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TALMORA DIAMOND INC. EXPLORATION UPDATE

Toronto, January 15, 2020 – Talmora Diamond Inc. (CSE: TAI) (“Talmora” or the Company”) is pleased to provide an exploration update.

As previously reported, the field portion of the 2019 drill program on the Seahorse Project located in Canada’s Northwest Territories (the “Seahorse Project”) ended in late September. Encouraging results from this program warrant additional work.

Six holes were drilled to test certain regional geophysical targets that had been confirmed and further delineated by a detailed helimag program that was conducted during April and May 2019. The six holes were drilled to a maximum depth of 316’ using a reverse circulation, heli portable drill.

Each of the holes intersected varying depths of extremely fine-grained clays that do not appear to be derived from the dolomite country rock that is exposed proximal to the targets. Down hole drilling conditions were exceptionally challenging in the holes, as was the recovery of drill sample material, due primarily to the nature of the intersected clays. Samples were collected from each of the holes and sent for analysis to Saskatchewan Research Council.

Preliminary visual inspection of the down hole material, as well as further microscopic examination of many of the samples collected, could not specifically identify with certainty the host rock from which the clay material is derived. However, whole rock and multi-element geoanalytical results have returned complex chemistry that warrants further work.

Initial results reflect anomalous, elevated levels of numerous heavy and light rare earth elements relative to levels of the same elements found in till samples obtained in the general region. These levels are generally higher than, or consistent with, levels of rare earths detected in clays found to occur over certain kimberlites identified in some locations of the world. Sulphides, including pyrite and sphalerite, as well as other mafic minerals were easily identified in many downhole samples. None of these findings can be explained by the exposed country dolomitic rocks.

Additional sample material has recently been sent to Saskatchewan Research Council for heavy mineral analysis. The Seahorse Project area underwent periods of extreme warming and laterization that destroyed silicate indicator minerals as evidenced from regional till sampling results. However, some opaque oxide indicator minerals and diamonds survive this type of weathering. Given the anomalous drill hole geochemical results, this work constitutes the obvious next cost effective step.

In addition to the drilling program described above, limited regional prospecting was conducted. A large gossan zone was identified on the property that appears to have a strike length of approximately eight kilometres. Very limited sampling was conducted due to budget and fuel constraints. Some of these samples returned trace amounts of gold which may be significant given the limited number of samples collected. The linear gossan zone occurs within the dolomite country rock and likely represents a sulphide bearing fault zone.

While analyses have been ongoing, a great deal of time has been spent further reviewing the geophysical and geological information considering these new anomalous results. This region has been subjected to no known previous detailed exploration work.

The Company considers the Seahorse Project to have the potential to host diamondiferous kimberlite bodies of significant size and perhaps other mineral deposits, based on a combination of: 2019 program results as described above; favourable diamond stability indicator minerals found regionally and locally, including 18 macro diamonds

found in regional samples to the west and northwest; specific geophysical targets; regional and local faults that would favour kimberlite emplacement; occurrence of diamondiferous kimberlites to the north and southeast, as well as other geochemical data in the area.

Due to its remoteness, the project area must be supplied by small aircraft and helicopter. Olivut is the Operator pursuant to the terms of the previously announced option agreement with Talmora Diamond Inc. ("Talmora") to earn 50%. On December 7, 2019 Olivut informed Talmora that \$1,295,256 had been spent on the Seahorse Project to October 31, 2019. Olivut must decide whether to exercise its option by July 6, 2020. The Company will report further details once they are available.

Talmora holds 100% interest in ground adjoining the Seahorse Project on which there are anomalous kimberlite indicator minerals and untested magnetic anomalies.

The scientific and technical portions of this news release were reviewed and approved by Alan W. Davies, P.Eng., 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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