

FOR IMMEDIATE RELEASE

**DIADEM ESTABLISHES TECHNICAL ADVISORY COMMITTEE**

**TORONTO, November 5, 2004 - Diadem Resources Ltd. (TSX-V: "DIR")** announced today that it had established a technical advisory committee to assist it in developing and financing its diamond exploration and development projects. The initial members of the committee, and their functions, are:

- **A. Lee Barker, P.Eng.** – Mr. Barker is an independent geological consultant with over 35 years experience in the mining industry. He was part of the exploration team at SouthernEra Resources Limited. He was heavily involved in exploration and development of significant diamond deposits in Canada's Northwest Territories, and in the *Otish* region of Quebec, Canada, as well as in Africa and parts of South America. Mr. Barker supervised the initial exploration of the *Diavik* diamond project near Lac de Gras in the Northwest Territories which led to the discovery of over 60 kimberlite bodies, two of which came into production this year as Canada's second diamond mine and which produces 6% of the world's gem-quality diamonds. Mr. Barker will act as an advisor with respect to Diadem's exploration in the *Franklin Diamond Project* and the *Otish Diamond Project* and in other diamond prospects.
- **A.C.A. (Peter) Howe, P.Eng.** – Mr. Howe is a professional mining engineer, having graduated from the Royal School of Mines. He was the founder of Diadem and also was the founder of A.C.A. Howe International Ltd., an international mining engineering firm based in Toronto and with associates throughout the world. Over his lengthy career as a principal of A.C.A. Howe International, Mr. Howe has been involved in mining exploration and development as well as mine construction and operation in most parts of the world. He will assist Diadem in realizing value from its former portfolio of mineral properties, which were transferred in May 2003 to Belitung Ltd. Diadem retains a 20% equity stake in Belitung and has first claim on 60% of the free cash flow of Belitung to redeem up to \$3.75 million of preferred shares held by Diadem.
- **Maurice J. Colson** - Mr. Colson is a Toronto-based investment banker with extensive experience in the financing of resource companies. Mr. Colson has been employed as an investment banker with several of Canada's leading investment banks, in Toronto and Montreal and in London, England. He is a director of a number of resource companies and will provide financial advisory services.
- **George Silverman** – Mr. Silverman was a Director of Diadem from 1993 to 2004. He has been an active mining prospector, developer and executive and was instrumental in forming the prospecting syndicate that identified and initially financed the *Leek Springs Diamond Project* in California. He is a consultant to La Fosse Platinum Inc. and Hollinger North Shore Mining Co. As an advisor to Diadem Mr. Silverman will assist in the restructuring of the *Leek Springs Diamond Project* in the interests of attracting a joint venture partner that will expend adequate exploration capital to exploit the fundamentals of that project.

As compensation for the services to be rendered by the members of the advisory committee, Diadem has granted incentive stock options to the members under the Company's stock option plan to purchase an aggregate of 2,000,000 common shares allocated among the members. The stock options vest over a period of three years and are subject to regulatory approval. However, certain options previously granted to certain former directors have been cancelled so that the net increase in outstanding options is only 90,000 common shares. The advisory and consulting agreements with the members of the advisory committee are terminable by either the Company or the advisor or consultant on 30 days notice, in which event all options to that advisor or consultant would terminate upon termination of the respective agreement.

After giving effect to the recent \$2,000,000 equity placement, Diadem has outstanding 113,818,057 common shares. On a fully diluted basis, giving effect to the exercise of all outstanding share purchase warrants, all incentive stock options granted under its stock option plan, and all shares issuable to the vendors of the claims in the *Otish Diamond Project*, Diadem would have 164,398,618 common shares outstanding.

Diadem is a Canadian diamond exploration and development company, currently focused on three very prospective diamond exploration projects:

- the *Franklin Diamond Project* - Inuvialuit settlement region, Northwest Territories, Canada
- the *Otish Diamond Project* - north-central Quebec, Canada
- the *Leek Springs Diamond Project* - north-eastern California, USA

The Annual and Special Meeting of Shareholders of Diadem has been called for 4:15 pm on Tuesday, November 30, 2004 at the Toronto Board of Trade, First Canadian Place, Toronto.

For further information, please contact:

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