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PRESS RELEASE

PROCESSING OF 100 TONNE BULK SAMPLE OF ARTEMISIA KIMBERLITE UNDERWAY

Vaalldiam Resources Ltd. (VAA – TSX) reports that processing of its 100 tonne mini-bulk sample from the Artemisia kimberlite in Nunavut has commenced at SGS Lakefield Research Limited, with results expected during the first quarter of 2007. During August 2006, Vaalldiam excavated approximately 100 tonnes of kimberlite from five different locations across the surface of the three hectare pipe. The mini-bulk sample represents the largest volume of kimberlite extracted from the Artemisia pipe. The processing of this sample is intended to confirm the presence of commercial size diamonds within the pipe, and determine whether the size distribution and quantity of the diamonds is sufficient to justify a larger bulk sampling program during 2007.

Ashton discovered the Artemisia kimberlite in 2001 as an outcrop at the head of a kimberlite float and indicator mineral anomaly dispersion fan. Following the discovery, Ashton collected a total of 1.16 tonnes of kimberlite from surface, testing the pipe in three different locations. After processing this sample through its North Vancouver B.C., dense media separation plant, Ashton reported that the sample returned a total of 0.20 carats of diamonds larger than 0.8 mm using a square aperture screen. An additional 11 tonnes of kimberlite was collected in 2002 from seven holes that were drilled in order to delineate the boundaries of the pipe. This sample was also treated at Ashton's North Vancouver plant and returned a total of 1.18 carats of diamonds larger than 0.8 mm using a square aperture screen. The largest diamond recovered was a colourless aggregate crystal weighing 0.08 carats.

In addition to the 100 tonne mini-bulk sample collected from the Artemisia pipe, Vaalldiam also collected a one tonne sample from the Perseus kimberlite to assess the diamond distribution within this kimberlite dike system. This sample will be processed at SGS Lakefield Research following the completion of the processing of the Artemisia sample. The Perseus kimberlite is located 37 kilometers south of the Artemisia pipe. The Perseus kimberlite dyke was drilled and sampled by Ashton once in 2000 and again in 2002. A total of 318 kilograms of kimberlite from drill core was sampled and 87 diamonds between 0.1 mm and 0.5 mm were recovered.

Under the terms of the agreement with Ashton Mining of Canada Inc. (ASA-TSX), Vaalldiam has an exclusive option to acquire a 40% joint venture interest in Ashton's wholly-owned Coronation Gulf properties by spending a total of C\$3.0 million on exploration costs before December 31, 2008, of which C\$1.0 million must be spent by December 31, 2006. Vaalldiam is the operator for the 2006 program and has contracted Apex Geoscience Ltd. of Edmonton, Alberta to conduct the bulk sampling program under the direction of Paul Daigle, P.Geo., Senior Project Geologist for Vaalldiam.

About Vaalldiam

Vaalldiam is a Canadian-based diamond exploration company primarily involved in the exploration and development of advanced-staged diamond properties in Brazil. On its Pimenta Bueno diamond property in Rondônia state, 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. Vaalldiam is also focused on the development of its Duas Barras alluvial diamond mine in Minas Gerais state,

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. A 119 tonne mini-bulk sample is currently being processed at Vaaldiam's 60% owned Brauna Project in the state of Bahia in Brazil. Vaaldiam has 81.4 million common shares outstanding and approximately C\$13.5 million in cash available for the exploration and development of its diamond properties.

This release has been reviewed by Paul Daigle, P.Geo., Senior Project Geologist for Vaaldiam Resources Ltd. 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.