

FOR IMMEDIATE RELEASE:

DIADEM SHAREHOLDERS APPROVE SHARE CONSOLIDATION

TORONTO, JANUARY 30, 2006 - DIADEM RESOURCES LTD. (DIR - TSX.V) is pleased to announce that at the Company's special general meeting of shareholders held on January 27, 2006 shareholders approved the consolidation of the issued and outstanding common shares of the Company on the basis of one new common share for each 16 old common shares.

Effective immediately, the Company, subject to regulatory acceptance, will be proceeding with the share consolidation. The Company currently has 154,747,412 shares issued and outstanding and upon completion of the 1:16 share consolidation, it will have 9,671,713 shares issued and outstanding, subject to adjustment to reflect elimination of fractional shares. It is expected that the shares will begin trading on a post-consolidation basis on or about February 6, 2006.

The Company currently has warrants, options and other calls on shares outstanding to purchase 50,558,984 common shares at various prices. Effective with the consolidation of the common shares the number of common shares issuable upon exercise of the warrants and options, and the price at which the shares would be purchased, automatically adjusts to reflect the 1:16 consolidation. As a result the fully-diluted common shares that may be outstanding would be 12,831,649 common shares, again subject to adjustment to reflect elimination of fractional shares.

Management of the Company believes that the consolidation will result in a more efficient market for the common shares and is necessary in order to encourage future financings.

For further information, please contact:

Rodney N. Thomas, P.Geol.
President and CEO
Phone: 416-369-6080
Fax: 416-369-6088
Email: rodney.thomas@diademresources.com
Website: www.diademresources.com

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of the information contained in this news release.