



## Advancing the world's largest and most attractive diamond development project

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Star - Orion South Diamond Project  
& Fort à la Corne Diamond District  
**CORPORATE PRESENTATION**

March 2, 2021



# Forward Looking Statements

This presentation contains "forward-looking statements" and/or "forward-looking information" within the meaning of applicable securities laws (collectively referred to as "forward-looking statements"). Forward-looking statements are 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 Corporation's (the "Company" or "Star Diamond") 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 Star Diamond's Preliminary Economic Assessment ("PEA") of the Star and Orion South kimberlites (the "Project") constitute forward-looking statements. Forward-looking statements contained or implied in this presentation include, but are not limited to, disclosures regarding the economics and project parameters presented in the PEA, including, without limitation, Internal Rate of Return, Net Present Value and other costs and economic information, carats of diamonds to be recovered, after-tax payback period, tonnes of kimberlite to be mined, carats per tonne to be recovered (grade), diamond prices, Project life, life of mine, capital costs, and length of pre-production period; statements related to mineral resources and/or reserves; statements related to the approval of the development of the Project; statements relating to future development of the Project and associated timelines; statements with respect to environmental permitting and approvals; statements with respect to metallurgical investigations, assessments and test work; the potential proportion of Type IIa diamonds in the Project and the potential for the recovery of large high quality diamonds; statements regarding the processing and analysis of, and reporting of results from, the bulk samples previously collected by Rio Tinto Exploration Canada Inc. ("RTEC") and the timeline for doing so; and statements related to the legal proceedings commenced by the Company against RTEC.

These 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. Although management considers the assumptions contained in the forward-looking statements to be reasonable based on information currently available to it, those assumptions may prove to be incorrect and actual results may not be consistent with these forward-looking statements.

Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether such results will be achieved. 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 the Company or RTEC, risks related to the legal proceedings commenced by the Company against RTEC, including the outcome of such legal proceedings, the effects of competition in the markets in which the Company operates, the impact of the COVID-19 pandemic, risks related to the operation of the on-site Bulk Sample Plant and the processing methods being used by RTEC and the effectiveness thereof, 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 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 or implied in such forward-looking statements.

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. The forward-looking statements in this presentation are expressly qualified by this cautionary statement. Unless required by applicable securities law, the Company does not undertake to update any forward-looking statement that is made herein.

# Star Diamond is Advancing the World's Largest and Most Attractive Diamond Development Project

- **Large, long-life mine:** ~66 million carats over 38-year mine life
- **Outstanding geology:** large, contiguous diamond bearing kimberlites hosting very attractive diamonds
- **Attractive economics:** \$2.0 billion / 19% IRR (Base Case) with 3.4 year payback
- **Low-risk jurisdiction:** Saskatchewan, Canada, near existing power and transportation infrastructure
- **Fully-permitted:** federal and provincial environmental permits in place

| Market & Financial Information | As of December 31, 2020     |
|--------------------------------|-----------------------------|
| Exchange                       | TSX: DIAM                   |
| Shares Outstanding             | 438.7 Million               |
| Shares Fully Diluted           | 468.0 Million               |
| Significant Shareholder        | Newmont Corporation (16.1%) |



# Star – Orion Results Indicate Favourable Comparison to Current Producers

- Valuation of diamond deposits dependent on tonnes, grade and diamond price
- Diamond price is unique for each kimberlite
- Star and Orion South have significant carats combined with high price
- Diamond size frequency is unique to the kimberlite being sampled
- Upside of large diamonds in future production due to coarse diamond size frequency distribution (SFD).

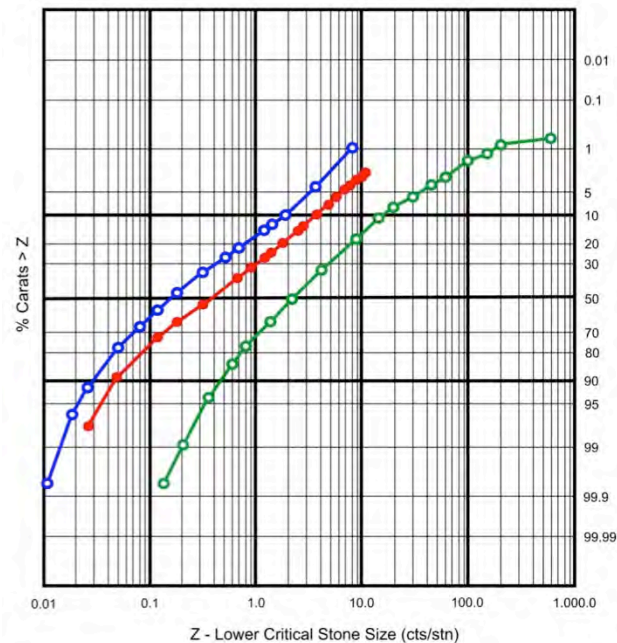
## PEA / RESOURCE / RESERVE COMPARISON

| Project                            | Tonnes*<br>(Mt)        | Grade<br>(cpht) | Carats<br>(Mct) | Price†<br>(US\$/ct) |
|------------------------------------|------------------------|-----------------|-----------------|---------------------|
| <b>Star – Orion South - Canada</b> | <b>470<sup>1</sup></b> | <b>14</b>       | <b>66</b>       | <b>\$190</b>        |
| Ekati - Canada                     | 69 <sup>3</sup>        | 150             | 105             | \$81                |
| Diavik - Canada                    | 16 <sup>3</sup>        | 280             | 46              | \$128               |
| Gahcho Kue - Canada                | 35 <sup>3</sup>        | 157             | 55              | \$78                |
| Renard - Canada                    | 33 <sup>3</sup>        | 67              | 22              | \$104               |
| Karowe - Botswana                  | 42 <sup>2</sup>        | 15              | 6               | \$687               |
| Letseng - Lesotho                  | 175 <sup>2</sup>       | 1.75            | 3               | \$2,100             |

\*Tonnes; 1=PEA; 2=Indicated Resources; 3=Proven & Probable Reserves; †Weighted average diamond price

Values presented are the best estimates in the public domain at the time of preparation

STAR HAS AN UNUSUALLY COARSE SFD  
AND ONLY LETSENG IS COARSER



● Star EJF U/G

● Karowe  
South Lobe

● Letseng



# Star and Orion South Kimberlites are Well-Understood and Project is Well-Advanced

- Diamond exploration began in 1995
- Bulk sampling programs conducted between 2003-2009
- 200 carats from Star bulk sample selected for cutting and polishing in 2007, proving high-quality polished diamonds could be produced from Saskatchewan diamonds
- A number of technical reports were produced between 2009-2014
- MOUs with First Nations and Métis signed between 2010-2014
- Completed revised mineral resource update in 2015 for Star - Orion South
- Announced positive results of Preliminary Economic Assessment in 2018



Cut and polished diamonds from the Star Diamond Project



# Ideal Location and Jurisdiction

● Existing Mines    ○ Exploration and Evaluation Projects

- Saskatchewan: very stable geo-political jurisdiction (rated #2 Mining Investment Jurisdiction by Fraser Institute)
- Constructive and collaborative relationships with First Nations and Metis; strong support from local stakeholders
- Federal and provincial environmental approvals in place

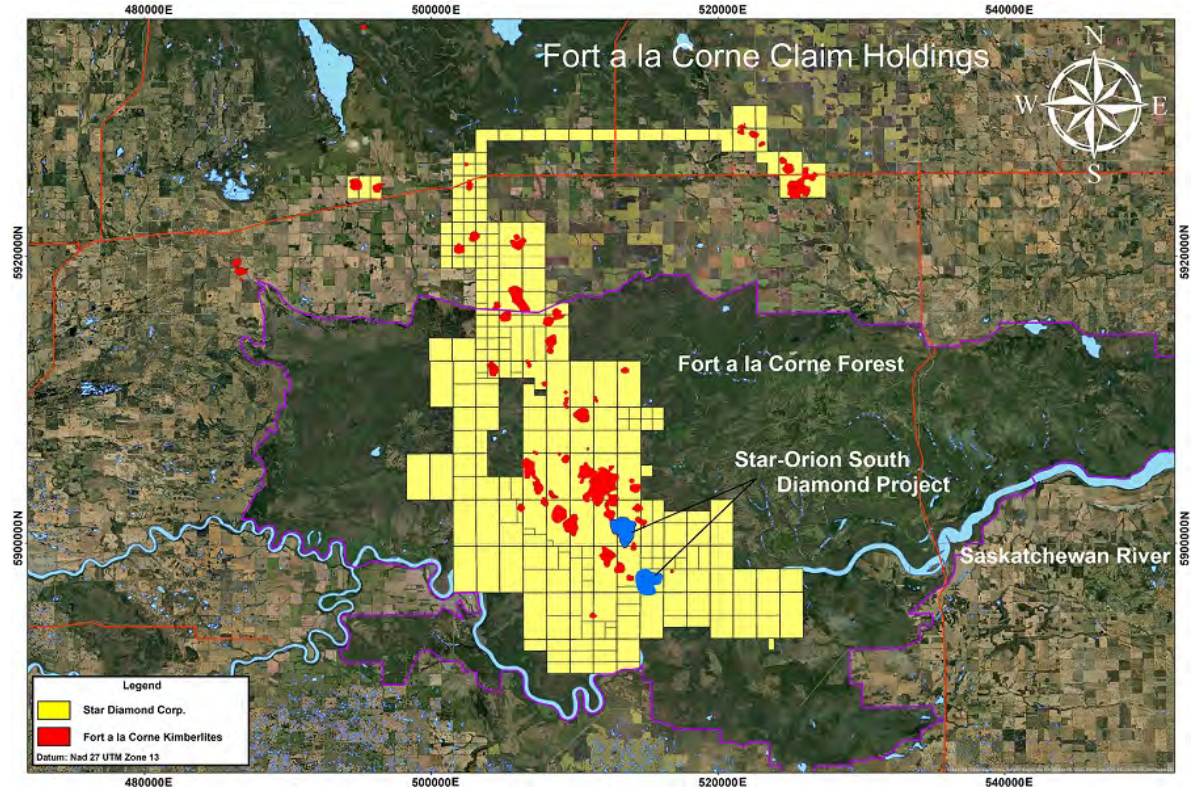


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- The map displays the Star-Orion South Diamond Project area in Saskatchewan, Canada. The project area is highlighted in yellow. Key locations include Meath Park, Smeaton, Choiceland, Nipawin, Carrot River, Prince Albert, and Melfort. The Saskatchewan River is also shown. An inset map shows the location of the project within the province of Saskatchewan. A legend identifies symbols for cities, towns, First Nations Reservations, major roadways, and FaIC Kimberlites. A scale bar indicates distances in kilometers.



## Attractive Geology: Extensive Kimberlites

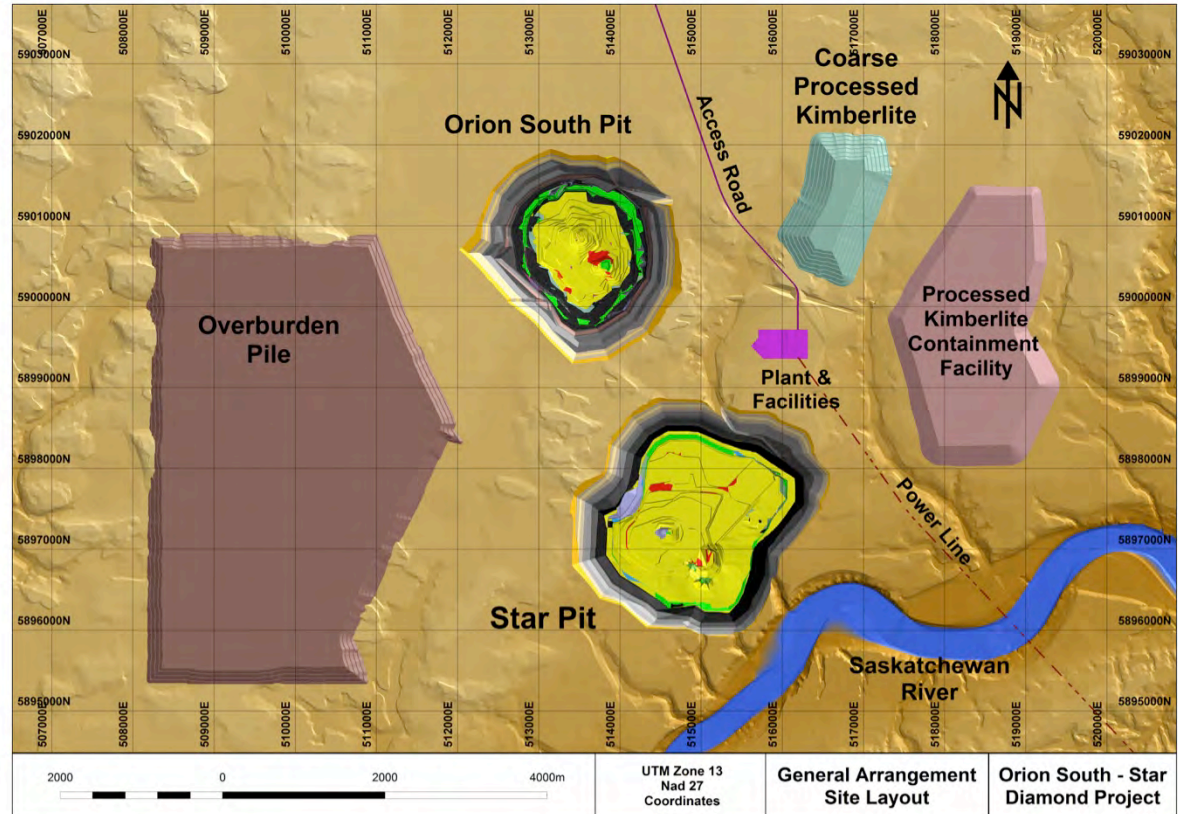
- Large, contiguous diamond bearing kimberlites hosting very attractive diamonds.
- Star - Orion South Project located in the south-eastern part of Star Diamond's properties
- More than 60 additional kimberlites represent exploration upside potential





# PEA Site Layout – General Arrangement

- Two open pits with a centralized processing plant
- Star - Orion South Project located in southern area of Star Diamond properties



# Star and Orion South Kimberlites - Core, Large Diameter Drilling and Underground Bulk Sampling

- Resource is well-understood as a result of extensive archival and current drilling
- Core drilling to define the extent and internal structure of the kimberlite
- Large Diameter Drilling for grade determination across the kimberlite
- Underground bulk sampling for grade determination and diamond price estimation



**Core Drilling**  
Delineation & Internal Structure



**Large Diameter Drilling**  
Mini-Bulk Sampling



**Underground**  
Bulk Sampling

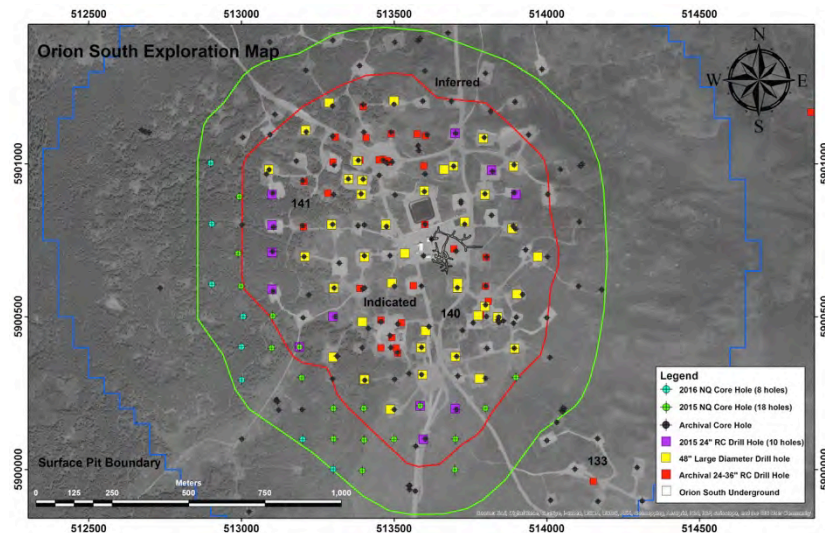
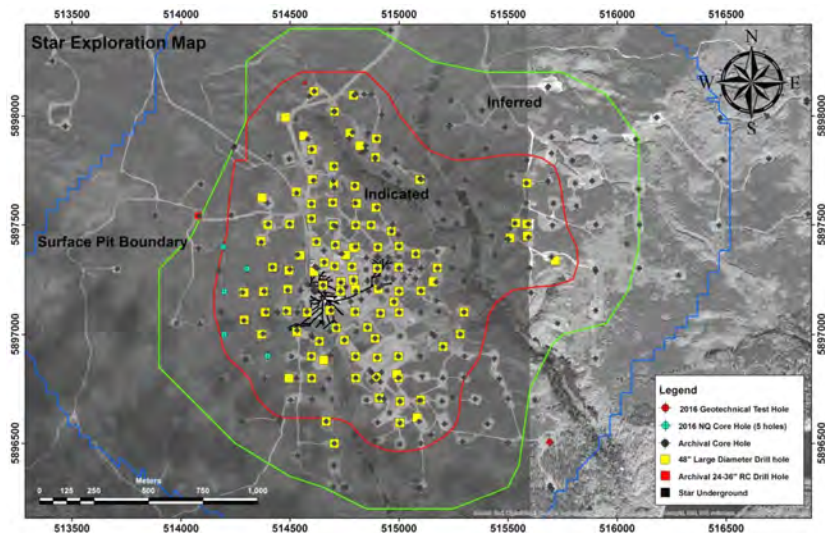
# Star and Orion South Kimberlites - Core, Large Diameter Drilling and Underground Bulk Sampling

## UNDERGROUND BULK SAMPLING RESULTS

| Kimberlite Unit | Dry Tonnes Processed | Number of Stones | Total Carats | Grade (cpht) | Largest Stone (carats) |
|-----------------|----------------------|------------------|--------------|--------------|------------------------|
| Star            | 75,435.68            | 84,211           | 10,966.00    | 14.54        | 49.50                  |
| Orion           | 23,468.00            | 15,248           | 2,346.27     | 10.00        | 45.90                  |

## LARGE DIAMETER DRILLING

| Kimberlite Unit | Holes | Kimberlite (m) | Total Carats |
|-----------------|-------|----------------|--------------|
| Star            | 96    | 7,702          | 1,416.6      |
| Orion           | 76    | 9,431          | 1,096.5      |





## Attractive Geology

- Bulk samples have delivered excellent results:
  - Star: over 75,000 tonnes of ore yielded nearly 11,000 carats, including a 49-carat stone
  - Orion South: over 23,000 tonnes of ore yielded 2,300 carats, including a 45-carat stone
- Star and Orion South diamond populations have coarse size frequency distributions: potential for the recovery of large stones in future production
- Unusually high proportion of valuable Type IIa stones, which are rare and account for less than 1.3% of global production
- High average diamond price (more than double the world average) driven by quality, colour, shape and size

### WEIGHTED AVERAGE PRICE (Per Carat USD)

Star:

**\$210**

Orion South:

**\$169**

Star & Orion South:

**\$190**

*Valuation April 2018 WWT International Diamond Consultants*

# High Value Diamonds

- Evaluation parcel recovered to date includes these high value diamonds
- High value diamonds include internally flawless octahedra, fancy yellow diamonds and large top white Type IIa diamonds



# Star - Orion South Contains a Significant Percentage of High-Value Type IIa Diamonds

- Type IIa diamonds:
  - contain no nitrogen or boron impurities
  - usually top white or brown and can also be pink
  - rare and account for less than 1.3 % of annual world production



**Star: Type IIa**  
11.96 carat, \$11,333/ct,  
US\$135,543

## Star and Orion South Kimberlites - Type IIa Diamond Statistics

(Diamonds +11 DTC (0.32 carats) to >10.8 carats)

| Kimberlite Unit | Geological Unit          | Diamonds Typed | Type IIa Diamonds  |
|-----------------|--------------------------|----------------|--------------------|
| Star            | Early Joli Fou (EJF) UG  | 3,713          | 986 / <b>26.6%</b> |
|                 | Pense (PPK) UG           | 722            | 205 / <b>28.4%</b> |
|                 | Cantuar (CPK) UG         | 961            | 240 / <b>25.0%</b> |
| Orion South     | Early Joli Fou (EJF) UG  | 1,118          | 125 / <b>11.2%</b> |
|                 | Early Joli Fou (EJF) LDD | 445            | 66 / <b>14.8%</b>  |
|                 | Pense (P2) UG            | 309            | 43 / <b>13.9%</b>  |

UG (Underground Sample); LDD (Large Diameter Drill Sample)



# Preliminary Economic Analysis (2018) Demonstrates Very Attractive Economics

Surface Mine Recovery

**~66 Million Carats**

Project Life

**38 Years**

Base Case Net Present Value (7%)  
After Tax

**\$2.0 Billion / IRR 19%**

Payback Period

**3.4 Years**

LOM plant feed

**470 Million tonnes**

weighted average grade of 14 carats  
per hundred tonnes

Construction Capex

**\$1.41 Billion**

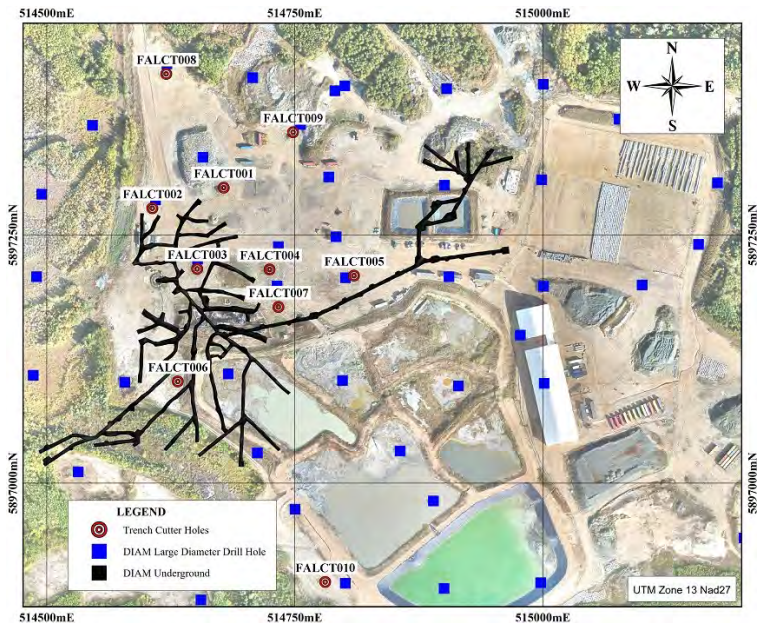
LOM Capex

**\$1.87 Billion**

(including direct, indirect costs and  
contingency)

# Bulk Sampling Program & Site Work Underway

- Rio Tinto Exploration Canada (RTEC) has embarked on a complex bulk sampling program using new technology derived from civil engineering applications
- RTEC has completed drilling of ten holes using a trench cutter bulk sampling rig
- On site bulk sample storage building has been constructed to allow for year-round, all-weather sample processing
- Bulk sample plant was commissioned and processing of kimberlite from the ten trenches from the Star kimberlite occurred in 2020
- 150 person camp has been established on-site
- Rio Tinto refers to Star Diamond's mineral dispositions in the Fort à la Corne diamond district as the "FalCon" project



RTEC Trench Cutter Holes (10) drilled on the Star Kimberlite during 2019, in relation to historical underground workings and LDD holes



RTEC trench cutter bulk sampling rig



On-site Bulk Sample Plant and cubic metre bulk bag storage area (October 21, 2020)

# Bulk Sampling Program: Initial Trench Cutter Diamonds Results Comparison to Underground (UG) & Large Diameter Drilling (LDD)

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

1. LDD Inner: 69 LDD holes generally proximal to the Star underground bulk sample



RTEC trench cutter bulk sampling rig



On-site Bulk Sample Plant



# Status of RTEC Litigation<sup>1</sup>

- In 2019, RTEC provided notice to Star Diamond for the exercise of all four options under the Option to Joint Venture Agreement despite not completing the bulk sampling program and using technologies that appear to be causing undue diamond breakage
- Star Diamond has commenced legal proceedings against RTEC in relation to RTEC's purported exercise of the Options and the related issues Star Diamond has raised with RTEC
- Star Diamond believes RTEC's extraction and diamond recovery methodologies, including its use of unproven civil engineering trenching technologies to conduct bulk sampling of Kimberlite, is causing undue diamond breakage, resulting in significant unnecessary cost overruns and materially damaging Star Diamond's interest in the project

| Option | Program   | Expenditure (\$millions) | Maximum Time | Project Share |
|--------|---|--------------------------|--------------|---------------|
| 1      | Ten bulk sample holes on Star Kimberlite        | \$18.5                   | 3 years      | Zero          |
| 2      | Ten bulk sample holes on Orion South Kimberlite | \$18.5                   | 18 months    | 51 %          |
| 3      | Ten bulk sample holes on Orion South Kimberlite | \$18.5                   | 18 months    | 55 %          |
| 4      | Complete Feasibility Study                      | \$15.0                   | 18 months    | 60 %          |

1. Please see press releases on [March 5, 2020](#) and updates on [June 2, 2020](#), [August 11, 2020](#) and [February 22, 2021](#)

## Experienced Management and Technical Team



**Ken MacNeill**

President, CEO, Director

Extensive background with over 36 years experience in all aspects of natural resource exploration and development



**George Read**

Senior Technical Advisor

Diamond exploration geologist with 37 years of international experience



**Greg Shyluk**

Chief Financial Officer

Chartered professional accountant with 21 years experience with mining and natural resource companies



**Mark Shimell**

Project Manager

Exploration geologist with 23 years of international experience

## With an Excellent Location, Geology & Economics, Star Diamond is Advancing the World's Largest & Most Attractive Diamond Development Project

- **Large, long-life mine:** ~66 million carats over 38 year mine life
- **Outstanding geology:** large, contiguous diamond bearing kimberlites hosting very attractive diamonds
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## Appendix



# Preliminary Economic Analysis (2018) Demonstrates Very Attractive Economics

|  |  |
|--|--|
| Total potential plant feed                       | <b>470 MT</b>                          |
| Weighted average diamond grade                   | <b>14 CPHT</b>                         |
| Total recovered carats                           | <b>66 MCT</b>                          |
| Life of mine                                     | <b>34 Years</b>                        |
| Base Case model price<br>(pre tax & royalties)   | <b>NPV (7%) \$3.3 Billion, IRR 22%</b> |
| Case 1 high model price<br>(pre tax & royalties) | <b>NPV (7%) \$5.4 Billion, IRR 32%</b> |
| Base Case model price<br>(post tax & royalties)  | <b>NPV (7%) \$2.0 Billion, IRR 19%</b> |
| Pre-production capital cost                      | <b>\$1.41 Billion</b>                  |
| Initial capital payback period                   | <b>3.4 Years</b>                       |

- Project economics most sensitive to diamond price, grade & exchange rate

## NEW TECHNOLOGY PROVIDES ATTRACTIVE ECONOMICS OF PEA



Takraf compact bucketwheel excavator for removing overburden with lowest unit cost



Tomra XRT diamond sorting machine: minimises diamond breakage, particularly for large stones



# Bulk Sampling Site Construction Completed

**KIMBERLITE SEPARATION UNIT (KSU)**



RTEC's KSU recovers washed kimberlite in the size range -80 to +0.85 millimetre, from the slurry that is pumped from the Trench Cutter rig and feeds the recovered kimberlite into cubic metre bulk sample bags

**ON-SITE BULK SAMPLING PLANT (INTERIOR)**



Bulk Sample Plant assembly by PCL and Consolmet as underway (September 23, 2019)

**ON-SITE SAMPLE STORAGE AREA**



On-site cubic metre bulk bag storage area: 6,848 bulk bags of kimberlite awaited processing through Bulk Sample Plant. (October 8, 2019)

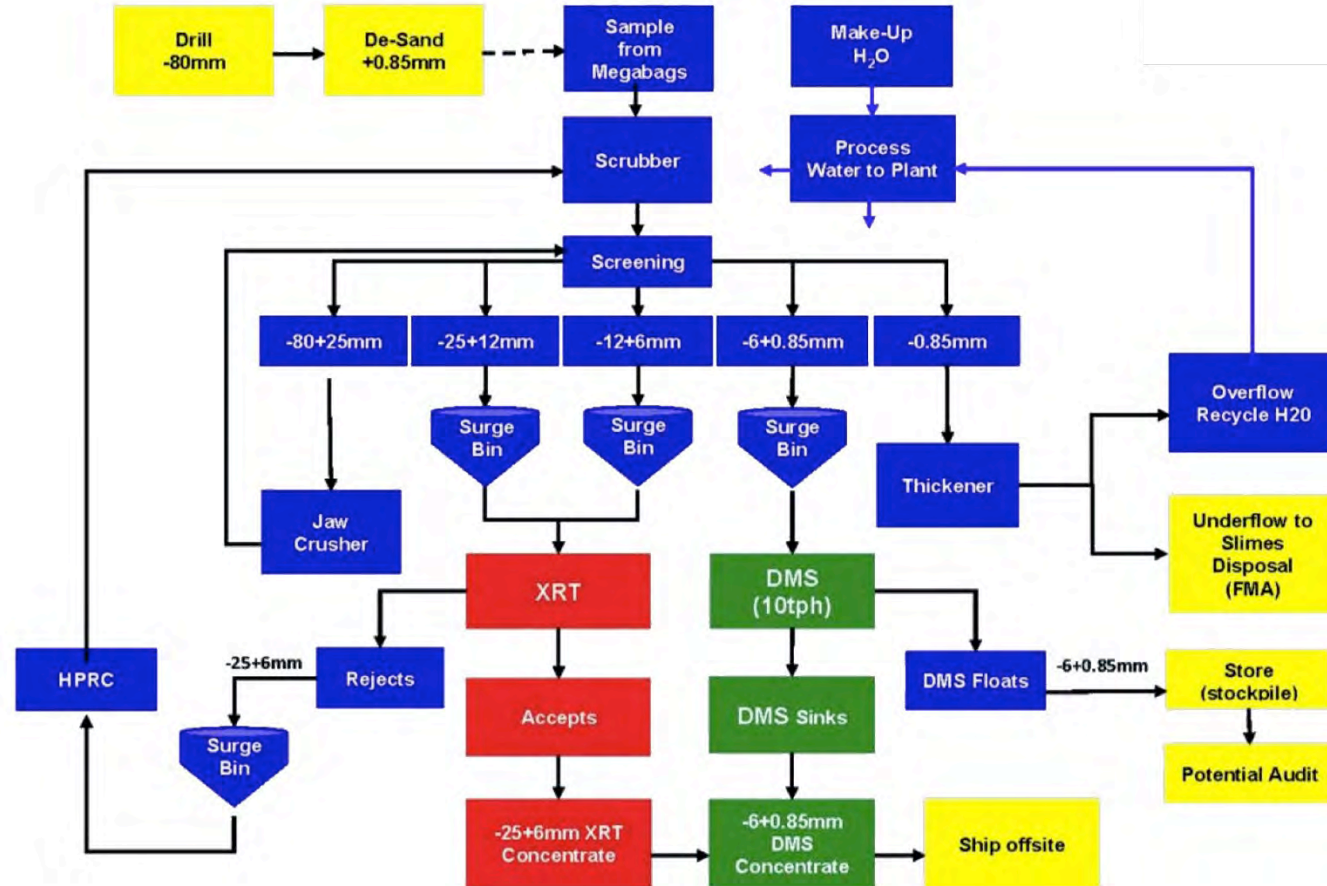
**ON-SITE BULK SAMPLING PLANT (EXTERIOR)**



Bulk Sample Plant building during construction (November 19, 2019)



# Project Falcon Bulk Sampling Plant



# Diamond Assortment: Star EIJ +11 DTC

- Star UG EIJ +11DTC diamonds sorted by Type (Type I and Type II) and Colour
- 2,608 stones weighing 1,601 carats
- High proportion of “white” diamonds and very low proportion of boart



# Diamond Assortment: Orion South EIJ +11 DTC

- Orion South UG EIJ +11DTC diamonds sorted by Type (Type I and Type II) and Colour
- 772 stones weighing 310.8 carats
- High proportion of “white” diamonds and very low proportion of boart







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