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Toronto, Ontario

PRESS RELEASE

VAALDIAM ADVANCES SALE OF NON-CORE ASSETS

Vaalldiam Mining Inc. ('Vaalldiam' or 'the Company') (TSX:VAA) and Base Iron Ltd. ('BIL') (ASX:BSE) are pleased to announce that BIL successfully completed two key 'conditions precedent' for the acquisition of the Kwale Mineral Sands Project ('Kwale') from Vaalldiam, as announced on 25 February 2010. BIL has completed due diligence and obtained Government of Kenya ('GoK') approval for the transaction. BIL must now raise funds and seek shareholder and regulatory approval for the transaction.

Vaalldiam CEO Robert Jackson said "This is real progress towards completing the transaction, which generates cash flow with zero further investment by Vaalldiam. Kwale is technically sound. The GoK now recognizes the importance of this project to Kenya and cooperated in granting its approval. Our strategy is to sell non-core assets and deploy the funds on diamond and gold assets in Brazil. At closing, Vaalldiam will receive US\$3 million in cash and a cash royalty of 1.5% on all product revenue from Kwale. It is conceivable that total revenues for the project could significantly exceed US\$1 billion over its 11-year life, returning substantial value to Vaalldiam from the royalty".

BIL disclosed that it expects Kwale to produce an average of 330ktpa, 80ktpa and 35ktpa of ilmenite, rutile and zircon respectively over the first six years of operation from the higher grade Central Dune before declining to average 190ktpa, 55ktpa and 25ktpa over the subsequent five years. BIL quotes respected industry experts TZ Minerals International ('TZMI') forecasts of constrained mineral sand supplies increasing ilmenite, rutile and zircon prices to US\$125/t, US\$690/t and US\$1,150/t respectively by 2014.

Vaalldiam's focused strategy is to restart diamond and gold production in Brazil in 2010, using the production cash-flow and the cash from its sales of non-core assets in Kenya and Canada to finance hard-rock exploration in Brazil for both diamonds and gold.

For additional information regarding Vaalldiam Mining please visit www.vaalldiam.com or contact Robert Jackson, President and Chief Executive Officer at (416) 363-6927.

FORWARD-LOOKING INFORMATION

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.