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PRESS RELEASE

INITIAL SAMPLE OF BASAL GRAVELS PRODUCES HIGH GRADE RESULTS

Vaalldiam Resources Ltd. (VAA – TSXV) reports its first diamond results generated during its bulk sampling program on the Duas Barras alluvial diamond property, situated in the State of Minas Gerais, Brazil. To date, approximately 400 cubic metres of the target basal alluvial gravel has been extracted and stockpiled at the Company’s diamond recovery plant. Initial processing of just 28.7 cubic metres of this sample has resulted in the recovery of 27 diamonds with a total combined weight of 7.36 carats, yielding a recovered diamond grade of 0.26 carats per cubic metre. The individual diamonds recovered range in size from 0.15 carats to 1.75 carats.

Ken Johnson, President of Vaalldiam commented that *“these initial results meet our expectations for the Duas Barras property, since they appear to confirm the previous sampling work completed by Mineração Marly Ltda. In 2002, Marly completed a bulk sampling program which involved the excavation and processing of 4,263 cubic meters of the same basal alluvial gravel. This bulk sample reportedly yielded 1,108.34 carats of diamonds, which projected to a grade of 0.26 carats per cubic meter for the basal gravels at Duas Barras. Additional processing is required to increase our confidence in our initial results, however we are extremely pleased with the results generated thus far.”*

The following table provides a summary of the diamond recovery results for the initial sample of the basal gravels:

Gravel Sample Description	Depth to Top of Gravel Horizon (metres)	Average Gravel Thickness (metres)	In-situ Sample Volume (m ³)	Sample Volume (tonnes)	Diamonds Recovered	Total Weight (Carats)	Recovered In-situ Grade (ct/ m ³)	Recovered In-situ Grade (cpht)	% Recovery Based on Tracer Tests
Basal Gravel	25	5.0	28.7	51.7	27	7.36	0.26	14.23	92%

Vaalldiam’s bulk sampling program has initially focused on the extraction and testing of a vertical section of alluvial gravel in the central area of the Duas Barras deposit, in an area known as Pit #1. Individual samples were selected on a sequential basis, at increasing depths across the gravel sequence, starting with the “transitional gravels” which comprise a mixed sequence of fine sand and gravel, forming a 5 metre thick sequence which overlies the coarse, well-sorted basal gravel horizon. The basal gravels lie on bedrock consisting of fine grained quartzite, and comprise a 5 metre thick clast-supported gravel horizon comprised largely of well-sorted quartz clasts and quartzite boulders, within a matrix of quartz-rich sands that host a visible concentration of heavy minerals such as tourmaline, ilmenite, kyanite, topaz, and sapphire. Diamond grades appear to correlate directly with the occurrence of these heavy minerals in the gravels. In total, the sand overburden, transitional gravels and the white, basal gravels form a sequence that is 30 metres thick, with the white basal gravels comprising 5 metres of the base of the formation.

The following table provides a summary of the diamond recovery results for the sample of the transitional gravels which overlie the basal gravels:

Gravel Sample Description	Depth to Top of Gravel Horizon (metres)	Average Gravel Thickness (metres)	In-situ Sample Volume (m ³)	Sample Volume (tonnes)	Diamonds Recovered	Total Weight (Carats)	Recovered In-situ Grade (ct/ m ³)	Recovered In-situ Grade (cpht)	% Recovery Based on Tracer Tests
Transitional	20	5.0	490.2	882.4	109	24.45	0.05	2.77	76%

An additional 400 cubic metres (720 tonnes) of basal gravel has been extracted for processing, and this material is presently being processed through the Company's diamond recovery plant. A second sample site, situated 800 metres to the west of Pit #1 is currently being excavated, to allow for the evaluation of diamond grades within the alluvial gravels comprising the western portion of the deposit. Within the next month, a third sample site will be excavated 400 metres to the east of Pit #1, to test the diamond grades within the gravels comprising the eastern section of the deposit.

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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