Star Diamond Corp. Announces $5 Million Private Placement

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SASKATOON, March 16, 2022 - Star Diamond Corp. ("Star Diamond" or the "Corporation") is pleased to announce that it intends to raise up to $5 million by way of a non-brokered private placement of units of the Corporation (collectively, the "Units") at a price of $0.30 per Unit (the "Offering"). Each Unit will consist of one common share in the capital of the Corporation (each, a "Common Share") and one Common Share purchase warrant (each, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Common Share at a price of $0.40 for a period of 24 months from the date of issuance. The Offering is not subject to any minimum amount of subscriptions.

The Offering will be conducted in reliance upon available prospectus exemptions which permit Star Diamond to distribute securities to its existing holders of Common Shares ("Shareholders") as of the Record Date (as defined below) as contemplated by Multilateral CSA Notice 45-313 - Prospectus Exemption for Distributions to Existing Security Holders, General Order 45-926 of the Financial Consumer and Affairs Authority of Saskatchewan and the various other corresponding blanket orders and rules in effect in each of the provinces and territories of Canada (collectively, the "Existing Shareholder Exemption"), subject to the terms and conditions thereof. The Corporation has fixed March 11, 2022 (the "Record Date") as the record date for the purpose of determining existing Shareholders of the Corporation who are entitled to participate in the Offering pursuant to the Existing Shareholder Exemption. Any person who becomes a Shareholder after the Record Date is not permitted to participate in the Offering using the Existing Shareholder Exemption but may subscribe pursuant to other applicable prospectus exemptions available to them.

The Offering will also be conducted pursuant to other available prospectus exemptions contained in National Instrument 45-106 - Prospectus Exemptions, including the "accredited investor" and "family, friends and business associates" exemptions. The Corporation will consider subscriptions for Units from persons resident outside of Canada; however such persons will need to establish that the issuance of Units to them is exempt from prospectus and registration requirements under applicable securities laws.

Existing shareholders or other subscribers interested in participating in the Offering should contact Star Diamond Corp. by email at stardiamondcorp@stardiamondcorp.com for additional information.

A total of $3 million of the Offering is anticipated to be allocated to Shareholders that subscribe under the Existing Shareholder Exemption. In the event that the Offering is oversubscribed, the Corporation reserves the right to increase the size of the Offering or allocate subscriptions on a pro rata basis in accordance with holdings of existing Shareholders as of the Record Date. Existing Shareholders may subscribe for such number of Units as they chose (subject to applicable limitations) and are not limited to their proportionate share of the Offering. In the event that the Offering is oversubscribed and subscribers who are not currently Shareholders wish to subscribe for Units, the Corporation may increase the size of the Offering or, if it is determined by the Board of Directors to be in the best interests of the Corporation, accept subscriptions from the new subscribers and pro rate subscriptions from existing Shareholders in accordance with their holdings as of the Record Date. Subscriptions will only be subject to pro-rationing in the event the Offering is oversubscribed.

The Offering is subject to a minimum aggregate subscription amount of $15,000. The aggregate acquisition cost to a Shareholder that subscribes under the Existing Shareholder Exemption cannot exceed $15,000, unless that Shareholder has obtained advice from a registered investment dealer regarding the suitability of the investment. Shareholders that subscribe for Units under the Existing Shareholder Exemption will, among other things, need to represent in writing that they meet applicable requirements of the Existing Shareholder Exemption, including that, on or before the Record Date, such person became and continues to be a Shareholder.

Assuming the Offering is fully subscribed, Star Diamond intends to use the net proceeds of the Offering for settling its current working capital deficiency (approximately $2.5 million), for technical analyses and

evaluations of the Corporation's mineral property interests, including the Corporation's interest in the Star - Orion South Diamond Project (approximately $0.5 million), and for general corporate purposes (approximately $2 million). Although the Corporation intends to use the net proceeds of the Offering as described, the actual allocation of the net proceeds of the Offering may vary from the anticipated uses, depending on future operations or unforeseen events or opportunities. If the Offering is not fully subscribed, the net proceeds of the Offering to such uses will be allocated in priority and in such proportions as is determined to be in the best interests of the Corporation.

The Offering is expected to close on or about April 6, 2022, provided that the Offering may close in one or more tranches, but in any event no later than April 29, 2022. The Offering is subject to the approval of the TSX. All securities issued in connection with the Offering will be subject to a statutory hold period of four months plus one day from the closing date of the Offering.

The Corporation anticipates that officers and directors of the Corporation (collectively, the "Insiders") may participate in the Offering, up to a maximum of 25% of the number of Units to be sold thereunder.

The Corporation may also (i) pay finders fees (or, at the discretion of the Corporation, may choose to issue Common Shares from treasury) and/or (ii) issue warrants ("Finder Warrants"), equal to 6% of the number of Units sold attributable to finders pursuant to the Offering. Each Finder's Warrant, if any, will entitle the holder thereof to purchase one Common Share at a price of $0.40, for a period of 24 months from the date of issuance.

The offer and sale of the securities offered in the Offering has not been and will not be registered under the US Securities Act of 1933, as amended, or any state securities laws, and such securities may not be offered or sold in the United States absent registration or applicable exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States or in any jurisdiction in which the offer, sale or solicitation would be unlawful.

About Star Diamond

Star Diamond Corp. is a Canadian based corporation engaged in the acquisition, exploration and development of mineral properties. The Common Shares trade on the Toronto Stock Exchange under the trading symbol "DIAM". Star Diamond holds, through a joint venture arrangement with Rio Tinto Exploration Canada Inc. (a wholly-owned subsidiary of Rio Tinto), a 25% interest in certain Fort à la Corne kimberlites (including the Star - Orion South Diamond Project). These properties are located in central Saskatchewan, Canada and 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 refers to their Fort à la Corne mineral properties as "Project FalCon".

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.

Forward-looking statements in this press release include, but are not limited to statements regarding: the use of proceeds of the Offering; the total amount of securities to be sold and amount of the gross proceeds of the Offering; the acceptance, rejection or pro-rationing of subscriptions for Units; the proportion of the Offering to be allocated to existing Shareholders the anticipated closing date; the approval of the TSX; the amount of insider participation in the Offering, if any; and the payment of finder's fees and the issuance of Finder's Warrants. These forward-looking statements are based on Star Diamond'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 Star Diamond or its joint venture partners, the effects of competition in the markets in which Star Diamond 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 Star Diamond's most recently filed Annual Information Form, annual and interim MD&A. Star Diamond'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 management of Star Diamond consider the assumptions contained in the forward-looking statements to be reasonable based on information currently available to them, those assumptions may prove to be incorrect. When making decisions with respect to Star Diamond, investors and others should not place undue reliance on these statements and should carefully consider the foregoing factors and other uncertainties and potential events. Star Diamond does not undertake any obligation to release publicly revisions to any forward-looking statement to reflect events or circumstances after the date of this news release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. Investors should not assume that any lack of update to a previously issued forward-looking statement constitutes a reaffirmation of that statement. Continued reliance on forward-looking statements is at investors' own risk.

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