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VAA-TSX.VN
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PRESS RELEASE

VAALDIAM PRICES PRIVATE PLACEMENT

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VaalDIAM Resources Ltd. (the "Company") (VAA-TSX.VN) announced today that, subject to regulatory approval, it has priced the private placement (the "Offering") of up to 12,500,000 units ("Units"), previously announced on July 12, 2004, at \$0.40 per Unit for gross proceeds of up to \$5,000,000. Westwind Partners Inc. and First Associates Investments Inc., which the Company has retained to act as agents in connection with the Offering, have the right to exercise an option to purchase that number of additional Units which is equal to 40% of the total number of Units sold pursuant to the Offering for a period of 30 days following the closing of the Offering.

Each Unit will consist of one common share of the Company and one-half of one common share purchase warrant. Each whole common share purchase warrant will entitle the holder to acquire one additional common share of the Company at \$0.50 per share for a period of twelve months from the date of issuance. The net proceeds of the Offering are expected to be used for the exploration of diamond projects in Brazil and for general corporate purposes.

The Company is a Canadian based diamond exploration company involved in the exploration and development of the Pimenta Bueno diamond property, situated in the State of Rondonia, Brazil. To date, 32 kimberlite pipes have been discovered on this 176,000 hectare property, including the recently discovered "Clara Pipe". Based on sampling, 15 of the 32 known pipes are diamond-bearing. From the results of this preliminary sampling effort, micro diamond analyses and mineral chemistry studies indicate that 11 of the diamond-bearing pipes may have economic potential. These 11 kimberlites are now being assessed. Twenty-four of the 32 known kimberlite pipes occur in one large cluster covering some 50,000 hectares.

To obtain additional information on the Company please visit www.vaalDIAM.com. You can also contact Kenneth W. Johnson, President and Chief Executive Officer or Robert Yeoman, Vice President and Chief Financial Officer, for additional information at (416) 363-6927.