

**FOR IMMEDIATE RELEASE**

**DIADEM ANNOUNCES FLOW THROUGH EQUITY FINANCING OF \$1,600,000**

**TORONTO, November 18, 2004 - Diadem Resources Ltd. (TSX-V: "DIR")** announced today that it proposes to effect a non-brokered private placement of 10,666,666 Units at \$0.15 per Unit to raise \$1,600,000. Each Unit will consist of one flow through common share and one-half of one flow through common share purchase warrant. Each full warrant will entitle the holder to purchase one additional flow through common share at a price of \$0.20 per share for a period of nine months after the closing of the private placement. The private placement will close not later than December 22, 2004. Although the placement is proposed to be non-brokered, the Company will protect offers received from registered investment dealers when accepted by the Company and in such case the Company will pay a cash commission of 8% of the purchase price of such Units and will issue nine month broker share purchase warrants equal to 8% of the purchase price of such Units. The Units and shares issued on exercise of the warrants will have a hold period of four months from closing.

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