

NEWS RELEASE

TSX: DIAM

December 5, 2019

Saskatoon, Saskatchewan

STAR DIAMOND CORPORATION ANNOUNCES CLOSING OF PRIVATE PLACEMENT

Star Diamond Corporation (TSX:DIAM) ("the Corporation") is pleased to announce the successful closing of a \$5.1 million private placement of 18,201,274 Flow-Through Common Shares at a price of \$0.28 per Flow-Through Common Share (the "Offering").

The proceeds from the sale of the Flow-Through Common Shares will be used by the Corporation to incur Canadian exploration expenses ("Qualifying Expenditures") prior to December 31, 2020. The Corporation will renounce the Qualifying Expenditures to subscribers of Flow-Through Common Shares for the fiscal year ended December 31, 2019.

The Corporation issued Red Cloud Securities, acting as finder in connection with the Offering ("Finder"), Common Shares from treasury equal to 5%, and also issued the Finder warrants equal to 5%, of the number of Flow-Through Common Shares attributable to the Finder pursuant to the Offering (the "Finder's Warrants"). In relation to the Offering, the Corporation issued 910,064 Common Shares and 910,064 in Finder's Warrants exercisable at any time up to twenty-four months following the closing of the Offering at \$0.35 per share. All securities issued pursuant to the Offering are subject to a four month hold period in accordance with applicable securities laws and exchange regulations. The Offering is subject to TSX acceptance of requisite regulatory filings. Insiders did not participate in the Offering.

Star Diamond Corporation is a Canadian based corporation engaged in the acquisition, exploration and development of mineral properties. Shares of the Corporation trade on the TSX Exchange under the trading symbol "DIAM".

Caution Regarding Forward-Looking Statements

This press release contains "forward-looking statements" and/or "forward-looking information", within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expect", "is expected", "in order to", "is focused on" (a future event), "estimates", "intends", "anticipates", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", or the negative connotation thereof. Forward-looking statements included or implied in this press release include the tax treatment of Flow-Through Shares and the use of the proceeds of the Offering. These forward-looking statements are based on the Corporation's current beliefs as well as assumptions made by and information currently available to the Corporation. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction. The Flow-Through Common Shares will not be and have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

For further information: stardiamondcorp@stardiamondcorp.com or (306) 664-2202

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