

**NEWS RELEASE**

**Stock Symbol: DIAM: TSX**

**June 21, 2021**

**Saskatoon, Saskatchewan**

**STAR DIAMOND UPDATE ON LEGAL DISPUTE WITH RIO TINTO CANADA**

SASKATOON, Saskatchewan, June 21, 2021 – Star Diamond Corporation (“Star Diamond”) today provided an update on the ongoing litigation (the “Legal Proceedings”) between Star Diamond and Rio Tinto Exploration Canada Inc. (“Rio Tinto Canada”) in the Court of Queen’s Bench for Saskatchewan (Judicial Centre of Saskatoon) (the “Court”).

As previously disclosed, on June 4, 2021, the Court held a hearing in respect of the undertaking (the “Undertaking”) previously provided by Rio Tinto Canada to the Court. The Court reserved its decision, which is expected in the coming weeks.

Notwithstanding that the Court has not yet released its decision in respect of the Undertaking, on June 17, 2021, Rio Tinto Canada delivered a notice to Star Diamond purporting to call, for July 21, 2021, a meeting of the management committee of the joint venture that Rio Tinto Canada claims was previously formed between Star Diamond and Rio Tinto Canada. As previously disclosed, Star Diamond believes that no such joint venture has been formed because Rio Tinto Canada’s November 2019 purported exercise of its options under the Option to Joint Venture Agreement dated June 22, 2017 between Star Diamond and Rio Tinto Canada did not comply with that agreement.

The June 17, 2021 notice from Rio Tinto Canada indicates that Rio Tinto Canada will be seeking approval of a proposed budget for the period from June 2021 to March 2022 of Cdn. \$17.8 million. The notice also indicates that Rio Tinto Canada will be seeking to add to that budget an aggregate of Cdn. \$64.4 million allegedly spent by Rio Tinto Canada during 2019, 2020 and the first five months of 2021.

Star Diamond disagrees with the positions taken by Rio Tinto Canada in the June 17, 2021 notice. However, out of respect for the pending Court decision in relation to the Undertaking, Star Diamond currently intends to wait for the release of that decision before responding to such notice.

Star Diamond continues to vigorously pursue the Legal Proceedings and is committed to taking all actions necessary to protect Star Diamond and its shareholders from the practices and conduct of Rio Tinto Canada. Star Diamond will provide further updates in respect of these matters as developments warrant.

**About Star Diamond Corporation**

Star Diamond Corporation is a Canadian based corporation engaged in the acquisition, exploration and development of mineral properties. Shares of Star Diamond trade on the Toronto Stock Exchange under the trading symbol “DIAM”. Star Diamond’s Fort à la Corne kimberlites (including the Star - Orion South Diamond Project (the “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, Star Diamond 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 Star Diamond'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 Star Diamond's future operations, future exploration and development activities, other development plans or litigation plans constitute forward-looking statements. By their nature, statements referring to mineral reserves, mineral resources, Star Diamond's PEA or the Legal Proceedings 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 and other actions to complete the processing, diamond recovery and reporting of all diamond results on the samples previously taken from the ten bulk sample trenches excavated by Rio Tinto Canada in 2019; statements related to Star Diamond's intention to enforce the Undertaking; statements related to the Legal Proceedings; 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; 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 Star Diamond'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 Star Diamond, the effects of competition in the markets in which Star Diamond operates, risks related to the Legal Proceedings and legal proceedings to enforce the Undertaking, risks related to potential dilution of Star Diamond's interest in the Project, 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 Star Diamond's need for additional financing and Star Diamond'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 Star Diamond's most recently filed Annual Information Form, annual and interim MD&A, news releases and technical reports. Star Diamond'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 Star Diamond 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 Star Diamond, 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, Star Diamond does not undertake to update any forward-looking statement that is made herein.

For further information: [stardiamondcorp@stardiamondcorp.com](mailto:stardiamondcorp@stardiamondcorp.com) or (306) 664-2202  
**[www.stardiamondcorp.com](http://www.stardiamondcorp.com)**

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