

TORONTO, ONTARIO--(Marketwired - May 1, 2017) - [Five Star Diamonds Ltd.](#) (TSX VENTURE:STAR) (the "Company" or "Five Star Diamonds") is very pleased to provide the following update on recent activities in Brazil.

## Highlights

- Successful completion of the pilot mining and processing programme at the Catalao Diamond Project.
- This has highlighted the potential for a commercial operation within the oxide zones of the Cat1A, Cat1B and Cat1C kimberlite pipes.
- World renowned diamond processing group, ADP Group ([www.adpgroup.com](http://www.adpgroup.com)), has now been appointed to complete design work and construction of the oxide commercialization project.
- The oxide commercial plant is largely now on site and in the final design and pre construction phase. Approximately 80% of capital expenditure has been completed.
- The oxide commercial plant will utilize a Dense Media Separator (DMS) to recover concentrates which will then be processed at the company's existing diamond recovery plant in Catalao City.
- Key site appointments are now being made in anticipation of the commencement of construction and an expanded mining operation.
- The Company expects to be able to provide further updates in the coming months including an estimation for the commencement and potential sale of its first commercial diamond production.
- The existing pilot plant is now being demobilized and packed for relocation to the Companies 100% owned Jaibaras Diamond Project in Para State, in northern Brazil.

Five Star Diamond's business is diamond development. It 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 flagship project of Five Star Diamonds is the 100% owned advanced stage Catalao diamond project located in the famous Coromandel diamond district of Brazil. The Project comprises one exploration licence covering 1,999.42 hectares. In addition, the Company has submitted applications for three exploration licences over proximate areas covering a total of 5,998.37 hectares.

In 1853, a diamond discovered in Coromandel became the first large Brazilian diamond whose history is fully authenticated. It was named "Estrela do Sul" (Star of the South) and weighed 261.9 carats. Additional notable stones discovered in the same area include one weighing 122.5 carats (found four years later, in 1857). Other notable stones authenticated are 118 carats (1929), 108 carats (1940), and 174.5 carats (1954).

A pilot plant was constructed by the Company in Catalao and commissioned, and an initial mining and pilot processing program was completed on the oxide zones at three diamond bearing kimberlite pipes. A feasibility study is currently underway to evaluate the fresh rock zone.

## Cautionary Note Regarding Catalao Production Decision

The decision to commence production at the Catalao Diamond Project and the Company's plans for a mining operation as disclosed herein (the "Production Decision ") were based on economic models prepared by the Company in conjunction with management's knowledge of the property and the existing indicated and inferred mineral resources on the property.

The Production Decision was not based on a preliminary economic assessment, a pre-feasibility study or a feasibility study of mineral reserves demonstrating economic and technical viability. Accordingly, there is increased uncertainty and economic and technical risks of failure associated with the Production Decision, in particular the risk that mineral grades will be lower than expected, the risk that construction or ongoing mining operations are more difficult or more expensive than expected, the risk that the Company will not be able to transport or sell the mineralized rock it produces on the terms it expects, or at all; production and economic variables may vary considerably, due to the absence of a detailed economic and technical analysis normally contained in a feasibility study.

The Company wholly owns four diamond process plants in Brazil

- 0.5tph mobile wash and jig concentrate bulk sampling plant.
- 5tph wash and rotary pan concentrate plant. Recently completed the pilot programme at Catalao and is now planning to mobilise to the Jaibaras Diamond Project.
- 100tph wash and 30tph DMS concentrate plant. This is currently in final design and pre-construction at Catalao. The world renowned diamond processing group, ADP Group have been appointed to complete the design work. ADP will also construct and commission this plant. Approximately 80% of capital expenditure has been completed. Key site appointments are now being made in anticipation of the commencement of construction and an expanded mining operation on site. The Company expects to be able to provide further updates in the coming months including an estimation for the commencement and potential sale of its first commercial diamond production.

- High security diamond recovery and sorting plant located nearby in Catalao City.

The Company recently transported a small parcel of diamonds to Antwerp, Belgium for cleaning and assessment. This parcel of diamonds, mined in the pilot programme at Catalao, have been classed as uniquely pure quality with pure to VS in almost 85% of the diamonds viewed. In addition, fluorescence was 99% absent. These are unique and highly desirable characteristics in diamonds and very few known mining concessions are able to produce such top end colors almost entirely.

The Company now controls a dominant and highly enviable position in the Brazilian kimberlite diamond sector. Along with the Catalao Project, the Company owns 22 other diamond kimberlite projects comprising an aggregate of 72 exploration licences and applications covering a total area of 123,667 hectares.

All of the Company's projects are 100% owned and have been previously explored by either Rio Tinto or De Beers. A total of 15 diamond bearing kimberlite pipes have already been sampled by Five Star Diamonds and a further 87 kimberlite pipes are to be tested across the Company's projects.

The Company 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 will be the first of many announcements 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.

On behalf of the Board

Five Star Diamonds Limited

Matthew Wood

Chairman of the Board, President and CEO

Qualified Person

Mr. Paulo Ilídio de Brito

BSc Geology

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 and industrial minerals. Paulo 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.

Mr. de 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, has reviewed and approved the scientific and technical information contained in this press release.

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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