

**STAR - ORION SOUTH DIAMOND PROJECT  
APPROVED BY PROVINCIAL MINISTER OF ENVIRONMENT**

Star Diamond Corporation (“Star Diamond” or the “Corporation”), is pleased to announce that the Saskatchewan Ministry of Environment (“Ministry”) has approved the Corporation’s Star - Orion South Diamond Project (“the Project”), located in the Fort à la Corne diamond district of central Saskatchewan, Canada, on mineral dispositions held 100 percent by Star Diamond.

The Environment Minister of Saskatchewan Dustin Duncan announced approval for the Project under The Environmental Assessment Act, indicating the “The Star-Orion South Diamond Mine is a major development with the potential to bring jobs to the area and diversify Saskatchewan’s economy”. A copy of the Project decision can be found at [publications.gov.sk.ca/deplist.cfm?d=66&c=4428](http://publications.gov.sk.ca/deplist.cfm?d=66&c=4428). The Canadian Environment Assessment Agency previously announced a positive federal Environmental Assessment Decision for the Project (see News Release dated December 3, 2014).

Kenneth E. MacNeill, President and CEO states: “This approval, alongside the previous positive Federal decision, marks a major milestone towards the development of a diamond mine in Saskatchewan. We have previously demonstrated that the proposed Star - Orion South Diamond Project can be successfully constructed and operated and are very pleased that the Project has now received positive federal and provincial environmental decisions. This milestone is the result of the significant work and effort of the Ministry, our technical team and consultants, and represents our commitment to our stakeholders and the community surrounding the Project. As illustrated by the preliminary economic assessment, the Project has the potential to generate billions of dollars of corporate and municipal taxes and royalties, while also providing direct employment for hundreds of people throughout the construction phase and some 700 people continuously over its 38 year mine life.”

The Ministry has indicated that they conducted a thorough environmental assessment for the Project, including a detailed environmental impact statement, and carried out in-depth consultation prior to the decision to approve the Project. This included fulfilling the Province’s duty to consult responsibility. The Government of Saskatchewan consulted with local First Nations and Métis communities and has developed accommodations that will address potential adverse impacts to Treaty rights and traditional uses. Prior to proceeding with the Project, further provincial and municipal permits and approvals will be required.

**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 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 Rio Tinto Exploration Canada (“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. 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 Kenneth E. MacNeill, President and Chief Executive Officer at (306) 664-2202  
**[www.stardiamondcorp.com](http://www.stardiamondcorp.com)**

- END -