

TALMORA DIAMOND INC.
CODE OF BUSINESS CONDUCT & ETHICS

INTRODUCTION

The Code of Business Conduct and Ethics (the "Code") has been adopted by the Board of Directors of Talmora Diamond Inc. This Code embodies the commitment of Talmora and any subsidiaries (collectively referred to as "Talmora") to conduct our business in accordance with all applicable laws, rules and regulations and high ethical standards. The actions of all Talmora employees, Officers and Directors shall reflect honesty, integrity and impartiality that is beyond doubt and that all business should be done in a manner that:

- complies with applicable laws, rules and regulations;
- avoids conflicts of interest;
- protects confidential information, in accordance with Talmora's confidentiality policy;
- adheres to good disclosure practices, in accordance with applicable legal and regulatory requirements.

Talmora encourages all employees, Officers and Directors to submit good faith complaints or concerns regarding accounting or auditing matters to the Corporation without fear of reprisal.

Those who violate the standards in this Code will be subject to disciplinary action, up to and including termination. If a situation exists or arises where an employee is in doubt, the employee should seek the advice from the Nominating and Corporate Governance Board as established by Talmora.

1. Compliance with Laws, Rules and Regulations

Talmora is committed to compliance with all applicable laws, rules, and regulations in each jurisdiction in which it does business. All employees, Officers and Directors must respect and obey the laws, rules and regulations of the cities, states and countries in which we operate. Employees, Officers and Directors should educate themselves on the laws, rules and regulations that govern their work, and seek advice from supervisors, managers or other appropriate individuals at the Company.

Employees, Officers and Directors who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business. All non-public information about Talmora (or about any other company) should be considered confidential information. To use non-public information for personal financial benefit or to "tip" others, including family members, who might make an investment decision on the basis of this information, is not only unethical but also illegal. Talmora has adopted an Insider Trading Policy in order to prevent improper trading of securities of Talmora and the improper communication of undisclosed material information regarding Talmora. All employees, Officers and Directors are expected to thoroughly understand and comply with such policy.

2. Conflicts of Interest

All employees, Officers and Directors have an obligation to act in the best interests of Talmora. Conflicts of interest can occur when an employee, Officer or Director has a private interest in the outcome of a decision, or takes actions that make it difficult to perform his or her work objectively and effectively. Conflicts of interest may also arise when an employee, Officer or Director (or immediate family member), receives improper personal benefits as a result of the position of such employee, Officer or Director with the Company. Loans to, or guarantees of obligations of, employees, Officers, Directors and their family members may create conflicts of interest. All employees shall not engage in any outside work or business undertaking that interferes with the performance of their duties as Talmora employees, and are not allowed to work for a competitor or potential competitor as an employee, consultant or Board member unless specifically authorized by the President and Chief Executive Officer.

Talmora respects the right of Officers and Directors to take part in financial, business or other activities outside of their position with Talmora; however, Talmora Officers and Directors must not serve as Officers or Directors, or work as employees or consultants for, a competitor or an actual or potential business partner of Talmora without prior approval of the President and Chief Executive Officer.

Talmora employees and Directors may not invest in or trade in shares of a competitor or an actual or potential business partner of Talmora where such investment or trading may appear or tend to influence business decisions or compromise independent judgment. This prohibition does not apply to shares of a publicly traded company where such investment or trading relates to less than five percent of its issued shares. However, investing or trading in Talmora's competitors or business partners remains subject to applicable laws and regulations regarding insider trading, including prohibitions against trading in possession of material non-public information regarding such companies, whether such information is gained in the course of employment with Talmora or otherwise.

If a conflict of interest exists, and there is no failure of good faith on the part of the employee, Officer or Director, Talmora's policy generally will be to allow a reasonable amount of time for the employee, Officer or Director to correct the situation in order to prevent undue hardship or loss. However, all decisions in this regard will be in the discretion of the President and Chief Executive Officer, whose primary concern in exercising such discretion will be in the best interests of Talmora.

If you are aware of a conflict or potential conflict of interest, as employee you should bring the matter to the attention of a supervisor or manager. If you are aware of a conflict or potential conflict as an Officer or Director, you should promptly bring the matter to the Board of Directors, the Chairman of the Board or the Chair of the Nominating and Corporate Governance Committee.

3. Confidentiality

To avoid a breach of confidentiality, all employees, Officers and Directors should maintain all confidential information in strict confidence, except when disclosure is authorized by Talmora or legally mandated. Confidential information includes, among other things, any non-public information concerning Talmora, including its business, financial performance, results or prospects, and any non-public information provided by a third party with the expectation that the information will be kept confidential and used solely for the business purpose for which it was

conveyed. The obligation to keep information confidential also extends beyond your employment or directorship with Talmora.

4. Corporate Opportunities

Employees, Officers and Directors are prohibited from taking for themselves, personally or for the benefit of others, opportunities that are discovered through the use of corporate property, information or position, except to the extent that a waiver has been granted under Section 9 of this Code. No employee, Officer or Director may use corporate property, information, or position for improper personal gain or for the improper personal gain of others, and no employee, Officer or Director may compete with the Company directly or indirectly. Employees, Officers and Directors owe a duty to the Company to advance the Company's interests when the opportunity to do so arises.

5. Protection and Proper Use of Company Assets

All employees, Officers and Directors should protect Talmora's assets and ensure their efficient use. Talmora's assets should be protected from loss, damage, theft, misuse, and waste. Company assets include your time at work and work product, as well as Talmora's equipment and vehicles, computers and software, trading and bank accounts, Company information and Talmora's reputation, trademarks and name. Talmora's telephone, email, voicemail and other electronic systems are primarily for business purposes. Personal communications should be kept to a minimum. Unauthorized use or distribution of this information would violate Company policy. It is also illegal and could result in civil or even criminal penalties.

6. Competition and Fair Dealing

Each employee, Officer and Director should endeavor to deal fairly with Talmora's counterparties, suppliers, competitors and employees. Talmora seeks to outperform its competition in a fair and honest manner. No employee, Officer or Director should take unfair advantage of anyone through unlawful manipulation or concealment, abuse of privileged information, misrepresentation of material facts or any other intentional unfair-dealing practice. Each employee is required to maintain impartial relationships with Company suppliers and customers. Any gifts provided to Company suppliers and customers must not be excessive in value, and must be approved in advance by the President and Chief Executive Officer.

7. Employee Harassment and Discrimination

Talmora is committed to fair employment practices in which all individuals are treated with dignity and respect. The Company will not tolerate any type of illegal discrimination or harassment. Talmora expects that all relationships among persons in the workplace will be professional and free of bias and harassment.

8. Environmental, Safety, and Occupational Health Practices

Talmora believes that sound environmental, safety and occupational health management practices are in the best interests of the Company, its employees, its shareholders and the communities in which it operates. Talmora is committed to conducting its business in accordance with recognized industry standards and to meeting or exceeding all applicable environmental and occupational health and safety laws and regulations. Achieving this goal is the responsibility of all employees, Officers and Directors.

9. Waivers of the Code

From time to time, Talmora may waive certain provisions of this code. Waivers generally may only be granted by the President and Chief Executive Officer. However any waiver of the provisions of this Code for Officers, Directors, including the President, Chief Executive Officer and Chief Financial Officer may be made only by the Board of Directors or a Committee of the Board and will be disclosed to shareholders as required by applicable rules and regulations.