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Toronto, Ontario

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PRESS RELEASE

VAALDIAM CLOSES \$7,758,920 EQUITY FINANCING

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Vaalldiam Resources Ltd. (VAA: TSXV) (the "Company") is pleased to announce the closing of the private placement, previously announced on June 9 and June 6, 2005, consisting of 2,088,800 flow-through shares at \$0.65 per share, and 10,668,666 Units at a price of \$0.60 per Unit for total gross proceeds of \$7,758,920. Each Unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each full common share purchase warrant will entitle the holder to acquire one additional common share of the Company until December 16, 2006 at an exercise price of \$0.80 per share for potential additional gross proceeds of \$4,267,466. In the event that the closing price of the common shares on the TSX Venture Exchange is in excess of \$1.00 for a period of 21 consecutive trading days at any time after June 16, 2005, the Company may, at its option, accelerate the expiry date of the common share purchase warrants by giving notice to the holders thereof, and in such case the warrants will expire at 4:00 p.m. (Toronto time) on the date which is the earlier of (i) the 30th day after the date on which such notice is given by the Corporation, and (ii) December 16, 2006.

The net proceeds of the offering will be used for the exploration of diamond projects in Brazil and Canada and for general corporate purposes.

Westwind Partners Inc. and Wellington West Capital Markets Inc. were equal co-lead agents for this financing.

Vaalldiam 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. Rio Tinto Mining and Exploration Inc. ("Rio Tinto") recently exercised an option to acquire a 51% interest in the Pimenta Bueno diamond property. Under the terms of the agreement, Rio Tinto can acquire up to a 51% interest in the southern two-thirds of the Pimenta Bueno diamond property by spending a total of US\$5.0 million on exploration over a three year period. Rio Tinto can also earn a 51% interest in the northern one-third of the Pimenta Bueno property by spending a total of US\$7.5 million on exploration over three years.

Vaalldiam also holds a 100% interest in the Colorado d'Oeste diamond property to the south of the Pimenta Bueno property in the state of Rondônia and the Alto Paraguai diamond property in the state of Mato Grosso. In addition, in an initiative aimed at generating early cash flow, Vaalldiam is completing a feasibility study of the Duas Barras alluvial diamond property in the state of Minas Gerais which includes the processing of a bulk sample and drilling to confirm gravel resources.

This release has been reviewed by Dr. Luiz Bizzi, Vaalldiam's Chief Diamond Consultant, who is a qualified person under National Instrument 43-101.

For additional information regarding the Company please visit www.vaalldiam.com, or contact Kenneth W. Johnson, President and CEO, or Robert Yeoman, Vice President and Corporate Secretary, at (416) 363-6927.

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