JOINT VENTURE ARTICLE

THE NORTHERN MINER

GLOBAL MINING NEWS · SINCE 1915

MARCH 4-17, 2019 / VOL. 105 ISSUE 4 / WWW.NORTHERNMINER.COM

Talmora Hunts for Big Diamonds in NWT

In January 2018 Talmora Diamond Inc. (CSE: TAI) President and CEO Raymond Davies went to a diamond conference at Padua University in Italy, which is a must-attend event for global diamond seekers.

During a presentation based on a recent academic paper on the origins of the world's largest diamonds — 500 carats or larger, such as the Cullinan and Millennium Star — Davies learned that the minute inclusions in these massive gems could have only come from deep inside the Earth's mantle, perhaps as deep as 600 km below surface.

Davies says most diamonds form at around 150–200 km below surface and rise to the surface via kimberlite pipes but the tiny inclusions in these massive stones contain minerals that, according to the academic paper, suggest far deeper origins.

"We have manganese-ilmenite on our Horton property in the Northwest Territories that have compositions that match those found as inclusions in diamonds that formed at similar depths," Davies says. "We have found it on the surrounding properties, and we can actually relate it to a source on our property. The alteration product of this particular mineral also forms a train originating on our property and then out to a neighbouring property where several macro diamonds have been found in field samples."

Known more broadly as the Lena West district, sampling by various companies in the region has turned up 18 diamonds and numerous kimberlite indicator minerals (KIMs) but their source has yet to be found.

In 2008, Diamondex Resources Ltd. determined that most of the KIMs on its property originated from the base of the Cretaceous basin and the source probably lies to the east, where Horton River is located.

"Diamondex stopped working when they determined that the KIMs and the diamonds were not coming from their property," Davies explains. "It's their work that has made us dig our heels in. They proved that all the indicator minerals that they had been following had been coming from where we are."

The Horton River Canyon in the Northwest Territories that channelled ice on flank of Melville Hills. Credit: Talmora Diamond Inc.

This and the theory that massive diamonds could exist in the Northwest Territories has renewed Davies' passion for diamond exploration, yet Talmora lacked the capital to begin drilling.

To that end, Davies sought a partner. In July 2018, Talmora Diamond signed an option agreement with Olivut Resources (TSXV: OLV; US-OTC: OLVRF).

Olivut paid Talmora $200,000 in cash up front and must spend another $1.2 million on exploration to earn a 50% stake in Talmora's Seahorse project claims, north of Great Bear Lake. Talmora retains all its other claims in the Horton River area.

"We want Olivut to test those targets and we're fairly confident that we're going to hit kimberlites. And that should put our stock price up a little and allow us to raise funds at a more reasonable stock price," Davies says.

Both companies are most interested in the recently identified Seahorse property, for which claims were secured in early February 2019.

The plan for Seahorse is to test a number of magnetic targets, including a significant anomaly below Seahorse Lake. The new permits cover an extension of one of the important Seahorse targets, Davies says.

Davies says Seahorse Lake and an adjoining target have a broad train of anomalous pathfinder elements and KIMs down-ice. Perhaps more importantly, the KIMs train includes manganese-ilmenites.

Olivut started a helicopter magnetic survey late last year but severe winter conditions put an early end to those efforts. The junior has had success elsewhere. So far it has found 29 kimberlites on its HOAM project, south of Great Bear Lake.

However, previous survey work by Talmora yielded 40 high-resolution targets that have kimberlite-bearing characteristics. Some of the targets will be drilled by Olivut in the coming months.

Davies says that millions of years ago Talmora's Horton River property was subjected to tropical weathering, and unlike most of Canada, the weathering was not removed by glaciation.

He notes that this type of weathering usually destroys pyrope garnets and chrome diopsides — the standard KIMs used in Canadian diamond exploration.

As a result Talmora has had to depend on the oxides, ilmenite and chromite (oxide KIMs are resistant to weathering), in the search for diamondiferous kimberlites.

Talmora has identified manganese-ilmenites in the Horton River area and many of these have diamond inclusion compositions similar to those found in diamonds in the Juina region of Brazil. The Juina manganese-ilmenites formed deep in the mantle.

Davies says, at first, he never intended to become the CEO of a junior diamond explorer.

In 2003, he was working as a consulting geologist for another diamond junior when he secured, at the behest of his employer, a prospective diamond property in the Northwest Territories. But when it came time to settle up the money owed, the partner did not make its payments, so the property forfeited to Davies.

As luck would have it, Davies had a shell company that he had acquired on behalf of some South African investors, who had since backed out on a plan to use it. He put the two together and now runs the whole lot.

"The money that's been put into the company has essentially been put in by geologists and geophysicists — people we know and who know us," Davies says

At presstime, Talmora was trading at $0.03 with about 68 million shares out standing.

— The preceding Joint-Venture Article is PROMOTED CONTENT sponsored by Talmora Diamond Inc., and compiled in cooperation with The Northern Miner Visit www.talmoradiamond.com for more information.