

FOR IMMEDIATE RELEASE

DIADEM ELECTS TO PROCEED ON ATTAWAPISKAT DIAMOND OPTION

TORONTO, January 20, 2005 - Diadem Resources Ltd. (TSX-V: "DIR") announced today that it has completed its review of available data provided by Vault Minerals Inc. pertaining to the latter company's Attawapiskat diamond property situated southeast of the De Beers *Victor* project in the James Bay Lowlands of Northern Ontario. Diadem has elected to proceed with its option to acquire a 51% interest in the property. On January 19, 2005 a comprehensive option and joint venture agreement setting forth the terms as outlined in Diadem's news release of November 29, 2004 was signed by the parties. Exploration work on the property will commence shortly.

Diadem is a Toronto-based diamond exploration and development company. In addition to the Attawapiskat project, Diadem is focused on its substantial land holdings in the Franklin Bay area in the Inuvialuit settlement region of the Northwest Territories. Diadem is also exploring for diamonds on 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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