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**TALMORA DIAMOND ANNOUNCES EQUITY FINANCING
TO RAISE UP TO \$500,000**

(Toronto, July 5, 2012) Talmora Diamond Inc. (CNSX: TAI) is pleased to announce that it proposes to complete a part brokered and part non-brokered private placement of up to 10,000,000 Units, comprised of either Hard Dollar Units and/or Flow-Through Units at \$0.05 per Unit, for gross proceeds of up to \$500,000. The private placement is expected to close not later than July 17, 2012.

Each Unit consists of one common share and one common share purchase warrant. Each common share purchase warrant ("Warrant") entitles the holder to acquire one common share for \$0.05 until July 17, 2013. If after four months and one day following the closing date the common shares of Talmora trade at or above Can. \$0.10 for a period of 20 consecutive trading days, the Company may notify the warrant holder to exercise the Warrants at a date no later than 30 calendar days after this notification date or forfeit any unexercised Warrants at that time. All securities issued pursuant to the financing are subject to a four month hold period which expires on November 17, 2012.

The Company will pay a cash commission on the brokered portion of the placement at a rate to be negotiated.

The Company currently has 48,431,679 common shares outstanding. Assuming full take-up of the private placement there will be an additional 10,000,000 common shares for a total of 58,431,679 outstanding. On a fully-diluted basis after giving effect to the exercise of all outstanding share purchase warrants and incentive stock options granted under its stock option plan the Company would have 80,072,679 common shares outstanding.

The proceeds of the financing will be applied to exploration on the Company's property in the Northwest Territories. Talmora urgently needs to drill some of its targets and prove that it has kimberlites. The economic situation prevented the Company from raising \$1.2 million to drill the property in 2011. The \$400,000 raised in 2011 enabled claims to be staked and necessary assessment work to be done that would otherwise have been satisfied by drilling. In order to keep some of Talmora's better anomalies in good standing, assessment work of \$150,000 is again required by the end of next summer.

The feasibility of conducting a drill program that uses a light weight drill and does not require a helicopter has been investigated. Mobilization and servicing of such a program using a fixed wing aircraft and moving the drill by ATV will reduce the costs to about \$500,000. A similar drill has been used by others in the discovery of many kimberlite pipes.

It is not proving any easier to raise funds in 2012. If the \$500,000 for the proposed drill program is not raised Talmora will instead use a small Packsack drill in order to obtain necessary assessment work credits by sampling and testing the thickness of overburden near the targets. An attempt will be made to reach the targets but the small drill will probably not have sufficient power.

Project Summary

Talmora holds 211 mineral claims (68,784 acres) straddling the 68th parallel on the east side of the Lena West diamond area of the Northwest Territories. Most of the claims are in the Inuvialuit Settlement Region with the remainder in the Sahtu Settlement Region.

Over \$75 million has been spent in the Lena West area by other companies with the recovery of numerous kimberlite indicator minerals (KIMs) and an unprecedented 18 diamonds in field samples. No kimberlites have been found except for the Darnley Bay and the Dharma kimberlites on a well-defined favourable structure that includes the Talmora property.

Sampling on the Talmora property shows a strong correlation between KIMs in till samples and magnetic anomalies with characteristics of kimberlite pipes. The majority of Lena West KIMs (those west of Talmora) are very similar to those from the Talmora property but differ from those of the Darnley Bay and Dharma properties.

There is every reason to believe that the Talmora property may be the source of the abundant KIMs and diamonds of the Lena West area. Talmora has targets ready for drilling.

The technical information contained in this release was compiled by Alan W. Davies, P.Eng., P.G., who is the Vice-President of Exploration for Talmora. Alan W. Davies is a qualified person as defined by National Instrument 43-101.

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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.