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PRESS RELEASE

VAALDIAM COMPLETES ITS FIRST SAMPLING ON OTISH PROPERTY

Vaalldiam Resources Ltd. (VAA-TSX.VN) has completed its initial phase of indicator mineral sampling designed to test 31 aeromagnetic targets identified on its 8,844 hectare property in the Otish Mountains district of Quebec. A total of 121 samples were collected from Vaalldiam's Centre and East Block properties. These properties lie adjacent to the 33 Carats project of De Beers Canada Corporation and Dios Exploration Inc., who recently reported the discovery of a significant indicator mineral anomaly that they plan to drill-test later this year.

Vaalldiam acquired the right to earn a 60% interest in the Centre and East Block properties through an agreement with Santoy Resources Ltd., who recently completed an airborne magnetic survey over the properties. This resulted in the identification of 31 isolated magnetic anomalies with responses consistent with kimberlite pipes. On the Centre Block property, 17 priority magnetic anomalies are evident and appear to be clustered in groups of three or four. Five of the priority anomalies are situated along an interpreted northwest-southeast trending corridor located in the central portion of the property. On the East Block property, a total of 14 priority anomalies are evident. Similar to the Centre Block property, three of the anomalies appear to be clustered within a northwest-southeast trending corridor which extends through the centre of the property.

IOS Services Géoscientifiques Inc. was contracted to collect and process the heavy mineral concentrates, which were obtained through the screening and processing of 20 to 30 kilogram glacial till, fluvio-glacial or alluvial samples. Geochemical results obtained from this indicator mineral sampling program will allow Vaalldiam to assess the potential of these airborne magnetic anomalies. This program will be followed by ground geophysical surveys which are to be completed early next year. Supervision of the program is provided by Tim Maunula, P.Geol., Chief Geologist of Wardrop Engineering Inc., who is Vaalldiam's independent qualified person under National Instrument 43-101.

The Centre and East Block properties are geologically located in the Quebec portion of the Superior Craton where several kimberlite pipes and dikes have been discovered. Under the terms of its agreement, Vaalldiam has the exclusive option to acquire a 60% interest in the mineral claims and permits comprising the Centre and East Block properties by expending \$ 200,000 on exploration by June 2006 and, issuing a total of 100,000 common shares of Vaalldiam. This program is being funded by the \$500,000 flow-through portion of Vaalldiam's recently completed \$2,500,000 financing. The balance of these new funds is being devoted to Vaalldiam's Brazilian exploration properties.

Vaalldiam is a Canadian based diamond exploration company primarily involved in the exploration and development of the Pimenta Bueno diamond property, situated in the State of Rondonia, Brazil. To date, 32 kimberlite pipes have been discovered on this 176,000 hectare property, including the recently discovered "Clara Pipe". Based on sampling, 15 of the 32 known pipes are diamond-bearing. From the results of this preliminary sampling, macro and micro diamond analyses and mineral chemistry studies indicate that 11 of the diamond-bearing pipes may have economic potential. These 11 kimberlites are now being assessed. Twenty-four of the 32 known kimberlite pipes occur in one large cluster covering some 50,000 hectares.

For additional information regarding the Company please visit www.vaalldiam.com, or contact Kenneth W. Johnson, President and CEO, or Robert Yeoman, Vice President and Corporate Secretary, at (416) 363-6927.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.