



October 3, 2007
Toronto, Ontario

VAA-TSX
vaapr2007-22

PRESS RELEASE

MORE DIAMONDS PRODUCED FROM BRAUNA SAMPLING

Vaalldiam Resources Ltd. (VAA – TSX) continues to produce some significant diamond results from its initial sampling of the Braúna 11 dike situated on the Company's 100% owned Braúna property in the State of Bahia, Brazil. A total of 19 diamonds with a total weight of 2.81 carats were recovered from 16.02 dry tonnes of kimberlite (17.67 wet tonnes), indicating a recovered grade of 17.54 carats per hundred tonnes (cpht). The average stone size of the diamonds recovered was 0.15 carats, with some diamonds showing evidence of fresh breakage that likely occurred during sample processing. The five largest stones recovered in the mini-bulk sample weigh 0.94, 0.58, 0.40, 0.19 and 0.10 carats. The diamonds are predominantly white to yellowish-white in colour and the majority show well-formed crystal shapes. Five of the stones that were recovered from the Braúna 11 sample are fragments of larger stones, while two of the stones are twinned crystals. Photos of the diamonds recovered from the mini-bulk sample of Braúna 11 are available for viewing on the Company's website at <http://www.vaalldiam.com/mining/brauna-pgallery/index.html>.

Ken Johnson, President and Chief Executive Officer of Vaalldiam commented that *"these latest results from the Braúna 11 dike, together with the recent results reported from the Braúna 8 dike, provide further confirmation of the presence of commercial sized diamonds in both the Braúna dike and pipe systems, thereby significantly increasing the tonnage potential of this exciting property. The excellent infrastructure of the Braúna property, coupled with the low development and operating costs associated with mining projects in Brazil suggests that the economic potential of the Braúna property is promising."*

The Braúna 11 kimberlite occurrence is a 1.5 to 2.5 metre wide, vertically oriented kimberlite dike situated approximately 2 kilometres south of the Braúna 3 and Braúna 7 pipes. To date, the dike has been traced on surface over a distance of approximately 750 metres and it appears to form part of a northwest-trending dike system that has been traced on surface over a distance of approximately 15 kilometres. Vaalldiam's sample was extracted from a 6 metre deep shaft that allowed the excavation of fresh kimberlite which does not appear to be diluted by soil and calcrete overlying the dike system. Processing of a second sample located 200 metres northwest of the initial sample is currently underway.

Additional Diamonds Recovered from Braúna 8 Sample

Reprocessing of the plant tailings generated during the processing of the Braúna 8 dike sample, previously reported on September 14, 2007, has resulted in the recovery of five additional diamonds with a total weight of 0.12 carats. The five additional diamonds are clear white in colour. Two of the stones are well-formed crystal shapes while the remaining three diamonds are twinned crystals. This brings the total number of diamonds recovered from the Braúna 8 sample to 104 diamonds with a total weight of 6.60 carats from 16.87 dry tonnes (22.97 wet tonnes) indicating a recovered grade of 39.13 cpht. As previously reported, the five largest stones recovered in the mini-bulk sample weigh 0.92, 0.54, 0.32, 0.30 and 0.30 carats. The largest diamond recovered (0.92 carats) is pink in colour. Another pink diamond appears to have been broken during processing. The remainder of the diamonds recovered are white in colour. Photos of the diamonds recovered from the mini-bulk sample of Braúna 8 are available for viewing on the Company's website at <http://www.vaalldiam.com/mining/brauna-pgallery/index.html>.

A detailed ground magnetic survey will commence later this month over the area surrounding the Braúna 8 kimberlite in an effort to define the limits of this dike system. Once defined, drilling and

additional surface sampling will be undertaken to test the economic potential of the entire kimberlite dike system.

The mini-bulk samples collected from the Braúna 8 and Braúna 11 kimberlites were processed at Vaaldiam's dense media plant situated in Vaaldiam's secure facilities in the town of Nordestina, just 5 kilometres from the Braúna property. The processing plant consists of a crushing and feed circuit, a 300 kilogram per hour dense media separation module and a secure diamond recovery circuit capable of recovering diamonds larger than 0.85 mm using a square mesh screen. Simulated diamond tracers with a density similar to diamond were used to measure the efficiency of the plant. Vaaldiam's geologists and technicians implemented strict chain-of-custody procedures during the extraction and processing of the sample to ensure the security of the sample. Reprocessing of the plant tailings was completed as part of an audit of the processing plant efficiency to ensure the highest recovery rate is achieved for the sample processing.

This release has been reviewed by José Ricardo Pisani, Vice President, Exploration who is a qualified person under National Instrument 43-101. For additional information regarding Vaaldiam please visit www.vaaldiam.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, 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.