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PRESS RELEASE

VAALDIAM ANNOUNCES TERMS OF \$ 6.9 MILLION PRIVATE PLACEMENT FINANCING

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Vaalldiam Resources Ltd. (VAA: TSXV) reports that it has been informed by its equal co-lead agents, Westwind Partners Inc. and Wellington West Capital Markets Inc. that they have exercised their agents' option to increase the size of the previously announced Unit offering by an additional \$1,500,000 for total gross proceeds of \$5,500,000. In addition, the flow through share portion of the offering has been increased by \$357,850 to \$1,357,850.

The Unit offering has been priced at \$0.60 per Unit. Each Unit will consist 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 for a period of 18 months from the date of issuance at an exercise price of \$0.80 per share. In the event that the closing price of the common shares of the Company on the TSX Venture Exchange is in excess of \$1.00 for a period of 21 consecutive trading days at any time after the Closing Date, the Company may, at its option, accelerate the expiry date of the 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 earlier of (i) the 30th day after the date on which such notice is given by the Company and (ii) the 18 month anniversary of the Closing Date. Following the exercise of the agents' option to increase the size of the offering, it is anticipated that 9,166,677 Units will be issued on closing for gross proceeds of \$5,500,000.

Subject to regulatory approval, the flow-through share offering has been priced at \$0.65 per share. It is anticipated that 2,089,000 flow-through shares will be issued on closing for gross proceeds of \$1,357,850.

Closing of the financing is expected to take place on or about June 16, 2005.

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

For additional information regarding Vaalldiam please visit www.vaalldiam.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.