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PRESS RELEASE

VAALDIAM EXPLORING FOR DIAMONDS IN QUEBEC

Vaalldiam Resources Ltd. (VAA-TSX.VN) has mobilized an exploration crew to its Otish Mountain diamond property in Quebec to complete a program of indicator mineral sampling on its 8,844 hectare property. Approximately 110 samples will be collected from the Central and Eastern Block properties which are adjacent to the 33 Carats project of De Beers Canada Corporation and Dios Exploration Inc., and lie about 30 kilometres southeast of the Reynard kimberlite cluster, currently being developed by Ashton Mining Canada Inc. and SOQUEM.

Vaalldiam acquired the right to earn a 60% interest in the Central and Eastern Block properties through an agreement with Santoy Resources Ltd., who recently completed an airborne magnetic survey over the properties. This resulted in the identification of 31 isolated magnetic anomalies which may be favorable for the discovery of kimberlite pipes. Vaalldiam will evaluate the potential of these airborne magnetic anomalies through the completion of the current indicator mineral sampling program. This program will be followed by ground geophysical surveys which are to be completed early next year. This exploration work is being completed by IOS Services Géoscientifiques Inc. of Chicoutimi, Québec, under contract to Vaalldiam. Supervision of the program is provided by Tim Maunula, P.Ge., Chief Geologist of Wardrop Engineering Inc., who is a qualified person under National Instrument 43-101.

The Central and Eastern Block properties are geologically located in the Quebec portion of the Superior Craton where several kimberlite pipes and dikes have been discovered. Under the terms of its agreement, Vaalldiam has the exclusive option to acquire a 60% interest in the mineral claims and permits comprising the Central and Eastern Block properties by expending \$ 200,000 on exploration by June 2006 and, issuing a total of 100,000 common shares of Vaalldiam. This program is being funded by the \$500,000 flow-through portion of Vaalldiam's recently completed \$2,500,000 financing. The balance of these new funds is being devoted to Vaalldiam's Brazilian exploration properties.

Vaalldiam is a Canadian based diamond exploration company primarily 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, macro and 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.

For additional information regarding the Company please visit www.vaalldiam.com, or contact Kenneth W. Johnson, President and CEO, or Robert Yeoman, Vice President and Corporate Secretary, at (416) 363-6927.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.