



DIAMONDS CONFIRMED AT THE SEQUOIA KIMBERLITE COMPLEX, ARCTIC REPORTS FIRST LABORATORY RESULTS, DIAGRAS PROJECT, NWT, CANADA

Highlights

- **Sequoia kimberlite complex is diamond bearing**
- **The results are encouraging, the company prepares for a follow-up drill program on untested sectors of this large, approximately 1km long, kimberlite complex**

July 6th, 2021 - Vancouver, British Columbia – Arctic Star Exploration Corp. (“Arctic Star” or the “Company”) (TSXV: ADD) (Frankfurt: 82A2) (WKN: A2DFY5) (OTC: ASDZF) is pleased to announce it has received the first diamond results from its Spring drilling program where 5 new kimberlites were discovered. The first results are from the Sequoia kimberlite complex and are described below in table 1.

Table 1. Caustic Fusion Results, Sequoia Kimberlite

Drill hole	0.105mm	0.15mm	0.212mm	0.3mm	0.425mm	0.6mm	0.85mm	Weight Kg	Total stones	Stones /100kg
DG2021-04	122	47	9	7	4	2	0	221.75	191	86
DG2021-05	24	7	2	0	0	0	0	70.85	33	47
Sequoia Total	146	54	11	7	4	2	0	292.60	224	76

Notes on the results: The kimberlite was sent to SRC laboratories of Saskatoon by chain of custody. SRC is an independent laboratory that is SCC accredited, ISO/IEC 17025. The samples are assayed using the caustic fusion process, where up to 8-kilogram samples are fused in a kiln containing caustic soda at temperatures of >500°C. The hot residue is then poured through sieves and the remaining material is then chemically treated to reduce the residue to a manageable size. The residues are then observed and the diamonds are recovered. The lab adds unique diamonds to each sample which are recovered as part of a quality assurance program.

The Spring drilling program was designed to discover as many new kimberlites as possible within the given time and budget. The idea was to tag the kimberlite with one or two drill holes and return to them for further work if diamonds were present. Arctic Star has successfully shown the existence of the large kimberlite complex at Sequoia and we now know that it is significantly diamond bearing. Further work is therefore warranted.

Notable from table 1 is the contrasting diamond counts between drill holes 04 and 05. Drill hole DG2021-04 has almost twice the diamond count of 05, indicating variable

diamond grades within this large kimberlite complex. Figure 1 shows the location of the two drill holes, with a background of the gravity anomaly thought to map the complex. The two holes were drilled 220m apart into contrasting parts of the complex.

The lab has given descriptions of a dozen of the larger diamonds. They are all reported to be white in colour. The majority, 75%, are described as clear, the rest are described as off white or cloudy. It is too early to say much about the quality of the diamonds. What can be said is that it is more encouraging to have clear white stones than to have the majority of the diamonds described as boart. There are no brown or boart stones noted from these samples. The Quality of diamonds is usually determined from a large sample of commercial sized stones gathered in a bulk sample. This is a task for the future.

Patrick Power, President of the company said, "These results showing that the Sequoia kimberlite complex is diamond bearing, in particular the high diamond counts from Drill Hole DG-2021-04, are very encouraging. On this basis, the company will present to the JV a Summer/Fall 2021 exploration budget with plans a return to the field and drill test this target further. These plans would be modified to include testing other kimberlites if we get further encouraging diamond results."

The next step would be to drill test all the sectors of the Sequoia kimberlite complex with several drill holes to understand the geology and diamond distribution. Figure 1 shows areas that need to be tested with orange brackets. This would allow for further focus (more drilling for tonnage and bulk samples for grade and price) on the higher diamond count portions of the complex in the future, if warranted. Ideally, each 15 million tonne portion of the complex would need 2-3 holes into it, before garnering an initial understanding of the geology and diamond distribution.

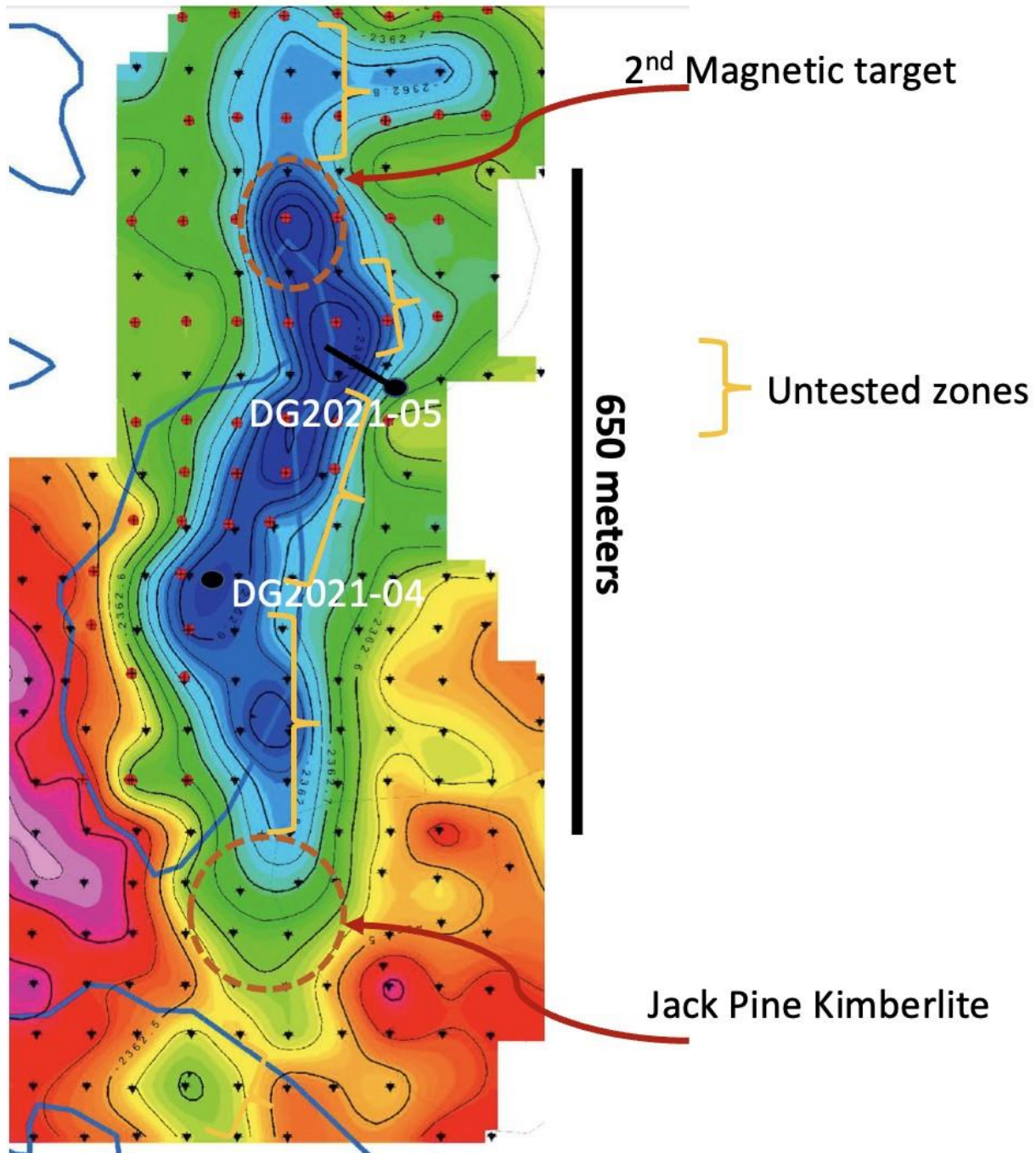


Figure 1. Location of the Spring 2021 Sequoia complex drill hole, the background is a colour grid of the ground Gravity data (0.1milligal contours), Black dots are the gravity stations. Blue lines outline lakes. Orange brackets highlight sizable tracks of the complex that require testing by drill holes.

Helicopter supported drilling at the Sequoia target is possible most times of the year (Nov-Jan not recommended due to darkness, limiting aviation), as parts occur on land

or can be drilled from the shore using angled holes and could commence on financing. The target is only 6.2 kilometers from the exploration camp.

The Diagas project is a Joint Venture between Arctic Star and Margaret Lake Diamonds Inc. ("DIA"). Arctic Star took over management of the Diagas project this year and proposed a \$2.1 million "spring 2021" budget to drill geophysical targets on the property. At the end of this budget period, July 31st, 2021, the ownership will be approximately 80% Arctic Star, 20% DIA. A new "Summer/Fall" budget which will include further drilling at Sequoia, will be discussed within the JV in July.

The caustic fusion diamond results from the other kimberlites discovered are awaited and are expected in the next 3-6 weeks.

Join Pat Power, Buddy Doyle & the Arctic Star Exploration team on July 7th @ 10 AM PT as they discuss the recent diamond results found at the Diagas project in Lac de Gras. RSVP here:

[.https://event.zimtu.com/arcticstar/](https://event.zimtu.com/arcticstar/)

Qualified Person

The Qualified Person for this news release is Buddy Doyle, AUSIMM, a Geologist with over 35 years of experience in diamond exploration, discovery, and evaluation. A Qualified Person under the provisions of the National Instrument 43-101.

About Arctic Star

Arctic Star is predominantly a diamond explorer, recently discovering 5 new kimberlites in the prolific Lac De Gras kimberlite field that supports 2 multi billion dollar kimberlite mining complexes. The company also has a 958Ha Exploration permit containing several diamond bearing kimberlites on its Timantti project, Kuusamo Finland. Arctic Star has optioned its Stien diamond project in Nunavut to GGL diamonds who plan work once Covid restrictions lift. The company continues to look for appropriate diamond opportunities elsewhere.

ON BEHALF OF THE BOARD OF DIRECTORS OF ARCTIC STAR EXPLORATION CORP.

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Cautionary Statement Regarding "Forward-Looking" Information

This news release contains "forward-looking statements" including but not limited to statements with respect to Arctic Star's plans, the estimation of a mineral resource and the success of exploration activities. In this release it is not certain if the kimberlite

discovered will be economic or not as this depends on many factors. Forward-looking statements, while based on management's best estimates and assumptions, are subject to risks and uncertainties that may cause actual results to be materially different from those expressed or implied by such forward-looking statements. 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. Factors that could affect our plans include our potential inability to raise funds as intended, and in such event we may require all funds raised, if any, to be used for working capital rather than the intended uses as outlined. Accordingly, readers should not place undue reliance on forward-looking statements. Arctic Star undertakes no obligation or responsibility to update forward-looking statements, except as required by law.