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VAA-TSX
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PRESS RELEASE

Update on Corporate Activities

Vaaldiam Resources Ltd. (VAA-TSX) announced today that the Company has suspended mining operations at its 100% owned Duas Barras mine in Brazil in response to weak rough diamond markets, which have seen rough diamond prices decline by approximately 25% since September. The Company also announced that it will not be proceeding with the debt financing previously announced on September 22, 2008 due to market conditions.

Ken Johnson, President and Chief Executive Officer of Vaaldiam stated that *"the international diamond market has recently suffered a series of downward price adjustments due to the current economic crisis and the slowing of the global economy. Secondary trading of rough diamonds on the international market has slowed considerably, despite major producers such as De Beers and Rio Tinto cutting production by as much as 20%. While the latest sales of our Duas Barras production returned prices only 12% below our historical average of US\$165 per carat, we do not expect that we can maintain that price level as a further weakening of rough prices is forecast for the coming months which would further impact our operations and widen our losses. We have therefore made a decision to significantly lower our operating expenses through the suspension of all mining and exploration operations and through staff reductions both in Canada and Brazil. We are currently exporting approximately 4,300 carats of production from Duas Barras which we plan to sell in December, which will provide additional funding to our Company."*

The Company has established a special committee of the Board of Directors to review cost cutting measures to be implemented by management and identify and evaluate strategic alternatives which may include the sale of some of the Company's assets. Initiatives being implemented by management include:

- layoff of 75% of head office staff;
- suspension of operations at the Duas Barras mine;
- suspension of exploration activities on all projects; and
- further reduction of care and maintenance staff at the Chapada mine where operations were suspended in July 2008.

The Board of Directors has also decided that, due to the weak equity and rough diamond markets, it cannot complete the previously announced acquisition of RST Recursos Mineração Ltda. which owns the Peçanha mine and concessions adjacent to the Company's Duas Barras concession. In addition the restructuring of the Company's Canadian operations previously announced on August 20, 2008 will be postponed indefinitely.

Assuming sufficient funds become available, Vaaldiam will proceed with the previously announced bulk sampling program on its 100% owned Braúna kimberlite project in the State of Bahia in Brazil, where there are presently 22 known kimberlite occurrences consisting of blows or small pipes situated along a series of kimberlite dikes or fissures traced over a distance of 20 kilometres. Mini-

bulk sampling of the various kimberlites has since proved them to be all diamondiferous. Sample results for stones retained on a 0.85 mm square mesh screen indicate a diamond content ranging from 4 cpht (carats per hundred tonnes) at the Braúna 7 kimberlite to 42 cpht at the Braúna 8 kimberlite*. Large diamonds and coloured diamonds have been recovered from the mini-bulk sampling, including a 7.97 carat white octahedron and a 0.92 carat pink dodecahedron stone.

Mr. Juvenal Mesquita has retired from the Vaaldiam board of directors. Mr. Mesquita had been a director of Vaaldiam since November 2003. The Company wishes to thank Mr. Mesquita for his contribution to the Company over the past five years.

* The estimated diamond content, expressed as carats per hundred tonnes, may not be representative of the overall diamond content of the body due to a number of factors including location and size of the sample.

This release has been reviewed by Katya Masun, Senior Resource Geologist, 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 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.