

NEWS RELEASE

TSX: DIAM

May 30, 2018

Saskatoon, Saskatchewan

**STAR - ORION SOUTH DIAMOND PROJECT
TECHNICAL REPORT OF PRELIMINARY ECONOMIC ASSESSMENT FILED ON SEDAR**

Star Diamond Corporation (“Star Diamond” or the “Corporation”), is pleased to announce that the Technical Report of the independent Preliminary Economic Assessment (“PEA”) on the Star and Orion South Kimberlites (the “Star - Orion South Diamond Project”, or “Project”) (see News Release dated April 16, 2018) has been filed on SEDAR (www.sedar.com). The Technical Report will also be filed on the Corporation’s website (www.stardiamondcorp.com). The Star and Orion South Kimberlites are situated in the Fort à la Corne diamond district of central Saskatchewan, Canada, on mineral dispositions held 100% by Star Diamond. The PEA estimates that 66 million carats of diamonds could be recovered in a surface mine over a 38-year Project life, with a Net Present Value (“NPV”) (7%) of \$2.0 billion after tax, an Internal Rate of Return (“IRR”) of 19% and an after-tax payback period of 3.4 years after the commencement of diamond production.

The PEA was led by independent mining, processing and design consultants, with support from the Star Diamond technical team. The principal consultants include: SGS Canada Inc. - Geostat (“SGS”); DRA Americas Inc. (“DRA”), CSA Global Geosciences Canada Ltd (“CSA”) and ENGCOMP Engineering and Computing Professionals Inc. (“ENGCOMP”). A number of other independent consulting firms and potential vendors also provided their study results to Star Diamond for use in developing the PEA.

The PEA was authored by the following independent qualified people: W. Douglas Roy, Senior Associate Mining Engineer for SGS, a registered Professional Engineer in the Province of Nova Scotia; Daniel Leroux, Global Business Manager – Geological and Mining Services for SGS, a registered Professional Geoscientist in the Provinces of Ontario and Saskatchewan; Lehman van Niekerk, Senior Process Engineer, DRA Projects SA (Pty) Ltd, a registered Professional Engineer with the Engineering Council of South Africa and member of The Southern African Institute of Mining and Metallurgy; Geoffrey Wilkie, Senior Cost Consultant ENGCOMP, a registered Professional Engineer in the Province of Saskatchewan, and Leon McGarry, Senior Resource Geologist, CSA Global Geosciences Canada Ltd, a registered Professional Geoscientist in the Province of Ontario and Saskatchewan.

About Star Diamond Corporation

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”. The Corporation’s Star - Orion South Diamond Project is located in central Saskatchewan some 60 kilometres east of the city of Prince Albert. The Project is in close proximity to established infrastructure, including paved highways and the electrical power grid, which provide significant advantages for future mine development.

All technical information in this press release has been prepared under the supervision of George Read, Senior Vice-President of Exploration and Development, a registered Professional Geoscientist in the Provinces of Saskatchewan and British Columbia; Mark Shimell, Project Manager, a registered Professional Geoscientist in the Province of Saskatchewan; and William van Breugel, Mine Project Engineer, a registered Professional

Engineer in the Province of Saskatchewan, who are the Corporation's "Qualified Persons" under the definition of NI 43-101.

Star Diamond commissioned the PEA and related Technical Report for the Star and Orion South Kimberlites and, as such, the PEA and Technical Report are the sole responsibility of the Corporation. The PEA is based on exploration and evaluation work conducted up to and including March 2017.

Caution Regarding Forward-Looking Statements

This news release contains forward-looking statements as defined by certain securities laws, including the "safe harbour" provisions of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. Forward-looking information is 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 Corporation'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, PEA or TFFE constitute forward-looking statements.

Forward-looking statements in this press release include, but are not limited to, disclosure regarding the economics and project parameters presented in the PEA, including, without limitation, IRR, NPV and other costs and economic information, carats of diamonds to be recovered, pre-tax payback period, tonnes of kimberlite to be mined, carats per tonne to be recovered (grade), diamond prices, life of mine, capital costs, length of pre-production period and all data in Tables 1 through 6, possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action; the timing and costs of future development and exploration activities on the Corporation's projects; success of development and exploration activities; permitting time lines and requirements; time lines for further studies; planned exploration and development of properties and the results thereof; and planned expenditures and budgets and the execution thereof as well as statements with respect to the Corporation's objectives for the ensuing year.

These forward-looking statements are based on the Corporation'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 prices, 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 Corporation or its partners, the effects of competition in the markets in which the Corporation operates, the impact of changes in the laws and regulations regulating mining exploration, development, closure, judicial or regulatory judgments and legal proceedings, operational and infrastructure risks and the additional risks described in the Corporation's most recently filed Annual Information Form, annual and interim MD&A. The Corporation'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 Corporation, 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 Corporation does not undertake to update any forward-looking statement that is made herein.

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

- END -