

**FOR IMMEDIATE RELEASE**

**DIADEM RESUMES AEROMAGNETIC SURVEYS ON FRANKLIN DIAMOND EXPLORATION PROJECT**

**TORONTO, July 28<sup>th</sup>, 2005 - Diadem Resources Ltd. (TSX-V: "DIR")** is pleased to announce that aeromagnetic gradiometer surveys have resumed on its Franklin diamond exploration project near the hamlet of Paulatuk, Northwest Territories. Surveys were suspended during the late spring and early summer due to seasonal wildlife migrations. To date a total of 22,573 line km of survey, excluding re-flights, has been flown over the known Parry Peninsula Kimberlite Field and environs and a further 60,000 line km of survey is planned over Diadem's land holdings within the Franklin Project joint venture and wholly owned land holdings south of the 68<sup>th</sup> parallel.

The Franklin diamond exploration project hosts the Parry Peninsula Kimberlite Field that is currently the only known kimberlite field in the Lena West Area. The geology of the project area is such that it facilitates direct targeting of kimberlites by airborne geophysics. Ground surveys consisting of preliminary till sampling are planned for the late summer to follow-up on selected priority targets generated by ongoing airborne surveys with the objective of delineating priority targets for subsequent drill testing in 2006.

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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