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Toronto, Ontario

VAA-TSX  
vaapr2008-27

## **PRESS RELEASE**

### **VAALDIAM TO DIVEST CANADIAN ASSETS**

**Vaaldiam Resources Ltd. (VAA-TSX)** is pleased to announce that its Board of Directors has approved a proposed reorganization plan involving the transfer of an interest in its Canadian exploration properties to its shareholders through a plan of arrangement. To facilitate this and subject to applicable shareholder and regulatory approval, ownership of Vaaldiam's Canadian assets will be transferred to a newly formed, initially wholly-owned, subsidiary which will be called Craton Minerals Ltd. ("Craton"). 49% of Craton's shares will be initially transferred to Vaaldiam's shareholders with the remaining 51% to be transferred at a future date. In connection with this transaction, Craton will apply to have its common shares listed on a Canadian stock exchange.

Vaaldiam's decision to proceed with this transaction is based on the following:

- Vaaldiam's primary focus is the exploration and production of diamonds in Brazil. The formation of Craton will allow Vaaldiam's management to focus entirely on growing diamond production and cash flow from its Duas Barras and Chapada Mines, and advancing development of the Braúna kimberlite deposits where a feasibility study has commenced;
- The underlying value of its Canadian assets may not be reflected in the current Vaaldiam share price and the separate listing of Craton will highlight the underlying value of Vaaldiam's Canadian assets; and
- The formation of Craton will provide Vaaldiam's shareholders with a direct interest in an aggressive exploration company focussed on development of its current Canadian properties as well as the acquisition of new properties in Canada.

If the transaction is completed, Craton will initially own the Candle Lake and Centennial properties in Saskatchewan as well as the Utikuma and Calling Card properties located in Alberta. It is anticipated that over time additional exploration properties will be added to Craton's portfolio.

Vaaldiam will also appoint independent management for Craton, and will initially share technical and corporate staff to minimize overhead costs for both companies.

Ken Johnson, President & Chief Executive Officer of Vaalidam commented that "*the transfer of ownership of our Canadian diamond properties to Craton will allow Vaaldiam to focus all of its resources on its Brazilian assets which include its operating mines, the advanced stage Braúna and Catalão kimberlite deposits, and the Pimenta Bueno and Ariqueles kimberlite projects.*"

Vaaldiam intends to complete the plan of arrangement and distribute 49% of Craton's shares by year end. Further details regarding the proposed transaction will be set forth in future news releases as well as a shareholders information circular to be distributed to Vaaldiam shareholders in connection with the proposed transaction.

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For additional information regarding Vaaldiam please visit [www.vaaldiam.com](http://www.vaaldiam.com), or contact Ken Johnson, President & Chief Executive Officer 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 Vaaldiam 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.*