

FOR IMMEDIATE RELEASE

DIADEM ANNOUNCES FLOW THROUGH EQUITY FINANCING OF UP TO \$2,000,000

TORONTO, May 12, 2005 - Diadem Resources Ltd. (TSX-V: "DIR") announced today that it proposes to effect a non-brokered private placement of up to 40,000,000 flow-through common shares at \$0.05 per share to raise up to \$2,000,000 of equity financing. The private placement is expected to close not later than May 31, 2005. Although the placement is proposed to be non-brokered, the Company welcomes solicitations from licensed brokers to participate in the placement. Upon acceptance of any such solicitations, the Company will pay the subject broker a cash commission of 8% of the purchase price of the flow-through common shares placed by such broker and will issue twelve month Broker Share Purchase Warrants equal in number to 8% of the purchase price of the flow-through shares for which the subject broker is responsible for placing. The Broker Share Purchase Warrants will be exercisable at a price of \$0.05 per common share (non flow-through) for a period of twelve months from the closing date of the placement. The flow-through common shares and any common shares issued on exercise of the Broker Share Purchase Warrants will have a hold period of four months from closing.

The Company currently has outstanding 122,720,602 common shares. Assuming full take-up of this private placement, on a fully-diluted basis and after giving effect to the exercise of all outstanding share purchase warrants and incentive stock options granted under its stock option plan and the exchange of subsidiary special shares, Diadem would have 214,853,793 common shares outstanding (exclusive of any common shares which may be issued on the exercise of any Broker Share Purchase Warrants issued on this private placement).

Diadem is a Toronto-based diamond exploration and development company. Currently the Company is focused on its substantial land holdings in the Franklin Bay area within the Inuvialuit settlement region of the Northwest Territories and on the Attawapiskat property located southeast of De Beers' Victor diamond mine development in the James Bay Lowlands Region of Ontario. Diadem is also exploring mineral claims in the Otish Mountains region of Quebec and has a minority interest in a bedrock diamond prospect in northeast California.

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