

**STAR - ORION SOUTH DIAMOND PROJECT  
TECHNICAL UPDATE: TRENCH CUTTER BULK SAMPLING AND PROCESSING PLANT**

George H. Read, P. Geo., Senior Vice President Exploration and Development of Star Diamond Corporation (“Star Diamond” or the “Corporation”) announces that Rio Tinto Exploration Canada (“RTEC”) has commenced the winter shut down of the Trench Cutter Sampling Rig, which consists of a Bauer BC 50 Cutter mounted on a Bauer MC 128 Duty-cycle Crane. Bauer Maschinen GmbH (“Bauer”) and Nuna Logistics Limited (“Nuna”) are in the process of winterizing the Trench Cutter Rig and the desanding plant. The winterizing includes the removal of pumps, motors and electronics that will be stored in heated sea containers on the site of the Star Kimberlite for the winter months. The Star Kimberlite is located within the Corporation’s Star - Orion South Diamond Project, in the Fort à la Corne diamond district of central Saskatchewan, Canada, on mineral dispositions held 100 percent by Star Diamond. RTEC refers to Star Diamond’s mineral dispositions in the Fort à la Corne diamond district as Project FalCon.

The Trench Cutter bulk sample drilling was successfully initiated in early October and the first hole reached a depth of 37.1 metres below surface. The Trench Cutter Sampling Rig successfully excavated the sand and till overburden and returned a substantial proportion of large (up to 80 millimetre) fragments from the till. The encouraging performance of the Trench Cutter Sampling Rig was unfortunately constrained by the commissioning of the desanding plant, which did not operate at design capacity. The design and construction of the desanding plant are being evaluated by RTEC with the intent that the desanding plant will be revised or replaced by the time that RTEC’s on-site bulk sample processing plant is commissioned in spring of 2019.

The final components of the bulk sample processing plant have been shipped, by sea, from South Africa. All containers of bulk sample processing plant equipment are scheduled to reach Montreal, Canada in early December 2018. The Tomra X-Ray Transmission (“XRT”) diamond sorter has already been delivered and is currently being stored off-site in heated storage until such time that it will be delivered to site, for incorporation in the plant, in early 2019. The construction of a heated, on-site sample storage facility has been permitted and is scheduled to commence in late November 2018.

Senior Vice President Exploration and Development, George Read, states: “The successful operation of, and overburden excavation by, the Trench Cutter Sampling Rig bodes well for the future sampling of kimberlite. RTEC has indicated that the construction of the bulk sample processing plant and revisions to the desanding plant are scheduled to be completed during the winter in preparation for the recommencement of Trench Cutter bulk sampling on the Star Kimberlite in spring of 2019.”

**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. The Project recently received provincial approval by the Saskatchewan Ministry of Environment (see News Release dated October 25, 2018), along with a previous positive Federal environmental decision).

The Corporation recently announced the positive results of the independent Preliminary Economic Assessment (“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 (see News Release dated April 16, 2018). 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.

During 2017, the Corporation granted RTEC an option to earn up to a 60% interest in the Corporation’s Fort à la Corne mineral properties (including the Star - Orion South Diamond Project) on the terms and conditions contained in the Option Agreement (see News Release dated June 23, 2017). RTEC refers to Star Diamond’s mineral dispositions in the Fort à la Corne diamond district as Project FalCon.

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 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, PEA or TFFE constitute forward-looking statements.

Forward-looking statements contained or implied 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, 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 as well as statements with respect to environmental permitting and approvals, the timing for revision or replacement of the desanding plant, timing for delivery and construction of the bulk sample processing plant, timing of construction of heated storage on-site and timing for recommencement of the bulk sampling program.

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](mailto:stardiamondcorp@stardiamondcorp.com) or (306) 664-2202

[www.stardiamondcorp.com](http://www.stardiamondcorp.com)

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