

NEWS RELEASE

TSX: DIAM

November 10, 2022

Saskatoon, Saskatchewan

STAR DIAMOND CORPORATION ANNOUNCES THIRD QUARTER 2022 RESULTS

Star Diamond Corporation (“Star Diamond” or the “Company”) today reported its financial results for the quarter ended September 30, 2022.

Overview

Star Diamond Corporation is a Canadian natural resource company focused on exploring and developing Saskatchewan's diamond resources. Star Diamond holds, through a joint venture arrangement with Rio Tinto Exploration Canada Inc. (“Rio Tinto Canada”), a wholly-owned subsidiary of Rio Tinto plc or “Rio Tinto”, a 25% interest in certain mineral properties (which includes the Star – Orion South Diamond Project, or “Project”) within the Fort à la Corne diamond district of central Saskatchewan, Canada. These properties are in close proximity to established infrastructure, including paved highways and the electrical power grid, which provide significant advantages for future mine development. Rio Tinto Canada refers to their Fort à la Corne mineral properties as “Project FalCon”.

Fort à la Corne mineral properties

On June 28, 2022, Rio Tinto Canada exercised its voting power at a meeting of the Fort à la Corne joint venture management committee to place the Fort à la Corne properties on care and maintenance through December 31, 2022. Rio Tinto Canada also advised that, subject to fulfilling its existing obligations, it does not intend to commit additional capital to the Fort à la Corne properties during 2022 beyond what is necessary for care and maintenance. Rio Tinto Canada also advised the Company that it intends to conduct a near-term review of its alternatives regarding the Fort à la Corne properties, including its potential exit. During the meeting, Rio Tinto Canada stated that it remains pleased with the results of the comprehensive studies and bulk sampling program that have been completed to date at the Project.

Star Diamond continues to work with Rio Tinto Canada in assessing alternatives regarding the Project. These discussions remain at an early stage and there is no certainty that any agreement will be reached between Star Diamond and Rio Tinto Canada regarding any such potential arrangements.

Quarterly results

For the quarter ended September 30, 2022, the Company recorded a net loss of \$0.5 million or \$0.00 per share (basic and fully diluted) compared to a net loss of \$2.0 million or \$0.00 per share for the same period in 2021. The losses during these quarters were due to operating costs and exploration and evaluation expenditures incurred by the Company exceeding interest income earned on cash and cash equivalents.

Year to Date Results

For the nine months ended September 30, 2022, the Company recorded a net loss of \$2.1 million or \$0.00 per share (basic and fully diluted) compared to a net loss of \$5.2 million or \$0.01 per share for the same period in 2021. The losses during the nine month periods ended September 30, 2022 and 2021 were primarily due to ongoing operating costs and exploration and evaluation expenditures incurred by the Company exceeding interest and other income earned. The decrease between periods was primarily due to lower consulting and professional expenditures and exploration and evaluation expenditures incurred as well as lower share-based payments expensed during the nine months ended September 30, 2022.

Selected financial highlights include:

Condensed Consolidated Statements of Financial Position	As at September 30, 2022	As at December 31, 2021
Current assets	\$ 3.3 M	\$ 1.5 M
Exploration and evaluation, capital and other assets	66.7 M	67.9 M
Current liabilities	0.1 M	3.1 M
Non-current liabilities	0.9 M	1.1 M
Shareholders' equity	69.0 M	65.2 M

Condensed Consolidated Statements of Loss	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Interest and other income	\$ 0.0 M	\$ 0.0 M	\$ 0.0 M	\$ 0.0 M
Expenses	0.2 M	1.9 M	1.7 M	5.2 M
Investment in Wescan Goldfields Inc. and other items	(0.3) M	(0.1) M	(0.4) M	0.0 M
Net loss for the period	0.5 M	2.0 M	2.1 M	5.2 M
Net loss per share for the period (basic and diluted)	0.00	0.00	0.00	0.01

Condensed Consolidated Statements of Cash Flows	Quarter Ended September 30, 2022	Quarter Ended September 30, 2021
Cash flows from operating activities	\$ (4.5) M	\$ (4.3) M
Cash flows from investing activities	0.6 M	0.0 M
Cash flows from financing activities	5.7 M	1.9 M
Net decrease in cash	1.8 M	(2.4) M
Cash – beginning of period	1.3 M	4.7 M
Cash – end of period	3.1 M	2.3 M

Outlook

The provincial environmental approval of the Project received in 2018, alongside the previous positive federal decision, marked a major milestone for the Project. In addition, the positive results of the 2018 independent PEA show that the Project can be economically developed and operated while providing direct employment for hundreds of people throughout the construction phase and hundreds of people continuously over its estimated 38 year mine life.

Following the successful completion of the 2017 consolidation of the Fort à la Corne mineral properties, the arrangements announced in December 2021 were intended to ensure that key project milestones, and the certainty associated with them, will have been achieved before Star Diamond has to contribute any additional capital. Due to the June 2022 decision by Rio Tinto Canada to exercise its voting power to place the Fort à la Corne properties on care and maintenance through December 31, 2022 no additional exploration programs will occur on site in 2022. During the June 2022 meeting, Rio Tinto Canada also stated that it remains pleased with the results of the comprehensive studies and bulk sampling program that have been completed to date at the Project. Though the board of directors of Star Diamond is disappointed by these decisions, Star Diamond intends to work with Rio Tinto Canada in assessing alternatives regarding the Fort à la Corne properties.

As of November 10, 2022, the Company had approximately \$3.0 million in cash and cash equivalents. A portion of the Company's cash and cash equivalents will be used for programs (including remaining flow-through commitments) to further assess, evaluate and advance certain aspects of the Company's mineral properties, as well as for general corporate matters.

About Star Diamond Corporation

Star Diamond is a Canadian based corporation engaged in the acquisition, exploration and development of mineral properties. Shares of the Company trade on the TSX under the trading symbol "DIAM". The Fort à la Corne kimberlites (including 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, the Company announced the positive results of the independent PEA on the Project. 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.

During 2018, the Saskatchewan Ministry of Environment approved the Project. The Canadian Environmental Assessment Agency previously announced a positive Environmental Assessment Decision for the Project by the federal Environment Minister.

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 Company'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 PEA constitute forward-looking statements. Forward-looking statements contained or implied in this news release include, but are not limited to, statements relating to the Company's ability to continue as a going concern; statements regarding Rio Tinto Canada's advice that it will not commit additional capital to the Fort à la Corne properties during 2022 beyond care and maintenance; statements regarding future capital commitments, programs and plans by Rio Tinto Canada, including its review of alternatives regarding the Fort à la Corne properties and potential exit (and Star Diamond's intention to work with Rio Tinto Canada in assessing such alternatives) and terms of any possible future agreement that may be reached between Star Diamond and Rio Tinto Canada regarding the Project; 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 anticipated use of the Company's cash and cash equivalents; the Company's need for and intention to seek additional financing; statements with respect to metallurgical and diamond investigations, assessments and test work including diamond breakage studies; the potential proportion of Type IIa diamonds in the Star, Orion South, Orion North and Taurus kimberlites and the potential for the recovery of large, high-quality diamonds.

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 Rio Tinto Canada or the Company, the nature and outcome of studies, analyses, criteria or conditions that Rio Tinto Canada may consider relevant to its assessment of whether to seek to further invest in the Project or seek to develop the Project into an operating mine, the effects of competition in the markets in which the Company operates, the impact of the COVID-19 pandemic, risks related to diamond breakage from extraction and diamond recovery, risks related to the Company's need for additional financing and the Company'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 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 the Company 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 laws, the Company does not undertake to update any forward-looking statement that is made herein.

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