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PRESS RELEASE

Vaalldiam Closes In On Additional Kimberlite Pipes

Vaalldiam Resources Ltd. (VAA-TSX Venture) reports that the Company's initial phase of exploration on its 100% owned Pimenta Bueno diamond property has identified 35 priority magnetic anomalies that could be new, additional kimberlite pipes. The identification of these 35 priority magnetic anomalies strongly suggests that additional kimberlite pipes will be discovered on the property, over and above the 31 pipes discovered to date. The Pimenta Bueno property lies adjacent to the Roosevelt Indian Reserve, where two kimberlite pipes were reportedly discovered during the last two years, and which recently has been the subject of considerable international media attention. The Roosevelt or "Lajes River" pipes and the associated alluvial deposits are reported to be producing approximately 100,000 carats of diamonds each month with a reported value of US\$20 million. Vaalldiam holds the largest land position in this prime district which is quickly developing into Brazil's most active diamond producing area.

All of the untested anomalies on Vaalldiam's property exhibit the classic circular dipole magnetic signatures that are associated with the 31 known pipes that have already been discovered on the 173,000 hectare property. Based on sampling completed by Rio Tinto, 15 of the 31 known pipes appear to be diamond-bearing. From the results of this preliminary sampling effort, 11 of the diamond-bearing pipes appear to have economic potential. Twenty-four of the 31 known kimberlite pipes occur in one large cluster covering some 500 square kilometres.

Analytical interpretation by Dr. Roberta Vidotti, Vaalldiam's geophysical consultant, of the Total Magnetic Intensity, Analytic Signal and 1st Derivative magnetic responses identified the presence of the 35 anomalies that could be related to kimberlites. Dr. Vidotti has graded the anomalies as Priority 1, 2 and Priority 3 anomalies based on the characteristics of the magnetic signatures in both plan and profile. Based on the interpretation, a total of 13 anomalies have been classified as Priority 1 anomalies, while 10 have been classified as Priority 2. Detailed ground geophysical surveys have been completed over 19 of the 23 Priority 1 and Priority 2 anomalies, and surveys are underway on the remaining 4 high priority anomalies. Stream sediment and loam (soil) sampling surveys are also in progress over these anomalies, to assist in the prioritization of the targets in advance of a drill program.

In addition to the sampling underway over the priority anomalies, Vaalldiam has collected four large volume stream sediment samples for the assessment of the background mineralogy associated with the cluster of pipes that lie in the southern half of the property. The samples were collected at approximately 7 kilometre intervals along a roughly east-west line extending westwards from the cluster, and were located to assess the potential of several of the untested 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), ilmenite, chromite and chrome diopside. 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. Dr. Luiz Bizzi, Vaalldiam's diamond consultant and Qualified Person (under National Instrument 43-101) reports that "the micro-probe analysis of the indicator minerals show a significant population of G10s (5.3%) that plot well within the Diamond Stability Field. The mineral chemistry of the ilmenites exhibits low O₂ fugacity, which is favourable for diamond preservation during emplacement. The cool geotherm of 38mW.m² and the favourable mineral chemistry reinforces the idea that the mantle sampled by the pipes in the Pimenta Bueno region had enough fertility to provide diamond mineralization." The close proximity of Vaalldiam's property to the productive deposits in the Roosevelt Reserve, the high percentage of diamondiferous kimberlites, and the excellent chemistry of the indicator minerals from the kimberlites and the magnetic anomalies, indicates that the Pimenta Bueno property has very high potential for undiscovered primary diamond deposits.

Vaaldiam Resources Ltd.
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