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VAA-TSXV  
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**PRESS RELEASE**

**VAALDIAM INCREASES SIZE OF PRIVATE PLACEMENT FINANCING**

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Vaalldiam Resources Ltd. (VAA: TSXV) announced today that, in response to strong demand, the size of its previously announced private placement of Units and flow-through shares has been increased by \$905,000 representing 1,508,333 additional Units. Total gross proceeds from the private placement are now \$7,758,920 from the issuance of 10,668,667 Units and 2,088,800 flow-through shares. Westwind Partners Inc. and Wellington West Capital Markets Inc. were equal co-lead agents for this financing.

The Units are being offered at a price of \$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 common shares of the Company trade at a price in excess of \$1.00 for a period of 21 consecutive trading days, the Company may accelerate the expiry date of the warrants by giving a 30-day notice period to the holders, during which the warrants must be exercised. It is anticipated that 10,668,667 Units will be issued on closing for gross proceeds of \$6,401,200.

The flow-through share offering has been priced at \$0.65 per share. It is anticipated that 2,088,800 flow-through shares will be issued on closing for gross proceeds of \$1,357,720.

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 the Company please visit [www.vaalldiam.com](http://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.*