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PRESS RELEASE

4.65 CARAT DIAMOND RECOVERED FROM DUAS BARRAS BULK SAMPLE

Vaal diam Resources Ltd. (VAA – TSX) reports additional results generated during its bulk sampling program on its 75%-owned Duas Barras alluvial diamond property in Minas Gerais, Brazil. Processing of 42.4 cubic metres (approximately 76 tonnes) of basal alluvial gravel has resulted in the recovery of 35 diamonds with a total combined weight of 21.86 carats, yielding an average recovered grade of 0.51 ct/m³ (approximately 28 cpht). The individual diamonds recovered in the sample ranged from 0.10 carats to 4.65 carats, with an average stone size of 0.62 carats. The 4.65 carat has been classified as a white octahedral crystal, and represents the largest diamond recovered to date in the Company's sampling program on the Duas Barras property. A 3.36 carat greenish-white octahedral stone and a 1.91 carat clear white octahedral stone was also recovered from the sample. Photos of the diamonds recovered from this latest sample, and a map showing the sample location are available for viewing on the Company's website at <http://www.vaal diam.com/pagefind.php?id=4>.

Ken Johnson, President and CEO of Vaal diam, in commenting on the sampling results from Duas Barras, said that *“these latest diamond results for Duas Barras exceed our expectations and reinforce our confidence in the economics of this property. The average recovered diamond grade obtained from this recent sampling is double the average grade obtained in our initial bulk sample, and indicates that we can expect to hit some high-grade mineralization during full-scale production, which we expect will start prior to year end.”*

The Duas Barras alluvial diamond deposit has been divided into three gravel “zones”, known as the “North”, “Northwest” and “South” zones as defined by detailed drilling on approximately 30% of the property. These recent diamond results were obtained from processing of the lower basal gravels in Pit # 2, situated at the western end of the North Zone approximately 400 metres to the west of Pit # 1. Pit # 1 was the location of Vaal diam's initial bulk sample, which produced 129 diamonds totaling 30.67 carats from 132.6 m³ (approximately 239 tonnes) of gravel for a recovered grade of 0.23 ct/m³ or 12.85 cpht. The individual diamonds recovered from Pit # 1 ranged in size from 0.10 carats to 1.24 carats, with an average stone size of 0.24 carats (previously reported on December 7, 2005). Processing of the upper 1 metre of the basal gravel sequence from Pit # 2 resulted in the recovery of 48 diamonds totaling 16.27 carats from 149.2 m³ (approximately 269 tonnes) of gravel for a recovered grade of 0.11 ct/m³ or 6.05 cpht (previously reported on May 29, 2006). The individual diamonds recovered range in size from 0.09 carats up to 2.39 carats in weight.

Diamond production at Duas Barras is expected to commence during Q4-2006. Initial plant design and mine planning for full-scale production at Duas Barras is currently underway, and fabrication and construction of the processing plant is expected to commence during Q3-2006, with production scheduled to commence during Q4-2006. Improvements to the infrastructure of the Duas Barras project are nearing completion, with the construction of additional accommodation for mine and construction staff, a new administrative building, and expanded garage facilities. Hydrological testing is also underway to measure groundwater flow in the proposed mining areas, and environmental baseline studies are being completed in accordance with the environmental impact study authorized by the regulatory authorities in Brazil. In addition, a detailed percussion drilling program has been completed and a resource estimation, compliant with National Instrument 43-101 is expected to be completed by the end of July.

This release has been reviewed by Paul Daigle, P.Geol., 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 & C.E.O. 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.