



Not for distribution to United States newswire services or for dissemination in the United States.

March 29, 2004
Toronto, Ontario

2004-05
VAA-TSX.V

PRESS RELEASE

Vaalldiam Announces \$5,000,000 Private Placement

Vaalldiam Resources Ltd. (the "Company") (VAA – TSX Venture) announced today that it has entered into an agreement with Canaccord Capital Corporation to complete a fully marketed private placement financing to raise up to \$5,000,000, subject to the approval of the TSX Venture Exchange. Pursuant to the financing, Vaalldiam will issue units to be priced in the context of the market. Each unit will consist of one common share of the Company and one-half of one common share purchase warrant. Each full common share purchase warrant will entitle the holder thereof to acquire one additional common share of the Company at an exercise price to be determined at the time of the pricing of the offering, for a period of 24 months from the date of issuance thereof. Canaccord will have the option, exercisable at any time up to 48 hours prior to the closing of the offering, to increase the size of the offering by up to \$2,000,000. In addition, Canaccord will have the option, exercisable at any time up to 30 days following the closing of the offering, to increase the size of the offering by up to an additional 15% of the units issued in the offering (including any units issued upon the exercise of the above referenced agent's option).

Canaccord will receive a 7% cash commission and compensation options entitling it to acquire, at an exercise price equal to the offering price, such number of common shares of the Company as is equal to 7% of the number of units issued pursuant to the offering including the agent's option and the over-allotment option.

Proceeds of the offering will be used for drilling and sampling the Company's Pimenta Bueno diamond property in Brazil, property acquisitions and general corporate purposes.

Vaalldiam is a Canadian company engaged in the development of diamond deposits. The Company is currently exploring the Pimenta Bueno property, where 31 kimberlite pipes have been discovered to date. One-half of the pipes that have been discovered appear to be diamondiferous, and eleven of the pipes appear to have economic potential based both on the mineral chemistry of the indicator minerals and the microdiamond results. In addition to the known pipes, Vaalldiam has targeted for exploration, 29 airborne magnetic anomalies with isolated magnetic signatures that are identical to the known pipes. Ground geophysical surveys, coupled with geochemical surveys, are currently being completed over the priority anomalies, with the intention of starting a drilling campaign in the coming months.

Vaalldiam also holds an option from De Beers Consolidated Mines Ltd. to acquire a 70% interest in the Zuurverdiend diamond property in South Africa, which hosts the diamondiferous K004 kimberlite deposit. The Company also has an interest in a kimberlite exploration project in the Central African Republic.

Vaalldiam currently has 35,514,279 common shares outstanding.

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.

- 30 -

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