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**PRESS RELEASE**

**BULK SAMPLING COMPLETED AT DUAS BARRAS**

**Vaalldiam Resources Ltd. (VAA – TSX)** reports that the Company’s bulk sampling program on its 75%-owned Duas Barras alluvial diamond property in Minas Gerais, Brazil has concluded, and construction of the processing plant and mine facilities is expected to commence by the end of August. To make way for the new production plant facilities, the Company will be dismantling the 10 m<sup>3</sup> per hour diamond recovery plant utilized for the recently completed bulk sampling program. During the past month the plant has been re-processing plant tailings produced during the treatment of gravels extracted from bulk sample Pit # 2, which tested the alluvial gravels comprising the Duas Barras deposit approximately 400 metres to the west of the Company’s initial bulk sample at a location known as “Pit # 1”. Vaalldiam’s initial bulk sample at Pit # 1 was completed in December 2005, and produced 129 diamonds totaling 30.67 carats from 132.6 m<sup>3</sup> (approximately 239 tonnes) of basal gravel for a recovered grade of 0.23 ct/m<sup>3</sup> 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).

As was reported on July 20, 2006, the initial treatment of 42.4 cubic metres (approximately 76 tonnes) of basal alluvial gravel extracted from Pit #2 resulted in the recovery of 35 diamonds with a total weight of 21.86 carats, and included a 4.65 carat stone. Re-processing of the plant tailings generated during the treatment of this sample resulted in the recovery of an additional 3 diamonds with a total combined weight of 0.81 carats, increasing the total number of diamonds recovered from that sample to 38 diamonds with a total combined weight of 22.67 carats. The recovery of the additional diamonds from the bulk sample has resulted in an increase in the recovered diamond grade from 0.51 ct/m<sup>3</sup> (approximately 28 cpht) to 0.53 ct/m<sup>3</sup> (approximately 30 cpht). The individual diamonds recovered in the sample range from 0.09 carats to 4.65 carats, with an average stone size of 0.59 carats. This sample is referred to as Sample #2 in the table below.

Seven additional diamonds with a total weight of 2.96 carats were also recovered during the reprocessing of tailings produced during the treatment of Sample #1 collected from the upper one metre of the basal gravel sequence in Pit # 2 (previously reported on May 29, 2006). The recovery of the additional diamonds has increased the total number recovered to 55 diamonds totaling 19.23 carats from 179.0 m<sup>3</sup> (approximately 320 tonnes) of gravel for a recovered grade of 0.11 ct/m<sup>3</sup> or 6.00 cpht. The individual diamonds recovered range in size from 0.09 carats up to 2.39 carats in weight.

Combined, the two samples yielded a total of 93 diamonds with a total weight of 41.90 carats from 221.4 m<sup>3</sup> of gravel, representing a recovered grade of 0.19 ct/m<sup>3</sup> or approximately 11 cpht. The following table summarizes the diamond recoveries for Pit #2 for the two bulk samples.

Sample Number	Sample Volume (m <sup>3</sup> )	Sample Volume (tonnes)	Diamonds Recovered	Total Weight (Carats)	Recovered Grade (ct/ m <sup>3</sup> )	Recovered Grade (cpht)	Average Stone Size (cts/ stone)
Sample 1	179.00	320.40	55	19.23	0.11	6.00	0.35
Sample 2	42.40	75.90	38	22.67	0.53	29.86	0.59
<b>Total</b>	<b>221.40</b>	<b>396.30</b>	<b>93</b>	<b>41.90</b>	<b>0.19</b>	<b>10.57</b>	<b>0.45</b>

Regarding the final bulk sample results generated from Pit # 2, Vaaldiam's President Ken Johnson commented that *"the diamond results generated by our bulk sampling program met all of our expectations and reinforced our confidence in the Duas Barras project. The diamond grade of the basal gravels, and the high average size of the diamonds, are extremely encouraging and mirror what our joint venture partner Mineração Marly Ltda. obtained in 2002 when they reportedly recovered 1,108.34 carats of diamonds from 4,263 m<sup>3</sup> (approximately 7,673 tonnes) of gravel, yielding a reported diamond grade of 0.26 ct/m<sup>3</sup> or 14 cphr. According to Marly, these diamonds were sold during 2002 in 12 separate parcels for total proceeds of US\$246,346, suggesting an average sales value of US\$222 per carat at the time."*

This release has been reviewed by Paul Daigle, P.Geo., Senior Project Geologist, who is a qualified person under National Instrument 43-101. For additional information regarding Vaaldiam please visit [www.vaaldiam.com](http://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.*