

FOR IMMEDIATE RELEASE:

DIADEM ISSUES UPDATED PROGRESS REPORT ON *FRANKLIN DIAMOND PROJECT*

TORONTO, December 14, 2007 – Diadem Resources Ltd. (TSX–V: "DRL") today issued an updated progress report on its 2007-2008 exploration program for the *Franklin Diamond Project* located on the Parry Peninsula in the Canadian Arctic. The Project is approximately 30 km northwest of Paulatuk in the Inuvialuit Settlement Region of the Northwest Territories. The location of the project may be seen on the map on the Diadem website at www.diademresources.com.

To date, Diadem has invested over \$3.2 million in the *Franklin Diamond Project*. To satisfy Diadem's 50% earn-in requirement it is required to incur further expenditures of about \$750,000 by June 30, 2008. Diadem proposes to carry out up to 5,000 metres of diamond drilling, scheduled to commence in the spring of 2008. In preparation for the drilling program, Diadem will carry out further detailed ground gradiometer magnetic surveys in March 2008 to better define the precise locations of drill targets. The cost of the work to be carried out in the spring of 2008 will satisfy Diadem's requirement to earn its 50% interest.

The total cost of the 2007-2008 program (including drilling, related ground mag survey, permitting and environmental impact studies) is up to an additional \$3.0 million, including work already underway and pending. The full program will evaluate 10 known kimberlite pipes, six of which are known to be diamond-bearing, and 18 additional high-priority ground magnetic anomalies.

The following is a summary of the current status of the exploration program:

- Administration of the drilling, other exploration programs and related permitting is being carried out by Taiga Consultants Ltd. of Calgary, Alberta. Tim Sandberg, P. Geol. of Taiga, is Diadem's Qualified Person for such purpose under NI 43-101.
- Prior to the commencement of the drill program, a further detailed ground gradiometer magnetic survey will be carried out, commencing in March 2008, by JVX Ltd. of Richmond Hill, Ontario. This will assist in determining the optimum drill location to accurately test each of the 28 proposed drill targets. Some drill mobilization has been achieved already, a formal contract has been entered into and a substantial initial payment has been made.
- Applications for all required permits and approvals for the drilling program from the Inuvialuit Land Administration, Environmental Impact Screening Committee (EISC), Northwest Territories Water Board and the NWT Workers Compensation Board are being compiled and communications with organizations and individuals native to the project area are ongoing. EISC approval to carry out the ground gradiometer magnetic survey in March 2008 has already been obtained and other permitting is in process.
- Extensive preparations are being made to mitigate any environmental effects and to minimize interference with caribou, birds and other wildlife.
- As part of the permitting process, Diadem retained Kavik-Axys Inc., an Inuvialuit environmental consulting firm and an affiliate of Jacques Whitford, to prepare and file reports to the EISC for its review and approval. This was a condition precedent to appropriate permits being issued. A project description was prepared and filed and the

EISC approval was obtained for the ground mag survey. Kavik-Axys Inc. currently is compiling the project description for the drilling program for submission to the EISC.

- Diadem has retained the services of Alliance Sonic Drilling Inc. to carry out the drilling program starting in the spring of 2008. The drill and crew are dedicated to the project and the drill has been positioned in Inuvik for rapid deployment to the Parry Peninsula in March, 2008 when all requisite additional permits are expected to be in place. Initial payments have been and are being made to the drilling contractor to ensure performance.
- A number of Inuvialuit contractors and sub-contractors, as well as Canadian Helicopters, will be providing a variety of services to Diadem over the duration of the exploration program which is expected to extend well into mid-2008.
- In order to minimize mobilization costs, in July 2007 Diadem transported bulk supplies and consumables (including diesel and helicopter fuel, calcium chloride and propane) to Paulatuk. These supplies will be required in the proposed exploration program. Taking advantage of the Project's good access to water transport, these supplies were delivered by barge from Hay River, NWT via the MacKenzie River and Arctic Ocean to Paulatuk. These supplies are now in place in Paulatuk awaiting commencement of the program.

When Diadem has satisfied its total earn-in requirement it will have formed a 50/50 joint venture with Darnley Bay Resources Ltd. (DBR). Thereafter, DBR will be required to carry its 50% pro rata share of ongoing exploration and development expenses or suffer dilution of its interest. Diadem has agreed to advance \$1 million to subsequent *Franklin* programs on behalf of DBR, and DBR will not have to contribute the first \$1 million of its 50% share. If Diadem advances the \$1 million, DBR will repay such advance, without interest, out of its share of production from a diamond mine on the project. If a decision is made to carry out a feasibility study for a diamond mine, Diadem has the right to fund the study and if the property is advanced to commercial production, Diadem's 50% interest will increase to 75% and DBR's interest will decrease to 25%.

In 2004, Diadem and DBR negotiated an agreement with the Inuvialuit Regional Corporation (IRC) for access, for the purposes of mineral exploration, development and operation, and for royalties upon commercial production. Such an agreement with the indigenous peoples of the area is an essential ingredient of any project in the Arctic. The IRC has the right to back into the project for a participating 10% working interest when a decision is made to place a diamond mine into production. In such event, the dilution will be shared proportionately between Diadem and DBR.

Diadem continues to be focused on acquiring production or near-production mining opportunities in North America, especially those related to gold and diamonds. The scope could be expanded to include base metals if a suitable opportunity were to present itself.

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