



June 1, 2005
Toronto, Ontario

VAA-TSXV
vaapr2005-10

PRESS RELEASE

MORE KIMBERLITE INTERSECTED ON PIMENTA BUENO PROPERTY

Vaalldiam Resources Ltd. (VAA – TSXV) has completed 7 core holes at the Pepper 4 kimberlite pipe, situated on its 100%-owned Pimenta Bueno property in Brazil. The Pepper 4 pipe is just one of seven diamondiferous kimberlite pipes that lie within a 2.5 kilometre radius, which combined would cover a surface area of approximately 50 hectares. These seven pipes are part of a cluster of 24 kimberlite pipes (fifteen of which are mineralized) that have been found in the southern half of Vaalldiam’s Pimenta Bueno property.

Five of the 7 drill holes that were completed at the Pepper 4 pipe intersected kimberlite. Three of the core holes were vertical holes which were positioned to test different areas of the pipe, while the remaining 2 core holes were angled holes positioned to define the eastern and southern margins of the pipe. All five of the positive holes ended in kimberlite. A plan map showing the location of the core holes is available on the Company’s website at www.vaalldiam.com/pepper4_13. The following table provides a summary of the results from each of the drill holes:

Core Hole	Depth Down Hole (metres)	Description
PP4 - 01	0.0 to 31.4	Sandstone
	31.4 to 161.7	Tuffisitic Kimberlite Breccia
	161.7	End of Hole
PP4 - 02	0.0 to 44.35	Altered Sandstones
	44.35	End of Hole
PP4 – 03 (- 45°)	0.0 to 31.2	Sandstone
	31.2 to 122.0	Tuffisitic Kimberlite Breccia
	122.0	End of Hole
PP4 - 04	0.0 to 33.0	Sandstone
	33.0 to 197.30	Tuffisitic Kimberlite Breccia
	197.30	End of Hole
PP4 – 05	0.0 to 61.15	Altered Sandstones
	61.15	End of Hole
PP4 – 06	0.0 to 27.15	Sandstone
	27.15 to 152.60	Tuffisitic Kimberlite Breccia
	152.60	End of Hole
PP4 – 07 (- 45°)	0.0 to 77.0	Sandstone
	77.0 to 152.65	Tuffisitic Kimberlite Breccia
	152.65	End of Hole

The drilling results confirm that the Pepper 4 kimberlite extends over a minimum surface area of 5.5 hectares, and extends to a depth of at least 200 metres. Only the eastern and southern boundaries of the pipe have been defined by drilling. The northern and western margins of the pipe remain open, and interpretation of the magnetics suggests that the pipe may have a surface

area in excess of 7 hectares. A total of 583.65 metres of kimberlite has been collected in the drilling program thus far at the Pepper 4 pipe, with an estimated sample weight of 2,680 kilograms. The Pepper 4 kimberlite has been classified by Vaaldiam's geologists as tuffisitic kimberlite breccia, with at least two significantly different types of diatreme facies kimberlite material being identified on the basis of macroscopic examination of core samples.

Three positive holes drilled by Rio Tinto in the mid 1990s indicated the likely presence of large stones in Pepper 4 (a small 806 kg sample of kimberlite material reportedly yielded 56 diamonds (>0.125 mm), four of which were in excess of 0.500 mm in size). The micro-diamond analysis of the 2.68 tonnes of kimberlite now collected by Vaaldiam will provide for more representative microdiamond grade estimation, and indications of the distribution of commercial-sized macrodiamonds in the Pepper 4 kimberlite.

Two core rigs are currently working on the Pimenta Bueno property, and a third rig has been recently added to Vaaldiam's aggressive exploration program. One of the drill rigs has been moved to the neighbouring Pepper 13 kimberlite pipe, which is situated just 100 metres to the west-northwest of the Pepper 4 pipe. Based on Vaaldiam's interpretation of the ground magnetic data, the Pepper 13 pipe appears to have a surface area of approximately 2.3 hectares. The detailed magnetic data also suggests that the Pepper 4 and Pepper 13 pipes might coalesce at depth. This theory may be tested during the current drill campaign. The first drill hole is already underway at Pepper 13 and has intersected kimberlite at a depth of 23.5 metres. The hole is currently still in kimberlite at a depth of 138 metres. Photos and plan maps pertaining to the current drilling campaign are available on the Company's website at www.vaaldiam.com.

Vaaldiam is a Canadian based diamond exploration company primarily involved in the exploration and development of the 176,000 hectare Pimenta Bueno diamond property in the state of Rondônia, Brazil. To date, 33 kimberlite pipes have been discovered within the property area. Twenty-four of the 33 known pipes occur in one large cluster and 15 of the 33 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 completing a feasibility study of the Duas Barras alluvial diamond property in Minas Gerais state, Brazil, which includes the processing of a bulk sample and drilling to confirm gravel resources.

This release has been reviewed by Dr. Luiz Bizzi, Vaaldiam's Chief Diamond Consultant, 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 & C.E.O. or Janet Reid, Manager, Investor Relations at (416) 363-6927.

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