



October 24, 2007  
Toronto, Ontario

VAA-TSX  
vaapr2007-25

**PRESS RELEASE**

**33.44 CARAT DIAMOND RECOVERED FROM ELKEDRA'S CHAPADA MINE  
Diamond Sold for US\$3,000 Per Carat**

**Vaalldiam Resources Ltd. (VAA – TSX)** reports that Elkedra Diamonds NL (EDN – ASX/AIM) has recovered a 33.44 carat diamond from its 100% owned Chapada Mine, located in Mato Grosso State, Brazil. This diamond is the largest ever recovered at the Chapada mine and was independently valued and sold at US\$3,000 per carat or US\$100,320 in total. The 33.44 carat stone was included in a parcel containing 2,534 diamonds weighing 1,530.70 carats, which included other large "special stones" weighing 22.77, 16.41 and 14.39 carats. Collectively, these four stones were sold for US\$181,849, or US\$2,091 per carat. The sales price for the entire run-of-mine parcel amounted to US\$677,641, or US\$442.70 per carat. The average size of the diamonds in the parcel was 0.60 carats. A photo of the 33.44 carat diamond is available for viewing on Vaalldiam's website at <http://www.vaalldiam.com/mining/duas-production/index.html>.

Elkedra's Chapada Mine commenced production in July 2006 and has since produced 25,697.98 carats of high quality gem diamonds at an average sales value of US\$391.07 per carat. To date 27 diamonds with sizes of between 7 to 33 carats and sales values in excess of US\$2,500 per carat have been recovered, including five diamonds being sold at values in excess of US\$4,000 per carat. All of Chapada's diamond production is sold under contract to the Leviev Diamond Group, which is the world's leading cutter and polisher of diamonds and a retailer of high value diamond jewellery through its stores in New York and London.

In July 2007, Vaalldiam made an offer to acquire Elkedra and its Chapada Mine to consolidate Brazil's diamond sector and create a leading South American diamond producer (refer to press release dated July 3, 2007). Combined production from the Chapada mine and Vaalldiam's Duas Barras mine in Minas Gerais State, Brazil is expected to reach 50,000 carats in 2007, increasing to over 80,000 carats of annual production starting in 2008. During the past two months, Vaalldiam's technical team has been working closely with Elkedra's management team at their Chapada Mine to reduce operating costs and improve efficiencies. Metco Global of Capetown, South Africa was recently engaged to conduct a review of the Chapada diamond recovery plant, with a view towards increasing production throughput and diamond recoveries at the plant. In addition, tests are also being conducted to quantify the gold content of the diamond bearing gravels, to determine whether the recovery of fine free gold would make a positive contribution to the economics of the Chapada operation. The recovery of fine free gold at Vaalldiam's Duas Barras mine is an important contributor to cash flow at that operation.

Vaalldiam has offered to acquire all of the outstanding common shares of Elkedra by way of a Scheme of Arrangement, whereby Vaalldiam will issue 0.52 of a Vaalldiam share for each Elkedra share held by Elkedra shareholders. Elkedra shareholders will vote to approve the transaction at a scheme meeting to be held on October 29, 2007 in Perth, Australia. The board of directors of Elkedra unanimously support the transaction and have recommended it to shareholders.

This release has been reviewed by José Ricardo Pisani, Vice President, Exploration and Paul Daigle, P.Geo., Senior Project Geologist who are qualified persons under National Instrument 43-101. For additional information regarding Vaalldiam please visit [www.vaalldiam.com](http://www.vaalldiam.com), or contact Ken Johnson, President & Chief Executive Officer or Janet Reid, Manager, Investor Relations 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,*

VAA2007-25  
October 24, 2007

*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.*

- 30 -