



True North Gems Announces US \$21 million Strategic Offtake Agreement

VANCOUVER, BC- January 28th, 2016– True North Gems Inc., (TSX-V: 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™ 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.

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