

FOR IMMEDIATE RELEASE

DIADEM COMPLETES FLOW-THROUGH SHARE FINANCING

TORONTO, July 13, 2006 - Diadem Resources Ltd. (TSX-V: "DRL") announced today that it has completed a previously announced non-brokered private placement of 1,732,500 common shares at \$0.42 per share to raise \$727,650 of flow-through equity financing. The shares have a hold period of four months from closing. After giving effect to the private placement, Diadem has outstanding 11,411,893 common shares.

On a fully diluted basis, assuming 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 15,320,951 common shares outstanding. All share issuances have received the approval of the TSX Venture Exchange.

The flow-through funds raised will be directed towards exploration activities to delineate additional gold resources on the *Duquesne West* gold project near Rouyn-Noranda, Quebec, and to complete assessment work on the *Franklin Diamond Project* in the Northwest Territories.

Diadem is a Toronto-based gold and diamond exploration and development company. It continues to transition itself from having primarily an exploration focus to an expanded focus which includes production and near-production mining opportunities, especially those related to gold. The acquisition of the option to acquire up to a 57.5% interest in the *Duquesne West* gold project was a step in that transition. The Company also currently is considering other such opportunities.

For further information, please contact:

Paul A. Carroll, Chairman and CEO
Phone: 416-369-7217
Fax: 416-369-6088
Email: paul.carroll@diademresources.com
Website: www.diademresources.com

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