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PRESS RELEASE

**VAALDIAM OPTIONS OTISH MOUNTAIN DIAMOND PROPERTY
FROM SANTOY RESOURCES LTD.**

Vaalldiam Resources Ltd. (VAA-TSX-V) has negotiated an agreement with Santoy Resources Ltd. (SAN-TSX-V) to earn a 60% interest in Santoy's Otish Mountain diamond property in Quebec. Santoy's Otish Mountain diamond property consists of 169 unpatented mining claims in two claim blocks covering a combined 8,844 hectares. The claim blocks, which are known as the Central and Eastern Blocks, are situated to the south of the Reynard kimberlite cluster, which are currently being developed by Ashton Mining Canada Inc. and SOQUEM.

Santoy recently conducted an airborne magnetic survey over the Central and Eastern Block properties, which resulted in the identification of 31 isolated magnetic anomalies which may be favorable for the discovery of kimberlite pipes. Vaalldiam plans on evaluating the potential of these airborne magnetic anomalies through the completion of ground magnetic surveys and indicator mineral sampling.

The Central and Eastern Block properties are located in the Quebec portion of the Superior Craton where several kimberlite pipes and dikes have been discovered. Under the terms of the agreement with Santoy, Vaalldiam has the exclusive option to acquire a 60% interest in the mineral claims and permits comprising the Central and Eastern Block properties by expending C\$ 200,000 on exploration over a period of two years and, subject to regulatory approval, issuing to Santoy a total of 100,000 common shares of Vaalldiam. It is anticipated that the funding to undertake the exploration program on the Central and Eastern Block properties will be provided by the issuance of flow through shares.

Vaalldiam is a Canadian diamond exploration company with the objective of becoming a leading producer of superior quality diamonds, through the systematic exploration and development of properties situated in the most prospective areas. Vaalldiam's primary focus at present is the development of the Pimenta Bueno diamond property in Brazil, where 15 of the 31 kimberlite pipes found thus far are diamond bearing.

For additional information please visit www.vaalldiam.com, or contact Kenneth W. Johnson, President and CEO, or Robert Yeoman, Vice President and Corporate Secretary, at (416) 363-6927.