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**PRESS RELEASE**

**PLANT CONSTRUCTION COMPLETE AT DUAS BARRAS PROPERTY  
Commissioning Underway**

**Vaalldiam Resources Ltd. (VAA – TSXV)** reports that construction and installation of its diamond recovery plant on the Company's Duas Barras alluvial diamond property has been completed. The Duas Barras property is situated 150 kilometers northwest of the town of Diamantina in the state of Minas Gerais, Brazil. Commissioning of the bulk sampling plant is presently underway in advance of the processing of a 3,000 cubic meter bulk sample to confirm both diamond grade and value. A topographic survey of the deposit area has also been completed, and percussion drilling is continuing to confirm the continuity of the gravel deposits and to allow for resource estimation.

Stripping of the overburden overlying the gravels is in progress and the extracted gravel samples are being stockpiled at the plant for batch processing. The processing plant consists of a primary feed and screening circuit with a capacity of 40 cubic metres of gravel per hour, followed by a concentration circuit using jigs for gravity separation of the heavy minerals, including diamonds and gold. The fine gold-bearing fraction will report to a gold circuit which will produce a gold-bearing concentrate. The diamond-bearing concentrate will be delivered in sealed concentrate bins to a secure building containing grease tables for the final recovery of diamonds. Photos of the processing plant are available on Vaalldiam's website at [www.vaalldiam.com/gallery\\_duasbarras](http://www.vaalldiam.com/gallery_duasbarras).

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 five 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 Vaaldiam 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 José Ricardo Pisani, Vaaldiam's Senior Geologist, who is a qualified person under National Instrument 43-101. For additional information regarding Vaaldiam please visit [www.vaaldiam.com](http://www.vaaldiam.com), or contact Ken Johnson, President & C.E.O. or Janet Reid, Manager, Investor Relations at (416) 363-6927.

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