FORM 2A

LISTING STATEMENT

1. This Listing Statement must be used for all initial applications for listing and for Issuers resulting from a fundamental change. CNQ requires prospectus level disclosure in the Listing Statement (other than certain financial disclosure and interim Management's Discussion and Analysis) and can require that the Issuer include additional disclosure.

General Instructions

(a) Please prepare this Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term “Issuer” includes the applicant Issuer and any of its subsidiaries.

(c) In determining the degree of detail required, a standard of materiality should be applied. Materiality is a matter of judgment in a particular circumstance, and should generally be determined in relation to an item's significance to investors, analysts and other users of the information. An item of information, or an aggregate of items, is considered material if it is probable that its omission or misstatement would influence or change an investment decision with respect to the issuer's securities. In determining whether information is material, take into account both quantitative and qualitative factors. The potential significance of items should be considered individually rather than on a net basis, if the items have an offsetting effect. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.

(d) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation.

(e) For Issuers that are re-qualifying for listing following a fundamental change, provide historic and current details on

(i) the Issuer

(ii) all other companies or businesses that are involved in the fundamental change (the “target”); and

(iii) the entity that will result from the fundamental change (the "New Issuer").

Information concerning the Issuer that was contained in the most recent Listing Statement may be incorporated by reference, but this statement must indicate if any of the information in the prior statement has changed (e.g. describing a business that will no longer be undertaken by the New Issuer). Information concerning assets or lines of business of the target that will not be part of the New Issuer's business should not be included.

(f) This listing statement provides prospectus-level disclosure. It will be amended from time to time to reflect any changes to the prospectus disclosure requirements. If changed, the new form is to be used for the next listing statement the Issuer is required to file. The Issuer does not have to amend a listing statement currently on file to reflect any new disclosure requirements.

1. Table of Contents

1.1 Include a table of contents with the following headings:

1. Table of Contents
2. Corporate Structure
3. General Development of the Business
4. Narrative Description of the Business
5. Selected Consolidated Financial Information
6. Management's Discussion and Analysis
7. Market for Securities
8. Consolidated Capitalization
9. Options to Purchase Securities
10. Prior Sales
11. Escrowed Securities
12. Principal Shareholders
13. Directors and Officers
14. Capitalization
15. Executive Compensation
16. Indebtedness of Directors and Executive Officers
17. Risk Factors
18. Promoters
19. Legal Proceedings
20. Interest of Management and Others in Material Transactions
21. Auditors, Transfer Agents and Registrars
22. Material Contracts
23. Other Material Facts
24. Financial Statements

2. Corporate Structure

2.1 State the full corporate name of the Issuer or, if the Issuer is an unincorporated entity, the full name under which the entity exists and carries on business and the address(es) of the Issuer's head and registered office.

The name of the Corporation is Talmora Diamond Inc. (the "Corporation"). The Corporation's head and registered office is located at #6 Willowood Court, Toronto, Ontario, M2J 2M3.

2.2 State the statute under which the Issuer is incorporated or continued or organized or, if the Issuer is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which the Issuer is established and exists. If material, state whether the articles or other constating or establishing documents of the Issuer have been amended and describe the substance of the material amendments.

The Corporation was incorporated on May 7, 1996, in the Province of Alberta pursuant to the *Business Corporations Act* (Alberta) under the name "Talmora Resources Inc." On January 5, 2007, the Corporation was continued into the Province of Ontario under the provisions of the *Business Corporation Act* (Ontario). On January 23, 2007, the Corporation amalgamated with another company and underwent a name change to "Talmora Diamond Inc". The Corporation is a mineral exploration company engaged in locating, acquiring and exploring for diamonds and other minerals.

The Corporation is the result of an amalgamation completed on January 23, 2007 between Talmora Resources Inc. and Canadian Diamind Limited.

Talmora Resources Inc. was a Junior Capital Pool Company formed under the rules of the Alberta Stock Exchange.

Canadian Diamind Limited ("Canadian Diamind") was a private Ontario junior exploration company established to explore for diamonds.

Talmora Diamond Inc. (the Corporation) has been continued into the Province of Ontario.

2.3 Describe, by way of a diagram or otherwise, the intercorporate relationships among the Issuer and the Issuer's subsidiaries. For each subsidiary state

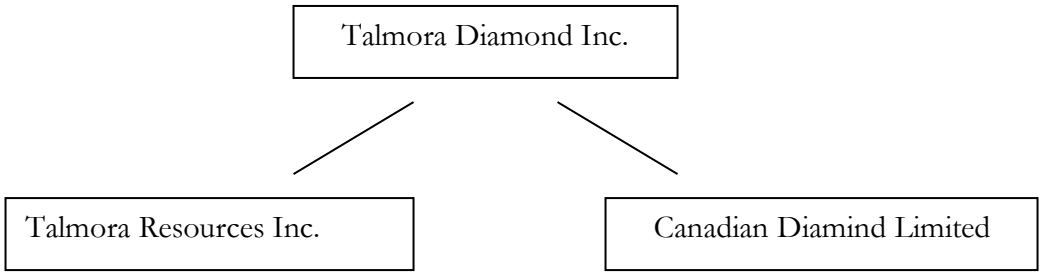
The Corporation has no subsidiaries or affiliates.

(a) the percentage of votes attaching to all voting securities of the subsidiary represented by voting securities beneficially owned, or over which control or direction is exercised, by the Issuer;
(b) the place of incorporation or continuance; and

(c) the percentage of each class of restricted shares beneficially owned, or over which control or direction is exercised, by the Issuer.

2.4 If the issuer is requalifying following a fundamental change or is proposing an way of diagram or otherwise these intercorporate relationships both before and after the completion of the proposed transaction.

Talmora Diamond Inc. requalified following an amalgamation between Talmora Resources Inc. and Canadian Diamind Limited ("Canadian Diamind"). This amalgamation is illustrated as follows:



Instruction: A particular subsidiary may be omitted if
(a) the total assets of the subsidiary do not constitute more than 10 per cent of the consolidated assets of the Issuer at the most recent financial year end;
(b) the sales and operating revenues of the subsidiary do not exceed 10 per cent of the consolidated sales and operating revenues of the Issuer at the most recent financial year end; and
(c) the conditions in paragraphs (a) and (b) would be satisfied if
(i) the subsidiaries that may be omitted under paragraphs (a) and (b) were considered in the aggregate, and
(ii) the reference to 10 per cent in those paragraphs was changed to 20 per cent.

2.5 Non-corporate Issuers and Issuers incorporated outside of Canada must describe how their governing legislation or constating documents differ materially from Canadian corporate legislation with respect to the corporate governance principles set out in Policy 4.

This section is not applicable.

3. General Development of the Business

3.1 Describe the general development of the Issuer's business over its three most recently completed financial years and any subsequent period. Include only major events or conditions that have influenced the general development of the Issuer's business. If the business consists of the production or distribution of more than one product or the rendering of more than one kind of service, describe the principal products or services. Also discuss changes in the business of the Issuer that are expected to occur during the current financial year of the Issuer.

As at December 31, 2022, Talmora is a diamond exploration company with one property (Horton property) consisting of three prospecting permits covering 85,237.71 hectares on the Horton River, 120 kilometres south of Paulatuk in the Northwest Territories. It holds a 50% interest with Olivut Resources Ltd. (Olivut") in the adjoining Seahorse property consisting of three prospecting permits covering 86,377.07 hectares. The two properties straddle a major linear structure believed favourable for the occurrence of diamondiferous kimberlites. $3,603,399 has been spent by Talmora on exploration of the Horton property (including administration) to December 31, 2022, and Olivut has spent $1,418,868 (at December 31, 2021) on the Seahorse project during the Option period.

The Crown owns both mineral and surface rights to the claim areas, the exploration and exploitation of which is governed by the Canada Mining Regulations. Prospecting permits, claims, mining leases and work permits are dealt with under the Regulations. The Land Settlement Agreements deal with environmental matters, creates environmental agencies and related procedures, and provides the Inuvialuit and Sahtu with equal representation on the agencies. Those who conduct economic activity in the Region need their approval.

Permits require a deposit paid in advance, refundable when equivalent exploration work has been performed, of $0.10/acre for the first work period, $0.20/acre for the second work period and $0.40/acre for the third work period. The first and second work periods are 2 years north of 68°N latitude and 1 year south of 68°N latitude. Areas of interest within the permits may be staked by the permit holder before the expiration of the permits but may not be staked by the permit holder for 1 year after the expiration of the permits.

Claims require assessment work of $4.00/acre for the first two years and $2.00/acre for each year thereafter.

Property Summary

Current Permits

Claims require assessment work of $4.00/acre for the first two years and $2.00/acre for each year thereafter.

Performance bonds will be refunded when an equivalent amount of work has been performed and reported.

Current Permits Permit	NTS	QTR	Hectares	Yrs	Area	Issue Date	Deposit Due Date
Talmora 100%							
NP-8464	097A05	SW	27,716.00	5	Inuvialuit Settlement Region	01-Feb-19	31-Jan-24
NP-8438	097B08	SE	28,593.46	5	Inuvialuit Settlement Region	01-Feb-18	31-Jan-23
NP-8437	097B01	SE	28,928.25	5	Inuvialuit Settlement Region	01-Feb-18	31-Jan-23
		Sub-total	**85,237.71** Hectares (100% Talmora)				
Talmora 50% of J.V. with Olivut. Held in Trust by Talmora for Joint Venture							
NP-8436	097B01	NE	28,520.57	5	Inuvialuit Settlement Region	01-Feb-18	31-Jan-24
		Total	**113,758.28** Hectares Talmora				
Olivut 50% of J.V. with Talmora. Held in Trust by Olivut for Joint Venture							
NP-8439	097B01	SW	28,928.25	5	Inuvialuit Settlement Region	01-Feb-18	31-Jan-25
NP-8440	097B01	NW	28,928.25	5	Inuvialuit Settlement Region	01-Feb-18	31-Jan-25

Total 57,856.50 Hectares Olivut

Deposits of $43,032.15 for the second two year period were applied to three permits NP-8436, NP-8437 and NP-8438 to keep them in good standing to January 31, 2022. Because of the Coronavirus pandemic, a one year extension was granted to permits keeping them in good standing to January 31, 2023, and work submitted by Olivut on permit NP-8436 was approved resulting in a refund of $50,391 and taking that permit to January 31, 2024. (An Additional $57,114 deposit will keep permitbs NP-8436 and NP-8438 good to 2024). The two permits NP-8464 and NP-8465 were granted a one year extension to the first 2 year period because of the Coronavirus pandemic placing them in good standing to January 31, 2022. An additional deposit of $13,858 was placed on permit NP-8464 and permit NP8465 was allowed to lapse. A $27,716.00 additional deposit will keep permit NP-8464 good to 2025.

Total Talmora Permits 113,758.28 hectares

Project - Overall Performance

An airborne magnetic survey of the Horton property has detected numerous anomalies with the characteristics of kimberlite pipes. Till samples taken down-ice of the magnetic anomalies contain 37 times as many kimberlite indicator minerals (KIMs) as till samples taken at random. There is a strong correlation between KIMs and magnetic anomalies. Chemistry of KIMs on the Talmora property match that of the widespread KIMs with accompanying diamonds found by others within the Cretaceous basin to the west.

Following the market crash of 2008 management focused on asset preservation and acquisition of new ground adjoining the Company's original claims and has had drill ready targets since 2012. The commodities market had been bad and it was not possible to raise sufficient funds to conduct a drill program. However, Talmora continued to review the public record as assessment work on adjacent properties has been made public.

In the fall of 2017, a study of multi-element ICP analyses of glacial tills NW of the Talmora property revealed a large well-defined train of kimberlite pathfinder elements focussed on a large magnetic anomaly first identified by Sanatana Resources Inc. in 2007 on an airborne magnetic survey flown at 400 m line spacing. The pathfinder train coincides with an anomalous train of chromites, picro-ilmenites and Mn-ilmenites. Some of the Mn-ilmenites have diamond inclusion compositions. The large anomaly initially received little attention presumably because only 4 pyrope garnets were found in 3 samples near the anomaly and none further down-ice but there were numerous pyropes further west where a number of magnetic anomalies were tested by Sanatana unsuccessfully. At the time the destructive effect of Eocene weathering on garnets was not recognised nor was the usefulness of Mn-ilmenites recognised as a KIM and one resistant to tropical weathering. Little weight was given to chromites alone as many had compositions in the overlap field between kimberlites and layered complexes and they seemed ubiquitous. Anomalous KIMs were described as a cloud rather than a train. If the anomalous KIMs in samples spaced 10 kilometers defined a train the source would have to be exceptionally large.

Having recognised the large magnetic anomaly with its pathfinder and KIM train Talmora applied for three prospecting permits over the area. These were granted on February 1, 2018. They give the Company exclusive rights for 5 years provided certain expenditures are made. A performance deposit of $21,672.49 was made at the time of the grant and $43,344.98 was made at the end of year 2 $86,689.96 was required by the end of year 4. Talmora was granted a one-year extension of the second work period because of Covid restrictions. All deposits are refunded after an equivalent amount of work has been done. The large size of the anomaly was a game changer for Talmora and the presence of Mn-ilmenites is indicative of large high value superdeep diamonds.

<u>Olivut Option</u>

On July 6, 2018, Talmora signed an agreement with Olivut Resources Ltd. that gave Olivut the option to earn a 50% interest in one of Talmora's three permits and certain adjoining lands

(Seahorse Project) by spending $1.2 million over a two-year period and making a cash payment to Talmora of $200,000. Exercise of the option would result in the formation of a Joint Venture to continue exploration of the jointly owned property. Talmora would continue to explore the remainder of the Horton property which it owns 100%.

Olivut made the cash payment of $200,000 on July 19, 2018 and initiated a field program of helimag geophysical surveying and preparations for a drill program were initiated. The geophysical survey was curtailed by unseasonable bad weather. The geophysical survey was completed in 2019 and a number of targets were tested during a follow-up drill program. Downhole samples were collected and have been analysed. On December 9, 2019 Olivut notified Talmora that it had incurred the minimum work cost requirement of $1,200,000 ($1,295,256 to October 31, 2019). On July 2, 2020 Olivut exercised its option to earn 50% of the Seahorse Project in accordance with the terms of the Option Agreement. Olivut has submitted to Talmora the comprehensive report inclusive of all results of the work undertaken by Olivute during the Option Period including work costs of $1,418,868 as contemplated in the Option Agreement. Talmora and Olivut are joint (50/50) owners of the assets. Talmora retains a 1% NSR on certain land. The Company and Olivut have not yet entered into a new formal joint venture company structure.

During August and September 2019 six holes were drilled to a maximum depth of 316' (96.3 metres) using a heli-portable reverse circulation (RAP) drill. Beneath tills, each of the holes intersected varying depths of extremely fine-grained clays that did not appear to be derived from the dolomite country rock that is exposed proximal to the targets. Down hole drilling conditions were exceptionally challenging, as was the recovery of drill sample material, due primarily to the nature of these intersected clays. Samples were collected from each of the holes and sent for analysis to Saskatchewan Research Council ("SRC"). The analyses show contamination of deeper samples by overlaying units, presumably by material from the upper units sticking to the walls of the inner drill tube and breaking loose later to mix with deeper material.

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. The lower clays are homogeneous and 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. The homogeneous clays have lead isotope ratios (Pb206/204 vs Pb207/204) that average that of rocks derived from the mantle. The range of values of three holes is a little more than the mantle rock values which may be the result of contamination or it may indicate that there has been re-deposition of mantle material at the surface into a single secondary geological unit such as re-deposition of a volcanic tuff ring into a crater. The range of values of samples from a hole testing a relatively narrow dyke are close to that of mantle rocks (including kimberlite). 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 was 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.

The heavy mineral concentrates contain kimberlite indicator minerals (KIMs), possible KIMs and their alteration products that survive tropical weathering as well as spherules that have been described as meteoritic by Olivut (6 July 2020 press release) but considered kimberlitic by others (Yatsenko et al 2017), un-weathered silicate minerals and foraminifera that are clearly marine. The logical explanation is that the KIMs and possible KIMs and perhaps the spherules are from the weathered tops of the targets tested, foraminifera are from overlying marine mudstones and un-weathered silicate minerals are from the marine mudstones or surface clay-rich glacial till. Contamination during drilling explains the mixing of upper with lower geological units.

Instruction: Include the business of subsidiaries only insofar as is necessary to explain the character and development of the business conducted by the combined enterprise.

3.2 Disclose:

(1) (a) any significant acquisition completed by the Issuer or any significant probable acquisition proposed by the Issuer, for which financial statements would be required under Part 6 or 7 of OSC Rule 41-501 if this Listing Statement were a prospectus; and

(b) any significant disposition completed by the Issuer during the most recently completed financial year or the current financial year for which *pro forma* financial statements would be required under Part 8 of OSC Rule 41-501 if this Listing Statement were a prospectus.

(2) Under paragraph (1) include particulars of

(a) the nature of the assets acquired or disposed of or to be acquired or disposed of;

(b) the actual or proposed date of each significant acquisition or significant disposition;

(c) the consideration, both monetary and non-monetary paid, or to be paid, to or by the Issuer;

(d) any material obligations that must be complied with to keep any significant acquisition or significant disposition agreement in good standing;

(e) the effect of the significant acquisition or significant disposition on the operating results and financial position of the Issuer;

(f) any valuation opinion obtained within the last 12 months required under Canadian securities legislation or Canadian securities directives of a Canadian securities regulatory authority or a requirement of a Canadian stock exchange or other Canadian market to support the value of the consideration received or paid by the Issuer or any of its subsidiaries for the assets, including the name of the author, the date of the opinion, the assets to which the opinion relates and the value attributed to the assets; and

(g) whether the transaction is with a Related Party of the Issuer and if so, disclose the identity of the other parties and the relationship of the other parties to the Issuer.

The Corporation has not completed any significant acquisitions since the date of its amalgamation and there are no significant probable acquisitions proposed by the Corporation for which financial statements would be required under Part 6 or 7 of OSC Rule 41-501. The Corporation has not completed any significant dispositions during the most recently completed financial year or the current financial year for which *pro forma* financial statements would be required under Part 8 of OSC Rule 41-501.

3.3 Discuss any trend, commitment, event or uncertainty that is both presently known to management and reasonably expected to have a material effect on the Issuer's business, financial condition or results of operations, providing forward-looking information based on the Issuer's expectations as of the date of the Listing Statement.

The Corporation is subject to certain risk and uncertainties as disclosed in section 17, "Risk Factors".

Instruction: Issuers are encouraged, but not required, to supply other forward-looking information. Optional forward-looking disclosure involves anticipating a future trend or event or anticipating a less predictable effect of a known event, trend or uncertainty. This other forward-looking information is to be distinguished from presently known information that is reasonably expected to have a material effect on future operating results, such as known future increases in costs of labour or materials, which information is required to be disclosed.

4 Narrative Description of the Business

4.1 General

(1) Describe the business of the Issuer with reference to the reportable operating segments as defined in the Handbook and the Issuer's business in general. Include the following for each reportable operating segment of the Issuer:

The principal business of the Corporation carried on and intended to be carried on is the acquisition, exploration and development of diamond properties, including, but not limited to the Horton River area, which is currently in the exploration stage.

(a) business objectives that the Issuer expects to accomplish in the forthcoming 12-month State the period.

The Corporation's business objectives in the next 12 months and beyond are to raise funds to undertake a major program of diamond exploration in the Horton River area. The continuing global financial uncertainty including the Covid-19 pandemic has prevented a major funding and will make raising funds difficult in 2023.

The Corporation will concentrate on preservation of assets and promoting the Company's diamond project. Funding must be secured by equity financing either for a joint program with Olivut as operator on the Seahorse project and/or a separate program with Talmora as operator on the remainder of the Horton property. The program(s) will be carried out in two phases.

(b) describe each significant event or milestone that must occur for the business objectives in (a) to be accomplished and state the specific time period in which each event is expected to occur and the costs related to each event;

Phase 1 will be to test the main Seahorse target under Seahorse Lake. This could best be drilled in winter from the ice and preferably with a heli-portable diamond drill. Other drill ready targets east of Seahorse should also be tested. Other work will include (1) compilation and analysis of existing data, (2) ground magnetic surveying of selected airborne targets (3) conducting an airborne survey over ground not previously covered, (4) further sampling, and (5) claim staking.

The initiation of Phase 2 will be dependent upon encouragement from Phase 1 and will consist of drilling to delineate kimberlites and obtain bulk samples for diamond analysis.

(c) disclose the total funds available to the Issuer and the following breakdown of those funds:

The Phase 1 program is expected to take 12-18 months to complete at a cost of $2-4,000,000. Talmora will be required to raise half this amount.

If the first phase of exploration is successful, the second phase of exploration will be undertaken.

The proposed budget for the diamond exploration program will be broken down as follows:

Phase 1:	$2-4,000,000
Phase 2:	$10-15,000,000
Total	$12-19million

(i) the estimated consolidated working capital (deficiency) as of the most recent month end prior to filing the Listing Statement; and

As at December 31, 2022, the Corporation had continuing losses, cash and cash equivalents totalling $13,062 and working capital of $20,077.

(ii) the total other funds, and the sources of such funds, available to be used to achieve the objectives and milestones set out in paragraphs (a) and (b).

The Corporation intends to raise significant financing in order to achieve the objectives and milestones set out in paragraphs (a) and (b).

(d) Describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which the funds available described under the preceding paragraph will be used by the Issuer.

The Corporation intends to use the funds available to administer the company and seek funding for a major program.

When major funding becomes available the Phase 1 program will be undertaken as follows:

Initiate a drill program to test the main Seahorse target using a core drill and then as many magnetic anomalies with associated KIMs down-ice as possible. Sufficient kimberlite will be recovered from each target to provide fresh KIMs for mineralogical study and a preliminary microdiamond analysis. There are at least 33 targets with associated KIMs and if most of these are kimberlite there are many more magnetic anomalies (60+) that can be tested without need for till sampling. The amount of money raised will determine the extent of the drill program and the amount of work that will be done on claims not previously sampled or surveyed magnetically.

An airborne magnetic survey will be flown over un-surveyed claims. It should be flown at no greater than 200m line spacing, and preferably at 100m line spacing. This should define magnetic bodies that could represent additional kimberlite intrusions.

Bedrock mapping and prospecting will be carried out around magnetic anomalies. The prospecting portion of this survey should be concentrated on searching for kimberlite boulders and outcrop.

Heavy-mineral sampling (stream-sediments and tills) will be conducted over unsampled areas. These samples should be sorted and concentrated to +0.25mm to ensure compatibility with the results of the 2004, 2007, 2009, 2011 and 2012 surveys.

Much of the sampling, prospecting, and mapping (bedrock and surficial) can be conducted simultaneously with the drilling. A reduced drill program will result in the other work being scaled back accordingly

An ideal and a minimum budget for Phase 1 is presented below:

Budget

Staking 75,000 acres @ $2/acre (contract staker cost)	$150,000	
Data Processing & planning	100,000	
Drill Program		
Permitting cost	75,000	
Drilling 2500m @ $250/m	625,000	
Contract labour	135,000	
Camp construction	150,000	
Camp costs – labour & board	130,000	
Fuel	120,000	
Helicopter & fixed-wing – 3 months	560,000	
Accommodation & transport	120,000	
Ground geophysics	150,000	
Caustic laboratory	240,000	
Reports	20,000	
Contingency	175,000	
Total Drilling & camp		$2,750,000
Airborne Magnetic Survey - 12,000 line kilometers		425,000
Sampling Program		
Transport – samples & personnel	45,000	
Camp costs	15,000	
Helicopter	120,000	
Sample processing & probing	150,000	
Expediting	5,000	
Contingency	40,000	
		375,000
Total Sampling Program		
Supervision & support		500,000
Total		**$4,050,000**

Micro-diamond analysis of any kimberlite discovered will determine whether further investigation is warranted in which case a budget in the order of $10,000,000 -$15,000,000 would be required.

References

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

(2) Yatsenko I G et al (2017) Comparative analysis of silicate spherules from world's kimberlite and lamproite. www.minsoc.ru/2017-1-205-1.

Instructions:

(1) The description of the Issuer's business objectives should also provide the context for the description of the milestones which are required to be disclosed. For example, one business objective of an Issuer may be to commence marketing and licencing technology nationally through direct sales and a network of agents; a milestone may be to conduct four feasibility studies over the next ten months to facilitate marketing of the technology, with an anticipated cost of $X for the studies.

(2) For the purposes of paragraph (1)(b), examples of significant events would include the hiring of key personnel, making major capital acquisitions, obtaining necessary regulatory approvals, implementing marketing plans and strategies and commencing production and sales.

(e) For principal products or services,

(i) the methods of their distribution and their principal markets;

(ii) as dollar amounts or as percentages, for each of the two most recently completed financial years, the revenues for each category of principal products or services that accounted for 15 per cent or more of total consolidated revenues for the applicable financial year derived from

(A) sales to customers, other than investees, outside the consolidated entity,

(B) sales or transfers to investees; and

(C) sales or transfers to controlling shareholders; and

(iii) if not fully developed, the stage of development of the principal products or services and, if the products are not at the commercial production stage,

(A) the timing and stage of research and development programs,

(B) the major components of the proposed programs, including an estimate of anticipated costs,

(C) whether the Issuer is conducting its own research and development, is subcontracting out the research and development or is using a combination of those methods, and

(D) the additional steps required to reach commercial production and an estimate of costs and timing.

Talmora Diamond Inc. is a precious minerals exploration company and does not produce any products or services.

(f) Concerning production and sales

(i) the actual or proposed method of production of products and if the Issuer provides services, the actual or proposed method of providing services;

(ii) the payment terms, expiration dates and terms of any renewal options of any material leases or mortgages, whether they are in good standing and, if applicable, that the landlord or mortgagee is a Related Person of the Issuer;

(iii) specialized skill and knowledge requirements and the extent that the skill and knowledge are available to the Issuer;

(iv) the sources, pricing and availability of raw materials, component parts or finished products;

(v) the importance, duration and effect on the segment of identifiable intangible properties such as brand names, circulation lists, copyrights, franchises, licences, patents, software, subscription lists and trademarks;

(vi) the extent to which the business of the segment is cyclical or seasonal;

(vii) a description of any aspect of the Issuer's business that may be affected in the 12 months following the date of the Listing Statement by renegotiation or termination of contracts or subcontracts and the likely effect;

(viii) the financial and operational effects of environmental protection requirements on the capital expenditures, earnings and competitive position of the Issuer in the current financial year and the expected effect, on future years;

(ix) the number of employees, as at the most recent financial year end or as an average over that year, whichever is more relevant; and

(x) any risks associated with foreign operations of the Issuer and any dependence of the segments upon the foreign operations.

This section is not applicable.

(g) The competitive conditions in the principal markets and geographic areas in which the Issuer operates, including, if reasonably possible, an assessment of the Issuer's competitive position.

This section is not applicable

(h) With respect to lending operations of an Issuer's business, the investment policies and lending and investment restrictions.

This section is not applicable

(2) Disclose the nature and results of any bankruptcy, or any receivership or similar proceedings against the Issuer or any of its subsidiaries or any voluntary bankruptcy, receivership or similar proceedings by the Issuer or any of its subsidiaries, within the three most recently completed financial years or the current financial year.

The Corporation has not been the subject of any bankruptcy, receivership or similar proceeding, whether voluntary or otherwise, within the three most recently completed financial years or the current financial year.

(3) Disclose the nature and results of any material reorganization of the Issuer or any of its subsidiaries within the three most recently completed financial years or the current financial year.

There have been no other material reorganizations completed by the Corporation within the three most recently completed financial years and the current financial year.

Instructions:

(1) The Issuer's stated business objectives must not include any prospective financial information with respect to sales, whether expressed in terms of dollars or units, unless the information is derived from a financial forecast or financial projection prepared in accordance with National Policy Statement No. 48 or any successor instrument and is included in the Listing Statement.

(2) Where sales performance is considered to be an important objective, it must be stated in general terms. For example, the Issuer may state that it anticipates generating sufficient cash flow from sales to pay its operating cost for a specified period.

4.2 For issuers with asset backed securities outstanding provide the disclosure required by items 6.2 and 10.3 of OSC Form 41-501F1 as if the securities were or were being distributed under a prospectus .

Corporation has no asset-backed securities outstanding.

Instructions:

(1) For the purposes of this item "asset backed security" has the same meaning as in item 6.2 of Form 41-501F1.

4.3 For Issuers with a mineral project, disclose the following information for each property material to the Issuer:

The Corporation holds 1 property, the **Horton River Property**.

4.3 (1) Property Description and Location

4.3(1) (a) The area (in hectares or other appropriate units) and location of the property.

As at December 31, 2022, the Company held three prospecting permits covering 85,237.71 hectares. The Company holds a 50% interest with Olivut Resources in the adjoining Seahorse property consisting of three prospecting permits covering 57,856.50 hectares. The two properties straddle a major linear structure believed favourable for the occurrence of diamondiferous kimberlites.

The property is centred at 68° 07' 30" Latitude and 123° 30' 00" Longitude and is included on NTS map sheets 97A-5 SW; 97B-1 NW, SW & NE; 97B-8 SE & NE.

4.3(1) (b) The nature and extent of the Issuer's title to or interest in the property, including surface rights, obligations that must be met to retain the property and the expiration date of claims, licences and other property tenure rights.

The Corporation owns 100% of the Horton property (map sheets 97A-5 SW, 97B-1 SE & 97B-8 NE) and 50% of the Seahorse property (map sheets 97B-1NW, SW & NE) which are located on Crown land. The Crown owns both mineral and surface rights to the claim areas, the exploration and exploitation of which is governed by the Northwest Territories Lands Act – Mining

Regulations R-015-2014 (as amended). Prospecting permits, claims, mining leases and work permits are dealt with under the Regulations. The Land Settlement Agreements deal with environmental matters, creates environmental agencies and related procedures, and provides the Inuvialuit and Sahtu with equal representation on the agencies. Those who conduct economic activity in the Region need their approval.

Prospecting permits require a deposit paid in advance, refundable when equivalent exploration work has been performed, of $0.25/hectare for the first work period, $0.50/hectare for the second work period and $1.00/hectare for the third work period. The first work period north of 68°N latitude is 1 year. The second and third work periods are 2 years north of 68oN latitude. The first, second and third work periods south of 68°N latitude are all 1 year. Areas of interest within the permits may be staked by the permit holder before the expiration of the permits but may not be staked by the permit holder for 1 year after the expiration of the permits.

Claims require assessment work of $4.00/acre for the first two years and $2.00/acre for each year thereafter.

Performance bonds will be refunded when an equivalent amount of work has been performed

Property Summary

*Two additional permits were applied for and were granted on February 1, 2019

Current Permits Permit	NTS	QTR	Hectares	Yrs	Area	Issue Date	Deposit Due Date
Talmora 100%							
NP-8464	097A05	SW	27,716.00	5	Inuvialuit Settlement Region	01-Feb-19	31-Jan-24
NP-8438	097B08	SE	28,593.46	5	Inuvialuit Settlement Region	01-Feb-18	31-Jan-23
NP-8437	097B01	SE	28,928.25	5	Inuvialuit Settlement Region	01-Feb-18	31-Jan-23
		Sub-total	85,237.71 Hectares (100% Talmora)				
Talmora 50% of J.V. with Olivut. Held in Trust by Talmora for Joint Venture							
NP-8436	097B01	NE	28,520.57	5	Inuvialuit Settlement Region	01-Feb-18	31-Jan-24
		Total	**113,758.28** Hectares Talmora				
Olivut 50% of J.V. with Talmora. Held in Trust by Olivut for Joint Venture							
NP-8439	097B01	SW	28,928.25	5	Inuvialuit Settlement Region	01-Feb-18	31-Jan-25
NP-8440	097B01	NW	28,928.25	5	Inuvialuit Settlement Region	01-Feb-18	31-Jan-25
		Total	**57,856,50** Hectares Olivut				

Deposits of $43,032.15 for the second two year period were applied to three permits NP-8436, NP-8437 and NP-8438 to keep them in good standing to January 31, 2022. Because of the Coronavirus pandemic, a one year extension was granted to permits keeping them in good standing to January 31, 2023, and work submitted by Olivut on permit NP-8436 was approved resulting in a refund of $50,391 and taking that permit to January 31, 2024. (An Additional $57,114 deposit will keep permitbs NP-8436 and NP-8438 good to 2024). The two permits NP-8464 and NP-8465 were granted a one year extension to the first 2 year period because of the Coronavirus pandemic placing them in good standing to January 31, 2022. An additional deposit of $13,858 was placed on permit NP-8464 and permit NP8465 was allowed to lapse. A $27,716.00 additional deposit will keep permit NP-8464 good to 2025.

Total Talmora Permits 113,758.28 hectares

The following Claims expired on September 22, 2021:

Property Units	Size Hectares	Record Date	Current Expiry Date
30 Claims	2,570.88	Sept 22,2011	Sept. 22, 2021

4.3(1) (c) The terms of any royalties, overrides, back-in rights, payments or other agreements and encumbrances to which the property is subject.

The Corporation's property is not subject to any royalties, overrides, back-in rights, payments or other agreements or encumbrances.

(d) All environmental liabilities to which the property is subject.

The Corporation's property is not subject to any reported or known environmental liabilities.

(e) The location of all known mineralized zones, mineral resources, mineral reserves and mine workings, existing tailings ponds, waste deposits and important natural features and improvements.

There are no known mineralized zones, mineral resources, mineral reserves and mine workings, existing tailings ponds, waste deposits and important natural features and improvements.

(f) To the extent known, the permits that must be acquired to conduct the work proposed for the property and whether permits have been obtained.

A land use permit will be required to conduct a drill program if the drill equipment, excluding drill rods, pumps, and other ancillary equipment weighs more than a 500 kg threshold. Application for a land use permit will be made when and if required.

A drill weighing less than the 500 kg threshold will require a water use permit if water is used.

A drill program of any sort may require a land use permit if it is necessary to establish a camp of more than two people for more than 100 man-days.

(2) Accessibility, Climate, Local Resources, Infrastructure and Physiography

(a) The means of access to the property.

Helicopter and fixed-wing aircraft provide access to the property from Paulatuk, Colville Lake, Inuvik and Norman Wells. Twin Otter aircraft with off-strip tyres land on gravel bars of the Horton River. Twin Otter aircraft on floats land in some of the larger lakes.

Canoe access along the Horton River is possible.

(b) The proximity of the property to a population centre and the nature of transport.

Paulatuk is a coastal community with a population of about 300. It has a 1,220 m gravel airstrip with three times weekly scheduled air service from Inuvik. From mid-August to late September there is barge service from Inuvik.

Colville Lake is an inland community of about 126 connected to Fort Good Hope by winter road. It has an 1200 m gravel airstrip with five times weekly scheduled air service from Norman Wells.

(c) To the extent relevant to the mining project, the climate and length of the operating season.

Temperatures range from –20° C to –35° C in the winter months (mid-October through mid-May) and 5° C to 20° C in the summer months (mid-May through mid-October). Mean annual rainfall is 200 to 300mm in the summer and mean annual snowfall is 60 to 80cm in winter.

The operating season is during the winter freeze-up, and in the summer months.

(d) The sufficiency of surface rights for mining operations, the availability and sources of power, water, mining personnel, potential tailings storage areas, potential waste disposal areas, heap leach pads areas and potential processing plant sites.

Surface rights of the property are held by the Crown. Management is not aware of any reason why they should not be used for mining operations.

The nearest available source of power is at Paulatuk, located 120 kilometres to the north or at Colville Lake 120 kilometers to the SW. Power would have to be generated on site.

A limited number of mining personnel may be found in Paulatuk, which has a population of approximately 300 people or in Colville Lake which has a population of approximately 126 people. Additional personnel may be flown in from other northern villages or from southern Canada.

Potential tailing storage areas, waste disposal areas and processing plant sites are sufficient should a discovery lead to the development of a mine. Talmora Diamond Inc. is exploring for diamonds and heap leach pad areas are not a factor in diamond mining.

(e) The topography, elevation and vegetation.

The topography, elevation, and vegetation of the Horton River area is described in the Millard Report as follows:

The area of the Talmora permits is within the Mackenzie Lowlands. It is located on upland area of low to moderate relief deeply incised by the Horton River and some of its tributaries. Elevations range from 240m (ASL) at the level of the Horton River to about 460m in upland areas. The higher elevations are relatively smooth, generally featureless, and well drained with scattered small lakes, many of which are sinkholes. There are very few wetlands or muskegs.

(3) History

(a) The prior ownership of the property and ownership changes and the type, amount, quantity and results of the exploration work undertaken by previous owners, and any previous production on the property, to the extent known.

The history of the exploration work undertaken by previous owners, and any previous production on the property, has been summarized as follows in the Millard Report:

Darnley Bay Resources (DBR) collected 64 high-energy stream-sediment samples over the southern part of their project area in 2000. Many of these contained indicator minerals, mostly the heavier ilmenites and spinels, but also a few garnets and clinopyroxenes. The Canadian Diamind permits, which include 17 of these sample-sites, were acquired in 2003 on the basis of this survey.

<u>Property Acquistion</u>

Canadian Diamind funded the acquisition of the original permits based upon the results of work done by DBR and under an agreement with that company. Canadian Diamind granted DBR an option to purchase 100% of the permits before March 2003. DBR was not able to exercise the option and Canadian Diamind became the unencumbered owner of the permits. Canadian Diamind granted DBR a new option to purchase a 50% interest in the permits before October 31, 2003 and again DBR was not able to do so.

The agreement with DBR allowed Canadian Diamind to disclose to third parties the results of exploration work conducted by DBR on the permits. Much of DBR's exploration data is, or has been, available on its web site and most of it is now available in the assessment work files.

The permits were acquired as a diamond prospect on the basis of anomalous stream sediment samples and because the permits lie on the extension of a favourable zone of diabase dykes along which DBR has discovered 13 kimberlite pipes (6 known to be diamondiferous).

(b) If a property was acquired within the three most recently completed financial years of the Issuer or during its current financial year from, or is intended to be acquired by the Issuer from, an insider or promoter of the Issuer or an associate or affiliate of an insider or promoter, the name and address of the vendor, the relationship of the vendor to the Issuer, and the consideration paid or intended to be paid to the vendor.

This section is not applicable.

(c) To the extent known, the name of every person or company that has received or is expected to receive a greater than five per cent interest in the consideration received or to be received by the vendor referred to in subparagraph (b).

This section is not applicable.

(4) Geological Setting — The regional, local and property geology.

The geological setting, including regional, local and property geology of the three permits originally held by Canadian Diamind Inc. and which are representative of the present property has been described as follows in the Millard Report:

Regional Geology

The regional bedrock geology of the Horton River area consists of a north-westward thickening sequence of Phanerozoic, primarily Paleozoic, sediments overlying Proterozoic metasediments. This sequence has been intruded by diabase dykes and sills related to the Franklin Igneous Event (718–723 Ma).

Bedrock Geology

Sedimentary Rocks

Proterozoic metasediments are exposed in the Brock Inlier northeast of the permit area, in Tuktut Nogait National Park. Balkwill and Yorath (1970) mapped the Brock River Area (NTS 97D),

which is to the north and northeast, thus describing the sedimentary rocks in the region. Their observations, combined with drill core observations from Darnley Bay Resources DB-001, located on Thrasher Lake, approximately 85 km north of the permit area is as follows (after Casselman et al, 2001):

Quaternary

Alluvium and delta deposits (Qa): Gravel, sand, silt, and clay river deposits and outwash fans (not intersected in DB-001).
Moraines and eskers (Qm): Gravel, sand, silt, clay, and till deposits (0 – 31m in DB-001).

Lower Cretaceous

Horton River Formation (Kh): Soft, plastic, black shale and ironstone (not intersected in DB-001).

Langton Bay Formation (Kl): Sandstone and minor coal, mudstone, and siltstone (31 – 137m in DB-001).

Lower to Middle Devonian

Hare Indian Formation (Dhi): Green shale at the top and black, highly fissile shale at the base with local beds of siltstone and limestone (137-365m in DB-001).

Hume Formation (Dh): Well bedded and rubbly, highly fossiliferous limestone with interbedded shale in the middle and towards the base (not intersected in DB-001).

Bear Rock Formation (Db): Dolomite with maroon shale at base (365-377m in DB-001).

Upper Cambrian to Lower Ordovician

Ronning Group: Believed to be correlative with the Franklin Mountain Formation. Upper unit is dolomite with drusy quartz and stomatolitic and oolitic chert; Middle unit is interbedded pale gray and pale orange dolomite; Lower unit is thin-bedded dolomite with cyclic repetitions of laminated beds, oolitic beds, stromatolitic beds, and dolomitic shale (377-964m in DB-001; Middle unit not intersected).

Cambrian

Saline River Formation (Cs): Laminated red and green shale, buff siltstone and dense, flaggy dolomite with halite and thin gypsum beds (964-1051m in DB-001).

Mount Cap Formation (Ccp): Glauconitic sandstone with minor intraformational conglomerates and green and gray shale/mudstone (1051-1091m in DB-001).

Mount Clark Formation (Cck): Light gray to white sandstone/arenite with intraformational arenite pebble conglomerate, local beds of red and green quartz arenite (1091-1137m in DB-001).

Old Fort Island Formation (Co): White, gray, locally red and green, cross-bedded quartz arenite/sandstone (1137-1167m in DB-001).

Proterozoic

Shaler Group – Escape Rapids Formation: (1167-1200m in DB-001).

Bloody Falls Member: Fine to medium grained, cross-bedded to ripple cross-laminated quartz arenite and lith-arenite interbedded with ripple cross-laminated to plain laminated siltstone. Thin interbeds of argillaceous concretionary limestone and stromatolitic dolostone common near the top (1200 –1812m in DB-001).

Intrusive Rocks

Rocks that intrude the above sedimentary sequence include diabase dykes and sills as well as kimberlite pipes. Diabase dykes and sills, believed to be of the Late Proterozoic Franklin Igneous Event (718-723 Ma), intrude the Precambrian rocks east of the permit area.

Ten kimberlite pipes were discovered by DBR on the Parry Peninsula, northwest of Paulatuk in 2000. Another three kimberlites were discovered in the same general area in 2010. The kimberlites intrude Cambrian-Devonian rocks and one has been dated at 270 Ma. Six of the eight kimberlites tested are diamondiferous.

Relation of Diabase Dykes and Kimberlites

A correlation between diabase dykes and kimberlites has been established in the Slave Province. Most of the diamondiferous kimberlites occur close to the central core or the most concentrated part of the Mackenzie dyke swarm (1220 Ma). Although much younger (52 Ma), the kimberlites have followed the same deep-seated fractures as the dykes.

Deep-seated, northwest trending, linear magnetic anomalies, believed to be part of the Franklin diabase dyke swarm, are located on the permit area (Davies, 2005). Although of different ages, the Franklin dykes are parallel to the Mackenzie dyke swarm of the Slave province. There is reason to believe that the fractures occupied by both dyke swarms are related and that the Franklin fractures are displaced as much as 350 km to the west of the Mackenzie fractures by a major Precambrian fault.

Quaternary Geology

The region was glaciated numerous times during the Late Wisconsinan. Yorath et al. (1974) report the presence of three till units in a river cut along the lower reaches of Horton River. Klassen (1971) reports that regionally, some localized areas remained unglaciated during the last of these Late Wisconsinan glacial events.

Prest et al. (1968) show a regional southeast to northwest ice direction. Ice flowed north-westerly from the Keawatin Ice Divide during the Late Wisconsinan. In this region, the Laurentide Ice

Sheet formed two major lobes: one offshore in the Amundsen Gulf flowed generally west and southwest, whereas the lobe pertinent to the present report flowed generally northwest.

Local Geology of the Property

Bedrock Geology

No bedrock mapping has been conducted over the land encompassed by the Canadian Diamind (now Talmora) property to date. However, field observations indicate that the area is covered by gently sloping to flat-lying Paleozoic rocks, which form a carbonate plain of low relief, generally less than 50m. This plain or plateau has been deeply incised, up to about 230m, by the Horton River and its tributaries.

A small outlier of Cretaceous(?) sediments was observed near the northwest corner of the property (Millard, 2004). Boulders of ferricrete are widespread in the overlying till and are believed to be related to the Eocene thermal maximum 55 million years ago (Davies & Davies, 2012).

Quaternary Geology

Prest et al. (1968) show a general southeast to northwest ice-flow direction over the property. Veillette (2000) mapped the surficial geology of the area for DBR, based primarily upon air-photo interpretation. Both studies indicate a general southeast to northwest ice-flow direction. This direction is reflected by the low-amplitude flutings that can be found west of the Horton River in the central part of the property. The orientation of these flutes indicates that the last ice-flow direction was from approximately 140^0. No evidence of more westerly flowing ice, as mapped by Veillette (2000) a short distance to the west and northeast of the property, was observed during Millard's (2004) investigation.

Glacial sediments are represented by ground moraine. Ground moraine on the property is composed of subglacial, or basal till and is usually less than about 3m thick, although in some areas, particularly those that are fluted, it becomes somewhat thicker. These till deposits are readily identifiable by the presence of mudboils. The till has a silty matrix and contains a very low (<1%) component of Precambrian rocks in the coarse fraction. That postglacial colluvial processes have often affected these deposits is evident from the solifluction lines that are readily apparent from the air and on the ground.

Low-amplitude chaotic ridges occur near the northwest corner of the property. These features, which can be observed on the air photos as a donut-and-brain pattern, represent thin, hummocky ablation moraine lying directly upon the ground moraine. These deposits consist of bouldery, sandy ablation till and are rare. That they are quite thin is suggested by the presence of mudboils, indicative of basal till, found in many of the low areas between the ridges.

Glaciofluvial features are, for the most part, restricted to terraces found along the Horton River and many of its tributaries: the Horton River was a major melt-water channel during deglaciation. Short, and generally low, esker ridges are occasionally located in some of the tributary valleys and, rarely, on the upland surfaces. Rather extensive sand plains, with a rather thick (<0.5m) peaty

cover are found in the southwest part of the property near the tree line. These sediments, which are comprised of slightly gravely, well sorted, fine grained sand, are interpreted as being primarily outwash deposits that have been subsequently reworked by eolian processes.

Postglacial deposits include wetlands, eolian sediments, and fluvial deposits along the Horton River and its tributaries. Wetlands, commonly known as muskegs are rather rare in the upland areas, although relatively thick (≤0.5m) and hummocky peat deposits occupy the sand plains discussed previously. In low areas occasional muskegs and string bogs can be found along the shoreline of many small ponds. The scarcity of wetlands reflects the generally good surficial drainage over much of the area. Eolian deposits are quite rare. Long (> 10 km in length), linear ridges, composed of well-sorted, fine-grained sand, occur near the southwest corner of the permit area on the sand plains discussed above. The orientation of these relict 'dunes' indicates a wind direction from approximately 335^0. Gravel bars and terraces along the Horton River and its tributary valleys represent modern fluvial deposits.

(5) Exploration Information — The nature and extent of all exploration work conducted by, or on behalf of, the Issuer on the property, including

(a) the results of all surveys and investigations and the procedures and parameters relating to surveys and investigations;

The nature and extent of all exploration work conducted by the Corporation and the mineralization encountered on the property have been summarized in the Millard Report (Millard, M.J., 2005) and in assessment work reports by Davies (Davies, R., 2005, 2008, 2011, 2012, 2013) as follows:

Deposit Type Being Explored

Deposit Model

The type of deposit being sought is a kimberlite diatreme(s) that contains diamonds. The diatreme(s) puncture through the Precambrian basement and the Cambrian - Devonian sedimentary units to reach the bedrock surface. This exposes the top of the diatreme(s) to weathering and partial erosion allowing distribution of kimberlite-indicator minerals (KIMs) into the glacial sediments. The glacial sediments are subsequently reworked so that KIMs can be detected in till and stream-sediment samples.

Background on Diamond Exploration

Source rocks that may contain diamonds include peridotite or eclogite. Diamond bearing peridotites and eclogites form at pressures and temperatures necessary to form and preserve diamonds ("diamond stability field"). These conditions are theorized to be located under thick, stable, Achaean age portions of the earth's crust or cratons and the diamond bearing peridotites and

eclogites are found as discontinuous pods along an upper mantle horizon (Helmstaedt, 1993). The three varieties of diamond bearing peridotites are garnet harzburgite, chromite harzburgite, and garnet lherzolite.

The source rocks for diamonds are stable at mantle temperatures and pressures. A mechanism is required to rapidly bring the unstable mantle rocks to surface. A slow eruption of magma containing diamonds would probably result in oxidizing conditions and the carbon of the diamonds being resorbed into the magma, thus destroying the diamond crystals. Mantle source kimberlite magma erupts at high velocity and under reducing conditions and results in rapid cooling that promotes diamond preservation. Kimberlite magma is the most common transport medium that brings diamond-bearing igneous rocks from the upper mantle to surface. Lamproites and orangeites are other transport media.

Kimberlite

Kimberlite is a hybrid igneous rock that crystallized from a molten liquid or magma originating in the upper mantle below the diamond bearing peridotites and eclogites. The kimberlite magma has a high unstable volatile gas content that causes the magma to rapidly ascend through the upper mantle regime of high pressure, to the earth's surface (low pressure) along paths of least resistance.

The volatile gases further expand while the magma is ascending increasing the eruption velocity and fracturing the surrounding country rock. The fracturing results in rock fragments or xenoliths of the surrounding country rock becoming incorporated into the kimberlite magma. This process may result in upper mantle material, potential diamond bearing peridotite and eclogite through which the kimberlite magma passes, being disaggregated and incorporated into the kimberlite magma. The type and amount of diamond bearing peridotite or eclogite entrained by the kimberlite magma determines the original diamond content of the kimberlite melt. The final kimberlite magma chemistry and mineralogy is a combination of the mantle source rocks and the crustal rocks through which the magma has erupted.

The eruption of kimberlite magma to surface forms a diatreme or kimberlite pipe (Mitchell, 1986, 1989, 1991). The actual shape of the kimberlite diatreme is controlled by the physical strength and weakness parameters of the country rock through which it erupts. Alternative shapes can include dykes or sills.

Kimberlite Indicator Minerals ("KIMs")

Kimberlites are characterized by the presence of KIMs. These minerals crystallized directly from a kimberlitic magma (phenocrysts), or are mantle-derived minerals (xenocrysts).

Important KIMs include: pyrope garnets; picroilmenite; titanium and magnesium-rich chromite; chrome diopside; magnesium-rich olivine; and eclogite garnets. Mn-ilmenite was recognised as a KIM in the Talmora area in 2013. Spherules have been found in heavy mineral concentrates and are believed by Olivut (6 July 2020 press release) to be meteoritic but by others (Yatsenko et al 2017) to be kimberlitic.

The initial work carried out by Dawson and Stephens (1975) was to classify pyrope garnet compositions. High-chrome pyrope garnets from harzburgite sources were classified as G10 garnets and pyrope garnets from lherzolite sources were classified as G9 garnets. Gurney (1984), Gurney and Moore (1993) and Fipke et al. (1995) redefined the G9 and G10 garnet fields on the basis of CaO and Cr_2O_3 compositions. G10 garnets are those low CaO peridotitic garnets that have compositions similar to 85% of peridotitic garnets found as inclusions in diamonds.

Further research of diamond inclusions identified composition ranges or diamond inclusion fields (DIFs) for other kimberlite minerals that are often found in kimberlites containing diamonds.

Work on kimberlitic ilmenites shows that diamonds in kimberlites with high Mg ilmenites, which formed under reducing conditions, are likely to show good diamond preservation features while those with low Mg ilmenites, which formed under oxidizing conditions, show varying degrees of resorbtion.

Mineralization

To date no bedrock diamond mineralization has been discovered on the Talmora property. However, kimberlites on Parry Peninsula, 120 km to the NNW, are known to be diamondiferous. The two Dharma kimberlites discovered by Sanatana on their Greenhorn property 180 km to the SE are also diamondiferous. These kimberlites are located on an apparent structural trend that can be traced north-northwest across the property.

Adjacent Properties
Talmora property was surrounded by permits and claims held by Sanatana Diamonds until February 1, 2009. The Sanatana permits and claims lapsed and in 2009 Talmora staked 125 claims covering magnetic targets on the open ground west of its original permits

There has been no known exploration work conducted on the Talmora properties subsequent to DBR's regional stream-sediment sampling programme conducted in 2000 and prior to that done by Talmora in 2004. Sanatana Diamonds have sampled on a regional basis the tills on their permits surrounding Talmora and their published results show anomalous values down-ice of the Talmora property. Sanatana have also flown airborne magnetic surveys including the area subsequently staked by Talmora.

Exploration

The reported mineral exploration in the Horton River area consists of regional heavy mineral sampling undertaken by DBR during the summer of 2000 and property-specific orientation surveys conducted by Canadian Diamind in August 2004 and by Talmora in August/September 2007.

Canadian Diamind spent approximately $150,000 on an orientation sampling survey of its three original permits in the fall of 2004. The work included the collection of 127 till and stream samples of ten litres each and examination of the –1.00mm to +0.30mm concentrate fractions. This confirmed the presence of anomalous numbers of kimberlite indicator minerals (KIMs) and produced a guide for further sampling. All the samples have now been examined to +0.25mm and all KIMs have been confirmed by microprobe analysis.

An airborne magnetic survey of the Company's three original permits and one of the adjoining permits was completed at the end of June 2007. A number of magnetic dyke-like structures strike NNW across the property. Along one of the "dykes" on the west side of Talmora's property are 4 strongly magnetic circular structures or "blows" which have model widths of about 700-1300m and appear to be at the same depth (600-800m) as the "dyke".

Anomalies of low magnetic susceptibility are of interest as kimberlite targets. Many of these anomalies coincide with small lakes and are concentrated along the "dykes" especially the "dyke" with the circular "blows". Some of them were ground truthed in the field program carried out in the later half of August of that year. The field program included staking of the kimberlite targets and sampling of the tills for KIMs down-ice of the magnetic targets.

The coarse and fine (-0.50+0.25mm) fractions of all 178 till samples collected in 2007 were examined for KIMs and most of the KIMs were confirmed by microprobe analysis. These samples were specifically collected down-ice of pipe-like magnetic anomalies in order to prioritize the anomalies for drill testing.

The KIMs recovered from samples collected in 2007, are very much more numerous (37 times) than the KIMs recovered from samples collected in 2004, which tested the same general area but were not located with respect to magnetic targets. There is a strong correlation between KIMs and magnetic anomalies. Additional samples were collected in 2009, 2011 and 2012 and results have been added to the data base. Of significance is the recognition of Mn-ilmenites on the Talmora property and across the area to the west.

The 2009 program focussed on an airborne survey of numerous small rounded ponds west of the original property which are similar to those on the original property that are coincident with magnetic anomalies. Those that gave a magnetic response were staked.

The focus of the 2011 program was geochemical sampling and recording of spectra with a ground spectroradiometer, as part of the ground truthing of ASTER satellite images that show interesting relations of certain mineral spectra to ponds coincident with magnetic anomalies.

In 2012 a small Packsack drill was used to test the thickness of overburden above several magnetic anomalies. The glacial overburden was penetrated in three of five holes. A small piece of clay with a composition similar to that of weathered kimberlite and anomalous numbers of KIMs were recovered from one hole.

On July 6, 2018, Talmora signed an agreement with Olivut Resources Ltd. that gave Olivut the option to earn a 50% interest in one of Talmora's three permits and certain other lands by

spending $1.2 million over a two year period and making a cash payment to Talmora of $200,000. Talmora will continue to explore the remainder of the Horton property which it owns 100%.

Olivut successfully completed a helimag geophysical program during April and May 2019 and detailed, low-level, 50 metre line spacing magnetic information was collected and analyzed over multiple anomalies previously identified from regional geophysics. During August and September 2019 six holes were drilled to test certain targets delineated by the detailed helimag program. The holes were drilled to a maximum depth of 316' (96.3 metres) using a reverse circulation (RAB), heli-portable drill. Clays similar to that recovered from the Packsack drill hole were recovered from the bottom of five of the six holes.

2004 Sampling Program

Stream and till sampling was initiated on the property in 2004 to confirm earlier results and to determine which method of sampling would be more effective. At that time all concentrates were examined by HDM laboratory to +0.30 mm. The 30 stream samples produced 56 KIMs with multiple grains in 13 of them. New stream sample sites produced higher counts than the original anomalous DBR sites.

The DBR stream samples had been examined down to +0.25mm therefore duplicate samples at 5 of the anomalous DBR sites were examined in the same way. The anomalous DBR stream samples were confirmed and the work done on the duplicate samples established that very much higher KIM counts are obtained if concentrates are examined to +0.25 mm.

The 97 till samples had produced only 9 KIMs in the +0.30mm concentrates and only one had multiple (3) grains. Concentrates were small averaging 1.32g per sample compared to 8.68g for the stream samples. In order to better evaluate the low KIM counts, especially in the tills, it was decided that the -0.30 +0.25 mm fractions of all the 2004 samples would be examined by HDM laboratory in 2007.

Sample Processing

In 2007 the -0.30mm fractions of 97 till and 20 stream samples were shipped to HDM laboratory in Loveland, Colorado where they were sieved to -0.30+0.25 mm and the heavies of the larger sub-samples were separated with lithium meta tungstate at SG2.90-3.00. The concentrates and smaller sub-samples were sorted and the KIMs were confirmed by microprobe analysis by Dr. Ingrid M. Kjaarsgaard at Carlton University.

Precision and repeatability

Size of sample will determine the number of KIMs recovered and the repeatability of the result. The larger the sample the better the repeatability but the cost of collecting a sample is the major cost in a helicopter supported program. The cost of examining the finer -0.30+0.25mm sample fraction is very much less than the cost of doubling the sample size and the fine fraction produces 6 times the number of KIMs as shown below.

Streams

In 2004 duplicate samples were taken at 5 stream sediment sites. As shown in table below re-peatability of KIM counts was poor when concentrates were examined to +0.30 mm but counts were repeatable at a low level of precision provided they were examined to +0.25 mm.

Table

Talmora 2004 Duplicate Stream Sediments. Examined to +0.30 mm

Sample	Pyrope	Chrome Diopside	Ilmenite	Chromite	Olivene	Total
7661			2	2		4
7662				1		1
7663						0
7664						0
7665			1			1
7666						0
7702			2			2
7703			1			1
7667	1		2	3		6
7791			2	3		5
	1		10	9	0	20

Talmora 2004 Duplicate Stream Sediments. Examined to +0.25 mm

Sample	Pyrope	Chrome Diopside	Ilmenite	Chromite	Olivene	Total
7661			2	12		14
7662				25		25
7663			1	5		6
7664				16		16
7665			6	1		7
7666				2		2
7702			2	1		3
7703			3	14		17
7667			3	10		13
7791			4	15		19
	0	0	21	101	0	122

Till

Talmora has not tested tills for repeatability but Sanatana (2005) has done so on 16 sets of duplicate samples collected in the general area. Repeatability was poor even though their concentrates were examined down to 0.25mm. This emphasizes the need to examine all Talmora till samples to +0.25mm. The Sanatana findings are shown below and are of considerable value in the interpretation of the Talmora KIM counts.

Table

Sanatana 2004 Duplicate Till Samples.
Examined to -0.25 mm

	Sample	Pyrope	Cpx	Ilmenite	Chromite	Olivene	Total
156454						0	
156455						0	
158589				1		1	
158590				4		4	
158524	1			5		6	
158525						0	
156601					2	2	
156602				4		4	
156709						0	
156710						0	
156040						0	
156041						0	
156286						0	
156287			2	11		13	
156319						0	
156320	1					1	
156322		1				1	
156323		1				1	
156326				2		2	
156327	1	1				2	
156330						0	
156451		2	2			4	
156446	3					3	
156447						0	
156510	1			1		2	
156511						0	
156541						0	
156542						0	
156553	1	1	1	1		4	
156554						0	
156728				12		12	
156729				7		7	
	8	6	5	48	2	69	

The Sanatana duplicate till samples show that 5 of the 12 positive samples could be repeated with some degree of precision and 7 could not be repeated. There were 4 repeated barren samples.

Quality Control

HDM Laboratory routinely resort approximately 5% of their samples using a second sorter as a quality control check.

Ingrid Kjaarsgaard routinely runs quality control standards with her microprobe analyses.

Kimberlite Indicator Minerals (KIMs)

Chemical composition is generally sufficient to confirm whether a garnet or ilmenite is kimberlitic or not. However, chrome diopsides and chromites may have a "layered mafic complex" or other crustal source and newer plotting programs are being utilized by HDM laboratory to better establish their mantle affinity. As a result HDM now designate a chromite as kimberlitic if it falls outside the "layered mafic compex" field and as "mafic" if it falls within the "layered mafic complex" field and could still be kimberlitic (overlap area).

The De Beers laboratory presents chromite data in the traditional manner with the understanding that chromite (and chrome diopside) may have a layered complex or other crustal source and it is the overall trends that must be considered. Sanatana, who use the Kennecott laboratory, appear to use the same philosophy and plot all their chromites as Cr2O3 vs MgO. HDM used the same approach when they previously analysed the +0.30 mm fractions of the 2004 samples.

Talmora will follow the traditional usage for consistency. Kimberlite indicator minerals or KIMs will include minerals that indicate the presence of a kimberlite either by having compositions that are only found in rocks that have a mantle source (kimberlite field), or having compositions that are possibly found in rocks that have a mantle source (overlap field), or having compositions that lie on trends that include grains that probably have a mantle source or by showing a relation to other KIMs that strongly suggests that they are from the same source.

Sorting Results and Analyses

243 KIMs were recovered from the fine fractions. Most were from the stream samples but anomalous till samples were confirmed and some new anomalies defined. Of considerable interest was the recovery of chrome diopside in the fine fraction of a number of the samples for the first time. A comparison to the coarse (-1.00 +0.30 mm) fraction reported in 2005 is shown in tables below.

Table

Comparison of Total KIM Counts in Coarse (-1.00+0.30 mm) and Fine (-0.30+0.25 mm) Fractions of 2004 Stream and Till Samples

Number of Samples				Ilmenite	Pyrope	Ec. Garnet	C. D.	Chromite	Total
Streams	30	Coarse	Probed	25	4	2		25	**56**
		Fines	Probed	14			9	100	**123**
		Total		**39**	**4**	**2**	**9**	**125**	**179**
Tills	97	Coarse	Probed	5				4	**9**
		Fines	Probed	10	2		11	97	**120**
		Total		**15**	**2**	**0**	**11**	**101**	**129**

Table

Comparison of KIM Counts/Sample in Coarse (-1.00+0.30 mm) and Fine (-0.30+0.25 mm) Fractions of 2004 Stream and Till Samples

Number of Samples				Ilmenite	Pyrope	Ec. Garnet	C.D.	Chromite	Total
Streams	30	Coarse	Probed	0.83	0.13	0.07		0.83	**1.86**
		Fines	Probed	0.47			0.30	3.33	**4.10**
		Total		**1.30**	**0.13**	**0.07**	**0.30**	**4.16**	**5.96**
Tills	97	Coarse	Probed	0.05				0.04	**0.09**
		Fines	Probed	0.10	0.02		0.11	1.00	**1.23**
		Total		**0.15**	**0.02**	**0.00**	**0.11**	**1.04**	**1.32**

Stream Samples

The fine fraction of the stream samples contain 2.2 times the number of KIMs in the coarse fraction including 30% of the ilmenites, 80% of the chromites and all the CDs.

The most anomalous streams are two tributaries west of the Horton River which are strongly anomalous as far west as they have been sampled. Both these streams drain the densest cluster of pipe-like magnetic anomalies on the west side of the property. In general the KIM counts reflect the distribution of magnetic kimberlite targets.

Till Samples

The fine fraction of the till samples proved even more important than that of the stream samples containing 13.7 times the number of KIMs in the coarse fraction including 60% of the ilmenites, 97% of the chromites and again all the CDs.

Previously KIMs were recovered from the coarse (+0.30mm) fractions of 7 of the till samples with 1 KIM in each of 6 samples and 3 KIMs in another. In two cases adjacent samples were anomalous. It appeared that there were trains of KIMs crossing the property but these would be better defined with higher KIM counts.

Trains of KIMs including most of the chrome diopside grains are evident down-ice of a number of magnetic anomalies and can therefore help prioritize drill targets. Most of the chrome diopide grains also have good diamond inclusion chemistry.

There are 10 trains crossing the fences of samples on the basis of a train having more than 1 KIM species or there being more than 2 grains of a single species.

Mineral Chemistry

The area of the Talmora property has been affected by a period of lateritization and as a result many of the silicate KIMs have been destroyed by diagenetic processes. As a result the garnets and CDs that are so useful in indicating diamond potential are not present in the tills and stream sediments in any abundance and are therefore of limited use in prioritizing drill targets. Initially only chrome diopsides showed diamond inclusion compositions but subsequently garnets have been recovered that show good diamond inclusion chemistry. Ilmenites and chromites that are relatively unaffected by lateritization are the most abundant KIMs and therefore the most useful.

Of the 6 peridotitic garnets recovered in 2004 only 2 were from the fine fraction. They are all Lherzolitic (G9) in composition with a similar trend to one of the two trends of the Jericho kimberlite (Kopylova, 1998). While six is too small a number to expect any to be of Harzburgitic (G10) composition the source may, like Jericho or Victor (Sage, 2000), contain virtually no G10s. The intensity of corrosion of both peridotitic and eclogitic garnets by lateritization is not known and may vary with composition.

The TiO2 vs Na2O plot for eclogitic garnets shows no high Na grains. However, there are 3 & 4 grains in the diamond inclusion field of the FeO vs MgO and TiO2 vs CaO plots respectively.

The Cr2O3 vs CaO and Na2O vs Al2O3 plots of the chrome diopsides were all of grains found in the fine fractions sorted in 2007. Most grains have compositions that fall within the diamond inclusion field offering the encouragement one would normally hope to get from the garnets.

The Cr2O3 vs MgO plot of the ilmenites shows good diamond preservation characteristics. The plot is similar to that of Diamondex's ilmenites to the west but not like that of ilmenites from the vicinity of Darnley Bay's kimberlites to the north. It is similar however to that of ilmenites in field

samples from the area of Cretaceous sediments between the Darnley Bay kimberlites and the Talmora property.

The chromites on a variety of plots form a distinct trend with 0, 1, 1 & 3 grains in the diamond inclusion field or 16, 11, 7 & 7 grains in the Argyle field of chromites of the Cr2O3 vs MgO, Cr2O3 vs Al2O3, Cr2O3 vs TiO2 and Al2O3 vs TiO2 plots respectively.

The standard MgO vs Cr2O3 plot for all of Sanatana's chromites recovered in the region, which are considered by Sanatana to have good diamond chemistry (Sanatana, 2006), have a remarkably similar distribution of compositions to those of the Talmora chromites.

2007 SAMPLING PROGRAM

The purpose of the 2007 field program was to evaluate magnetic anomalies identified by an airborne magnetic survey completed the previous month and to stake all anomalies having characteristics of kimberlite pipes. Some anomalies were to be verified by ground magnetic surveys and as many as possible, in the time available, were to be tested by sampling the tills down-ice. With a limited budget the program was terminated on completion of the staking and after 178 samples had been collected.

A total of 607 grains of KIMs and possible KIMs were picked from the -0.50+0.30mm fractions and 1158 grains of KIMs and possible KIMs were picked from the -0.30+0.25mm fractions of the 178 samples and were sent to the De Beers laboratory in South Africa for microprobe analysis.

Sampling

The thickness of till, covering a kimberlite, will determine how close to the kimberlite the plume of KIMs in the till will reach the surface. In the high ground between the valleys the tills are relatively thin (in the order of 1-3 metres) but they are much thicker in the major valleys.

Most of the samples were collected from frostboils. Generally 10 litres of till were collected at 3 sites, 100 to 150 m apart, along a line at right angles to the ice direction approximately 200 – 300 m down-ice or on the NW side of 39 magnetic targets. Five short fences of samples spaced 500m apart were also collected across the ice direction along the west side of the property as backup. These fences were generally further from magnetic anomalies and served as insurance in case the tills were thicker and the plumes longer than expected. Samples were placed in canvas bags, were sealed with plastic ties in the field and shipped by air to Inuvik. In Inuvik they were sealed in large shipping bags and transported by truck to the De Beers processing laboratory at Sudbury, Ontario.

Sample Processing

At the De Beers laboratory the samples were screened and concentrated into various size fractions.

Quality Control

The De Beers Laboratory is a SCC Accedited LAB (CAN-P-1570). The sorting laboratory routinely resort a percentage of the samples with a second sorter as a quality control check. The microprobe laboratory routinely run quality control standards with microprobe analyses

Sorting and Microprobe Analyses of -0.50+0.30mm Fraction

A total of 607 grains of KIMs and possible KIMs have been microprobed. The visual results are compared to the probe confirmed results in the following table.

Table

	Garnet	Doubtful Garnet	Ilmenite	Doubtful Ilmenite	Possible Chromite	Other	Total
Visual Results	16	21	60	24	484	2	607
Probe Confirmed	23		70		492	0	585

Sorting and Microprobe Analyses of -0.30+0.25mm Fraction

De Beers normally examine only the +0.30mm fractions but in order to increase the counts in the relatively small till samples and to increase the representation of silicate KIMs it was decided to examine also the -0.30 +0.25mm fractions.

A total of 1158 grains of KIMs and possible KIMs were picked out for microprobe analysis.

The visual results are compared to the probe confirmed results in the following table.

Table

	Garnet	Doubtful Garnet	Ilmenite	Doubtful Ilmenite	Possible Chromite	Other	Total
Visual Results	7	1	51	23	1070	6	1158
Probe Confirmed	7		43		854	1	905

Mineral Chemistry

A total of 19 peridotitic garnets were recovered of which 5 were from the fine fraction. They are all lherzolitic (G9) in composition with 2 trends similar to those of the Jericho kimberlite (Kopylova. 1998). Harzburgitic (G10)garnets are unlikely amongst so few grains but the source may, like Jericho and Victor (Sage. 2000), contain virtually no G10s. It is speculated that the intensity of diagenetic corrosion of both peridotitic and eclogitic garnets may vary with composition.

Sanatana (Doyle, B. J. et al, 2008) has recently noted that the chemistry of the indicator minerals in the dispersion train down ice from the Dharma complex shows "a poorer representation of high chrome low calcium (or G-10?) garnets than those extracted from the kimberlite". Their "best explanation for this is that these garnets are being shattered by glacial and post-glacial processes". They recognize the implication for explorers prioritizing exploration based on chemistry.

De Beers noted trichitic cavities or etch pits tunneling into a peridotitic garnet grain from the Talmora property which is leaching the colour out of the garnet and creating a honeycomb texture which will gradually weaken the grain. Colour is a function of composition so that leaching of colour is likely removing the element(s) that cause the colour. G-10 garnets are deep lilac whereas G-9 garnets are paler shades of lilac to red.

The TiO2 vs Na2O plot for eclogitic garnets shows no high Na grains. However, there are 6 grains in the diamond inclusion field of each of the FeO vs MgO and the TiO2 vs CaO plots. Note: An eclogitic garnet recovered by DBR on the Talmora property falls in the diamond inclusion field of the TiO2 vs Na2O plot.

The Cr2O3 vs CaO and Na2O vs Al2O3 plots of the single chrome diopside grain in both cases falls within the diamond inclusion field. The composition is similar to those found in 2004.

The Cr2O3 vs MgO plot of the ilmenites shows good diamond preservation characteristics.

The chromites form distinct trends with 0, 2, 8 & 16 grains in the diamond inclusion field or 94, 52, 41 & 21 grains in the Argyle field of chromites of the Cr2O3 vs MgO, Cr2O3 vs Al2O3, Cr2O3 vs TiO2 and Al2O3 vs TiO2 plots respectively.

Of the 1346 chromite grains recovered 167 have Cr2O3 contents of 48% or greater. These have compositions that are generally outside the range of chromites from layered mafic complexes.

Relation of KIMs to magnetic anomalies

The KIMs recovered from samples collected in 2007, which were located down-ice of magnetic targets, are very much more numerous (37 times) than the KIMs recovered from samples collected in 2004, which tested the same general area but were not specifically located with

respect to magnetic targets. There is a strong correlation between KIMs and magnetic anomalies

KIMs are found down-ice of all of the 39 targets sampled. The lowest count was 1 ilmenite and 2 chromites in 3 samples down-ice of 1 target. At least 1 kimberlitic ilmenite or garnet was found down-ice of 29 of the anomalies. Of the 10 anomalies with only chromites down-ice 6 include at least 1 definitely kimberlitic chromite with > 48% Cr2O3.

The highest counts are from a cluster of 13 targets on map sheet 97A4NW, an area that stream sampling indicated as highly anomalous. However, one must be careful not to equate high KIM counts with diamond content. It only means that it is easier to find the kimberlite.

Ferricrete Float

Ferricrete cobbles up to 20cm were found in relative abundance on top of a frostboil in the till at one locality in the center of the property. It was also noted in the vicinity of many samples collected down-ice of magnetic targets in 2007 and appears to be of local origin. Calcrete float was also found on a gravel bar of the Horton River just west of the permits. Specimens of each of the rocks was described by McCallum [2005].

The ferricrete may be significant for the proper interpretation of KIM recovery in the area. The age of the ferricrete is not known but it must be exposed at the present landsurface which is also the source of the KIMs in the till.

ODM laboratory who concentrated the DBR samples noted that the concentrates from the area contained "few heavy minerals and the KIMs are biased to the heaviest (oxide) species, indicating significant KIM loss during panning". CDL samples from the same sites which were not panned produced almost identical results. However, HDM laboratory noted that the surface of the few garnets that CDL recovered showed corrosion features and some of the oxides showed some surface alteration. De Beers has noted the same features.

It is well known that in humid tropical climates pyrope is readily decomposed by chemical weathering while picroilmenite and chromite is resistant. Gregory and Janse (1992) describe an orientation study around the Manjamadu kimberlite dyke in Sierra Leone taken from an unpublished report of the National Diamond Mining Company (SL) Ltd. Picroilmenite content and grain size decreased in the soils away from the fresh kimberlite dyke and some of the grains became coated with Fe oxides. "In contrast, although pyrope garnet is relatively more abundant than picroilmenite in the fresh kimberlite, very little pyrope was recovered in the soils during this orientation survey."

The ferricrete provides evidence of a humid and tropical climate in the area of the Talmora property at some time in the past. This may have been the Eocene Thermal Maximum 55 million years ago (Moran & Backman 2007). It would have affected exposed kimberlites, destroying many of the silicate KIMs and altering the rims of oxide grains.

2009 SAMPLING PROGRAM

The 2009 program was primarily to identify and stake kimberlite targets on ground adjoining the west side of the Talmora property that had come open in February that year. Many of the Talmora magnetic anomalies coincide with strings of shallow ponds. An airborne magnetic system was flown over similar ponds on the open ground and those with coincident magnetic anomalies were staked. The flight height (60m) and line spacing (400 m) of the earlier Sanatana survey appears to have been too much to detect these anomalies.

found. One sample tested clean sands at the base of a small block of Cretaceous shales slumped into a limestone gulley in the northwest corner of the property, a second tested stream gravels in the gulley downstream of this slump block and a third tested a stream draining an area mapped as Cretaceous in the south part of the property but nowhere were Cretaceous sediments seen.

The remaining samples were standard size and were collected down-ice of magnetic anomalies and analytical data has been added to the property's data base.

2011 SAMPLING & GROUND TRUTHING ASTER SATELLITE IMAGES

Talmora had planned to drill some of its magnetic targets in 2011 but financing fell short of what was required. However, claims had to be staked within a permit due to lapse on January 31, 2012. At the same time bulk till samples and geochemical samples were collected and spectra recorded with a ground spectroradiometer, as part of the ground truthing of ASTER satellite images that show interesting relations of certain mineral spectra to ponds coincident with magnetic anomalies. KIMs have been recovered from the bulk till samples and add to the property's data base. Geochemical samples analysed by SGS Laboratory in Toronto according to their 55 element ICM90A package as well as their ICP95A lithologic package have been evaluated. The work provided assessment work credits that have been applied to the new claims.

2012 SAMPLING & PACKSACK DRILLING

In 2012 a Packsack drill was used to test thickness of overburden near magnetic anomalies and 77 bulk till samples were collected on a number of the original claims that required additional assessment work credits to extend their life. The bulk till samples have been analysed for KIMs. For the first time a G-10 pyrope garnet was recovered as well as a second high sodium eclogitic garnet that plots in the diamond inclusion field of the TiO2/Na2O diagram. Perhaps more important was the recognition of Mn-ilmenite as a KIM on the property including some grains with diamond inclusion compositions.

The Packsack drill was able to penetrate through the till overburden in three of five holes and ended 0.5 – 1.0m in a rusty dark brown clay. Drill cutting of the till and clay were submitted for chemical and mineralogical analyses. While the clay cuttings have lost fines and are contaminated by till and perhaps marine sand they show many characteristics of weathered kimberlite including anomalous numbers of locally derived KIMs in one hole.

2018-2019 HELIMAG GEOPHYSICAL SURVEY & REVERSE CIRCULATION DRILLING

During August and September 2019 six holes were drilled to a maximum depth of 316' (96.3 metres) using a heli-portable reverse circulation (RAP) drill. Beneath tills, each of the holes intersected varying depths of extremely fine-grained clays. Down hole drilling conditions were exceptionally challenging, as was the recovery of drill sample material, due primarily to the nature of these intersected clays. Samples were collected from each of the holes and sent for analysis to Saskatchewan Research Council ("SRC"). The analyses show contamination of deeper samples by overlaying units, presumably by material from the upper units sticking to the walls of the inner drill tube and breaking loose later to mix with deeper material.

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. The lower clays are homogeneous and 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. The homogeneous clays have lead isotope ratios (Pb206/204 vs Pb207/204) that average that of rocks derived from the mantle. The range of values of three holes is a little more than the mantle rock values which may be the result of contamination or it may indicate that there has been re-deposition of mantle material at the surface into a single secondary geological unit such as re-deposition of a volcanic tuff ring into a crater. The range of values of samples from a hole testing a relatively narrow dyke are close to that of mantle rocks (including kimberlite). 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 was 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.

The heavy mineral concentrates contain kimberlite indicator minerals (KIMs), possible KIMs and their alteration products that survive tropical weathering as well as spherules believed by Olivut (6 July 2020 press release) to be meteoritic but considered kimberlitic by others (Yatsenko et al 2017, www.minsoc.ru/2017-1-205-1), un-weathered silicate minerals and foraminifera that are clearly marine. The logical explanation is that the KIMs and possible KIMs are from the weathered tops of the targets tested, foraminifera and some un-weathered silicate minerals are from overlying marine mudstones and some un-weathered silicate minerals are from the surface clay-rich glacial till. Contamination during drilling explains the mixing of upper with lower geological units.

(b) an interpretation of the exploration information;

The exposed land surface and any kimberlite penetrating this surface was subject to a period of laterite formation (possibly Eocene) which caused diagenetic alteration of all KIMs except chromites. Ilmenites developed rutile alteration rims but most garnets, chrome diopsides and other silicates were destroyed.

The destruction of silicate KIMs makes recovery of silicate KIMs with compositions matching the compositions of those found as diamond inclusions unlikely. However, the few chrome diopsides recovered do have diamond inclusion compositions, offering unexpected encouragement, and one of the few garnets recovered in 2012 falls within the G-10 field of pyropes and an eclogitic garnet falls within the high sodium diamond inclusion field on a TiO2/Na2O plot.

The recognition of Mn-ilmenites on the property provides Talmora with a KIM that generally survives tropical weathering and also comes with diamond inclusion compositions. Some of the Mn-ilmenite grains are altered showing a loss of iron especially those recovered from Packsack drill cuttings of the weathered horizon beneath the till. Unaltered Mn-ilmenites are found in the Sanatana samples to the west. The absence of altered Mn-ilmenites to the west supports the view that the KIMs to the west were derived from the base of the Cretaceous basin where they were protected from Eocene tropical or sub-tropical weathering. Altered Mn-ilmenites on the Talmora property indicates a local or nearby source.

The 178 till samples collected in 2007 were specifically collected down-ice of pipe-like magnetic anomalies in order to prioritize the anomalies for drill testing. The KIMs recovered from samples collected in 2007, are very much more numerous (37 times) than the KIMs recovered from samples collected in 2004, which tested the same general area but were not located with respect to magnetic targets. There is a strong correlation between KIMs and magnetic anomalies.

Cuttings obtained by the Packsack drill from clay beneath the till over magnetic anomalies show many characteristics of weathered kimberlite including anomalous numbers of locally derived KIMs in one hole. The Olivut drill program of 2019 encountered clays similar to that recovered with the Packsack drill in 2011. This clay has been studied by chemical and heavy mineral analyses to determine its relationship to the coincident magnetic anomalies.

Olivut successfully completed a helimag geophysical program during April and May 2019. Detailed, low-level, 50 metre line spacing magnetic information was collected and analyzed over multiple anomalies previously identified from regional geophysics.

During August and September 2019 six holes were drilled to test certain regional geophysical targets that had been confirmed and further delineated by the detailed helimag program. The holes were drilled to a maximum depth of 316' (96.3 metres) using a reverse circulation air blast (RAB), heli-portable drill.

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

A study of these analyses has shown contamination of deeper samples by overlaying units, presumably by material from the upper units sticking to the walls of the inner drill tube and breaking loose later to mix with deeper material.

Preliminary visual inspection, as well as further microscopic examination of many of the collected samples, could not specifically identify the host rock from which the clay material is derived. Sulphides, including pyrite, galena and sphalerite, as well as other mafic minerals were easily identified in many downhole samples. Subsequently, whole rock and multi-element geochemical results defined a distinct homogeneous clay in the lower part of 4 of the 6 holes. This clay is notably dark grey to black, with an oily feel and is chemically complex but fairly homogeneous and characterised by elevated Rare Earth Element ("REE") content and relatively low silica content. These REE levels are generally higher than, or consistent with, levels of REE detected in clays found to occur over some identified kimberlites in some locations of the world (e.g., Western Australia and Namibia). Above the homogeneous clay are clays with lower REE and higher silica content that grade into the homogeneous clay and overlying glacial tills

The chemistry of the drill samples indicates that contamination during drilling has been extensive with as much as 50% of a sample coming from the units above. All samples are apparently contaminated but the lower parts of each unit are the least contaminated by other units.

The homogeneous clays have lead isotope ratios (Pb206/204 vs Pb207/204) that average that of rocks derived from the mantle. The range of values of three holes is a little more than the mantle rock values which may be the result of contamination or it may indicate that there has been re-deposition of mantle material at the surface into a single secondary geological unit such as re-deposition of a volcanic tuff ring into a crater. The range of values of samples from a hole testing a relatively narrow dyke are close to that of mantle rocks (including kimberlite).

(c) whether the surveys and investigations have been carried out by the Issuer or a contractor and if by a contractor, identifying the contractor; and

The systematic airborne magnetic survey in 2007 was carried out by UTS Geophyscs. Recovery of KIMs was at HDM and De Beers laboratories and geochemical analyses at SGS laboratory. The ground magnetic surveys, airborne magnetic surveying in 2009, ground truthing of ASTER satellite images, Packsack drilling in 2012, staking and sampling were carried out under the supervision of insiders of the Issuer. The 2019 program was carried out by Olivut Resources.

(d) a discussion of the reliability or uncertainty of the data obtained in the program.

The poor recovery of silicate KIMs offers a challenge. However, most ilmenites and many of the chromites are from a definite kimberlitic source. The chromites as a whole appear to be from a

single population and therefore from a kimberlite source. The few silicate KIMs recovered showing diagenetic alteration and the widespread occurrence of laterite suggest a local origin for these KIMs.

There is a clear correlation between magnetic anomalies and KIMs. The magnetic anomalies are in an area with quiet magnetic background and are relatively well defined.

Diamondex has shown that the compositions of ilmenites from their property to the west of Talmora do not match those of the Slave province or the Dharma kimberlite to the SE. They do not match those from the vicinity of the Darnley Bay kimberlites to the NE but they do match those from the Talmora property due east. Diamondex have not found kimberlites but have shown that many of their KIMs west of Talmora are from the base of the Cretaceous sediments and some of the zircons accompanying these KIMs most likely came from the east having ages that match those of rocks that are found east of Talmora.

Clay cuttings from the Packsack drilling show many characteristics of weathered kimberlite including anomalous numbers of locally derived KIMs in one hole. The Olivut drilling in 2019 has encountered clay with the same characteristic and is being studied to determine its genesis. However, only recovery of fresh kimberlite from any of the magnetic anomalies will provide the mineral chemistry that will allow prioritizing of the targets for detailed follow-up.

(6) Mineralization — The mineralization encountered on the property, the surrounding rock types and relevant geological controls, detailing length, width, depth and continuity together with a description of the type, character and distribution of the mineralization.

Not applicable.

(7) Drilling — The type and extent of drilling including the procedures followed and an interpretation of all results.

Discussion of Geological Setting

There is evidence that kimberlite pipes may have been emplaced in the Horton River area about 164 $\pm$ 6 Ma (Agashev et al., 2008) subsequent to the deposition of the Devonian dolomites. They would have been subjected to a long period of weathering and the formation of soft clay known as yellow ground. Fairbairn and Robertson (1966) showed that removal of Mg from silicates and carbonates of kimberlites during weathering results in loss of 40-50% of the original rock substance so that a depression may form over a pipe.

There was a period of marine submergence of the Horton River area from 120 – 70 Ma. A block of clean Cretaceous quartz sand and overlying mudstone preserved in a gully in the NW part of the Talmora property illustrates the Cretaceous sedimentation. The block showed no evidence of a basal conglomerate. Erosion of soft weathered kimberlite during marine submergence might

deepen what would already be a depression in the hard dolomite and such depressions would likely be filled with marine sand and possibly boulders of local dolomite.

There is evidence that the area was subject to a period of lateritiztion, probably in late Cretaceous time (55 Ma) and after most of the Cretaceous sediment in the Talmora area had been removed by erosion. KIMs recovered in the area are under-represented in silicate KIMs and those that are present show strong diagenetic alteration (corrosion of grains, loss of colour) typical of laterite terrain. Even ilmenite grains show diagenetic coatings of rutile.

If the weathering and formation of laterite was Eocene (55 Ma) the overlaying marine sediments containing foraminifera must be Tertiary indicating an extension of the known Tertiary Sea south-west to Seahorse Lake.

The high dolomite plateau west of the Horton River is generally covered by 2-3 meters of till. There is no reason to believe that there is more than one layer of till. However, magnetic anomalies are either covered by shallow ponds or meadows and if indeed the magnetic anomalies are the sand filled eroded tops of weathered kimberlite pipes they would most likely have been deeply scoured by the ice so that the thickness of the till should be thickest over the anomalies.

Drill Target Expectation

The upper part of a kimberlite pipe in the Horton River area is expected to be deeply weathered, soft and overlain by marine sand and showing signs of laterite formation. KIMs will be mostly chromites and ilmenites and any garnets will tend to be corroded or rounded and possibly showing some loss of colour. Kimberlite pipes are expected to be covered by a relatively thick section of till. The interface of the till and weathered kimberlite (with/without overlying marine sand) is expected to be a mixture of the two.

Packsack Drill Results

Talmora had numerous magnetic anomalies that were ready for drilling but was not able to raise sufficient funds in 2012 to contract a commercial drilling company to test some of the anomalies. Funds raised were sufficient to cover the cost of a till sampling program that would satisfy the assessment work requirements on a group of important claims. Talmora took the opportunity to test the thickness of till over several magnetic anomalies in the till sampling area with a small Packsack drill. The drill which is rated to drill up to 100' was not expected to have sufficient strength to reach the cause of the magnetic anomalies but in each case an attempt was made to do so.

Five holes were drilled and casing was put down as far as possible or to what was believed to to be weathered bedrock beneath the till. THD-1A drilled at -45° from the edge of a pond covering magnetic anomaly No. 34 stopped in overburden 32.4'. After the hole was steepened to -50° it penetrated 24.25' of lake sediment followed by hard compact till to 42.3' and boulder till to 72' where the hole was again forced to stop. THD-2 tested anomaly No. 4 under a small

meadow and penetrated 13.6' of soft material, followed by hard till to 15.5' and boulder till to 16.8' where hole was stopped. Anomaly No. 5 was tested with two holes. THD-3 drilled at -80° north on the east side of the anomaly penetrated soft material to 5.63' followed by boulder till to 28.5' and then possible weathered bedrock to 30.5'. The return from the bottom of the hole was alternating dark and light brown with fragments of dolomite. The hole was abandoned at 30.5'. THD-4 was drilled at -50° east from the west side of the anomaly. It penetrated soft material to 10.25' followed by compact till with scattered small boulders to 27.8' and boulder till to 39'. Section 39' - 43' at end of hole was cored but with poor recovery (26cm of dolomite and vuggy quartz including about 3cm of clay). However the returns were again alternating dark and light brown. The fifth hole THD-5 tested anomaly 76. It penetrated soft material to 9.25' followed by hard compact till with scattered boulders to 18.5' and boulder till to 23.25'. Section 23.25' – 25.25' was cored but gave almost no recovery. A few small dolomite fragments were caught in the core barrel. However, return was again very dark brown (similar to Holes THD-3 and THD-4).

Three of the five holes appear to have penetrated the till between 8 and 15m encountering a soft clay that, excepting a 2-3cm section, was not recovered as core. However, the coarse cuttings (those that accumulated around the drill and were not carried away suspended in the water) of the till and underlying clay were collected and 14 samples have been subjected to chemical and mineralogical analyses.

6 Samples have been panned and the concentrates, middlings and tails examined. The concentrates were sent to HDM laboratories for KIM analysis.

Horton River Clay Compared to Weathered Sierra Leone Kimberlite

The Horton River clay analyses are compared to those of fresh and weathered kimberlite from Sierra Leone. The clay is relatively high in SiO2 which depresses the values of the other rock forming elements. High SiO2 in the clay is expected as a contaminant from Cretaceous marine sands. The clay sample matches Al, Cr, K, Na, P & LOI of the weathered kimberlite at a depth of < 24' below water table. However, Ca, Fe, Mg, Mn & Ti are lower and Si is higher than any of the weathered kimberlites.

The Horton River clay on a quartz-free basis matches the deeper weathered horizons of Sierra Leone kimberlites rather well. Al and LOI of the clay is as high and the Ca, Cr, Mg, is as low as the shallower (< 24' below WT) more weathered kimberlite while the K, P, Na & Si is as high and Fe, Mn & Ti is as low as deeper (>24' below WT) less weathered kimberlite.

Kimberlite Indicator Minerals.

Six concentrates were submitted to HDM laboratory for mineralogical, including KIM, analysis. The three holes that penetrated through the till into clay contained KIMs all of which are oxides (14 spinels, 2 picro-ilmenites and 17 Mn-ilmenites). The 17 Mn-ilmenites are those with <1%

MgO and >0.40% MnO. Another 9 grains were analysed that are outside these limits but are probably the same population. There were 3Mn-ilmenites in THD-3. THD-4 contained 6 hromites, 3 Mn-ilmenites and one picroilmenite (10.23% MgO; 3.24% Cr2O3) in the clay cuttings and 8 chromites and 17 Mn-ilmenites in the overlying till cuttings. It is significant that THD-3 is on the up-ice side and THD-4 on the down-ice side of the same anomaly (Red 5). The clay cuttings of THD-4 contained notable galena. THD-5 contained 3 Mn-ilmenites and one picroilmenite (9.73% MgO; 0.39% Cr2O3) and a significant amount of sulphides in the clay cuttings.

Spinel (chromite)

The 14 spinels (chromites) from THD-4 lie on a relatively narrow Fe-Mg crystallization trend line indicating a single population. The spinels (chromites) from THD-4, plotted on the standard Cr2O3 vs MgO diagram show a relatively simple crystallization trend with one grain in the Argyle chromite field.

Ilmenite (picroilmenite and Mn-ilmenite)

Two picroilmenite relative to 14 spinel grains is a high count for the Talmora property. The field samples produced 15 picroilmenite and 676 spinel grains.

Of considerable interest are the Mn-ilmenite grains that were picked out of the drill samples. Mn-ilmenite was not previously used as an indicator mineral. However, Kaminsky and Belousova (2009) have drawn attention to the use of Mn-ilmenites as a diamond/kimberlite indicator mineral in areas of tropical (laterite) weathering where traditional silicate KIMs are absent. The 17 Mn-ilmenite grains, plus 9 that are probably of the same population, when plotted on MgO vs MnO, MnO vs FeO, MnO vs TiO2 and MnO vs V2O5 diagrams together with diamond inclusions from Guanaimo, Venezuela (Kaminsky et al., 2000) and Juina, Brazil (Kaminsky et al., 2001) at least 5 grains fall within the Mg/Mn, 5 grains within the Mn/Fe, 7 grains within the Mn/Ti and 5 within the Mn/V range of compositions of inclusions in diamonds.

Olivut 2019 Reverse Cirulation (RAB) Drill Program

Following a Helimag geophysical survey 5 targets were tested to a maximum depth of 316 feet with a heli-portable reverse circulation air blast (RAB) 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 returned complex chemistry that warranted further work.

Initial results reflect anomalous, elevated levels of 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.

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

To determine the potential presence of any kimberlitic indicator minerals ("KIM"), additional samples from five drill holes, four of which included sections of the deeper homogeneous clay, were submitted for heavy mineral analysis to SRC. Chromites, ilmenites (some manganese bearing) and abundant pseudorutile (an alteration product of ilmenite which is common in intensely weathered kimberlite) are present. Six chromite grains from the narrow dyke plot on a relatively narrow crystallization trend-line indicating a local source and certainly not from a marine sediment. Two of the six grains plot in the field of kimberlites and lamproites. Although most of the chromites and ilmenites are not unequivocally kimberlitic, they have compositions that match those of some inclusions in type IIa diamonds.

A surprising result of the heavy mineral analysis is the number of microfossils (mostly foraminifera) and the abundance of various forms of pyrite (some replacing organic material and microfossils) found in the concentrates. Also present are spherules (tiny bead-like features) believed by some to be associated with a meteorite impact but by others to be associated with kimberlites. Microfossils and pyrite indicate marine deposition associated with anoxic (low oxygen) conditions for some of the clay

Recognition of contamination explains why possible KIMs that crystallized in a mantle derived rock and was subsequently deeply weathered are found with marine microfossils, meteorite spherules and silicate minerals that would not have survived the deep weathering. **Talmora has concluded that the most likely scenario is that the homogeneous clay is an intrusion (possibly kimberlite) derived from the mantle that has been deeply weathered during the Eocene thermal maximum and subsequently covered by Tertiary marine clays containing microfossils and pyrite in conditions at times anoxic.**

(8) Sampling and Analysis — The sampling and assaying including

(a) a description of sampling methods and the location, number, type, nature, spacing and density of samples collected;

In 2004 samples of 10 litres were collected at 25 sites on the major tributaries of the Horton River including sites previously sampled by Darnley Bay Resources. The previous stream sampling data was confirmed. Till samples with a volume of 10 litres were collected at 500m intervals along 3 fences across the property. In the case of both streams and tills very much higher counts of KIMs were obtained from the -0.30+0.25mm fraction than from the +0.30mm fraction.

In 2007 samples of 10 litres were collected down-ice of airborne magnetic targets. Generally three samples were collected across the ice direction about 200-300m from the target. In some cases longer fences of samples were collected down-ice of several targets. There is a strong correlation between KIMs and magnetic anomalies.

In 2009 samples of 10 litres were collected down-ice of airborne magnetic targets as in 2007. Three larger samples were collected at three sites to test the base of the Cretaceous sediments for KIMs and possibly diamonds. No diamonds were found but the KIMs add to the data base.

In 2011 10 litre samples and small (0.2 kg) geochemical samples were collected as part of the ground truthing of ASTER satellite images.

In 2012 bulk samples of 10 litres were again collected. However, a Packsack drill was used to sample and determine the thickness of overburden near magnetic anomalies. Three of five holes penetrated through the glacial till overburden and ended in clay that could not be cored. However a small piece was recovered and analysed. Cuttings of both clay and till were collected and analysed chemically and sorted for KIMs (see above).

(b) identification of any drilling, sampling or recovery factors that could materially impact the accuracy or reliability of the results;

Recovery of KIMs is dependent on the abundance of KIMs in the kimberlite (some kimberlites have almost no KIMs but significant diamonds) and on the degree the last ice movement scoured the top of the kimberlite.

Sorting the concentrates and picking out KIMs in the laboratory is dependent on the skill of the sorter. Every care is taken to ensure a high recovery of KIMs.

Packsack drill cuttings of both clay and till were collected but it was clear that the clay cuttings were being contaminated by the overlying till because of the hole collapsing. In addition much of the fines were lost.

During the Olivut drilling of 2019 samples weighing about 0.5 kilogram were collected at 5 foot intervals and were submitted for multi-element ICP analyses. Clay units could be delineated chemically using these samples. In addition bulk samples of the clay in each hole were collected for recovery of heavy minerals. Contamination of lower units by upper units was extensive as clay-rich material presumably stuck to the walls of the inner drill tube and broke loose to contaminate deeper samples.

(c) a discussion of sample quality and whether the samples are representative of any factors that may have resulted in sample biases;

Care was taken to collect a uniform type and size of bulk till sample. Where possible this was from the upper 0.50m of frost boils in the case of till samples and among cobbles in stream beds in the case of stream samples. Samples were a standard 10 litres after large pebbles and rock fragments were removed from till samples by hand and stream samples were screened to -2.00cm.

The three large samples collected in 2009 were to have tested the base of the Cretaceous for KIMs and possibly diamonds. Unfortunately ideal sites for this purpose were not found.

Packsack drill cuttings of both clay and till were collected but it was clear that the clay cuttings were being contaminated by the overlying till because of the hole collapsing. In addition much of the fines were lost.

During the Olivut drilling in 2019 representative samples were collected of each 5' section. However, contamination of lower samples by upper samples was extensive due to the nature of the RAB drill. Bulk samples of clay collected for recovery of heavy minerals also included more than single clay units and in some cases included some overlying clayey till.

(d) rock types, geological controls, widths of mineralized zones, cut-off grades and other parameters used to establish the sampling interval; and

Field sampling interval is based on experience and initially on the number that one can afford to collect.

e) quality control measures and data verification procedures.

Initial anomalous samples of Darnley Bay Resources were repeated and the results confirmed by Talmora.

In the laboratory sorters are checked on a routine basis. The more frequently sorters are checked the more consistent the results. Sorters may misidentify a mineral but should make every effort not to miss a possible KIM. Microprobe analysis will confirm the identification or not.

Generally the number of KIMs visually identified match the number confirmed by microprobe analysis. Some ilmenites are confused with chromites and visa versa. However, the occasional grains not verified are often compensated by doubtful grains that prove to be KIMs.

(9) Security of Samples — The measures taken to ensure the validity and integrity of samples taken.

Bulk till samples were sealed in canvas bags in the field and then sealed in batches of 50 in large fibre shipping bags on their arrival in Inuvik or Norman Wells.

Samples collected from the Olivut drill program were transported from the field by Olivut personel and securely repackaged before shipping by bus to Saskatchewan Research Council for analysis.

(10) Mineral Resources and Mineral Reserves — The mineral resources and mineral reserves, if any, including

Not applicable.

(a) the quantity and grade or quality of each category of mineral resources and mineral reserves;

Not applicable.

(b) the key assumptions, parameters and methods used to estimate the mineral resources and mineral reserves; and

Not applicable.

(c) the extent to which the estimate of mineral resources and mineral reserves may be materially affected by metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political and other relevant issues.

Not applicable.

(11) Mining Operations — For development properties and production properties, the mining method, metallurgical process, production forecast, markets, contracts for sale of products, environmental conditions, taxes, mine life and expected payback period of capital.

Not applicable.

(12) Exploration and Development — A description of the Issuer's current and contemplated exploration or development activities, to the extent they are material.

(b) an interpretation of the exploration information;

Since 2011 the market for financing diamond exploration projects has been difficult. Talmora's management has reviewed assessment work files on neighbouring properties as they have been released to the public. Most of the work done across Lena West is now a part of the public record.

The field and laboratory work across Lena West is of high quality having been done by Nik Pokhilenko's Russian Team/Diamondex, De Beers/Pure Gold, Kennecott/Sanatana, De Beers/Darnley Bay and De Beers/Talmora. Diamondex collected stream samples whereas the others collected similar sized till samples.

Talmora's work during this time of limited funds has focused on evaluating the probability of the Horton area being the source of the Lena West KIMs and associated diamonds. The Horton area appears to be favourable for diamonds but there is the question why it is deficient in pyrope garnets relative to other areas.

Structural Studies

Evidence was presented in 2012 at the 10th International Kimberlite Conference (10IKC) to show that the Horton area lies on a "zone of anomalous mantle" that was the northern extension of the Slave diamondiferous kimberlite trend displaced on a major fault(s) parallel to the north arm of Great Bear Lake. It also coincides with a favourable morphostructure that straddles the "zone of anomalous mantle".

Evidence for the Great Bear fault zone was presented at the joint 13th South African Geophysical Association (SAGA) Biennial / 6th International Conference in Airborne Electromagnetics (AEM) Conference in 2015, the 43th Annual Yellowknife Geoscience Forum in 2015 and 35th International Geological Congress in 2016.

Paleo-weathering Studies

Evidence of laterite and tropical weathering in the Horton area was recognized during the first field season. It explained the near absence of pyrope garnets and chrome diopside while there were anomalous numbers of chromites and ilmenites. The evidence was presented at the 39th Annual Yellowknife Geoscience Forum in 2011, 10th International Kimberlite Conference in 2012, 44th Yellowknife Geoscience Forum in 2016 and 8th Oppenheimer De Beers Group Research Conference in 2017.

Eocene (55 Ma) tropical weathering affected all of the Canadian north but generally the weathered zone has been eroded and any remnants have been removed by glaciation. In the Horton area post-Eocene erosion was minimal and because of the area's location on the flank of the unglaciated Melville Hills glaciation had little or no effect and the weathered zone has been preserved.

Studies relating Lena West KIMs to the Horton Area

The similarity of Lena West ilmenites to those of the Horton area and how they differ from those in the Darnley Bay and Dharma areas was first presented at the 39th Annual Yellowknife Geoscience Forum in 2011. Cluster analysis of the chromites showing the same relation was presented at the 35th International Geological Congress in 2016 and cluster analysis of the pyrope garnets was presented at the 8th Oppenheimer De Beers Group Research Conference in 2017.

All the Lena West KIMs match those of the Horton area but differ from those of the Darnley Bay and Dharma areas and because the Diamondex team showed that most if not all of the Lena West KIMs were derived from concentrates at the base of the Cretaceous basin the most likely source of the Lena West KIMs is the Horton area which lies outside the basin.

Kimberlite Pathfinder Element Studies

Dolomite covers most of the Horton area so that tracing kimbelite pathfinder elements in glacial till could be a useful tool for discovering kimberlite pipes. Talmora and Sanatana have multielement analyses on all till samples and the initial study showed anomalous pathfinder elements down-ice of the Horton area supporting a presence of a kimberlite cluster. This was presented at the 42nd Annual Yellowknife Geoscience Forum in 2014.

The pathfinder data was reviewed in late 2017 and reinterpretation of the glacial dispersion revealed a kimberlite pathfinder train focused on a magnetic anomaly that Sanatana had selected as a possible kimberlite on a survey with 400 meter line spacing. The anomaly was never tested presumably because there were only 4 pyrope garnets in three samples near the anomaly but no pyrope garnets in samples further down-ice but there were many pyropes further west where Sanatana drilled a number of targets unsuccessfully. Anomalous KIMs coincide with the pathfinder train and considering the 10 kilometer spacing of samples the source of the train must have exceptional size. After Talmora secured the ground the reinterpreted pathfinder data was presented at the 4th International Diamond School in January 2018.

Mn-ilmenite Study

Mn-ilmenites have not generally been considered a KIM. However they have been found as inclusions in superdeep diamonds, from Venezuela and Brazil. Kaminsky and Belousova in 2008 recommended that they be considered a KIM.

Talmora recognized that Mn-ilmenites had been picked from Lena West samples as possible black oxide KIMs by Talmora, Sanatana and Darnley Bay sorters. Many had compositions that match those included in diamonds. The significance of these mineral grains in the Lena West region was presented at the International Mineralogical Association (IMA) in 2014 and The Kimberley Diamond Symposium and Trade Show in 2014.

In 2017 Smith, Shirey and Wang described the evidence for the superdeep origin of the world's biggest diamonds thus making Mn-ilmenites found as inclusions in superdeep diamonds a possible indicator of large diamonds.

Tertiary Sea Study

Drilling in the Seahorse area encountered thick sequences of clay that included a distinct more homogeneous unit at depth. Heavy mineral concentrates of bulk clay samples contained KIMs and possible KIMs that survive tropical weathering, spherules, unaltered silicate minerals and foraminifera of which some are pyritized. Recognition of contamination of lower clays by overlaying clays explains why incompatible minerals and fossils are found in the same sample.

Extreme tropical weathering shown by the KIMs, possible KIMs and their alteration products was probably Eocene (55Ma) so that marine sediments containing foraminifera must be younger indicating an extension of the Tertiary sea southwest to Seahorse Lake. Un-altered silicate minerals would have been recycled from earlier Cretaceous sediments. This study was presented at the 11th Oppenheimer Research Conference in 2022.

Conclusions

Talmora has tested the evidence at a variety of conferences and concludes that it is generally sound and has increased the probability of the Horton area being the source of most of the KIMs and diamonds found widespread across Lena West.

The Company's most prospective magnetic anomalies must be tested with a larger drill. A major program costing $2,000,000 – $4,000,000 (minimum $1,000,000 - $2,000,000) should confirm whether or not diamondiferous kimberlites are present on the property. Micro-diamond analyses of initial kimberlite samples will determine whether further investigation is warranted in which case an additional budget in the order of $10,000,000 -$15,000,000 would be required. A major financing for a drill program must now be pursued.

(c) whether the surveys and investigations have been carried out by the Issuer or a contractor and if by a contractor, identifying the contractor; and

The systematic airborne magnetic survey in 2007 was carried out by UTS Geophyscs. Recovery of KIMs was at HDM and De Beers laboratories and geochemical analyses at SGS laboratory. The ground magnetic surveys, airborne magnetic surveying in 2009, ground truthing of ASTER satellite images, Packsack drilling in 2012, staking and sampling were carried out under the supervision of insiders of the Issuer. Work done in 2018 and 2019 was carried out by Olivut Resources Ltd. who used contractors for the drilling and geophysics and Saskatchewan Research Council for analytical services.

(d) A discussion of the reliability or uncertaintly of the data obtained in the program.

The poor recovery of silicate KIMs offers a challenge. However, most ilmenites and many of the chromites are from a definite kimberlitic source. The chromites as a whole appear to be from a

single population and therefore from a kimberlite source. The few silicate KIMs recovered showing diagenetic alteration and the widespread occurrence of laterite suggest a local origin for these KIMs.

There is a clear correlation between magnetic anomalies and KIMs. The magnetic anomalies are in an area with quiet magnetic background and are relatively well defined.

Diamondex has shown that the compositions of ilmenites from their property to the west of Talmora do not match those of the Slave province or the Dharma kimberlite to the SE. They do not match those from the vicinity of the Darnley Bay kimberlites to the NE but they do match those from the Talmora property due east. Diamondex have not found kimberlites but have shown that many of their KIMs west of Talmora are from the base of the Cretaceous sediments and some of the zircons accompanying these KIMs most likely came from the east having ages that match those of rocks that are found east of Talmora.

Clay cuttings from the Packsack drilling show many characteristics of weathered kimberlite including anomalous numbers of locally derived KIMs in one hole. Clays from the 2019 reverse circulation RAB drilling show similar characteristics. However, only the recovery of fresh kimberlite from any of the magnetic anomalies will provide the mineral chemistry that will allow prioritizing of the targets for detailed follow-up.

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Discussion of Geological Setting

There is evidence that kimberlite pipes may have been emplaced in the Horton River area about 164 $\pm$ 6 Ma (Agashev et al., 2008) subsequent to the deposition of the Devonian dolomites. They would have been subjected to a long period of weathering

and the formation of soft clay known as yellow ground. Fairbairn and Robertson (1966) showed that removal of Mg from silicates and carbonates of kimberlites during weathering results in loss of 40-50% of the original rock substance so that a depression may form over a pipe.

There was a period of marine submergence of the Horton River area from 120 – 70 Ma. A slump block of clean Cretaceous quartz sand and overlying mudstone preserved in a gully in the NW part of the Talmora property illustrates the Cretaceous sedimentation. The slump block showed no evidence of a basal conglomerate. Erosion of soft weathered kimberlite during marine submergence might deepen what would already be a depression in the hard dolomite and such depressions would likely be filled with marine sand and possibly boulders of local dolomite.

There is evidence that the area was subject to a period of lateritiztion, probably in late Cretaceous time (55 Ma) and after most of the Cretaceous sediment in the Talmora area had been removed by erosion. KIMs recovered in the area are under-represented in silicate KIMs and those that are present show strong diagenetic alteration (corrosion of grains, loss of colour) typical of laterite terrain. Even ilmenite grains show diagenetic coatings of rutile.

The high dolomite plateau west of the Horton River is generally covered by 2-3 meters of till. There is no reason to believe that there is more than one layer of till. However, magnetic anomalies are either covered by shallow ponds or meadows and if indeed the magnetic anomalies are the sand filled eroded tops of weathered kimberlite pipes they would most likely have been deeply scoured by the ice so that the thickness of the till should be thickest over the anomalies.

Drill Target Expectation

The upper part of a kimberlite pipe in the Horton River area is expected to be deeply weathered, soft and overlain by marine sand and showing signs of laterite formation. KIMs will be mostly chromites and ilmenites and any garnets will tend to be corroded or rounded and possibly showing some loss of colour. Kimberite pipes are expected to be covered by a relatively thick section of till. The interface of the till and weathered kimberlite (with/without overlying marine sand) is expected to be a mixture of the two.

2011 Packsack Drill Results

Five holes were drilled and casing was put down as far as possible or to what was believed to be weathered bedrock beneath the till.

THD-1A drilled at -45° from the edge of a pond covering magnetic anomaly No. 34 stopped in overburden at 32.4'. After the hole was steepened to -50° it penetrated 24.25' of lake sediment followed by hard compact till to 42.3' and boulder till to 72' where the hole was again forced to stop. THD-2 tested anomaly No. 4 under a small meadow and penetrated 13.6' of soft material, followed by hard till to 15.5' and boulder till to 16.8' where hole was stopped. Anomaly No. 5 was tested with two holes. THD-3 drilled at -

80° north on the east side of the anomaly penetrated soft material to 5.63' followed by boulder till to 28.5' and then possible weathered bedrock to 30.5'. The return from the bottom of the hole was alternating dark and light brown with fragments of dolomite. The hole was abandoned at 30.5'. THD-4 was drilled at -50° east from the west side of the anomaly. It penetrated soft material to 10.25' followed by compact till with scattered small boulders to 27.8' and boulder till to 39'. Section 39' - 43' at end of hole was cored but with poor recovery (26cm of dolomite and vuggy quartz including about 3cm of clay). However the returns were again alternating dark and light brown. The fifth hole THD-5 tested anomaly 76. It penetrated soft material to 9.25' followed by hard compact till with scattered boulders to 18.5' and boulder till to 23.25'. Section 23.25' – 25.25' was cored but gave almost no recovery. A few small dolomite fragments were caught in the core barrel. However, return was again very dark brown (similar to Holes THD-3 and THD-4).

Three of the five holes appear to have penetrated the till between 8 and 15m encountering a soft clay that, excepting a 2-3cm section, was not recovered as core. However, the coarse cuttings (those that accumulated around the drill and were not carried away suspended in the water) of the till and underlying clay were collected and 14 samples have been subjected to chemical and mineralogical analyses. 6 Samples have been panned and the concentrates, middlings and tails examined. The concentrates were sent to HDM laboratories for KIM analysis.

Horton River Clay Compared to Weathered Sierra Leone Kimberlite

The Horton River clay analyses are compared to those of fresh and weathered kimberlite from Sierra Leone. The clay is relatively high in SiO2 which depresses the values of the other rock forming elements. High SiO2 in the clay is expected as a contaminant from Cretaceous marine sands. The clay sample matches Al, Cr, K, Na, P & LOI of the weathered kimberlite at a depth of < 24' below water table. However, Ca, Fe, Mg, Mn & Ti are lower and Si is higher than any of the weathered kimberlites.

The Horton River clay on a quartz-free basis matches the deeper weathered horizons of Siierra Leone kimberlites rather well. Al and LOI of the clay is as high and the Ca, Cr, Mg, is as low as the shallower (< 24' below WT) more weathered kimberlite while the K, P, Na & Si is as high and Fe, Mn & Ti is as low as deeper (>24' below WT) less weathered kimberlite.

Kimberlite Indicator Minerals.

Six concentrates were submitted to HDM laboratory for mineralogical, including KIM, analysis. The three holes that penetrated through the till into clay contained KIMs all of which are oxides (14 spinels, 2 picro-ilmenites and 17 Mn-ilmenites). The 17 Mn-ilmenites are those with <1% MgO and >0.40% MnO. Another 9 grains were analysed that are outside these limits but are probably the same population. There were 3Mn-ilmenites in THD-3. THD-4 contained 6 chromites, 3 Mn-ilmenites and one picroilmenite (10.23% MgO; 3.24% Cr2O3) in the clay cuttings and 8 chromites and 17 Mn-ilmenites in the overlying till cuttings. It is significant that THD-3 is on the up-ice side and THD-

4 on the down-ice side of the same anomaly (Red 5). The clay cuttings of THD-4 contained notable galena. THD-5 contained 3 Mn-ilmenites and one picroilmenite (9.73% MgO; 0.39% Cr2O3) and a significant amount of sulphides in the clay cuttings.
Spinel (chromite)

The 14 spinels (chromites) from THD-4 lie on a relatively narrow Fe-Mg crystallization trend line indicating a single population. The spinels (chromites) from THD-4, plotted on the standard Cr2O3 vs MgO diagram show a relatively simple crystallization trend with one grain in the Argyle chromite field.

Ilmenite (picroilmenite and Mn-ilmenite)

Two picroilmenite relative to 14 spinel grains is a high count for the Talmora property. The field samples produced 15 picroilmenite and 676 spinel grains.

Of considerable interest are the Mn-ilmenite grains that were picked out of the drill samples. Mn-ilmenite was not previously used as an indicator mineral. However, Kaminsky and Belousova (2009) have drawn attention to the use of Mn-ilmenites as a diamond/kimberlite indicator mineral in areas of tropical (laterite) weathering where traditional silicate KIMs are absent. The 17 Mn-ilmenite grains, plus 9 that are probably of the same population, when plotted on MgO vs MnO, MnO vs FeO, MnO vs TiO2 and MnO vs V2O5 diagrams together with diamond inclusions from Guanaimo, Venezuela (Kaminsky et al., 2000) and Juina, Brazil (Kaminsky et al., 2001) at least 5 grains fall within the Mg/Mn, 5 grains within the Mn/Fe, 7 grains within the Mn/Ti and 5 within the Mn/V range of compositions of inclusions in diamonds.

2019 Reverse Circulation Drilling

Olivut Resources drilled 6 holes with a reverse circulation (RAB) drill in 2019 and encountered clay with similar composition to that in the 2011 Packsack drill hole THD-4

(8) Sampling and Analysis — The sampling and assaying including

(a) a description of sampling methods and the location, number, type, nature, spacing and density of samples collected;

In 2004 bulk till samples of 10 litres were collected at 25 sites on the major tributaries of the Horton River including sites previously sampled by Darnley Bay Resources. The previous stream sampling data was confirmed. Till samples with a volume of 10 litres were collected at 500m intervals along 3 fences across the property. In the case of both streams and tills very much higher counts of KIMs were obtained from the -0.30+0.25mm fraction than from the +0.30mm fraction.

In 2007 samples of 10 litres were collected down-ice of airborne magnetic targets. Generally three samples were collected across the ice direction about 200-300m from the target. In some cases longer fences of samples were collected down-ice of several targets. There is a strong correlation between KIMs and magnetic anomalies.

In 2009 samples of 10 litres were collected down-ice of airborne magnetic targets as in 2007. Three larger samples were collected at three sites to test the base of the Cretaceous sediments for KIMs and possibly diamonds. No diamonds were found but the KIMs add to the data base.

In 2011 10 litre samples and small (0.2 kg) geochemical samples were collected as part of the ground truthing of ASTER satellite images.

In 2012 bulk samples of 10 litres were again collected. However, a Packsack drill was used to sample and determine the thickness of overburden near magnetic anomalies. Three of five holes penetrated through the glacial till overburden and ended in clay that could not be cored. However a small piece was recovered and analysed. Cuttings of both clay and till were collected and analysed chemically and sorted for KIMs (see above).

In 2018 Olivut Resources collected grab samples of the beach sands on Seahorse Lake and in 2019 collected ~5kg samples of RAB drill cuttings at 5' intervals as well as some bulk samples of the clay units.

(b) identification of any drilling, sampling or recovery factors that could materially impact the accuracy or reliability of the results;

Recovery of KIMs is dependent on the abundance of KIMs in the kimberlite (some Kimberlites have almost no KIMs but significant diamonds) and on the degree the last ice movement scoured the top of the kimberlite.

Sorting the concentrates and picking out KIMs in the laboratory is dependent on the skill of the sorter. Every care is taken to ensure a high recovery of KIMs.

Packsack drill cuttings of both clay and till were collected but it was clear that the clay cuttings were being contaminated by the overlying till because of the hole collapsing. In addition much of the fines were lost.

In 2019 representative samples of drill cuttings were collected at 5' intervals but bulk samples of the clay from each hole were collected for heavy mineral recovery. Some of the bulk clay samples include clayey till. There was extensive contamination of lower units by upper units during drilling.

(c) a discussion of sample quality and whether the samples are representative of any factors that may have resulted in sample biases;

Care was taken to collect a uniform type and size sample. Where possible this was from the upper 0.50m of frost boils in the case of till samples and among cobbles in stream beds in the case of stream samples. Samples were a standard 10 litres after large

pebbles and rock fragments were removed from till samples by hand and stream samples were screened to -2.00cm.

The three large samples collected in 2009 were to have tested the base of the Cretaceous for KIMs and possibly diamonds. Unfortunately ideal sites for this purpose were not found.

Packsack drill cuttings of both clay and till were collected but it was clear that the clay cuttings were being contaminated by the overlying till because of the hole collapsing. In addition much of the fines were lost.

In the 2019 reverse circulation (RAB) drilling contamination of lower units by upper units was extensive and some of the bulk clay samples included overlying clayey till.

(d) rock types, geological controls, widths of mineralized zones, cut-off grades and other parameters used to establish the sampling interval; and

Field sampling interval is based on experience and initially on the number that one can afford to collect.

(e) quality control measures and data verification procedures.

Initial anomalous samples of Darnley Bay Resources were repeated and the results confirmed by Talmora.

In the laboratory sorters are checked on a routine basis. The more frequently sorters are checked the more consistent the results. Sorters may misidentify a mineral but should make every effort not to miss a possible KIM. Microprobe analysis will confirm the identification or not.

Generally the number of KIMs visually identified match the number confirmed by microprobe analysis. Some ilmenites are confused with chromites and visa versa. However, the occasional grains not verified are often compensated by doubtful grains that prove to be KIMs.

(9) Security of Samples — The measures taken to ensure the validity and integrity of samples taken.

Samples were sealed in canvas bags in the field and then sealed in batches of 50 in large fibre shipping bags on their arrival in Inuvik or Norman Wells.

(10) Mineral Resources and Mineral Reserves — The mineral resources and mineral reserves, if any, including

Not applicable.

(a) the quantity and grade or quality of each category of mineral resources and mineral reserves;

Not applicable.

(b) the key assumptions, parameters and met hods used to estimate the mineral resources and mineral reserves; and

Not applicable.

(c) the extent to which the estimate of mineral resources and mineral reserves may be materially affected by metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political and other relevant issues.

Not applicable.

(11) Mining Operations — For development properties and production properties, the mining method, metallurgical process, production forecast, markets, contracts for sale of products, environmental conditions, taxes, mine life and expected payback period of capital.

Not applicable.

(12) Exploration and Development — A description of the Issuer's current and contemplated exploration or development activities, to the extent they are material.

The Issuer and its JV partner (Olivut Resources) on the Seahorse project will be investigating the extraction of REE from the clays encountered in 2019. If the clays are weathered diamondiferous kimberlite the REE could be a valuable by-product. The results will determine how we drill future targets.

The Issuer intends, when conditions are favourable, raising sufficient funds to test by drilling as many of the magnetic targets, with KIMs down-ice, as possible. At the same time new claims will be flown in the same fashion as those flown in 2007. The new claims will also be covered initially by stream samples and when magnetic targets have been defined the magnetic targets will be sampled down-ice.

Talmora is dependent on management obtaining financing to continue operations and to fund its exploration property expenses. If such financing is unavailable for any reason, Talmora may become unable to carry out its business plan. Talmora intends to fund all future commitments with cash on hand, or through any other financing alternative it may have available to it at the time in question. As Talmora has no business undertaking, there can be no assurance that it will

be profitable. In the interim, Talmora has no source of cash flow to fund its expenditures and its continued existence depends on its ability to raise further financing for working capital as the need may arise. The length of time needed to identify a new business, is indeterminate and the amount of resulting income, if any, is impossible to predict. Talmora does not expect to receive any income in the foreseeable future.

Talmora's success is dependent on the knowledge and expertise of its management and employees and their ability to identify and advance attractive business opportunities.

Other than as discussed herein, Talmora is not aware of any trends, demands, commitments, events or uncertainties that may result in the Talmora's liquidity or capital resources either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in Talmora's liquidity and capital resources will be substantially determined by the success or failure of any new proposed business of Talmora and its ability to obtain equity financing.

Instructions:

(1) Disclosure regarding mineral exploration development or production activities on material ssproperties is required to comply with National Instrument 43-101, including the use of the appropriate terminology to describe mineral reserves and mineral resources.

(2) Disclosure is required for each property material to the Issuer. Materiality is to be determined in the context of the Issuer's overall business and financial condition, taking into account quantitative and qualitative factors. A property will not generally be considered material to an Issuer if the book value of the property as reflected in the Issuer's most recently filed financial statements or the value of the consideration paid or to be paid (including exploration obligations) is less than 10 per cent of the book value of the total of the Issuer's mineral properties and related plant and equipment.

(3) The information required under these items is required to be based upon a technical report or other information prepared by or under the supervision of a qualified person, as that term is defined in National Instrument 43-101.

(4) In giving the information required under these items, include the nature of ownership interests, such as fee interests, leasehold interests, royalty interests and any other types and variations of ownership interests.

4.4 Issuers with Oil and Gas Operations — For Issuers with oil and gas operations, disclose the following (in tabular form, if appropriate):

(a) Drilling Activity — The number of wells the Issuer has drilled or has participated in drilling, the number of these wells that were completed as oil wells and gas wells that are capable of production, each stated separately, and the number of dry holes, expressed in each case as gross and net wells, during each of the two most recently completed financial years of the Issuer.

(b) Location of Production — The geographical areas of the Issuer's production, the groups of oil and gas properties, the individual oil and gas

properties and the plants, facilities and installations that, in each case, are owned or leased by the Issuer and are material to the Issuer's operations or exploratory activities.

(c) Location of Wells — The location, stated separately for oil wells and gas wells, by jurisdiction, if in Canada, by state, if in the United States, and by country otherwise, of producing wells and wells capable of producing, in which the Issuer has an interest and which are material, with the interest expressed in terms of gross and net wells.

(d) Interest in Material Properties — For interests in material properties to which no proved reserves have been attributed, the gross acreage in which the Issuer has an interest and the net interest of the Issuer, and the location of acreage by geographical area.

(e) Reserve Estimates — To the extent material, estimated reserve volumes and discounted cash flow from such reserves, stated separately by country and by categories and types that conform to the classifications, definitions and disclosure requirements of National Policy Statement No. 2-B Guide for Engineers and Geologists Submitting Oil and Gas Reports to Canadian Provincial Securities Administrators or any successor instrument, on both a gross and net basis as at the most recent financial year end, including information on royalties.

(f) Source of Reserve Estimates — The source of the reserve estimates and whether the reserve estimates have been prepared by the Issuer or by independent engineers or other qualified independent persons and any other information relating to reserve estimates required to be disclosed in a prospectus by any successor instrument to National Policy Statement No. 2-B.

(g) Reconciliation of Reserves — A reconciliation of the reserve volumes by categories and types that conform to the classifications, definitions and disclosure requirements of National Policy Statement No. 2-B or any successor instrument, as at the financial year end immediately preceding the most recently completed financial year to the reserve volume information furnished under paragraph 5, with the effects of production, acquisitions, dispositions, discoveries and revision of estimates shown separately, if material.

(h) History — For each quarter of the most recently completed financial year of the Issuer, with comparative data for the same periods in the preceding financial year,

(i) the average daily production volume, before deduction of royalties, of

(A) conventional crude oil,

(B) natural gas liquids, and

(C) natural gas;

(ii) the following on a per barrel basis for conventional crude oil and natural gas liquids and on a per thousand cubic feet basis for natural gas

(A) the average net product prices received,

(B) royalties,

(C) operating expenses, specifying the particular items included, and

(D) netback received;

(iii) the average net product price received for the following, if the Issuer's production of the following is material to the Issuer's overall production,

(A) light and medium conventional crude oil,

(B) heavy conventional crude oil, and

(C) synthetic crude oil; and

(iv) the dollar amounts expended on

(A) property acquisition,

(B) exploration, including drilling, and

(C) development, including facilities.

(i) Future Commitments — A description of the Issuer's future material commitments to buy, sell, exchange or transport oil or gas, stating for each commitment separately

(i) the aggregate price;

(ii) the price per unit;

(iii) the volume to be purchased, sold, exchanged or transported; and

(iv) the term of the commitment.

(j) Exploration and Development — A description of the Issuer's current and contemplated exploration or development activities, to the extent they are material.

Instruction: The information required under this item shall be derived from or supported by information obtained from a report prepared in accordance with the provisions of National Policy No. 2-B or any successor instrument.

5. Selected Consolidated Financial Information

5.1 Annual Information — Provide the following financial data for the Issuer in summary form for each of the last three completed financial years and any period subsequent to the most recent financial year end for which financial statements have been prepared, accompanied by a discussion of the factors affecting the comparability of the data, including discount inued operations, changes in accounting policies, significant acquisitions or significant dispositions and major changes in the direction of the Issuer's business:

(a) Net sales or total revenues.

As an exploration company, Talmora Diamond Inc. does not have any sales or revenue other than interest income/reimbursed funds as follows:

For the twelve months ended December 31, 2020, Talmora Diamond Inc. had $229 .interest income.

For the twelve months ended December 31, 2021, Talmora Diamond Inc. had $709 interest income.

For the twelve months ended December 31, 2022, Talmora Diamond Inc. had $3 interest income.

(b) Income from continuing operations, in total and on a per share basis and fully diluted per share basis, calculated in accordance with the Handbook.

Please see 5.1(a) above.

(c) Net income or loss, in total and on a per share and fully diluted per share basis, calculated in accordance with the Handbook.

The Corporation's net losses are as follows:

For the twelve months ended December 31, 2020, Talmora Diamond Inc. had a net loss of (162,574) (IFRS), which is equivalent to a net loss of $0.002 per share

For the twelve months ended December 31, 2021, Talmora Diamond Inc. had a net loss of (89,155 (IFRS), which is equivalent to a net loss of $0.001 per share

For the twelve months ended December 31, 2022, Talmora Diamond Inc. had a net loss of (84,016 (IFRS), which is equivalent to a net loss of $0.001 per share

(d) Total assets.

The Corporation's total assets were as follows:

$17,270 (IFRS) for Talmora Diamond Inc. as of December 31, 2020

$7,615 (IFRS) for Talmora Diamond Inc. as of December 31, 2021

$20,799 (IFRS) for Talmora Diamond Inc. as of December 31, 2022

(e) Total long-term financial liabilities as defined in the Handbook.

There are no long-term financial liabilities.

(f) Cash dividends declared per share for each class of share.

The Corporation has not paid dividends on its shares nor does it intend to do so in the foreseeable future. The future payment of dividends will be dependent upon the financial requirements of the Corporation to fund future growth, the financial condition of the Corporation and other factors that the board of directors of the Corporation may consider appropriate in the circumstances.

(g) Such other information as the Issuer believes would enhance an understanding of and would highlight other trends in financial condition and results of operations.

Please see section 6, "Management's Discussion and Analysis" below.

5.2 Quarterly Information — For each of the eight most recently completed quarters ending at the end of the most recently completed financial year, provide the information required in paragraphs (a), (b) and (b) of Section 5.1

Instruction:

(1) For an Issuer that has not been a reporting Issuer for the eight most recently completed quarters ending at the end of the most recently completed financial year, provide the information required in paragraphs (a), (b) and (c) of Section 5.1 for the period that the Issuer was not a reporting Issuer only if the Issuer has prepared quarterly financial statements for that period.

(2) If the Issuer is only required to file six month interim financial statements, the information required under paragraph (1) may instead be provided for each of the four most recently completed six month periods ended at the end of the most recently completed financial year for which financial statements have been prepared.

The following is a summary of selected financial data for the 8 most recently completed financial quarters for Talmora Diamond Inc. according to IFRS.:

	1Q	2Q	3Q	4Q
2022				
Net Income (Loss)	(67,890)	(35,895)	(19,221)	(38,990)
Net Income (Loss) per share Basic and diluted	((0.001)	(0.001)	(0.001)	0.00

	1Q	2Q	3Q	4Q
2021				
Net Income (Loss)	(20,995)	(13,498)	(14,828)	(39,834)
Net Income (Loss) per share Basic and diluted	((0.0002)	(0.0002)	(0.001)	(0.001)
2020				
Net Income (Loss)	(74,363)	(11,972)	(12,126)	(64,113)
Net Income (Loss) per share Basic and diluted	((0.001)	(0.001)	(0.001)	(0.002)

5.3 Dividends

(a) Describe any restriction that could prevent the Issuer from paying dividends.

The shares of the Corporation are not subject to any restrictions that would prevent the Corporation from paying dividends. The shares of the Corporation will be issued without nominal or par value. Each share will rank equally with all other shares with respect to dissolution, liquidation or winding-up of the Corporation and payment of dividends. All holders of shares are entitled to receive pro rata such dividends as may be declared by the board of directors of the Corporation out of funds legally available therefore.

(b) Disclose the Issuer's dividend policy and if a decision has been made to change the dividend policy, disclose the intended change in dividend policy.

The Corporation does not intend to declare or pay dividends in the foreseeable future. The future payment of dividends will be dependent upon the financial requirements of the Corporation to fund future growth, the financial condition of the Corporation and other factors that the board of directors of the Corporation may consider appropriate in the circumstances.

5.4 Foreign GAAP — An Issuer may present the selected consolidated financial information required in this section on the basis of foreign GAAP if

(a) the Issuer's primary financial statements have been prepared using foreign GAAP; and

(b) if the Issuer is required under applicable securities legislation to have reconciled its financial statements to Canadian GAAP at the time of filing its financial statements or the Issuer has otherwise done so, a cross reference to the notes to the financial statements containing the reconciliation of the financial statements to Canadian GAAP is included.

Instruction:

(1) If financial information that is included in the summary is derived from financial statements included in the listing statement, but the financial information is neither directly presented in, nor readily determinable from, the financial statements, include a reconciliation to the financial statements in notes.

(2) If financial information that is included in the listing statement is derived from financial statements that are not included in the listing statement, indicate in the lead-in to the summary the source from which the information is extracted, the percentage interest that the issuer has in the person or company, the GAAP principles used, the name of the auditors, the date of the report, and the nature of the opinion expressed.

(3) The derivation of ratios included in the listing statement in notes should be disclosed in notes to the listing statement.

(4) Information included in the listing statement should be presented in a manner that is consistent with the intent of Canadian accounting recommendations and practices

(e.g., cash flow data should not be interspersed with amounts from an income statement in a manner which suggests that cash flow data has been or should be presented in an income statement, and cash flow data should not be presented in a manner that appears to give it prominence equal to or greater than earnings data).

No financial information has been presented on the basis of foreign GAAP. This section is not applicable.

6. Management's Discussion and Analysis

General Instructions and Interpretation

Provide MD&A for the most recent annual financial statements filed with the application for quotation (or filed since the last update of the quotation statement, and interim MD&A for each interim financial statement filed with the application for quotation (or filed since the last update of the quotation statement). The first interim MD&A will update the annual MD&A, and each subsequent interim MD&A will update the previous interim MD&A.

What is MD&A? — MD&A is a narrative explanation, through the eyes of management, of how the Issuer performed during the period covered by the financial statements, and of the Issuer's financial condition and future prospects. MD&A complements and supplements your financial statements, but does not form part of your financial statements. Management's objective when preparing the MD&A should be to improve the Issuer's overall financial disclosure by giving a balanced discussion of the Issuer's results of operations and financial condition including, without limitation, such considerations as liquidity and capital resources - openly reporting bad news as well as good news.

MD&A should help current and prospective investors understand what the financial statements show and do not show; discuss material information that may not be fully reflected in the financial statements, such as contingent liabilities, defaults under debt, off-balance sheet financing arrangements, or other contractual obligations; discuss important trends and risks that have affected the financial statements, and trends and risks that are reasonably likely to affect them in the future; and provide information about the quality, and potential variability, of the Issuer's earnings and cash flow, to assist investors in determining if past performance is indicative of future performance.

Date of Information — In preparing the MD&A, management must take into account information available up to the date of the MD&A. If the date of the MD&A is not the date it is filed, management must ensure the disclosure in the MD&A is current so that it will not be misleading when it is filed.

Explain the Analysis — Explain the nature of, and reasons for, changes in the Issuer's performance. Do not simply disclose the amount of change in a financial statement item from period to period. Avoid using boilerplate language. The discussion should assist the reader to understand trends, events, transactions and expenditures.

Focus on Material Information —Management does not need to disclose information that is not material. Exercise judgment when determining whether information is material.

What is Material? — Would a reasonable investor's decision whether or not to buy, sell or hold the Issuer's securities likely be influenced or changed if the information in question was omitted or misstated? If so, the information is likely material. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.

Forward-Looking Information — Management is encouraged to provide forward-looking information if it has a reasonable basis for making the statements. Preparing MD&A necessarily involves some degree of prediction or projection. For example, MD&A requires a discussion of known trends or uncertainties that are reasonably likely to affect the Issuer's business. However, MD&A does not require that the Issuer provide a detailed forecast of future revenues, income or loss or other information. All forward-looking information must contain a statement that the information is forward-looking, a description of the factors that may cause actual results to differ materially from the forward-looking information, management's material assumptions and appropriate risk disclosure and cautionary language.

The MD&A must discuss any forward-looking information disclosed in MD&A for a prior period which, in light of intervening events and absent further explanation, may be misleading. Forward looking statements may be considered misleading when they are unreasonably optimistic or aggressive, or lack objectivity, or are not adequately explained. Timely disclosure obligations might also require the Issuer to issue a news release and file a material change report.

Issuers Without Significant Revenues — If the Issuer is without significant revenues from operations, focus the discussion and analysis of results of operations on expenditures and progress towards achieving management's business objectives and milestones.

Reverse Takeover Transactions — When an acquisition is accounted for as a reverse takeover, the MD&A should be based on the reverse takeover acquirer's financial statements.

Foreign Accounting Principles — If the Issuer's primary financial statements have been prepared using accounting principles other than Canadian GAAP and a reconciliation is provided, the MD&A must focus on the primary financial statements.

Resource Issuers — If the Issuer has mineral projects, the disclosure must comply with National Instrument 43-101 Standards of Disclosure for Mineral Projects, including the requirement that all scientific and technical disclosure be based on a technical report or other information prepared by or under the supervision of a qualified person. If the Issuer has oil and gas activities, the disclosure must comply with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

Annual MD&A

Date

6.1 Specify the date of the MD&A. The date of the MD&A must be no earlier than the date of the auditor's report on the financial statements for the Issuer's most recently completed financial year.

The date of the MD&A is February, 18, 2023

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements of Talmora Diamond Inc. (the "Company" or "Talmora") for the year ended December 31, 2022.

The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS"). The Company's public filings can be found under the Company's profile on the SEDAR website (www.sedar.com).

The following MD&A may contain forward-looking statements. Forward-looking statements are based on current expectations that involve a number of risks and uncertainties which could cause actual events or results to differ materially from those reflected herein. Forward-looking statements are based on the estimates and opinions of management of the Company at the time the statements were made.

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

IFRS

The Company's annual financial statements for the year ended December 31, 2022 have been prepared in accordance with IFRS as published by the International Accounting Standards Board.

Overall Performance

6.2 Provide an analysis of the Issuer's financial condition, results of operations and cash flows. Discuss known trends, demands, commitments, events or uncertainties that are reasonably likely to have an effect on the Issuer's business. Compare the Issuer's performance in the most recently completed financial year to the prior year's performance. The analysis should address at least the following:

(a) operating segments that are reportable segments as those terms are used in the Handbook;

(b) other parts of the business if

(i) they have a disproportionate effect on revenues, income or cash needs; or

(ii) there are any legal or other restrictions on the flow of funds from one part of the Issuer's business to another;

(c) industry and economic factors affecting the Issuer's performance;

(d) why changes have occurred or expected changes have not occurred in the Issuer's financial condition and results of operations; and

(e) the effect of discontinued operations on current operations.

Instruction:

(1) When explaining changes in the Issuer's financial condition and results, include an analysis of the effect on the Issuer's continuing operations of any acquisition, disposition, write-off, abandonment or other similar transaction.

(2) Financial condition includes the Issuer's financial position (as shown on the balance sheet) and other factors that may affect the Issuer's liquidity and capital resources.

(3) Include information for a period longer than one financial year if it will help the reader to better understand a trend.

As at December 31, 2022, Talmora is a diamond exploration company with one property (Horton property) consisting three prospecting permits covering 85,237.71 hectares on the Horton River, 120 kilometres south of Paulatuk in the Northwest Territories. It holds a 50% interest with Olivut Resources Ltd. (Olivut") in the adjoining Seahorse property consisting of three prospecting permits covering 86,377.07 hectares. The two properties straddle a major linear structure believed favourable for the occurrence of diamondiferous kimberlites. $3,603,399 has been spent by Talmora on exploration of the Horton property (including administration) to December 31, 2022, and Olivut has spent $1,418,868 (at December 31, 2021) on the Seahorse project during the Option period.

Talmora is dependent on management obtaining financing to continue operations and to fund its exploration property expenses.

An airborne magnetic survey has detected numerous anomalies with the characteristics of kimberlite pipes. Till samples taken down-ice of the magnetic anomalies contain 37 times as many kimberlite indicator minerals (KIMs) as till samples taken at random. There is a strong correlation between KIMs and magnetic anomalies. Chemistry of KIMs on the Talmora property match that of the widespread KIMs with accompanying diamonds found by others within the Cretaceous basin to the west.

Following the market crash of 2008 management focused on asset preservation and acquisition of new ground adjoining the Company's original claims and has had drill ready targets since 2012. The commodities market has been bad and it has not been possible to raise sufficient funds to conduct a drill program. However, Talmora continued to review the public record as assessment work on adjacent properties has been made public.

An airborne magnetic survey has detected anomalies with the characteristics of kimberlite pipes. Till samples taken down-ice of the magnetic anomalies contain 37 times as many kimberlite indicator minerals (KIMs) as till samples taken at random. There is a strong correlation between KIMs and magnetic anomalies. Chemistry of KIMs on the Talmora property match that of the widespread KIMs with accompanying diamonds found by others within the Cretaceous basin to the west.

In the fall of 2017 a study of multi-element ICP analyses of glacial tills NW of the Talmora property revealed a large well-defined train of kimberlite pathfinder elements focussed on a large magnetic anomaly first identified by Sanatana Resources Inc. in 2007 on an airborne magnetic survey flown at 400 m line spacing. The pathfinder train coincides with an anomalous train of chromites, picro-ilmenites and Mn-ilmenites. Some of the Mn-ilmenites have diamond inclusion compositions. The large anomaly initially received little attention presumably because only 4 pyrope garnets were found in 3 samples near the anomaly and none further down-ice but there were numerous pyropes further west where a number of magnetic anomalies were tested by Sanatana unsuccessfully. At the time the destructive effect of Eocene weathering on garnets was not recognised nor was the usefulness of Mn-ilmenites recognised as a KIM and one resistant to tropical weathering. Little weight was given to chromites alone as many had compositions in the overlap field between kimberlites and layered complexes and they seemed ubiquitous. Anomalous KIMs were described as a cloud rather than a train. If the anomalous KIMs in samples spaced 10 kilometers defined a train the source would have to be exceptionally large.

Having recognised the large magnetic anomaly with its pathfinder and KIM train Talmora applied for three prospecting permits over the area. These were granted on February 1, 2018. They give the Company exclusive rights for 5 years provided certain expenditures are made. A performance deposit of $21,672.49 was made at the time of the grant and $43,344.98 was made at the end of year 2 $86,689.96 was required by the end of year 4. Talmora requested a one-year extension of the second work period because of Covid restrictions and was verbally informed that this would be done. All deposits are refunded

after an equivalent amount of work has been done. The large size of the anomaly was a game changer for Talmora and the presence of Mn-ilmenites is indicative of large high value superdeep diamonds.

Olivut Option

On July 6, 2018, Talmora signed an agreement with Olivut Resources Ltd. that gave Olivut the option to earn a 50% interest in one of Talmora's three permits and certain adjoining lands (Seahorse Project) by spending $1.2 million over a two year period and making a cash payment to Talmora of $200,000. Exercise of the option would result in the formation of a Joint Venture to continue exploration of the jointly owned property. Talmora will continue to explore the remainder of the Horton property which it owns 100%.

On July 6, 2018, Talmora signed an agreement with Olivut Resources Ltd. that gave Olivut the option to earn a 50% interest in one of Talmora's three permits and certain adjoining lands (Seahorse Project) by spending $1.2 million over a two-year period and making a cash payment to Talmora of $200,000. Exercise of the option would result in the formation of a Joint Venture to continue exploration of the jointly owned property. Talmora would continue to explore the remainder of the Horton property which it owns 100%.

Olivut made the cash payment of $200,000 on July 19, 2018 and initiated a field program of helimag geophysical surveying and preparations for a drill program were initiated. The geophysical survey was curtailed by unseasonable bad weather. The geophysical survey was completed in 2019 and a number of targets were tested during a follow-up drill program. Downhole samples were collected and have been analysed. On December 9, 2019 Olivut notified Talmora that it had incurred the minimum work cost requirement of $1,200,000 ($1,295,256 to October 31, 2019). On July 2, 2020 Olivut exercised its option to earn 50% of the Seahorse Project in accordance with the terms of the Option Agreement. Olivut has submitted to Talmora the comprehensive report inclusive of all results of the work undertaken by Olivut during the Option Period including work costs of $1,418,868 as contemplated in the Option Agreement. Talmora and Olivut are joint (50/50) owners of the assets. Talmora retains a 1% NSR on certain land. The Company and Olivut have not yet entered into a new formal joint venture company structure.

Selected Annual Information

6.3 Provide the following financial data derived from the Issuer's financial statements for each of the three most recently completed financial years:

(a) net sales or total revenues;

(b) income or loss before discontinued operations and extraordinary items, in total and on a per-share and diluted per-share basis;

(c) net income or loss, in total and on a per-share and diluted per-share basis;

(d) total assets;

(e) total long-term financial liabilities; and

(f) cash dividends declared per-share for each class of share.

As at December 31, 2020 the Company had continuing losses, cash and cash equivalents totaling $9,268 and working capital of $17,270.

As at December 31, 2021 the Company had continuing losses, cash and cash equivalents totaling $222 and working capital of $7,615.

As at December 31, 2022 the Company had cash totaling $13,062 and working capital of $20,799.

The Company's ability to continue operations and fund its exploration property expenditures is dependent on management's ability to secure additional financing.

* On June 26, 2019, 500,000 options (No.10.) were exercised as follows:

* On June 26, 2019, 200,000 options were exercised by a Director, at $0.05 netting the Company $10,000.

* On June 26, 2019, 300,000 options were exercised by a Director, at $0.05 netting the Company $15,000.

***** Amount: amount for common shares issued on exercise of options includes an amount related to share-based payment reserve. Refer to Financial Statement, under Share Capital

* During 2020, 1,278,000 options were exercised as follows:

*On July 14, 2020, 1,028,000 options (No.11) were exercised by a Director, at $0.05 netting the Company $51,400.

* On December 15, 2020, 250,000 options (No.12) were exercised by a Director, at $0.05 netting the Company $12,500.

* On March 9, 2021, 1,000,000 options (No.13) were exercised by a Director, at $0.05 netting the Company $50,000.

*During 2022, 1,500,000 options were exercised as follows:

* On January 13, 2022, 1,000,000 Options (No. 14) were exercised by a Director, at $0.05 netting the Company $50,000.

* On May 24, 2022, 500,000 Options (No. 13) were exercised by a Director, at $0.05 netting the Company $25,000.

***** Amount: amount for common shares issued on exercise of options includes an amount related to share-based payment reserve. Refer to Financial Statement, under Share Capital. Proceeds were used to cover operating costs.

Funds are sufficient to meet ongoing administrative expenses and meet current liabilities of $Nil during 2022.

6.4 Discuss the factors that have caused period to period variations including discontinued operations, changes in accounting policies, significant acquisitions or dispositions and changes in the direction of the Issuer's business, and any other information the Issuer believes would enhance an understanding of, and would highlight trends in, financial condition and results of operations.

The Company's business is diamond exploration and is currently exploring the Horton River area in the Northwest Territories. The work is seasonal. Field work utilizes helicopters and is very costly and is carried out over relatively short periods of time. Laboratory analysis for kimberlite indicator minerals (KIMs), analysis of data and preparation of assessment work reports is less costly and is spread over much longer periods of time.

Funding has depended on results and has therefore been of a rollercoaster nature. There is high working capital at the start of an exploration phase, a rapid drop after the field work is complete and a long tailing off as data is analysed and reported.

Since 2012 there has been no field work carried out by Talmora.

The Coronavirus pandemic and its effects particularly on planning and work in the Northwest Territories prevented any field work being conducted in 2020 and 2021.

Instruction: Indicate the accounting principles that the financial data has been prepared in accordance with, the reporting currency, the measurement currency if different from the reporting currency and, if the underlying financial statements have been reconciled to Canadian GAAP, provide a cross-reference to the reconciliation that is found in the notes to the financial statements.

Results of Operations

6.5 Discuss management's analysis of the Issuer's operations for the most recently completed financial year, including

(a) net sales or total revenues by operating business segment, including any changes in such amounts caused by selling prices, volume or quantity of goods or services being sold, or the introduction of new products or services;

The Corporation is an exploration mining company and has no sales or productions. There has been no revenue generated for the twelve months ended December 31, 2022.

Investment interest of $229 of investment interest was received for December 31, 2020
$709 investment interest received for December 31, 2022 and
$3 was received for December 31, 2022.

Generally not applicable.

(b) any other significant factors that caused changes in net sales or total revenue

Not applicable.

(c) cost of sales or gross profit;

Not applicable

(d) for issuers that have significant projects that have not yet generated operating revenue, describe each project, including the Issuer's plan for the project and the status of the project relative to that plan, and expenditures made and how these relate to anticipated timing and costs to take the project to the next stage of the project plan;

Factors Causing Variations

Horton River Project, NWT

Talmora has one significant project for which it has raised $3,606,217 since August 2004 and on which it has expended cumulative expenditures of $2,252,509 on direct exploration to December 31, 2022.

Canadian Diamind Limited held 3 prospecting permits on the Horton River, 120 kilometers south of Paulatuk, in the Inuvialuit Settlement Region of the Northwest Territories. Till and stream sampling in 2004 confirmed the presence of anomalous kimberlite indicator minerals.

Prior to the amalgamation with Talmora Diamond Inc., Canadian Diamind Limited applied for additional exploration permits and these were granted on February 1, 2007. At the 2007 year-end Talmora held 12 contiguous permits covering 645,718 acres. The three original permits expired January 31, 2008. However, claims were staked within the permit areas prior to the expiry date.

An airborne magnetic survey of the Company's three original permits and one of the adjoining permits awarded in 2007 was completed at the end of June 2007. KIMs in samples subsequently taken down-ice of magnetic anomalies with the characteristics of kimberlite pipes were 37 times more abundant than those in samples collected on a random basis in 2004.

Four new permits (144,868 acres) were granted to Talmora on February 1, 2008. Private placements in June and November 2009 enabled the Company to fly 865 line kilometers of airborne magnetics over potential kimberlite targets and to stake 125 claims (12,860.85 acres) between June 28 and July 13 on ground that came open February 1, 2009. Samples collected at the same time have been analysed for KIMs and added to the database. KIMs on the Talmora property match the widespread KIMs with accompanying diamonds found by others within the Cretaceous basin to the west.

The Talmora property was ready for drilling in 2008 but the global financial crisis made financing difficult. The climate for financing diamond projects seemed to improve in early 2011 and an attempt to raise $1.2 million in a private placement for a drill program was undertaken. The Greek crisis in 2011 caused many investors to back out after more than half the target amount had been assured. The private placement financing closed at $400,000 on July 8, 2011 which was used to do some necessary staking and some exploration for assessment work purposes. It is unfortunate that a drill program, when Talmora was ready in 2008, would have satisfied most of the assessment work requirements.

A small private placement financing of $150,000 for administration and ongoing exploration was closed on April 16, 2012. An attempt to raise $500,000 for a small drill program in a second private placement financing in 2012 was unsuccessful. The financing closed at $280,000 on July 24, 2012 and an alternate summer field program was mobilized to use the funds to obtain assessment work credits on certain claims. Part of the 2012 financings was used to sample and test thickness of overburden near magnetic anomalies with a small Packsack drill. Attempts to reach the magnetic targets resulted in three of five holes penetrating the glacial till and ending in dark brown clay. Drill cuttings of the till and clay were submitted for chemical and mineralogical analyses. In addition to sampling with the Packsack drill surface till samples (77 sites) were collected down-ice of a number of magnetic anomalies and were examined for kimberlite indicator minerals (KIMs).

A small piece of clay was recovered in one packsack drill hole and allowing for some quartz contamination has characteristics of tropically weathered kimberlite. KIMs recovered from the cuttings include chromite, Mn-ilmenite and picro-ilmenite.

Regional Diamond Exploration

Published information on neighbouring properties has been reviewed. Assessment work reports of Darnley Bay and Sanatana and the web sites of Sanatana and Diamondex have been especially useful in evaluating the mineral chemistry and the regional distribution of KIMs and how it relates to Talmora.

The mineral chemistry of KIMs in the two large areas sampled by Sanatana and Diamondex west of the Talmora property is remarkably similar. There is very little variation within subareas of the Sanatana property except on their Greenhorn claims southeast of Talmora where they discovered the significant diamondiferous Dharma kimberlites (13 diamonds >0.85mm weigh-

ing 0.9 carats recovered from 1457.37 kg of core by caustic fusion) [(1)]. It is unusual for the mineral chemistry of KIMs from so large an area constituting most of the Lena West diamond district to vary so little and it suggests a common and more restricted source area for the KIMs.

The only known primary source of KIMs in the Lena West district are the Darnley Bay kimberlites in the NE corner and the Dharma kimberlites in the SE corner of the district. Cluster analysis of the mineral chemistry of KIMs from neither of these areas matches that of the KIMs west of Talmora. However, the KIMs on the Talmora property, allowing for the destruction of some silicate KIMs during Eocene "lateritization", do match those to the west.

Diamondex showed that many of their KIMs were from the base of the Cretaceous sediments and that the primary source was to the east. Most of the Sanatana property also lies within the Cretaceous basin. It is significant that most of the Talmora property occupies an upland plateau outside the Cretaceous basin. The plateau was subjected to tropical weathering during the Eocene thermal maximum and much of the weathered zone has been preserved.

Geology of Talmora Property

Most of the Talmora property is underlain by limestone of Ordovician age with a thin cover of glacial drift. An outcrop of Cretaceous sediment is preserved in a dolomite gully on a tributary of the Horton River in the northern part of the property and Cretaceous sediment has been mapped by the Geological Survey of Canada in the SW.

An airborne magnetic survey shows a number of magnetic dyke-like structures that strike NNW across the property. The "dykes" appear to be at a depth of 600-800m and are parallel to and probably the extension of the swarm of "dykes" that cross the Parry Peninsular and cut the "large magnetic anomaly" being explored by Darnley Bay for base metals at Paulatuk 120km to the NNW. The latter "dykes" have a spatial relation to the Darnley Bay kimberlites.

Kimberlite Targets

Anomalies of low magnetic susceptibility are of interest as kimberlite targets. Many of these anomalies coincide with small lakes and are concentrated along the "dykes". Some of them were ground truthed in the field program carried out in the later half of August 2007. The field program included staking of the kimberlite targets and sampling of the tills for kimberlite indicator minerals (KIMs) down-ice of the magnetic targets.

The KIMs recovered from samples collected in 2007, are very much more numerous (37 times) than the KIMs recovered from samples collected in 2004, which tested the same general area but were not located with respect to magnetic targets. There is a strong correlation between KIMs and magnetic anomalies.

Ground to the west of the Talmora property came open in February 2009. Ponds with similar characteristics to those with coincident magnetic anomalies and all lying within the same prominent morphostructure (mantle focused circular fracture) were obvious on the immediately adjacent open ground. A two week field program was carried out in June/July 2009. A magnetic profile was flown across each of the characteristic ponds as well as across other less characteris-

tic ponds further west outside the morphostructure. Many of the ponds show coincident magnetic anomalies. Samples were collected down-ice of a few of the ponds and 125 new claims were staked.

After the 2011 financing fell short of what was needed for drilling a limited program of staking within a permit due to lapse on January 31, 2012 was carried out. At the same time samples were collected and spectra of soil, rocks and vegetation recorded as part of the ground truthing of ASTER satellite images that show interesting relations between mineral spectra and ponds coincident with magnetic anomalies.

$430,000 from two financings in 2012 again fell short of the $650,000 required for a small drill program. Following closing of the second financing on July 24, 2012 an alternate summer field program was mobilized to use the funds to obtain assessment work credits on certain claims. Mobilization and servicing of the field crew was by float plane and transport within the property was by ATV.

2012 Packsack Drill Program

A Packsack drill was used to collect till samples and to test the thickness of overburden near five magnetic anomalies with characteristics of kimberlite pipes. The magnetic anomalies in dolomite bedrock have been deeply scoured by ice and are covered by boulder till, which in turn is overlain by various thicknesses of lake sediment. An attempt was made to penetrate the till overburden and reach the kimberlite targets. The Packsack drill is rated for a maximum of 100' and was pushed to its limit. In three cases the hard boulder till was penetrated (28.50', 39.00' & 23.25') and the drill entered a soft clay that could not be cored except for a small piece of clay mixed with dolomite fragments at the till/clay interface in one hole. The clay produced dark brown cuttings in the three holes that reached 30.50', 43.00' & 25.25' respectively. In two cases the hole was abandoned in boulder till at 16.8' and 72'. In addition to sampling with the Packsack drill, surface till samples (77 sites) were collected down-ice of a number of magnetic anomalies and have been examined for kimberlite indicator minerals (KIMs).

Cuttings were collected but there was loss of suspended fines in the return water from the till (mostly dolomite component) and considerably greater loss of fines in the return water from the clay (most of the clay minerals). Drill cutting of the till and clay were submitted for chemical and mineralogical analyses.

Of great significance are the elevated values of minor elements in the clay cuttings. There is twice as much Cr and Mo; three times as much Fe, Mn, Ni, Zn, Pb and Sb; ten times as much Cu and Co; fifteen times as much W; and high Ag, As and Sn. All these elements except W are typically high in weathered kimberlite. The high W in the clay cuttings is probably contamination from the drill bits.

A very small piece of clay trapped in the core barrel between fragments of quartz filled and coated vugs in dolomite may be representative of the clay horizon. When the Talmora clay analysis is calculated on a quartz-free basis it closely matches analyses of Sierra Leone weathered kimberlites calculated on the same basis. The most striking characteristic of the clay compared to the average <80 mesh till in the area is high Al, low Ca and Mg together with relatively high LOI (loss on ignition), relatively high Ti, Nb, Cr, Li, V, As, Ce, Cs, Ga, Ge, La, Lu, Pr, Rb, Sb,

Ta,Th, U and very high Pb. Low Fe and related Mn and Ni are unexpected because there is evidence of laterite weathering in the area. However, the Fe, Mn and Ni values of the clay are similar to those of African kimberlitic calcretes. The dolomite fragments that trapped the clay may have provided a local calcrete environment.

The clay cuttings include very little of the clay. Much of the fine clay has been lost and there has been considerable dilution of the cuttings by coarse sand. Nevertheless, concentrates from the three holes that penetrated till and ended in clay were submitted for kimberlite indicator mineral (KIM) analysis and all contained KIMs. Hole THD-3 contained 2 Mn-ilmenites (or altered ilmenites) including 1 with diamond inclusion composition, hole THD-4 contained 12 Mn-ilmenites (or altered ilmenites) including 6 with diamond inclusion composition, 14 spinels and 1 picro-ilmenite (10.23% MgO; 3.24% Cr2O3) and THD-5 contained 3 Mn-ilmenites (or altered ilmenites) and 1 picro-ilmenite (9.73% MgO; 0.39% Cr2O3). The chromites lie on a relatively narrow compositional trend line indicating a single population and one grain plots in the Argyle chromite field. THD-4 contained notable galena and THD-5 contained a significant amount of sulphides. While the clay cuttings have lost fines and are contaminated by till and marine sand they show many characteristics of weathered kimberlite including anomalous numbers of locally derived KIMs in THD-4.

References

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

(2) *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.

Exploration during Bear Market (2011 to present)

During a difficult market for financing diamond exploration projects Talmora's management has reviewed assessment work files on neighbouring properties as they have been released to the public. Most of the work done across Lena West is now a part of the public record.

The field and laboratory work across Lena West is of high quality having been done by Nik Pokhilenko's Russian Team/Diamondex, De Beers/Pure Gold, Kennecott/Sanatana, De Beers/Darnley Bay and De Beers/Talmora. Diamondex collected stream samples whereas the others collected similar sized till samples.

Talmora's work during this time of limited funds has focused on evaluating the probability of the Horton area being the source of the Lena West KIMs and associated diamonds. The Horton area appears to be favourable for diamonds but there is the question why it is deficient in pyrope garnets relative to other areas.

Structural Studies

Evidence was presented in 2012 at the 10th International Kimberlite Conference (10IKC) to show that the Horton area lies on a "zone of anomalous mantle" that was the northern extension of the Slave dimondiferous kimberlite trend displaced on a major fault(s) parallel to the north arm of Great Bear Lake. It also coincides with a favourable morphostructure that straddles the "zone of anomalous mantle".

Evidence for the Great Bear fault zone was presented at the joint 13th South African Geophysical Association (SAGA) Biennial / 6th International Conference in Airborne Electromagnetics (AEM) Conference in 2015, the 43th Annual Yellowknife Geoscience Forum in 2015 and 35th International Geological Congress in 2016.

Paleo-weathering Studies

Evidence of laterite and tropical weathering in the Horton area was recognized during the first field season. It explained the near absence of pyrope garnets and chrome diopside while there were anomalous numbers of chromites and ilmenites. The evidence was presented at the 39th Annual Yellowknife Geoscience Forum in 2011, 10th International Kimberlite Conference in 2012, 44th Yellowknife Geoscience Forum in 2016 and 8th Oppenheimer De Beers Group Research Conference in 2017.

Eocene (55 Ma) tropical weathering affected all of the Canadian north but generally the weathered zone has been eroded and any remnants have been removed by glaciation. In the Horton area post-Eocene erosion was minimal and because of the area's location on the flank of the unglaciated Melville Hills glaciation had little or no effect and the weathered zone has been preserved.

Studies relating Lena West KIMs to the Horton Area

The similarity of Lena West ilmenites to those of the Horton area and how they differ from those in the Darnley Bay and Dharma areas was first presented at the 39th Annual Yellowknife Geoscience Forum in 2011. Cluster analysis of the chromites showing the same relation was presented at the 35th International Geological Congress in 2016 and cluster analysis of the pyrope garnets was presented at the 8th Oppenheimer De Beers Group Research Conference in 2017.

All the Lena West KIMs match those of the Horton area but differ from those of the Darnley Bay and Dharma areas and because the Diamondex team showed that most if not all of the Lena West KIMs were derived from concentrates at the base of the Cretaceous basin the most likely source of the Lena West KIMs is the Horton area which lies outside the basin.

Kimberlite Pathfinder Element Studies

Dolomite covers most of the Horton area so that tracing kimbelite pathfinder elements in glacial till could be a useful tool for discovering kimberlite pipes. Talmora and Sanatana have multielement analyses on all till samples and the initial study showed anomalous pathfinder elements

down-ice of the Horton area supporting a presence of a kimberlite cluster. This was presented at the 42nd Annual Yellowknife Geoscience Forum in 2014.

The pathfinder data was reviewed in late 2017 and reinterpretation of the glacial dispersion revealed a kimberlite pathfinder train focused on a magnetic anomaly that Sanatana had selected as a possible kimberlite on a survey with 400 meter line spacing. The anomaly was never tested presumably because there were only 4 pyrope garnets in three samples near the anomaly but no pyrope garnets in samples further down-ice but there were many pyropes further west where Sanatana drilled a number of targets unsuccessfully. Anomalous KIMs coincide with the pathfinder train and considering the 10 kilometer spacing of samples the source of the train must have exceptional size. After Talmora secured the ground the reinterpreted pathfinder data was presented at the 4th International Diamond School in January 2018.

Mn-ilmenite Study

Mn-ilmenites have not generally been considered a KIM. However they have been found as inclusions in superdeep diamonds, from Venezuela and Brazil. Kaminsky and Belousova in 2008 recommended that they be considered a KIM.

Talmora recognized that Mn-ilmenites had been picked from Lena West samples as possible black oxide KIMs by Talmora, Sanatana and Darnley Bay sorters. Many had compositions that match those included in diamonds. The significance of these mineral grains in the Lena West region was presented at the International Mineralogical Association (IMA) in 2014 and The Kimberley Diamond Symposium and Trade Show in 2014.

In 2017 Smith, Shirey and Wang described the evidence for the superdeep origin of the world's biggest diamonds thus making Mn-ilmenites found as inclusions in superdeep diamonds a possible indicator of large diamonds.

Tertiary Sea Study

Drilling in the Seahorse area encountered thick sequences of clay that included a distinct more homogeneous unit at depth. Heavy mineral concentrates of bulk clay samples contained KIMs and possible KIMs that survive tropical weathering, spherules, unaltered silicate minerals and foraminifera of which some are pyritized. Recognition of contamination of lower clays by overlaying clays explains why incompatible minerals and fossils are found in the same sample.

Extreme tropical weathering shown by the KIMs, possible KIMs and their alteration products was probably Eocene (55Ma) so that marine sediments containing foraminifera must be younger indicating an extension of the Tertiary sea southwest to Seahorse Lake. Un-altered silicate minerals would have been recycled from earlier Cretaceous sediments. This study was presented at the 11th Oppenheimer Research Conference in 2022.

Conclusions

Talmora has tested the evidence at a variety of conferences and concludes that it is generally sound and has increased the probability of the Horton area being the source of most of the KIMs and diamonds found widespread across Lena West.

The Company's most prospective magnetic anomalies must be tested with a larger drill. A major program costing $2,000,000 – $4,000,000 (minimum $1,000,000 - $2,000,000) should confirm whether or not diamondiferous kimberlites are present on the property. Micro-diamond analyses of initial kimberlite samples will determine whether further investigation is warranted in which case an additional budget in the order of $10,000,000 -$15,000,000 would be required.

SeahorseProject

On July 6, 2018 Talmora signed an agreement with Olivut Resources Ltd. that gave Olivut the option to earn a 50% interest in one of Talmora's three permits and certain other claims by spending $1.2 million over a two year period and making a cash payment to Talmora of $200,000. Exercise of the option would result in the formation of a Joint Venture to continue exploration of the jointly owned property. Talmora will continue to explore the remainder of the Horton property which it owns 100%.

Olivut has successfully completed a helimag geophysical program during April and May 2019. Detailed low level, 50 metre line spacing magnetic information was collected and analyzed over multiple anomalies prevously identified from regional geophysics.

During August and September 2019 six holes were drilled to test certain regional geophysical targets that had been confirmed and further delineated by the detailed helimag program. The holes were drilled to a maximum depth of 316' (96.3 metres) using a reverse circulation (RAB), heli-portable drill.

Beneath tills, each of the holes intersected varying depths of extremely fine-grained clays that did not appear to be derived from the dolomite country rock that is exposed proximal to the targets. Down hole drilling conditions were exceptionally challenging, as was the recovery of drill sample material, due primarily to the nature of these intersected clays. Samples were collected from each of the holes and sent for analysis to Saskatchewan Research Council ("SRC"). **A recent study of these analyses has shown contamination of deeper samples by overlaying units, presumably by material from the upper units sticking to the walls of the inner tube and breaking loose later to mix with deeper material.**

Preliminary visual inspection, as well as further microscopic examination of many of the collected samples, could not specifically identify the host rock from which the clay material is derived. Sulphides, including pyrite, galena and sphalerite, as well as other mafic minerals were easily identified in many downhole samples. Subsequently, whole rock and multi-element geochemical results defined a distinct homogeneous clay in the lower part of 4 of the 6 holes.

This clay is notably dark grey to black, with an oily feel and is chemically complex but fairly homogeneous and characterised by elevated Rare Earth Element ("REE") content and relatively low silica content. These REE levels are generally higher than, or consistent with, levels of REE detected in clays found to occur over some identified kimberlites in some locations of the world (e.g. Western Australia and Namibia). Above the homogeneous clay are clays with lower REE and higher silica content that grade into the homogeneous clay and overlying glacial tills

The chemistry of the drill samples indicates that contamination during drilling has been extensive with as much as 50% of a sample coming from the units above. All samples are apparently contaminated but the lower parts of each unit are the least contaminated by other units.

The homogeneous clays have lead isotope ratios (Pb206/204 vs Pb207/204) that average that of rocks derived from the mantle. The range of values of three holes is a little more than the mantle rock values which may be the result of contamination or it may indicate that there has been re-deposition of mantle material at the surface into a single secondary geological unit such as re-deposition of a volcanic tuff ring into a crater. The range of values of samples from a hole testing a relatively narrow dyke are close to that of mantle rocks (including kimberlite).

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.

To determine the potential presence of any kimberlitic indicator minerals ("KIM"), additional samples from five drill holes, four of which included sections of the deeper homogeneous clay, were submitted for heavy mineral analysis to SRC. Chromites, ilmenites (some manganese bearing) and abundant pseudorutile (an alteration product of ilmenite which is common in intensely weathered kimberlite) are present. Six chromite grains from the narrow dyke plot on a relatively narrow crystallization trend-line indicating a local source and certainly not from a marine sediment. Two of the six grains plot in the field of kimberlites and lamproites. Although most of the chromites and ilmenites are not unequivocally kimberlitic, they have compositions that match those of some inclusions in type IIa diamonds.

A surprising result of the heavy mineral analysis is the number of microfossils (mostly foraminifera) and the abundance of various forms of pyrite (some replacing organic material and microfossils) found in the concentrates. Also present are spherules (tiny bead-like features) believed by some to be associated with a meteorite impact but by others to associated with kimberlites. Microfossils and pyrite indicate marine deposition associated with anoxic (low oxygen) conditions for some of the clay

Recognition of contamination removes any confusion as to why possible KIMs that crystallized in a mantle derived rock and was subsequently deeply weathered are found with marine microfossils, meteorite/kimberlitic spherules and silicate minerals that would not have survived the deep weathering. **Talmora has concluded that the most likely scenario is that the homogeneous clay is an intrusion (possibly kimberlite) derived from the mantle that has been deeply weathered during the Eocene thermal maximum and subsequently covered by Tertiary marine clays containing microfossils and pyrite in conditions at times anoxic.** It is significant that ferropseudobrookite (alteration of pseudorutile under reducing or anoxic conditions) is anomalous in the down-ice end of the Seahorse train. Pseudorutile that would be

expected in the up-ice end of the train is absent and is rare in the Seahorse beach concentrates. However, evidence from the Horton area indicates that pseudorutile does not travel well in glaciers.

The homogeneous clays have elevated REE content but there were no typical REE bearing minerals identified in the clay concentrates and it is doubtful whether they would have survived the intense weathering. Ionic REE absorbed on clay minerals are readily recovered in salt and ammonium sulphate solutions and may be a valuable by-product of diamond mining. Ionic REE are not present in the overlying tills but if they are present in the homogeneous clay, care will have to be taken to obtain uncontaminated samples in future drilling and will therefore determine how targets are drilled and with what equipment.

Talmora recommended to the Joint Venture Committee that two of the least contaminated homogeneous clay samples be tested for the presence of REE in ionic form. Samples have been sent to SRC for testing and results are pending.

In addition to the drilling program described above, limited regional prospecting was conducted. A large gossan zone was identified on the property comprising the Seahorse Project 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. Further work is required to obtain more information before arriving at a conclusion. The linear gossan zone occurs within the dolomite country rock and likely represents a sulphide bearing fault zone.

Olivut exercised its option on July 2, 2020 and reported that $1,418,868 was spent on work completed during the option period. The Coronavirus pandemic and its effects particularly on planning and work in the Northwest Territories prevented any field work being conducted in 2020 and 2021. The Joint Venture Company contemplated by the Option Agreement has not yet been formed.

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.

A major financing will be required for a drill program to test the main Seahorse target that could not be tested in 2019 and perhaps the other Seahorse targets at greater depth.

The Coronavirus pandemic and its effects particularly on planning and work in the Northwest Territories prevented any field work being conducted in 2022 and 2021.

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

Property Commitments
Refer to section 4.3 and 4.3(1) (b)

Contingencies and Commitments

Flow-Through
The Company has agreed to indemnify the subscribers of its flow-through shares for any tax-related consequences that become payable by them, if the Company failed to meet its expenditure commitment. The company had no flow-through expenditure requirements in 2022 and 2021.

Environmental Contingencies
The Company's exploration activities are subject to various laws and regulations, governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

COVID-19
The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

The effect of Covid-19 over the last two years affected the planning and carrying out work in the Northwest Territories and on the Seahorse Project in particular. The project area is remote, lacking infrastructure and reliant on a few suppliers, who could not operate as normal. Local communities did not welcome "outsiders" and Talmora had to plan and abide by measures to protect the health and safety of Northerners as requested by authorities. The nonstop protocal directives changes coming from multiple public health and other authorities to contract the spread of Covid-19 made a field program impossible.

(e) for resource issuers with producing mines, identify milestones such as mine expansion plans, productivity improvements, or plans to develop a new deposit;

Not applicable

(f) factors that caused a change in the relationship between costs and revenues, including changes in costs of labour or materials, price changes or inventory adjustments;

This section is not applicable.

(g) commitments, events, risks or uncertainties that you reasonably believe will materially affect the Issuer's future performance including net sales, total revenue and income or loss before discontinued operations and extraordinary items;

This section is not applicable.

(h) effect of inflation and specific price changes on the Issuer's net sales and total revenues and on income or loss before discontinued operations and extraordinary items;

This section is not applicable.

(i) a comparison in tabular form of disclosure you previously made about how the Issuer was going to use proceeds (other than working capital) from any financing, an explanation of variances and the impact of the variances, if any, on the Issuer's ability to achieve its business objectives and milestones; and

Variance to Original Budget of M.Millard (2005)

	Budget M. Millard (2005)		**Actual R. Davies assessment work reports (2008 & 2009)**	
Phase 1 [minimum required to determine whether to continue to phase 2]				
Airborne survey	9000 line k @ $35	$315,000	10,196 line k	$352,258.59
Process 2004 fine fractions	120 @ $150	$18,000	117 fine fractions	$12,267.00
Claim staking	36 claims @ $1,000	$36,000	50 claims	$50,461.83
	Contingency @ 10%	$36,000		
Exploration sub-total		**$405,000**		**$414,987.42**
Administration		*$100,000*	2007 expenses	$169,778.00
	Total	**$505,000**		**$584,765.42**
Phase 2a [assumes encouragement from phase 1]				
Till sampling [follow-up, target evaluation]	200 samples @ $1000	$200,000	178 [target evaluation]	$316,403.30
Stream samples [follow-up]	50 @ $1500	$75,000		
Ground magnetic survey	8 targets @ $6,000	$48,000	10 anomalies	$25,130.73
	Contingency @ 20%	$32,000		
Exploration sub-total		**$355,000**		**$341,534.03**
Administration		*$100,000*	2008 expenses to Dec. 31	$148,946.00
	Total	**$455,000**		**$490,480.03**

Phase 2b [assumes continued encouragement]		
Drilling	4 targets @ $80,000	$320,000
	Contingency @ 20%	$66,000
Exploration sub-total		**$386,000**
Administration		*$50,000*
	Total	**$436,000**

Exploration Total	**$1,146,000**	**$756,521.45**
Administration Total	*$250,000*	*$318,724.00*
Grand Total	**1,396,000**	**$1,075,245**

2009 Field Program on New Ground

	Staking 125 claims	59,936
	Airborne magnetic survey – 865 line km	99,525
	Sampling – 51 samples collected	189,665
Exploration sub-total		$349,126
Administration Expenses sub-total		$111,444
	Total	$460,570

2010 Data Evaluation and Reporting

	Staking	32,581
	Sample sorting and analysis	22,701
	Geophysics	25,277
Exploration sub-total		80,585
Administration Expenses sub-total		$118,084
	Total	$198,669

2011 Field Program, Evaluation & Reporting

	Staking	40,678
	ASTER image ground truthing	219,388
Exploration sub-total		260,066
Administration Expenses sub-total		169,533
	Total	$429,599

2012 Field Program, Evaluation & Reporting

Exploration sub-total	Reporting, Packsack drilling, sampling	374,041
Administration Expenses sub-total		100,568
	Total	$474,609

2013 Field Program, Evaluation & Reporting

Exploration sub-total	Reporting, sample sorting/ analyses, assessment	95,616
Administration Expenses sub-total		89,880
	Total	$185,496

	2014 Field Program, Evaluation & Reporting	
Exploration sub-total	Professional Services& licences	21,107
Administration Expenses sub- total		81,475
	Total	$101,582
	2015 Field Program, Evaluation & Reporting	
Exploration sub-total	Professional Services. analyses & Licences *	4,791
Administration Expenses sub- total		53,969
	Total	$58,760
	2016 Field Program, Evaluation & Reporting	
Exploration sub-total		11,499
Administration Expenses sub- total		60,046
	Total	$71,545
	2017 Field Program, Evaluation & Reporting	
Exploration sub-total		30,170
Administration Expenses sub- total		51,969
	Total	$82,139
	2018 Field Program, Evaluation & Reporting	
Exploration sub-total to December 31, 2018		29,610
Administration Expenses sub- total		91,559
	Total	$121,169
	2019 Field Program, Evaluation & Reporting	
Exploration sub-total to December 31, 2019		24,010
Administration Expenses sub- total		75,788
	Total	$99,798
	2020 Field Program, Evaluation & Reporting	
Exploration sub-total to December 31, 2020		$53,048
Administration Expenses sub- total		$55,745
	Total	$108,793
	2021 Field Program, Evaluation & Reporting	
Exploration sub-total to December 31, 2021		$ 4,748
Administration Expenses sub- total		$55,615
	Total	$60,363
	2022 Field Program, Evaluation & Reporting	
Exploration sub-total to December 31, 2022		**$ 3,809**
Administration Expenses sub- total		**$58,010**
	Total	**$61,819**
Grand Total as at December 31, 2022		**$3,603,399**

Phase 1 exploration costs were very much on budget with higher airborne survey cost due to higher line kilometers flown and higher staking cost due to greater number of claims staked.

Administration costs in 2007 were higher than budget because of the amalgamation of Talmora Resources Limited and Canadian Diamond Limited.

Administration costs in 2008 were lower than in 2007 but are higher than budget. These costs reflect the real costs of administering the company.

As a result of the financial crisis of 2008 funds were not available for the drilling proposed as Phase 2b. However, funding in 2009 enabled Talmora to fly an airborne magnetic survey over potential kimberlite targets on new ground that came open February 1, 2009 and to stake 125 additional claims. Administration costs were down and at a normal level.

2010 exploration expenses include evaluation and reporting of sampling and geophysical surveys carried out the previous year. Included in staking is a $28,664 cash deposit required to hold permit 7307 until January 31, 2012. Administration costs in 2010 were again at a normal level.

2011 expenses were essentially to acquire additional claims and to do work not contemplated in the original budget but necessary to maintain the claims in good standing. Administration costs in 2011 reflect the high cost of switching from GAAP to IFRS accounting.

Exploration costs in the first quarter of 2012 are for evaluation and reporting of the 2011 program. Exploration costs in the second, third and fourth quarters of 2012 and for first, second and third quarters of 2013 are part of the cost of the Packsack drill and surface sampling program for assessment work purposes.

2014 exploration expenses during the year were for evaluation of data in assessment work files that will add value to the Horton project. Administrative costs are to maintain the Company's interest in the Horton project.

2015 exploration expenses were for evaluation of data in assessment work files that will add value to the Horton project. Administrative costs are to maintain the Company's interest in the Horton project and have been reduced from previous years.

2016 exploration expenses of $11,499 were for evaluation of data in assessment work files that will add value to the Horton project. Administrative costs are to maintain the Company's interest in the Horton project and have been maintained at a reduced level.

2017 exploration expenses of $30,170 were for permit applications, travel, and presentations at Geoscience Forum in Yellowknife and for evaluation of data in assessment work files that will add value to the Horton project. Administrative costs are to maintain the Company's interest in the Horton project and have been maintained at a minimum level.

2018 exploration expenses for annual NWT prospectors' licences for $60 in March, 2018 was negated by ($250), the result of a partial refund from permit applications. $2,025 Exploration expenses for September, 2018 were for professional exploration fees work done on Horton property. Administrative costs are to maintain the Company's interest in the Horton project. In the third quarter the administrative costs were higher than normal due to payment of time and expenses submitted. The fourth quarter had exploration expenditures of $27,775 consisting of conference, travel costs, supplies for presentations, and permit applications. as well as professional fees relating to the Horton project. Administrative costs of $14,910 are to maintain the Company's interest in the Horton project and have been maintained at a minimum level.

2019 March exploration expenses for annual NWT prospectors licences for $60 and $1,800 for professional exploration work done on the Horton property. Administrative costs of $26,814 are to maintain the Company's interest in the Horton project which has been maintained at a minimum level. In the second quarter of June 2019, exploration expenses of $2,288 was for professional exploration work done on the Horton property. Administrative costs of

$27,773 are to maintain the Company's interest in the Horton project and have been maintained at a normal level. In the third quarter September 2019, exploration expenses of $9,138 was for professional exploration work done on the Horton property. Administrative costs of $10,572 are to maintain the Company's interest in the Horton project and have been maintained at less than normal level. The fourth quarter had exploration expenditures of $10,725 consisting of permit applications and professional fees relating to the Horton project. Administrative costs of $10,629 are to maintain the Company's interest in the Horton project which has been maintained at less than normal level.

2020 March exploration expenses were $57,580 covering the annual NWT prospectors licences $60; $43,092 representing the deposit for the second two-year period for three permits, $7,250 was for another permit which was refunded, and $7,425 for professional exploration work done on the Horton property. Administrative costs of $24,262 are to maintain the Company's interest in the Horton project which has been maintained at a minimum level. In the second quarter of June, 2020, exploration expenses were $1,031 representing professional exploration work done on the Horton property. Administrative costs of $741 are to maintain the Company's interest in the Horton project which has been maintained at a less than minimum level. In the third quarter of September 2020, exploration expenses were $225 representing professional exploration work done on the Horton property. Administrative costs of $11,901 are to maintain the Company's interest in the Horton project which has been maintained at less than normal level. In the fourth quarter of December, 2020, exploration expenses were ($5,788) representing professional exploration work done on the Horton property. Administrative costs of $8,841 are to maintain the Company's interest in the Horton project which has been maintained at less than normal level.

2021 March exploration expenses were $2,516 covering the annual NWT prospectors' licences $60 and $2,456 for professional exploration work done on the Horton property. Administrative costs of $19,188 are to maintain the Company's interest in the Horton project which has been maintained at a minimum level. In the second quarter of June, 2021, exploration expenses were $769 representing professional exploration work done on the Horton property. Administrative costs of $12,729 are to maintain the Company's interest in the Horton project which has been maintained at a less than minimum level. In the third quarter of September, 2021, exploration expenses were $1,238 representing professional exploration work done on the Horton property. Administrative costs of $13,590 are to maintain the Company's interest in the Horton project which has been maintained at a less than minimum level. In the fourth quarter of December 2021 exploration costs of $225 representing professional exploration work done on the Horton property. Administrative costs of $10,110 are to maintain the Company's interest in the Horton project which has been maintained at a less than minimum level.

2022 March exploration expenses were $43,919 covering one J.V. Permit of $29,001 and one non-JV permit of $13,986, including a $88 a JV meeting; annual NWT prospectors licenses $60; and $844 for professional exploration work done on the Horton property. Administrative costs of $23,974 are to maintain the Company's interest in the Horton project which has been maintained at a minimum level.

2022 June exploration expenses were $1,012 covering professional exploration work done on the Horton property. Administrative costs of $34,833 are to maintain the Company's interest in the Horton project which has been maintained at a minimum level.

2022 September exploration expenses were $2,100 covering professional exploration work done on the Horton property and $2,500 submission for preliminary analyses. Administrative costs of $14,620 are to maintain the Company's interest in the Horton project which has been maintained at a minimum level.

2022 December exploration expenses were ($45,722) made up of reimbursement of permits of $50,391 and $4,669 for professional exploration work done on the Horton property. Administrative costs were $6,733 are to to maintain the Company's interest in the Horton project which has been maintained at a minimum level.

j) unusual or infrequent events or transactions.

Not applicable.

Instruction: The discussion under Item 6.5(d) should include
(i) whether or not management plans to expend additional funds on the project; and
(ii) any factors that have affected the value of the project(s) such as change in commodity prices, land use or political or environmental issues.

Summary of Quarterly Results

6.6 Provide the following information in summary form, derived from the Issuer's financial statements, for each of the eight most recently completed quarters:

(a) net sales or total revenues;

(b) income or loss before discontinued operations and extraordinary items, in total and on a per-share and diluted per-share basis; and

(c) net income or loss, in total and on a per-share and diluted per-share basis.

Discuss the factors that have caused variations over the quarters necessary to understand general trends that have developed and the seasonality of the business.

Instruction:
(1) The most recently completed quarter is the quarter that ended on the last day of your most recently completed financial year. Information does not have to be provided for a quarter prior to the Issuer becoming a reporting issuer if the Issuer has not prepared financial statements for those quarters.

(2) For sections 6.2, 6.3, 6.4 and 6.5 consider identifying, discussing and analyzing the following factors:
- (i) changes in customer buying patterns, including changes due to new technologies and changes in demographics;
- (ii) changes in selling practices, including changes due to new distribution arrangements or a reorganization of a direct sales force;
- (iii) changes in competition, including an assessment of the issuer's resources, strengths and weaknesses relative to those of its competitors;
- (iv) the effect of exchange rates;
- (v) changes in pricing of inputs, constraints on supply, order backlog, or other input-related matters;
- (vi) changes in production capacity, including changes due to plant closures and work stoppages;

(vii) changes in volume of discounts granted to customers, volumes of returns and allowances, excise and other taxes or other amounts reflected on a net basis against revenues;
(viii) changes in the terms and conditions of service contracts;
(ix) the progress in achieving previously announced milestones; and
(x) for resource issuers with producing mines, identify changes to cash flow caused by changes in production throughput, head-grade, cut-off grade, metallurgical recovery and any expectation of future changes.

(3) Indicate the accounting principles that the financial data has been prepared in accordance with, the reporting currency, the measurement currency if different from the reporting currency and, if the underlying financial statements have been reconciled to Canadian GAAP, provide a cross-reference to the reconciliation that is found in the notes to the financial statements.

Summary of Quarterly results for Talmora Diamond Inc.

(a) Year	**2022**	**2022**	**2022**	**2022**
(b) Quarter	December 31	September 30	June 30	March 31
Cash	13,062	4,767	7,407	21,610
Working capital	20,799	(18,192)	1,030	(10,275)
Additional income	-	-	-	3
Admin. Expenses	6,732	14,620	12,683	11,374
Exploration and evaluation expenditures (recovered)	(45,722)	4,600	1,012	43,919
Cash in (out) flow	8,294	(2,640)	(14,202)	21,388
Net Income (Loss)	38,990	(19,221)	(35,895)	(67,890)
Net Income (Loss) per share	0.001	(0.001)	(0.001)	(0.001)
Total assets	20,799	11,111	11,994	24,823
Total liabilities	0.00	(29,303)	(10,964)	(35,098)

(a) Year	2021	2021	2021	2021
(b) Quarter	December 31	September 30	June 30	March 31
Cash and cash equivalents	222	11,872	28,624	43,495
Working capital	7,615	17,949	32,777	46,275
Additional income	-	-	-	709
Admin. Expenses	10,110	13,590	12,729	19,188
Exploration and evaluation expenditures	224	1,238	769	2,516
Cash in (out) flow	(11,650)	(16,752)	(14,871)	43,495
Net Income (Loss)	(39,834)	(14,828)	(13,498)	(20,995)
Net Income (Loss) per share	(0.001)	(0.001)	(0.0002)	(0.0002)
Total assets	7,615	17,949	32,777	46,275
Total liabilities	-	-	-	-

Exploration expenditures in the fourth quarter of December 31, 2022, were ($45,722) most of which was refund of deposits on permits of $50,391, less $4,669 professional exploration work. done on the Horton property. Administrative exploration expenditures in the third quarter of September 30, 2022 were $4,600, of which $2,100 covering professional exploration work done on the Horton property and $2,500 submitted covering the cost of preliminary analyses. Administrative exploration expenditures in the second quarter of June 30, 2022 were $1,012 covering professional exploration work done on the Horton property. Exploration expenditures in the first quarter of March 31, 2022 were $43,919 covering one J.V. Permit of $29,001 and one non-JV permit $13,986, $88 a JV meeting, annual NWT prospectors licenses $60; and $844 for professional exploration work done on the Horton property.

Administrative expenses for the fourth quarter ended December 31, 2022 of $6,732 were less than expenses for the third quarter of September 30, 2022, of $14,620, were slightly higher than June 30, 2022, of $12,683, and more than March 31, 2022 of $11,374, were to maintain the Company's interest in the Horton project which has been maintained at a minimum level.

Finally, the balance sheet for the fourth quarter ended December 31, 2022 indicates a balance of working capital of $20,799 compared to the balance sheet for the third quarter of September 30, 2022, indicates a balance in working capital of ($18,192), compared to the second quarter of June 30, 2022, indicates a balance in working capital of $1,030 compared to working capital of ($10,275) in the first quarter of March 31, 2022.

Exploration expenditures in the first quarter of March 31, 2021 were $2,516 (covering the annual NWT prospectors' licences of $60, and $2,456 for professional exploration work done on the Horton property.) Exploration expenditures in the second quarter of June 30, 2021 were $769 were for professional exploration work done on the Horton property.) Exploration expenditures in the third quarter of September 30, 2021 were $1,238 were for professional exploration work done on the Horton property.) Exploration expenditures in the Fourth quarter of December 31, 2021 were were $225 were for professional exploration work done on the Horton property.

Administrative expenses for the fourth quarter of December 31, 2021 were $10,110 were slightly less than the third quarter of September 30, 2021 of $13,590 which were slightly more than the second quarter of ended June 30, 2021 were $12,729 were less than $19,188, of administrative expenses for the first quarter of ended March 31, 2021.

Finally, the balance sheet indicates a balance in working capital of $7,615 in the fourth quarter of December 31, 2021, compared to $17,949 in the third quarter of September 30, 2021 compared to $32,777 in the second quarter of June 2021 compared to $46,275 in the first quarter of March 31, 2021.

Liquidity

6.7 Provide an analysis of the Issuer's liquidity, including

(a) its ability to generate sufficient amounts of cash and cash equivalents, in the short term and the long term, to maintain the Issuer's capacity, to meet the Issuer's planned growth or to fund development activities;

(b) trends or expected fluctuations in the Issuer's liquidity, taking into account demands, commitments, events or uncertainties;

(c) its working capital requirements;

(d) liquidity risks associated with financial instruments;

(e) if the Issuer has or expects to have a working capital deficiency, discuss its ability to meet obligations as they become due and how you expect it to remedy the deficiency;

(f) balance sheet conditions or income or cash flow items that may affect the Issuer's liquidity;

(g) legal or practical restrictions on the ability of subsidiaries to transfer funds to the Issuer and the effect these restrictions have had or may have on the ability of the Issuer to meet its obligations; and

(h) defaults or arrears or anticipated defaults or arrears on

(i) dividend payments, lease payments, interest or principal payment on debt;

(ii) debt covenants during the most recently completed financial year; and

(iii) redemption or retraction or sinking fund payments,

and how the Issuer intends to cure the default or arrears.

Instruction:

(1) In discussing the Issuer's ability to generate sufficient amounts of cash and cash equivalents, describe sources of funding and the circumstances that could affect those sources that are reasonably likely to occur. Examples of circumstances that could affect liquidity are market or commodity price changes, economic downturns, defaults on guarantees and contractions of operations.

(2) In discussing trends or expected fluctuations in the Issuer's liquidity and liquidity risks associated with financial instruments, discuss

(a) provisions in debt, lease or other arrangements that could trigger an additional funding requirement or early payment. Examples of such situations are provisions linked to credit rating, earnings, cash flows or share price; and

(b) circumstances that could impair the Issuer's ability to undertake transaction considered essential to operations. Examples of such circumstances are the inability to maintain investment grade credit rating, earnings per-share, cash flow or share price.

(3) In discussing the Issuer's working capital requirements, discuss situations where the Issuer must maintain significant inventory to meet customers' delivery requirements or any situations involving extended payment terms.

(4) In discussing the Issuer's balance sheet conditions or income or cash flow items consider a summary, in tabular form, of contractual obligations including payments due for each of the next five years and thereafter. This summary and table is not, however, mandatory. An example of a table that can be adapted to the Issuer's particular circumstances follows:

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 year	1 - 3 years	4 – 5 years	After 5 years
Long Term Debt					
Capital Lease Obligations					
Operating Leases					
Purchase Obligations[1]					
Other Long Term Obligations [2]					
Total Contractual Obligations					

[1] "Purchase Obligation" means an agreement to purchase goods or services that is enforceable and legally binding on the Issuer that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction.

[2] "Other Long Term Obligations" means other long-term liabilities reflected on the Issuer's balance sheet.

The tabular presentation may be accompanied by footnotes to describe provisions that create, increase or accelerate obligations, or other details to the extent necessary for an understanding of the timing and amount of the Issuer's specified contractual obligations.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2022, the Company had cash in the amount of $13,062 (2021- $222) to settle current liabilities of $Nil (2021 - $Nil.)

Liquidity

The Company is a development stage company as defined by CICA Accounting Guideline 11. "Enterprises in the Development Stage" and currently has interests in exploration and development properties in Canada. Substantially all of the Company's efforts are devoted to financing and developing. There has been no determination whether the Company's interests in these mineral properties contain mineral reserves, which are economically recoverable.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

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The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Financing

Talmora is dependent on management obtaining financing to continue operations and to fund its exploration property expenses. If such financing is unavailable for any reason, Talmora may become unable to carry out its business plan. Talmora intends to fund all future commitments with cash on hand, or through any other financing alternative it may have available to it at the time in question. As Talmora has no business undertaking, there can be no assurance that it will be profitable. In the interim, Talmora has no source of cash flow to fund its expenditures and its

continued existence depends on its ability to raise further financing for working capital as the need may arise. The length of time needed to identify a new business, is indeterminate and the amount of resulting income, if any, is impossible to predict. Talmora does not expect to receive any income in the foreseeable future.

Talmora's success is dependent on the knowledge and expertise of its management and employees and their ability to identify and advance attractive business opportunities.

Other than as discussed herein, Talmora is not aware of any trends, demands, commitments, events or uncertainties that may result in the Talmora's liquidity or capital resources either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in Talmora's liquidity and capital resources will be substantially determined by the success or failure of any new proposed business of Talmora and its ability to obtain equity financing.

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

The effect of Covid-19 over the last two years affected the planning and carrying out work in the Northwest Territories and on the Seahorse Project in particular. The project area is remote, lacking infrastructure and reliant on a few suppliers, who could not operate as normal. Local communities did not welcome "outsiders" and Talmora had to plan and abide by measures to protect the health and safety of Northerners as requested by authorities. The nonstop protocal directives and changes coming from multiple public health and other authorities to contract the spread of Covid-19 made a field program impossible.

The continuing global financial uncertainty makes major funding difficult. However, the results of the work that has been done by Olivut to earn its interest in part of the Company's project will determine the likelihood of future funding. The Company will concentrate on maintaining the property in good standing until funding of a major drill program is achieved.

An analysis of the liquidity of Talmora Diamond Inc. is provided below:

As at December 31, 2022, Talmora had cash and cash equivalents $13,062, an increase from September 30, 2022, $4,767, a decrease from June 30, 2022, $7,407, a decrease from March 31, 2022, balance of $21,610, compared to December 31, 2021, $222, a decrease from the September 30, 2021 balance of $11,872, a decrease from the June 30, 2021, of $28,624, a decrease from the March 31, 2021, amount of $43,495. The decrease in cash in the fourth, third , second and first quarters of 2021 was due to payment of continuing expenses.

The increase in cash in the fourth quarter of December 31, 2022 was due receipt of permit refunds of $50,391, as compared to the decrease in cash in the third quarter of September 30, 2022, was due to payment of continuing expenses. The increase in cash in the first quarter of March 31, 2022, and second quarter of June 2022, reflect the receipt of cash on exercise of options.

The increase in cash in the first quarter of March 31, 2021, and fourth and third quarters of 2020 reflect the receipt of cash on exercise of options and the decrease in cash, in the second quarter of June 30, 2020 was due to payment of continuing expenses. At March 31, 2020, Talmora had cash and cash equivalents in the amount of $19,054.

As at December 31, 2022, Talmora had a working capital of $20,799 compared to (18,192) at September 30, 2022, compared to $1,030, at June 30, 2022, compared to March 31, 2022, of ($10,275) compared to December 31, 2021, $7,615, compared to September 30, 2021, $17,949, compared to June 30, 2021, $32,777 compared to $46,275 at March 31, 2021.

At December 31, 2022, fourth quarter, September 30, 2022 third quarter and June 30, 2022 second quarter, there were no interest received. In March 31, 2022, first quarter, there were $3 interest received compared to December 31, 2021 quarter, September 30, 2021 quarter and June 30, 2021 quarter, when there were no interest received. March 31, 2021, there was $709 interest received from a GIC.

As at December 31, 2022, exploration expenses were $3,809 covering professional exploration work done on the Horton property. Refunds of permit deposits of $50,391 in December, 2022 reduced the exploration expenses in the fourth quarter. September 30, 2022 exploration expenses were $4,600 of which $2,100 covering professional exploration work done on the Horton property and $2,500 submitted covering the cost of preliminary analyses. June 30, 2022, exploration expenses were $1,012 covering professional exploration work. March 31, 2022, exploration expenses were $43,919 covering one J.V. Permit of $29,001 and one non-JV permit of $13,858, $88 a JV meeting, annual NWT prospectors licenses $60; and $844 for professional exploration work done on the Horton property.

As at December 31, 2022, administrative expense of $6,732 were less than September 30, 2022 administrative expense of $14,620, the $12,683 at June 30, 2022, the $11,374 at March 31, 2022, the $10,110 at December 31, 2021, the $13,590 at September 30, 2021, the $12,729 at June 2021, and the $19,188 at March 31, 2021.

Capital Resources

6.8 Provide an analysis of the Issuer's capital resources, including

(a) commitments for capital expenditures as of the date of the Issuer's financial statements including

(i) the amount, nature and purpose of these commitments;

(ii) the expected source of funds to meet these commitments; and

(iii) expenditures not yet committed but required to maintain the Issuer's capacity to meet the Issuer's planned growth or to fund development activities

(b) known trends or expected fluctuations in the Issuer's capital resources, including expected changes in the mix and relative cost of these resources; and

(c) sources of financing that the Issuer has arranged but not yet used.

Instruction:
(1) Capital resources are financing resources available to the Issuer and include debt, equity and any other financing arrangements that management reasonably considers will provide financial resources to the Issuer.
(2) In discussing the Issuer's commitments management should discuss any exploration and development, or research and development expenditures required to maintain properties or agreements in good standing.

Please see 6,7 above

Off-Balance Sheet Arrangements

6.9 Discuss any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Issuer including, without limitation, such considerations as liquidity and capital resources. This discussion shall include their business purpose and activities, their economic substance, risks associated with the arrangements, and the key terms and conditions associated with any commitments, including

(a) a description of the other contracting party(ies);

(b) the effects of terminating the arrangement;

(c) the amounts receivable or payable, revenues, expenses and cash flows resulting from the arrangement;

(d) the nature and amounts of any other obligations or liabilities arising from the arrangement that could require the Issuer to provide funding under the arrangement and the triggering events or circumstances that could cause them to arise; and

(e) any known event, commitment, trend or uncertainty that may affect the availability or benefits of the arrangement (including any termination) and

the course of action that management has taken, or proposes to take, in response to any such circumstances.

Instruction:

(1) Off-balance sheet arrangements include any contractual arrangement with an entity not reported on a consolidated basis with the Issuer, under which the Issuer has

- (a) any obligation under certain guarantee contracts;
- (b) a retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement that serves as credit, liquidity or market risk support to that entity for the assets;
- (c) any obligation under certain derivative instruments; or
- (d) any obligation under a material variable interest held by the Issuer in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Issuer, or engages in leasing, hedging or, research and development services with the Issuer.

(2) Contingent liabilities arising out of litigation, arbitration or regulatory actions are not considered to be off-balance sheet arrangements.

(3) Disclosure of off-balance sheet arrangements should cover the most recently completed financial year. However, the discussion should address changes from the previous year where such discussion is necessary to understand the disclosure.

(4) The discussion need not repeat information provided in the notes to the financial statements if the discussion clearly cross-references to specific information in the relevant notes and integrates the substance of the notes into the discussion in a manner that explains the significance of the information not included in the MD&A.

Off-Balance- Sheet Arrangements

The Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on its results of operations or financial condition, including, without limitation, such considerations as liquidity, capital expenditures and capital resources that would be considered material to investors.

Transactions with Related Parties

6.10 Discuss all transactions involving related parties as defined by the Handbook.

Instruction: In discussing the Issuer's transactions with related parties, the discussion should include both qualitative and quantitative characteristics that are necessary for an understanding of the transactions' business purpose and economic substance. Management should discuss

(a) the relationship and identify the related person or entities;
(b) the business purpose of the transaction;

(c) the recorded amount of the transaction and the measurement basis used; and
(d) any ongoing contractual or other commitments resulting from the transaction.

Related Party Transactions

Related parties include the Board of Directors, officers and members of close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Related party transactions conducted in the normal course of operations are measured at the transaction amount. Remuneration of directors and key management of the Company was as follows:

	Years ended December 31,	
	2022	2021
	$	$
Salaries and benefits	$23,450	$26,486
Share-based payments	$27,533	$27,533

For the year ended December 31, 2022, the total exploration and evaluation expenditures included in salaries and benefits in the above table was $8,625 (2021 - $6,688). The balance of $14,825 (2021 - $18,537) was charged to administration expense. The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

As at December 31, 2022, the accounts payable and accrued liabilities is $Nil (2021 -$Nil) and $Nil was owing to directors and officers of the Company.

Transactions Business Purpose:

Raymond Davies: President. Planning and direction.
Head office administrative and exploration work.

Alan W. Davies: V-P Exploration, Planning and direction.
Head office administrative and exploration work.

Maria Grimes Corporate Secretary and Interim CFO, Bookkeeping
preparation of Financial and MDA reports

Directors and Officers are self-employed. Time charges for Administrative and exploration work as well as expenses incurred on behalf of the Company are invoiced to Talmora Diamond Inc.

Fourth Quarter

6.11 Discuss and analyze fourth quarter events or items that affected the Issuer's financial condition, cash flows or results of operations, including extraordinary items, year-end and other

Please refer to Item 6.6 Summary of Quarterly Results

Proposed Transactions

6.12 Discuss the expected effect on financial condition, results of operations and cash flows of any proposed asset or business acquisition or disposition if the Issuer's board of directors, or senior management who believe that confirmation of the decision by the board is probable, have decided to proceed with the transaction. Include the status of any required shareholder or regulatory approvals.

Changes in Accounting Policies including Initial Adoption

6.13 Discuss and analyze any changes in the Issuer's accounting policies, including
(a) for any accounting policies that management has adopted or expects to adopt subsequent to the end of the most recently completed financial year, including changes management has made or expects to make voluntarily and those due to a change in an accounting standard or a new accounting standard that you do not have to adopt until a future date,

(i) describe the new standard, the date the Issuer required to adopt it and, if determined the date the Issuer plans to adopt it;

(ii) disclose the methods of adoption permitted by the accounting standard and the method management expects to use;

(iii) discuss the expected effect on the Issuer's financial statements, or if applicable state that management cannot reasonably estimate the effect; and

(iv) discuss the potential effect on the Issuer's business, for example technical violations or default of debt covenants or changes in business practices; and

(b) for any accounting policies that management has initially adopted during the most recently completed financial year,

(i) describe the events or transactions that gave rise to the initial adoption of an accounting policy;

(ii) describe the accounting principle that has been adopted and the method of applying that principle;

(iii) discuss the effect resulting from the initial adoption of the accounting policy on the Issuer's financial condition, changes in financial condition and results of operations;

(iv) if the Issuer is permitted a choice among acceptable accounting principles,

(A) state that management made a choice among acceptable alternatives;

(B) identify the alternatives;

(C) describe why management made the choice that you did; and

(D) discuss the effect, where material, on the Issuer's financial condition, changes in financial condition and results of operations under the alternatives not chosen; and

(v) if no accounting literature exists that covers the accounting for the events or transactions giving rise to management's initial adoption of the accounting policy, explain management's decision regarding which accounting principle to use and the method of applying that principle.

Instruction: Management does not have to present the discussion under paragraph 6.13(b) for the initial adoption of accounting policies resulting from the adoption of new accounting standards.

New Accounting Pronouncements:

BASIS OF PRESENTATION

STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Committee ("IFRIC"). These policies set out in the financial statements were consistently applied to all periods unless otherwise noted.

These financial statements have been prepared on the historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Significant Accounting Judgements and Estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The inputs used in accounting for share-based payment transactions. Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. These assumptions are based largely on historical trends and management's expectations of the future. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- Management assumption of no material restoration, rehabilitation and environmental obligations, based on the facts and circumstances that existed during the periods. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities

- In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Where applicable tax laws and regulations are either unclear or subject to ongoing

varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

- The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the reporting date. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Significant Accounting Policies

Functional and presentation currency

The Company's presentation and functional currency is the Canadian dollar ("$"). The Company does not have any foreign operations. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at period end exchange rates are recognized in the statement of loss.

Flow through shares

The Company finances a portion of its project exploration and evaluation activities through the issuance of flow-through shares. Under the terms of the flow-through common share issuances, the tax attributes of the related expenditures are renounced to investors and deferred income tax expense and income tax liabilities are increased by the estimated income tax benefits renounced by the Company to the investors. On the date of issuance of the flow-through shares, the premium relating to the proceeds received in excess of the fair value of the Company's common shares is allocated to liabilities. The premium liability is reduced during the period of renunciation. The reduction to the premium liability in the period of renunciation is recognized through net loss.

Where the Company has unused tax benefits on loss carry forwards and tax pools in excess of book value available for deduction, the Company offsets the increase in deferred tax liabilities

resulting in an offsetting recovery of deferred income taxes being recognized through net loss in the reporting period.

Segment reporting
An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The Company currently operates in one business segment, being the exploration and evaluation of resource properties. All of the Company's assets are located in Canada.

Share-based payment
Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the stock options and share-based payment reserve.

Share-based payment
Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the stock options and share-based payment reserve.

The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For those options and warrants that expire after vesting, the recorded value is transferred to deficit.

Deferred tax
Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. The issued and outstanding stock options and warrants were not included in the calculation of diluted loss per share for the periods presented, as their effect would be anti-dilutive.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position are comprised of cash at banks, on hand, short-term deposits with an original maturity of three months or less, and guaranteed investment certificates which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts and guaranteed investment certificates that are available on demand by the Company for its programs. The Company does not invest in any asset-backed deposits/investments. As at December 31, 2022, the Company had cash and cash equivalents of $13,062 (2021 - $222.)

Share capital

Common shares are classified as equity. Costs directly attributable to the issue of new shares and warrants are shown in equity as a deduction, net of tax benefits received, if any, from proceeds.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. A change in estimate of a recognized provision or liability would result in a charge or credit to operations in the period in

which the change occurs, with the exception of decommissioning and restoration costs described below.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

Where discounting is used, the increase in the provision due to the passage of time referred to as "unwinding of discount" is recognized in the statement of loss as a finance cost.

Decommissioning and restoration provisions
The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground / environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the statement of loss as a finance cost.

Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in the statement of loss.

The Company does not currently have any such significant legal or constructive obligations and therefore no decommissioning liabilities have been recorded as at December 31, 2022, and December 31, 2021.

Contingent assets are not recognized in the financial statements but they are disclosed by way of a note if they are deemed probable.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company. Contingent liabilities are recognized in the financial statements unless the possibility of an outflow of economic resources is considered remote, uncertain, difficult to quantify or the events giving rise to such contingent liabilities occur subsequent to the reporting date. In these cases, they are disclosed in the notes to the financial statements.

Exploration and evaluation expenditures
The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and exploration and evaluation activity.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Farm-outs in the exploration and evaluation phase the Company does not record any expenditures made by the farmee on its account. Any cash consideration received directly from the farmee is credited to the statement of loss.

Financial assets and liabilities

Financial assets

Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either Fair Value through Profit or Loss ("FVPL") or Fair Value through Other Comprehensive Income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. The Company has classified sundry receivables at amortized cost.

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in statement of (loss)

Subsequent measurement – financial assets at FVPL
Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the

statements of financial position with changes in fair value recognized in other income or expense in the statement of (loss). The Company does not measure any financial assets at FVPL.

Subsequent measurement – financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of (loss) when the right to receive payments is established.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets
The Company's only financial assets subject to impairment are sundry receivables, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, sundry receivables have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs

that are an integral part of the EIR. The EIR amortization is included in finance cost in the statement of (loss).

Classification of financial instruments

The following table shows the classification under IFRS 9 for the Company's financial instruments:

	Classification
Cash	Amortized cost
Sundry receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

NEW AND FUTURE ACCOUNTING STANDARDS

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on January 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded.

5. NEW AND FUTURE ACCOUNTING STANDARDS

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on January 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 10 - Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

Commitments and Contingencies

Flow-Through

The Company has agreed to indemnify the subscribers of its flow-through shares for any tax-related consequences that become payable by them, if the Company failed to meet its expenditure commitment. The company had no flow-through expenditure requirements in 2022 and 2021.

Environmental Contingencies
The Company's exploration activities are subject to various laws and regulations, governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

COVID-19
The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

The effect of Covid-19 over the last two years affected the planning and carrying out work in the Northwest Territories and on the Seahorse Project in particular. The project area is remote, lacking infrastructure and reliant on a few suppliers, who could not operate as normal. Local communities did not welcome "outsiders" and Talmora had to plan and abide by measures to protect the health and safety of Northerners as requested by authorities. The nonstop protocal directives changes coming from multiple public health and other authorities to contract the spread of Covid-19 made a field program impossible

Financial Instruments and Other Instruments

6.14 For financial instruments and other instruments,

(a) discuss the nature and extent of the Issuer's use of, including relationships among, the instruments and the business purposes that they serve;

(b) describe and analyze the risks associated with the instruments;

(c) describe how management manages the risks in paragraph (b), including a discussion of the objectives, general strategies and instruments used to manage the risks, including any hedging activities;

(d) disclose the financial statement classification and amounts of income, expenses, gains and losses associated with the instrument; and

(e) discuss the significant assumptions made in determining the fair value of financial instruments, the total amount and financial statement classification of the change in fair value of financial instruments recognized in income for the period, and the total amount and financial statement classification of deferred or unrecognized gains and losses on financial instruments.

Instructions:

(1) "Other instruments" are instruments that may be settled by the delivery of non-financial assets. A commodity futures contract is an example of an instrument that may be settled by delivery of non-financial assets.

(2) The discussion under paragraph 6.14(a) should enhance a reader's understanding of the significance of recognized and unrecognized instruments on the Issuer's financial position, results of operations and cash flows. The information should also assist a reader in assessing the amounts, timing, and certainty of future cash flows associated with those instruments. Also discuss the relationship between liability and equity components of convertible debt instruments.

(3) For purposes of paragraph 6.14(c), if the Issuer is exposed to significant price, credit or liquidity risks, consider providing a sensitivity analysis or tabular information to help readers assess the degree of exposure. For example, an analysis of the effect of a hypothetical change in the prevailing level of interest or currency rates on the fair value of financial instruments and future earnings and cash flows may be useful in describing the Issuer's exposure to price risk.

(4) For purposes of paragraph 6.14(d), disclose and explain the income, expenses, gains and losses from hedging activities separately from other activities.

Financial Instruments and Other Instruments

Categories of financial instruments and fair value measurement

The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an arm's length transaction between market participants at the measurement date. When appropriate, the Company adjusts the valuation models to incorporate a measure of credit risk.

The Company classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The Company does not have any Level 3 financial instruments.

The Company did not have any financial instruments carried at fair value as at December 31, 2022 and 2021.

The carrying values of the Company's financial assets and financial liabilities approximate fair values given their short-term nature.

The Company is exposed to a variety of financial risks: credit risk, liquidity risk, property risk, and market risk, including price risk, interest rate and currency risk, as explained below. Risk management is carried out by the Company's management team with guidance from the Audit Committee and the Board of Directors. There were no changes in the Company's policies and procedures for managing risk during the years ended December 31, 2022 and December 31, 2021.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2022, the Company had cash in the amount of $13,062 (2021 $222) to settle current liabilities of $NIL (2021 - $NIL).

Credit Risk

The Company has no significant concentration of credit risk arising from operations. Cash equivalents, when applicable, consist of guaranteed investment certificates, which will be invested with reputable financial institutions, from which management believes the risk of loss to be remote. Management believes that the credit risk is remote.

Market Risk

(a) Interest Rate Risk

The Company may have cash equivalent balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Currently, the Company does not hedge against interest rate risk.

(b) Foreign Currency Risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk. The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

(c) Price Risk

The Company is exposed to price risk with respect to diamond prices. The Company closely monitors diamond prices to determine the appropriate course of action to be taken by the

Company. As the Company's mineral properties are in the exploration stage and do not contain any mineral resources or mineral reserves, the Company does not hedge against price risk.

Property Risk
The Company's significant mineral exploration property is the Horton River property. Unless the Company acquires or develops additional significant properties, the Company will be solely dependent upon the Horton River property. If no additional mineral exploration properties are acquired by the Company, any material development affecting the Horton River property could have a material effect on the Company's financial condition and results of operations.

Sensitivity Analysis
The Company does not anticipate any material fluctuations as a result of changes in interest or foreign currency rates.

Interim MD&A

6.15 Specify the date of the interim MD&A.

The Form 2A Listing statement is current as at December 31, 2022.
This section is therefore not applicable.

6.16 Interim MD&A must update the Issuer's annual MD&A for all disclosure required by sections 6.2 to 6.14 except sections 6.3 and 6.4. This disclosure must include

(a) a discussion of management's analysis of

(i) current quarter and year-to-date results including a comparison of results of operations and cash flows to the corresponding periods in the previous year;

(ii) changes in results of operations and elements of income or loss that are not related to ongoing business operations;

(iii) any seasonal aspects of the Issuer's business that affect its financial condition, results of operations or cash flows; and

(b) a comparison of the Issuer's interim financial condition to the Issuer's financial condition as at the most recently completed financial year-end.

Instruction:
(1) For the purposes of paragraph (b), do not duplicate the discussion and analysis of financial condition in the annual MD&A. For example, if economic and

industry factors are substantially unchanged the interim MD&A may make a statement to this effect.

(2) For the purposes of subparagraph (a)(i), you should generally give prominence to the current quarter.

(3) In discussing the Issuer's balance sheet conditions or income or cash flow items for an interim period, you do not have to present a summary, in tabular form, of all known contractual obligations contemplated under section 6.7. Instead, you should disclose material changes in the specified contractual obligations during the interim period that are outside the ordinary course of the Issuer's business.

(4) Interim MD&A is not required for the Issuer's fourth quarter as relevant fourth quarter content will be contained in the Issuer's annual MD&A.

This section is not applicable.

Additional Disclosure for Issuers without Significant Revenue

6.17

(1) Unless the information is disclosed in the financial statements to which the annual or interim MD&A relates, an Issuer that has not had significant revenue from operations in either of its last two financial years must disclose a breakdown of material components of

(a) capitalized or expensed exploration and development costs;

(b) expensed research and development costs;

(c) deferred development costs;

(d) general and administration expenses; and

(e) any material costs, whether capitalized, deferred or expensed, not referred to in paragraphs (a) through (d)

and if the Issuer's business primarily involves mining exploration and development, the analysis of capitalized or expensed exploration and development costs must be presented on a property-by-property basis.

(2) The disclosure in the annual MD&A must be for the two most recently completed financial years and the disclosure in the interim MD&A for the each year-to-date interim period and the comparative period presented in the interim statements.

Please see above, Number 6.1

7. Market for Securities

7.1 Identify the exchange(s) and quotation system(s) on which the Issuer's securities are listed and posted for trading or quoted.

The common shares of Talmora Diamond Inc. commenced trading on the Canadian Trading and Quotation System Inc. ("CNQ") on May 14, 2007 under the trading symbol "TALM". The trading symbol was changed to "**TAI**" on September 19, 2008. The CNQ" was relaunched as the Canadian National Stock Exchange "**CNSX**" on November 6, 2008. CNSX was rebranded as "CSE" Canadian Securities Exchange on January 6, 2014.

8. Consolidated Capitalization

8.1 Describe any material change in, and the effect of the material change on, the share and loan capital of the Issuer, on a consolidated basis, since the date of the comparative financial statements for the Issuer's most recently completed financial year contained in the Listing Statement.

This section is not applicable.

9. Options to Purchase Securities

9.1 State, in tabular form, as at a specified date not more than 30 days before the date of the Listing Statement, information as to options to purchase securities of the Issuer or a subsidiary of the Issuer that are held by

(a) all executive officers and past executive officers of the Issuer as a group and all directors and past directors of the Issuer who are not also executive officers as a group, indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies, without naming them;

(b) all executive officers and past executive officers of all subsidiaries of the Issuer as a group and all directors and past directors of those subsidiaries who are not also executive officers of the subsidiary as a group, in each case, without naming them and excluding individuals referred to in paragraph (a), indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies;

(c) all other employees and past employees of the Issuer as a group, without naming them;

(d) all other employees and past employees of subsidiaries of the Issuer as a group, without naming them;

(e) all consultants of the Issuer as a group, without naming them; and

(f) any other person or company, including the underwriter, naming each person or company.

Instruction:

(1) Describe the options, stating the material provisions of each class or type of option, including:
   (a) the designation and number of the securities under option;
   (b) the purchase price of the securities under option or the formula by which the purchase price will be determined, and the expiration dates of the options;
   (c) if reasonably ascertainable, the market value of the securities under option on the date of grant;
   (d) if reasonably ascertainable, the market value of the securities under option on the specified date; and
   (e) with respect to options referred to in paragraph (f) of Item 9.1, the particulars of the grant including the consideration for the grant.

(2) For the purposes of item (f) of Item 9.1, provide the information required for all options except warrants and special warrants.

Options were issued during years 2017, 2018, 2020, 2021 and 2022.

On November 28, 2017, the Company granted 3,071,000 stock options (No.11) to directors, officers and consultants at $0.05 until November 28, 2022. The stock options were assigned a value of $15,004 or approximately $0.0049, using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 237%; risk free interest rate of 1.62%; and an expected life of 5 years.

On August 31, 2018, the Company granted 1,850,000 stock options (No12) .to directors, officers and consultants at $0.05 until August 31, 2023. The stock options were assigned a value of $45,418.92 or approximately $0.025, using the Black-Scholes option pricing model with the following assumptions; expected dividend yield of 0%; expected volatility of 221%; risk free interest rate of 2.25%; and an expected life of 5 years.

The weighted average exercise price of options outstanding and exercisable at December 31, 2019 is $0.05 (2018 - $0.05) The options outstanding and exercisable as at December 31, 2019 have a weighted average remaining contractual life 2.939 years (2018 – 3.91 years).

On December 29, 2020, the Company granted 2,700,000 stock options (No.13) to directors, officers and consultants at $0.05 until December 29, 2025. The stock options were assigned a value of $53,809 or approximately $0.02 per option, using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 273%; share price of $0.02, risk free interest rate of 0.41%; and an expected life of 5 years.

The weighted average exercise price of options outstanding and exercisable at December 31, 2020 is $0.05 (2019 - $0.05). The options outstanding and exercisable as at December 31, 2020 have a weighted average remaining contractual life 3.14 years (2019 – 2.93 years).

On December 16, 2021, the Company granted 1,500,000 stock options (No.14) to directors, officers and consultants at $0.05 until December 16, 2026. The stock options were assigned a value of $29,500 or approximately $0.02 per option, using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 228%; share price of $0.02, risk free interest rate of 1.19%; and an expected life of 5 years.

The weighted average exercise price of options outstanding and exercisable at December 31, 2021 is $0.05 (2019 - $0.05). The options outstanding and exercisable as at December 31, 2021 have a weighted average remaining contractual life 2.94 years (2020 – 3.14 years).

On May 29, 2022, the Company granted 1,500,000 stock options (No.15) at $0.05 with an expiry date of May 29, 2027. The stock options were assigned a value of $22,200 or approximately $0.015 per option, using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 239%; share price of $0.15, risk free interest rate of 2.61 and an expected life of 5 years.

The weighted average exercise price of options outstanding and exercisable at December 31, 2022 is $0.05 (2021 - $0.05). The options outstanding and exercisable as at December 31, 2022 have a weighted average remaining contractual life 3.03 years (2021 – 2.94 years).

The shareholders of the Corporation have approved a revised stock option plan (the "2013 Stock Option Plan") for directors, officers, and employees of the Corporation and other persons such as consultants. The Stock Option Plan was created in order attract, retain, and motivate personnel. The number of options and the exercise price thereof is set by the board of directors of the Corporation at the time of grant, provided that the exercise price shall not be less than the current market price of shares (subject to such discounts as may be permitted). The maximum number of shares that may be reserved for issuance pursuant options granted under the 2013 Stock Option Plan will be as at December 31, 2022, 4,250,000 Common shares.

Current & Past Executive Officers	1,100,000
Current & Past Directors	2,600,000
Other Consultants	550,000
	4,250,000

10. Prior Sales

10.1 State the description or the designation each class of equity or debt securities of the Issuer and describe all material attributes and characteristics, including

(a) dividend rights;
(b) voting rights;

(c) rights upon dissolution or winding-up;
(d) pre-emptive rights;
(e) conversion or exchange rights;
(f) redemption, retraction, purchase for cancellation or surrender provisions;
(g) sinking or purchase fund provisions;
(h) provisions permitting or restricting the issuance of additional securities and any other material restrictions;

(i) provisions requiring a securityholder to contribute additional capital;
(j) provisions for interest rate, maturity, and premium, if any of debt securities;
(k) the nature and priority of any security for debt securities, briefly identifying the principal properties subject to lien or charge;
(l) any material negative covenants, including restrictions against payment of dividends and restrictions against giving security on the assets of the Issuer or its subsidiaries, and provisions as to the release or substitution of assets securing debt securities;
(m) the name of the trustee under any indenture relating to debt securities and the nature of any material relationship between the trustee or any of its affiliates and the issuer or any of its affiliates; and
(n) any financial arrangements between the Issuer and any of its affiliates or among its affiliates that could affect the security for the indebtedness..

The Corporation is authorized to issue an unlimited number of shares. Upon completion of the amalgamation, the Corporation had 16,394,935 shares issued and outstanding, and 3,250,000 Warrants issued and outstanding.

The holder of shares of the Corporation will be entitled to one vote for each share held on all matters to be voted on by such holders and are entitled to receive pro rata such dividends as may be declared by the board of directors of the Corporation out of funds legally available therefore and to receive pro rata the remaining property of the Corporation on dissolution. The holders of shares have no pre-emptive or conversion rights. The rights attaching to the shares can only be modified by the affirmative vote of at least two-thirds of the votes cast at a meeting of shareholders called for that purpose. (Series-1)
*****

On April 18, 2007, Talmora Diamond completed a private placement of 1,300,000 Units, comprised of 170,000 Hard Dollar Units and 1,130,000 Flow-Through Units, that were sold at $0.10 per Unit, for total proceeds of $130,000. Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant ("CDL Warrant") entitled the holder to acquire one common share for $0.16 until April 18, 2009. If during the term of the Warrants the Common Shares of Talmora are listed and trade at or above Can. $0.25 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 were subject to a four month hold period which expired on August 19, 2007. Insiders acquired a total of 350,000 Units in the financing.
Series-II warrants expired on April 18, 2009 without being exercised. (Series-2)
*****

On December 28, 2007, the Company closed another private placement financing for 3,160,000 non-flow-through units and 920,000 flow-through units at a price of $0.10 per unit for total gross proceeds of $408,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant was exercisable at $0.20 per common share until December 28, 2009.. If during the term of the Warrants the Common Shares of Talmora are listed and trade at or above Can. $0.40 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 were subject to a four month hold period which expired on April 29, 2008. Insiders acquired a total of 1,020,000 Units in the financing. Series III warrants expired on December 29, 2009 without being exercised. (Series-3)

The grant date fair value of the warrants of $80,200 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk free interest rate of 4.1%; and expected life of two years.
*****

During the year ended December 31, 2008, the Company renounced flow-through expenditures in the amount of $205,000 (2007 - $370,000) with respect to flow-through financings that occurred during the year ended December 31, 2007 (2007 – year ended December 31, 2006), creating a future income tax liability of $59,450 (2007 - $120,250), of which $50,450 (2007 - $68,550) was allocated as a cost of issuing the flow-through shares and $9,000 (2007 - $51,700) was allocated as a cost of issuing warrants.
*****

On June 3, 2009, the Company closed a private placement financing for 3,318,571 non-flow-through units and 2,800,000 flow-through units at a price of $0.05 per unit for total gross proceeds of $305,929. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant was exercisable at $0.16 per common share until June 3, 2011. The warrants issued as part of a flow-though unit are exercisable into flow-through shares. If during the term of the Warrants the Common Shares of Talmora are listed and trade at or above Can. $0.25 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 were subject to a four month hold period which expired on October 04, 2009. Insiders acquired a total of 1,850,000 Units in the financing. (Series-4)

The grant date fair value of the warrants of $40,383 or $0.01 per whole warrant was estimated using the Black-Scholes option pricing model with the following assumptions:

expected dividend yield of 0%; expected volatility of 116%; risk free interest rate of 2.25%; and expected life of two years.

In connection with the financing the Company paid $7,400 in finders' and consultants fees and $5,688 in legal fees of which $1,850 was allocated to the warrants.
*****

On November 12, 2009 the Company closed a private placement financing for 3,299,173 non-flow-through units and 2,490,000 flow-through units at price of $0.05 per unit for total gross proceeds of $289,459. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant are exercisable at $0.16 per common share until November 12, 2011. The warrants issued as part of a flow-through unit are exercisable into flow-through shares. If during the term of the Warrants the Common Shares of Talmora are listed and trade at or above Can. $0.25 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 were subject to a four month hold period which expires on March 13, 2010. Insiders acquired a total of 1,750,000 Units in the financing. (Series-5)

The grant date fair value of the warrants of $38,209 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 116%; risk free interest rate of 2.25%; and expected life of two years

In connection with the financing the Company paid $3,000 in finders' fees and legal fees of $4,516 of which $750 was allocated to the warrants.
*****

On December 28, 2010, the Company closed a private placement financing for 2,100,000 non flow-through units and 1,200,000 flow-through units at price of $0.05 per unit for total gross proceeds of $165,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant is exercisable at $0.16 per common share until December 28, 2012. If during the term of the Warrants the Common Shares of Talmora are listed and trade at or above Can. $0.25 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 were subject to a four month hold period which expires on April 29, 2011. Insiders acquired a total of 1,820,000 Units in the financing. (Series-6)

The grant date fair value of the warrants of $16,300 or $0.01 per whole warrant, was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 97%; risk free interest rate of 1.69%; and expected life of two years.

In connection with the financing, the Company incurred legal fees of $1,200.
*****

During the year ended December 31, 2010, the Company renounced flow-through expenditures in the amount of $264,500 with respect to flow-through financings that occurred during the year ended December 31, 2009. (Series-4 and Series-5)
*****

On July 8, 2011, the Company closed a private placement financing for 8,000,000 units, comprised of 4,000,000 non-flow-through units and 4,000,000 flow-through units that were sold at $0.05 per unit, for gross proceeds of $400,000. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share for $0.10 until July 8, 2013. If during the term of the warrants, the common shares of Talmora trade at or above $0.20 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. (Series-7)

The grant date fair value of the warrants of $52,449 or $0.01 per whole warrant was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 95%; risk free interest rate of 1.51%; and expected life of two years. A cash commission of $7,250 was paid on the brokered part of the financing.

Directors and officers of the Company acquired a total of 2,549,820 units pursuant to this financing, for gross proceeds of $127,491.
*****

During the year ended December 31, 2011, the Company renounced flow-through expenditures in the amount of $60,000 with respect to flow-through financings that occurred during the year ended December 31, 2010. The $60,000 of expenditures were incurred prior to December 31, 2011. (Series-6)
*****

During the year ended December 31, 2011, renounced flow-through expenditures in the amount of $200,000 to investors with an effective date of December 31, 2011. Of this amount, $171,600 was incurred to December 31, 2011. The remaining balance of $28,400 of exploration expenditures were incurred to March 31, 2012. (Series-7)
*****

On April 16, 2012, the Company closed a private placement financing for 3,000,000 units, comprised of 1,200,000 non-flow-through units and 1,800,000 flow-through units that were sold at $0.05 per unit, for gross proceeds of $150,000. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share for $0.10 until April 16, 2014. If during the term of the warrants, the common shares of Talmora trade at or above $0.20 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. (Series-8)

The grant date fair value of the warrants of $34,768 or $0.02 per whole warrant was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 159%; risk free interest rate of 1.23%; and expected life of two years. A cash commission of $1,500 was paid on the brokered part of the financing.

Directors and officers of the Company acquired a total of 1,500,000 units pursuant to this financing, for gross proceeds of $75,000.
*****

On July 24, 2012, the Company closed a private placement financing for 5,600,000 units, comprised of 1,700,000 non-flow-through units and 3,900,000 flow-through units that were sold at $0.05 per unit, for gross proceeds of $280,000. Each unit consisted of one common share and one of one common share purchase warrant. Each whole common share puchase warrant entitles the holder to acquire one common share for $0.05 until July 24, 2013. If during the term of the warrants, the common shares of Talmora trade at or above $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. (Series-9)

The grant date fair value of the warrants of $86,278 or $0.015 per whole warrant was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 145%; risk free interest rate of 0.95%; and expected life of one year. A cash commission of $2,500 was paid on the brokered part of the financing.

Directors and officers of the Company acquired a total of 2,740,000 units pursuant to this financing, for gross proceeds of $137,000.
*****

During the year ended December 31, 2012, the Company renounced flow-through expenditures in the amount of $195,000 with respect to flow-through financing of July, 2012. The Company has agreed to indemnify the subscribers of its flow-through shares for any tax-related amounts that become payable by them, if the Company fails to meet its expenditure commitments. (Series-9).
*****

On September 16, 2013, the Company closed a private placement financing for 903,789 units, comprised of 526,509 non-flow-through units that were sold at $0.03 per unit, and 377,280 flow-through units that were sold at $0.04 per unit, for gross proceeds of $30,886. Each unit consisted of one common share and one common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share for $0.05 until September 16, 2014. If during the term of the warrants, the common shares of the Company trade at or above $0.10 for a period of 20 consecutive trading days, the Company may notify the warrant holders to exercise the warrants at a date no later

than 30 calendar days after this notification date or the unexercised warrants will expire. (Series-11)

The grant date fair value of the warrants of $8,250 or approximately $0.01 per whole warrant was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 173%; risk free interest rate of 1.23%; and a life of one year.

Directors and officers of the Company acquired a total of 320,000 units pursuant to this financing, for gross proceeds of $12,100.
*****

During the year ended December 31, 2013, the Company renounced flow-through expenditures in the amount of $15,091.20 to investors with respect to flow through financing of September 16, 2013. The Company has agreed to indemnify the subscribers of its flow-through shares for any tax-related consequences that become payable by them, if the Company failed to meet its expenditure commitment. (Reference to Flow-Through Series-11.)
*****

On March 21, 2014 the Company closed a non-brokered private placement of 3,307,333 units comprised of 3,180,053 Hard-Dollar Units at $0.03 per unit and 127,280 Flow-Through Units at $0.04 per unit, for gross proceeds of $100,493. Each unit consisted of one common share and one common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire a common share at a price of $0.05 until March 21, 2015. Directors and officers of the Company acquired a total of 2,750,000 units in the financing. (Series-12)

The grant date fair value of the warrants of $34,156 or approximately $0.01 per whole warrant was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 201%; risk free interest rate of .48%; and a life of one year.

Directors and officers of the Company acquired a total of 2,750,000 units pursuant to this financing, for gross proceeds of $83,000.

The warrants that were issued pursuant to the private placement on March 21, 2014 with an exercise price of $0.05 per common share were extended for 12 months to March 21, 2016. All other terms of the warrants remained the same.
*****

During the year ended December 31, 2014, the Company renounced flow-through expenditures in the amount of $5,091 to investors with respect to flow through financing of March 21, 2014. The Company has agreed to indemnify the subscribers of its flow-through shares for any tax-related consequences that become payable by them, if the Company failed to meet its expenditure commitment. (Reference to Flow Through Series-12.)
*****

On May 4, 2016, the Company closed a non-brokered private placement of 4,100,000 Hard Dollar Units at $0.02 per unit for gross proceeds of $82,000. Each unit consisted of one common share purchase. There were no common share purchase warrants attached to this subscription. (Series-13.)

Directors and officers of the Company acquired a total of 3,300,000 units pursuant to this financing, for gross proceeds of $66,000
****

On December 16, 2016, the Company granted stock options (No.10) to acquire 2,300,000 common shares of the Company at an exercise price of $0.05 per share, which expire on December 16, 2021. These options vest immediately.

The weighted average exercise price of options outstanding and exercisable at December 31, 2016 is $0.05 (December 31, 2015 is $0.05.) The options outstanding and exercisable as at December 31, 2016 have a weighted average remaining contractual life 1.664 years and 1.664 years (2015, 1.65 years and 1.65 year) respectively.
****

On November 28, 2017, the Company granted 3,071,000 stock options (No.11) to directors, officers and consultants at $0.05 until November 28, 2022. The stock options were assigned a value of $15,004 or approximately $0.0049, using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 237%; risk free interest rate of 1.62%; and an expected life of 5 years.

The weighted average exercise price of options outstanding and exercisable at December 31, 2017 is $0.05 (2016- $0.05.) The options outstanding and exercisable as at December 31, 2017 have a weighted average remaining contractual life 4.10 years (2016 – 2.55 years).
****

On August 31, 2018, the Company granted 1,850,000 stock options (No.12) to directors, officers and consultants at $0.05 until August 31, 2023. The stock options were assigned a value of $45,418.92 or approximately $0.025, using the Black-Scholes option pricing model with the following assumptions; expected dividend yield of 0%; expected volatility of 221%; risk free interest rate of 2.25%; and an expected life of 5 years.

The weighted average exercise price of options outstanding and exercisable at December 31, 2019 is $0.05 (2018 - $0.05) The options outstanding and exercisable as at December 31, 2019 have a weighted average remaining contractual life 2.93 years (2018 – 3.91years).

As at December 31, 2019, there are 70,404,801 outstanding common shares.
****

On December 29, 2020, the Company granted 2,700,000 stock options (No.13) to directors, officers and consultants at $0.05 until December 29, 2025. The stock options were assigned a value of $53,809 or approximately $0.02, using the Black-Scholes option pricing model with the following assumptions; expected dividend yield of 0%; expected volatility

of 273%; share price of $0.02; risk free interest rate of 0.41%; and an expected life of 5 years.

The weighted average exercise price of options outstanding and exercisable at December 31, 2020 is $0.05 (2019 - $0.05) The options outstanding and exercisable as at December 31, 2020 have a weighted average remaining contractual life 3.14 years (2019 – 2.93years).

As at December 31, 2020, there are 71,682,801 outstanding common shares.
****

On December 16, 2021, the Company granted 1,500,000 stock options (No.14) to directors, officers and consultants at $0.05 until December 16, 2026. The stock options were assigned a value of $29,500 or approximately $0.02 per option, using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 228%; share price of $0.02, risk free interest rate of 1.19%; and an expected life of 5 years.

The weighted average exercise price of options outstanding and exercisable at December 31, 2021 is $0.05 (2019 - $0.05). The options outstanding and exercisable as at December 31, 2021 have a weighted average remaining contractual life 2.94 years (2020 – 3.14 years).

As at December 31, 2021, there are 72,682,801 outstanding common shares.
****

On May 29, 2022, the Company granted 1,500,000 stock options to a director at $0.05 until May 29, 2027. The stock options were assigned a value of $22,200, or approximately $0.015 per share, using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 239%; share price of $0.015, risk free interest rate of 2.61%; and an expected life of 5 years.

The weighted average exercise price of options outstanding and exercisable at December 31, 2022, is $0.05 (2021- $0.05). The options outstanding and exercisable as at December 31, 2022, have a weighted average remaining contractual life 3.03 years (2021 – 2.94 years).

As at December 31, 2022, there are 74,182,801 outstanding common shares.

****

a) Warrants:

As at December 31, 2021, there were no warrants outstanding. All warrants expired by March 21, 2016, unexercised.

Summary of Expired Warrants

			$	
June 2006	Series-1	3,250,000	0.16	Expired June 30, 2008
April 2007	Series-2	650,000	0.16	Expired April 18, 2009

December, 2007	Series-3	2,040,000	0.20	Expired Dec. 28, 2009
June 3, 2009	Series-4	3,059,286	0.16	Expired June 4, 2011
November 12, 2009	Series-5	2,894,586	0.16	Expired Nov. 12, 2011
December, 2010	Series-6	1,650,000	0.16	Expired Dec. 28, 2012
July 8, 2011	Series-7	4,000,000	0.10	Expired July 8, 2013
July 24, 2013	Series-9	3,420,000	0.05	Expired July 24, 2013
April 16, 2012	Series-8	1,500,000	0.10	Expired April 16, 2014
Cancelled	Series-10	0.00	0.00	
September 16, 2013	Series-11	653,789	0.05	Expired Sept.16, 2014
March 21, 2014	Series -12	1,207,333	0.05	Expired March 21, 2016

Stock Options

The Company has a stock option plan under which officers, directors, employees, and consultants are eligible to receive stock options. The aggregate number of shares to be issued upon exercise of all options granted under the plan may not exceed 10% of the outstanding shares of the Company. Options granted under the plan generally have a term of five years and vest at terms to be determined by the directors at the time of grant. The exercise price of each option is fixed by the board of directors but shall not be less than the price permitted by any stock exchange on which the Company's common shares may be listed which is generally the trading price of the Company's stock at or about the grant date of the options.

As at December 31, 2022, the following options were issued and outstanding:

Options Granted #	Options Exercisable #	Exercise Price $	Expiry Date	Remaining Contractual Life (years)	Value $
1,250,000	1,250,000	0.05	August 31, 2023	0.66	36,688
1,000,000	1,000,000	0.05	December 29, 2025	2.99	19,929
500,000	500,000	0.05	December 16, 2026	3.96	9,833
1,500,000	1,500,000	0.05	May 29, 2027	4.41	22,200
4,250,000	4,250,000	0.05		3.03	82,650

On August 31, 2018, the Company granted 1,850,000 stock options (No.12) to directors, officers and consultants at $0.05 until August 31, 2023. The stock options were assigned a value of $45,418.92 or approximately $0.025, using the Black-Scholes option pricing model with the following assumptions; expected dividend yield of 0%; expected volatility of 221%; risk free interest rate of 2.25%; and an expected life of 5 years.

The weighted average exercise price of options outstanding and exercisable at December 31, 2018 is $0.05 (2017 - $0.05) The options outstanding and exercisable as at December 31, 2018 have a weighted average remaining contractual life 3.91 years (2017 – 4.10 years).

The weighted average exercise price of **all** options outstanding and exercisable at December 31, 2019 is $0.05 (2018 - $0.05) The options outstanding and exercisable as at December 31, 2019 have a weighted average remaining contractual life 2.93 years (2018 – 3.91 years).

On December 29, 2020, the Company granted 2,700,000 stock options (No.13) to directors, officers and consultants at $0.05 until December 29, 2025. The stock options were assigned a value of $53,809 or approximately $0.02 per option, using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 273%; share price of $0.02, risk free interest rate of 0.41%; and an expected life of 5 years.

The weighted average exercise price of options outstanding and exercisable at December 31, 2020 is $0.05 (2019 - $0.05). The options outstanding and exercisable as at December 31, 2020 have a weighted average remaining contractual life 3.14 years (2019 - 2.93 years).

On December 16, 2021, the Company granted 1,500,000 stock options (No.14) to directors, officers and consultants at $0.05 until December 29, 2025. The stock options were assigned a value of $53,809 or approximately $0.02 per option, using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 273%; share price of $0.02, risk free interest rate of 0.41%; and an expected life of 5 years.

The weighted average exercise price of options outstanding and exercisable at December 31, 2020 is $0.05 (2019 - $0.05). The options outstanding and exercisable as at December 31, 2020 have a weighted average remaining contractual life 3.14 years (2019 - 2.93 years).

On May 29, 2022, the Company granted 1,500,000 stock options (No.15) to a director, $0.05 until May 29, 2027, The stock options were assigned a value of $22,200 or approximately $0.015 per option, using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 239%; share price of $0.015, risk free interest rate of 2.61%; and an expected life of 5 years.

The weighted average exercise price of options outstanding and exercisable at December 31, 2022, is $0.05 (2021 - $0.05). The options outstanding and exercisable as at December 31, 2022 have a weighted average remaining contractual life 3.03 years (2021 - 2.94 years).

10.2 State the prices at which securities of the same class as the securities to be listed have been sold within the 12 months before the date of the Listing

Statement, or are to be sold, by the Issuer or any Related Person and the number of securities of the class sold or to be sold at each price

Instruction: In the case of sales by a Related Person, the information required under Item 10.2 may be given in the form of price ranges for each calendar month.

Sales of securities of the Corporation within 12 months before this December 31, 2022. Updated Listing Statement are described in Section 10.1 above.

(i) On January 13, 2022 1,000,000 options (No.14) were exercised by a director at $0.05 netting the Company $50,000.

(ii) On May 24, 2022, 2500,000 options (No.13) were exercised by a director at $0.05 netting the Company $25,000.

10.3 Stock Exchange Price

(1) If shares of the same class as the shares to be listed were or are listed on a Canadian stock exchange or traded on a Canadian market, provide the price ranges and volume traded on the Canadian stock exchange or market on which the greatest volume of trading generally occurs.

This section is not applicable.

(2) If shares of the same class as the shares to be listed were or are not listed on a Canadian stock exchange or traded on a Canadian market, provide the price ranges and volume traded on the foreign stock exchange or market on which the greatest volume of trading generally occurs.

This section is not applicable.

(2) Information is to be provided on a monthly basis for each month or, if applicable, part month, of the current quarter and the immediately preceding quarter and on a quarterly basis for the next preceding seven quarters.

Information from CNSX monthly reports

2021	Trading Volume	Trades	Hi	Low	Value
31-Jan-21	No activity				
28-Feb-21	3,603,354	346	0.15	0.015	206.813
31-Mar-21	742,671	34	0.04	0.025	23,658
30-Apr-21	438,431	34	0.045	0.025	13,611
31-May-21	283,400	24	0.04	0.02	7,413
30-Jun-21	38,720	7	0.03	0.025	1,142
31-Jul-21	449,000	12	0.03	0.02	9,535
31-Aug-21	3,498	4	0.02	0.02	70
30-Sep-21	-				
31-Oct-21	220,000	7	0.025	0.025	4,825
30-Nov-21	500	1	-	-	10
31-Dec-21	321,214		0.02	0.02	6,424

2022	Trading Volume	Trades	Hi	Low	Value
31-Jan-22	378,950	23	0.04	0.02	
28-Feb-22	474,741	26	0.035	0.015	10,239
31-Mar-22	86,855	30	0.03	0.02	1,999
30-Apr-22	55,437	22	0.03	0.02	1,231
31-May-22	474,751	26	0.035	0.015	10,239
30-Jun-22	98,716	12	0.025	0.01	1,564
31-Jul-22	25,030	14	0.02	0.01	290
31-Aug-22	33,097	6	0.015	0.01	366
30-Sep-22	61,116	8	0.02	0.01	922
31-Oct-22	51,007	6	0.02	0.02	1,020
30-Nov-22	1,742	5	0.01	0.01	20
31-Dec-22	76,000	15	0.02	0.01	1,380
2023					
31-Jan-23	404,000	8	0.02	0.01	5,430

11. Escrowed Securities

11.1 State as of a specified date within 30 days before the date of the Listing Statement, in substantially the following tabular form, the number of securities of each class of securities of the Issuer held, to the knowledge of the Issuer, in escrow (which, for the purposes of this Form includes any securities subject to a pooling agreement) and the percentage that number represents of the outstanding securities of that class. In a note to the table, disclose the name of the depository, if any, and the date of and conditions governing the release of the securities from escrow.

ESCROWED SECURITIES
As at December 31, 2022

Designation of class held in escrow	Number of securities held in escrow	Percentage of class
Common shares	Nil	
Share purchase warrant	Nil	

The depository is Computershare Trust Company of Canada which acts as transfer agent and registrar for the Shares of the Corporation, and is located at 530 8th Avenue S.W., 6th Floor, Calgary, Alberta, T2P 3S8.

12. Principal Shareholders

12.1 (1) Provide the following information for each principal shareholder of the Issuer as of a specified date not more than 30 days before the date of the Listing Statement:

As at December 31, 2022

(a) Name.

Raymond Davies is the only principal shareholder of the Issuer.

(b) The number or amount of securities owned of the class to be listed

At December 31, 2022 Raymond Davies owned 27,598,866 common shares and NIL share purchase warrants and had options on 1,500,000 common shares.

(c) Whether the securities referred to in subsection 12(1) (b) are owned both of record and beneficially, of record only, or beneficially only.

The above securities are owned both of record and beneficially.

(d) The percentages of each class of securities known by the Issuer to be owned.

At December 31, 2022
This represents 37.204% of common shares, NIL % of the share purchase warrants and 35.29% of the options on common shares.

(2) If the Issuer is requalifying following a fundamental change or has proposed an acquisition, amalgamation, merger, reorganization or arrangement, indicate, to the extent known, the holding of each person of company described in paragraph (1) that will exist after giving effect to the transaction.

The Corporation requalified following an amalgamation between Talmora Resources Inc. and Canadian Diamind Limited.

Prior to the amalgamation, Raymond Davies was the President and director of Talmora Resources Inc. and owned 14.4% of the issued and outstanding shares of Talmora Resources Inc. Mr. Davies also acted as the director of Canadian Diamind, and owned 10.9% of the issued and outstanding shares of Canadian Diamind.

Pursuant to the amalgamation,

(a) each Talmora Resources Inc. Shareholder exchanged their Shares for shares of the Corporation ("Shares") on the basis of one (1) Share for every one (1) Talmora Resources Inc. Share, resulting in 5,142,105 Shares being issued to Talmora Resources Inc. Shareholders;

(b) each Canadian Diamind Shareholder exchanged their Canadian Diamind Shares for Shares of the Corporation ("Shares") on the basis of one (1) Share for every five (5) Canadian Diamind Shares, resulting in 11,252,830 Shares being issued to Canadian Diamind Shareholders; and

(c) each holder of Canadian Diamind Series I Warrants exchanged their Canadian Diamind Series I Warrants on the basis of one (1) Series I Warrant for every five

(5) Canadian Diamind Series I Warrants, resulting in 3,250,000 Series I Warrants being issued to holders of Canadian Diamind Series I Warrants.

As a result, 16,394,935 Shares of Talmora were outstanding upon the effective date of the Amalgamation.

Please refer to Item 10 Prior Sales for detailed description of each class of securities of the issuer.

(3) If, to the knowledge of the Issuer, more than 10 per cent of any class of voting securities of the Issuer is held, or is to be held, subject to any voting trust or other similar agreement, disclose, to the extent known, the designation of the securities, the number or amount of the securities held or to be held subject to the agreement and the duration of the agreement. State the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.

No shares are being held subject to a voting trust or other similar agreement.

(4) If, to the knowledge of the Issuer, any principal shareholder is an associate or affiliate of another person or company named as a principal shareholder, disclose, to the extent known, the material facts of the relationship, including any basis for influence over the Issuer held by the person or company other than the holding of voting securities of the Issuer.

The only principal shareholder of the Corporation is Mr. Raymond Davies. At the time of this Listing Statement, there are no other principal shareholders of the Corporation.

(5) In addition to the above, include in a footnote to the table, the required calculation(s) on a fully-diluted basis.

Please see above.

Instruction: If a company, partnership, trust or other unincorporated entity is a principal shareholder of an Issuer, disclose, to the extent known, the name of each individual who, through ownership of or control or direction over the securities of the company or membership in the partnership, as the case may be, is a principal shareholder of the company or partnership.

13 Directors and Officers

13.1 List the name and municipality of residence of each director and executive officer of the Issuer and indicate their respective positions and offices held

with the Issuer and their respective principal occupations within the five preceding years.

Instruction: If, during the period, a director or officer has held more than one position with the Issuer or the Issuer's controlling shareholder or a subsidiary of the Issuer, state only the current position held.

Name, municipality of residence, and age	Position	Principal occupations within the five preceding years
Richard M. Hogarth Toronto, Ontario Age 90 Deceased April 2021	Chairman and Director	Richard M. Hogarth is a retired investment advisor. Mr. Hogarth was an investment advisor with Scotia McLeod Inc. and its predecessors from 1975 to 1999, and has served as a director on the boards of a number of mining resource companies, including Tombill Mines Limited, Stall Lake Mines Limited and Voyager Explorations Limited. Mr. Hogarth is a life member of the Canadian Institute of Mining, Metallurgy and Petroleum and a member of the Prospectors and Developers Association of Canada. Mr. Hogarth will spend approximately 5% of his time on the business and affairs of the Corporation.
Raymond Davies Toronto, Ontario Age 88	President, Chief Executive Officer and Director	Raymond Davies has extensive experience in the mining industry, having served as a consultant providing mining exploration services to corporations with properties in Canada, Europe, Africa, and South America. He has also served as a director and senior officer to numerous mining resource companies. He is currently a director of Ditem Explorations Inc. and Tombill Mines. His experience includes responsibility for gold exploration programs (Tombill Mines, Hayes Resources, Craskie Mines, Mingold Resources, Hudbay, Glenmore Highlands, Finngold), diamond exploration programs (DeBeers, Lytton, New Dolly Varden, Ditem, Patrician, Pure Gold, IPSCO, Glenmore, Canadian Diamind, Canadian Overseas), base metal programs (Hudson Bay Explora- tion & Development Co., Limited, Belvedere Resources) geological evaluation of nearly 400 North American coal companies, and porphyry copper, tungsten, graphite and silver projects in Mexico (Amcan). Mr. Davies holds a Bachelor of Science degree from University of Witwatersrand, South Africa, and both a master and doctoral degrees from McGill University in geology. Mr. Davies is a member of, among others, Professional Engineers of Ontario. Mr. Davies will spend approximately 50% of his time on the business and affairs of the Corporation.
Robert T. Owen Calgary, Alberta Age76 Deceased 2017	Chief Financial Officer (Deceased Dec. 22, 2017)	Robert T. Owen resided in Calgary, Alberta. He held an Honours Bachelor of Commerce and Master of Science (Accounting) from the University of Saskatchewan, and an Honours Master of Business Administration from the University of Oregon. He was a Certified Management Accountant in Alberta and Ontario and a Fellow of the Certified Management Accountants of Canada. Mr. Owen began his career as a professor (1967 - 1979), teaching financial and management accounting first at Memorial University in Newfoundland, then at Queen's University (visiting), University of Oregon

		and then University of Calgary. He continued in a teaching capacity with Deloitte, Haskins & Sells, first as Manager (1979 - 1986) and then as National Director (1986 - 1991) of Professional Development, overseeing design, delivery and management of various professional development courses and programs. Subsequently, Mr. Owen served as director, CFO &/or consultant to a number of junior capital pool companies listed on the Alberta Stock Exchange. Since 1995, Mr. Owen has been self-employed as the President, Cougar Resource Management Inc., a bookkeeping & corporate administration services business. In addition to performing management and certain financial accounting functions for these businesses, his duties included co-ordination with legal counsel, auditors, brokers, trustees and investors, and stock exchange and compliance filing organization
Alan W. Davies Toronto, Ontario Age 59	Vice-President Exploration	Alan W. Davies is a resident of Houston, Texas. He received Bachelor of Science degrees in mining engineering (1984) and geological engineering (1985) from Queen's University and is a licensed professional engineer (Ontario), as well as a licensed professional geologist (Geophysics - Texas). Over the course of his career, through working with many resource companies, he has gained expertise in mineral exploration (10 years' experience - projects in Canada, U.S., Finland, Estonia and South Africa), mining engineering (4 years' experience - Nunavut, Alaska, Manitoba), geological and geotechnical projects (3 years' experience - Canada), environmental engineering (3 years' experience - Southern Ontario and Nunavut) and petroleum exploration (3 years' experience - U.S., South Africa, Indonesia, Austria, New Zealand and Mexico), and has developed a good working knowledge of Spanish and French. Mr. Davies will spend approximately 50% of his time on the business and affairs of the Corporation.
Maria Grimes Ajax, Ontario Age 76	Secretary, Interim CFO	Maria Grimes has extensive experience in providing corporate administrative services to mining resources companies, including Talmora Resources Inc., Canadian Geovision Limited and Canadian Diamind Limited. Ms. Grimes will spend approximately 60% of her time on the business and affairs of the Corporation.
Joan E. Fiset Toronto, Ontario Age 63	Director	Joan E. Fiset has a well-grounded background in accounting, tax and treasury with extensive mining industry experience, and in addition, has excellent oral and written fluency in French and a strong knowledge of Spanish. Her education and professional qualifications include a Bachelor of Science (Honours) in mining engineering from Queen's University, a Masters of Business Administration from The University of Western Ontario, a Chartered Accountant designation and a law degree from University of Toronto. Ms. Fiset was called to the Bar of Ontario in 1997. She has been Manager Taxation and Treasury of Breakwater Resources Limited since April, 2004 until end of 2011 and for six years prior to that was Taxation Manager of Inmet Mining Corporation . She is a Chartered Professional Accountant currently working for the Federal Government of Canada. Ms. Fiset will send approximately 5% of her time on the business and affairs of the Corporation.

Toby Strauss Dublin, Ireland Age 52	Director	Toby Strauss is resident in Dublin, Ireland. He holds a BA (Hons) from Trinity College, Dublin, and both an MSc (Economic Geology) and PhD from Rhodes University, South Africa. His professional qualifications are Chartered Geologist (CGeol) and European Geologist (EurGeol); His professional associations are with Fellow of the Geological Society of London and the Society of Economic Geologists. He has been a Director and COO of Belvedere Resources Ltd a mineral exploration company since April 2006 until December 2014. Since January 2015, he has been a Director of Merlyn Consulting Ltd. Mr. Strauss will spend approximately 5% of his time on the business and affairs of the Corporation

13.2 State the period or periods during which each director has served as a director and when his or her term of office will expire.

With the exception of Toby Strauss who was elected a Director on July 20, 2012, each of the directors and officers set out in the previous section have acted in this capacity since the date of the amalgamation, and will continue to do so until a determination by a meeting of the shareholders of the Corporation.

13.3 State the number and percentage of securities of each class of voting securities of the Issuer or any of its subsidiaries beneficially owned, directly or indirectly, or over which control or direction is exercised by all directors and executive officers of the Issuer as a group.

Instruction: Securities of subsidiaries that are beneficially owned, directly or indirectly, or over which control or direction is exercised by directors or executive officers through ownership or control or direction over securities of the Issuer do not need to be included.

As at December 31, 2022, the directors and executive officers of the Corporation as a group control, directly or indirectly, a total of 38,483,892 representing 51.88% of the outstanding shares of the Corporation.

13.4 Disclose the board committees of the Issuer and identify the members of each committee.

As at December 31, 2022, the Corporation has an Audit Committee consisting of Raymond Davies, Toby Strauss and Joan E. Fiset of which Joan E. Fiset, C.A., will act as Chairperson.

The Corporation has a Nominating and Corporate Governance Committee consisting of Raymond Davies, Toby Strauss and Joan E. Fiset of which Joan E. Fiset, C.A., will act as Chairperson.

Corporation has a Compensation Committee consisting of Raymond Davies, Toby Strauss and Joan E. Fiset of which Joan E. Fiset, C.A., will act as Chairperson.

The Corporation does not have any other committees.

13.5 If the principal occupation of a director or officer of the Issuer is acting as an officer of a person or company other than the Issuer, disclose the fact and state the principal business of the person or company.

All directors of the Corporation are directors and officers of other companies, the details of which have been set out under section 13.1.

13.6 If a director or officer of the Issuer or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, is, or within 10 years before the date of the Listing Statement has been, a director or officer of any other Issuer that, while that person was acting in that capacity,

(a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect; or

In the ten years preceding the date of the Listing Statement, no director or officer of the Corporation has been the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days.

(b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact.

In the ten years preceding the date of the Listing Statement, no director or officer of the Corporation has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

13.7 Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, has

(a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

This section is not applicable.

13.8 If a director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer, state the fact.

This section is not applicable.

13.9 Disclose particulars of existing or potential material conflicts of interest between the Issuer or a subsidiary of the Issuer and a director or officer of the Issuer or a subsidiary of the Issuer.

Certain of the directors and officers of the Corporation may also serve as directors and officers of other companies involved in mineral exploration and development and consequently, the possibility of conflict exists. Any decisions made by such directors involving the Corporation will be made in accordance with the duties and obligations of directors to deal fairly and in good faith with the Corporation and other such companies.

13.10 Management — In addition to the above provide the following information for each member of management:

(a) state the individual's name, age, position and responsibilities with the Issuer and relevant educational background,

Please see section 13.1

(b) state whether the individual works full time for the Issuer or what proportion of the individual's time will be devoted to the Issuer,

Please see section 13.1

(c) state whether the individual is an employee or independent contractor of the Issuer,

All members of management are independent contractors.

(d) state the individual's principal occupations or employment during the five years prior to the date of the Listing Statement, disclosing with respect to each organization as of the time such occupation or employment was carried on:

(i) its name and principal business;

(ii) if applicable, that the organization was an affiliate of the Issuer;

(iii) positions held by the individual; and

(iv) whether it is still carrying on business, if known to the individual;

Please see section 13.1.

(e) describe the individual's experience in the Issuer's industry; and

In addition to the foregoing as outlined in section 13.1, two of the directors of the Corporation have worked closely with other reporting issuers in the mining industry within the last five years.

The following table sets out the directors and officers of the Corporation that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Name	Name of Reporting Issuer	Position	Exchange	From	To
Raymond Davies	Ditem Explorations Inc.	Director	TSXV	08/1995	Present
	Tombill Mines Limited	Director	TSXV	12/2020	Present

Name	Name of Reporting Issuer	Position	Exchange	From	To
Toby Strauss	Merlyn Consulting Ltd	Director		01/2015	Present

(f) state whether the individual has entered into a non-competition or non-disclosure agreement with the Issuer.

Not applicable.

Instruction:
(1) For purposes of this Item "management" means all directors, officers, employees and contractors whose expertise is critical to the Issuer, its subsidiaries and proposed subsidiaries in providing the Issuer with a reasonable opportunity to achieve its stated business objectives.
(2) The description of the principal occupation of a member of management must be specific. The terms "businessman" or "entrepreneur" are not sufficiently specific.

14. Capitalization

14.1 Prepare and file the following chart for each class of securities to be listed:
The following numbers are those known to the Corporation as of the date of this listing statement

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	74,182,801	78,432,801	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon	44,073,892	46,873,8922	58.20%	59.76%

exercise or conversion of other securities held) (B)				
Total Public Float (A-B)	30,108,909	31,558.909	41.80%	40.247%
Freely-Tradeable Float	31,239,789	32.386,789	43.58%	41.82
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)				
Total Tradeable Float (A-C)	74,182,801	78,432,801	100%	100%

Public Securityholders (Registered)

Instruction: For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

The following numbers are the most recent available and represent the distribution as of December 31, 2022

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities	1	4,000
5,000 or more securities	80	30,104,909

81	30,108,909

Public Security holders (Beneficial)

Instruction: Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities	1	4,000
5,000 or more securities	79	71,487,801
Unable to confirm	1	2,691,000

82		74,182,801

Non-Public Securityholders (Registered)

Instruction: For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

The following numbers are those known to the Corporation as of the date of this listing statement.

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities	9	39,483,892
	9	**39,483,892**

14.2 Provide the following details for any securities convertible or exchangeable into any class of listed securities

As at December 31, 2022

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise

Management Incentive Options #12 Exercise Price: $0.05 Expiry Date: August 31, 2023	1,250,000	1,250,000 common shares
Management Incentive Options #13 Exercise Price: $0.05 Expiry Date: December 29, 2025	1,000,000	1,000,000 common shares
Management Incentive Options #14 Exercise Price: $0.05 Expiry Date: December 16, 2026	500,000	500,000 common shares
Management Incentive Options #15 Exercise Price: $0.05 Expiry Date: May 29, 2027	1,500,000	1,500,000 common shares
	4,250,000	4,250,000

14.3 Provide details of any listed securities reserved for issuance that are not included in section 14.2.

There are no listed securities reserved for issuance that are not included in section 14.2.

15. Executive Compensation

15.1 Attach a Statement of Executive Compensation from Form 40 of Regulation 1015 of the Revised Regulations of Ontario, 1990 or any successor instrument and describe any intention to make any material changes to that compensation.

Aggregate Compensation

During the financial years ended December 31, 2006 to 2022 there was one Named Executive Officer of the Corporation. Compensation was paid to the Named Executive Officer during the 2022 fiscal year. For this purpose, "Named Executive Officer" means the President and Chief Executive Officer.

Summary Compensation Table

The following table sets forth information concerning the total compensation paid to the Named Executive Officer. There were no other executive officers of the Corporation who received total remuneration, determined on the basis of base salary and

bonuses, in excess of $100,000 during each of the last three financial years ended December 31. The Corporation does not have any subsidiaries.

Name and Principal Position	Fiscal Year Ended Dec. 31	Salary ($)	Bonus ($)	Other Annual Compensation ($)	Securities Under Option/SARs Granted (#) 2018	Restricted Shares or Restricted Share Units ($)	Long Term Incentive Plan Payouts ($)	All Other Compensation ($)
Raymond Davies	**2022**	17,400	Nil	Nil	1,500,000	Nil	Nil	Nil
CEO of Talmora Diamond Inc	**2021**	15,375	Nil	Nil	1,000,000	Nil	Nil	Nil
	2020	16,781	Nil	Nil	1,500,000	Nil	Nil	Nil

Notes:

(1) Perquisites and other personal benefits received in 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022 did not exceed the lesser of $50,000 and 10% of the total annual salary and bonuses for any of the Named Executive Officer.

Stock Options

The Corporation and the shareholders of Talmora have adopted the 2013 Stock Option Plan. See Section 9 – Options to Purchase Securities.

Compensation of Directors

Other than Raymond Davies, no other directors of the Corporation were compensated by the Corporation during the financial year ended December 31, 2022 for their services in their capacity as directors.

15.2 Exception — Despite Item 15.1, the disclosure required under Items V, VIII, IX and X of Form 40 may be omitted.

Please see above.

16. Indebtedness of Directors and Executive Officers

16.1 (1) Disclose in substantially the following tabular form all indebtedness (other than routine indebtedness), and the other details prescribed in paragraph (2), for each individual who is, or at any time during the most recently completed financial year of the Issuer was, a director or executive officer of the Issuer, and each associate of such an individual,

(a) who is indebted to the Issuer or a subsidiary of the Issuer; or

(b) whose indebtedness to another entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer or a subsidiary of the Issuer.

No director or officer of the Corporation was indebted to the Corporation at any time from the date of the amalgamation to the date of this Listing Statement.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Name and Principal Position (a)	Involvement of Issuer or Subsidiary (b)	Largest Amount Outstanding During [Last Completed Financial Year] ($) (c)	Amount Outstanding as at [current date] ($) (d)	Financially Assisted Securities Purchases During [Last Completed Financial Year] (#) (e)	Security for Indebtedness (f)

Not applicable.

16.2 Include the following in the table required under paragraph 16.1:

(a) The name of the borrower (column (a)).

(b) If the borrower is a director or executive officer, the principal position of the borrower; if the borrower was, during the year, but no longer is a director or executive officer, include a statement to that effect; if the borrower is included as an associate of a director or executive officer, describe briefly the relationship of the borrower to any individual who is or, during the year, was a director or executive officer, name that individual and provide the information that would be required under this subparagraph for that individual if he or she was the borrower (column (a)).

(c) Whether the Issuer or a subsidiary of the Issuer is the lender or the provider of a guarantee, support agreement, letter of credit or similar arrangement or understanding (column (b)).

(d) The largest aggregate amount of the indebtedness outstanding at any time during the last completed financial year (column (c)).

(e) The aggregate amount of the indebtedness outstanding as at a specified date not more than 30 days before the date of Listing Statement (column (d)).

(f) If the indebtedness was incurred to purchase securities of the Issuer or of a subsidiary of the Issuer, separately for each class of securities the aggregate number of securities purchased during the last completed financial year with the financial assistance (column (e)).

(g) The security, if any, provided to the Issuer, a subsidiary of the Issuer or the other entity for the indebtedness (column (f)).

This section is not applicable.

16.3 Disclose in the introduction to the table required under paragraph (1) the aggregate indebtedness of all officers, directors, employees, and former officers, directors and employees of the Issuer or a subsidiary of the Issuer outstanding as at a specified date not more than 30 days before the date of the Listing Statement, that is owed to

(a) the Issuer or a subsidiary of the Issuer; or

(b) another entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer or any of its subsidiaries.

This section is not applicable.

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16.4 Disclose in a footnote to, or a narrative accompanying, the table required under paragraph (1)

(a) the material terms of the indebtedness and, if applicable, of each guarantee, support agreement, letter of credit or other similar arrangement or understanding, including the term to maturity, rate of interest and any understanding, agreement or intention to limit recourse, and the nature of the transaction in which the indebtedness was incurred;

(b) any material adjustment or amendment made to the terms of the indebtedness and, if applicable, the guarantee, support agreement, letter of credit or similar arrangement or understanding; and

(c) the class of the securities purchased with financial assistance from the Issuer or held as security for the indebtedness and, if the class of securities is not publicly traded, all material terms of the securities.

This section is not applicable.

Instructions:

(1) For purposes of this item, the following interpretation applies to the term "routine indebtedness":

(a) A loan, whether or not in the ordinary course of business, is considered as routine indebtedness if made on terms, including terms relating to interest rate and security, no more favourable to the borrower than the terms on which loans are made by the Issuer to employees generally unless the amount at any time during the last completed financial year remaining unpaid under the loans to any one director or executive officer together with his or her associates exceeds $25,000, in which case the indebtedness is not routine.

(b) A loan made by an Issuer to a director or executive officer, whether or not the Issuer makes loans in the ordinary course of business, is routine indebtedness if

(i) the borrower is a full-time employee of the Issuer or a subsidiary of the Issuer;

(ii) the loan is fully secured against the residence of the borrower; and

(iii) the amount of the loan does not exceed the annual aggregate salary of the borrower from the Issuer and its subsidiaries.

(c) If the Issuer makes loans in the ordinary course of business, a loan to a person or company other than a full-time employee of the Issuer or of a subsidiary of the Issuer is routine indebtedness, if the loan

(i) is made on substantially the same terms, including terms relating to interest rate and security, as are available when a loan is made to other customers of the Issuer with comparable credit ratings; and

(ii) involves no greater than usual risks of collectibility.

(d) Indebtedness for purchases made on usual trade terms, for ordinary travel or expense advances or for loans or advances made for similar purposes is routine indebtedness if the repayment arrangements are in accordance with usual commercial practice.

(2) For purposes of this item, "support agreement" includes an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower.

(3) No disclosure need be made under this item of indebtedness that has been entirely repaid on or before the date of the Listing Statement.

17 Risk Factors

17.1 Describe the risk factors material to the Issuer that a reasonable investor would consider relevant to an investment in the Issuer, such as cash flow and liquidity problems, if any, experience of management, the general risks inherent in the business carried on by the Issuer, environmental and health risks, reliance on key personnel, the arbitrary establishment of the offering

price, regulatory constraints, economic or political conditions and financial history and any other matter that in the opinion of the Issuer would be most likely to influence the investor's decision to purchase, hold or sell the Issuer's securities. Risks should be disclosed in the order of their seriousness in the opinion of the Issuer.

Investment in developmental stage ventures such as Talmora Diamond Inc. is highly speculative and subject to numerous and substantial risks. Therefore, an investor should carefully consider the risk factors indicated below. There are no known bodies of commercial ore on any of the above referenced mineral exploration properties and activities of the Corporation will constitute an exploratory search for ore.

(a) Mining Hazards/Liabilities

The Corporation may become subject to liability for cave-ins and other hazards of mineral exploration against which it cannot insure or against which it may elect not to insure because of high premium costs or for other reasons. Payment of such liabilities would reduce funds available for acquisition of mineral prospects or exploration and development and would have a material adverse affect on the financial position of the Corporation.

(b) Credit Risk

The Company's credit risk is primarily attributable to cash equivalents and sundry receivables. The Company has no significant concentration of credit risk arising from operations. Cash equivalents, when applicable, consist of guaranteed investment certificates, which will be invested with reputable financial institutions, from which management believes the risk of loss to be remote. Financial instruments included in sundry receivable consist of the harmonized sales tax due from the Federal Government of Canada and receivables from unrelated companies. Management believes that the credit risk concentration with respect to these financial instruments included in cash equivalents and sundry receivable is remote.

(c) Market Fluctuations

Factors beyond the control of the Corporation may effect the economic viability of any products discovered including market fluctuations, government regulations on such matters as prices, taxes, royalties, land tenure, importing and exporting of minerals, export restrictions, exchange controls, dividends and environmental protection.

Interest Rate Risk

The Company may have cash equivalent balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors

the investments it makes and is satisfied with the credit ratings of its banks. Currently, the Company does not hedge against interest rate risk.

Foreign Currency Risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk. The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

(d) Liquidity Risk (Available Funds)

The ability of the Corporation to continue exploration and development of resource properties will be dependent upon its ability to raise significant additional financing hereafter. Should the Corporation not be able to obtain such financing, its properties may be lost entirely.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2022, the Company had cash and cash equivalents in the amount of $13,062 (2021 -$222) to settle current liabilities of $Nil (2021-$Nil.)

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(e) Title

Certain of the mining properties or claims in which the Corporation has an interest may not have been surveyed and, accordingly, the precise location of the boundaries of the claims and ownership of mineral rights on specific tracts of land comprising the claims may be in doubt. Such claims have not been converted to lease and tenure, and are, accordingly, subject to regular compliance with assessment work requirement. Other parties may dispute the Corporation's title to its mining properties. Prior to the amalgamation, Canadia Diamind has conducted its own due diligence with respect to title of the properties, however this should not be construed as a guarantee of title. The Corporation's properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(f) Competition

The competition in the mineral exploration and development business could adversely affect the Corporation's ability to acquire suitable properties for mineral exploration in the future. The Corporation competes with other exploration and mining companies, many of which have greater financial resources than the Corporation, for the acquisition of minerals claims, leases and other mineral interests.

(g) Environmental Regulation

All phases of the Corporation's operations are subject to environmental regulation in the various jurisdictions in which it operates. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations.

(h) Volatility of Mineral Prices

The Corporation's revenues, if any, are expected to be in large part derived from the extraction and sale of diamonds and other minerals. The prices of these commodities have fluctuated widely, particularly in recent years, and therefore the economic viability of any of the Corporation's exploration projects cannot be accurately predicted. There is no assurance that even if commercial quantities of mineralized material are discovered, a profitable market may exist for the sale of product from that mineralized material.

The Company is exposed to price risk with respect to diamond prices. The Company closely monitors diamond prices to determine the appropriate course of action to be taken by the Company. As the Company's mineral properties are in the exploration stage and do not contain any mineral resources or mineral reserves, the Company does not hedge against price risk.

18. Promoters

Instruction: In this Part, "promoter" includes any person performing Investor Relations Activities (as defined in the CNQ Policies) for the Issuer.

18.1 For a person or company that is, or has been within the two years immediately preceding the date of the Listing Statement, a promoter of the Issuer or of a subsidiary of the Issuer state

(a) the person or company's name;

Mr. Raymond Davies may be considered to be the promoter of the Corporation, in that he took the initiative in organizing the business and affairs of Talmora Resources Inc. and Canadian Diamind Limited and pursued the amalgamation.

He is now taking the initiative in organizing the business and affairs of Talmora Diamond Inc.

(b) the number and percentage of each class of voting securities and equity securities of the Issuer or any of its subsidiaries beneficially owned, directly or indirectly, or over which control is exercised;

Mr. Davies was eligible to participate in the following Stock Option Plans:
- the 2006 Stock Option Plan All options were since exercised.
- the 2011 Stock Option Plans All options were since exercised.

- Under the 2013 Stock Option Plan

1. Mr. Davies was granted 1,328,000 management incentive options exercisable at $0.05 per share until November 28, 2022. (Option No.11) of which 300,000 Options were exercised on June 26, 2019 into common shares. The remaining 1,028,000 Options were exercised on July 14, 2020 into common shares. All Options were exercised at $0.05 per share.

2. Mr. Davies was granted 250,000 management incentive options exercisable at $0.05 per share until August 31, 2023. (Option No.12). 250,000 options were exercised into common shares on December 15, 2020 at $0.05 per share.

3. Mr. Davies was granted 1,500,000 management incentive options exercisable at $0.05 per share until December 29, 2025 (Option No.13) of which 1,000,000 options were exercised into common shares on March 9, 2021 and 500,000 Options were exercised into common shares at $0.05 per share.

4. Mr. Davies was granted 1,000,000 management incentive options exercisable at $0.05 per share until December 16, 2026 (Option No.14.) 1,000,000 options were exercised into common shares on January 13, 2021 at $0.05 per share.

5. Mr. Davies was granted 1,500,000 management incentive options exercisable at $0.05 per share until December 16, 2026 (Option No.15.)

c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter directly or indirectly from the Issuer or from a subsidiary of the Issuer, and the nature and amount of any assets, services or other consideration therefor received or to be received by the Issuer or a subsidiary of the Issuer; and

With respect to the nature and amount of anything of value received or to be received by the promoter directly or indirectly from the Corporation, as the President and Chief Executive Officer of the Corporation, Mr. Davies may receive executive compensation for his time and efforts, as well as the eligibility to participate in the 2013 Stock Option Plan.

As at the date of this Listing Statement, the Board of Directors of the Corporation has approved payment to the promoter of $600/day ($75.00/hr) for actual time spent on the business of the Corporation.

(d) for an asset acquired within the two years before the date of the Listing Statement or thereafter, or to be acquired, by the Issuer or by a subsidiary of the Issuer from a promoter

(i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined,

(ii) the person or company making the determination referred to in subparagraph (i) and the person or company's relationship with the Issuer, the promoter, or an associate or affiliate of the Issuer or of the promoter, and

(iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.

This section is not applicable.

18.2 If a promoter or past promoter referred to in paragraph (1) has been a director, officer or promoter of any person or company during the 10 years ending on the date of Listing Statement, that

(a) was the subject of a cease trade or similar order, or an order that denied the person or company access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect; or

(b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact.

This section is not applicable.

18.3 Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a promoter or past promoter referred to in paragraph (1) has

(a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

This section is not applicable.

18.4 If a promoter or past promoter referred to in paragraph (1), or a personal holding company of such promoter, has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer, state the fact.

This section is not applicable.

19. Legal Proceedings

19.1 Describe any legal proceedings material to the Issuer to which the Issuer or a subsidiary of the Issuer is a party or of which any of their respective property is the subject matter and any such proceedings known to the Issuer to be contemplated, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Instruction: No information need be given with respect to any proceeding that involves primarily a claim for damages if the amount involved, exclusive of interest and costs, does not exceed 10 per cent of the current assets of the Issuer and its subsidiaries on a consolidated basis. However, if any proceeding presents in large degree the same legal and factual issues as other proceedings pending or known to be contemplated, the amount involved in the other proceedings shall be included in computing the percentage.

This section is not applicable.

20. Interest of Management and Others in Material Transactions

20.1 Describe, and state the approximate amount of, any material interest, direct or indirect, of any of the following persons or companies in any transaction within the three years before the date of the Listing Statement, or in any proposed transaction, that has materially affected or will materially affect the Issuer or a subsidiary of the Issuer:

(a) any director or executive officer of the Issuer.

(b) a security holder disclosed in the Listing Statement as a principal shareholder.

(c) an associate or affiliate of any of the persons or companies referred to in paragraphs 1 or 2.

Instruction:

(1) The materiality of an interest is to be determined on the basis of the significance of the information to investors in light of all the circumstances of the particular case. The importance of the interest to the person having the interest, the relationship of the parties to the transaction with each other and the amount involved are among the factors to be considered in determining the significance of the information to investors.

(2) Give a brief description of the material transaction. Include the name of each person or company whose interest in any transaction is described and the nature of the relationship to the Issuer.

(3) For any transaction involving the purchase of assets by or sale of assets to the Issuer or a subsidiary of the Issuer, state the cost of the assets to the purchaser, and the cost of the assets to the seller if acquired by the seller within three years before the transaction.

(4) This item does not apply to any interest arising from the ownership of securities of the Issuer if the security holder receives no extra or special benefit or advantage not shared on an equal basis by all other holders of the same class of securities or all other holders of the same class of securities who are resident in Canada.

(5) Information must be included as to any material underwriting discounts or commissions upon the sale of securities by the Issuer if any of the specified persons or

companies were or are to be an underwriter or are associates, affiliates or partners of a person or company that was or is to be an underwriter.

(6) No information need be given in answer to this item as to a transaction, or an interest in a transaction, if

(a) the rates or charges involved in the transaction are fixed by law or determined by competitive bids;

(b) the interest of a specified person or company in the transaction is solely that of a director of another company that is a party to the transaction;

(c) the transaction involves services as a bank or other depository of funds, a transfer agent, registrar, trustee under a trust indenture or other similar services; or

(d) the transaction does not involve remuneration for services and the interest of the specified person or company arose from the beneficial ownership, direct or indirect, of less than 10 per cent of any class of equity securities of another company that is party to the transaction and the transaction is in the ordinary course of business of the Issuer or its subsidiaries.

(7) Describe all transactions not excluded above that involve remuneration (including an issuance of securities), directly or indirectly, to any of the specified persons or companies for services in any capacity unless the interest of the person or company arises solely from the beneficial ownership, direct or indirect, of less than 10 per cent of any class of equity securities of another company furnishing the services to the Issuer or its subsidiaries.

This section is not applicable.

21. Auditors, Transfer Agents and Registrars

21.1 State the name and address of the auditor of the Issuer.

McGovern, Hurley, LLP acts as the auditor of the Issuer, and is located at 251 Consumers Road Suite 800, Road, Toronto, Ontario, M2J 4R3.

21.2 State the names of the Issuer's transfer agent(s) and registrar(s) and the location (by municipalities) of the register(s) of transfers of that class of shares.

Computershare Trust Company of Canada acts as the transfer agent and registrar for the Shares of the Corporation, and is located at 800, 324-8th Avenue SW, Calgary, AB T2B 2Z2

22. Material Contracts

22.1 Give particulars of every material contract, other than contracts entered into in the ordinary course of business, that was entered into within the two years before the date of Listing Statement by the Issuer or a subsidiary of the Issuer.

Instructions:

(1) The term "material contract" for this purpose means a contract that can reasonably be regarded as material to a proposed investor in the securities being distributed and may in some circumstances include contracts with a person or company providing the Issuer with promotional or investor relations services.
(2) Set out a complete list of all material contracts, indicating those that are disclosed elsewhere in Listing Statement and provide particulars about those material contracts for which particulars are not given elsewhere in the Listing Statement.
(3) Particulars of contracts should include the dates of, parties to, consideration provided for in, and general nature of, the contracts.

No material contract was entered into by or on behalf of the Corporation within the two years before the date of this Listing Statement.

22.2 If applicable, attach a copy of any co-tenancy, unitholders' or limited partnership agreement.

This section is not applicable

23 Interest of Experts

23.1 Disclose all direct or indirect interests in the property of the Issuer or of a Related Person of the Issuer received or to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of the Listing Statement or prepared or certified a report or valuation described or included in the Listing Statement.

Raymond Davies (President and CEO) and Alan W. Davies (Vice-President), (P.Eng., a qualified person as defined by National Instrument 43-101); officers and shareholders of the Corporation, supervised the field programs in 2007, 2009, 2011 and 2012 and prepared assessment work reports that were submitted to the Northwest Territories Mining Recorder in March 2008, March 2009, January 2012, March 2012 and October 2013. The assessment work reports were used to up-date the technical part of this Listing Statement. However, much of the previous technical data, that was prepared by consultant M. Millard who was independent at the time, was retained.

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This up-dated Listing Statement is certified by Raymond Davies (President and CEO) and Maria Grimes (Secretary and Interim CFO) and was prepared by Raymond Davies and Maria Grimes all of whom are officers and shareholders of the Corporation.

M. Millard who wrote the independent technical report on May 5, 2005 subscribed for
400,000 shares of the company in November 2009,
400,000 shares of the company in December 2010,
200,000 shares of the company in July 2011,
200,000 shares of the company in April, 2012,
100,000 shares of the company in July 2012,

100,000 shares of the company in September 16, 2013
and 100,000 shares of the company in March, 2014.

Mr. Millard was granted management incentive options to buy 50,000 shares of the corporation on March 1, 2010, which have expired, unexercised on March 1, 2015 (No.2)

Mr. Millard was granted management incentive options to buy 50,000 shares (No.6) of the corporation on June 29, 2012, which have expired, unexercised on June 29, 2017.

Mr. Millard was granted management incentive options to buy 100,000 shares (No.10) of the corporation on December 16, 2016, which have expired, unexercised on December 16, 2021.

Mr. Millard was granted management incentive options to buy 50,000 shares (No.11) of the corporation on November 28, 2017 with expiry date of November 28, 2022. Mr. Millard passed away in August 2020, 50,000 options were not exercised by the Estate after one year of death.

Mr. Millard was granted management incentive options to buy 100,000 shares (No.12) of the corporation on August 31, 2018 with expiry date of August 31, 2023. Mr. Millard passed away in August 2020, 100,000 options were not exercised by the estate after one year of death

There is no other person or company with a direct or indirect interest in the property of the Corporation or of a Related Person of the Corporation whose business gives authority to a statement and who prepared or certified any part of this Listing Statement including any report or valuation.

23.2 Disclose the beneficial ownership, direct or indirect, by a person or company referred to in Item 23.1 of any securities of the issuer or any Related Person of the issuer.

The persons referred to in Item 23.1 hold the following securities of the issuer:

As at December 31, 2022 securities include:

		Shares	Warrants	Options
Raymond Davies	- Pres. & Dir.	27,598,866	0	1,500,000
Alan W. Davies (incl Canadian Geovision Limited)	- Vice-Pres.	6,814,989	0	550,000
Maria Grimes	- Corp. Secretary	1,505,037	0	550,000
Joan Fiset	- Director	50,000	0	550,000
Richard M. Hogarth	- Director	493,000	0	0
Toby Strauss	- Director	2,022,000	0	550,000

23.3 For the purpose of Item 23.2, if the ownership is less than one per cent, a general statement to that effect shall be sufficient.

Percentage held of common shares of the Company as at December 31, 2022:

Raymond Davies	37.204%
Alan Davies	9.18%
Maria Grimes	2.03%
Joan Fiset	less than 1%
Richard Hogarth	less than 1%
Mr. Toby Strauss	2.73%

23.4 If a person, or a director, officer or employee of a person or company referred to in Item 23.1 is or is expected to be elected, appointed or employed as a director, officer or employee of the issuer or of any associate or affiliate of the issuer, disclose the fact or expectation.

No person, director, officer or employee of a person or company referred to in item 23.1, other than the officers of the issuer referred to in Item 23.2 is or is expected to be elected, appointed or employed as a director, officer or employee of the issuer or any associate or affiliate of the issuer.

24. Other Material Facts

24.1 Give particulars of any material facts about the Issuer and its securities that are not disclosed under the preceding items and are necessary in order for the Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its securites.

There are no other material facts about the Corporation that have not been disclosed under the preceding items.

25. Financial Statements

25.1 Provide the following audited financial statement for the Issuer:

(a) Copies of all financial statements including the auditor's reports required to be prepared and filed under applicable securities legislation for the preceding three years as if the issuer were subject to such law; and

Please see enclosed financial statements for years ended December 31, 2022. filed on CSE and on Sedar.

(b) a copy of financial statements for any completed interim period of the current fiscal year.

Not applicable

25.2 For Issuers re-qualifying for listing following a fundamental change provide

(a) the information required in Items 5.1 to 5.3 for the target;

(b) financial statement for the target prepared in accordance with the requirements of Parts 4,5,6,7 8 and 9 of OSC Rule 41-501 as if the target were the Issuer;

(c) pro-forma consolidated financial statements for the New Issuer giving effect to the transaction for:

(i) the last full fiscal year of the Issuer and

(ii) any completed interim period of the current fiscal year.

Not applicable..

The first certificate below must be signed by the CEO, CFO, any person or company who is a promoter of the Issuer and two directors of the Issuer. In the case of an Issuer re-qualifying following a fundamental change, the second certificate must also be signed by the CEO, CFO, any person or company who is a promoter of the target and two directors of the target.

CERTIFICATE OF THE ISSUER

The foregoing contains full, true and plain disclosure of all material information relating to Talmora Diamond Inc. it contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto

this 28 day of February, 2023.

"Raymond Davies"	"Maria Grimes"
Chief Executive Officer	Interim Chief Financial Officer
"Raymond Davies"	"Joan Fiset"
Promoter (if applicable)	Director
"Toby Strauss"	
Director	Director

[print or type names beneath signatures]

CERTIFICATE OF THE TARGET *(Not re-qualifying, no fundamental change. No signatures required-per M Grimes)*

The foregoing contains full, true and plain disclosure of all material information relating to (full legal name of the target). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at _____

this _____, _____.

"_____ _____

"_____ _____

_____

[print or type names beneath signatures]