FIVE STAR DIAMONDS

The Company strategy is to establish itself as the primary producer of gem quality Brazilian diamonds with a focus on acquiring and developing advanced stage diamond projects in Brazil with a pathway to early production.

EXCITING DEVELOPMENT PORTFOLIO WITH HUGE UPSIDE POTENTIAL

- The Company has three advanced stage and several other early stage diamond development projects.
- The Company’s pilot production plant is one the only kimberlite process plant operating in Brazil today.
- 15 diamond bearing kimberlite pipes already identified and sampled a further 87 kimberlite pipes to be tested.
- Aggressive development and production scale up set to continue throughout 2016.
- The Company is targeting to undertake three diamond sales within the next 12 months.

TARGETING RTO ON TSX 2016

HIGHLY EXPERIENCED DIRECTORS

- Management have a successful track record of acquiring and discovering high quality resource sector assets in Brazil and globally.
- Founders of Avanco Resources Limited (ASX:AVB) AU$180M market capitalisation Brazilian copper company.

BRAZIL HISTORICALLY ONE OF THE LARGEST DIAMOND PRODUCERS IN THE WORLD

- Brazil has a long history of diamond production with over 1,300 kimberlites discovered to date.
- Brazil was the largest diamond producer in the world for 150 years.
- Brazil’s production has historically come from alluvial deposits.

FIVE STAR DIAMONDS

- Five Star Diamonds now controls a dominant position in the Brazilian diamond sector with 100% ownership of all licences and a total focus on the development of sustainable kimberlite pipes.
- The Company does not engage in environmentally damaging alluvial diamond mining and works closely with local, state and federal authorities to create an open, transparent and legal diamond industry in Brazil.
DIRECTORS AND MANAGEMENT

Founded and managed by directors with a proven track record of success in Brazil.

Matthew Wood - Executive Chairman and Chief Executive Officer
Matthew is an outstanding mineral resource explorer and developer with over 25 years global industry experience in mining and commodities investment. He has managed successful deals in diamonds, coal, energy, ferrous metals, base and precious metals and other commodities. His unique skills in technical and economic evaluation of resource opportunities has been proven by an impressive record of nurturing resource deals from early stage, to market listings and successful exit strategies for his investors. Matthew has an Honours Degree in Geology from the University of New South Wales and a Graduate Certificate in Mineral Economics from the Western Australian School of Mines.

Brian McMaster - Director - Finance
Brian is a Chartered Accountant, a registered and official liquidator and has almost 20 years’ experience in the area of corporate reconstruction and turnaround and performance improvement. Brian’s experience includes numerous reorganisations and turnarounds, including being instrumental in the recapitalisation and listing of 12 Australian companies on the Australian Stock Exchange. Brian’s experience includes significant working periods in the United States, South America, Asia and India. Brian is also a director of a number of ASX listed companies.

Luis Azevedo - Director and Chief Operating Officer
Luis is a geologist and lawyer with +25 years of business and mining experience in Brazil. He is an independent director of Brazil Minerals, Avanco Resources, Talon Metals and Harvest Minerals (formerly Triumph Tin). He is also the Managing Partner at FFA Legal, a legal firm he founded with its main office in Rio de Janeiro, Brazil, and which is focused solely on natural resources companies. His practice is highly active in mergers in acquisitions for companies owning mineral assets and or operating mining enterprises in Brazil. His experience spans base metals, industrial minerals, diamonds, and precious metals, and he continually works in contact with the highest federal levels of all branches of government in Brazil.
Luís previously worked for Western Mining, Barrick Gold, and Harsco. He assembled land packages that resulted in five initial public offerings of Canadian companies in Brazil (Talon, Avanco, Beadell, Brazilian Gold and Carnavale) since 2004. He received a Geology degree from UERJ - Universidade do Estado do Rio de Janeiro in 1986, a Law degree from Faculdade Integradas Cândido Mendes in 1992, and a Post degree from PUC-Rio, Pontifícia Universidade Católica of Rio de Janeiro in 1995.

**Gizman Abbas - Director**

Gizman Abbas has led natural resources investment and development operations for some of the world’s leading financial institutions, leaning on his combined expertise in finance and engineering. Abbas was a founding partner of the commodity investment business at Apollo Management, one of the largest private equity businesses in the world with more than $160 billion under management. Previously, he was Vice President at Goldman Sachs, where he invested successfully in the oil & gas, power, bio-fuels, metals & mining, and agriculture sectors. Abbas began his finance career in the investment banking division at Morgan Stanley, having previously been a Senior Project Engineer on oil & gas construction projects for Exxon Mobil Corporation and a Co-Op Power Engineer at Southern Company. Abbas, also a successful real estate developer, holds a BS, Electrical Engineering, from Auburn University and an MBA from the Kellogg School of Management at Northwestern University.

**Simon Rothschild - Director**

Simon has been active for over 30 in financial public relations and investor relations. He started his career in 1982 at Dewe Rogerson Ltd and more recently was a Principal of Bankside Consultants where he specialised in the natural resources sector with clients such as Antofagasta, Ormonde Mining, Scotgold and Minera IRL. In 2014 he set up Capital Market Consultants Limited.

Simon is also a non-executive director of London Nusantara, a ISDX listed palm oil plantation company, Rothschild Diamonds, and Stonedragon Limited, a company set up to establish a digital retail distribution network in West Africa.

**Nicholas Pike - Director**

Nicholas possesses extensive experience at board level with numerous listed and unlisted companies in both the United Kingdom and Australia. He has widespread experience with off-shore investment funds with key exposure to private equity investments.
CORPORATE

Founded and managed by directors with a proven track record of success in Brazil.
CAPITAL STRUCTURE

No. of Shares issued: 97,612,180 Ordinary Shares

Cash (June): US$ 1.1m

Existing Shareholder Ownership

- R&R Venture Partners II LLC *
- Matthew Wood & Family
- Brian McMaster
- Schindlers Trust
- Others (35.5%)

* R&R is a private equity fund owned by billionaire and philanthropist Ronald Lauder, scion of the Estée Lauder fortune and Richard Parsons famed US banker and enterprise CEO. The fund is multi-disciplined and has investments across several sectors including mining, tech, industrial and energy.
FIVE STAR ASSET PORTFOLIO

Exciting development portfolio with huge upside potential.
FIVE STAR ASSET PORTFOLIO

Five Star Diamonds maintains a 100% ownership in all Brazilian assets.

CATALÃO PROJECT / GOIÁS STATE, BRAZIL

- Advanced stage diamond project located within the famous Coromandel diamond district. (Ex DeBeers and Rio Tinto project).
- Quality stones identified at five diamond bearing kimberlite pipes.
- Pilot scale diamond production has been successful in identifying the potential for a commercial operation.
- Dense Media Separation (DMS) plant currently on site and under construction.
- Commencement of oxide commercialisation project at 90,000 CT/PA on completion of fund raising.

JAIBARAS PROJECT / PARÁ STATE, BRAZIL

- Advanced stage diamond project with drilling and bulk sampling.
- Discovered by DeBeers.
- 8 kimberlite pipes discovered to date with potential for world class diamond project.
- Two pipes bulk sampled by Five Star and proven to be diamond bearing.
- Active drilling and sampling programme to commence middle of 2016.

VERISSIMO PROJECT / GOIÁS STATE, BRAZIL

- A famous diamond producing area along the Verissimo River.
- The Verissimo area has been known producer of diamonds for more than 100 years.
- Multiple kimberlite pipes identified with at least two proven to be diamond bearing.
- Successfully drilled and bulk sampled by Five Star and proven to be diamond bearing.
CATALÃO DIAMOND PROJECT / GOIÁS STATE, BRAZIL

The Catalão Diamond Project located in famous Coromandel diamond district comprises 1 exploration licence covering 1,999.42 hectares. In addition, the company has submitted applications for further exploration licences over a total area of 5,998.37 hectares.

Cooperation agreement signed with the Government of Goiás State to fast track the development of the Catalao Diamond Project.

High quality stones discovered from 5 diamond-bearing kimberlites, with an additional 8 kimberlites identified.

Recent magnetic survey has delineated 14 high-priority targets with the confirmation of new kimberlite pipes present.

Initial resource estimated at 10Mt on pipes CAT1A, CAT1B, CAT1C & CAT1E.

Six other pipes currently being tested for diamonds with early results encouraging.

Pilot plant constructed and commissioned and initial mining completed at three diamond bearing kimberlite pipes. CAT1A, CAT1B & CAT1C.

Pilot scale diamond production has been successful in identifying the potential for a commercial operation.

Commencement of oxide commercialisation project at approx.90,000CT/PA on completion of fund raising.
CATALÃO DIAMOND PROJECT / GOIÁS STATE, BRAZIL
CATALÃO DIAMOND PROJECT / GOIÁS STATE, BRAZIL

Unparalleled Infrastructure In-Country (Three Concentrate Plants and One Central High Security Diamond Recovery Plant)

- Commercialisation plant currently on site and refurbished.
- Significant increase in tonnage throughput from 5t per hour (current pilot plant) to 100t per hour, allowing pilot plant to be relocated to next key project.
CATALÃO DIAMOND PROJECT / GOIÁS STATE, BRAZIL

Unparalleled Infrastructure In-Country (Three Contentrate Plants and One Central High Security Diamond Recovery Plant)

- Targeting to be cash flow positive at Catalao project within 6-7 months (EBITDA US$9m) of listing.
- Feasibility study on the Catalao fresh rock expansion project to be completed in 6-8 months (~EBITDA US$20m) of listing.
Diamonds recovered at Catalao project.

High Quality Diamonds

High Quality Diamonds

Collection of diamonds mined
CATALAO STAGED DEVELOPMENT - KEY PARAMETERS

CATALAO OXIDE COMMERCIALISATION PROJECT

- Capex: $1.5M
- Mine life: 3 years
- Recovered grade: 15cpht
- Sales/marketing value $/ct: $150
- Hrs/day: 20hrs
- Days/year: 300 days
- Throughput/hr: 100t
- Costs /ct: $50

- Breakdown of costs:
  - Mining $7/ct
  - Processing $25/ct
  - Admin & Marketing $8/ct
  - Plant maintenance / reserve extension $10/ct

- Production per year: 90,000ct
- Revenue/yr: $13.5M
- EBITDA: $9M

CATALAO FRESH ROCK PROJECT

- Capex: $25M
- Mine life: + 5 years
- Recovered grade: 17cpht
- Sales/marketing value $/ct: $200
- Hrs/day: 22hrs
- Days/year: 330 days
- Throughput/hr: 200t
- Costs /ct: $120

- Breakdown of costs:
  - Mining $80/ct
  - Processing $30ct
  - Admin & Marketing $5/ct
  - Plant maintenance / reserve extension $5/ct

- Production per year: 250,000ct
- Revenue/yr: $50M
- EBITDA: $20M

Commercial production to commence 6 months post listing.

6-8 months to completion of feasibility study post listing.
12 months build post feasibility study.
JAIBARAS PROJECT / PARÁ STATE, BRAZIL

Advanced stage diamond project covering 522 hectares discovered by DeBeers.

Up to eight kimberlite pipes identified on the project so far (J1 to J8).

J1 and J2 kimberlite pipes have already proven to be diamond bearing.

Active drilling and bulk sampling programme on all pipes to commence in the middle of 2016.

The Jaibaras diamond pipes have world class size potential and initial work is highly encouraging.

10t bulk samples collected and processed from J01 and J02 kimberlite pipes with high quality white macro diamonds recovered from both pipes. In particular J02 pipe results indicated the potential for an economic grade.
JAIBARAS PROJECT / PARÁ STATE, BRAZIL

Bulk sampling at Jaibaras project.
Kimberlites at Jaibaras project.
Diamonds recovered at Jaibaras project.
JAIBARAS PROJECT / PARÁ STATE, BRAZIL

Five Star Diamonds
JAIBARAS PROJECT possible tonnage

~300

Firestone Diamonds
Stornoway Diamonds
Mountain Province
Lucara Diamonds

83,43
42,63
35,40
33,13
FIVE STAR DIAMONDS OTHER PROJECTS

VERISSIMO PROJECT / GOIÁS STATE, BRAZIL
- The project is located 75 kilometres north west of the company’s Catalão Diamond project and comprises 7 applications for exploration licences covering a total area of 12,757.70 hectares.
- The licences are in close proximity to the famous diamond producing areas along the Verissimo River. The Verissimo area has been known producer of diamonds for more than 100 years. The famous “Goias Diamond” weighing a staggering 600 carats was discovered there in 1906, and is one of the largest diamonds ever found.
- Multiple kimberlite pipes identified with at least two proven to be diamond bearing.
- Data indicates that the V02 and V04 pipes contain microdiamonds and macrodiamonds with a white color and have been classified as high quality gems.
- 10t bulk sampling collected and processed by Five Star from V02 and V04 kimberlite pipes with high quality white macro diamonds recovered from V02.

CAIAPO DIAMOND PROJECT – GOIÁS
- Historical data from De Beers indicate that all of these pipes are diamond-bearing kimberlites and many diamonds were recovered during past exploration.
- The project comprises 4 individual applications for Exploration Licences covering a total area of 3,955.11 hectares.

ALECRIM DIAMOND PROJECT – BAHIA
- The Alecrim project comprises 1 Exploration Licence recently granted over an area of 1,994.74 hectares.

MARAVILHA DIAMOND PROJECT – MINAS GERAIS
- The Maravilha project comprises 1 Exploration Licence and 1 application for Exploration Licence, covering a total area of 1,268.23 hectares. The licences are currently in the process to be renewed.
FIVE STAR DIAMONDS OTHER PROJECTS

MEGA DIAMOND PROJECT – GOIÁS
- The Mega project comprises 26 Exploration Licences, totaling 47,849.41 hectares. These properties aim to secure part of the known Antas kimberlite cluster, including 10 pipes associated with significant magnetic anomalies.

OUVIDOR DIAMOND PROJECT – GOIÁS
- The Ouvidor project comprises 3 Exploration Licences covering a total area of 5,997.44 hectares.

GOIANDIRA DIAMOND PROJECT – GOIÁS
- The Goiandira project comprises 3 Exploration Licences covering a total area of 2,400.58 hectares.

RIACHÃO DIAMOND PROJECT – PIAUI
- The Riachão kimberlite is part of the Gilbúes Kimberlite Province, which also includes the famous Redondão kimberlite (the first diamond-bearing kimberlite discovered in Brazil).
- The project comprises 1 Exploration Licence covering a total area of 1,992.07 hectares.

MOANA DIAMOND PROJECT – PIAUI
- The project comprises 1 Exploration Licence covering a total area of 1,992.07 hectares.

CONQUISTA DIAMOND PROJECT – BAHIA
- The project comprises 2 applications for Exploration Licences covering a total area of 3,927.88 hectares, which includes the Conquista-01, Conquista-02 and the recently discovered Bob-01 kimberlites.

ANGICO DIAMOND PROJECT – BAHIA
- The project comprises 1 application for Exploration Licence with 990.01 hectares.
FIVE STAR DIAMONDS OTHER PROJECTS

COROMANDEL DIAMOND PROJECT – MINAS GERAIS
- The project is located on the western border of Santo Antonio do Bonito river where large diamonds have been extracted, including the famous President Vargas diamond (726 cts).
- It comprises 3 applications for Exploration Licences covering an area of 5,235.07 hectares.

COROMANDEL-CARMO DO PARANAIBA DIAMOND PROJECT – MINAS GERAIS
- The project comprises 3 individual properties, with a total area of 5,228.94 hectares.

CANGUÇU DIAMOND PROJECT – RIO GRANDE DO SUL
- The project comprises 1 application for Exploration Licence covering an area of 823.30 hectares.

ROSARIO DIAMOND PROJECT – RIO GRANDE DO SUL
- The project comprises 1 application for Exploration Licence covering an area of 1,834.32 hectares.
- The target is the Rosario-12 kimberlite discovered by De Beers.

ASA BRANCA DIAMOND PROJECT – BAHIA
- The project comprises 1 application for Exploration Licence covering an area of 1,992.68 hectares.
FIVE STAR HAS SIGNIFICANT ROOM TO GROW

- There is a considerable valuation gap in terms of Five Star and its publicly traded peers.

<table>
<thead>
<tr>
<th>Exploration companies</th>
<th>Development companies</th>
<th>Producing companies</th>
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<tbody>
<tr>
<td>Kennady Diamonds</td>
<td>$30.5M</td>
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<td>Peregrine Diamonds</td>
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<td>Shore Gold, Inc</td>
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<tr>
<td>FIVE STAR DIAMONDS</td>
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<td>Stornoway Diamond</td>
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<td>Mountain Province</td>
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<td>Lucara Diamond Corp</td>
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</tr>
<tr>
<td>Dominion Diamond</td>
<td>$1.10B</td>
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