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PRESS RELEASE

303 DIAMONDS PRODUCED FROM BULK SAMPLE AT DUAS BARRAS

Vaalldiam Resources Ltd. (VAA – TSXV) reports additional results generated during its bulk sampling program on the Duas Barras alluvial diamond property in Minas Gerais, Brazil. Processing of 132.6 cubic metres of the target basal alluvial gravel has resulted in the recovery of 129 diamonds with a total combined weight of 30.67 carats, yielding an average recovered grade of 0.23 carats per cubic metre. Diamond grades from individual samples of the basal gravel ranged from 0.11 carats per cubic metre to 0.34 carats per cubic metre. The individual diamonds recovered in the most recent sample vary in size from 0.10 carats to 1.24 carats, with an average stone size of 0.24 carats. These latest results compare favorably to the diamond recoveries generated from the Company's initial sample of the basal gravels, which produced 27 diamonds with a total combined weight of 7.36 carats from 28.7 cubic metres of basal gravel. This initial sample yielded a recovered diamond grade of 0.26 carats per cubic metre, and individual diamonds ranging in size from 0.15 carats to 1.75 carats (Press Release of November 8, 2005).

Ken Johnson, President of Vaalldiam commented that *"the diamond results generated by our bulk sampling program continue to meet our expectations and reinforce our confidence in the project. The high diamond recoveries we are achieving for the basal gravels are similar to what our joint venture partner, Mineração Marly Ltda., obtained in 2002 when they reportedly recovered 1,108.34 carats of diamonds from 4,263 cubic metres of gravel, yielding a diamond grade of 0.26 carats per cubic metre. We are now assessing the economics of including the lower-grade transitional gravels in our development plan, which if feasible, would have a significant impact on the gravel resources available on the property."*

The following table provides a summary of the diamond recovery results for the individual samples of the basal gravels:

Gravel Sample Description	In-situ Sample Volume (m ³)	Sample Volume (tonnes) ²	Diamonds Recovered	Total Weight (Carats)	Recovered In-situ Grade (ct/ m ³)	Recovered In-situ Grade (cpht)	% Recovery Based on Tracer Tests
<i>Basal Gravel¹</i>	28.7	51.7	27	7.36	0.26	14.23	92%
<i>Basal Gravel</i>	17.7	31.8	13	4.32	0.24	13.57	92%
<i>Basal Gravel</i>	11.1	19.9	14	3.04	0.28	15.28	92%
<i>Basal Gravel</i>	33.2	59.7	52	11.15	0.34	18.69	96%
<i>Basal Gravel</i>	42.0	75.6	23	4.80	0.11	6.35	92%
Totals	132.6	238.7	129	30.67	0.23	12.85	93%

1. Diamond results for the initial 28.7 cubic metre sample previously reported on November 8, 2005.

2. Gravels collected from pit floor by pumping. Volumes accurate to +/- 10% due to losses during pumping process.

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. Here the basal gravels form a three metre thick horizon that lies directly on bedrock. The bedrock consists of a fine grained quartzite, which in the position of Pit #1 appears to slope away

from the Jequitinhonha River, situated approximately 100 metres to the south of the sample location. The basal gravels are comprised of a clast supported gravel horizon comprised largely of well-sorted quartz cobbles and quartzite boulders, within a matrix of quartz-rich sands that host a visible concentration of heavy minerals such as gold, tourmaline, ilmenite, kyanite, topaz, and sapphire. Both diamond and gold grades appear to correlate directly with the occurrence of these heavy minerals in the gravels. Gold-bearing concentrates have been retained for each sample, and will be shipped to an assay laboratory for analysis to determine the gold grades for the basal gravels. The presence of recoverable free gold is expected to have a significant impact on the potential economics of the Duas Barras project.

The target basal gravels are overlain by a two to three metre thick sequence of white gravel which is also diamond-bearing. Processing of 551 cubic metres of this upper gravel horizon resulted in the recovery of 174 diamonds with a total weight of 37.20 carats, yielding an average grade of 0.07 carats per cubic metre. Diamond grades for individual samples within this sequence ranged from 0.05 carats per cubic metre to 0.11 carats per cubic metre with an average stone size of 0.21 carats.

The following table provides a summary of the diamond recovery results for the samples of the gravel horizon which overlie the basal gravels:

Gravel Sample Description	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
<i>Transitional Gravels</i>	551.6	992.8	174	37.20	0.07	3.75	92%

Processing of the remaining gravel from Pit #1 is underway and is expected to be completed by the middle of December. A second sample has been extracted from a site situated 800 metres to the west of Pit # 1. Approximately 521 cubic metres of gravel has been extracted from this site, and has been stockpiled at the Company's bulk sample plant. Processing of the alluvial gravels from this location will allow evaluation of diamond grades within the alluvial gravels comprising the western portion of the deposit. If necessary, a third sample site may be excavated 400 metres to the east of Pit #1 prior to the end of this year, to test the diamond grades within the gravels comprising the eastern section of the deposit.

The Duas Barras property is one of three properties that Vaaldiam is developing in Brazil. Vaaldiam's 100%-owned Pimenta Bueno property in the state of Rondônia is currently being developed by Rio Tinto, which is currently evaluating the potential of a cluster of 8 kimberlite pipes through a drilling and mini-bulk sampling program. Vaaldiam also has two drills operating on its 60%-owned Brauna property in the state of Bahia, where four kimberlite pipes are being delineated in advance of a bulk sampling program scheduled to start early next year.

Vaaldiam has 65,765,002 shares issued and outstanding.

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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