

NEWS RELEASE

Stock Symbol: DIAM: TSX

**December 30, 2020
Saskatoon, Saskatchewan**

**STAR DIAMOND ANNOUNCES INITIAL RESULTS FROM NINTH
BULK SAMPLE TRENCH OF STAR – ORION SOUTH DIAMOND PROJECT**

- **3,534 DIAMONDS WEIGHING 210.68 CARATS RECOVERED**
- **25 DIAMONDS GREATER THAN 1 CARAT RECOVERED, INCLUDING 10.13, 8.10 AND 7.29 CARAT TYPE IIa DIAMONDS**
- **5.15 CARAT TYPE I DIAMOND AND 3.44 CARAT “H” COLOUR OCTAHEDRON ALSO RECOVERED**

SASKATOON, Saskatchewan, December 30, 2020 – Star Diamond Corporation (“Star Diamond” or the “Corporation”) today announced that a total of 3,534 diamonds weighing 210.68 carats have been recovered to date from the ninth (19FALCT007) bulk sample trench excavated on the Star Kimberlite by Rio Tinto Exploration Canada Inc. (“Rio Tinto Canada”) in 2019.

“We are pleased by the recovery of the three larger 10.13, 8.10 and 7.29 Type IIa diamonds from Rio Tinto Canada’s ninth trench. The recent recovery of larger Type IIa diamonds from Rio Tinto Canada’s bulk sample program continues to strengthen our expectation for recovery of large, high value diamonds in a future producing diamond mine,” said Ken MacNeill, President and CEO of Star Diamond. “There were also 5.15 and 3.44 carat diamonds recovered from the ninth trench, with the 3.44 carat diamond being an “H” (near colourless) octahedron.”

Mr. MacNeill continued, “The initial results from the first nine reported trenches continue to validate the grades outlined in our Preliminary Economic Analysis that was based upon Star Diamond’s own prior underground bulk sampling and large diameter drilling programs.”

The breakdown of the kimberlite intercepted and diamonds recovered to date from trench 19FALCT007 is detailed in the table below.

Senior Technical Advisor, George Read, states: “The ninth trench (19FALCT007) has produced a total of 25 diamonds greater than 1 carat, namely: 10.13, 8.10, 7.29, 5.15, 3.44, 2.66, 2.69, 2.31, 1.98, 1.92, 1.89, 1.78, 1.56, 1.27, 1.27, 1.27, 1.23, 1.13, 1.09, 1.05, 1.05, 1.07, 1.03, 1.01 and 1.00 carats, respectively, and all were recovered from Early Joli Fou (“EJF”) kimberlite. The EJF is the dominant kimberlite unit within the Project in terms of ore volume and diamond grade.”

Star Diamond has now publicly reported initial results from nine of the ten bulk sample trenches excavated by Rio Tinto Canada. Until critically important and comprehensive diamond breakage studies are completed, the processing, diamond recovery and reporting of all diamond results on the bulk sample trenches excavated by Rio Tinto Canada will not be complete.

Initial diamond stone and grade results for Trench 19FALCT007:

Kimberlite ¹ Type	Kimberlite Intercept (metres)	Drilled ² Tonnes	Carats ³ (+1 DTC)	Grade ⁴ (cpht)	Stones (+1 DTC)	Stones per tonne (+1 DTC)	Largest Stone (ct)
URVKU	115.00-117.90	30.13	0.09	0.30	4	0.13	0.03
LJF	117.90-144.70	256.80	5.32	2.07	210	0.82	0.35
MJF	144.70-148.00	31.59	1.51	4.78	57	1.80	0.07
EJF	148.00-225.10	840.15	203.76	24.25	3,263	3.88	10.13
Total	110.10	1,158.67	210.68		3,534		

Notes

1. Kimberlite Types: URVKU: Undifferentiated, reworked volcanoclastic kimberlite units; LJF: Late Joli Fou Kimberlite; MJF: Mid Joli Fou Kimberlite; EJF: Early Joli Fou Kimberlite. The URVKU and the LJF were not included in the Star Diamond PEA mineral resource estimate
2. The excavated tonnes are calculated using theoretical trench volumes and core pilot hole dry densities provided by Rio Tinto Canada. These are equivalent to dry tonnes
3. Commercial diamonds are defined as diamonds that will not pass through a +1 DTC screen, which has round apertures of 1.09 millimetres
4. cpht: diamond grade in carats per hundred tonnes

Diamond results reported in this news release are based on diamond recovery processing conducted by the Saskatchewan Research Council through Geoanalytical Laboratories Diamond Services located in Saskatoon Saskatchewan (the "SRC"). Primary recovery processing consisted of X-ray transmission (XRT) sorting, X-ray luminescence (XRL), magnetic separation and grease table recovery methods. The SRC is an independent mineral processing facility which is accredited to the ISO/IEC 17025:2017 standard by the Standards Council of Canada as a testing laboratory for specific tests.

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 Toronto Stock 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. During 2018, the Corporation announced the positive results of an independent Preliminary Economic Analysis (the "PEA") on the Project. The PEA estimated 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 (see news release dated April 16, 2018).

All technical information in this press release has been prepared under the supervision of George Read, Senior Technical Advisor, a registered Professional Geoscientist in the Provinces of Saskatchewan and British Columbia and Mark Shimell, Project Manager, a registered Professional Geoscientist in the Province of Saskatchewan, who are the Corporation's "Qualified Persons" under the definition of NI 43-101.

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 or the Corporation's PEA constitute forward-looking statements. Forward-looking statements contained or implied in this press release include, but are not limited to, statements regarding the processing and analysis of, and reporting of results from, the bulk samples previously collected by Rio Tinto Canada and all timelines; statements related to diamond breakage; 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, after-tax payback period, tonnes of kimberlite to be mined, carats per tonne to be recovered (grade), diamond prices, project life, life of mine, capital costs, and length of pre-production period; statements related 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; statements with respect to environmental permitting and approvals; the Corporation's need for and intention to seek additional financing; statements with respect to metallurgical investigations, assessments and test work including Diamond breakage studies; and the potential proportion of Type IIa diamonds in the Star and Orion South kimberlites and the potential for the recovery of large high quality diamonds.

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 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 Rio Tinto Canada or the Corporation, the effects of competition in the markets in which the Corporation operates, risks related to the legal proceedings commenced by the Corporation against Rio Tinto Canada, the impact of the COVID-19 pandemic, risks related to the operation of the on-site Bulk Sample Plant and the processing methods being used by Rio Tinto Canada and the effectiveness thereof, risks related to diamond breakage and cost overruns and other consequences arising from Rio Tinto Canada's extraction and diamond recovery methodologies, risks related to the Corporation's need for additional financing and the Corporation's ability to raise that financing, 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 Corporation's most recently filed Annual Information Form, annual and interim MD&A, news releases and technical reports. 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 the Corporation 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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