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**PRESS RELEASE**

**POSITIVE DIAMOND RESULTS FROM INITIAL BRAÚNA BULK SAMPLE**

**VaalDiam Resources Ltd. (VAA – TSX)** (60% interest) and partner Majescor Resources Inc. (MAJ – TSXV) (40% interest) are pleased to report that 38 diamonds with a total weight of 4.78 carats have been recovered from 21.5 dry tonnes of kimberlite processed thus far from the 1.7 hectare Braúna 3 pipe, located in the State of Bahia, Brazil. The five largest stones recovered to date weigh 0.49, 0.46, 0.43, 0.41 and 0.31 carats.

The following table summarizes the diamond results from the processing of the mini-bulk sample collected from the first of three vertical shafts excavated into the Braúna 3 pipe to depths ranging from 6 to 16 metres.

Sample Numbers	Dry Tonnes Processed	# of Diamonds Recovered	Weight in Carats	Average Stone Size (ct)	Sample Grade in Carats per 100 Dry Tonnes	Shaft Depth Interval (metres)
276-280	1.773	1	0.02	0.02	1.13	4.0-6.0
281-284	1.667	3	0.53	0.18	31.80	
285-287	1.278	-	-	-	-	
288-289	0.869	-	-	-	-	
290-295	2.568	3	0.17	0.06	6.62	6.0-9.0
296-300	1.950	-	-	-	-	
301-303	1.024	2	0.25	0.13	24.41	
304-306	1.079	-	-	-	-	
306-309	1.109	3	0.99	0.33	89.28	
310-313	1.373	4	0.80	0.20	58.29	
314-317	1.341	3	0.12	0.04	8.95	9.0-10.0
318-322	1.987	11	0.88	0.08	44.28	
323-326	1.498	2	0.47	0.24	31.38	10.0-11.0
327-331	2.012	6	0.55	0.09	27.31	
<b>Totals</b>	<b>21.526</b>	<b>38</b>	<b>4.78</b>	<b>0.13</b>	<b>22.21</b>	

Note 1: All diamonds recovered are larger than 0.85 mm using a square mesh screen.

Note 2: The shaft interval from 0 to 4 metres was comprised of soil, calcrete and calcretized kimberlite and was not sampled.

VaalDiam's dense media plant, which is situated just 5 kilometres from the Braúna property, is being utilized by the joint venture to process the 50 tonne mini-bulk samples extracted from two of the four Braúna pipes. The diamond recovery plant consists of a crushing and feed circuit, a 300 kilogram per hour dense media separation module, and a secure diamond recovery circuit. Simulated diamond "tracers" with a density similar to diamond, are being utilized to measure the efficiency of the plant, and indicate an average recovery rate of 98.7% based on the samples processed to date. Reprocessing of the plant tailings will be completed as part of an audit of the processing plant efficiency, to ensure the highest recovery rate is achieved for the sample processing. A description of the diamonds will be provided upon the completion of the sampling program.

The Braúna 3 pipe was discovered by De Beers in 1992 during follow-up exploration of a high interest heavy mineral anomaly. De Beers extracted approximately 7.5 tonnes of material from the surface of the pipe, which produced 7 diamonds with a total weight of 0.18 carats, suggesting a diamond grade of only 2.38 cphr for the pipe. The average size of the diamonds recovered by De Beers was 0.03 carats per stone, and the largest stone recovered weighed 0.10 carats. The current mini-bulk sampling program being completed by Vaaldiam and Majescor is focusing on testing the kimberlite below a depth of 4 metres, where the kimberlite is less diluted by the calcrete, which forms a hard layer covering the surface of the Braúna pipes. Ken Johnson, President and Chief Executive Officer of Vaaldiam commented that *"the diamond grade appears to become more consistent with depth as the kimberlite becomes less diluted by calcrete. We are extremely pleased with the diamond results, as they show a fourfold improvement over the 1992 surface sampling results in the average size of the diamonds, and an almost tenfold improvement in the diamond grade."*

Approximately 25 tonnes of kimberlite remains to be processed from the Braúna 3 pipe, and is expected to be completed by year end. An additional 50 tonnes of kimberlite from the 1.0 hectare Braúna 7 pipe will be processed during January and February 2007.

### **About Vaaldiam**

Vaaldiam is a Canadian-based diamond exploration company primarily involved in the exploration and development of advanced-staged diamond properties in Brazil. Vaaldiam is also focused on the development of its Duas Barras alluvial diamond mine in the State of Minas Gerais, Brazil, where an indicated gravel resource of 1.7 million cubic metres and an inferred resource of approximately 1.0 million cubic metres, containing a combined 430,000 carats has been delineated by bulk sampling and drilling. Mine construction is underway, with production scheduled to commence in Q1-2007. On its Pimenta Bueno diamond property in the State of Rondônia, Brazil, joint venture partner Rio Tinto has committed to the second year of exploration work and is completing a drill program which has recently resulted in the discovery of additional kimberlite pipes. Delineation and sampling of the new discoveries is underway, and is focused on defining targets for bulk sampling early next year. Vaaldiam has 81.4 million common shares outstanding and approximately C\$13.0 million in cash available for the exploration and development of its diamond properties.

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](http://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.*