

FOR IMMEDIATE RELEASE

DIADEM COMPLETES \$1,504,000 FLOW-THROUGH SHARE FINANCING

TORONTO, June 9, 2005 - Diadem Resources Ltd. (TSX-V: "DIR") announced that on May 31, 2005 it completed a previously announced non-brokered private placement of 30,080,000 Units at \$0.05 per Unit to raise \$1,504,000 of flow-through equity financing. Each Unit consists of one flow-through common share.

Although the placement was non-brokered, Diadem agreed to protect offers received from registered investment dealers. In those cases Diadem paid a cash commission of up to 8% of the purchase price of such Units and issued twelve month broker share purchase warrants of up to 8% of the units placed by the subject brokers. A total of \$57,950 in cash commissions was paid and 1,264,000 broker warrants were issued. The Units and shares issued on exercise of the warrants have a hold period of four months from closing.

After giving effect to the private placement, but prior to the exercise of any warrants issued under this placement, Diadem has outstanding 152,800,602 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, and the exchange of the subsidiary special shares, Diadem would have 206,197,793 common shares outstanding. All share issuances have received the approval of the TSX Venture Exchange.

The majority of flow-through funds raised will be directed towards exploration activities on the Franklin Project, specifically the completion of an additional 30,000 line km of aeromagnetic gradiometer survey and ground follow-up, of resultant targets, designed to prioritize targets for drill testing in 2006.

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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