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## **PRESS RELEASE**

### **BULK SAMPLING TO START ON DUAS BARRAS PROPERTY**

**Vaalldiam Resources Ltd. (VAA – TSXV)** reports that the Fundação Estadual Do Meio Ambiente (“FEAM”), the Environmental Agency of the state of Minas Gerais, has granted approval of the Company’s environmental permit application for the Duas Barras alluvial diamond property, situated 150 kilometers northwest of the town of Diamantina in the state of Minas Gerais, Brazil. The approval of the environmental permit allows Vaalldiam to further its technical due diligence review of the property. This review includes the extraction and processing of a 3,000 cubic meter bulk sample to confirm both diamond grade and value. A topographic survey is close to completion and percussion drilling is in progress to confirm the continuity of the gravel deposits and to allow for resource estimation. Installation of the Company’s new bulk sampling diamond recovery plant is almost complete and commissioning of the processing plant is scheduled to commence in early June.

Vaalldiam holds an option to acquire a 70% equity interest in the Duas Barras property from Mineração Marly Ltda., which completed a limited program of percussion drilling to test a portion of a 500 meter wide terrace deposit which extends along the left bank of the Jequitinhonha River. Marly also completed a bulk sampling program in 2002, which involved the excavation and processing of 4,263 cubic meters of alluvial gravel from the central portion of the deposit. This bulk sample reportedly yielded 1,108.34 carats of diamonds, suggesting a grade of 0.26 carats per cubic meter. According to Marly, these diamonds were sold during 2002 in 12 separate parcels for total proceeds of US\$246,346, suggesting an average sales value of US\$222 per carat at the time. Individual diamonds ranging in size from 0.15 to 7.41 carats were reportedly recovered during this period. Coarse free gold was also recovered during the processing of the bulk sample, with a reported 24.5 ounces of gold being sold by Marly during 2002.

The 7,000 hectare Duas Barras property encompasses a 5 kilometer portion of the Jequitinhonha River. Alluvial diamond deposits associated with the Jequitinhonha River currently produce an estimated US\$500,000 to US\$750,000 of diamonds each month from a combination of industrial-scale river dredge operations and smaller garimpeiro workings. The diamonds produced from alluvial gravels along the Jequitinhonha River are predominantly gem-quality cuttable goods, with typical sales values ranging between US\$150 to US\$250 per carat.

Large scale river dredging operations have been conducted both upstream and downstream of the Duas Barras property. These dredging operations combined with exploration activities in areas immediately adjacent to the property provide strong evidence that significant buried gravel deposits lie within the boundaries of the property. The property remains relatively untouched and offers a unique opportunity for Vaalldiam to utilize its expertise in alluvial mining to generate early cash flow by developing a medium scale mining operation.

This release has been reviewed by Dr. Luiz Bizzi, Vaalldiam’s Chief Diamond Consultant, who is a qualified person under National Instrument 43-101. For additional information regarding Vaalldiam please visit [www.vaalldiam.com](http://www.vaalldiam.com), or contact Ken Johnson, President & C.E.O. or Janet Reid, Manager, Investor Relations at (416) 363-6927.

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