



September 14, 2006
Toronto, Ontario

VAA-TSX
vaapr2006-29

PRESS RELEASE

Two New Kimberlite Pipes Discovered at Pimenta Bueno

Vaalldiam Resources Ltd. (TSX-VAA) reports that joint venture partner Rio Tinto Desenvolvidos Minerais Ltda. ("Rio Tinto") has discovered another two kimberlite pipes on the Company's Pimenta Bueno property in Rondônia, Brazil thereby increasing the total number of kimberlites discovered to date to 36.

The new kimberlites, provisionally named Tumeleiro 9 and Tumeleiro 10 based on geophysical characteristics, were discovered during drill-testing of two magnetic anomalies situated to the east, and southeast respectively of the diamond bearing Cosmos kimberlite cluster, which was the focus of delineation drilling and mini-bulk sampling earlier this year. Tumeleiro 9 is located 10 kilometres to the east of the Cosmos cluster, and was intersected by an angled drill hole (Hole PBD-33) positioned in the centre of the magnetic anomaly. The drill hole intersected kimberlite at a down-hole depth of 72 metres (approximately 62 metres vertical depth), sampling 88 metres of kimberlite before intersecting what is interpreted to be the southern boundary of the pipe. Interpretation of the ground magnetics and the drill hole results suggests that Tumeleiro 9 has a surface area of approximately 2 hectares, overlain by a 62 metre-thick sequence of sandstone and conglomerates.

Tumeleiro 10 is situated further to the southeast of the Tumeleiro 9 pipe discovery, and was intersected in a vertical drill hole (Hole PBD-34) positioned in the centre of a magnetic anomaly. The drill hole intersected kimberlite at a vertical depth of approximately 68 metres, and sampled approximately 99 metres of kimberlite before the hole was terminated in kimberlite at a depth of approximately 167 metres. The pipe has an interpreted size of approximately 3 hectares.

The following table presents a summary of the drill results from the new Tumeleiro 9 and 10 pipes:

Pipe	Hole #	Inclination	Azimuth	End of Hole (m)	Overburden (m)	Kimberlite Intercept (m)	Total Kimberlite (m)
Tum-9	PBD33	60°	150°	169	62	72 - 160	88
Tum-10	PBD34	90°	Vertical	167	68	68 - 167	99

Approximately 200 kilograms of kimberlite has been recovered from each of the pipes and has been sent to Rio Tinto's laboratory for caustic fusion, or total diamond analysis. Should the results of the diamond analysis be favourable, the joint venture partners will commence a delineation drilling program to define the shape and size of each of these new pipes. Rio Tinto currently has two drill rigs operating on the Pimenta Bueno property, which are testing additional geophysical and geochemical targets. The discovery of additional pipes in this general area would confirm the presence of a new cluster of kimberlites, located to the southeast and on geological trend with the Cosmos cluster of kimberlites.

About Vaalldiam

Vaalldiam is a Canadian-based diamond exploration company primarily involved in the exploration and development of advanced-staged diamond properties in Brazil. In addition to the exploration program on the Pimenta Bueno property, Vaalldiam is also focused on the development of its

Duas Barras alluvial diamond property in Minas Gerais state, Brazil, scheduled to commence production in Q4-2006. A mini-bulk sampling program is also starting on the Brauna property in the state of Bahia in Brazil, where two kimberlite pipes are being delineated in advance of a mini-bulk sampling program scheduled for later this year. Vaaldiam has 81.4 million common shares outstanding and C\$15.5 million of cash available for the exploration and development of its diamond properties.

This release has been reviewed by José Ricardo Pisani, Vice President, Exploration 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 and CEO or Robert Yeoman, Chief Financial 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 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.