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August 10, 2009

Grizzly Engages Osprey Capital Partners to Finance Advancement of Potash Properties

EDMONTON, Alberta – Grizzly Diamonds Ltd. (“Grizzly”) and its 100% owned private subsidiary, Alberta Potash Corp. (“Alberta Potash”; collectively, the “Company”), are pleased to announce that they have signed a letter of engagement (the “LOE”) with Osprey Capital Partners (“Osprey”) of Toronto, Ontario and Winnipeg, Manitoba, whereby Osprey will act as agent and advisor to the Company to raise, by way of one or more private placements, gross proceeds of \$5,000,000 (the “Transaction”). In addition, Wellington West Capital Inc. of Winnipeg, Manitoba will be jointly assisting in the execution of the Transaction.

Under the terms of the LOE, Osprey will act as advisor and agent to Grizzly and Alberta Potash in structuring and raising capital, by way of a private placement of a combination of flow through and non-flow through units, totaling \$5,000,000 to fund exploration and general working capital of Alberta Potash Corp. The proceeds from the Transaction are to be used to fund exploration on the Company’s prospective potash properties along the Alberta-Saskatchewan border acquired by application and bid processes in 2008 (see Grizzly’s news releases dated June 13, 2008, June 19, 2008, July 14, 2008) and general working capital of Alberta Potash.

The LOE provides for a consulting fee payable to Osprey in common shares of Alberta Potash at a value of \$75,000 (“Fee Shares”). The Fee Shares will be held in escrow until completion of the transaction or, if the Transaction is unsuccessful, will be returned to Alberta Potash for cancellation. Osprey will also receive finder’s fees (or commissions) equal to 8% of the gross proceeds raised, and non-transferable broker’s warrants to purchase an additional 10% of the common shares placed under the Transaction. Specific terms of the private placement provided for under the LOE will be announced in due course. The LOE and the Transaction are subject to regulatory approval.

Provided the Transaction is successful, Grizzly will contribute its unencumbered interest in the approximately 1.4 Million acres of mineral permits (the “Properties”) located along the Alberta-Saskatchewan border in east-central Alberta in return for retaining a significant equity interest in Alberta Potash. The proceeds raised in the Transaction will be used to fund the initial phase of exploration and subsequently complete a NI43-101 compliant technical report outlining the potash potential of the Properties.

Once the merit of the Properties has been confirmed, Grizzly and Osprey will assist Alberta Potash in completing an initial public offering of securities and obtaining a listing on the TSX Venture Exchange.

“We are very pleased to have Osprey Capital Partners assisting Grizzly in advancing its potash properties” said Brian Testo, President and CEO of Grizzly. “This and future transactions will ensure that the prospective potash properties Grizzly acquired in 2008 will be advanced without distracting from Grizzly’s core business of acquiring and exploring prospective diamond and precious-base metals properties, while also ensuring that Grizzly retains a significant interest in the potash properties through a significant shareholding in Alberta Potash Corp.”

About Grizzly Diamonds Ltd.

Grizzly is an aggressive Canadian exploration company focused on exploring for world class gold and base metal deposits in British Columbia and diamonds and industrial minerals in Alberta. In British Columbia, Grizzly currently has five precious-base metal properties totaling over 175,000 acres. It currently holds more than 1 million acres in diamond properties which host diamondiferous kimberlites in the Buffalo Head Hills and Birch Mountains of Alberta. Grizzly has also acquired metallic and industrial mineral permits for Potash totaling more than 1.4 Million acres along the Saskatchewan-Alberta border.

All 2009 field programs are being conducted under the supervision of Michael Dufresne, P. Geol., a principal of APEX Geoscience Ltd. and a Qualified Person as defined under National Instrument 43-101.

Grizzly trades on the TSX Venture Exchange under the symbol GZD, with 22,943,970 common shares issued and outstanding.

On behalf of the Board
Grizzly Diamonds Ltd.
/s/ “Brian Testo”
Brian Testo
President

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This news release contains forward-looking statements regarding ongoing and upcoming exploration work and expected geology, geological formations and structures. Actual results may differ materially from those anticipated in these statements.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.