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PRESS RELEASE

CLARA 1 KIMBERLITE YIELDS MORE DIAMONDS

VaalDiam Resources Ltd. (VAA-TSXV) has received encouraging results from additional surface sampling of the Clara 1 kimberlite on the Pimenta Bueno property in Rondônia, Brazil. Two further samples of kimberlite were excavated from two new pits in the Clara-1 kimberlite. This kimberlite was discovered in June 2004 when an auger drill hole was testing an electromagnetic anomaly situated 400 metres to the southeast of the known Tumeleiro-3 pipe. One of the new samples MP-140, which was located in the area of previous sample MP087, resulted in the recovery of 89 diamonds from 510.2 kilograms of kimberlite. This sample is the most encouraging sample taken from the Clara 1 kimberlite thus far, with an inferred 174 stones per tonne. The second new sample (MP-139) collected approximately 100 metres northwest of the first pit and excavated in the area of a smaller previous sample (MP086), resulted in the recovery of 37 diamonds from 551.2 kilograms of kimberlite.

A summary of the number of diamonds recovered on +0.150 mm Endecott square mesh screens is provided below.

Sample No.	Sample Wt. (Kg)	+0.85 mm	+0.600 mm	+0.425 mm	+0.300 mm	+0.212 mm	+0.150 mm	Total
MP-139	551.20	1	3	5	7	11	10	37
MP-140	510.20	0	1	14	16	33	25	89
Total Clara-1	1,061.4	1	4	19	23	44	35	126

Combined, the surface sampling of this new kimberlite discovery to date has produced 198 diamonds from 1,685.13 kilograms of rock, inferring 117 stones per tonne. A total of 37 diamonds (19%) measured larger than 0.425 mm, with one stone larger than 1 mm. The following table presents the combined results of all four samples, adjusted to account for the lower screen cut-off of +0.125 mm used for samples MP-086 and MP-087.

Sample No.	Sample Wt. (Kg)	+1.00 mm	+0.85 mm	+0.600 mm	+0.425 mm	+0.300 mm	+0.212 mm	+0.125 mm	Total
MP-086	290.77	0	0	0	4	3	8	12	27
MP-087	332.96	1	0	3	5	8	14	14	45
MP-139	551.20	0	1	3	5	7	11	10	37
MP-140	510.20	0	0	1	14	16	33	25	89
Total Clara-1	1,685.13	1	1	7	28	34	66	61	198

The kimberlite samples were collected and recorded under the supervision of qualified geoscientists. Samples were securely sealed in solid containers and shipped by sealed transport to Rio Tinto's laboratory in Brasilia. Rio Tinto's standard caustic fusion diamond recovery method was utilized for all samples.

The Clara 1 and Tumeleiro 3 kimberlites lie in a cluster of five pipes situated within a well-defined area covering some 575 hectares. The pipes appear to lie along a north-northwest trending structural lineament, which hosts two other diamondiferous pipes known as Cosmos 1 and Cosmos 2. Ground magnetic surveys completed by Vaaldiam have identified additional targets within and along this trend. These geophysical targets may represent new undiscovered kimberlite pipes, and will be tested during the current exploration campaign.

Vaaldiam is a Canadian based diamond exploration company primarily involved in the exploration and development of the 176,000 hectare Pimenta Bueno diamond property. To date, 33 kimberlite pipes have been discovered within the property area. Twenty-four of the 33 known kimberlite pipes occur in one large cluster, and 15 of the 33 pipes are diamond-bearing on the basis of macro and micro diamond analyses.

This release has been reviewed by Dr. Luiz Bizzi, Vaaldiam's Chief Diamond Consultant, who is a Qualified Person under National Instrument 43-101. For additional information regarding the Company please visit www.vaaldiam.com, or contact Kenneth W. Johnson, President and CEO, or Robert Yeoman, Vice President and Corporate Secretary, at (416) 363-6927.

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