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PRESS RELEASE

EXPLORATION COMMENCES ON BRAUNA DIAMOND PROPERTY

Vaalldiam Resources Ltd. (VAA – TSXV) reports that exploration has started on the Company's 60%-owned Brauna diamond property, situated in the state of Bahia, northeastern Brazil. The Brauna project is comprised of three exploration concessions which encompass three diamondiferous kimberlite pipes, or blows associated with a laterally extensive system of kimberlite dykes. Based only on the surface exposures, the pipes range in surface area from 0.50 hectares at the Brauna 7 pipe, to 2.5 hectares at the Brauna 4 pipe. Surface exposures of the kimberlite dyke system indicate widths ranging from 0.7 metres up to 5.0 metres and a strike length of approximately 15 kilometres.

Vaalldiam has mobilized an exploration crew to the property, which is completing detailed magnetic and electromagnetic surveys to define the kimberlite bodies in advance of a surface sampling and core drilling program expected to start in early November. Initially the surface sampling and drilling program will focus on the delineation of the three known kimberlite pipes, Brauna 3, 4 and 7, in advance of a bulk sampling program expected to start during the first quarter of 2006.

Diamonds were first discovered in the Brauna area during the later part of the 19th century, when diamonds were discovered in alluvial gravels associated with the Itapicuru River, which is situated on Vaalldiam's Brauna property. Diamonds up to 15 carats in size have been reported to have been recovered by garimpeiro miners from gravels within the Itapicuru River and its tributaries. All of the alluvial diamond deposits on the property appear to have been eroded from the Brauna kimberlites and the occurrence of these alluvial diamond deposits highlights the potential of the kimberlites in the area.

The Brauna kimberlites were initially discovered by De Beers Brasil Ltda. in the early 1990s during a large scale reconnaissance sampling program over a large portion of the San Francisco craton in northeastern Brazil. Following the discovery of the kimberlites, De Beers completed a limited surface sampling program, which demonstrated that both the kimberlite pipes and dykes on the Brauna property are diamondiferous. The largest diamonds recovered from individual samples were 0.312 carats (from a sample of kimberlite) and 0.495 carats (from an alluvial sample). All of the samples were of limited size with

volumes of less than 5 cubic metres. Only one of the pipes has been tested by shallow drilling.

Vaaldiam acquired a 60% interest in the Brauna property under the terms of a purchase agreement with Majescor Resources Inc. (MAJ-TSXV), whereby Vaaldiam paid De Beers Brasil the sum of C\$300,000 on behalf of Majescor which represented the balance owed by Majescor under the terms of a purchase agreement between De Beers and Majescor involving the Brauna project. In addition, Vaaldiam issued a total of 150,000 common shares to Majescor.

The Brauna property is Vaaldiam's second kimberlite property in Brazil, Vaaldiam's other kimberlite project being the Pimenta Bueno property in the state of Rondônia where Rio Tinto is earning a 51% interest by expending US\$12.5 million on exploration over a three year period. Rio Tinto recently started a mini-bulk sampling program at the Cosmos 1 pipe, which is one of nine pipes that have been prioritized for sampling during the coming months. In addition, Vaaldiam is conducting a bulk sampling program on its Duas Barras alluvial diamond property in the state of Minas Gerais. The bulk sampling program is a key part of a feasibility study which will lead to a production decision for the Duas Barras project in mid-December 2005.

This release has been reviewed by José Ricardo Pisani, Vice President, Exploration who is a qualified person under National Instrument 43-101. For additional information regarding Vaaldiam please visit www.vaaldiam.com, or contact Ken Johnson, President & C.E.O. or Janet Reid, Manager, Investor Relations at (416) 363-6927.

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