

FOR IMMEDIATE RELEASE

DIADEM TO COMMENCE DRILLING PROGRAM ON *DUQUESNE WEST* GOLD PROJECT

TORONTO, August 3, 2006 - Diadem Resources Ltd. (TSX-V: "DRL") announced today that it has finalized a diamond drill contract to complete an initial 4,000 to 5,000 meters of NQ drilling on its *Duquesne West* gold project (the "Project") in the Destor-Porcupine fault zone in Duparquet Township, Quebec, 32 km north of Rouyn-Noranda. This initial program of diamond drilling is expected to start mid-August and be completed by late October, 2006.

The *Duquesne West* claims cover approximately three kms of the Destor Porcupine Fault Zone which represents a major gold-bearing structure with numerous gold deposits scattered along its 240 km strike length. Gold mineralization has been interpreted by previous operators as being hosted by five significant semi-continuous zones that all strike roughly east-west and dip from 65° to 90° south.

The initial NQ drill program will focus on the *Liz Zone* which hosts gold mineralization over a strike length of 200 meters and a known depth from -200 meters to -500 meters. The zone is outlined by 8 drill intercepts above 3.0 g gold per tonne with an average width of 6.4 meters and with values up to 6.9 g gold per tonne over 11.2 meters. At least 5 holes totalling 3,500 meters are planned to test the zone which is open along strike to the west and down dip.

A second target is the *Nip Zone* which returned a drill intercept of 9.9 g gold per tonne over a 3.5 meter core length. This zone will also be tested along strike and down dip by 2 to 3 shallow drill holes totalling about 1,000 meters.

Coincident with the diamond drilling, Diadem will be re-evaluating in detail the geology, structure, geochemistry and geophysical signatures of the other mineralized zones and mineralized drill holes to develop further diamond drill targets.

John P. Thompson, P. Geol. is the Qualified Person who is supervising the exploration program for Diadem on the *Duquesne West* gold project.

Under an agreement with **Globex Mining Enterprises Inc. ("GMX"-TSX, "G1M"-Frankfurt and "GLBXF"-Pink Sheets)** and Jack Stoch Geoconsultant Services Inc. Diadem can earn a 50% fully vested interest in the Project (with the right in certain circumstances to increase that interest to 57.5%) by spending \$6.0 million over three years on exploration and development, of which the first \$1.0 million is to be spent in the period to June 30, 2007. The drill program will be part of the first exploration program.

Diadem continues to transition itself from having primarily a diamond and gold exploration focus to an expanded focus which includes production and near-production mining opportunities, especially those related to gold. The acquisition of the option to acquire up to a 57.5% interest in the *Duquesne West* gold project is a step in that transition. The Company also currently is considering other such opportunities. At the same time, Diadem continues work on the *Franklin* diamond exploration project in the Northwest Territories, Canada. As part of its transition, and its decision to restrict itself to North America for the near term at least, Diadem has terminated its option agreements to acquire gold properties in Mali, West Africa.

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