



June 24, 2005
Toronto, Ontario

VAA-TSXV
vaapr2005-15

PRESS RELEASE

**RIO TINTO CONTINUES WITH DRILLING PROGRAM AT PIMENTA BUENO
Three Drills Testing Priority Kimberlite Pipes**

Vaalldiam Resources Ltd. (VAA – TSXV) reports that drilling activities have recommenced on the Company's Pimenta Bueno property following the decision by Rio Tinto Desenvolvimento Minerais Ltda. ("Rio Tinto") to exercise their option to acquire a 51% interest by spending US\$12.5 million on exploration and development of the property over three years.

Rio Tinto will be accelerating the delineation drilling program started by Vaalldiam in April 2005, which involves the detailed drilling of the diamond-bearing pipes that comprise the Cosmos and Pepper kimberlite clusters. Rio Tinto's drill program will focus on the delineation of the higher priority pipes to map the size and geometry and allow a further prioritization of the kimberlite pipes for mini-bulk sampling by reverse circulation drilling later this year. The kimberlite samples extracted during the mini-bulk sampling program will be sent for diamond analysis at Rio Tinto's diamond recovery facility in Brasilia.

Prior to Rio Tinto's exercise of their option on June 6, 2005, Vaalldiam had drill-tested the Pepper 4 and Pepper 13 pipes. The Pepper 4 pipe was tested by seven drill holes, with five intersecting tuffisitic kimberlite breccia. On the basis of macroscopic examination of core samples, Vaalldiam's geologists identified at least two significantly different types of diatreme facies kimberlite material within the Pepper 4 pipe, which may indicate a multi-phased pipe. Three of the core holes were vertical holes positioned to test different areas of the pipe while the remaining two 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, the deepest ending at 197.3 metres.

Three core holes were drilled at the Pepper 13 pipe situated approximately 100 metres to the northwest of the Pepper 4 pipe. Two of the three drill holes intersected kimberlite. Core hole PP13-01 was a vertical hole that intersected kimberlite at a depth of 23.25 metres. The hole ended in kimberlite at a vertical depth of 165 metres. Drill hole PP13-02 was an angled hole that was oriented in a northerly direction and intersected the southern boundary of the Pepper 13 pipe at 31.7 metres. This hole also ended in kimberlite at a down-hole depth of 72 metres. Both drill holes intersected diatreme facies kimberlite which was classified as olivine rich tuffisitic kimberlite. A plan map and an idealized vertical section showing the location of the core holes is available on the Company's website at www.vaalldiam.com.

The following table provides a summary of the results from each of the drill holes:

<i>Kimberlite</i>	<i>Core Hole</i>	<i>Depth Down Hole (metres)</i>	<i>Description</i>
Pepper 4	PP4 - 01	0.0 to 31.4	Sandstone
		31.4 to 161.7 161.7	Tuffisitic Kimberlite Breccia 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 122.0 122.0	Tuffisitic Kimberlite Breccia End of Hole
	PP4 - 04	0.0 to 33.0	Sandstone
33.0 to 197.30 197.30		Tuffisitic Kimberlite Breccia End of Hole	
PP4 - 05	0.0 to 61.15 61.15	Altered Sandstones End of Hole	
PP4 - 06	0.0 to 27.15	Sandstone	
	27.15 to 152.60 152.60	Tuffisitic Kimberlite Breccia End of Hole	
PP4 - 07 (-45°)	0.0 to 77.0	Sandstone	
	77.0 to 152.65 152.65	Tuffisitic Kimberlite Breccia End of Hole	
Pepper 13	PP13-01	0.0 to 23.25	Sandstone
		23.25 to 165.00 165.00	Olivine-rich Tuffisitic Kimberlite End of Hole
	PP13-02	0.0 to 31.70	Sandstone
31.70 to 72.00 72.00		Olivine-rich Tuffisitic Kimberlite End of Hole	
PP13-03	0.0 to 45.10 45.10	Altered Sandstone 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. Based on Vaaldiam's interpretation of the ground magnetics, coupled with the limited drilling that has been completed, it appears that the Pepper 13 pipe has a minimum surface area of 2.0 hectares.

Approximately 2,683 kilograms of kimberlite core was collected from the Pepper 4 pipe while approximately 830 kilograms of kimberlite core was collected from Pepper 13. Vaaldiam's geologists have completed a detailed description of each of the core holes and the selection of samples for microdiamond analysis is currently underway. The samples will be shipped in sealed containers to Rio Tinto's laboratory in Brasilia and will be subjected to caustic dissolution followed by micro and macro diamond recovery.

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. 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 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.

Vaaldiam 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, Vaaldiam 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, 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 & CEO 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.