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**PRESS RELEASE**

**NEW KIMBERLITE PIPE DISCOVERED ON BRAUNA PROPERTY**

**Vaalldiam Resources Ltd. (VAA – TSXV)** (60% interest) and partner Majescor Resources Inc. (MAJ – TSXV) (40% interest) have discovered a new kimberlite pipe on the Brauna diamond property, situated in the state of Bahia, northeastern Brazil. The new pipe was discovered during prospecting of a ground magnetic anomaly approximately 400 metres to the northwest of the Brauna 4 pipe. Brauna 4 is one of three diamondiferous pipes discovered on the Brauna property by De Beers Brasil Ltda. in the mid-1990s. The new kimberlite discovery, named Brauna 16, was exposed in a surface trench excavated at the southern edge of a ground magnetic anomaly which has a surface area of roughly one hectare. A map showing the location of the new discovery is available on Vaalldiam's website at <http://www.vaalldiam.com/pagefind.php?id=39>.

The Brauna project comprises three exploration concessions which now encompass four known kimberlite pipes, or blows associated with a system of kimberlite dykes that have been traced over a distance of approximately 15 kilometres. Based only on the surface exposures, the pipes range in surface area from 0.50 hectares at the Brauna 7 pipe, to 2.0 hectares at the Brauna 3 pipe. Only one of the pipes has been tested by drilling. Surface exposures of kimberlite within the dyke or fissure systems indicate widths ranging from 0.7 metres at the Brauna 6 occurrence, to 5 metres at the Brauna 8 occurrence.

During the mid-1990s, De Beers completed a limited surface sampling program on the kimberlites, which demonstrated that both the kimberlite pipes and dykes on the Brauna property are diamondiferous. The largest diamonds recovered from individual samples were 0.31 carats and 0.50 carats. All of the samples were quite small with volumes of less than 5 cubic metres.

By the year 2000, a local farmer had started mining activities at the 2.0 hectare Brauna 3 pipe, situated approximately 1.5 kilometres to the south of the Brauna 4 pipe. Production records from the manual mining operation indicate that during 2000 and 2001, a total of 250 diamonds with a total weight of 372.9 carats were recovered from colluvial gravels and soils that were excavated immediately downslope from the Brauna 3 kimberlite. The individual diamonds reportedly ranged in size from as small as 0.20 carats to as large as 15.5 carats, with a significant portion of stones falling in the one to three carat range, with the average stone size 1.49 carats. A two-metre thick cap of calcrete overlies the Brauna 3 kimberlite, which appears to have prohibited mining of the kimberlite pipe itself. However, a small 8 metre deep pit that was excavated through the calcrete and into the kimberlite reportedly resulted in the recovery of a 3.55 carat diamond from a small sample.

Vaalldiam, as operator of the joint venture, has mobilized two drill rigs to the property to complete a program of delineation drilling at the four known kimberlite pipes, in advance of a bulk sampling program that is expected to start during the first quarter of 2006.

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 Vaalldiam please visit [www.vaalldiam.com](http://www.vaalldiam.com), or contact Ken Johnson, President & C.E.O. or Janet Reid, Manager, Investor Relations at (416) 363-6927.

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