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STORNOWAY ANNOUNCES UPDATED RENARD MINE PLAN AND MINERAL RESERVE ESTIMATE

Provides First Production Guidance for FY2016 to FY2017

Stornoway Diamond Corporation (TSX-SWY; the “Corporation” or “Stornoway”) is pleased to announce the results of an updated Mine Plan and Mineral Reserve estimate for the Renard Diamond Project.

Highlights

(All quoted figures in CAD\$ unless stated otherwise)

- A 25% increase in the Probable Mineral Reserves from 17.9 to 22.3 million carats (representing 33.4 million tonnes at an average grade of 67 carats per hundred tonnes, or “cph^t”);
- An increase in the Mineral Reserve based mine life from 11 years to 14 years;
- First ore processing forecast by the end of September 2016 and commercial production by December 31, 2016, a five month improvement on the starting project execution schedule;
- Average diamond production in years 1 to 10 of 1.8 million carats per year compared to 1.6 million carats per year previously, with schedules of 1.9 million carats produced and 1.4 million carats sold to the end of 2017, increases of 24% and 57% respectively compared to the previous plan;
- A scheduled increase in processing rate from 2.2 million tonnes per annum (6,000 tonnes per day) to 2.5 million tonnes per annum (7,000 tonnes per day) starting in 2018;
- Initial capital cost estimate of \$775 million within a life of mine capital cost estimate of \$1,045 million;
- Life of mine average operating costs of \$56.20/tonne, or \$84.37/carat;
- Net revenue of \$4,555 million yielding a real terms cash operating margin of \$2,677 million or 59%, or \$120 per carat, after allowance for royalties, taxes and the Renard diamond streaming agreement; and
- Unlevered, stream affected, after tax NPV (7%) of \$974 million as of January 1st 2016 calculated in real terms. NPV is calculated on Probable Mineral Reserves only, excluding any resource upside, utilizing “mark-to-market” diamond price estimates and before consideration for potential large diamond recovery.

Matt Manson, President and CEO, commented “With six months remaining before the scheduled commencement of first diamond production at Renard, we are updating the project’s mine plan to incorporate updates to the Mineral Resources completed in 2013 and 2015, and to capture opportunities that have developed in schedule, operating profile and processing capacity. The new plan shows incremental improvements in the project’s cost to complete, average carat production, mine life and Mineral Reserves. All-important early carat production to the end of 2017 shows a substantial increase compared to the previous estimate. A reduction in the average grade of the new Mineral Reserves reflects the *addition* of new lower grade material within the open pit and underground mining envelopes rather than any material reduction in the grades of the ore units comprising the previous reserve statement. The

project continues to demonstrate a robust valuation and a cash operating margin of 59% after all taxes, royalties and the Renard diamond stream, despite the substantial recent reduction in rough diamond prices. We look forward to building on our track record to date of solid project execution as we bring Renard into production later this year.”

Support materials that illustrate the updated Updated Renard Mine Plan and Mineral Reserve Estimate can be found on Stornoway’s website at www.stornowaydiamonds.com. A Technical Report under National Instrument (“NI”) 43-101 – Standards for Disclosure for Mineral Projects (“NI 43-101”) entitled “Updated Renard Mine Plan and Mineral Reserve Estimate” has been filed on SEDAR concurrently with this press release.

March 2016 Mineral Reserve Estimate

Probable Mineral Reserves, as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”), are estimated at 22.3 million carats (33.4 million tonnes at an average grade of 67 cpht) compared to 17.9 million carats previously (23.8 million tonnes at an average grade of 75 cpht). The Mineral Reserves are derived from 30.2 million carats of Indicated Mineral Resources (42.6 million tonnes at 71 cpht) as defined in the September 2015 Mineral Resource estimate. The new Mineral Reserves are based on a mine call factor of 1 with respect to the processing of the Mineral Resources, and incorporate revised estimates of ore recovery, mining dilution and internal dilution from the updated mine plan.

Table 1: Renard NI 43-101 Probable Mineral Reserves

(Changes from January 2013 Probable Mineral Reserve estimate shown in italics)

Probable Mineral Reserves ^(1,2,4)									
	Carats (millions)		Tonnes (millions)		Grade (cpht) ⁽³⁾		Mining Dilution ⁽⁵⁾	Internal Dilution ⁽⁶⁾	Mining Recovery
<i>Open Pit</i>									
Renard 2, All Units	1.85	49%	3.54	170%	52.2	-45%	2.9%	0.0%	98%
Renard 2	1.38	11%	1.49	14%	92.7	-2%	1.7%	0.0%	98%
CRB-2A	0.15	n/a	0.47	n/a	31.4	n/a	1.8%	0.0%	98%
CRB	0.32	n/a	1.58	n/a	20.2	n/a	4.3%	0.0%	98%
Renard 3	0.73	9%	0.79	10%	92.3	-1%	11.4%	0.0%	98%
Renard 4	--	n/a	--	n/a	--	n/a	--	--	--
Renard 65	1.38	n/a	4.58	n/a	30.1	n/a	3.5%	0.0%	98%
<i>OP Probable Mineral Reserves</i>	3.96	107%	8.91	339%	44.4	-53%	3.9%	0.0%	98%
<i>Underground</i>									
Renard 2	15.65	15%	19.68	16%	79.6	-1%	20.2%	6.4%	82%
Renard 3	0.86	2%	1.22	22%	70.2	-16%	14.0%	29.8%	85%
Renard 4	1.67	6%	3.46	-7%	48.3	15%	14.0%	2.2%	78%
Renard 65	--	n/a	--	n/a	--	n/a	--	--	--
<i>UG Probable Mineral Reserves</i>	18.18	13.4%	24.36	12.0%	74.6	1%	18.9%	6.7%	82%
<i>Stockpile⁽⁷⁾</i>									
Stockpile	0.11	n/a	0.15	n/a	73.9	n/a	--	--	--

Total Probable Mineral Reserves	22.26	24.0%	33.42	40.5%	66.6	-11.3%	14.8%	4.9%	86%
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Notes

¹ Reserve categories follow the CIM Standards for Mineral Resources and Mineral Reserves.

² Totals may not add due to rounding.

³ Carats per hundred tonnes. Estimated at a +1 DTC sieve size cut-off.

⁴ Diamond valuation data utilized for the test of prospects of reasonable economic extraction are derived from a diamond valuation exercise undertaken in March 2014 (see Stornoway Annual Information Form dated March 2016).

⁵ Represents the proportion of waste rock expected to be extracted during mining. Mining dilution is assumed to have zero grade.

⁶ Represents planned dilution of waste rock through stope design in the underground mine.

⁷ Represents mine and stockpiled ore as of December 31, 2015

Open pit Mineral Reserves have increased 339% in tonnage terms (to 8.91 million tonnes) and 107% in carat terms (to 3.96 million carats), with a commensurate 53% reduction in average grade to 44 cpht. This is principally attributable to the addition of 4.58 million tonnes of Renard 65 ore at 30 cpht and over 2 million tonnes of Renard 2 “CRB” and “CRB-2a” ore at 20 and 31 cpht. Higher grade Renard 2 and Renard 3 ore has also increased in tonnage terms by 14% and 10% respectively (to 1.49 and 0.79 million tonnes) at 92.7 and 92.3 cpht respectively, reflecting the deepening of the Renard 2-Renard 3 open pit.

The Renard Project includes additional Inferred Mineral Resources of 13.4 million carats (24.5 million tonnes at 54 cpht), and 33.0 to 71.1 million carats of non-resource exploration upside (76.2 to 113.2 million tonnes at grades ranging from 25 to 168 cpht). All kimberlites remain open at depth. Readers are cautioned that the potential quantity and grade of any such exploration target is conceptual in nature, there has been insufficient exploration to define a mineral resource, and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

March 2016 Updated Mine Plan

Compared to the January 2013 Renard Optimization Study, the March 2016 Updated Mine Plan incorporates changes to Renard Mineral Resource Estimate completed in 2013 and 2015, as well as a re-baselined cost and schedule to complete the project, a modified mine design for the Renard 2-Renard 3 open pit, a deepening of the Renard 2 underground mine, expanded processing starting in 2018, and updates to diamond price assumptions, exchange rates and consumables pricing.

Results and Key Assumptions

		January 2013 Optimization Study, before Stream¹	March 2016 Mine Plan Update, after Stream^{1,2}
Mining Parameters	Reserve Carats (M)	17.9	22.3
	Tonnes Processed (M)	23.8	33.4
	Recovered Grade (cpht)	75	67
	Average Ore Recovery (%)	83%	86%
	Average Mining Dilution (%)	18%	15%
	Processing Rate (Mtonnes/annum)	2.2	2.2 to 2.5
	Mine Life (years)	11	14
Cost Parameters	Initial Cap-ex (C\$M) ³	\$793 (\$811) ⁷	\$775
	LOM Cap-ex (C\$M) ³	\$1,013	\$1,045



	Diesel Price (C\$/litre)	\$1.14	\$1.00
	LOM Op-ex (C\$/tonne) ⁴	\$57.63	\$56.20
	LOM Op-ex (C\$/carat) ⁴	\$76.63	\$84.37
Revenue Parameters⁴	Gross Revenue (C\$M)	\$4,268	\$5,565
	Net Revenue (C\$M)	\$4,069	\$4,555
	Marketing Costs	2.70%	1.80%
	DIAQUEM Royalty	2.00%	2.00%
	Cash Operating Margin (C\$M)	\$2,693	\$2,677
	% Operating Margin	67%	59%
	Cash Operating Margin (C\$/carat)	\$151	\$120
	Income Tax and Mining Duties (C\$M)	\$625	\$698
	After Tax Net Cash Flow (C\$M)	\$1,084	\$1,105
	Diamond Price Parameters	Average Price of Mineral Reserve (US\$/carat) ⁵	\$180
Diamond Price Escalation		2.50%	2.50%
Exchange rate		1C\$=1US\$	1.35C\$=1US\$
Schedule Parameters	Effective Date for NPV Calculation	Jan. 1 2013	Jan. 1 2016
	Plant Commissioning Commences	Dec. 1 2015	Oct. 1 2016
	Commercial Production Declared	June 1 2016	Dec. 31 2016
Valuation Parameters⁶	Pre-Tax NPV _{7%} (C\$M)	\$683	\$1,349
	After-Tax NPV _{7%} (C\$M)	\$391	\$974

Notes

¹ January 2013 Optimization expressed in October 2012 terms. March 2016 Updated Mine Plan expressed in December 2015 terms.

² March 2016 study shown net of the July 2014 Renard Streaming Agreement, Diaquem royalty and marketing costs in terms of net revenue, cash operating margin and NPV. For further information on the Renard Streaming Agreement see the Stornoway Annual Information Form dated March 30, 2016

³ Expressed in nominal terms, and excluding Renard Mine Road capital of \$69.4 million.

⁴ Expressed in real terms.

⁵ Represents the average price per carat of the Mineral Reserve before escalation, comprising Renards 2,3 & 4 expressed in May 2011 terms in the case of the January 2013 Optimization Study, and Renards 2, 3, 4 & 65 expressed in March 2016 terms in the case of the March 2016 Mine Plan Update.

⁶ Net-present valuations are presented net of all royalties, costs incurred under the Mecheshoo Agreement and, in the case of the March 2016 Updated Mine Plan, the effective revenue impairment associated with the Renard diamond streaming agreement, and on an un-levered basis.

⁷ Initial Capital Cost in the January 2013 Optimization Study was estimated at \$793 million based on \$752 million of cost and contingency plus \$41 million escalation allowance. In April 2014, prior to the commencement of construction, Initial Capital was estimated at \$811 million based on \$754 million of cost and contingency plus \$57 million of escalation. The estimate of \$775 million of Initial Capital in the March 2016 Updated Mine Plan includes all costs, contingencies and escalation allowances and represents a reduction of \$36 million on the April 2014 estimate.

Mining and Processing

Mining operations in the Renard 2-Renard 3 open pit, which commenced in 2015, are expected to provide the bulk of ore production until 2018 when production from the underground mine is expected to commence. The Renard 2-Renard 3 pit will be developed with a stripping ratio of 2.54 to a depth of 130 meters, a 17 meter deepening compared to the previous pit design.

Underground ore will be sourced from the Renard 2 kimberlite exclusively between 2018 and 2027, and Renard 3 and Renard 4 between 2027 and 2029. A blast-hole shrink stoppage method will be used with panel retreat, based on production levels at 290, 470, 590 and 710 meters depth. Long hole stoping will be utilized at Renard 3 with one production level at 250 meters depth based on the current limit of Indicated Mineral Resources. Blasthole stoppage beneath a crown pillar will be employed at Renard 4.

Ore processing is scheduled to begin before the end of September 2016, with commercial production (defined as 60% of nameplate capacity) scheduled to be achieved by December 31, 2016. Nameplate capacity is defined as 6,000 tonnes per day or 2.16 million tonnes per annum based on 78% plant utilization. 100% of nameplate capacity is scheduled to be achieved by June 2017. An expansion to 7,000 tonnes per day, or 2.52 million tonnes per annum, is scheduled for 2018 based on achieving an 83.5% utilization and an additional 2% throughput increase. The additional ore feed will be derived from the Renard 65 kimberlite, where open pit mining operations for sourcing construction aggregate have been underway since 2014. Renard 65 will provide supplementary ore feed from 2018 to 2029 from an open pit developed to a depth of 155 meters with a stripping ratio of 2.11. No underground mining is currently contemplated at Renard 65. Processing of low grade stockpiles derived from the mining of CRB and CRB2a in the Renard 2-Renard 3 open pit will be available to extend the mine life to 2030, which would be expected to be deferred upon the addition of further Mineral Resources to the mine plan.

Capital and Operating Costs

The re-baselined cost to complete estimate is \$775 million, including \$36.6 million of uncommitted contingencies and escalation allowance as of December 31, 2015, at which time total incurred costs and commitments stood at \$548.5 million and construction progress stood at 63.3%. Total life of mine capital, including initial capital, deferred and sustaining capital, is \$1,045 million. This estimate includes the cost of underground mine development in 2017 and 2018, and the cost of major overhauls in the power plant and mobile mining fleet in 2024 and 2025 to allow mine life extension past 2029.

Life of mine operating cost is estimated at \$56.20/tonne, or \$84.37/carat, in real terms. This is forecast to yield an after-tax, after-stream cash operating margin of 59%, or \$120 per carat, given the project's diamond revenue assumptions, marketing costs and tax schedule.

Diamond Pricing and Foreign Exchange Assumptions

Revenue forecasts in the March 2016 Updated Mine Plan utilize "spot" diamond valuation estimates for each ore body arrived at by applying a uniform market price adjustment to base case diamond price models determined by WWW International Diamond Consultants ("WWW") for the Renard Project in March 2014. A 19% decrease in world average rough diamond prices between March 2014 and March 2016 is indicated by roughprices.com, an independent agency, based on a market assortments maintained by WWW. This results in an average diamond price estimate for the March 2016 Probable Mineral Reserves of US\$155/carat in March 2016 terms, compared to US\$190/carat in March 2014 terms. For comparison, the average diamond price of the January 2013 Probable Mineral Reserves in the January 2013 Optimization Study was US\$180/carat in May 2011 terms.

Diamond prices are assumed to increase by 2.5% per annum in real terms from March, 2016 until the end of 2028. A CAD/USD exchange rate of \$1.35 has been applied to US dollar denominated diamond sales and consumable purchases. The depreciation of the Canadian dollar since 2014 has served to offset the decline in rough diamond prices over this period for revenue forecasting in Canadian dollar terms.



Table 3: Diamond Pricing Assumptions January 2013 to March 2016

Body	March 2014 Diamond Price Model ¹ (US\$/carat)	Estimated Market Price Adjustment March 2014 to March 2016	Adjusted March 2016: "Spot" Price Models ² (US\$/carat)
Renard 2	\$197 <i>(High \$222, Min \$178)</i>	-19%	\$160 <i>(High \$181, Min \$145)</i>
Renard 3	\$157 <i>(High \$192, Min \$146)</i>	-19%	\$128 <i>(High \$156, Min \$119)</i>
Renard 4	\$106 (\$155)³ <i>(High \$174, Min \$100)</i>	-19%	\$86 (\$126)³ <i>(High \$141, Min \$81)</i>
Renard 65	\$187 <i>(High \$190, Min \$160)</i>	-19%	\$152 <i>(High \$155, Min \$130)</i>

Notes

¹As determined WWW International Diamond Consultants Ltd. at a +1 DTC sieve size cut off.

²As determined by Stornoway by applying the world average rough price index of roughprices.com to the March 2014 WWW price models, at a +1 DTC sieve size cut-off.

³Should the Renard 4 diamond population prove to have a size distribution equal to the average of Renard 2 and 3, WWW have estimated that a base case diamond price model of US\$155 per carat would apply based on March 2014 pricing, equivalent to US\$126 per carat on a market price adjusted basis to March 2016.

Production Schedule and FY2016 to FY2017 Guidance

Commercial diamond production between 2017 and 2026 is expected to average 1.8 million carats per annum compared to 1.6 million carats per annum in the previous plan.

Diamond production is forecast at 0.22 million carats in FY2016 (comprising 0.23 million tonnes at 97 cph from Renard 2) and 1.71 million carats in FY2017 (comprising 1.57 million tonnes at 86 cph in Renard 2 and 0.43 million tonnes at 84 cph from Renard 3). This is a 39% increase in the forecast of carats produced to the end of December 2017 compared to the previous plan. Based on a 15 week schedule from production to sales, Stornoway currently forecasts 1.36 million carats of diamond sales in FY2017, a 57% increase compared to the previous plan.

Qualified Persons for the March 2016 Updated Renard Mine Plan and Mineral Reserve Estimate

M. Patrick Godin, P.Eng. (Québec), COO of Stornoway Diamond Corporation, is the Qualified Person responsible for mine and infrastructure design, the operating and capital cost estimate, financial analysis and risk management.

Mr. Robin Hopkins, P.Geol. (NT/NU), VP Exploration of Stornoway Diamond Corporation, is the Qualified Person responsible for the 2015 Mineral Resource estimate and the diamond pricing assumptions.

Mr. Paul Bedell, P.Eng. of Golder Associates Ltd. is the independent Qualified Person responsible for geotechnical, water management and processed kimberlite containment facility design.

All of these Qualified Persons have reviewed and approved the contents of this press release for which they are responsible.



About the Renard Diamond Project

The Renard Diamond Project is located approximately 250 km north of the Cree community of Mistissini and 350 km north of Chibougamau in the James Bay region of north-central Québec. On July 8, 2014, Stornoway announced the completion of a \$946 million project financing transaction to fully fund the project to production, and construction commenced on July 10, 2014. First ore is scheduled to be delivered to the plant at the end of September 2016, with commercial production scheduled for December 31, 2016.

In January 2013, Stornoway released the results of an Optimized Feasibility Study at Renard, with an Updated Mine Plan and Mineral Reserve Estimate in March 2016. These studies highlight the potential of the project to become a significant producer of high value rough diamonds over an initial 14 year mine life. Probable Mineral Reserves, as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”), stand at 22.3 million carats. In accordance with the Corporation’s September 2015 Mineral Resource estimate, total Indicated Mineral Resources, inclusive of the Mineral Reserve, stand at 30.2 million carats, with a further 13.35 million carats classified as Inferred Mineral Resources, and 33.0 to 71.1 million carats classified as non-resource exploration upside. Average annual diamond production is forecast at 1.8 million carats per annum over the first 10 years of mining, at an average valuation of US\$155/carat based on March 2016 terms.

Readers are cautioned that the potential quality and grade of any target for further exploration is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the target being delineated as a Mineral Resource. All kimberlites remain open at depth. Readers are referred to the technical report dated February 28, 2013, in respect of the January 2013 Optimization Study, the technical report dated January 11, 2016, in respect of the September 2015 Mineral Resource estimate, and the technical report dated March 30, 2016, in respect of the March 2016 Updated Mine Plan and Mineral Reserve Estimate for further details and assumptions relating to the project.

About Stornoway Diamond Corporation

Stornoway is a leading Canadian diamond exploration and development company listed on the Toronto Stock Exchange under the symbol SWY and headquartered in Montreal. Our flagship asset is the 100% owned Renard Diamond Project, on track to becoming Québec’s first diamond mine. Stornoway is a growth oriented company with a world-class asset, in one of the world’s best mining jurisdictions, in one of the world’s great mining businesses.

On behalf of the Board
STORNOWAY DIAMOND CORPORATION
/s/ “Matt Manson”
Matt Manson
President and Chief Executive



For more information, please contact Matt Manson (President and CEO) at 416-304-1026 x2101
or Orin Baranowsky (Director, Investor Relations) at 416-304-1026 x2103
or toll free at 1-877-331-2232

Pour plus d'information, veuillez contacter M. Ghislain Poirier, Vice-président Affaires publiques de Stornoway au
418-254-6550, gpoirier@stornowaydiamonds.com

** Website: www.stornowaydiamonds.com Email: info@stornowaydiamonds.com **

This press release contains "forward-looking information" within the meaning of Canadian securities legislation. This information and these statements, referred to herein as "forward-looking statements", are made as of the date of this press release and the Corporation does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by law.

These forward-looking statements include, among others, statements with respect to Stornoway's objectives for the ensuing year, Stornoway's medium and long-term goals, and strategies to achieve those objectives and goals, as well as statements with respect to Stornoway's beliefs, plans, objectives, expectations, anticipations, estimates and intentions. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Forward-looking statements relate to future events or future performance and reflect current expectations or beliefs regarding future events and include, but are not limited to, statements with respect to: (i) the amount of Mineral Reserves, Mineral Resources and exploration targets; (ii) the amount of future production over any period; (iii) net present value and internal rates of return of the mining operation; (iv) assumptions relating to recovered grade, average ore recovery, internal dilution, mining dilution and other mining parameters set out in the Updated Renard Diamond Project Mine Plan and Mineral Reserve Estimate, Québec, Canada, NI 43-101 Technical Report (the "2016 Technical Report"); (v) assumptions relating to gross revenues, operating cash flow and other revenue metrics set out in the 2016 Technical Report; (vi) mine expansion potential and expected mine life; (vii) expected time frames for completion of permitting and regulatory approval related to construction activities at the Renard Diamond Project; (viii) the expected time frames for the completion of the open pit and underground mine at the Renard Diamond Project; (ix) the expected time frames for the completion of construction, start of mining and commercial production at the Renard Diamond Project and the financial obligations or costs incurred by Stornoway in connection with such mine development; (x) future exploration plans; (xi) future market prices for rough diamonds; (xii) the economic benefits of using liquefied natural gas rather than diesel for power generation; (xiii) sources of and anticipated financing requirements; (xiv) the effectiveness, funding or availability, as the case may require, of the Stream, the Senior Secured Loan, the COF and the Equipment Facility and the use of proceeds therefrom; (xv) the Corporation's ability to meet its Subject Diamonds Interest delivery obligations under the Purchase and Sale Agreement; and (xvi) the impact of the Financing Transactions on the Corporation's operations, infrastructure, opportunities, financial condition, access to capital and overall strategy.; (xvii) the foreign exchange rate between the US dollar and the Canadian dollar; and (xviii) the availability of excess funding for the construction and operation of the Renard Diamond Project. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "anticipates", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "schedule" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements are made based upon certain assumptions by Stornoway or its consultants and other important factors that, if untrue, could cause the actual results, performances or achievements of Stornoway to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business prospects and strategies and the environment in which Stornoway will operate in the future, including the price of diamonds, anticipated costs and Stornoway's ability to achieve its goals, anticipated financial performance, regulatory developments, development plans, exploration, development and mining activities and commitments, and the foreign exchange rate between the US and Canadian dollars. Although management considers its assumptions on such matters to be reasonable based on information currently available to it, they may prove to be incorrect. Certain important assumptions by Stornoway or its consultants in making forward-looking statements include, but are not limited to: (i) required capital investment and estimated workforce requirements; (ii) estimates of net present value and

internal rates of return; (iii) receipt of regulatory approval on acceptable terms within commonly experienced time frames; (iv) anticipated timelines for completion of construction, commencement of mine production and development of an open pit and underground mine at the Renard Diamond Project, which heavily depends, among other things, on adequate availability and performance of skilled labour, engineering and construction personnel, performance of mining and construction equipment and timely delivery of components; (v) anticipated geological formations; (vi) market prices for rough diamonds and the potential impact on the Renard Diamond Project; (vii) the satisfaction or waiver of all conditions under each of the Senior Secured Loan, the COF and the Equipment Facility to allow the Corporation to draw on the funding available under those financing elements for the completion of the development and construction of the Renard Diamond Project; (viii) Stornoway's interpretation of the geological drill data collected and its potential impact on stated Mineral Resources and mine life; (ix) future exploration plans and objectives; (x) the Corporation's ability to meet its delivery obligations under the Steaming Agreement; and (xi) the continued strength of the US dollar against the Canadian dollar. Additional risks are described in Stornoway's most recently filed Annual Information Form, annual and interim MD&A, and other disclosure documents available under the Corporation's profile at: www.sedar.com.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections and other forward-looking statements will not be achieved or that assumptions do not reflect future experience. We caution readers not to place undue reliance on these forward-looking statements as a number of important risk factors could cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates, assumptions and intentions expressed in such forward-looking statements. These risk factors may be generally stated as the risk that the assumptions and estimates expressed above do not occur, including the assumption in many forward-looking statements that other forward-looking statements will be correct, but specifically include, without limitation: (i) risks relating to variations in the grade, kimberlite lithologies and country rock content within the material identified as Mineral Resources from that predicted; (ii) variations in rates of recovery and breakage; (iii) the uncertainty as to whether further exploration of exploration targets will result in the targets being delineated as Mineral Resources; (iv) developments in world diamond markets; (v) slower increases in diamond valuations than assumed; (vi) risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar; (vii) increases in the costs of proposed capital and operating expenditures; (viii) increases in financing costs or adverse changes to the terms of available financing, if any; (ix) tax rates or royalties being greater than assumed; (x) uncertainty of results of exploration in areas of potential expansion of resources; (xi) changes in development or mining plans due to changes in other factors or exploration results; (xii) changes in project parameters as plans continue to be refined; (xiii) risks relating to the receipt of regulatory approval or the implementation of the existing Impact and Benefits Agreement with aboriginal communities; (xiv) the effects of competition in the markets in which Stornoway operates; (xv) operational and infrastructure risks; (xvi) execution risk relating to the development of an operating mine at the Renard Diamond Project; (xvii) failure to satisfy the conditions to the effectiveness, funding or availability, as the case may require, of each of the Stream, the Senior Secured Loan, the COF and the Equipment Facility; (xviii) changes in the terms of the Stream, the Senior Secured Loan, the COF or the Equipment Facility; (xix) the funds of the Stream, the Senior Secured Loan, the COF or the Equipment Facility not being available to the Corporation; (xx) the Corporation being unable to meet its delivery obligations under the Stream; (xxi) future sales or issuance of Common Shares lowering the Common Share price and diluting the interest of existing shareholders; and (xxii) the additional risks described in Stornoway's most recently filed Annual Information Form, annual and interim MD&A and Stornoway's anticipation of and success in managing the foregoing risks. Stornoway cautions that the foregoing list of factors that may affect future results is not exhaustive, and unforeseeable, new risks may arise from time to time.

