

NEWS RELEASE

Stock Symbol: DIAM: TSX

June 2, 2020

Saskatoon, Saskatchewan

STAR DIAMOND PROVIDES LITIGATION UPDATE REGARDING INJUNCTION APPLICATION

Star Diamond Corporation (“Star Diamond” or the “Corporation”) announced today that its injunction application against Rio Tinto Exploration Canada Inc. (“RTEC”) is currently scheduled to be heard by the Court of Queen’s Bench for Saskatchewan (Judicial Centre of Saskatoon) on June 29 and 30, 2020. The injunction application was brought by Star Diamond as part of the previously disclosed legal proceedings (the “Legal Proceedings”) that Star Diamond commenced against RTEC earlier this year related to RTEC’s purported exercise in November 2019 of its four options under the Option to Joint Venture Agreement dated June 22, 2017. The injunction application seeks, among other things, to restrain RTEC from calling any meeting of the management committee under the joint venture agreement between Star Diamond and RTEC that would have come into effect if RTEC had validly exercised its four options in November 2019. After the Legal Proceedings were commenced, RTEC agreed that, until the Court has rendered a decision on the injunction application, RTEC would not seek to call any meeting of such management committee.

In light of current restrictions related to COVID-19 impacting the operations of the Court, Star Diamond currently expects that the hearing of the injunction application will occur by teleconference among the parties and their respective counsel and not be accessible to the public. However, both the timing of the hearing of the injunction application and the manner in which such hearing will be conducted are subject to further order of the Court, and there is no certainty that such hearing will not be delayed or be heard in a different manner. Star Diamond expects to provide a further update once the injunction application is determined by the Court.

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 Fort à la Corne kimberlites (including the Star - Orion South Diamond Project) are located in central Saskatchewan in close proximity to established infrastructure, including paved highways and the electrical power grid, which provide significant advantages for future mine development.

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. Forward-looking statements contained or implied in this press release include, but are not limited to, the Corporation’s expectations regarding when and how the Court’s hearing of the Corporation’s injunction application is likely to occur.

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 RTEC or the Corporation, risks related to the legal proceedings commenced by the Corporation against RTEC, the effects of competition in the markets in which the Company operates, the impact of the COVID-19 pandemic, risks related to the operation of the BSP and the processing methods

being used by RTEC and the effectiveness thereof, 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.

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