reduce accounts payable by a total of about \$960,000, with the balance to be employed for general corporate purposes including exploration expenses.

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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.