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PRESS RELEASE

VAALDIAM BECOMES A DIAMOND PRODUCER

Vaalldiam Resources Ltd. (VAA – TSX) has started diamond production on a commercial basis at its 100%-owned Duas Barras mine in Brazil as of September 1, 2007. This major step forward makes Vaalldiam one of only two publicly-traded diamond producers in South America. To date 20,178 diamonds with a total weight of 5,054.65 carats have been recovered from 21,807 bank cubic metres of gravel. The average recovered grade since the start of plant commissioning in early May is 0.23 carats per bank cubic metre, which is 44% higher than the projected resource grade of 0.16 carats per bank cubic metre. Approximately 5.28 kilograms of by-product gold has also been recovered by the Duas Barras processing plant from 18,502 bank cubic metres of gravel, resulting in a recovered gold grade of 0.29 grams per bank cubic metre.

Additional production highlights:

- Average size of the diamonds recovered is 0.25 carats per stone;
- Ten largest diamonds recovered weigh 8.25, 7.64, 6.25, 4.46, 4.07, 3.88, 3.81, 3.66, 3.43 and 3.29, carats;
- 29% of the diamonds by weight are larger than 0.50 carats; and
- 11% of the diamonds by weight are larger than 1 carat.

Photos of the diamonds, including production from the days when the ten largest diamonds were recovered during commissioning are available for viewing on Vaalldiam's website at <http://www.vaalldiam.com/mining/duas-production/index.html>.

Ken Johnson, President and Chief Executive Officer of Vaalldiam said that *"the announcement of the start of commercial production is a significant achievement for our Company, our loyal shareholders and our dedicated employees. We are extremely pleased with the production results generated during the commissioning phase, which have demonstrated significantly higher diamond and gold grades than indicated during our exploration and bulk sampling program. The higher recovered grades will certainly have a positive impact on the profitability of the operation, which benefits from low operating costs typical for Brazilian alluvial mining operations. Production is expected to increase over the coming months as we approach the plant's processing design capacity of 80 cubic metres per hour. We have recently added a second 10 hour work shift at the recovery plant and are now operating seven days per week, and we expect our production rate to increase during the upcoming months as we improve our operating efficiencies."*

Vaalldiam's Duas Barras mine is situated in the State of Minas Gerais, Brazil. The deposit contains an indicated resource of approximately 1,843,000 bank cubic metres at an estimated grade of 0.16 carats per cubic metre and 0.18 grams gold per cubic metre, representing an in-situ diamond resource of 295,000 carats and 335 kilograms (10,780 ounces) of gold. In addition, the deposit contains an inferred resource of approximately 856,000 bank cubic metres at an estimated grade of 0.16 carats per cubic metre and 0.18 grams gold per cubic metre, representing an in-situ diamond resource of 137,000 carats and 156 kilograms (5,010 ounces) of gold. An independent valuation of 169.15 carats of diamonds recovered during the bulk sampling program indicated an average value of US \$197 per carat.

This release has been reviewed by Paul Daigle, P.Geo, who is a qualified persons under National Instrument 43-101. For additional information regarding Vaalldiam please visit www.vaalldiam.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 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.