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PRESS RELEASE

Vaalldiam to Option Properties and Sample Artemisia Kimberlite in Nunavut

Vaalldiam Resources Ltd. (TSX-VAA) ("Vaalldiam") reports that it plans to collect a mini-bulk sample from the surface of the approximately three hectare Artemisia kimberlite pipe, situated in the north Slave Craton region of Nunavut, Canada. The Artemisia pipe is one of five diamond bearing kimberlites identified on the 91,400 hectare "Coronation Gulf Properties", namely the Kim, Ric, Vic, Eokuk and James River properties, that are owned 100% by a wholly-owned subsidiary of Ashton Mining of Canada Inc. (TSX-ACA) ("Ashton"). The Coronation Gulf properties are located 500 km north of Yellowknife and 50 km south of the Coronation Gulf.

Ashton discovered the Artemisia kimberlite in 2001 as an outcrop at the head of a kimberlite float and indicator mineral anomaly dispersion fan. In 2002, 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. Later in 2002, Ashton collected an additional 11 tonnes of kimberlite 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.

Exploration conducted by Ashton indicates that the Artemisia pipe has a surface area of approximately 3 hectares, and is comprised of diatreme facies kimberlite. The Artemisia pipe is situated approximately 2.5 km northeast of the diamond-bearing Thrift kimberlite, a body associated with a 100 metre diameter magnetic anomaly. To date, Ashton has discovered eight kimberlites on the Coronation Gulf Properties, five of them diamondiferous. In addition to the known kimberlites, Ashton has identified more than 10 indicator mineral anomalies that warrant investigation.

Under the terms of the agreement with Ashton, Vaalldiam has an exclusive option to acquire a 40% joint venture interest in the Coronation Gulf Properties by spending a total of C\$3.0 million on exploration of the properties before December 31, 2008, of which C\$1.0 million must be spent by December 31, 2006. In addition, the agreement requires, subject to regulatory approval, that Vaalldiam issue Ashton a total of 195,000 common shares over the three-year term of the option. Vaalldiam currently has C\$1.8 million in flow-through share derived funds available to fund the exploration of the Coronation Gulf Properties. Vaalldiam is the operator for the 2006 program with Ashton retaining the right of operatorship after 2006.

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 100% owned Pimenta Bueno diamond property in Rondônia state, Brazil, joint venture partner Rio Tinto has committed to the second year of exploration work. To date, 34 kimberlite pipes have been discovered, 15 of which are diamond bearing. Rio Tinto is currently drill-testing new geophysical targets which may lead to the discovery of additional kimberlite pipes. Delineation and sampling of the known kimberlites is also underway, and is focused on defining targets for bulk sampling later this year. Vaalldiam is also focused on the development of its Duas Barras alluvial diamond property in Minas Gerais state, Brazil, scheduled to commence production in Q4-2006. Mine planning and processing plant design is nearing completion, and plant construction is expected to commence

in the coming months. A drilling program is also underway on the Brauna property in the state of Bahia in Brazil, where four kimberlite pipes are being delineated in advance of a mini-bulk sampling program scheduled for later this year. Vaaldiam has 81.4 million common shares outstanding and approximately C\$17.0 million in cash available for the exploration and development of its diamond properties.

This release has been reviewed by Paul Daigle, Senior Project Geologist 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 CEO 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.