

**SWY 20-01**

**April 14, 2020**

### **STORNOWAY EXTENDS CARE AND MAINTENANCE PERIOD AT RENARD DIAMOND MINE**

LONGUEUIL, Québec, April 14, 2020, **Stornoway Diamonds (Canada) Inc. (the “Corporation” or “Stornoway”)** announced today that it will extend the care and maintenance period of its operations due to depressed diamond market conditions despite the announcement of Québec Minister of Natural Resources to restart mining activities in the province.

The operations located in the James Bay territory had been suspended on March 24<sup>th</sup>, 2020 following the order by the Quebec Government public health authorities as a measure to combat the COVID-19 world health crisis. The Government has lifted this order effective April 15, 2020.

#### **Diamond Market**

Despite positive signs in the diamond market in early 2020, the recent COVID-19 pandemic has resulted in the entire marketing chain and diamond price to collapse.

Key factors affecting the diamond market include:

- i. Global travel bans limiting access for buyers to diamond sightings in Antwerp, Belgium;
- ii. Social distancing measures and poor financial market conditions affecting the rough diamond polishing operations; and
- iii. The general global economic conditions have impacted adversely retail demand and price.

#### **Renard Operations**

The Renard operations will continue to be maintained on a care and maintenance basis, which will allow an efficient start up once favorable market conditions return. The operations are being secured to ensure no impact on the environment. A small group of employees will continue to oversee the physical assets and ensure their integrity.

The suspension of operations will impact nearly 540 individuals. A team of nearly 50 people will remain on site to assume the care and maintenance activities. The Corporation is working with governmental authorities to reduce impact of this temporary closure on its employees.

Patrick Godin, President and CEO, commented: “The unprecedented global events we are experiencing have unfortunately led to the Board of Directors to take this difficult decision impacting our employees and a number of our valued stakeholders. We thank all of them for their on-going support throughout the

Renard history. We will continue to monitor the market conditions for improvements, which would allow for a restart of mining activities. The diamond market has proven over time to be resilient and prices have recovered following economic downturns”.

#### **About Stornoway Diamonds (Canada) Inc.**

Stornoway is a Canadian diamond exploration and production company headquartered in Longueuil and owns a 100% interest in the Renard Mine. Stornoway is owned by Diaquem Inc., Osisko Gold Royalties LTD, TF R&S Canada LTD and CDPQ Ressources inc.

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