



News Release

SUPERIOR CLOSSES A \$150,000 FINANCING

October 4, 2005

Vancouver, BC – **Superior Diamonds Inc. (SUP-TSXV)** today announced that the proposed private placement disclosed on August 31, 2005 has closed and it has received gross proceeds of \$150,000 through the sale of 333,333 units at \$0.45 per unit.

Each unit consisted of one common share and one half common share purchase warrant, with each full share purchase warrant entitling the holder to buy one common share at \$0.60 within 24 months after closing. All securities issued pursuant to the private placement are subject to a four-month hold period, which expires on January 31, 2006. Gross proceeds of the placement will be used for ongoing exploration and development programs on projects in Québec.

The sole placee is the Société de développement de la Baie-James. The Société's mission is to favour the economic development in the James Bay region, as defined between the 49th and the 55th northern parallel. The Société relies on an investment fund, part of which is devoted to the financing of junior exploration companies, as a contribution to the renewal of mineral resources and to an increase in total exploration expenditures in the James Bay region.

Superior Diamonds has been exploring in Québec for the last three years in the Ville Marie and the Desmaraisville regions. In addition, Superior Diamonds has acquired other properties in the Superior Craton area of Ontario and Québec, which are operated both independently and in joint venture with Inco Limited, Majescor Resources Inc. and Strongbow Exploration Inc. Superior Diamonds Inc. is owned 19.2% by Southwestern Resources Corp.

Statements in this release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed under the heading "Risk Factors" and elsewhere in the Company's periodic filings with Canadian securities regulators. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The Company does not assume the obligation to update any forward-looking statement.

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