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PRESS RELEASE

BRAÚNA PROJECT UPDATE

Vaalldiam Resources Ltd. (VAA – TSX) provides an update on the Braúna diamond and gold project in Bahia State, Brazil.

Braúna Diamond Project:

During July, Vaalldiam restarted exploration and development activities on the Braúna diamond project where preparations are underway in advance of a 5,000 tonne bulk sampling program focused on the Braúna 3 kimberlite pipe and associated dike systems. The primary purpose of this program is to produce a parcel of commercial sized diamonds for valuation purposes. The current bulk sampling program follows detailed exploration work completed by Vaalldiam that consisted of mini-bulk sampling and delineation drilling, which produced very encouraging results including:

- 259 tonnes of kimberlite collected and processed from five kimberlite occurrences returning diamond grades ranging from 42.4 cpht to 4.5 cpht. A summary of the results is presented in the following table:

Kimberlite	Dry Weight (Tonnes)	# of Diamonds Recovered	Weight of Diamonds (carats)	Inferred Diamond Grade (cpht)*	Average Carat Size of Diamonds
Braúna 3 Pipe	76.1	107	12.42	16.3	0.11
Braúna 7 Pipe	86.6	30	3.87	4.5	0.13
Braúna 8 Dike	45.7	170	19.37	42.4	0.11
Braúna 11 Dike	28.2	35	5.24	18.6	0.15
Braúna 21 Dike	22.6	14	1.51	6.7	0.11
Total	259.2	356	42.41	16.4	0.12

*The estimated diamond content, expressed as carats per hundred tonnes (cpht), may not be representative of the overall diamond content of the body due to a number of factors including location and size of sample. The value was calculated based on kimberlite sample weight and recovered diamond carat weight.

- 4.6 million tonnes to 5.7 million tonnes of kimberlite estimated to a depth of 200 metres for the Braúna 3 pipe by Wardrop Engineering Inc. based on 63 drill holes completed at 25 metre drill spacings. This tonnage estimate does not yet constitute a mineral resource as defined by National Instrument 43-101, and is simply an order-of-magnitude estimate of the potential tonnage for this kimberlite body;
- Diamonds recovered include a 7.97 carat white octahedron diamond (Braúna 8). The average size of the diamonds recovered during the mini-bulk sample program is 0.12 carats per stone, and;
- A 0.92 carat pink diamond has also been recovered from the Braúna 8 dike.

A new 10 tonne per hour capacity diamond recovery plant that was shipped from South Africa is scheduled to arrive in Brazil by the end of August, and will be transported to the project site for installation and commissioning. The bulk sample program will focus on the extraction of approximately 4,000 tonnes of kimberlite from the 1.85 hectare Braúna 3 pipe, one of 22 kimberlite occurrences that have been discovered to date. It is expected that an additional 1,000 tonnes of kimberlite will be extracted from the kimberlite dikes that are associated with the Braúna 3 pipe.

Vaalldiam currently holds a 20% interest in the Braúna diamond project Joint Venture, following the recent sale of an 80% equity interest in the project to a private group for total consideration of \$5 million (previously announced on May 26, 2009). Vaalldiam retains the ability to increase its interest to 49%

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following the completion of the bulk sampling program by reimbursing the private group 100% of their costs incurred to that date. Under the terms of sales agreement, Vaaldiam received a cash payment of \$3.7 million and is carried through the current bulk sampling program, of which Vaaldiam's share payable by the purchasers is \$0.4 million of the total estimated program cost of \$2 million. The purchaser also assumed \$0.9 million of Vaaldiam's current liabilities that were associated with capital equipment purchases that were part of the bulk sampling program budget for the Braúna project. Vaaldiam is the operator of the joint venture during the current program.

Braúna Gold Project:

Vaaldiam has recently started an exploration program designed to test the potential of the gold occurrence situated on the Braúna property. Geological mapping of the area encompassing the gold occurrence has traced a quartz vein system over a strike length of 800 metres. The quartz vein system exhibits widths ranging from 0.5 to 3.0 metres. The Company also collected a total of 66 soil samples on a grid pattern (100 metre by 25 metre spacing) covering the strike extension of the vein system. In addition to the soil sampling survey, geologists also collected rock samples across the width of the vein system at regular intervals along the strike length of the vein system. The rock and soil samples have been submitted to SGS Laboratories in Belo Horizonte, Brazil for analysis.

Under the terms of the agreement signed with its Braúna joint venture partners, Vaaldiam holds a 100% interest in the gold rights associated with the Braúna property. Gold was first discovered on the Braúna property in the mid-1930s by garimpeiro miners who had been recovering alluvial gold from gravel deposits found in the Itapicuru River. Around the mid-1990s, mining of the alluvial deposits in the river eventually led the miners to a northeast trending quartz-vein system that lies adjacent to the river. Miners have manually excavated a series of open trenches and shafts along the strike length of the vein system, which has been traced on surface over a distance of approximately 800 metres. Surface and shallow underground exposures excavated by the garimpeiro miners along a strike length of approximately 350 metres, suggests the vein system ranges from 0.50 metres to 2 metres in width. Two vertical shafts, located 125 metres apart along strike and excavated to a depth of up to 30 metres were previously sampled by Vaaldiam (as reported on June 12, 2009), returning gold assays of 21.28 grams per tonne (0.68 ounces per tonne) and 5.98 grams per tonne (0.19 ounces per tonne) respectively.

Vaaldiam's Braúna property is located within the Paleoproterozoic-aged Rio Itapicuru Greenstone Belt (RIGB), which is surrounded by Archean basement rocks. The RIGB hosts Yamana Gold's Fazenda Brasileiro Mine and several advanced exploration projects where both open pit and underground gold reserves and resources have been delineated. Gold occurrences within the RIGB are associated with hydrothermally altered shear zones that occur within supracrustal rocks at the margins of granitic intrusions.

This release has been reviewed by Katya Masun, P. Geo., a qualified person under National Instrument 43-101. For additional information regarding Vaaldiam please visit www.vaaldiam.com, or contact Ken Johnson, President and Chief Executive Officer 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.