



**TSX-V STAR
Market Release**

13 February 2018

**FIVE STAR DIAMONDS
LIMITED**

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TSXV: STAR

MARAVILHA M3 KIMBERLITE DISCOVERY UPDATE

Toronto, ON - Five Star Diamonds Limited (TSXV: STAR) (the "Company" or "Five Star Diamonds") is extremely pleased to provide the following update on preliminary results from its 100% owned Maravilha Diamond Project (the "Maravilha Project") in Minas Gerais State, Brazil.

Highlights

- **Preliminary results from the caustic fusion and diamond analysis on the 1t bulk sample (CF-MAR-1) from the M3 kimberlite has recovered over 400 diamonds in sorting to date.**
- **A number of macro diamonds have been recovered in the process and are currently being weighed and described along with the large volume of microdiamonds.**
- **Additional bulk sampling and drilling programmes are currently being planned to fast track this project and the M3 kimberlite discovery.**
- **A further six possible kimberlite targets have been identified across the Maravilha Project.**
- **The Company hopes to have final results from CF-MAR-1 in the coming weeks at which time a more detailed report will be available.**

MARAVILHA DIAMOND PROJECT

The Company recently announced the beginning of a bulk sampling program to test the M3 kimberlite discovery. The M3 kimberlite lies within the Sao Francisco Craton and is hosted by Archean meta granites and meta volcanic basalts. A ground magnetic survey indicated that the M3 pipe has a strong magnetic response suggesting an ovoid shape measuring approximately 130 by 65 meters with the major axis aligned along a northeast-southwest direction.

The bulk sampling over the M3 kimberlite was recently concluded and the sample (CF-MAR-1) was subsequently submitted for caustic fusion and diamond analysis at SGS-Geosol Laboratory, based in Belo Horizonte, Brazil.

The bulk sample CF-MAR-1 weighing approximately 1.04t was caustic fused and refused several times to produce a final residue weight of 12.87 grams. Diamond sorting is currently underway with more than 400 macro and microdiamonds recovered to date.

Sorting continues and the Company expects to receive final results from the caustic fusion and diamond analysis of CF-MAR-1 in the coming weeks.

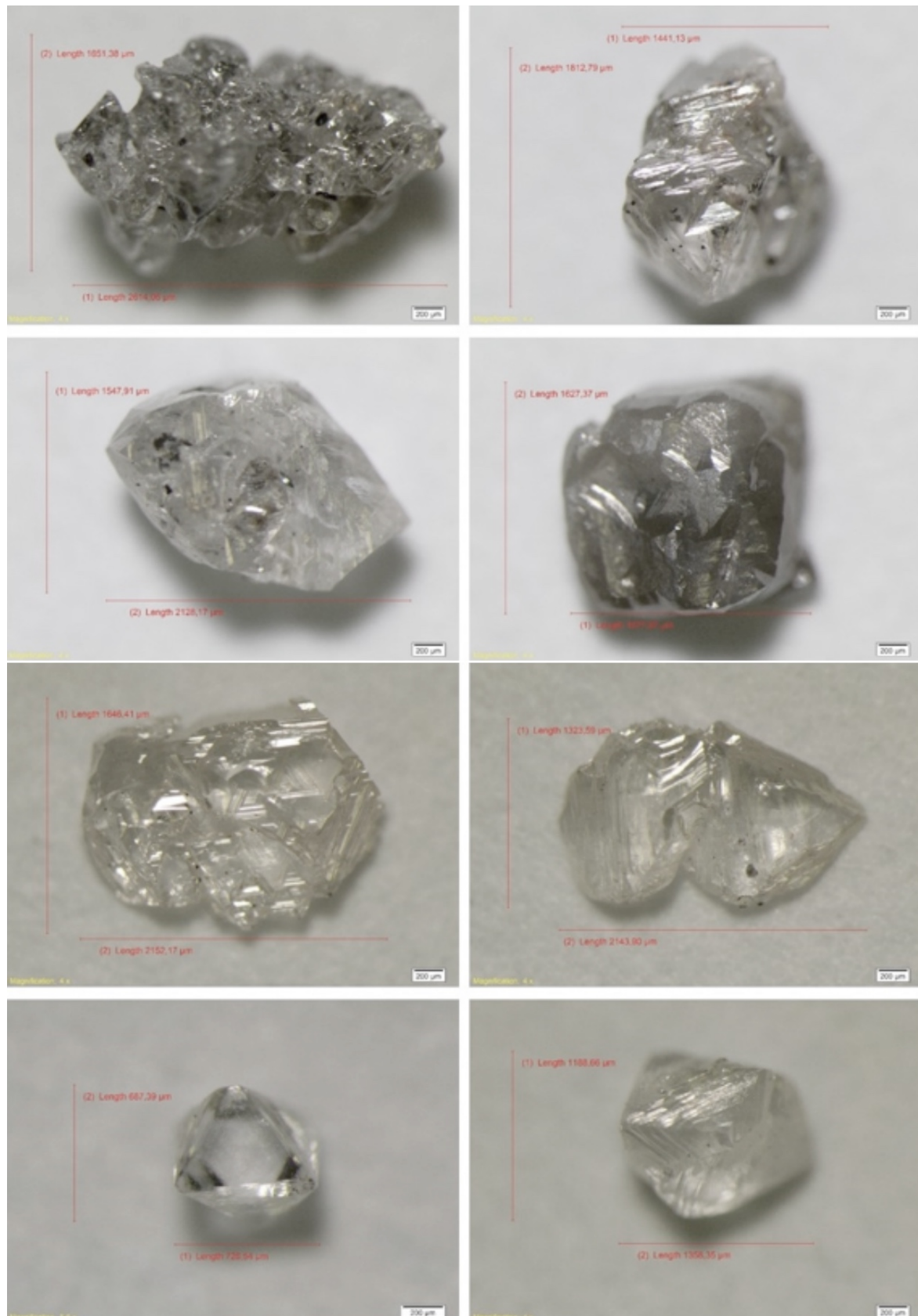
To date, the largest macro diamond recovered measures approximately 3.58 mm by 2.87 mm. Additional macro diamonds have been recovered with the final number of the stones unknown at this time.



Largest macro diamond recovered to date from sample CF-MAR-1.

The Company is completing a detailed ground magnetic survey on the Maravilha Project and to date approximately 20% of the project area has been surveyed totalling 118 linear kilometres. Interpretation undertaken by Five Star Diamonds technical staff has now delineated seven (7) magnetic targets which have been labelled M3 to M9.

Given these highly successful early results the Company is now fast tracking the M3 kimberlite and the Maravilha Project.



Selection of macro diamonds from mini-bulk sample CF-MAR-1

Next Steps

The Company is encouraged by these exceptional early results at the Maravilha Diamond Project and additional assessment will be undertaken, including potential trenching and drilling to delineate the M4 to M9 targets.

ABOUT FIVE STAR DIAMONDS

Five Star Diamonds is listed on the TSX Venture Exchange under the ticker symbol STAR. The Company controls a dominant and highly enviable position in the Brazilian kimberlite diamond sector owning 23 diamond projects comprising an aggregate of 67 exploration licences and applications across 165,019 hectares.

To date, the Company has conducted exploration programs on seven projects with the Catalao, Verissimo, Riachao, Jaibaras and Maravilha Projects proven to contain diamond bearing kimberlites.

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.

This release is an update by the Company on its 100% owned Maravilha Diamond Project. It is expected that the company will be able to provide further updates on this and its other Projects over the coming months and we look forward to keeping shareholders informed of 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 Projects mentioned in this release follow clear mining industry standards.

Mr. Brito, is a member of AIG (Australian Institute of Geoscientists), a professional geologist of CREA-RJ (Conselho Regional de Engenharia e Arquitetura) 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

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