



Rockstone Research

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Report #9

Diamonds in Finland and
Canada



Diamonds in Finland: Searching for the Leader of the Wolf Pack

Arctic Star Exploration Corp. is on fire. The European diamond hunter has been trading record volumes recently while cashing up for the next round of an eagerly-awaited exploration program at its 100% owned Timantti Project in Finland.

Finding diamonds is one of the most difficult tasks in the exploration sector. It's because diamonds are pretty rare and consequently of high value.

But when you do find diamonds, it can be one of the most rewarding success stories in the entire exploration and mining industry.

As [announced](#) today, Arctic Star has commenced its 2019 exploration program, which "is designed to locate further kimberlite discoveries". Kimberlite is a volcanic rock which sometimes hosts diamonds.

So when you find diamonds in a kimberlite, the chances are great that you are onto something, because there is a rule every diamond hunter knows by heart: A kimberlite rarely comes alone!

Predominantly, kimberlites occur in groupings, also called clusters, averaging a minimum of 30 kimberlite bodies. And when these contain diamonds, it's called a diamond field.

So when you already have found a kimberlite – and there are diamonds in it – then you better look around, because the chances of finding more diamondiferous kimberlites are pretty high.

The more diamondiferous kimberlites you find, the greater are your chances that one of them hosts diamonds in large enough quantities and sizes to become the leader of the pack.

Company Details

Arctic Star Exploration Corp.
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Shares Issued & Outstanding: 113,301,363



Chart Canada (TSX.V)

Canadian Symbol (TSX.V): ADD
Current Price: \$0.085 CAD (04/02/2019)
Market Capitalization: \$10 Million CAD



Chart Germany (Tradegate)

German Symbol / WKN: 82A1 / A2DFY5
Current Price: €0.059 EUR (04/02/2019)
Market Capitalization: €7 Million EUR



Last year, Arctic Star was successful in locating and sampling 4 kimberlites on its Timantti Property, all of which contain diamonds. These diamondiferous kimberlite bodies found to date have been named **White Wolf, Black Wolf, Grey Wolf, and Vasa Dykes.**

The reasoning behind Arctic Star to look for more cubs to its growing pack is crystal clear: As kimberlites typically occur in clusters, let's *first* find as many kimberlites as possible, and *then* do bulk sampling of the best one(s).

Although drilling at the 4 kimberlites identified thus far showed some promising diamond counts and sizes, the company believes that looking for more kimberlites is a better bet going forward (in terms of creating shareholder value), instead of spending money on bulk sampling the 4 kimberlites already found. According to today's [press-release](#):

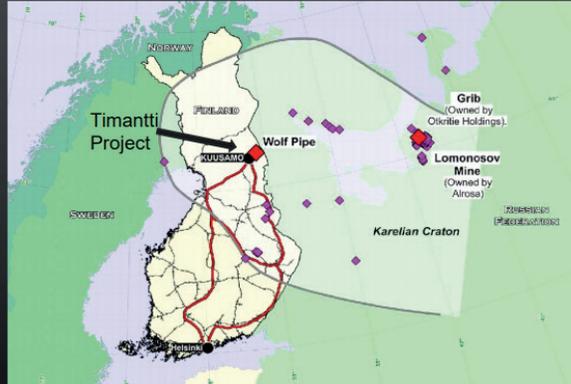
"There is considerable evidence that there are further kimberlites within the company's exploration area as till sampling shows a distribution of diamond indicator minerals pointing to additional sources. Also, over thirty magnetic anomalies that may represent kimberlites have been identified and prioritized within a 3km radius of the Wolf kimberlites.

Initially the exploration work will consist of ground magnetic surveys over the priority targets, followed by trenching over the anomalies using an excavator. Arctic Star was successful in locating kimberlite using these methods in 2018, and there is every reason to expect this success can be continued in 2019. Kimberlite that does occur in the trenches will be sent for caustic fusion to determine micro-diamond content.

Results of the excavation program will be disclosed as information on the testing of targets becomes available

Kimberlites with significant diamonds will be slated for diamond drill testing to determine size, and promising magnetic anomalies that could not be trenched due to till depth will also be drill tested later in 2019.

TIMANTTI PROJECT FINLAND – A NEW DIAMOND BEARING KIMBERLITE FIELD



TIMANTTI : This is the word for Diamonds in Finnish.

The Worlds most recently recognised new diamond bearing kimberlite field.

Finland Was Ranked as World's #1 Mining Jurisdiction in the world by the Fraser Institute 2018.

Same Geological belt. The Baltic Shield, as Grib & Lomonosov. Both Mines Are Multi Billion Dollar Producers.



GRIB MINE



MULTI BILLION DOLLAR DIAMOND MINE DISCOVERY



Roy Spencer (Photo above) leader of the team that discovered the Grib Diamond Mine in Russia. Same geological setting as our Timantti diamond project.

Otkritie Industrial Investments purchased Grib for 1.45B. AGD Diamonds recently consolidated with Otkritie

DAVIK MINE



MULTI BILLION DOLLAR DIAMOND MINE DISCOVERY



Buddy Doyle (Photo above) leader of the exploration team that discovered the Diavik Diamond Mine in Canada. Diavik has produced over 100 million carats since 2003. Vice President Exploration Arctic Star Exploration Inc.

Diavik is operated by Rio Tinto and sold 40% to the Washington Group for \$1.2B.

Once Arctic Star has determined that most of the kimberlites in this new field have been tested for microdiamond content, the company plans to conduct bulk sampling

on the most promising diamondiferous kimberlites, which will better define the grade and give a view of the average price of the commercial size stones."



TIMANTTI – WORLD CLASS INFRASTRUCTURE



Air photo Kuusamo.
Source Kuusamo city website.



Kuusamo lies on crossroads of two major highways
Source Photo commons.



Part of the national energy grid Adven owns a 6MW electricity plant in town which uses sawmill rejects. Map shows grid
Source Fingrid website

The Timantti project lies between Kuusamo and the Russian border to the east. It has excellent infrastructure. It is possible to get taxi from the airport to our first kimberlite discoveries 24 kilometers away.



Kuusamo International airport, daily flights to Helsinki
Source visit finland.



Ruka Finland's most popular Ski resort lies 27km north of town outside the project area
Source Ski finland.



The municipality has a population of approx. 15800 people. Its main industries are Tourism, forestry, Reindeer herding, government and light industry.



TIMANTTI HISTORY – 2018 WORK PROGRAM

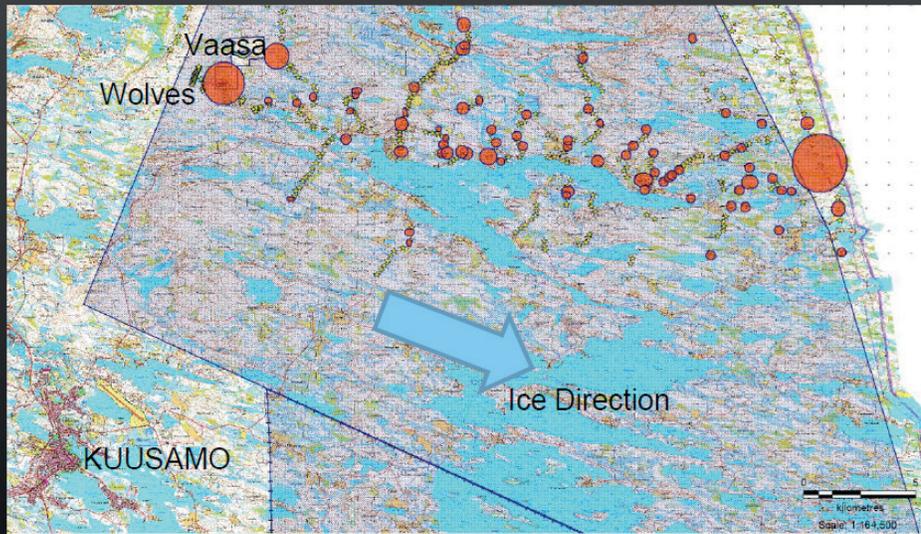


- 4 Diamond Bearing Kimberlites Discovered
- Ground Geophysics Complete: Magnetic, Gravity and EM Surveys
- Excavator Till Sampling: 20 Samples ~50lbs
- Drilled Approximately 600m





DIAMOND INDICATOR MINERALS



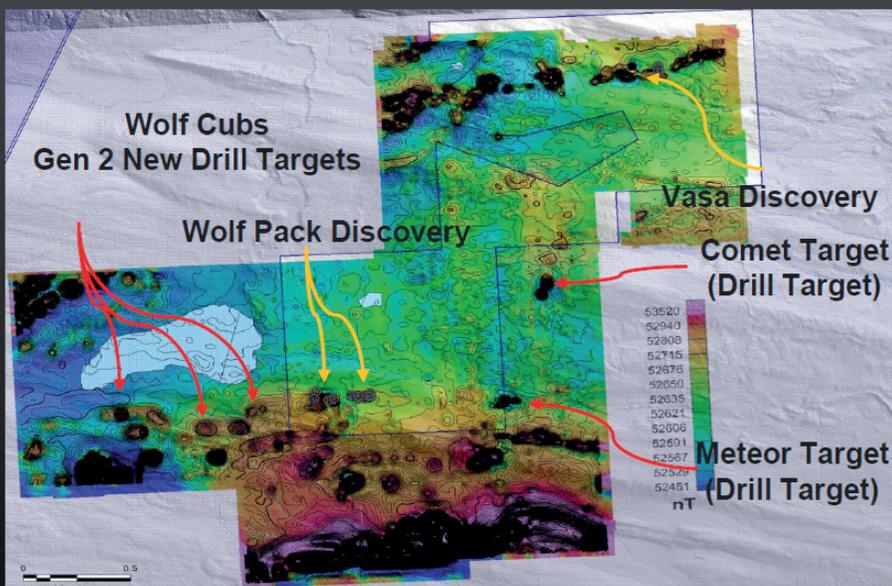
Historic public data and recent till samples taken by Arctic Star show a clear dispersion trains of diamond indicator minerals east of Kuusamo.

The Known Kimberlites discovered to date can not explain all the indicator minerals, proof that there are more kimberlites to be found.

Red Dots, are sample sites.
Red Circles show samples with positive results, the large the circle the more indicators in the sample.



TIMANTTI – NEW TARGETS CONTINUED



38 New untested drill targets for 2019. Red arrows point to the top priority targets.

As little as 1-3 m overburden.

The Wolves seem to form an East-West trend (Wolf Cubs).

Plan to begin excavator sampling in March 2019, drill testing in June 2019





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All statements in this report, other than statements of historical fact should be considered forward-looking statements. Much of this report is comprised of statements of projection. Statements in this report that are forward looking include that Arctic Star Exploration Corp. can and will start exploring; that exploration has or will discover a diamond deposit; that the company can raise sufficient funds for further exploration or development; that any of the mentioned mineralization indications or estimates are valid or economic; that the company will start working on its property immediately; that when you find diamonds in a kimberlite, the chances are great that you are onto something; that the more diamondiferous kimberlites you find, the greater are your chances that one of them hosts diamonds in large enough quantities and sizes; that more diamondiferous kimberlites will be found on the property with the new exploration program. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in these forward-looking statements. Risks and uncertainties respecting mineral exploration and mining companies are generally disclosed in the annual financial or other filing documents of Arctic Star Exploration Corp. and similar companies as filed with the relevant securities commissions, and should be reviewed by any reader of this report. In addition, with respect to Arctic Star Exploration Corp., a number of risks relate to any statement of projection or forward statements, including among other risks: The receipt of all necessary approvals; the ability to find sufficient diamonds to mine; uncertainty of future production, capital expenditures and other costs; financing and additional capital requirements for exploration, development and construction of a mine; mineral grade on the overall project may not be as high as expected; samples found to date may not be indicative of any further potential on the property; the receipt in a timely fashion of further permitting; legislative, political, social or economic developments in the jurisdictions in which Arctic Star Exploration Corp. carries on business; there may be no agreement with neighbors, partners or government on developing infrastructure; operating or technical difficulties or cost increases in connection with mining or development activities; the ability to keep key employees and operations financed; and the resource prices available when the resource is mined. 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. Accordingly, readers should not place undue

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Stephan Bogner studied Economics, with specialization in Finance & Asset Management, Production & Operations, and Entrepreneurship & International Law, at the International School of Management



(Dortmund, Germany), the European Business School (London, UK) and the University of Queensland (Brisbane, Australia). Under [Prof. Dr. Hans J. Bocker](#), Stephan completed his diploma thesis ("Gold In A Macroeconomic Context With Special Consideration Of The Price Formation Process") in 2002. A year later, he marketed and translated into German Ferdinand Lips' bestseller "Gold Wars". After working in Dubai's commodity markets for 5 years, he now lives in Switzerland and is the CEO of [Elementum International AG](#) specialized in duty-free storage of gold and silver bullion in a high-security vaulting facility within the St. Gotthard Mountain in central Switzerland.

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