



Management's Discussion & Analysis

September 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

For the three and nine months ended September 30, 2025
(in thousands of Canadian dollars, except as otherwise noted)

The following discussion and analysis is prepared by Management as of November 10, 2025 and should be read in conjunction with the unaudited condensed interim consolidated financial statements for Star Diamond Corporation ("Star Diamond", or the "Company") for the three and nine months ended September 30, 2025 (the "Interim Financial Statements"), as well as the audited consolidated financial statements of the Company for the years ended December 31, 2024 and 2023 (the "2024 Annual Financial Statements"), in each case available on SEDAR+ at www.sedarplus.ca. The Company prepared its financial statements for the period ended September 30, 2025 and 2024, in accordance with IAS 34 *Interim Financial Reporting* using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). All currency amounts are quoted in Canadian Dollars, unless otherwise stated.

Corporate Information

Star Diamond Corporation (the "Company") was incorporated under the *Canada Business Corporations Act* on April 29, 1985 and its shares are publicly traded on the Toronto Stock Exchange ("TSX"). The principal activities of the Company are the exploration and evaluation of diamond projects. The Company is located at 702 – 224 4th Avenue South, Saskatoon, Saskatchewan, Canada.

Star Diamond is a Canadian natural resource company focused on exploring and evaluating Saskatchewan's diamond resources. Star Diamond holds a 100% interest in the Fort à la Corne Project (FALC Project, which includes the Star – Orion South Diamond Project, or the "Project"). These properties are in central Saskatchewan, near established infrastructure, including paved highways and the electrical power grid, which provide significant advantages for future possible mine development.

The Company also holds a 100% interest in the exploration and evaluation properties of the Buffalo Hills Diamond Project (the "BH Project") located approximately 400 kilometres northwest of Edmonton, Alberta, Canada.

Corporate Developments

Effective January 1, 2025, the Company has outsourced the Chief Financial Officer ("CFO") to Mr. Carmelo Marrelli, replacing Mr. Rick Johnson.

In January 2025, the Company disposed of its remaining share position in Wescan Goldfields Inc. ("Wescan") for gross proceeds of \$114.

On February 18, 2025 and February 27, 2025, Star Diamond closed a non-brokered private placement (the "Offering") of convertible debentures (the "Debentures") to raise aggregate gross proceeds of \$335 and \$230, respectively, which resulted in total gross proceeds of \$565. The Debentures bear simple interest at a rate of 8% per annum and are convertible into common shares of the Company in certain circumstances, including upon a qualified offering to raise aggregate gross proceeds in excess of \$2,000. Pursuant to the closing of both tranches of the Offering, the Company issued an aggregate combined total of 28,250,000 share purchase warrants ("Warrants"), being one Warrant for each \$0.02 principal amount of Debentures purchased. Each Warrant is exercisable to acquire one common share of the Company at an exercise price of \$0.06 for a period of 2 years from the closing. In connection with the Offering, Mr. Mason, CEO of the Company, purchased Debentures in the aggregate principal amount of \$25. Ms. Lisa Riley, director of the Company, has purchased Debentures in the aggregate principal amount of \$20.

On February 27, 2025, the Company announced the resignation of George Read as Senior Vice President Corporate Development effective February 28, 2025) and his appointment as a Senior Technical Advisor.

On May 16, 2025, the Company announced that it reached an agreement with Spirit Resources s.a.r.l. ("Spirit") to provide funding to the Company by way of a private placement of units for gross proceeds of \$4,000 (the "Private Placement") and an interim \$800 unsecured loan (the "Spirit Loan"). The loan bore interest at 6% per annum and matured upon the

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earlier of the Private Placement and the date falling on the 180th day after issuance of the loan, unless extended by Spirit in its sole discretion.

The completion of the Private Placement was conditional upon receipt of the approval of the Company's shareholders (other than Spirit), including with respect to: (i) the waiver of the application of the Shareholder Rights Plan to the Private Placement and the termination of the Shareholder Rights Plan; (ii) the issuance of common shares and warrants on the terms of the Private Placement; (iii) Spirit obtaining the ability to materially affect control of the Company; (iv) the appointment by Spirit of two individuals to the board of directors of the Company; and (v) any such other matters as may be agreed by the Company and Spirit. On July 29, 2025, the Private Placement was approved at the special meeting of holders of common shares of the Company.

On August 6, 2025, the Company announced the closing of the Private Placement to Spirit and issued 133,333,333 units at a price of \$0.03 per unit for aggregate proceeds of \$4,000. Each unit consisted of one common share of the Company and one common share purchase warrant with an exercise price of: (i) \$0.04 per share at any time within 12 months following the date of issue, and (ii) \$0.05 per share thereafter, with such warrants being exercisable for a period of 24 months, provided that if the Company fails to complete one or more equity financings for at least \$3,000 in aggregate within such 24-month period, then the exercise period of the warrants will be extended by a further 12 months.

Contemporaneously with the completion of the Private Placement,

- Al Gourley and Wayne Malouf were elected by the shareholders as directors of the Company.
- The Company issued an aggregate of 11,732,919 units (the "Conversion Units") in connection with the automatic conversion of the outstanding principal amount plus accrued interest due under the Company's convertible promissory notes. Each Conversion Unit comprises of one common share and one warrant exercisable for one common share. Each warrant is exercisable for a period of 24 months; provided that if the Company fails to complete one or more equity financings for at least \$3,000 in aggregate within such 24-month period, then the exercise period of the warrants will be extended by a further 12 months. The warrants have an exercise price of \$0.05.
- The Company fully repaid the Spirit Loan.

On August 25, 2025, the Company announced the retirement of Ewan Mason (Chair, President and CEO) effective November 20, 2025.

Trends

The Interim Financial Statements were prepared on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities and commitments in the normal course of business. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that cast significant doubt upon the Company's ability to continue as a going concern. At September 30, 2025, the Company had an excess of current assets over current liabilities of \$1,008 including cash and cash equivalents of \$1,250. In addition, the Company had negative cash flows from operations of \$2,704, an accumulated deficit of \$901,918, and currently does not generate revenue. During the period ended September 30, 2025, the Company closed a non-brokered private placement of convertible debentures of \$565, obtained an unsecured loan of \$800, and closed a non-brokered private placement of \$4,000. However, the ability of the Company to continue as a going concern and fund its expenses in an orderly manner will require additional forms of financings.

There is no assurance that the Company will be successful in obtaining the required financing at an acceptable cost as and when needed or at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone exploration and/or evaluation plans, forfeit rights in its properties or reduce or terminate its operations.

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In addition, external risks like a trade dispute with the U.S. could put significant strain on Canada’s broader economy. Tit-for-tat import tariffs are generally inflationary and would raise costs. Management, in conjunction with the Board, will continue to monitor these developments and their effect on the Company’s business.

Management regularly monitors economic conditions and estimates their impact on the Company’s operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

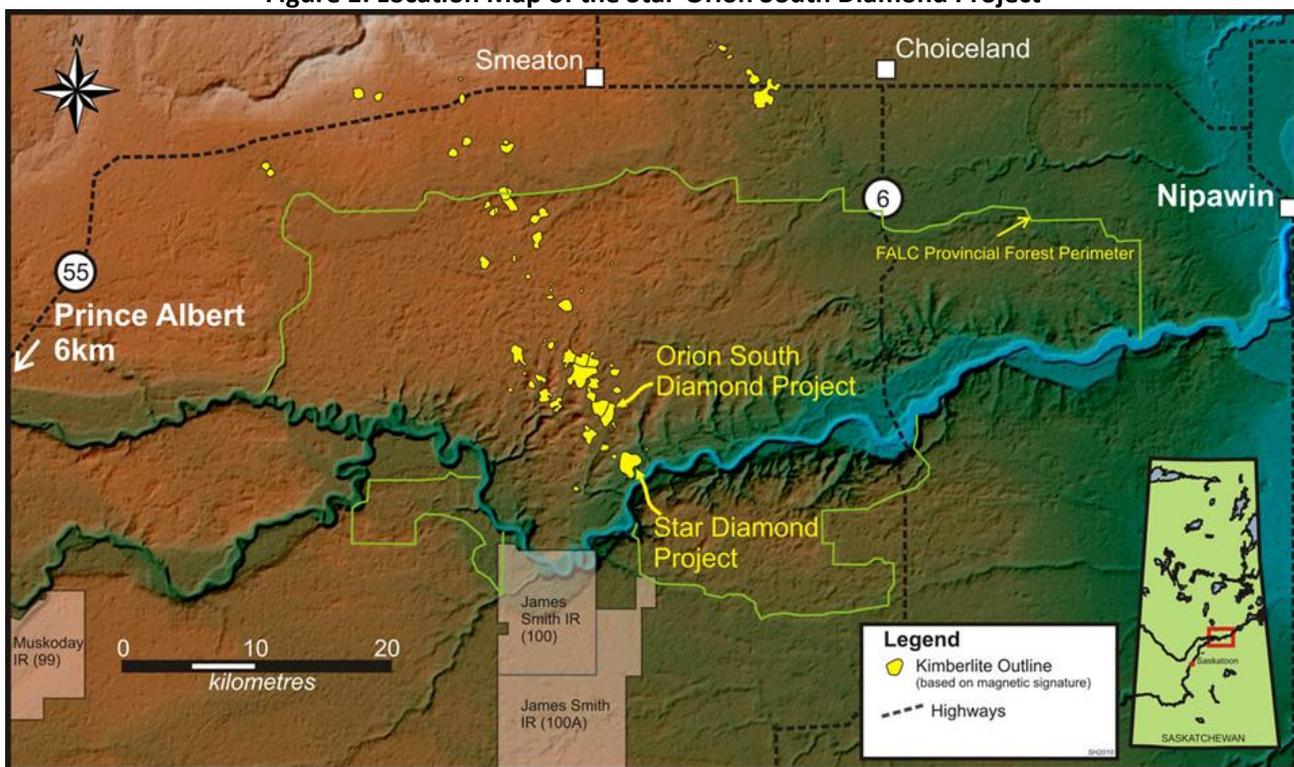
Inflation increases major operating expenses like service provider costs such as accounting, costs of being a reporting issuer, legal and audit costs. The Company works to counteract rising expenses. Despite the best efforts to control costs where possible, inflationary pressures nonetheless introduce added financial burdens on the Company.

Apart from these and the risk factors noted under the heading “Risks and Uncertainties”, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company’s business, financial condition of the Company or results of operations. See “Risks and Uncertainties” below.

Fort à la Corne mineral properties

The Company currently holds a 100% interest in certain Fort à la Corne (“FALC”) kimberlites (see March 26, 2024, news release: *Star Diamond Corporation completes acquisition of Rio Tinto’s 75% interest in Fort à la Corne Joint Venture*) including the Star and Orion South Kimberlites. The FALC mineral properties are located in the Fort à la Corne Provincial Forest, 60 km east of Prince Albert, Saskatchewan (see Figure 1). Highway 55, located to the north of the Project, connects Prince Albert with several towns located directly north of FALC to the town of Nipawin, east of FALC. Highway 6 runs north south and is located to the east of FALC.

Figure 1: Location Map of the Star-Orion South Diamond Project



In May 2024 the Company announced that it completed an estimate of the diamond valuation of three major kimberlite units within the Orion North Kimberlite (see news release May 16 2024: *Fort à la Corne Project Orion North diamond valuation and proportions of Type IIa diamonds*). The diamond parcels included in this valuation are all from large diameter

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drill samples collected between 2006 and 2008 and are sampled from Early Jou Fou ("EJF") kimberlite units that form the dominant, potentially economic lithologic units of the K120 and K147/K148 kimberlites. These diamond parcels have not previously been examined for diamond valuation. The K120 and K147/K148 kimberlites are the principal components of the Orion North cluster of contiguous kimberlites.

Highlights

- The diamond valuation exercise has shown that the diamonds found within the EJF units of the K120, and K147/148 kimberlites have high modelled diamond prices, between US\$212 and US\$288 per carat, as shown in the table below. The two highest value stones, from K147-K148-EJF4 and K120-EJF, respectively, are 6.89 carats (US\$3,519.00 per carat, US\$24,246.00) and 7.50 carats (US\$3,520.00 per carat, US\$26,400.00). These diamond parcels are too small (carats and stones) for rigorous diamond value estimates.
- The diamond typing exercise has shown the presence of high proportions of Type Ila diamonds in all three of these Orion North kimberlites. The EJF3 and EJF4 units of K147/K148 have anomalously high proportions of Type Ila diamonds of 41% and 63%, respectively, as shown in the table below. The diamonds analysed represent a spectrum of diamond sizes from +5 DTC (+0.05 carats) to 7 carats.
- A Target for Further Exploration ("TFE") completed by Star Diamond in 2014 (see News Release March 06, 2014), estimated that between 511 million and 609 million tonnes of the major EJF units, containing between 25 and 50 million carats, occur within the Orion North kimberlite cluster. This work enables Star Diamond to state that the Orion North Kimberlite is a diamond deposit with more than 500 million tonnes of potential mineable kimberlite.

Diamond Valuation

Diamond valuations and model prices, as shown in the table below, were completed by Mr. Nelson Karun, Diamond Specialist, for Star Diamond. The Parcel Price represents an estimate of the wholesale price for which the parcel could currently be sold. The Model Price is an estimate for a future price that considers the diamond size frequency distribution. The Low Model represents a minimum while the High Model does not represent a maximum.

Kimberlite	Number of Stones	Number of Carats	Parcel Price (US\$/Ct)	Model Price (US\$/ct)	Low Model Price (US\$/ct)	High Model Price (US\$/ct)
K120-EJF	3,162	273.93	202.55	267.77	200.83	401.66
K147-K148 EJF3	666	70.90	139.14	287.88	215.91	431.82
K147-K148-EJF4	940	81.61	374.45	211.74	158.80	317.60

As observed by Mr. Karun, diamonds from these kimberlite bodies exhibit good quality and colour, consisting significant collection colour (GIA: D-F) and there are high proportions of Gem and Near Gem and low proportions of Boart (Industrial). These diamond parcels include high yielding models. The proportion of diamonds in each parcel that exhibits strong fluorescence is very low (negligible)– as listed in the table below.

Kimberlite	Gem %	Near Gem %	Boart %	Strong Fluorescence %
K120-EJF	61.43	22.71	15.86	3.04
K147-K148 EJF3	73.67	16.28	10.06	3.30
K147-K148-EJF4	71.87	19.09	9.04	1.28

Diamond Typing

These three kimberlite units have diamond parcels with sufficient diamonds to conduct preliminary diamond typing studies. The number and the percentage of Type Ila diamonds for these Orion North EJF units studied are documented in the table below and show that these kimberlites have anomalously high proportions of Type IIA diamonds, particularly K147/K148-EJF4.

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Orion North Diamonds (+5 DTC (0.05 carats) to 7 carats)			
	Number of Diamonds Typed	Number of Type IIa Diamonds	Percentage Type IIa Diamonds
K120-EJF	1,545	167	10.81
K147-K148-EJF3	454	184	40.52
K147-K148-EJF4	514	326	63.42

Also, in May 2024 the Company announced a review of the work completed by Rio Tinto Exploration Canada Inc. ("RTEC") on the Fort à la Corne Project ("FALC Project") (see news release May 27, 2024). From June 2017 until June 2022, RTEC pursued extensive exploration and evaluation analysis on two fronts at the FALC Project:

- The successful completion and calibration of a trench cutter bulk sampling and microdiamond recovery program on Star Kimberlite, with a view to expanding this program to the Orion South Kimberlite; and
- A separate team of RTEC geologists conducted the Orbit exploration program, with the aim of prioritizing the diamond prospectivity of all the other kimberlites that make up the FALC Project.

RTEC also conducted detailed mining studies for the future development of diamond mines on the Star, Orion South and Orion North Kimberlites. Many of the conclusions of these mining studies confirm work previously completed by Star Diamond.

Highlights of RTEC's studies suggest:

- The continuous and sequential mining of diamonds from Orion South, Star and Orion North over a period of seventy years;
- The ability to maintain stable pit slopes in the Fort à la Corne Kimberlites through the use of wall buttressing and dewatering;
- Analysis produced by RTEC estimates that, based on the currently available size frequency distribution ("SFD") for the EJF kimberlite within the Star Kimberlite, a 222,000 tonne sample of the EJF is likely to yield 101 Specials (+10.8 carats) and one Exceptional diamond (+100 carats); and
- RTEC confirmed that the TC EJF diamond parcel contained a significant proportion of Type IIa diamonds (29% Type IIa +9 DTC).

Star Trench Cutter Bulk Sampling and Diamond Recovery

RTEC contracted Bauer Maschinen GmbH ("Bauer") to adapt a Bauer BC 50 Cutter to sample kimberlite at depths of up to 250 meters below surface. The trench cutter ("TC") has a rectangular profile of 3.250 metres by 1.575 metres (3.200 by 1.525 metres drill tool plus 25 millimetres all round overbreak). The trenches were excavated using the custom Bauer BC 50 Cutter mounted on a Bauer MC 128 Duty-cycle Crane. Kimberlite excavated by the cutter bit was pumped to the surface in a slurry, and kimberlite fragments between +1.0 and 80.0mm were recovered from the slurry by the Kimberlite Separation Unit. These kimberlite fragments were collected in cubic metre bulk bags and kept in an on-site storage area by RTEC until such time that they could be processed through the newly constructed Consulmet Bulk Sampling Plant ("BSP"). The BSP included a modern diamond recovery flowsheet with a TOMRA XRT sorter to recover diamonds between 6.0 and 25.0mm and a narrow range Dense Media Separator ("DMS") to recover the small diamonds between 1.0 and 6.0mm. The BSP also included High Pressure Grinding Rolls ("HPGR") to ensure liberation of +1.0mm diamonds from the +6.0-25.0mm waste from the XRT sorter.

RTEC successfully drilled ten TC holes in the Star Kimberlite and produced the total Early Joli Fou ("EJF") diamond parcel listed in the table below in comparison with EJF parcels produced from the previous Star Kimberlite Underground and Large Diameter Drill ("LDD") programs:

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Diamond Parcels for Star Kimberlite EJF: TC, LDD and Underground

Star EJF Kimberlite	Kimberlite Tonnes	Carats (+1 DTC)	Grade (cpht)	Stones (+1 DTC)	Stones per tonne (+1 DTC)
Trench Cutter	8,964.71	1,428.89	15.94	24,900	2.78
LDD Inner	8,440.57	979.39	11.60	10,238	1.21
Underground	43,372.18	7,425.42	17.12	56,007	1.29

The TC EJF diamond parcel shows improved diamond grade over the LDD program and the TC grade is close to that for the Underground. The significant increase in stones per tonne for the TC diamond parcel is a function of the improved small diamond recovery by the modern flowsheet of the BSP. RTEC specifically designed this BSP for the effective liberation of small stones by the HPGR and their efficient recovery as a result of the narrow range (1.0-6.0mm) of the DMS. The small diamonds (+1DTC, +3DTC & +5DTC) of Star and Orion South are of a high quality and colour and, consequently, have significant value: US\$30 to US\$50 per carat and opposed to the usual US\$5 to US\$10 per carat. This efficient recovery of these small stones significantly improves the diamond SFD and will add to the overall diamond grade for Star and Orion South in the pending revised Mineral Resource estimate.

The TC EJF diamond parcel included 12 high value stones ranging from 4.08 carats valued at US\$5,100.00 to 16.96 carats valued at US\$110,240.00. RTEC confirmed that the TC EJF diamond parcel contained a significant proportion of Type IIa diamonds (29% Type IIa +9 DTC) and nine of the twelve most valuable stones are Type IIa. The details of the high value TC diamonds and their Type IIa statistics were reported in News release May 31, 2022.

RTEC have documented that only Karowe Diamond Mine in Botswana and Letseng Diamond Mine in Lesotho have similar coarse diamond SFD's and proportions of Type IIa diamonds as that of the Star and Orion South Kimberlites. The majority of +100 carat Exceptional diamonds mined globally are Type IIa and only two mines, namely Karowe and Letseng, produce +100 carat Exceptional diamonds on a monthly basis. Two other diamond mines, Cullinan in South Africa and Mothae in Lesotho, produce +100 carats Exceptional diamonds on an annual basis. This poorly understood sub-population of Type IIa diamonds represents only 2 percent of global production, yet dominates the largest, highest value diamonds in the world. These diamonds have a unique niche in the luxury goods market, which is usually not impacted by global uncertainty and certainly not by synthetics. Specials, greater than 10.8 carats, and Exceptionals, with values in excess of US\$10 million fill this attractive niche, and the Star and Orion South Kimberlites, like Karowe and Letseng, can provide these unique stones. Careful analysis produced by RTEC estimates that, based on the currently available SFD for the EJF kimberlite within the Star Kimberlite, a 222,000-tonne sample of the EJF is likely to yield 101 Specials (+10.8 carats) and one Exceptional diamond (+100 carats). Remembering that the PEA anticipates an ore processing rate of 45,000 tonnes of kimberlite per day and, consequently, Specials should be recovered on a daily basis and Exceptional diamonds on a weekly basis.

Orbit Exploration Program FALC Project

The results of the Orbit exploration program highlighted the kimberlites of Orion North (K120, K147, K148) as having significant potential to add to the future Mineral Resources of the FALC Project. See recent Orion North diamond valuation and Type IIa proportion (see news release May 16, 2024). Orion Centre (K145), Taurus (K150, K118, K122) and K119 stand out in the field as having a number of the attributes sought but require further work to completely evaluate. The methodology and conclusions of this work have already been published (see news release April 13, 2022).

Mining Studies Completed by RTEC

RTEC developed a conceptual 74-year schedule for the sequential mining of Orion South, Star and Orion North, assuming that the run-of-mine ore capacity was limited to 14 million tonnes per annum, and they anticipated 70 continuous years of kimberlite ore processing and diamond production. Star Diamond believes this work is not necessarily compliant with NI 43-101.

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Mining studies provided to Star Diamond by RTEC demonstrated the ability to maintain stable pit slopes in the Fort à la Corne Kimberlites. In addition, it was determined that the use of a mixed mining fleet improves efficiency and brings forward time to first ore, specifically: the use of Bucket Wheel Excavators ("BWE") in the overburden along with in-pit crush and convey systems ("IPCC") for delivery of ore to the processing plant, combined with conventional truck and shovel in the ore zones. The use of BWE's and IPCC has the potential to lower the operating costs, along with a small mixed trucking fleet for buttressing which also allows for operational flexibility. Correct scheduling allows longwall mining benches to be exploited within the confines of a circular pit. BWE or IPCC (or combination) for overburden stripping and mining methods are electrically powered and coupled with the accessible provincial grid power, present a greener mining opportunity. Ultra-class battery electric haul trucks are in development and can be integrated with BWE and IPCC.

RTEC mining studies confirmed that pit walls in the Lower Colorado Shale need to be minimized by leaving some kimberlite in the pit wall, as this has a positive effect on stabilizing the pit slope. Buttressing is considered to be a viable method of pit slope stabilization particularly within weak units in the pit walls, such as the Lower Colorado Shale and paleo-channel units contained within some overburden areas. Dewatering the Mannville Group sediments is critical and has been proven as feasible and resolves stability in the base of the pits. Depressurization of the Colorado Shale is key to achieving an acceptable Factor of Safety ("FoS"). Based on conceptual studies a FoS can be demonstrated at 1.3 for a pit with a pore pressure decrease of 50% above and beyond unloading release. Once excavation begins and wall stability can be assessed at a bench scale, performance-based design or observational mining has potential to further increase slope design angles. Observational mining and performance-based design have been proven to successfully increase slope angles against design in the Canadian oil sands.

Revised Mineral Resources Estimate

In July 2024 the Company announced a significant increase in the estimated Mineral Resources for the Star - Orion South Diamond Project (the "Project"). The Company commissioned A.C.A Howe International Ltd. ("Howe") and Ravenscroft Mining Advisors ("Ravenscroft") to prepare an independent National Instrument 43-101 Technical Report with respect to the Project located in Saskatchewan, Canada, entitled "TECHNICAL REPORT AND REVISED RESOURCE ESTIMATE for the STAR – ORION SOUTH DIAMOND PROJECT FORT A LA CORNE AREA SASKATCHEWAN, CANADA LATITUDE 53° 15" N LONGITUDE 104° 48" W for STAR DIAMOND CORPORATION" and dated effective July 24, 2024 (the "Technical Report"). In addition, Mr. Nelson Karun, Diamond Specialist for Star Diamond has provided the diamond pricing estimates utilized in the Revised Mineral Resource Estimate effective as of July 24th, 2024, for the Project as set forth in the Technical Report.

Highlights include:

- **Indicated Mineral Resources on Star have increased 22 percent** to 34.8 million carats and the grade has increased 20 percent to 19.4 cpht
- **Indicated Mineral Resources on Orion South have increased 37 percent** to 36.9 million carats and the grade has increased 32 percent to 17.9 cpht
- **Star Diamond has determined that no additional bulk sampling is required on the Orion South Kimberlite** for the rigorous estimation of these Mineral Resources, and this results in the savings of millions of dollars in exploration expenditures and shaves significant time off the completion of the Pre-Feasibility Study ("PFS").

Revised Mineral Resources Estimates for the Star and Orion South Kimberlites

Star Kimberlite Revised Mineral Resources Estimate				
Resource Category	Kimberlite Unit	Tonnes x1,000	Grade cpht	Carats x1,000
Indicated	MJF	21,822	6.6	1,437
Indicated	EJF Outer	47,659	16.9	8,045
Indicated	EJF Inner	84,090	24.0	20,168

Orion South Kimberlite Revised Mineral Resources Estimate				
Resource Category	Kimberlite Unit	Tonnes x1,000	Grade cpht	Carats x1,000
Indicated	EJF Outer	46,673	16.3	7,593
Indicated	EJF Inner	94,177	25.7	24,219
Indicated	Pense	65,746	7.8	5,125

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Indicated	Pense	13,960	18.1	2,525
Indicated	Cantuar	12,060	21.7	2,622
Indicated	TOTAL	179,591	19.4	34,797
Inferred	EJF Outer	34,100	14.4	4,923
Inferred	Pense	9,982	17.6	1,761
Inferred	Cantuar	5,488	21.0	1,154
Inferred	TOTAL	49,570	15.8	7,838

Indicated	TOTAL	206,596	17.9	36,937
Inferred	EJF Outer	41,236	15.5	6,400
Inferred	Pense	2,591	7.5	194
Inferred	P3	6,093	12.2	742
Inferred	TOTAL	49,921	14.7	7,336

Table Notes Apply to Table

- Canadian Institute of Mining and Metallurgy ("CIM") definitions were followed for classification of mineral resources.
- Star Kimberlite Units: Cantuar, Pense, Early Joli Fou ("EJF"), & Mid Joli Fou ("MJF").
- Orion South Kimberlite Units: P3, Pense & Early Joli Fou (EJF).
- Mineral Resources are constrained within a Whittle optimized pit shell.
- Mineral Resources, which are not Mineral Reserves do not have demonstrated economic viability. The estimation of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.
- There is no guarantee that all or any part of the Mineral Resources will be converted into a Mineral Reserves.
- Grade values are rounded to the first decimal.
- The effective date of the Revised Mineral Resources estimate is July 24, 2024.
- The EJF Inner and Outer kimberlite units for both deposits are based on detailed kimberlite geology recorded from the core logging of the pattern drilling program. The EJF Inner represents coarser grained EJF kimberlite that occurs within the volcanic crater and the EJF Outer includes finer grained EJF kimberlite that lies on and outside the crater rim. This Revised Mineral Resources estimate acknowledges that the transition from Inner to Outer is geologically gradational.

Mineral Resources Estimation Methodology

Revised grade estimates at Star and Orion South have been based on a diamond industry standard approach using alignment of sample diamond size frequency distributions. Peter Ravenscroft explains: "This approach has allowed for the development of unbiased grade estimates that take into account the effects of using necessarily small samples in a diamond deposit with relatively low grade but coarse stone size. At Orion South, it has also provided a means of resolving sampling results from several sampling campaigns with different drilling methodologies and different sample plant flowsheets. Final alignment with underground bulk sample results and block model interpolation with appropriate smoothing has resulted in robust estimates of grade at a required level of detail for feasibility study of the Star and Orion South deposits.

Economic Assumptions

CIM standards and Securities Commission disclosure regulations require that a Mineral Resource can only be declared on a mineral deposit which has "reasonable prospects for eventual economic extraction". The reported Mineral Resource for Star and Orion South are constrained using a Whittle pit optimization. The Mineral Resources reported in Table 1 comprise the kimberlite that is constrained within the optimized Whittle pit shell. Diamond values for this resource statement are based on the June 2024 High modeled prices determined by in-house Diamond Specialist, Nelson Karun. This Revised Mineral Resources estimate includes only stones recovered larger than +1 DTC diamond sieve and considers all kimberlite above 90 metres above mean sea level or to a depth of 360 metres below surface in Star and 375 metres below surface in Orion South, with the surface being defined by the Digital Terrain Model.

Decision on Orion South Bulk Sampling

Star Diamond, working in close consultation with Peter Ravenscroft of Ravenscroft Mining Advisors, has determined that only limited improvements in precision could be achieved by additional, prohibitively costly bulk sample programs, and that the extensive work already completed will allow for robust diamond price estimates on both Star and Orion South, with associated confidence limits allowing for quantified risk analysis as part of the PFS. This conclusion has been reached based on the following:

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- Comprehensive sorting and valuation of all stones recovered from LDD and Underground sampling campaigns over the last 20 years, allowing for the combination of sample diamonds into significantly larger parcels.
- Detailed comparison of quality distributions between Orion South and Star, identifying some clear differences as well as some strong similarities, as would be expected from closely located kimberlites in the same cluster.
- Analysis of the relative precision of price estimates from samples of a different size, specifically where prices are influenced by large and high value stones as at Star and Orion South.

In September 2024 the Company announced that the Technical Report documenting the Revised Mineral Resources Estimate (see News Release dated July 24, 2024) for the Star – Orion South Diamond Project (the “Project”) has been filed on SEDAR+ (www.sedarplus.ca).

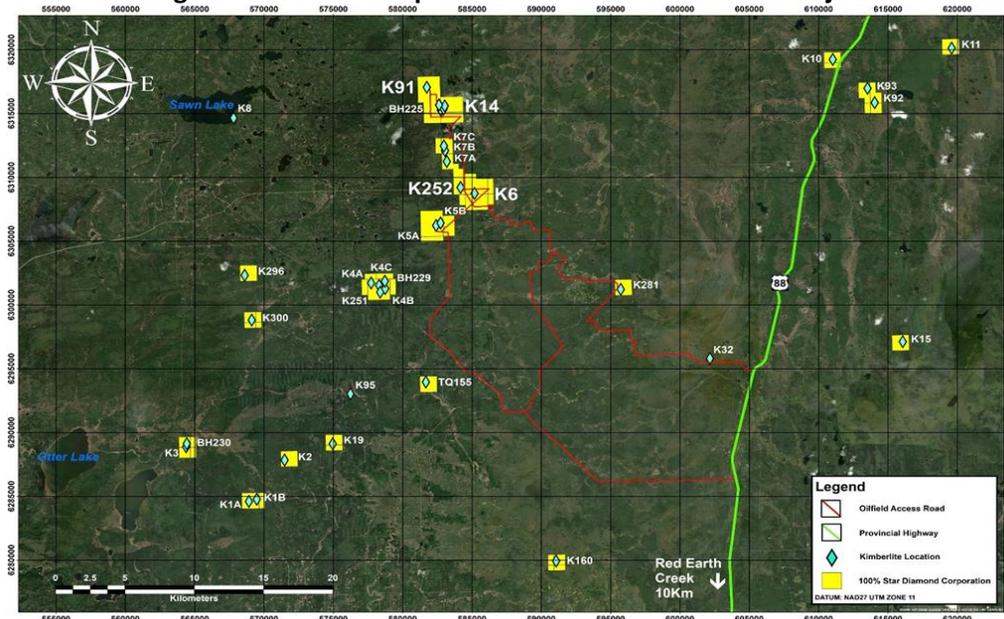
Recent activities relating to the Star - Orion South Diamond Project and Fort à la Corne mineral properties

The revised mineral resources estimate will now be incorporated into a re-optimized open pit mine plan for the Project, which will include a re-evaluation of mineral reserves and an economic assessment based thereon. On September 9, 2025, the Company announced the engagement with Misty Clifton and SGS for a PFS on the Star–Orion South Diamond Project. The PFS will include a revised statement of Mineral Reserves for the Project, if warranted, and an economic assessment based thereon. The PFS will build on the revised mineral resource estimate, which was completed in 2024 and the technical work completed for and since the 2018 Preliminary Economic assessment (PEA). Significant parts of the work completed for the 2018 PEA, including the mining method, process plant design, site layout and infrastructure, can be updated and incorporated into the updated PFS. The consultants have estimated the PFS will be completed during Q4 2026.

Buffalo Hills Diamond Project

The Company holds a 100% interest in the exploration and evaluation properties and assets of the Buffalo Hills (BH) Project. Located approximately 400 kilometres northwest of Edmonton, Alberta, Canada, the BH Project includes 21 mineral leases covering 4,800 hectares and is a significant and accessible field of diamond-bearing kimberlites, with similarities to the Company’s Fort à la Corne kimberlites. The BH Project is located in the Buffalo Hills Kimberlite District, which contains at least 38 individual kimberlite bodies, of which 26 kimberlites are diamond-bearing and a number of which outcrop at surface (see Figure 2). Exploration on these kimberlites started in 1996, and small parcels of diamonds have been collected from various exploration programs on many of those considered most prospective.

Figure 2: Location Map of the Buffalo Hills Diamond Project



MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

For the three and nine months ended September 30, 2025

(in thousands of Canadian dollars, except as otherwise noted)

Outlook

Fort à la Corne Project

Star Diamond's technical team will focus on the technical investigation and evaluation of the Star – Orion South Diamond Project, with the goal of a future development decision. The initial work was completed in 2024 with a revised Mineral Resource estimate for the Star – Orion South Diamond Project, which will form the foundation of an updated PFS. The PFS will enable a Feasibility Study, on which a production decision can be based. The PFS was initiated in September 2025 with an estimated completion date of Q4 2026.

Highlights

- The revised Mineral Resource estimate for the Star and Orion South kimberlites has integrated Star trench cutter diamond data, adding improvement to the diamond size frequency curves for both kimberlites.
- The mitigation of risk in the Orion South diamond price estimate: the 2018 PEA demonstrated that it is economically efficient to mine the Orion South kimberlite first. However, Orion South has a significantly smaller evaluation diamond parcel than Star, adding some risk to the diamond price estimate for Orion South. We believe there is an opportunity to mitigate the risk in the Orion South diamond price estimate, without the necessity of additional bulk sampling to obtain a larger diamond evaluation parcel.
- A budget has been prepared for the completion of the PFS of \$3,000.

Orion South Diamond Price

Orion South has shallower overburden (Orion South 100 metres, Star 140 metres) and higher diamond grade (Orion South 17 cpht, Star 10 cpht) kimberlite in direct contact with overburden, both of which ensure more rapid access to cash flow after overburden removal in a future mine. Consequently, the PEA demonstrated that it is economically efficient to mine Orion South first. However, there is a significant difference in the size of the evaluation diamond parcels recovered from the EJF, the principal economic unit in both Star and Orion South. The Orion South evaluation parcel includes only 1,399 carats, as opposed to the Star EJF parcel of 7,122 carats. In order to commence mining on Orion South, the risk associated with the estimation of diamond price on a smaller evaluation parcel needs to be mitigated. We believe that the close similarities of the kimberlite geology and diamond parcel characteristics for Star and Orion South can enable better estimation of the Orion South diamond price. We have developed a plan to conduct an in-depth investigation of the extent of similarities between the Star and Orion South EJF diamond populations, with the aim of mitigating the risk in the estimation of the diamond price for the Orion South EJF diamond parcel. The goal of this investigation is to accurately estimate the Orion South diamond price without the requirement of additional bulk sampling, which is both expensive and time consuming. The confidence generated in the Orion South diamond price will add to the precision of the newly revised mineral resource estimate.

Updated PFS

The scoping of an updated PFS commenced in 2024 with the initial work to be focused on updating the hydrogeology and geotechnical models, in addition to the management of fines in plant process water. Changes in environmental legislation, since the PEA, require that deep groundwater pumped from the Mannville sediments to stabilize the open pits of a future mine will require a revised method of disposal. Geotechnical work will focus on the engineering of pit slopes, particularly in parts of the overburden, to ensure steeper pit slopes and, consequently, a significant reduction in overburden removal. The processing of some Orion South kimberlite results in plant process water from which the fines do not settle quickly or easily. Investigations will be made into the mechanical separation of the fines and the future of a fines management area, as this will minimize the use of "tailings ponds". Significant parts of the work completed for the 2018 PEA, including the mining method, process plant design, site layout and infrastructure, can be updated and incorporated into the updated PFS. The PFS commenced in September 2025 and the estimated completion data is Q4 2026.

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Buffalo Hills Diamond Project

Management continues to review the recent results from the diamond valuation and typing analysis with a view to possible work programs and a potential path forward for the asset. A more detailed update on activities at Buffalo Hills will be provided as it becomes available.

Financial Highlights

Selected financial information of the Company for the three and nine months ended September 30, 2025 and 2024 is summarized as follows:

	Three months ended September 30, 2025 \$	Three months ended September 30, 2024 \$	Nine months ended September 30, 2025 \$	Nine months Ended September 30, 2024 \$
Net loss	(989)	(1,393)	(3,405)	(3,909)
Net loss per share ⁽¹⁾	(0.00)	(0.00)	(0.01)	(0.01)
Current assets	1,691	886	1,691	886
Total assets	15,027	16,151	15,027	16,151
Current liabilities	683	1,008	683	1,008
Total non-current liabilities	8,099	7,720	8,099	7,720
Working capital (deficit)	1,008	(122)	1,008	(122)

(1) Basic and diluted.

Results of Operations

For the three months ended September 30, 2025, the Company recorded a net loss of \$989 or \$0.00 per share (2024 – net loss of \$1,393 or \$0.00 per share). The decrease in net loss was primarily due to the following:

- Administration decreased to \$196 in 2025 (2024 - \$433) due to reduction in certain salaries and benefits and management fees.
- Exploration and evaluation expenditures decreased to \$501 in 2025 (2024 - \$775). Exploration and evaluation expenditures incurred during 2025 were primarily due to security and maintenance, continued diamond analyses, and test work for the FALC Project.

For the nine months ended September 30, 2025, the Company recorded a net loss of \$3,405 or \$0.01 per share (2024 – net loss of \$3,909 or \$0.01 per share). The decrease in net loss was primarily due to the following:

- Administration decreased to \$1,000 in 2025 (2024 - \$1,246) due to reduction in certain salaries and benefits and management fees.
- Exploration and evaluation expenditures decreased to \$1,431 in 2025 (2024 - \$1,977). Exploration and evaluation expenditures incurred during 2025 were primarily due to security and maintenance, continued diamond analyses, and test work for the FALC Project.
- Corporate development decreased to \$134 in 2025 (2024 - \$324), reflecting a reduction in marketing activities and publications issued in 2025.
- Loss on investment in Wescan Goldfields Inc. decreased to \$nil in 2025 (2024 – loss of \$116).
- Unwinding of discount of environmental rehabilitation provision increased to \$198 in 2025 (2024 - \$126).
- Change in derivative liability increased to a loss of \$264 in 2025 (2024 - \$nil) due to the changes in the fair values of the embedded derivatives of the convertible debentures.

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

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Summary of Quarterly Result

	2025				2024			2023
	Qtr 3	Qtr 2	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Qtr 4
Total assets (\$ millions)	15.0	14.1	14.3	14.4	16.2	16.3	19.5	1.2
Total liabilities (\$ millions)	8.8	10.7	9.8	9.2	8.7	8.6	10.2	1.0
Expense (\$ millions)	0.8	1.1	0.9	1.1	1.3	1.5	0.9	1.0
Net loss (\$ millions)	1.0	1.5	1.0	2.0	1.4	1.6	0.9	1.0
Net loss per share ⁽¹⁾ (\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Shares outstanding (millions)	768.3	623.3	617.8	617.6	611.5	599.9	494.8	482.7

(1) Basic and diluted.

Related Party Transactions

Key management personnel are persons responsible for planning, directing, and controlling the activities of an entity, and include executive and non-executive directors. Compensation for key management personnel and directors, including payments made or payable to related parties owned by executive officers and directors, is as follows:

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
	\$	\$	\$	\$
Director fees	19	25	66	75
Salaries for key management personnel	58	88	177	280
Consulting and management fees to related companies	52	111	244	317
Share-based payments	19	48	163	145
Total compensation paid to key management personnel	148	272	650	817

The amounts disclosed in the table above are the amounts recognized as an expense during the reporting period related to key management personnel. The above transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The fair value of share-based payments in the form of stock options was determined using the Black-Scholes option pricing model. The fair value of share-based payments in the form of RSUs and DSUs was determined based on the five-day volume weighted-average trading price of the Company's shares preceding the date of grant.

The compensation paid to key management personnel is included in the Company's statements of loss and comprehensive loss as follows:

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
	\$	\$	\$	\$
Administration	92	169	439	508
Exploration and evaluation	56	103	211	309
Total compensation paid to key management personnel	148	272	650	817

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Liquidity

The Company does not currently operate any producing properties and, as such, is dependent upon the issuance of new equity to finance its ongoing obligations and advance its exploration and evaluation properties. Until the Company's surplus cash is required to fund exploration, evaluation and/or development activities it is invested in a variety of highly rated instruments.

On September 30, 2025, the Company had \$1,250 (December 31, 2024 - \$164) in cash and cash equivalents and a working capital (excess of current assets over current liabilities) of \$1,008 (2024 – working capital deficit of \$1,017). The increase in working capital was a result of proceeds received from convertible debentures and the Private Placement and sale of shares in Wescan Goldfields Inc., offset by net cash used in operating activities. In 2025, the Company initiated the following cost reductions:

- The Company has moved its head office to a smaller area in the same building resulting in a 70% drop in our office lease payments;
- Certain management/employee functions will be reduced or eliminated; and
- Site costs have been significantly reduced as operations moved to a care and maintenance basis.

A budget has been prepared for the completion of the PFS of \$3,000 which is subject to the completion of further financing.

However, the ability of the Company to continue as a going concern and fund its expenses in an orderly manner will require additional forms of financing. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and planned activities.

Financial Instruments

Certain financial instruments are exposed to the following financial risks:

Credit risk

Credit risk is the risk of an unexpected loss by the Company if a customer or third-party to a financial instrument fails to meet its contractual obligations. The Company considers this risk to be insignificant as the majority of the Company's cash and cash equivalents are held by financial institutions with an AA credit rating. At September 30, 2025, the Company's credit risk relates to its cash and cash equivalents of \$1,250 (December 31, 2024 - \$164).

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet regulatory liquidity and spending requirements as well as meet its financial obligations. The Company's approach to managing liquidity risk is to forecast future cash flows to ensure that it will have sufficient liquidity to meet its obligations when it is due. To ensure the Company has sufficient cash on hand, the Company prepares annual capital and operating budgets which are regularly monitored and updated as considered necessary. At September 30, 2025, the Company had a working capital of \$1,008 including cash and cash equivalents of \$1,250. In addition to regulatory spending requirements at September 30, 2025, the Company has trade payables and other lease payments as set out in the following table on an undiscounted basis:

Trade payables and accrued liabilities	\$ 411
Lease payments	93
Environmental rehabilitation provision	189
Total	\$ 693

The Company may pursue options to finance further exploration, evaluation and/or development as it currently does not have sufficient funds to bring any of its property interests into production from its own financial resources. Financing

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options may include equity financing, debt financing or other means. Although the Company has been successful in the past in obtaining financing, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain additional financing could result in a delay or indefinite postponement of further exploration, evaluation and/or development of its projects with the possible loss of such properties.

The Company is aware, in making its going concern assessment, of material uncertainties related to events and conditions that cast significant doubt upon the Company's ability to continue as a going concern. On September 30, 2025, the Company has a working capital of \$1,008 including cash and cash equivalents of \$1,250. The ability of the Company to continue as a going concern and fund general and administrative expenses in an orderly manner will require further sources of financing. There is no assurance that the Company will be successful in obtaining required financing at an acceptable cost as and when needed or at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone exploration and/or evaluation plans, forfeit rights in its properties or reduce or terminate its operations. The Company is assessing opportunities to address the issue of liquidity.

Market risk

Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, and commodity price risk.

Foreign currency risk:

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign exchange rate fluctuation since transactions and balances in foreign currencies are minimal, if any.

Commodity price risk:

Commodity price risk is the risk that a variation in commodity price will affect the Company's operations and financial results. The Company does not have significant exposure to commodity price fluctuations since it is currently in the exploration stage.

Interest rate risk:

The interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

Critical Accounting Estimates and Judgments

The Interim Financial Statements have been prepared in accordance with IFRS issued by the IASB. The Company's material accounting policies are described in note 4 to the 2024 Annual Financial Statements. Certain of these policies involve critical accounting estimates as they require management to make particularly subjective or complex judgments about matters that are inherently uncertain and because of the likelihood that materially different amounts could be reported under different conditions or using different assumptions. The uncertainties related to these areas could significantly impact the Company's results of operations, financial condition and cash flows. In particular, the significant areas of judgment and estimation uncertainty considered by management in preparing the consolidated financial statements are: identification of cash generating units, exploration and evaluation expenditures, reserve and resource estimation, asset valuations and exploration and evaluation assets impairment, environmental rehabilitation provision and share-based payment transactions. These are discussed in more detail in note 4 to the Interim Financial Statements.

Subsequent Events

On October 6, 2025, 13,959,734 warrants and 362,284 broker warrants expired unexercised.

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On October 21, 2025, 2,706,933 warrants and 105,527 broker warrants expired unexercised.

Disclosure Controls and Procedures

In accordance with the requirements of *National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings*, the Company's management, under the supervision and with the participation of the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), are responsible for establishing and maintaining disclosure controls and procedures. Subject to the following limitations, the Company designs disclosure controls and procedures to provide reasonable assurance that any information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the applicable time periods, and to ensure that required information is gathered and communicated to the Company's management so that decisions can be made about timely disclosure of that information. The Company recognizes that the relative cost of maintaining these disclosure controls and procedures should not exceed their expected benefit.

As at the end of the period covered by this MD&A and accompanying consolidated financial statements, the CEO and the CFO have reviewed and evaluated the design and effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the CEO and the CFO have concluded that the Company's disclosure controls and procedures were not effective as of September 30, 2025 due to the existence of material weaknesses in internal controls over financial reporting noted in the following section.

The Company mitigates these weaknesses by using external consultants as appropriate; however, such mitigating procedures do not constitute compensating controls for the purposes of NI 52-109.

Internal Controls over Financial Reporting Procedures

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting. Subject to the following limitations, in accordance with the requirements of NI 52-109, the Company's management, under the supervision and with the participation of the CEO and the CFO and effected by the Company's board of directors, have designed the Company's internal controls over financial reporting as of September 30, 2025. Any system of internal controls over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management, including the CEO and the CFO, assessed the effectiveness of the Company's internal controls over financial reporting as of September 30, 2025. In making its assessment, management, including the CEO and the CFO, used the criteria set forth in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Given changes in the operations of the Company and its management over the past year, it was determined that the Company does not have adequate in-house personnel to properly implement segregation of duties with respect to day-to-day accounting or to prevent and monitor the potential for management override. Further the Company does not have the in-house expertise to deal with complex accounting or non-routine transactions. It is not deemed economically feasible at this time to have such personnel.

These material weaknesses may increase the risk of material misstatements in the financial statements. The Company mitigates these weaknesses by using external consultants as appropriate, however, such mitigating procedures do not constitute compensating controls for the purposes of NI 52-109.

Risks and Uncertainties

The securities of the Company are highly speculative due to the nature of the Company's business as well as the present stage of exploration and development of its mineral properties. The material risk factors and uncertainties, which should be considered in assessing the Company's activities, are described under the heading "Risks and Uncertainties" in the Company's most recent Annual Information Form which is available on SEDAR+ at www.sedarplus.ca. The reader is

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

For the three and nine months ended September 30, 2025
(in thousands of Canadian dollars, except as otherwise noted)

cautioned that the description of risks and uncertainties is not all inclusive as it pertains to conditions currently known to Management. There can be no guarantee or assurance that other factors will or will not adversely affect the Company.

Technical Information

All technical information in this MD&A has been prepared under the supervision of Mark Shimell, VP Exploration, Professional Geoscientist in the Province of Saskatchewan, who is the Company's "Qualified Person" under NI 43-101.

Caution regarding Forward-looking Statements

This MD&A contains forward-looking statements as defined by certain securities laws, including the "safe harbor" provisions of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. 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 the Company's future operations, future exploration and development activities or other development plans constitute forward-looking statements. By their nature, statements referring to mineral reserves, mineral resources or the PEA constitute forward-looking statements. Forward-looking statements contained or implied in this MD&A include, but are not limited to, statements relating to the Company's ability to continue as a going concern; statements regarding programs previously performed by Rio Tinto Canada; statements regarding future work programs by the Company;; statements related to mineral resources and/or reserves; statements related to the approval of the development of the Star - Orion South Diamond Project and the Orion South diamond price; statements relating to future development of the Star - Orion South Diamond Project and associated timelines; statements with respect to environmental permitting and approvals; the Company's need for and intention to seek additional financing; statements with respect to metallurgical and diamond investigations, diamond valuations, the potential proportion of Type IIa diamonds in the Orion North kimberlites and the potential for the recovery of large, high-quality diamonds.

All forward-looking statements are based on the Company's current beliefs as well as assumptions made by and information currently available to it 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 valuations, 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 the Company, the effects of competition in the markets in which the Company operates, risks related to diamond breakage from extraction and diamond recovery, risks related to the Company's need for additional financing and the Company's ability to raise that financing, the impact of changes in the laws and regulations regulating mining exploration and development, judicial or regulatory judgments and legal proceedings, operational and infrastructure risks and the additional risks described in the Company's most recently filed Annual Information Form, annual and interim MD&A, news releases and technical reports. The Company's anticipation of and success in managing the foregoing risks could cause actual results to differ materially from what is anticipated in such forward-looking statements.

Although the Company considers the assumptions contained in forward-looking statements to be reasonable based on information currently available to it, those assumptions may prove to be incorrect. When making decisions with respect to the Company, investors and others should not place undue reliance on these statements and should carefully consider the foregoing factors and other uncertainties and potential events. Unless required by applicable securities laws, the Company does not undertake to update any forward-looking statement that is made herein.

Additional Information

Additional information related to the Company, including the latest available Annual Information Form, is available on SEDAR+ at www.sedarplus.ca.