

**FOR IMMEDIATE RELEASE:**

**DIADEM COMMENCES GROUND MAGNETIC SURVEY ON *FRANKLIN DIAMOND PROJECT***

**TORONTO, April 2, 2008** – Diadem Resources Ltd. (TSX–V: "DRL") today issued an updated progress report for the *Franklin Diamond Project*. The Project is located on the Parry Peninsula in the Canadian Arctic, approximately 30 km northwest of Paulatuk in the Inuvialuit Settlement Region of the Northwest Territories. The location of the Project, and the Company's claims, are shown on previously published maps which may be viewed, with additional geological information, on the Diadem website at [www.diademresources.com](http://www.diademresources.com).

Diadem proposes to carry out up to 5,000 metres of diamond drilling following completion and analysis of further detailed ground gradiometer magnetic surveys which have commenced this week and will be completed by the end of April. The surveys are to better define the precise locations of drill targets. Permitting for the drilling program is currently in process. Costs of the ground survey and related work and permitting will satisfy Diadem's final earn-in requirement. To date, Diadem has invested over \$3.5 million in the *Franklin Diamond Project*. To satisfy its remaining 50% earn-in requirement it is making further expenditures of about \$450,000 by June 30, 2008.

The total cost of the 2008 program (including the current ground mag survey, drilling, permitting, environmental impact studies and helicopter and other support) is up to an additional \$3.0 million, including work already underway. The full drill program will evaluate 10 known kimberlite pipes, six of which are known to be diamond-bearing, and 18 additional high-priority ground magnetic anomalies. Diadem plans to explore additional targets that have been identified over the winter from further analysis of previous ground and aero mag surveys and that may be identified from the current survey.

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

- Administration of the drilling, other exploration programs and related permitting continues to be 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.
- The detailed ground gradiometer magnetic survey is being carried out by JVX Ltd. of Richmond Hill, Ontario.
- All required permits for the ground mag survey are in place. 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 Workers Compensation Board are being compiled.
- Communications with organizations and individuals native to the project area are ongoing. In this respect Diadem is operating within the spirit of the memorandum of understanding signed in March 2008 between the Prospectors and Developers Association of Canada and the Assembly of First Nations.
- Extensive preparations are being made to mitigate any environmental effects and to minimize interference with caribou, birds, aquatic life and other wildlife.

- As part of the permitting process, Diadem retained Kavik-Axys Inc., an Inuvialuit environmental consulting firm and affiliate of Jacques Whitford, to prepare and file reports to the EISC for its review and approval. This was a condition precedent to certain 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.
- 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 2008. This includes environmental and wildlife monitoring.
- In order to minimize mobilization costs, last July Diadem transported bulk supplies and consumables to Paulatuk, taking advantage of the Project's good access to water transport via the MacKenzie River and Arctic Ocean. Similar transportation arrangements are anticipated for 2008.

Diadem will form a 50/50 joint venture with Darnley Bay Resources Ltd. (DBR) and Diadem will be the operator. 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 signed an agreement with the Inuvialuit Regional Corporation (IRC) for access, for the purposes of mineral exploration, development and operation of a diamond mine, 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.

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