

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jan 28, 2016) - [True North Gems Inc.](#), (TSX VENTURE:TGX) ("True North" "TNG" or the "Company"), is pleased to announce it has entered into an offtake agreement with Chinastone (Inc.), an Asian based world-leader in high tolerance gemstone polishing and an international supplier to fine jewelers, watchmakers, and luxury trade professionals.

The supply agreement obligates True North to supply and Chinastone to purchase a minimum of US\$7M in rough gemstones per year for the next three years resulting in a sales commitment total of US\$21M. Sales will be based on the fair market value with qualifying allotments being made available for purchase five times per year.

Nicholas Houghton, President and CEO of True North Gems stated, *"This historic offtake agreement represents another milestone in bringing our gemstones to market and acknowledgment by an industry leader of the potential offered by a secure supply. The partnership endorses the quality of stones from the Aappaluttoq mine, assuring a consistent source with the guarantee of a natural and responsibly produced product that consumers demand today. We look forward to working with Chinastone to develop the ruby and pink sapphire markets globally."*

The Greenlandic rubies and pink sapphire will be supplied with Certificate of Provenance that traces the material from extraction to sale using RubyTrack®8482; a proprietary tracking system developed by the Company.

True North Gems is also pleased to announce the appointment of Lisa May as Manager, Investor Relations, effective immediately. Ms. May has over 15 years of experience in corporate communications and investor relations in the resource sector and is currently the Chair of the BC chapter of the Canadian Investor Relations Institute, as well as a member of the Institute of Corporate Directors.

*"We look forward to Lisa playing a key role in the communication of our current operations and growth initiatives to broaden our shareholder base and add shareholder value,"* commented Houghton.

#### About True North Gems

True North Gems is transitioning from an exploration and development company into a producer of high quality gemstones. Aappaluttoq is the only hard rock gemstone deposit in the world with a NI 43-101 compliant resource that has a current projected mine life of nine (9) years based on the 2015 prefeasibility study. True North Gems is committed to the realization of shareholder value through development of responsibly sourced and long-term sustainable commercial production of ruby and pink sapphire., in partnership with the people of Greenland. The Company's shares trade on the TSX Venture Exchange under the symbol TGX.

#### About Chinastone Inc

Chinastone is world-leading provider of precision cut natural gemstones in a strictly uniformed and digitally calibrated array of colors, proportions and sizes. They deliver a wide range of natural gemstones to fine jewelers, watchmakers and luxury trade professionals throughout the world. The Company is highly regarded for its innovative techniques and constantly improving at all levels.

On behalf of the Board of Directors,

Nicholas Houghton, President and C.E.O.

This document contains "forward-looking information" and "forward-looking statements" (together, "forward-looking statements") within the meaning of applicable securities legislation, which are made as of the date of this document or the document(s) referred to herein. Statements that express predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "anticipates", "plans", "projects", "estimates", "intends", "strategy", "goals", "objectives" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements include, without limitation, statements with respect to: the amount of mineral reserves and mineral resources; the amount of future production over any period; net present value and internal rates of return of the proposed mining operation; capital costs; operating costs; strip ratios and mining rates; and mine life. The forward-looking statements are made based upon certain assumptions which, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements expressed or implied by the forward-looking statements. These assumptions include, without limitation: the price of gemstone products produced; anticipated costs; the presence of and continuity of gemstones at modeled grades and values; the capacities of various machinery and equipment; the availability of personnel, machinery and equipment at estimated prices; exchange rates; appropriate discount rates; tax rates applicable to the proposed mining operation; financing structure and costs; anticipated mining losses and dilution; gemstone recovery rates; reasonable contingency requirements; and receipt of regulatory approvals

on acceptable terms. By their very nature, forward-looking statements involve inherent risks and uncertainties that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements. These include, without limitation: price volatility, discrepancies between actual and estimated production, mineral reserves and resources and metallurgical recoveries, mining operational and development risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities (including changes in taxation), currency fluctuations, the speculative nature of gemstone exploration, the global economic climate, dilution, share price volatility, competition, loss of key employees; additional funding requirements and defective title to mineral claims or property]. This list is not exhaustive. See also, for example, the risks disclosed in the Company's other disclosure documents filed at [www.sedar.com](http://www.sedar.com), including, without limitation, those disclosed in the Company's management's discussion & analysis. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, except as otherwise required by applicable securities legislation.

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