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TALMORA DIAMOND INC. HAS BEEN GRANTED THREE NEW PROSPECTING PERMITS

Toronto, Ontario – February 1, 2018 – Talmora Diamond Inc. (CSE: TAI) ("Talmora" or the "Company") announces that it has been granted 3 Prospecting Permits (86,689.98 ha) in the Inuvialuit Settlement Region of the Northwest Territories. The permits are adjacent to the Company's current claims and give the Company exclusive rights to the area, excluding any claims staked prior to February 1, 2018, for a period of 5 years provided certain expenditures are made.

Previous holders of the ground collected till samples at a density of 1 sample / 8 km2 and completed an airborne magnetic survey at 400 m line spacing. They selected an anomalous five line dyke-like magnetic high following a topographic low as a possible kimberlite but they never tested it [(1)]. The permits also include magnetic targets previously staked by Talmora that lapsed before sampling or other work could be completed. Talmora believes the dyke-like anomaly is worth testing as modeling shows it near the surface and that it could be part of a larger structure. Anomalous kimberlite pathfinder elements and indicator minerals form a broad train in the till down-ice of the anomaly.

Project Summary

In addition to the new permits Talmora holds 81 mineral claims (16,360.62 ha) 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"[(2)] 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)[(3)]. All three areas are located outside and east of the Cretaceous basin. The Zone of Anomalous Mantle corresponds with a left lateral displacement of the mantle in the area of Great Bear Lake, implying a northern extension of the "Slave Diamond Corridor" through Lena West [(4)]

Over $75 million has been spent in the Lena West region by other companies[(5)] on exploration which included the recovery of widespread KIMs with good diamond association chemistry including 18 diamonds in field samples[(6)]. Canterra (previously Diamondex) presented evidence[(7)] 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[(8)].

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[(9, 10)].

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(11). Evidence of surficial weathered bedrock covering parts of the property has been corroborated by a recent GSC publication(12).

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.

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 drill cuttings and only one 25mm section of clay 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(13).

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

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(12) Viellette, J.J., St-Onge, D.A. and Kerr, D.E. (2013) Canadian Geoscience Map 111, Erly Lake, Surficial geology, Erly Lake, Northwest Territories-Nunavut,NTS 97-A: Geological Survey of Canada

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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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