

NEWS RELEASE

Stock Symbol: DIAM: TSX

January 19, 2021

Saskatoon, Saskatchewan

**GEOTECHNICAL DRILLING PROGRAM UNDERWAY ON ORION
NORTH KIMBERLITE TO ASSESS FUTURE OPEN PIT DESIGN**

SASKATOON, Saskatchewan, January 19, 2021 – Star Diamond Corporation (“Star Diamond” or the “Corporation”) today announced that Rio Tinto Exploration Canada Inc. (“Rio Tinto Canada”) commenced an eight hole geotechnical drilling program on and in proximity to the Orion North Kimberlite in early January 2021.

Star Diamond understands that Earth Drilling Co. Ltd of Regina Saskatchewan was contracted to drill an eight-hole program at four locations, with two holes at each location. The drill rigs being utilized are capable of sonic drilling to obtain representative samples of the glacial overburden and core drilling for the underlying kimberlite or host rock sediments. These rigs can sample to a depth of 220 metres below surface. Two of the drilling locations are situated over the Orion North kimberlite and two drilling locations are just to the south of the Orion North kimberlite. Star Diamond has been advised that the aim of this drilling is to investigate the geotechnical properties of the overburden, kimberlite and host rock sediments., with this information to be used for future open pit design. Parts of the Orion North Kimberlite have shallower overburden (of approximately 95 metres) than both the Star and Orion South Kimberlite.

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 Orion North drilling program by Rio Tinto Canada and expected use of information from such drilling program; 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 Ila 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 and any future legal proceedings between them, 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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