

TORONTO, ONTARIO--(Marketwire - May 30, 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 Riachao Diamond Project (the "Riachao Project" or "the Project") in Piauí State, Brazil.

Highlights

- The Company has discovered a large kimberlite pipe at the Riachao Diamond Project.
- The kimberlite pipe at Riachao is interpreted to be approximately 24 Ha in size, which is large on a global scale, and the largest kimberlite pipe the Company has identified to date amongst its 23 diamond projects in Brazil.
- Significant historical alluvial diamond production in the region surrounding the kimberlite discovery at Riachao.
- A detailed ground magnetic survey and surface reconnaissance mapping have recently been completed by the Company.
- Initial Kimberlite Indicator Minerals ("KIM") studies conducted by the company have been highly encouraging. This work continues.
- The weathered kimberlite outcrops at surface and two 100kg mini-bulk samples are now being collected and prepared for caustic fusion and micro diamond analysis.

Five Star Diamonds Riachao Diamond Project comprises 1 Exploration Licence covering a total area of 1,278,13 hectares.

To view figure 1, please visit the following link: http://media3.marketwire.com/docs/Figure1_1096021.pdf

The Company recently completed a programme of detailed ground magnetics and reconnaissance geological mapping across the Riachao Diamond Project.

This initial work programme has been successful in identifying a kimberlite pipe of approximately 24 Ha in size, which is large on a global scale, and the largest kimberlite pipe the Company has identified to date amongst its 23 diamond projects in Brazil. The pipe is peripheral to significant historical alluvial diamond production and the Company is now working towards determining if the pipe is diamond bearing or not.

The ground magnetic programme was composed of 44.1 linear kilometres of surveyed lines with 10m spacing between each line and constant readings along lines. A total area of 42.81Ha was covered by the survey.

As part of the ground magnetic programme a programme of initial reconnaissance geological mapping was also completed. This highlighted abundant outcrops of clay weathered kimberlite within the survey area. A 40kg mini-bulk sample was collected from surface outcrops on kimberlite. This was disaggregated and washed to produce a heavy mineral concentrate for Kimberlite Indicator Minerals (KIM) analysis.

Results from KIM analysis of the concentrate generated from the 40kg sample have been highly encouraging with abundant indicator minerals including garnet and ilmenite.

To view figures 2 and 3, please visit the following link: http://media3.marketwire.com/docs/Figure2_3_1096021.pdf

ONGOING PROGRAMME

The Company is currently collecting two 100kg mini-bulk samples from two separate weathered kimberlite outcrop locations approximately 100m apart within the Riachao Kimberlite. These initial two samples will be sent for caustic fusion and micro diamond analysis. This is a preliminary test on a very large kimberlite pipe and comprehensive drilling and further bulk sampling programmes will need to be undertaken to fully understand the quality of the Riachao Kimberlite pipe.

The discovery of a large kimberlite pipe at the Riachao Diamond project is an exciting early development for the Company. It once again shows the depth and significance of the companies enviable and unique pipeline of kimberlite projects across Brazil.

To view figure 4, please visit the following link: http://media3.marketwire.com/docs/Figure4_1096021.pdf

Five Star Diamonds

The Company recently listed on the TSX Venture Exchange under the ticker symbol STAR.

Five Star Diamonds 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 focused on the 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 material project of the Company is the 100%-owned advanced stage Catalao diamond project in the famous Coromandel diamond district of Goias State, Brazil. The Company has also recently announced updates on its Verissimo and Jaibaras Diamond Projects.

The Company now controls a dominant position in the Brazilian diamond sector. Along with the Catalao Project and this recent kimberlite discovery at Riachao the Company has 21 other projects comprising an aggregate of 72 exploration licences and applications covering a total area of approximately 120,000 hectares. All of the Company's projects are 100% owned. A total of 15 diamond bearing kimberlite pipes have already been identified and sampled and a further 87 kimberlite pipes are to be tested across the Company's projects.

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 Riachao 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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