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PRESS RELEASE

**Vaalldiam Advances Exploration at Pimenta Bueno
First Tranche of Private Placement Offering Closed**

Vaalldiam Resources Ltd. (VAA – TSX Venture) reports that exploration work on its 100% owned Pimenta Bueno diamond property in Brazil is advancing ahead of schedule, and is focussing on two objectives;

- Test priority kimberlites identified from the exploration data acquired from Rio Tinto Desenvolvidos Minerais Ltda. in connection with joint venture arrangements that were negotiated in November 2003; and
- Test new priority airborne magnetic anomalies that exhibit magnetic signatures that are indicative of kimberlite pipes in the Pimenta Bueno diamond district.

Vaalldiam's Pimenta Bueno property encompasses 31 known kimberlite pipes, 24 of which comprise one cluster. According to sampling results obtained by Rio Tinto during their exploration campaign in 1995 and 1996, 50% of the pipes appear to be diamond-bearing, with 11 pipes exhibiting economic potential based on indicator mineral chemistry and micro diamond results. Vaalldiam's surface sampling of the priority pipes was started in January 2004, with 690 kilogram and 608 kilogram samples being extracted from the Pepper 6 and Chico Bueno pipes respectively. These samples have been submitted for heavy mineral and microdiamond analyses at Rio Tinto's laboratory in Brasilia. Sampling of the Tumeleiro 3 pipe is presently underway.

Ground follow-up exploration, consisting of linecutting, stream sediment sampling and ground magnetic surveys is also underway over 17, previously untested, isolated airborne magnetic anomalies that are evident in the reprocessed airborne magnetic data acquired from Rio Tinto. These priority magnetic anomalies exhibit magnetic responses which are similar to, and indicative of, known kimberlites on the property. In addition, Vaalldiam is processing approximately 4,416 line kilometres of airborne magnetic data that was collected for the Company by Aeroquest Limited in December 2003. This new airborne data will be merged with the reprocessed magnetic data acquired from Rio Tinto, and will provide Vaalldiam with complete magnetic coverage of the Pimenta Bueno property.

The Company has also closed the first tranche of a private placement of up to 2,222,222 Units of the Company. Pursuant to the closing of the first tranche, the Company sold 888,889 Units at a price of \$0.45 per Unit for gross proceeds of \$400,000. Each Unit consists of one common share of the Company and one common share purchase warrant, each common share purchase warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.65 per share on or prior to the 18 month anniversary of the closing of the offering. The common shares associated with the Units have a hold period which expires on June 3, 2004. The net proceeds of the offering are expected to be used to fund the current exploration program on the Pimenta Bueno diamond property and for working capital purposes. The remainder of the offering is anticipated to close on or about March 3, 2004, subject to receipt of all necessary regulatory approvals.

For additional information please visit www.vaalldiam.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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