



January 11, 2007  
Toronto, Ontario

VAA-TSX  
vaapr2007-01

## **PRESS RELEASE**

### **DIAMOND SALES AGREEMENT SIGNED**

**Vaalldiam Resources Ltd. (VAA-TSX)** is pleased to announce that it has entered into a diamond sales agreement with N. Aftergut & Zonen b.v.b.a. who will purchase all of the rough diamond production at independently assessed market prices from Vaalldiam's wholly-owned Duas Barras mine located in the state of Minas Gerais, Brazil. Located in Antwerp, Belgium, the firm of Aftergut & Zonen has been engaged in the purchase and sale of rough diamonds for over fifty years. Vaalldiam views its relationship with Aftergut & Zonen as an important element in the success of the Duas Barras mine. All rough diamonds shipped by Vaalldiam to Aftergut & Zonen will be in strict adherence with the Kimberley Accord.

The Duas Barras deposit contains an indicated resource of approximately 1.7 million bank cubic metres at an estimated grade of 0.16 carats/m<sup>3</sup> and 0.18 grams Au/m<sup>3</sup>, representing an in-situ diamond resource of 270,000 carats and 306 kilograms (9,838 ounces) of gold. In addition, the deposit contains an inferred resource of approximately 1 million bank cubic metres at an estimated grade of 0.16 carats/m<sup>3</sup> and 0.18 grams Au/m<sup>3</sup>, representing an in-situ diamond resource of 160,000 carats and 180 kilograms (5,787 ounces) of gold. A recent independent valuation of 169.15 carats of diamonds recovered during the bulk sampling program indicated an average value of US \$197 per carat. Vaalldiam is currently constructing a diamond recovery plant on the property designed to process about 80 m<sup>3</sup>/hour of gravel, equivalent to an annual rate of 240,000 bank m<sup>3</sup>, to recover an estimated 38,000 carats of diamonds and 43 kilograms (1,382 ounces) of gold per year. Mine construction is underway, with production scheduled to commence in the first quarter of 2007.

For additional information regarding Vaalldiam please visit [www.vaalldiam.com](http://www.vaalldiam.com) or contact Ken Johnson, President and 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.*