

NEWS RELEASE

TSX: DIAM

March 29, 2018

Saskatoon, Saskatchewan

STAR DIAMOND CORPORATION ANNOUNCES YEAR END RESULTS

Star Diamond Corporation (the "Company") reports that the audited results of its operations for the year ended December 31, 2017 will be filed today on SEDAR and may be viewed at www.sedar.com once posted. A summary of key financial and operating results for the year is as follows:

Highlights

- Announced the consolidation of the Fort à la Corne mineral properties (including the Star - Orion South Diamond Project), resulting in the Company holding a 100% interest and Newmont Canada FN Holdings ULC ("Newmont") increasing its equity interest in the Company;
- Announced the concurrent Option to Joint Venture Agreement with Rio Tinto Exploration Canada Inc. ("RTEC") for the Fort à la Corne mineral properties (including the Star - Orion South Diamond Project);
- Announced the related closing of a subscription by RTEC for 5.6 million Common Shares and 5.6 million Common Share purchase warrants for aggregate gross proceeds of \$1.0 million;
- Announced core and sonic drilling programs and geotechnical investigations on the Star Kimberlite
- Working capital of \$3.9 million at December 31, 2017;
- Issued and outstanding shares of 378.3 million at December 31, 2017

Overview

Star Diamond Corporation is a Canadian natural resource company focused on exploring and developing Saskatchewan's diamond resources. In February, 2018, the Company announced that it had changed its name from Shore Gold Inc. to Star Diamond Corporation and its trading symbol on the Toronto Stock Exchange to "DIAM" (see News Release dated February 12, 2018). This new corporate name is in honour of the Star Kimberlite, located in the Fort à la Corne forest of Saskatchewan, Canada. It was the exploration and evaluation work completed on the Star Kimberlite, which demonstrated the significant quality, size and value of the contained diamond populations. These high value diamonds facilitated the consolidation and advancement of the Company's Fort à la Corne area kimberlites, including the Star - Orion South Diamond Project.

As a result of the 2017 mineral property consolidation and earn-in agreement (as discussed below), the Company is now in an enhanced position to advance its 100% held Star - Orion South Diamond Project ("Project"), which is situated in the Fort à la Corne kimberlite field in central Saskatchewan. Indicated Mineral Resources for the Star - Orion South Diamond Project are 55.4 million carats (see News Release dated November 9, 2015 and Technical Report filed December 21, 2015). In addition to the Indicated Mineral Resource Estimate, the Star and Orion South Kimberlites include Inferred Resources containing 11.5 million carats.

Consolidation of the Fort à la Corne mineral properties and Option to Joint Venture

In June 2017, the Company announced that it had acquired (the "Newmont Acquisition") from Newmont Canada FN Holdings ULC ("Newmont") all of Newmont's participating interest in the Fort à la Corne joint venture (the "FaC JV"), resulting in the Company owning 100% of the of the Fort à la Corne mineral properties (including the Project), and has concurrently entered into an Option to Joint Venture Agreement (the "Option Agreement") with Rio Tinto Exploration Canada Inc. ("RTEC") pursuant to which the Company has granted RTEC an option to earn up to a 60% interest in the Fort à la Corne mineral properties (including the Project) on the terms and conditions contained in the Option Agreement (see News Release dated June 23, 2017). Immediately

after the closing of the Newmont Acquisition and issuance of common shares, Newmont held approximately 19.9% of the Company's common shares issued and outstanding on a non-diluted basis.

Activities relating to the Star - Orion South Diamond Project

During the fourth quarter of 2017, the Company and RTEC announced the completion of an HQ core drilling program, consisting of ten holes and some 2,409 metres of drilling, on the Star Kimberlite (See News Releases dated October 12, 2017 and December 11, 2017). In conjunction with this diamond drill program, geotechnical investigations on the overburden were also conducted (See News Release dated January 8, 2018). The core drilling was required to accurately document the internal stratigraphy of the Star Kimberlite prior to a proposed sampling program by RTEC, which is expected to commence in 2018. The Sonic drilling investigation of the overburden above the kimberlite was also an important precursor to a proposed sampling program. The Sonic drill hole locations were in close proximity to the core holes, which will act as pilot holes for the proposed sampling program.

During 2017, the Company also performed geotechnical investigations, assessments and test work on the Project kimberlites. The work completed during this period included X-ray Transmission ("XRT") recovery of diamonds from Star pyroclastic kimberlite, ore processing data review, diamond parcel characterization, kimberlite particle size analysis and overburden removal investigations (See News Release dated March 6, 2017). These programs also investigate the use of new technology for the efficient excavation of the open pit and improvements to the flow-sheet of the diamond processing plant, while simultaneously reducing pre-production capital costs and the time to initial diamond production.

In January 2017, the Company was informed by the Saskatchewan Minister of Environment that additional consultation is required for the government to meet its legal obligation with respect to duty to consult and accommodate process (See News Release dated January 26, 2017). The Ministry has indicated to the Company that significant progress on meeting its duty to consult obligations has been made and that once consultations with potentially impacted First Nation and Métis communities are completed, all pertinent information will be reviewed before a decision is made under The Environmental Assessment Act. The Canadian Environmental Assessment Agency previously announced an Environmental Assessment Decision for the proposed Project in which the federal Environment Minister indicated that the Project "is not likely to cause significant adverse environmental effects when the mitigation measures described in the Comprehensive Study Report are taken into account" (See News Release dated December 3, 2014).

Year to Date Results

For the year ended December 31, 2017, the Company recorded net income of \$40.8 million or \$0.12 per share (basic and fully diluted) compared to a net loss of \$5.4 million or \$0.02 per share in 2016. Net income during 2017 was due to the partial reversal of previously recorded impairments relating to the Company's Fort à la Corne mineral properties (\$44.5 million). As a result of the Newmont Acquisition, the Company performed an assessment of the estimated recoverable amount of exploration and evaluation assets. Based on this assessment, the recoverable amount of exploration and evaluation assets (which includes the Fort à la Corne mineral properties) was determined to be \$66.3 million, resulting in a partial reversal of previously recorded impairments. Exploration and evaluation expenditures incurred during the year ended December 31, 2017 primarily related to work relating to geotechnical investigations and test work for the Project. The loss during the year ended September 30, 2016 was primarily due to ongoing operating costs and exploration and evaluation expenditures incurred by the Company exceeding interest income earned on cash and cash equivalents and short-term investments.

In connection with the Option Agreement, RTEC subscribed for 5.6 million units, for a gross subscription amount of \$1.0 million, with each unit consisting of one common share and one common share purchase warrant. In

addition, options and broker warrants were also exercised during the quarter ended June 30, 2017 for total cash proceeds of \$0.4 million. In connection to the Newmont Acquisition, 53.8 million common shares and 1.1 million common share purchase warrants were issued to Newmont. The Company also agreed that Newmont will receive a contingent payment in the aggregate amount of \$3.2 million upon a positive decision being made to develop a mine on the Project. The Company, in its sole discretion (subject to regulatory approvals), may satisfy the contingent payment due to Newmont through a cash payment or the issuance of common shares. The estimated discounted present value of this contingent consideration at December 31, 2017 was determined to be \$0.7 million.

Selected financial highlights include:

	As at December 31, 2017	As at December 31, 2016
Condensed Consolidated Statements of Financial Position		
Current assets	\$ 4.2 M	\$ 3.2 M
Exploration and evaluation, capital and other assets	67.7 M	1.5 M
Current liabilities	0.4 M	0.3 M
Premium on flow-through shares	0.2 M	0.2 M
Non-current liabilities	1.3 M	0.6 M
Shareholders' equity	70.0 M	3.6 M

	Year Ended December 31, 2017	Year Ended December 31, 2016
Consolidated Statements of Income (Loss)		
Interest and other income	\$ 0.1 M	\$ 0.0 M
Expenses	4.0 M	(5.9) M
Flow-through premium recognized in income	0.2 M	0.5 M
Reversal of prior impairments to exploration and evaluation assets	44.5 M	0.0 M
Net and income (loss) for the period	40.8 M	(5.4) M
Net income (loss) per share for the period (basic and diluted)	0.12	(0.02)

	Year Ended December 31, 2017	Year Ended December 31, 2016
Condensed Consolidated Statements of Cash Flows		
Cash flows from operating activities	\$ (3.6) M	\$ (4.5) M
Cash flows from investing activities	0.6 M	0.1 M
Cash flows from financing activities	4.2 M	3.3 M
Net increase (decrease) in cash	1.2 M	(1.1) M
Cash – beginning of period	2.8 M	3.9 M
Cash – end of period	4.0 M	2.8 M

Outlook

The successful completion of the 2017 consolidation of the Company's Fort à la Corne mineral properties (including the Star - Orion South Diamond Project) and the concurrent earn-in arrangement with RTEC sets the stage for a new phase for the Company. It is the Company's view that Rio Tinto is one of the few companies in the world with the resources and expertise to move forward with a project of the magnitude of the Star - Orion South Diamond Project. The Company is also very pleased to have acquired the remaining portion of the Project from Newmont while continuing to have Newmont as a significant shareholder.

As of March 29, 2018, the Company had approximately \$3.1 million in cash and cash equivalents and short-term investments (excluding \$0.6 million in restricted cash). A portion of the Company's cash and cash equivalents and short-term investments will be used for 2018 programs (including flow-through commitments) to further assess, evaluate and advance certain aspects of the Project, as well as for general corporate matters.

Caution Regarding Forward-looking Statements

This news release contains forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," and words and expressions of similar import are intended to identify forward-looking statements, and, in particular, statements regarding the Company's future operations, future exploration and development activities or other development plans contain forward-looking statements. Forward-looking statements in this news release include, but are not limited to, statements relating to mineral resources and/or reserves; statements related to the approval of the development of the Star - Orion South Diamond Project; statements relating to future development of the Star - Orion South Diamond Project and associated timelines; the environmental assessment and permitting process; the Company's intention to seek additional financing in the ensuing years; statements with respect to geotechnical investigations, assessments and test work; the Company's objectives for the ensuing year, including the Company and RTEC's objectives for the ensuing year.

These 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 or its contractual partners, the effects of competition in the markets in which the Company operates, 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 management 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 law, the Company does not undertake to update any forward-looking statement that may be made.

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