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PRESS RELEASE

VAALDIAM ACQUIRES 60% OF BRAUNA DIAMOND PROJECT

Vaal diam Resources Ltd. (VAA – TSXV) has acquired a 60% equity interest in the Brauna diamond project in the state of Bahia, Brazil from Majescor Resources Inc. The Brauna project is comprised of three exploration concessions which encompass 14 known kimberlite occurrences consisting of pipes that are associated with an extensive kimberlite dyke system. The kimberlites were discovered by De Beers Brasil Ltda. in the early 1990s during a large scale reconnaissance sampling program over a portion of the San Francisco craton in Bahia state. De Beers completed a limited surface sampling program on the kimberlites, which demonstrated that 13 of the 14 kimberlites on the Brauna property are diamondiferous. The largest diamonds recovered from individual samples were 0.312 carats (from a sample of kimberlite) and 0.495 carats (from an alluvial sample). All of the samples were less than 5 cubic metres in volume.

Three diamondiferous kimberlite pipes, or blows along the fissure system, have been discovered to date. Based only on the surface exposures, the pipes range in surface area from 0.50 hectares at the Brauna 7 pipe, to 2.5 hectares at the Brauna 4 pipe. Only one of the pipes has been tested by drilling. Surface exposures of kimberlite within the fissure systems indicate widths ranging from 0.7 metres at the Brauna 6 occurrence, to 5 metres at the Brauna 8 occurrence. Exploration sampling has traced the kimberlite fissure system over a distance of 15 kilometers.

Diamonds were first discovered in the area in the end of 19th century, in alluvial gravels associated with the Itapicuru river, situated in the Brauna property. Diamonds up to 7 carats in size have been reported to have been recovered by garimpeiro miners from gravels within the Itapicuru river. All of the alluvial diamond deposits appear to be spacially associated with the Brauna kimberlites and highlight the potential of the kimberlites in the area. Vaal diam is currently designing an initial exploration program to test the potential of the Brauna kimberlites, which will involve both drilling and surface sampling of the kimberlites to assess the diamond grade and value associated with the deposits.

Vaal diam acquired a 60% interest in the Brauna property under the terms of a purchase agreement with Majescor, whereby Vaal diam paid De Beers Brasil the sum of C\$300,000 on behalf of Majescor which represented the balance owed by Majescor under the terms of a purchase agreement between De Beers and Majescor involving the Brauna project. In addition, and subject to regulatory approval, Vaal diam will issue a total of 150,000 common shares to Majescor.

Ken Johnson, President and CEO of Vaal diam stated that *“the Brauna project represents an advanced staged diamond project which has the potential of rapid development given the diamond bearing nature of the kimberlites, the existence of favourable infrastructure and the low-cost mining environment within the state of Bahia. In addition, we expect that the development of the project will benefit from the accumulated knowledge of these kimberlites which resides with José Ricardo Pisani, Vaal diam’s newly appointed Vice President Exploration, who played a key role in the original discovery of the Brauna kimberlites during his tenure with De Beers.”* Additional information regarding the Brauna diamond project is available at www.vaal diam.com/brauna.

This release has been reviewed by Jose Ricardo Pisani, Vice President Exploration for Vaal diam, who is a qualified person under National Instrument 43-101. For additional information regarding Vaal diam please contact Ken Johnson, President & CEO or Janet Reid, Manager, Investor Relations at (416) 363-6927.

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