

TALMORA DIAMOND ISSUES OPTIONS FOR DIRECTORS, OFFICERS AND CONSULTANTS

Toronto, Ontario – December 19, 2016 – Talmora Diamond Inc. (CSE: TAI) announces that it has granted a total of 2,300,000 incentive stock options to the directors, officers and consultants of the company exercisable at a price of \$0.05 per share expiring five years from the date of the grant. At the same time a total of 914,000 incentive stock options expired.

Project Summary

Talmora holds 91 mineral claims (53,754 acres) straddling the 68th parallel on the east side of the Lena West diamond region of the Northwest Territories. Most of the claims are in the Inuvialuit Settlement Region with the remainder in the Sahtu Settlement Region.

The Talmora property lies on the same favourable structure: “Zone of Anomalous Mantle” or “Diamond Corridor”⁽¹⁾ as the diamondiferous kimberlites at Darnley Bay and the significant diamondiferous Dharma kimberlite in the northeast corner of Great Bear Lake (13 diamonds >0.85mm weighing 0.9 carats recovered from 1457.37 kg of core by caustic fusion)⁽²⁾. All three areas are located outside and east of the Cretaceous basin.

Over \$75 million has been spent in the Lena West region by other companies⁽³⁾ on exploration which included the recovery of widespread KIMs with good diamond association chemistry including 18 diamonds in field samples⁽⁴⁾. Canterra (previously Diamondex) presented evidence⁽⁵⁾ that many of the KIMs recovered on the western side of Lena West are derived from secondary concentrations at the base of the Cretaceous sediments with a likely primary source to the east, probably outside the Cretaceous basin on the diamond corridor. KIMs within the Cretaceous basin and outside the basin have been exposed to glacial redistribution processes⁽⁶⁾.

The Lena West KIMs differ from those recovered at Darnley Bay but are similar to those from Dharma. The two Dharma kimberlites are small and have a limited range of KIM compositions so cannot be the source of all the Lena West KIMs. Multivariate cluster analysis confirms that the KIMs in the Talmora area have compositions that cover the full range of those found across Lena West and show marked differences to those KIMs recovered at Darnley Bay and Dharma^(6,7).

Ferricrete cobbles occur in tills on the Talmora property (especially down-ice of magnetic targets) and appear to be of local origin. Ferricrete (“laterite”) provides evidence of a humid and tropical climate in the Talmora area that may have been the Eocene Thermal Maximum (55Ma) and indicates that the bedrock surface has not been deeply scoured by glaciation⁽⁸⁾.

Talmora sampling shows a strong correlation between KIMs in till samples and over forty magnetic anomalies with characteristics of kimberlite pipes. These targets have relatively low magnetic magnitude corresponding with a geological model of fresh kimberlite and an overlying thick layer of saprolitic weathered kimberlite intruding dolomite country rock and all covered by glacial overburden⁽⁸⁾.

The 2012 field program included the use of a small Packsack drill which penetrated the glacial till in 3 holes and ended in clay with characteristics of weathered kimberlite. Clay penetration was limited to ~1.2m with only one 25mm section of clay and drill cuttings recovered. Thirteen

chromites, one picroilmenite, and fourteen altered and five fresh Mn-ilmenites were recovered in cuttings from one drill hole. Chromite compositions lie on a very narrow Fe/Mg crystallization trend line indicating a single population and nearby source. Six of the Mn-ilmenites had diamond inclusion chemistry⁽⁷⁾.

There is scientific evidence pointing to Talmora being the source area of the Lena West KIMs and diamonds. Talmora is currently seeking financing to test targets on the property with a larger conventional drill with the objective of recovering fresh kimberlite for microdiamond analysis.

References

(1) Davies, R. and Davies, A. W. (2013): *Zone of Anomalous Mantle, Proceedings Volume of the 10th International Kimberlite Conference; Journal of the Geological Society of India, Springer, 14 p.*

(2) *www.SEDAR.ca postings: Sanatana Diamonds Inc. Dec 20, 2007 and Jul 16, 2008*

(3) *www.SEDAR.ca postings: Sanatana Resources Inc Jul 10, 2012; Canterra Minerals Corporation Apr 19, 2010; Darnley Bay Resources Limited May 2, 2005, Apr 13, 2007 and May 1, 2009; Burnstone Ventures Inc. Jan 15, 2007; and Diadem Resources Ltd. Apr 27, 2012.*

(4) *www.SEDAR.ca postings: Canterra Minerals Corporation Jun 5, 2007 and Darnley Bay Resources Limited Jul 4, 2001.*

(5) Agashev, A.M. , Kuligin, S.S., Orihashi, Y., Pokhilenko, N.P., Vavilov, M.A. & Clarke, D. (2008): *The ages of zircons from the Jurassic sediments of Bluefish River slope, NWT Canada and the age of kimberlite activity Lena West. 9th International Kimberlite Conference, Extended Abstract No. 9IKC-A00170, 3 p.*

(6) Davies, R. and Davies, A. W. (2013): *Cluster Analysis of Chromites, Lena West Diamond Region, NWT, Canada; 35th International Geological Congress; August 27 - September 4, 2016 Cape Town, South Africa*

(7) Davies, A.W. and Davies, R (2016); *Talmora Diamond Inc. - Horton River Project Update; 44rd Annual Geoscience Forum, November 15-17, 2016, Yellowknife, Northwest Territories, Canada*

(8) Davies, R. and Davies, A. W. (2016): *Tropical Weathering in Area of Melville Hills, Northwest Territories; 44rd Annual Geoscience Forum, November 15-17, 2016, Yellowknife, Northwest Territories, Canada*

The scientific and technical portions of this news release were compiled, reviewed and approved by Alan W. Davies, P.Eng., P.G., who is the Vice-President of Exploration for Talmora Diamond Inc., a "qualified person" as defined by National Instrument 43-101 Standards of Disclosure for Mineral Projects.

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CAUTIONARY STATEMENT

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. This News Release includes certain "forward-looking statements". All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding potential mineralization and reserves, exploration results, and future plans and objectives of Talmora, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Talmora's expectations are exploration risks detailed herein and from time to time in the filings made by Talmora with securities regulators.