

FOR IMMEDIATE RELEASE

DIADEM MAKES MANAGEMENT CHANGE AND GRANTS OPTIONS

TORONTO, July 20, 2005 - Diadem Resources Ltd. (TSX-V: "DIR") announced today that the Board of Directors has appointed Rodney N. Thomas P.Geol. President and Chief Executive Officer. Mr. Thomas previously was President and has assumed the additional responsibilities of CEO. Paul A. Carroll continues as non-executive Chairman of the Board. In addition, the Board of Directors granted incentive stock options under its Stock Option Plan to Mr. Thomas and to Lina Noble, Corporate Secretary, to purchase 5,000,000 and 400,000 common shares, respectively. The stock options are for a term of five years, at a price of \$0.10 per share, and vest over a period of three years, 40% immediately and an additional 20% annually thereafter on the first, second and third anniversaries of the grants. In the case of the option granted to Mr. Thomas, the aggregate shares that may be issued upon exercise of the option is limited to 3,260,000, with the remaining 1,740,000 being subject to shareholder approval to be sought at the next annual meeting of shareholders. The grants of options are subject to regulatory approval.

Diadem currently has outstanding 153,543,033 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 (other than the additional 1,740,000 shares granted to Mr. Thomas), and the exchange of special shares that are exchangeable for common shares of Diadem, there would be 209,857,793 common shares outstanding.

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 and south of 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 also holds mineral claims in the Otish Mountains region of Quebec.

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