NEWS RELEASE | **August 14, 2026**
TSX: DIAM | **Saskatoon, Saskatchewan**

STAR DIAMOND CORPORATION ANNOUNCES SECOND QUARTER 2026 RESULTS

Star Diamond Corporation ("**Star Diamond**" or the "**Company**") announces its financial and operating results for the three and six months ended June 30, 2026. All amounts are in thousands of Canadian dollars, except common share or per share amounts or as otherwise noted.

The Company's unaudited interim financial statements for the three and six months ended June 30, 2026 and related management's discussion and analysis are available on the Company's SEDAR+ profile at www.sedarplus.ca.

Operations

The Star – Orion South Diamond Project

As at the date hereof, the Company's material mineral project is the Star – Orion South Diamond Project (the "**Project**"). Additional information related to the Project, including the revised mineral resource estimate in respect of the Project, can be found in the technical report relating to the Project, bearing an effective date of July 24, 2024, entitled "Technical Report and Revised Resource Estimate for the Star-Orion South Diamond Project, Fort A La Corne Area, Saskatchewan, Canada", prepared by Daniel C. Leroux, M.Sc. P.Geo., Leon McGarry, B.Sc. P.Geo. and Peter J. Ravenscroft, FAusIMM, a copy of which is available on the Company's SEDAR+ profile at www.sedarplus.ca.

The Project site is currently under care and maintenance. Star Diamond's technical team will focus on the technical investigation and evaluation of the Project, with the goal of a future development decision. On September 9, 2025, the Company announced the engagement with Misty Clifton and SGS Canada Inc. for a pre-feasibility study on the Project (the "**PFS**"). The PFS will include a revised statement of mineral reserves for the Project, if warranted, and an economic assessment based thereon. The PFS will enable a feasibility study, on which a production decision can be based. As announced in the Company's press release dated March 25, 2026, work to advance the PFS for the Project is ongoing. The timing of the PFS is dependent, among other things, on the Company completing one or more financings and the availability of contractors.

Fort à la Corne Project (Orion North, Orion Centre and Taurus)

The Orion North, Orion Centre and Taurus kimberlite clusters form part of the Fort à la Corne Project located in Saskatchewan, Canada. There were no material developments with respect to such clusters during the three and six months ended June 30, 2026 and the Company is currently reviewing the project to determine future technical, economic, permitting, social and environmental work.

BH Project

The Buffalo Hills Diamond Project (the "**BH Project**") is located in north central, Alberta. There were no material developments with respect to the BH Project during the three and six months ended June 30, 2026 and the Company is currently reviewing the BH Project to determine future technical, economic, permitting, social and environmental work.

Corporate Developments during 2026

On February 4, 2026, the Company granted 41,000,000 stock options to directors, officers, and employees of the Company. The stock options have an exercise price of $0.05 per share, with 1/3 of the options vesting immediately and 1/3 vesting on each of the first and second anniversaries of the date of grant. The stock options expire on the fifth anniversary of the date of grant.

On March 25, 2026, the Company announced the appointment of Brendan F. Moore to the Company's board of directors. Along with the appointment, the Company also granted him 5,000,000 stock options. The stock options have an exercise price of $0.05 per share, with 1/3 of the options vesting immediately and 1/3 vesting on each of the first and second anniversaries of the date of grant. The stock options expire on the fifth anniversary of the date of grant.

On April 28, 2026, the Company entered into a loan agreement (the "**Loan Agreement**") with Spirit Resources s.a.r.l ("**Spirit**"). Pursuant to the terms of the Loan Agreement, Spirit advanced an unsecured loan in the amount of $500 (the "**Loan**"). The Loan bears interest at a rate of 12% per annum and matures one year after the drawdown date of April 28, 2026, or such other date mutually agreed between the Company and Spirit (the "**Maturity Date**"). The Loan, together with accrued and unpaid interest thereon (the "**Total Obligations**"), are generally repayable at any time by the Company without penalty. If the Company has not repaid the Total Obligations before the closing of a sale of common shares in the capital of the Company, or units including common shares, in a single or series of transactions of no less than $1,000 (a "**Qualified Financing**") prior to the Maturity Date, the Total Obligations will be converted into the securities of the Company issued pursuant to the Qualified Financing ("**Qualified Financing Securities**") upon closing of the Qualified Financing (the "**Conversion**"), unless otherwise agreed between the Company and Spirit. The deemed price per Qualified Financing Security issuable upon Conversion will be the lowest price per Qualified Financing Security issued in the Qualified Financing, subject to customary adjustment provisions. The Conversion is conditional upon the completion of a Qualified Financing and receipt of the approval of the Toronto Stock Exchange.

On May 14, 2026, following the Annual General and Special Meeting of Shareholders of the Company held on May 14, 2026, Jean-Claude St Amour was appointed to the Company's board of directors. Along with the appointment, the Company also granted him 5,000,000 stock options. The stock options have an exercise price of $0.055 per share, with 1/3 of the options vesting immediately and 1/3 vesting on each of the first and second anniversaries of the date of grant. The stock options expire on the fifth anniversary of the date of grant.

Quarter End Results

For the three months ended June 30, 2026, the Company recorded a net loss of $982 or $0.00 per share (2025 - net loss of $1,450 or $0.00 per share). The decrease in net loss was primarily due to the following:

- Administration decreased to $415 in 2026 (2025 - $503), mainly due to a decrease in the corporate development activities and the fair value of share-based payments expensed. The fair value of share-based payments varies depending on the vesting of stock options granted.
- Consulting and professional fees increased to $177 in 2026 (2025 - $145) due to higher legal fees incurred.
- Exploration and evaluation decreased to $353 in 2026 (2025 - $463) mainly due to lower depreciation of property, plant and equipment and the fair value of share-based payments expensed.

Year to Date Results

For the six months ended June 30, 2026, the Company recorded a net loss of $2,149 or $0.00 per share (2025 - net loss of $2,416 or $0.00 per share). The decrease in net loss was primarily due to the following:

- Administration increased to $1,048 in 2026 (2025 - $804), mainly due to an increase in the fair value of share-based payments expensed. The fair value of share-based payments varies depending on the vesting of stock options granted.
- Exploration and evaluation decreased to $780 in 2026 (2025 - $930) mainly due to lower depreciation of property, plant and equipment and a decreased level of exploration activities during the period.

On June 30, 2026, the Company had $58 (December 31, 2025 - $724) in cash and cash equivalents and a working capital deficit (excess of current liabilities over current assets) of $562 (December 31, 2025 - working capital of $458). The decrease in working capital was a result of net cash used in operating activities.

A budget has been prepared for the completion of the PFS of $3,000 which is subject to, among other things, the completion of one or more financings and the availability of contractors.

However, the ability of the Company to continue as a going concern and fund its expenses in an orderly manner will require additional forms of financing. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and planned activities.

Summary of Quarterly Results

	2026		**2025**				**2024**	
	Qtr 2	**Qtr 1**	**Qtr 4**	**Qtr 3**	**Qtr 2**	**Qtr 1**	**Qtr 4**	**Qtr 3**
Revenue ($)	-	-	-	-	-	-	4	9
Net loss (1)(2) ($)	(982)	(1,167)	(414)	(989)	(1,450)	(966)	(2,108)	(1,393)
Net loss per share (3)(4) ($)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

(1) Loss from continuing operations attributable to owners of the parent, in total.
(2) Loss attributable to owners of the parent, in total.
(3) Basic and diluted.
(4) Per share amounts are rounded to the nearest cent, therefore aggregated quarterly amounts may not reconcile to year-to-date per share amounts.

Technical Information

All technical information in this news release has been prepared under the supervision of Mark Shimell, Chief Operating Officer, Professional Geoscientist in the Province of Saskatchewan, who is the Company's "Qualified Person" under National Instrument 43-101 *Standards of Disclosure for Mineral Projects*.

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Caution Regarding Forward-looking Statements

This news release contains "forward-looking statements" and/or "forward-looking information" (collectively, "**forward-looking statements**") within the meaning of applicable securities legislation. Forward-looking statements are often, but not always, identified by the use of words such as "could", "expect", "goal", "will" or similar words suggesting future outcomes or language suggesting an outlook. Forward-looking statements in this news release include, but are not limited to, statements with respect to: focus on technical investigation and evaluation of the Project; goal of a future development decision; inclusion of a revised statement of mineral reserves for the Project in the PFS; the PFS enabling a feasibility study; the Conversion, including the price thereof and the securities issued thereunder; the Company's ability to continue as a going concern; the Company's need for and success in obtaining additional financing; suspension of the Company's operations and planned activities; and the Company's strategy, plans and goals, including related timelines and schedules thereof.

These forward-looking statements are based on the Company's current beliefs as well as assumptions made by and information currently available to the Company 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, the Company's ability to obtain financing and contractors to further the exploration, evaluation and/or development of exploration and evaluation properties in which the Company holds interest, the economic feasibility of any future development projects, 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, 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 Company's most recently filed Annual Information Form, and annual and interim management's discussion and analysis.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. In addition, forward-looking statements are provided solely for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of our operating environment. Accordingly, readers should not place undue reliance on forward-looking statements.

Forward-looking statements in this news release are made as of the date hereof and Star Diamond assumes no obligation to update any forward-looking statements, except as required by applicable laws.