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**PRESS RELEASE**

**POSITIVE DIAMOND RESULTS - DRILLING TO START**

VaalDiam Resources Ltd. (VAA-TSX.VN) has received highly encouraging results from surface sampling of its Tumeleiro-3 and Clara-1 kimberlite pipes on the Pimenta Bueno property in Rondônia, Brazil. Two samples of kimberlite were excavated from two separate pits in the Clara-1 kimberlite. This pipe was discovered in June when an auger drill hole was testing a 12 hectare electromagnetic anomaly situated 400 metres to the southeast of the known Tumeleiro-3 pipe. A pit (Sample MP 0087), located at the site of the discovery auger hole that tested the centre of the electromagnetic anomaly, was excavated to a depth of 4.7 metres and resulted in the recovery of 45 diamonds from 332.96 kilograms of kimberlite. A second pit (Sample MP 0086) at the edge of the circular anomaly, approximately 95 metres northwest of the first pit, was excavated to a depth of 4.0 metres and resulted in the recovery of 27 diamonds from 290.77 kilograms of kimberlite. Combined, the preliminary surface sampling at this new kimberlite discovery produced 72 diamonds from 623.73 kilograms of rock, inferring 115 stones per tonne. A total of 13 diamonds (18%) measured larger than 0.425 mm, with one stone larger than 1 mm.

Both the Tumeleiro-3 and Clara-1 pipes are buried deposits covered by a layer of siltstone that is greater than 2 metres in thickness. Dilution of the samples by this overlying siltstone was estimated by Company geologists at 20% and 25% respectively for the two samples. A summary of the number of diamonds recovered on Endecott square mesh screens is provided below.

Kimberlite	Sample Wt. (Kg)	+1.00 mm	+0.85 mm	+0.600 mm	+0.425 mm	+0.300 mm	+0.212 mm	+0.125 mm	Total
Clara-1	332.96	1	0	3	5	8	14	14	45
Clara-1	290.77	0	0	0	4	3	8	12	27
Total Clara-1	623.73	1	0	3	9	11	22	26	72

One sample (MP 0071) was manually excavated from the Tumeleiro-3 pipe, which lies approximately 500 metres northwest of the Clara pipe. The Tumeleiro-3 pipe also appears to be associated with an untested 8 hectare electromagnetic anomaly. A total of 108 diamonds were recovered from 495.69 kilograms of kimberlite extracted from the Tumeleiro-3 pipe sample, which projects to 218 stones per tonne. A total of 21 diamonds measured larger than 0.425 mm, with one stone larger than 1 mm in size. Dilution of the sample by the overlying siltstone country rock was estimated at 5%. A summary of the number of diamonds recovered on Endecott square mesh screens are provided below.

Kimberlite	Sample Wt. (Kg)	+1.00 mm	+0.85 mm	+0.600 mm	+0.425 mm	+0.300 mm	+0.212 mm	+0.150 mm	Total
Tumeleiro-3	495.69	1	0	7	13	17	36	34	108

The kimberlite samples from both the Clara-1 and Tumeleiro-3 pipes were collected and recorded under the supervision of qualified geoscientists. Samples were securely sealed in solid containers and shipped by sealed transport to Rio Tinto's laboratory in Brasilia. Rio Tinto's standard caustic fusion diamond recovery method was utilized for all samples.

Both the Tumeleiro-3 and the new Clara-1 pipe lie in a cluster of five pipes that are situated within a well-defined area covering some 575 hectares. The pipes appear to lie along a north-northwest trending structural lineament, which hosts two other diamondiferous pipes known as Cosmos 1 and 2. Ground magnetic and electromagnetic surveys completed by Vaaldiam have identified at least 5 additional targets within and along this trend. These geophysical targets may represent new undiscovered kimberlite pipes.

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Vaaldiam is currently mobilizing two drill rigs to the Pimenta Bueno property with the objective of starting its initial phase of drilling by mid-November. This drill program will focus on the delineation of the Clara-1 and Tumeleiro-3 pipes and the collection of composite mini-bulk samples from these bodies for micro diamond analysis. The drill program will also test the magnetic and electromagnetic anomalies that are evident in the area of the Tumeleiro and Clara pipes. Two other magnetic targets, which exhibit high interest indicator mineral chemistry and lie outside of the Clara-Tumeleiro kimberlite cluster, will also be tested during this initial drilling campaign.

Ken Johnson, President and CEO of Vaaldiam stated that “we are extremely encouraged with the results obtained from this initial surface sampling of the Tumeleiro-3 and Clara-1 pipes. The Tumeleiro pipe in particular demonstrates an encouraging diamond size distribution, with a significant proportion of macrodiamonds being recovered from the sample.”

Vaaldiam is a Canadian based diamond exploration company primarily involved in the exploration and development of the Pimenta Bueno diamond property. To date, 32 kimberlite pipes have been discovered on this 176,000 hectare property. Based on sampling, 15 of the 32 known pipes are diamond-bearing. From the results of this preliminary sampling, macro and micro diamond analyses and mineral chemistry studies indicate that 11 of the diamond-bearing pipes may have economic potential. These 11 kimberlites are now being evaluated. Twenty-four of the 32 known kimberlite pipes occur in one large cluster covering some 50,000 hectares.

This release has been reviewed by Tim Maunula P.Geol., Chief Geologist of Wardrop Engineering who is the independent Qualified Person under National Instrument 43-101. For additional information regarding the Company please visit [www.vaaldiam.com](http://www.vaaldiam.com), or contact Kenneth W. Johnson, President and CEO, or Robert Yeoman, Vice President and Corporate Secretary, at (416) 363-6927.

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