



Management's Discussion & Analysis

For the Years Ended December 31, 2025 and 2024

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

For the years ended December 31, 2025 and 2024

(in thousands of Canadian dollars, except common share or per share amounts or as otherwise noted)

The following discussion and analysis is prepared by the Company's management ("**Management**") as of March 26, 2026 and should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2025 and 2024 (the "**Annual Financial Statements**") available on SEDAR+ at www.sedarplus.ca. Star Diamond Corporation ("**Star Diamond**", or the "**Company**") prepared its financial statements for the years ended December 31, 2025 and 2024, in accordance with IFRS Accounting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**"). All currency amounts are quoted in thousands of Canadian Dollars, unless otherwise stated.

Corporate Information

Star Diamond was incorporated under the *Canada Business Corporations Act* on April 29, 1985 and its shares are publicly traded on the Toronto Stock Exchange. 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.

The Company's mineral projects are as follows:

Name of Project	Ownership	Location	Status
Star and Orion South Diamond Project (the " Project ")	100%	Saskatchewan, Canada	Exploration stage
Buffalo Hills Project (the " BH Project ")	100%	Alberta, Canada	Exploration stage
Fort à la Corne Project (other than the Project) (the " FalC Project ") ⁽¹⁾	100%	Saskatchewan, Canada	Exploration stage

(1) Includes the Orion Centre, Orion North and Taurus ore bodies comprising part of the FalC Project.

Overall Performance

Effective January 1, 2025, the Company has outsourced the Chief Financial Officer ("**CFO**") position 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 Offering, the Company issued an aggregate of 28,250,000 share purchase warrants. In connection with the Offering, Mr. Mason, Chief Executive Officer ("**CEO**") of the Company at the time, purchased Debentures in the aggregate principal amount of \$25. Ms. Lisa Riley, director of the Company at the time, purchased Debentures in the aggregate principal amount of \$20.

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**"). On August 6, 2025, the Company announced the closing of the Private Placement 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

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

For the years ended December 31, 2025 and 2024

(in thousands of Canadian dollars, except common share or per share amounts or as otherwise noted)

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 was comprised 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 of \$809, including interest.

On November 20, 2025, the Company appointed new members of the Company's leadership team:

- Ewan Mason retired as the Company's Chair, President and CEO.
- Lisa Riley and Larry Philips resigned as directors of the Company.
- Wayne Malouf was appointed the Chairman.
- Krisztian Toth was appointed a director of the Company.
- Leslie Markow was appointed a director of the Company.
- Lester Kemp was appointed as interim CEO.
- Mark Shimell, formerly the Company's Vice President Exploration, was appointed Chief Operating Officer.

Trends

The Annual 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 December 31, 2025, the Company had an excess of current assets over current liabilities of \$458 including cash and cash equivalents of \$724. In addition, the Company had negative cash flows from operations of \$3,188, an accumulated deficit of \$902,398, and currently does not generate revenue. During the year ended December 31, 2025, the Company closed a non-brokered private placement of convertible debentures of \$565 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.

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 of directors, 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.

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

For the years ended December 31, 2025 and 2024

(in thousands of Canadian dollars, except common share or per share amounts or as otherwise noted)

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.

Operations

The Project

As at the date hereof, the Company's material mineral project is the Project. Additional information related to the Project, including the revised mineral resource estimate in respect of the Project, can be found in the technical report, relating to the Project, bearing an effective date of July 24, 2024 entitled "Technical Report and Revised Resource Estimate for the Star-Orion South Diamond Project, Fort A La Corne Area, Saskatchewan, Canada", prepared by Daniel C. Leroux, M.Sc. P.Geo., Leon McGarry, B.Sc. P.Geo., and Peter J. Ravenscroft, FAusIMM (the "**Star Diamond Technical Report**") is available on the Company's SEDAR+ profile at www.sedarplus.ca.

The Project is currently under care and maintenance. Star Diamond's technical team will focus on the technical investigation and evaluation of the Project, with the goal of a future development decision.

The Company expects that the revised mineral resources estimate contained in the Star Diamond Technical Report will 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 pre-feasibility study on the Project (the "**PFS**"). The PFS will include a revised statement of mineral reserves for the Project, if warranted, and an economic assessment based thereon. The PFS will enable a feasibility study, on which a production decision can be based.

Highlights

- The revised mineral resource estimate contained in the Star Diamond Technical Report for the Star and Orion South kimberlites has integrated Star 2019 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 preliminary economic assessment 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.

FaIC Project (Orion North, Orion Centre and Taurus)

The Orion North, Orion Centre and Taurus kimberlite clusters form part of the FaIC Project, located in Saskatchewan, Canada. There were no material developments with respect such clusters during the most recently completed financial year and the Company is currently reviewing the project to determine future technical, economic, permitting, social and environmental work.

BH Project

The BH Project is located north central, Alberta. There were no material developments with respect to the BH Project during the most recently completed financial year and the Company is currently reviewing the BH Project to determine future technical, economic, permitting, social and environmental work.

Selected Annual Information

Selected financial information about the Company for each of the last three years is summarized as follows:

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

For the years ended December 31, 2025 and 2024

(in thousands of Canadian dollars, except common share or per share amounts or as otherwise noted)

	2025	2024	2023
	\$	\$	\$
Net loss ⁽¹⁾⁽²⁾	(3,819)	(6,017)	(2,823)
Net loss per share ⁽³⁾	(0.01)	(0.01)	(0.01)
Current assets	1,100	220	606
Total assets	13,354	14,387 ⁽⁵⁾	1,161
Current liabilities	642	1,237	859
Total non-current liabilities	7,317	7,944	121
Working capital (deficit) ⁽⁴⁾	458	(1,017)	(253)

(1) Loss from continuing operations attributable to owners of the parent, in total.

(2) Loss attributable to owners of the parent, in total.

(3) Basic and diluted.

(4) Current assets, less current liabilities.

(5) Increase in total assets due to the Company acquisition of a 75% interest in the FaIC Project in March 2024.

Summary of Quarterly Results

	2025				2024			
	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1
Revenue (\$)	-	-	-	-	4	9	18	6
Net loss ⁽¹⁾⁽²⁾ (\$)	(414)	(989)	(1,450)	(966)	(2,108)	(1,393)	(1,630)	(886)
Net loss per share ⁽³⁾⁽⁴⁾ (\$)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

(1) Loss from continuing operations attributable to owners of the parent, in total.

(2) Loss attributable to owners of the parent, in total.

(3) Basic and diluted.

(4) Per share amounts are rounded to the nearest cent, therefore aggregated quarterly amounts may not reconcile to year-to-date per share amounts.

For the three months ended December 31, 2025, the Company recorded a net loss of \$414 or \$0.00 per share (2024 – net loss of \$2,108 or \$0.00 per share). The decrease in net loss was primarily due to the following:

- Administration decreased to \$96 in 2025 (2024 - \$287) due to reduction in certain salaries and benefits and management fees.
- Consulting and professional fees decreased to \$66 in 2025 (2024 - \$165) due to reduced audit and legal fees incurred.
- Impairment charge decreased to \$nil in 2025 (2024 - \$950) as the Company impaired the BH Project in 2024.

For the year ended December 31, 2025, the Company recorded a net loss of \$3,819 or \$0.01 per share (2024 – net loss of \$6,017 or \$0.01 per share). The decrease in net loss was primarily due to the following:

- Administration decreased to \$1,096 in 2025 (2024 - \$1,533) due to reduction in certain salaries and benefits and management fees.
- Corporate development decreased to \$180 in 2025 (2024 - \$367), reflecting a reduction in marketing activities and publications issued in 2025.
- Exploration and evaluation expenditures decreased to \$2,065 in 2025 (2024 - \$2,548). Exploration and evaluation expenditures incurred during 2025 were primarily due to security and maintenance, continued diamond analyses, and test work for the FaIC Project.
- Loss on investment in Wescan decreased to \$nil in 2025 (2024 – loss of \$145).
- Impairment charge decreased to \$nil in 2025 (2024 - \$950) as the Company impaired the BH Project in 2024.

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

For the years ended December 31, 2025 and 2024

(in thousands of Canadian dollars, except common share or per share amounts or as otherwise noted)

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

As of the date of this MD&A, there are no proposed transactions by the Company that are reasonably likely to have an effect on the financial condition, financial performance and cash flows of the Company.

Related Party Transactions

The Company's related parties include its directors and key management personnel. 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:

	Year ended December 31, 2025	Year ended December 31, 2024
	\$	\$
Director fees	102	100
Salaries for key management personnel	233	360
Consulting and management fees to related companies	284	376
Share-based payments	97	176
Total compensation paid to key management personnel	716	1,012

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 closing trading price of the Company's shares on 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:

	Year ended December 31, 2025	Year ended December 31, 2024
	\$	\$
Administration	450	604
Exploration and evaluation	266	408
Total compensation paid to key management personnel	716	1,012

Commitments

The Company has various lease contracts with purchase commitments as at December 31, 2025.

Detailed below is a summary of estimates of future commitments under these arrangements:

	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter	Total
Office lease	57	-	-	-	-	-	57
Mineral lease	112	112	112	112	112	112	672
Total	169	112	112	112	112	112	729

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

For the years ended December 31, 2025 and 2024

(in thousands of Canadian dollars, except common share or per share amounts or as otherwise noted)

Liquidity and Capital Resources

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 December 31, 2025, the Company had \$724 (December 31, 2024 - \$164) in cash and cash equivalents and a working capital (excess of current assets over current liabilities) of \$458 (2024 – working capital deficit of \$1,017). In addition to regulatory spending requirements at December 31, 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	\$ 455
Lease payments	\$ 57
Environmental rehabilitation provision	\$ 131
Total	\$ 643

The increase in working capital was a result of proceeds received from convertible debentures and the Private Placement and sale of shares in Wescan, 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 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.

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 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 December 31, 2025, the Company has a working capital of \$458 including cash and cash equivalents of \$724. 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.

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

For the years ended December 31, 2025 and 2024

(in thousands of Canadian dollars, except common share or per share amounts or as otherwise noted)

Trends and Economic Conditions

Management regularly monitors economic financial market conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. To date, the Company has been able to raise sufficient capital to fund exploration programs. The global economy is currently characterized by increased volatility and uncertainty.

Apart from these factors and the risk factors noted in the "Risks and Uncertainties" section in the Company's most recent Annual Information Form, 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 or results of operations.

Outstanding Share Data

At December 31, 2025, and the date of this report, the Company had:

	December 31, 2025	Date of this report
Common shares	773,914,090	773,914,090
Warrants	184,711,885	184,711,885
Broker warrants	338,280	338,280
Stock Options	14,618,000	58,660,000
Restricted Share Units	-	-
Deferred Share Units	-	-
Performance Share Units	-	-

Subsequent Events

On February 1, 2026, 1,958,000 stock options expired unexercised.

On February 4, 2026, the Company granted 41,000,000 stock options to directors, officers, and employees of the Company. The stock options have an exercise price of \$0.05 per share, with a 1/3 of the options vesting immediately and 1/3 on each of the first and second anniversaries of the date of grant. The stock options expire on the fifth anniversary of the date of grant.

On March 25, 2026, the Company announced the appointment of Brendan F. Moore to the Company's board of directors. Along with the appointment, the Company also granted him 5,000,000 stock options. The stock options have an exercise price of \$0.05 per share, with a 1/3 of the options vesting immediately and 1/3 on each of the first and second anniversaries of the date of grant. The stock options expire on the fifth anniversary of the date of grant.

Financial Instruments

As of December 31, 2025, the fair market value of all of the Company's financial instruments approximate their carrying values. 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 December 31, 2025, the Company's credit risk relates to its cash and cash equivalents of \$724 (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.

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

For the years ended December 31, 2025 and 2024

(in thousands of Canadian dollars, except common share or per share amounts or as otherwise noted)

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 the following 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 Annual 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 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 5 to the Annual Financial Statements.

Accounting Changes

The following new IFRS standards and amendments to standards and interpretations are not yet effective for the year ended December 31, 2025, and have not been applied in the preparation of the Annual Financial Statements:

- Lack of Exchangeability (Amendments to IAS 21, The effects of Changes in Foreign Exchange Rates)
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures)
- Annual Improvements to IFRS Accounting Standards
- IFRS 18, Presentation and Disclosure in Financial Statements

These new and amended standards and interpretations are required to be implemented for financial years beginning January 1, 2026 and subsequent years. The Company is in the process of reviewing the impact of the future changes on its financial statements and effects on its business.

Disclosure Controls and Procedures

In accordance with the requirements of National Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109")*, Management, under the supervision and with the participation of the Company's CEO and

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

For the years ended December 31, 2025 and 2024

(in thousands of Canadian dollars, except common share or per share amounts or as otherwise noted)

CFO, is 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 concluded that the design and operation of these disclosure controls and procedures were effective as at December 31, 2025 to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, would be made known to them by others within those entities and that information required to be disclosed by the Company in its annual and interim filings and other reports submitted under securities legislation was recorded, processed, summarized and reported within the periods specified in securities legislation.

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, 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 December 31, 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 December 31, 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. Based on that evaluation, the CEO and the CFO concluded that the Company's internal controls over financial reporting provide reasonable assurance that they were effective for the covered period. There have been no changes in the Company's internal control over financial reporting during the year ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

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 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.

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

For the years ended December 31, 2025 and 2024

(in thousands of Canadian dollars, except common share or per share amounts or as otherwise noted)

Technical Information

All technical information in this MD&A has been prepared under the supervision of Mark Shimell, COO, Professional Geoscientist in the Province of Saskatchewan, who is the Company's "Qualified Person" under National Instrument 43-101 *Standards of Disclosure for Mineral Projects*.

Caution regarding Forward-looking Statements

This MD&A includes certain statements that constitute "forward-looking statements", and "forward-looking information", within the meaning of applicable securities laws ("forward-looking statements" and "forward-looking information" are collectively referred to as "**forward-looking statements**", unless otherwise stated). 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 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 potential economic viability 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; the Company's need for and intention to seek additional financing; success of the Company in obtaining financing that is adequate, with favourable terms, or at an acceptable cost; statements regarding the Company delaying or postponing exploration or evaluation plans, forfeiting rights to its properties, loss of its properties, reducing or terminating operations; potential strain on Canada's economy from external risks like trade disputes; monitoring of the developments of the external risks by Management; the effects of other trends, commitments, events or uncertainties on the Company's business; incorporation of revised mineral resources estimate into the PFS and a re-optimized open pit mine plan for the Project; re-evaluation of mineral reserves and economic assessment; the opportunity to mitigate the risk in the Orion South diamond price estimate; reduction or elimination of certain management and employee functions; statements regarding the Company's liquidity risk and market risk; and the Company's strategy, plans and goals, including related timelines and schedules thereof.

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.

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

For the years ended December 31, 2025 and 2024

(in thousands of Canadian dollars, except common share or per share amounts or as otherwise noted)

Additional Information

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