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VAA-TSX
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PRESS RELEASE

VAALDIAM FILES FINAL PROSPECTUS AND PROVIDES ADDITIONAL BACKGROUND TO ITS THIRD QUARTER RESTATEMENT

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless an exemption from such registration is available.

Vaaldiam Resources Ltd. (VAA – TSX) announces that it has obtained a receipt for a final short form prospectus filed with the securities commissions in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario earlier today. The prospectus qualifies the common shares of Vaaldiam issuable on the exercise of 7,777,778 Common Share Special Warrants and 476,191 Flow-Through Special Warrants issued in connection with an underwritten private placement which closed on February 9, 2006. The prospectus also qualifies broker warrants issuable on the exercise of compensation options issued to Wellington West Capital Markets Inc., National Bank Financial Inc. and Westwind Partners Inc. in their capacity as underwriters for the financing.

Each Common Share Special Warrant will be automatically exercised into one common share of Vaaldiam at no additional cost and each Flow-Through Special Warrant will be automatically exercised into one flow-through common share of Vaaldiam at no additional cost, each in accordance with their terms on Wednesday March 29, 2006.

The Company wishes to reiterate that it has filed amended unaudited consolidated financial statements for the nine months ended September 30, 2005. The amendments related to: (i) the reclassification of an amount of \$421,756 from common shares to common share purchase warrants on the Company's balance sheet as at September 30, 2005, the overall shareholders' equity remaining the same. The reclassification primarily arose from the attribution of a higher value to warrants issued; and (ii) the inclusion of more comprehensive notes to the Company's financial statements, the notes affected being notes 5, 7 and 10.

About Vaaldiam

Vaaldiam is a Canadian based diamond exploration company primarily involved in the exploration and development of its 100%-owned 247,085 hectare Pimenta Bueno diamond property in the state of Rondônia, Brazil currently under option to Rio Tinto. To date, 34 kimberlite pipes have been discovered within the property area. Twenty-four of the 34 known pipes occur in one large cluster and 15 of the 34 pipes have been found to be diamond-bearing on the basis of macro and micro diamond analyses. In an initiative aimed at generating early cash flow, Vaaldiam is also advancing development of its Duas Barras alluvial diamond property in Minas Gerais state, Brazil. A drilling program is also underway on the Brauna property in the state of Bahia in Brazil, where four kimberlite pipes are being delineated in advance of a mini-bulk sampling program scheduled for later this year. Vaaldiam also has an exploration option on the Hotish property in the Otish Mountain District of the Province of Quebec.

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.