



WHISTLEBLOWER POLICY

1.0 Purpose

The purpose of this policy is to establish procedures for: (a) the receipt, retention, and treatment of complaints received by Star Diamond Corporation (“Star Diamond” or the “Corporation”) regarding accounting, internal accounting controls, auditing matters, fraud or violations to the Corporation’s Code of Business Conduct and Ethics; and (b) the submission by directors, officers, employees, consultants or contractors of the Corporation, on a confidential and anonymous basis, of concerns regarding accounting, internal accounting controls, auditing matters or violations to the Corporation’s Directors’ Code of Ethics or Employee Code of Ethics (together referred to as the “Code of Ethics”), any other policy, charter or mandate of the Corporation, or applicable laws, rules and regulations.

The purpose of this policy is also to state clearly and unequivocally that the Corporation prohibits discrimination, harassment and/or retaliation against any director, officer, employee, consultant or contractor who: (i) reports complaints to the Audit Committee regarding accounting, internal accounting controls, auditing matters, fraud or violations of the Code of Ethics; or (ii) provides information or otherwise assists in an investigation or proceeding regarding any conduct which he or she reasonably believes to be a violation of employment or labour laws; provincial/federal health and safety acts; securities laws (including the rules or regulations of the Ontario Securities Commission, securities regulatory authorities in other provinces and territories of Canada or the TSX Exchange); laws regarding fraud or the commission or possible commission of a criminal offence. Everyone at the Corporation is responsible for ensuring that the workplace is free from all forms of discrimination, harassment and retaliation prohibited by this policy. No director, officer, employee, consultant or contractor of Star Diamond has the authority to engage in any conduct prohibited by this policy.

2.0 Scope

All directors, officers, employees, consultants or contractors of Star Diamond are included.

3.0 Policy

This policy protects:

- i) Any director, officer, employee, consultant or contractor who legitimately and in good faith discloses an alleged violation of employment or labour laws, securities laws, laws regarding fraud or the commission or possible commission of criminal offence, by any person with supervisory authority over the director, officer, employee, consultant or contractor, or any other person working for the Corporation who has the authority to investigate, discover or terminate conduct prohibited by this Policy;
- ii) Any director, officer, employee, consultant or contractor who legitimately and in good faith files, causes to be filed, testifies, participates in, or otherwise assists in a proceeding filed under employment or labour laws, securities laws or laws regarding fraud;
- iii) Any director, officer, employee, consultant or contractor who legitimately and in good faith provides information, causes information to be provided, or otherwise assists in an investigation regarding any conduct which the director, officer, employee, consultant or contractor reasonably believes constitutes fraud when the information or assistance is provided to, or the investigation is conducted by law enforcement, regulatory authorities, a legislature, Star Diamond or

- iv) Any director, officer, employee, consultant or contractor who in good faith submits any complaint to the Audit Committee regarding financial statement disclosures, accounting, internal accounting controls, auditing matters or violations to the Corporation’s Code of Ethics, any other policy, charter or mandate of the Corporation, applicable laws, rules and regulations, discriminations, harassment or retaliation in accordance with the procedures set out herein.

If a director, officer, employee, consultant or contractor legitimately and in good faith engages in any of the activities listed above, Star Diamond will not discharge, demote, suspend, threaten, harass or otherwise discriminate or retaliate against him or her in the terms or conditions of employment because of that activity. However, since such allegation of impropriety may result in serious personal repercussions for the target person or entity, the director, officer, employee, consultant or contractor making the allegation of impropriety should have reasonable and probable grounds before reporting such impropriety and should undertake such reporting in good faith, for the best interests of Star Diamond and not for personal gain or motivation.

Complaint Procedure

Any director, officer, employee, consultant or contractor who legitimately and in good faith believes that he or she may have been subject of prohibited discrimination, harassment and/or retaliation or is aware of any conduct which may be prohibited by this policy is strongly encouraged to report immediately the facts forming the basis of that belief or knowledge to the Chair of the Corporation’s Audit Committee (“the Chair”) in writing or email as follows:

In writing: The Chair of the Audit Committee
600, 224 – 4th Ave. South
Saskatoon, SK S7K 5M5
Private and Confidential

By email: auditchair@stardiamondcorp.com

Any director, officer, employee, consultant or contractor who receives such a complaint or witnesses any conduct which he or she legitimately and in good faith believes may be prohibited by this policy must immediately notify his or her supervision and/or the Chair. Such concerns and/or complaints may be communicated anonymously if desired.

Upon receiving a complaint, the Audit Chair shall notify the Board of Directors and the Chief Executive Officer of such investigation.

It is the obligation of all directors, officers, employees, consultants or contractors to cooperate in any investigation conducted by the Chair or designate. Those responsible for the investigation will maintain the confidentiality of the allegations of the complaint and the identity of the persons involved, subject to the need to conduct a full and impartial investigation, remedy any violations of Star Diamond’s policies, or monitor compliance with or administer Star Diamond’s policies.

The investigation generally will include, but will not be limited to, discussion with the complainant (unless the complaint was submitted on an anonymous basis), the party against whom allegations have been made, and witnesses, as deemed appropriate.

In the event an investigation establishes that a person has violated the Corporation’s Code of Ethics, any other policy, charter or mandate of the Corporation, applicable laws, rules or regulations; discrimination; harassment and/or retaliation in violation of this policy, the Corporation will take immediate and appropriate corrective action up to and including termination of: the

employment; provision of services; position as an officer of the Corporation; or, in the case of a director, a request for the director's resignation.

In the event that the investigation reveals that the complaint was frivolously made or undertaken for improper motives or made in bad faith or without a reasonable and probable basis, the Corporation, in conjunction with the complainant's supervisor, will take whatever disciplinary action may be deemed appropriate in the circumstances.

Audit Committee Procedures

Following the receipt of any complaints submitted hereunder, the Chair shall investigate or cause to be investigated each matter so reported and take corrective and disciplinary actions, and in the event that an investigation establishes that an employee, director, officer or contractor has engaged in conduct or actions constituting discrimination, harassment and/or retaliation in violation of this policy, Star Diamond will take immediate and appropriate corrective action up to and including termination of employment, provision of services, or, in the case of a director, a request for the director's resignation.

The Chair may enlist employees of Star Diamond and/or outside legal, accounting or other advisors, as appropriate, to conduct any investigation of complaints it receives. In conducting any investigation, the Chair shall use reasonable efforts to protect the confidentiality and anonymity of the complainant.

The Chair may delegate his/her responsibilities to other standing Committees of the Board.

In circumstances of alleged impropriety against any member of the Board of Directors, excluding the Chief Executive Officer, the Chief Executive Officer shall be responsible to investigate such allegations and he/she shall report his or her findings to the unconflicted members of Board of Directors.

4.0 General

- i) The Audit Committee shall retain as a part of the records of the Audit Committee any such complaints or concerns for a period of no less than seven (7) years; and
- ii) The Audit Committee will review and evaluate this policy periodically to determine whether the policy is effective in providing appropriate procedures to report violations or complaints regarding accounting standards, the Corporation's Code of Ethics, any other policy, charter or mandate of the Corporation, applicable laws, rules and regulations, discrimination, harassment or retaliation. The Audit Committee will submit recommended changes to the Board of Directors for approval.