

**NEWS RELEASE**

**TSX: DIAM**

**May 14, 2024**

**Saskatoon, Saskatchewan**

**STAR DIAMOND CORPORATION ANNOUNCES FIRST QUARTER 2024 RESULTS**

**Star Diamond Corporation** (“Star Diamond” or the “Company”) reports that the unaudited financial results for the quarter ended March 31, 2024, will be filed today on SEDAR+ and may be viewed at [www.sedarplus.ca](http://www.sedarplus.ca) once posted.

**Overview**

Star Diamond Corporation is a Canadian natural resource company focused on exploring and developing Saskatchewan's diamond resources. Star Diamond holds a 100% interest in the Fort à la Corne Project which includes the Star – Orion South Diamond Project located in central Saskatchewan, Canada. These properties are in close proximity to established infrastructure, including paved highways and the electrical power grid, which provide significant advantages for future mine development.

The Company also holds a 50% interest in the exploration and evaluation properties and assets of the Buffalo Hills-JV located in north-central Alberta, Canada. Canterra Minerals Corporation (“Canterra”) holds the remaining 50% interest. Canterra is the operator of the Buffalo Hills-JV.

**Fort à la Corne Project**

On March 26, 2024, Star Diamond and Rio Tinto Exploration Canada Inc. (“RTEC”) completed the previously announced transaction (the “Transaction”) whereby RTEC has transferred to Star Diamond its 75% interest in the Fort à la Corne Project. As consideration for the Transaction, the Company issued RTEC 108,204,112 common shares with a deemed fair value of \$9.2 million. In exchange for the common shares and RTEC’s 75% interest in the Fort à la Corne Project, RTEC also transferred certain pieces of property, plant and equipment and \$4.0 million.

After the close of the Transaction:

- RTEC owns or controls, in the aggregate, 119,315,222 common shares representing a 19.9% interest in Star Diamond;
- Star Diamond has full control and responsibility for the Fort à la Corne Project and the previous joint venture agreement has been terminated;
- RTEC has transferred to Star Diamond ownership of the trench cutter drill rig used by RTEC to complete its prior bulk sampling program at the Fort à la Corne Project;
- RTEC has transferred to Star Diamond the Bulk Sample Plant located at the Fort à la Corne Project, including the TOMRA XRT diamond sorting machine;
- RTEC and Star Diamond have entered into an Investor Rights Agreement whereby, among other things, RTEC was granted certain pre-emptive rights to maintain its 19.9% ownership interest in Star Diamond in connection with future financings undertaken by Star Diamond, and RTEC has agreed to certain standstill protections provided that RTEC will have the right to increase its 19.9% ownership position in the event that Star Diamond receives an acquisition proposal; and
- Star Diamond has assumed responsibility for all future reclamation activities related to the Fort à la Corne Project. RTEC has provided on Star Diamond’s behalf, for up to five years following closing, letters of credit in aggregate amount of \$9.9 million to secure environmental remediation and reclamation activities related to the Fort à la Corne Project (as security for the letters of credit, RTEC has issued a promissory note to Star Diamond with a face

value of \$9.9 million which will be extinguished upon Star Diamond securing letters of credit with another party or in performing the reclamation activities).

### Recent activities relating to the Fort à la Corne Project

During the first quarter of 2024, Nelson Karun was appointed as a Diamond Specialist to join the technical team. Mr. Karun's work is initially focused on the detailed characterization of the Star and Orion South diamond parcels. This work is required as part of the Revised Mineral Resource Estimate. In addition, Star Diamond continued to work with RTEC and Saskatchewan Ministry of Environment representatives to ensure that, as part of the closing of the Agreement between Star Diamond and RTEC, all mineral dispositions, mineral leases and operating permits were transferred to Star Diamond.

### Quarter End Results

For the quarter ended March 31, 2024, the Company recorded a net loss of \$0.9 million or \$0.00 per share (basic and fully diluted) compared to a net loss of \$0.3 million or \$0.00 per share for the comparative period in 2023. The increase in net loss quarter over quarter was due primarily to the increase to both Corporate development (marketing costs) and Exploration and evaluation expenditures.

At March 31, 2024, the Company had \$0.3 million (December 31, 2023 – \$0.6 million) in cash and cash equivalents and working capital of \$2.2 million (December 31, 2023 - \$(0.3) million). The increase in working capital was a result of amounts receivable from RTEC on the completion of the Transaction combined with proceeds received from the January 2024 close of the second and final tranche of the non-brokered private placement offset by expenditures incurred during the quarter. 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.

### Selected financial highlights include:

<b>Condensed Interim Consolidated Statements of Financial Position</b>	<b>Three months ended March 31, 2024</b>	<b>Year ended December 31, 2023</b>
Current assets	\$ 4.8 M	\$ 0.6 M
Investments and other assets	4.4 M	0.6 M
Exploration and evaluation assets	10.3 M	0.0 M
Current liabilities	2.5 M	0.9 M
Non-current liabilities	7.7 M	0.1 M
Shareholders' equity	\$ 9.3 M	\$ 0.2 M

<b>Condensed Interim Consolidated Statements of Loss</b>	<b>Three months ended March 31, 2024</b>	<b>Three months ended March 31, 2023</b>
Expenses	\$ (0.9) M	\$ (0.6) M
Loss before undernoted items	(0.9) M	(0.6) M
Investment in Wescan Goldfields Inc.	(0.0) M	0.3 M
Net loss for the period	(0.9) M	(0.3) M
Net loss per share for the period (basic and diluted)	\$ (0.00)	\$ (0.00)

<b>Condensed Interim Consolidated Statements of Cash Flows</b>	<b>Three months ended March 31, 2024</b>	<b>Three months ended March 31, 2023</b>
Cash flows from (used in) operating activities	\$ 0.5 M	\$ (1.1) M
Cash flows used in investing activities	(1.4) M	0.0 M
Cash flows from financing activities	0.7 M	0.0 M
Net decrease in cash	(0.2) M	(1.1) M
Cash – beginning of period	0.5 M	2.6 M
Cash – end of period	\$ 0.3 M	\$ 1.5 M

## **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 making a future development decision. The initial work aims to prepare a revised Mineral Resource estimate for the Star – Orion South Diamond Project, which will form the foundation of an updated Prefeasibility study ("PFS"). The PFS will enable a Feasibility Study, on which a production decision can be based.

### **Buffalo Hills mineral properties**

Management continues to review the recent results from the diamond valuation and typing analysis. A more detailed update on activities at the Buffalo Hills-JV will be provided as it becomes available.

### **About Star Diamond Corporation**

Star Diamond Corporation is a Canadian based corporation engaged in the acquisition, exploration and development of mineral properties. Shares of Star Diamond trade on the Toronto Stock Exchange under the trading symbol "DIAM". Star Diamond holds a 100% interest in the Fort à la Corne Project. The Fort à la Corne Project is located in central Saskatchewan, in close proximity to established infrastructure, including paved highways and the electrical power grid, which provide significant advantages for future mine development. The Company also holds a 50% interest in the exploration and evaluation properties and assets of the Buffalo Hills-JV located in north-central Alberta, Canada. Canterra holds the remaining 50% interest and is the operator of the Buffalo Hills JV.

### **Technical Information**

All technical information in this press release has been prepared under the supervision of George Read, Senior Vice President Corporate Development, Professional Geoscientist in the Provinces of Saskatchewan and British Columbia and Mark Shimell, Vice President Exploration, Professional Geoscientist in the Provinces of Saskatchewan and Alberta, who are the Company's "Qualified Persons" under the definition of NI 43-101.

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### **Caution Regarding Forward-looking Statements**

This press release contains "forward-looking statements" and/or "forward-looking information" (collectively, "forward-looking statements") within the meaning of applicable securities legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes", or the negative connotation thereof or variations of such words and phrases or state that certain actions, events or results, "may", "could", "would", "will", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof. All statements, other than statements of historical fact, are forward-looking statements.

These forward-looking statements are based on Star Diamond's current beliefs as well as assumptions made by and information currently available to Star Diamond and involve inherent risks and uncertainties, both general and specific. Risks exist that forward-looking statements will not be achieved due to a number of factors including, but not limited to, the Company's ability to obtain financing to further the exploration, evaluation

and/or development of exploration and evaluation properties in which the Company holds interest, the economic feasibility of any future development projects, 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, the impact of changes in the laws and regulations regulating mining exploration, development, closure, judicial or regulatory judgments and legal proceedings, operational and infrastructure risks and the additional risks described in Star Diamond's most recently filed Annual Information Form, and annual and interim MDA.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. In addition, forward-looking statements are provided solely for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of our operating environment. Accordingly, readers should not place undue reliance on forward-looking statements.

Forward-looking statements in this news release are made as of the date hereof and Star Diamond assumes no obligation to update any forward-looking statements, except as required by applicable laws.