



September 29, 2009  
Toronto, Ontario

VAA-TSX  
vaapr2009-06

## **PRESS RELEASE**

### **UPDATED CANDLE LAKE TECHNICAL REPORT FILED ON SEDAR BY VAALDIAM**

**Vaaldiam Resources Ltd. (VAA – TSX)** reports completion of an updated NI43-101 Technical Report for its 100%-owned Candle Lake Diamond Property, situated in the Fort à la Corne diamond district (FaC) in Saskatchewan. The Technical Report, which has been filed on SEDAR and can be viewed under Vaaldiam's profile at [www.sedar.com](http://www.sedar.com), provides a summary of results generated from the small and large diameter drilling programs completed during the period 2006 through 2008. The drilling programs predominantly focused on the southern portion of the large C29/30 kimberlite, one of two diamond-bearing kimberlites on the Candle Lake property. The report indicates that the C29/30 kimberlite remains under-explored and further delineation drilling and minibulk testing has been recommended to fully evaluate the deposit's economic potential.

#### **Highlights of the Report:**

- Drilling and geophysical survey results indicate the C29/30 kimberlite has a surface area of approximately 100 ha with 70 to 100 million tonnes of kimberlite in the potential mineral deposit;
- A preliminary 3D geological model of the kimberlite body suggests that the C29/30 kimberlite is a single volcanic complex with three main zones composed of 6 kimberlite units that have clear similarities to other large, diamond-bearing kimberlite bodies in the FaC diamond district;
- Since 2006, a total of 1,120 diamonds totalling 0.15 carats were recovered from microdiamond analyses of 2,434.85 kilograms of drill core recovered from the C29/30 kimberlite;

Table 1: Total 2006-2008 Microdiamond results by geological unit for the C29/30 kimberlite.

| <b>Kimberlite Unit</b> | <b>Diamonds</b> | <b>Carats</b> | <b>Sample Weight (kg)</b> | <b>Stones /10kg</b> |
|------------------------|-----------------|---------------|---------------------------|---------------------|
| KIMB 1                 | 328             | 0.041         | 515.75                    | 6.4                 |
| KIMB 2                 | 168             | 0.025         | 315.50                    | 5.3                 |
| KIMB 3                 | 402             | 0.044         | 1,000.30                  | 4.0                 |
| KIMB 4                 | 80              | 0.021         | 193.20                    | 4.1                 |
| KIMB 5                 | 11              | 0.001         | 40.45                     | 2.7                 |
| KIMB 6                 | 131             | 0.020         | 369.65                    | 3.5                 |
| <b>Total</b>           | <b>1,120</b>    | <b>0.152</b>  | <b>2,434.85</b>           | <b>4.6</b>          |

- A total of 370 macrodiamonds with a total weight of 14 carats were recovered from 633 tonnes (dry) of kimberlite extracted from nine large diameter reverse circulation drill holes testing the C29/30 kimberlite (as reported in a press release dated June 23, 2008);

- Macrodiamond results for large diameter minibulk samples have not been factored upwards to reflect probable underestimations of the diamond grade due to the small sample size, potential diamond breakage or loss, and dilution of minibulk sample grade by overburden contamination during drilling;
- Previous diamond sampling programs were focused on the southern portion of the C29/30 deposit and therefore may not be representative of the entire body; additional microdiamond and macrodiamond sampling is required to meet industry requirements for representivity and to facilitate first-order grade forecasting;
- The report recommends the continuation of staged exploration programs including delineation core drilling and minibulk sampling to representatively evaluate the C29/30 kimberlite pipe, and provide the necessary technical information required to support a threshold decision to proceed with a bulk sampling program.

Brent Jellicoe, Vice President of Vaaldiam and a Professional Geoscientist in the Province of Saskatchewan, is author of the Technical Report and is Vaaldiam's Qualified Person responsible for the verification and quality assurance of the analytical results generated from the Candle Lake property. Mr. Jellicoe emphasized that *"similar to other large diamond-bearing FaIC kimberlites, Candle Lake C29/30 is a significant exploration asset that must be properly and fully tested in order to make an economically sound threshold decision to carry the project through to bulk sampling. In the short term, our main objective will be to determine whether there is sufficient economic potential in the C29/30 body to carry forward with a National Instrument 43-101 compliant resource calculation."*

Vaaldiam Resources Ltd. is a Canadian-based diamond mining and exploration company with two mines in Brazil and advanced-staged diamond exploration projects in Brazil and Canada,

This release has been reviewed by Brent Jellicoe, P. Geo., 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 and CEO at (416) 363-6927.

*This press release contains certain forward-looking statements. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to international operations; risks related to joint venture operations; actual results of current exploration activities; changes in project parameters as plans continue to be refined, future prices of resources; possible variations in reserves, grade or recovery rates, accidents, labour disputes and other risks of the mining industry; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.*