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VAA-TSX
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PRESS RELEASE

MINING OPERATIONS START AT DUAS BARRAS DIAMOND MINE

Vaalldiam Resources Ltd. (VAA – TSX) is pleased to announce that a temporary Operating Licence for its 100% owned Duas Barras Mine has been issued by FEAM, the State of Minas Gerais environmental authority, which enables Vaalldiam to commence mining operations. The Licence was granted for the Duas Barras Mine following an environmental review of the operation. The final Operating Licence is expected to be issued by FEAM in March.

Ken Johnson, President and Chief Executive Officer of Vaalldiam, commented that *“the issuance of the temporary Operating Licence for our Duas Barras Mine will allow us to immediately commence mining operations on the property. Plant construction is expected to be completed within the next month, and processing of diamond-bearing gravels, which are being stockpiled adjacent to the plant, is expected to begin before the end of March.”*

The Duas Barras Mine is forecast to produce approximately 38,000 carats during its first full year of production, increasing to 50,000 carats per annum for the remainder of the mine’s projected 9-year life. The deposit contains an indicated resource of approximately 1.7 million bank cubic metres at an estimated grade of 0.16 carats/m³ and 0.18 grams Au/m³, 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/m³ and 0.18 grams Au/m³, representing an in-situ diamond resource of 160,000 carats and 180 kilograms (5,787 ounces) of gold (see press release dated August 21, 2006). A recent independent valuation of 169.15 carats of diamonds recovered during Vaalldiam’s bulk sampling program indicated an average value of US \$197 per carat (see press release dated September 19, 2006).

Vaalldiam is committed to expanding its alluvial diamond production to at least 100,000 carats per year within the next two years and is currently evaluating opportunities to achieve this objective. Vaalldiam intends to utilize the cash flow from its alluvial operations to finance its kimberlite exploration and development program in Brazil. Vaalldiam has 81.4 million common shares outstanding and approximately C\$9.0 million in cash available for the exploration and development of its diamond properties.

This release has been reviewed by Paul Daigle, P. Geo., who is the qualified person under National Instrument 43-101 for Vaalldiam’s Duas Barras Mine. For additional information regarding Vaalldiam please visit www.vaalldiam.com, or contact Ken Johnson, President & 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.