



News Release

SUPERIOR DIAMONDS CLOSSES CDN \$5.2 MILLION FINANCING

June 13, 2006

Vancouver, BC – **Superior Diamonds Inc. (SUP-TSXV)** announced today that the private placement announced on May 12, 2006 has closed, raising aggregate gross proceeds of Cdn \$5,224,000.

Subscribers purchased 9,440,000 flow through shares at Cdn\$0.50 per share and 1,120,000 non-flow through units at Cdn\$0.45 per unit. Each non-flow through unit consisted of one non-flow through common share and one-half of a non-flow through common share purchase warrant. One whole share purchase warrant entitles the holder to buy a common share for Cdn\$0.60 within two years after closing. The securities are subject to a four month hold period expiring October 13, 2006.

Net proceeds from the sale of the private placement will be used by Superior Diamonds for ongoing exploration and development programs in Ontario and Québec and to supplement general working capital. Haywood Securities Inc. acted as lead agent, and Canaccord Capital Corp. as agents for this financing and were paid a cash commission and received 560,000 compensation warrants. Each compensation warrant entitles the holder to purchase one common share at a price of Cdn\$0.45 within one year after closing.

The independent directors of Superior approved the participation by insiders of the Company in the private placement on the same terms as arm's length investors, and shareholdings of certain insiders in the Company increased after such participation. The Company has been advised that these shares were acquired for investment purposes.

Superior Diamonds is exploring in Québec in the Ville Marie and the Desmaraisville regions.

Forward Looking Statement

Statements in this release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed under the heading "Risk Factors" and elsewhere in the Corporation's periodic filings with Canadian securities regulators. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The Company does not assume the obligation to update any forward-looking statement.

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