

TORONTO, ONTARIO--(Marketwired - May 17, 2017) - [Five Star Diamonds Ltd.](#) (TSX VENTURE:STAR) (the "Company" or "Five Star Diamonds") is very pleased to provide the following update on its 100% owned Verissimo Diamond Project (the "Verissimo Project" or "the Project") in Goias State, Brazil.

Highlights

- The Verissimo Project was discovered in 2005.
- Five Star Diamonds has identified ten targets with two (V1 and V2) confirmed as kimberlitic pipes.
- The V1 and V2 kimberlite pipes have been bulk sampled by Five Star Diamonds with samples being processed through the Catalao project's pilot plant.
- Bulk sampling has proven that the V1 kimberlite pipe is diamond bearing. Diamonds recovered at the V1 kimberlite pipe are white and are of high quality.
- A single diamond core drill hole was completed into each of the V1 and V2 kimberlite pipes. Samples are being collected and prepared for caustic fusion analysis and microdiamond count.
- Auger drilling and kimberlite indicator sampling programmes will commence in the coming months on kimberlite targets V3-V10.

The Verissimo Diamond Project is located in the southeast portion of Goias State in Brazil and about 80 kilometres to the northeast of Five Star Diamonds Catalao Diamond Project. The Verissimo Project comprises seven mineral properties covering a total of 12,402.99 hectares.

Originally discovered in 2005 and acquired by Five Star Diamonds in 2015 the Company has to date identified ten kimberlite targets at the Verissimo Project with two, known as V1 and V2, confirmed to be kimberlite pipes.

The Company's concessions are in geological proximity to the famous diamond producing area of the Verissimo River from which diamonds have been recovered for more than 100 years. In 1906, a rough diamond of 600ct called the 'Verissimo Diamond' was discovered nearby the Verissimo River.

Exploration work executed at the Verissimo Project to date includes;

- Surface surveying using drone technology to create an imagery base of a 18.13 square kilometres area.
- Ground magnetic survey using 25m line spacing has defined the locations of V1 to V10 potential targets. A total of 356 linear kilometres have been surveyed during this phase.
- A short diamond drilling programme (2 holes, total of 251.10) confirmed V1 and V2 to be kimberlite pipes.
- Mini-bulk sampling of V1 and V2 resulted in the recovery of a small amount of macro diamonds from V1 kimberlite.
- Dark red garnets (possible pyrope garnets) and Cr-diopsides were recovered and classified as the main kimberlite indicator minerals ("KIM") from the concentrate during the mini-bulk sampling on the V2 kimberlite.

ONGOING PROGRAMMES

The Company is planning to conduct the following exploration activities over the coming months;

- Caustic fusion and microdiamond analysis ("MiDA") to commence on drill samples from V1 and V2 kimberlites.
- Evaluate targets (V3 to V10) with auger drilling, trenching and loan sampling.

ABOUT FIVE STAR DIAMONDS

Five Star Diamond's is focused on acquiring and developing advanced staged diamond projects in Brazil. Since it was established, it has pursued an accelerated growth strategy and aims to be one of the first producers of diamonds from kimberlite deposits in Brazil. The Company is targeting development of sustainable kimberlite pipes and is not involved in alluvial diamond mining with its associated environmental issues. The Company works closely with local, state and federal authorities in Brazil to foster an open, transparent and legal diamond industry in Brazil.

The flagship project of Five Star Diamonds is the 100% owned advanced stage Catalao diamond project located in the famous Coromandel diamond district of Brazil. In addition, the Company owns 22 other diamond kimberlite projects, including the Verissimo Diamond Project, comprising an aggregate of 72 exploration licences and applications covering a total area of 123,667 hectares. The Company now controls a dominant and highly enviable position in the Brazilian kimberlite diamond sector.

Five Star Diamonds has now successfully listed on the TSX-V, under the ticker symbol STAR, and looks forward to an

aggressive work programme at its diamond projects across Brazil. This release is part of many announcements expected over the coming months and we look forward to keeping shareholders updated on our progress as we move towards building a truly unique Brazilian Diamond Company.

Qualified Person

Mr. Paulo Ilídio de Brito

BSc Geology

Mr. Paulo de Brito is a geologist based in Brazil, has over 30 years of experience in the mining industry, dealing primarily with gold, copper, nickel, iron, industrial minerals and more recently diamonds. Mr. Brito is a Principal of consulting group Brasgeo and was until recently Exploration Manager of Paringa Resources Limited. Previously, he worked as a senior geologist with [WMC Resources Ltd.](#) for 18 years until the closure of their activities in Brazil in 2002.

The exploration activities and their related results included in this announcement were directly supervised and managed by Mr. Brito. According to Mr. Brito, all exploration work carried out to date on the Verissimo Project follow clear mining industry standards.

Mr. Brito, a member of AIG (Australian Institute of Geoscientists) and a member of AusIMM (The Minerals Institute) and a Qualified Person as defined in National Instrument 43-101. Mr. Brito reviewed and approved the scientific and technical information contained in this press release.

On behalf of the Board

Five Star Diamonds Limited

Matthew Wood

Chairman of the Board, President and CEO

Cautionary Note Regarding Forward-looking statements

Information set forth in this news release contains forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future results or performance, and that actual results may differ materially from those in forward-looking statements as a result of various factors, many of which are beyond the Company's control. Such factors include, among other things: variations in the nature, quality and quantity of any mineral deposits that may be located, significant downward variations in the market price of any minerals produced, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information.

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http://media3.marketwire.com/docs/1094893_Figures.pdf

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