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PRESS RELEASE

**Vaaldiam Advances Exploration at Pimenta Bueno
Second Tranche of Private Placement Closed**

Vaaldiam Resources Ltd. (VAA – TSX Venture) reports that exploration on its 100% owned Pimenta Bueno diamond property in Brazil is rapidly advancing. Ground follow-up exploration, consisting of line cutting, indicator mineral sampling, and ground magnetic surveys is progressing ahead of schedule over the 17, previously untested, isolated airborne magnetic anomalies evident in the reprocessed airborne magnetic data acquired from Rio Tinto. These priority magnetic anomalies exhibit magnetic responses similar to, and indicative of, known kimberlites on the property.

Ground magnetic surveys have been completed over 5 of the 17 priority airborne magnetic anomalies, and 100 litre loam samples from each of the anomalies have been submitted to Rio Tinto's laboratory in Brasilia for processing. In addition, Vaaldiam has collected four large volume stream sediment samples for the assessment of the background mineralogy associated with the cluster of 24 kimberlite pipes that lie in the southern half of the property within an area of roughly 500 square kilometres. The samples were collected at approximately 7 kilometre intervals along a roughly east-west line extending westwards from the cluster, and were placed to assess the potential of several untested airborne magnetic anomalies that are situated to the west of the main cluster of pipes. Abundant kimberlite indicator minerals were recovered from the samples, including pyrope garnets (G9 & G10 varieties), ilmenites, chromites and chrome diopsides. Two diamonds (>0.425 mm <0.600 mm) were also recovered from concentrates in sample MP001, which is located 7 kilometres to the west of the main cluster of kimberlites. The mineral chemistry of the indicators is currently being investigated by means of microprobe analyses.

Vaaldiam has also processed 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, which was derived from a survey completed over the northern one-third of the property, shows some 28 isolated magnetic anomalies. Prioritization of these anomalies is currently underway, and this new magnetic data will be merged with the reprocessed magnetic data acquired from Rio Tinto for the southern two-thirds of the property, and will provide Vaaldiam with complete magnetic coverage of the Pimenta Bueno property.

The Company has closed its second and final tranche of its private placement offering of Units of Vaaldiam. Pursuant to the closing of the second tranche, Vaaldiam sold 100,000 Units at a price of \$0.45 per Unit for gross proceeds of \$45,000. 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 Vaaldiam 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 100,000 Units have a hold period which expires on July 4, 2004. The net proceeds of the offering are expected to be used for working capital and general corporate purposes. The amounts raised on this closing, together with the first closing, bring the total raised by the company pursuant to this offering to \$445,000.

For additional information 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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