

NEWS RELEASE

Stock Symbol: DIAM: TSX

December 19, 2024
Saskatoon, Saskatchewan

**STAR DIAMOND CORPORATION
2024 YEAR-END UPDATE**

SASKATOON, Saskatchewan, December 19, 2024 – Star Diamond Corporation (“Star Diamond” or the “Company”) would like to bring its shareholders up to date on a number of Management initiatives:

Pre-Feasibility Study Financing

Following the completion of our revised mineral resource update (*Revised Mineral Resources Estimate Exhibits Significant Increase Total Indicated: 72 Million Carats, Total Inferred: 15 Million Carats, July 24, 2024*), Star Diamond has been looking for \$3-5 million in project financing in order to undertake a Pre-Feasibility Study on our Star - Orion South Diamond Project (the “Project”). To date we have been unsuccessful in this endeavor. A brief summary of these ongoing efforts is noted below:

Royalty Companies

The Company reached out to over 20 royalty or streaming companies globally and responses fell under two main categories:

- “Diamonds are not within our current mandate”
- “We do not have the resources to look at this project at the present time”

Resource Project Bridge Debt Providers

Star Diamond had discussions with over 70 institutions engaged in providing pre-build resource financing and received several market proposals. These proposals required the provision of senior ranking security over our assets in order to advance funding. However, security over all the Company’s assets is held by our previous joint venture partner as collateral for their provision of the reclamation bond to the Province of Saskatchewan on our behalf. The secured party was not willing to provide a security carve-out to allow the Company to avail ourselves of these proposals.

Offtake Agreements

The Company engaged several consultants to approach large diamond wholesalers/retailers across the globe in search of financing through a commitment to provide exclusive access to rough diamonds upon commencement of diamond production at the Project. There was interest from this segment of the diamond industry, but it was felt that an off-take agreement was premature given the time horizon for diamond production.

Management continues to pursue these avenues in addition to reaching out to wealthy individuals/groups in search of financing for the prefeasibility study. While these efforts continue, Management has undertaken several initiatives to lower our expense profile and seek alternative financing solutions as below:

Asset Sales

- Star has entered into discussions with a heavy equipment auctioneer to sell the Bauer Trench Cutter; they believe the sale could realize some \$4-6 million in gross proceeds, of which 50% is payable to Rio Tinto under the terms of the Exit Agreement; and
- Management has also been in discussions with a number of critical minerals companies about the sale of the bulk sample plant and the TOMRA x-ray sorter.

Cost Reduction

- We have moved our head office to a smaller footprint in the same building resulting in 70% drop in our office lease payments;
- All marketing and consulting contracts have been paused;
- The Board and the CEO have agreed to forgo compensation until such time as the Company is on better financial footing; and
- Certain management functions will be reduced or eliminated.

The Way Forward

Although Management of the Company continues to talk to possible investors, it has determined that the Project should be placed on a care and maintenance basis until such time as the diamond market recovers from its current state of malaise and the Company can raise the funds to complete the pre-feasibility study. Early in the new year Star Diamond will need to raise funds to cover care and maintenance costs until the above-noted asset sales can be completed that will finance the Pre-Feasibility Study.

Early in 2024, our Chief Financial Officer (“CFO”), Rick Johnson, indicated he would be leaving Star Diamond to focus on his other executive position. To ensure the smoothest possible transition, Mr. Johnson has advised the Company that he will be available to the Company on a consultant basis. Accordingly, effective January 1, 2025, the Company has outsourced the CFO role to Carmello Marrelli from Marrelli Support Services Inc. (“MSSI”) to fulfill the CFO role as a part-time position. We look forward to working with MSSI in the new year.

Ewan Mason, President & CEO of the Company said “While 2024 was a great year for us in getting back our former joint-venture partner’s 75% share of the project, along with a myriad of other assets, and increasing the Project resource by nearly 30%, the diamond industry as a whole has not fared so well. There does however appear to be the beginning of a turn-around in the larger stone end of the market and that should bode well for us going forward”

Mr. Mason also noted, “the Company is grateful for the work done by Mr. Johnson over the past two years as Star Diamond navigated through uncharted waters and thanks him for his service on behalf of the Board and all shareholders”.

About Star Diamond Corporation

Star Diamond is a Canadian-based corporation engaged in the acquisition, exploration and development of mineral properties. Shares of Star Diamond trade on the Toronto Stock Exchange under the trading symbol “DIAM”. Star Diamond’s most significant asset is its 100% interest in the Fort à la Corne Project in central Saskatchewan. These kimberlites are located in close proximity to established infrastructure, including paved highways and the electrical power grid, which provide significant advantages for future mine development.

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Caution Regarding Forward-looking Statements

This press release contains "forward-looking statements" and/or "forward-looking information" (collectively, "forward-looking statements") within the meaning of applicable securities legislation. All statements, other than statements of historical fact, are forward-looking statements. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "believe", "expect", "plan", "intend", "forecast", "target", "project", "guidance", "may", "will", "should", "could", "estimate", "predict" or similar words suggesting future outcomes or language suggesting an outlook. In particular, statements regarding Star Diamond's future operations, future exploration and development activities or other development plans constitute forward-looking statements. By their nature, statements referring to mineral reserves or mineral resources constitute forward-looking statements.

Forward-looking statements in this press release include but are not limited to statements with respect to the Revised Mineral Resources Estimate; improvement in the Mineral Resource estimate; potential proceeds realized on the disposition of Project assets; the Company will obtain adequate financing to fund care and maintenance costs; and the aim of the Company to undertake a Pre-Feasibility Study and timelines.

These forward-looking statements are based on Star Diamond's current beliefs as well as assumptions made by and information currently available to Star Diamond and involve inherent risks and uncertainties, both general and specific. Risks exist that forward-looking statements will not be achieved due to a number of factors including, but not limited to, developments in world diamond markets, changes in diamond prices, risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar, changes in exploration, development or mining plans due to exploration results and changing budget priorities of Star Diamond, the impact of changes in the laws and regulations regulating mining exploration, development, closure, judicial or regulatory judgments and legal proceedings, operational and infrastructure risks and the additional risks described in Star Diamond's most recently filed Annual Information Form, annual and interim MDA.

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