

FOR IMMEDIATE RELEASE

**DIADEM COMMENCES TILL SAMPLING
IN PARRY PENINSULA KIMBERLITE FIELD TO IDENTIFY DRILL TARGETS**

TORONTO, September 7, 2005 - Diadem Resources Ltd. (TSX-V: "DIR") is pleased to announce that follow-up till sampling is in progress on its Franklin Diamond Project in the Lena West Area near the hamlet of Paulatuk, Northwest Territories. The till sampling program is being carried out on 21 potential drill targets, the majority of which have been identified from current airborne magnetic gradiometry surveys.

The Franklin Diamond Project consists of an area of approximately 2,000,000 acres. Diadem commenced a planned 60,000 line-km airborne magnetic gradiometry survey over the Franklin Diamond Project earlier in 2005. Currently 44,000 line-km of the survey has been flown and the balance of the survey should be complete by October 2005.

Preliminary interpretation of the initial 22,573 line-km of the survey over the Parry Peninsula is complete and a number of targets have been selected for follow-up till sampling. In total, there are 21 geophysical targets of interest in the initial survey, of which four comprise high probability kimberlite targets with magnetic signatures similar to the known, drill-confirmed, kimberlite pipes within the Parry Peninsula Kimberlite Field.

The 21 geophysical targets to be evaluated consist of two known kimberlite targets that will be till sampled for benchmarking purposes. A further two that were previously drill-tested in 2000 will also be till sampled because it is likely that previous drilling did not penetrate the targets of interest. An additional five potential drill targets for which there are existing ground magnetic surveys, completed by Diadem in 2004, and 12 targets highlighted by this year's airborne survey, will be till sampled as well. It is anticipated that the surface till sampling will assist Diadem in identifying and prioritizing geophysical targets for additional follow-up, including core drilling, in 2006.

The Franklin Diamond 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.

Rodney N. Thomas, P. Geol., President and CEO of Diadem, is a professional geologist and responsible for the design, execution and quality assurance of the Diadem exploration programs.

Diadem is a Toronto-based diamond exploration and development company. Currently the Company is focused on its substantial land holdings in the Franklin Diamond Project 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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