

TSX: SWY

SWY 17-12
August 22, 2017

STORNOWAY ANNOUNCES MANAGEMENT APPOINTMENT

Stornoway Diamond Corporation (TSX-SWY; the “Corporation” or “Stornoway”) is pleased to announce the appointment of Mr. Orin Baranowsky to the role of Chief Financial Officer, effective immediately. Mr. Baranowsky joined Stornoway in June 2013, and served most recently as VP Investor Relations and Corporate Development. He was appointed interim CFO in April 2017.

Matt Manson, President and CEO commented: “I am delighted to confirm Orin in the permanent role of CFO for Stornoway. Orin was part of the senior management team in 2014 during our project financing for the Renard Diamond Mine, and has an intimate familiarity with the unique challenges and opportunities of a diamond mining business. His reputation both inside and outside the company is excellent, and with the support of our Montreal based finance team he will provide a strong capital markets focus to our senior finance role.”

About the Renard Diamond Mine

The Renard Diamond Mine is Quebec’s first producing diamond mine and Canada’s sixth. It 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. Construction on the project commenced on July 10, 2014, and commercial production was declared on January 1, 2017. Average annual diamond production is forecasted at 1.8 million carats per annum over the first 10 years of mining. Readers are referred to 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 Longueuil. Our flagship asset is the 100% owned Renard Diamond Mine, 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 Officer

For more information, please contact Matt Manson (President and CEO) at 416-304-1026 x2101
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FORWARD-LOOKING STATEMENTS

This document contains forward-looking information (as defined in National Instrument 51-102 – Continuous Disclosure Obligations) and forward-looking statements within the meaning of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995 (collectively referred to herein as “forward-looking information” or “forward-looking statements”). These forward-looking statements are made as of the date of this document 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 relate to future events or future performance and include, among others, statements with respect to Stornoway’s objectives for the ensuing year, our medium and long-term goals, and strategies to achieve those objectives and goals, as well as statements with respect to our management’s beliefs, plans, objectives, expectations, estimates, intentions and future outlook and anticipated events or results. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Forward-looking statements made in this document 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, size distribution and quality of diamonds, average ore recovery, internal dilution, mining dilution and other mining parameters set out in the 2016 Technical Report as well as levels of diamond breakage; (v) assumptions relating to gross revenues, cost of sales, cash cost of production, gross margins estimates, planned and projected capital expenditure, liquidity and working capital requirements; (vi) mine expansion potential and expected mine life; (vii) expected time frames for completion of permitting and regulatory approvals related to ongoing construction activities at the Renard Diamond Mine; (viii) the expected time frames for the completion of the open pit and underground mine at the Renard Diamond Mine; (ix) the expected time frames for the ramp-up and achievement of plant nameplate capacity of the Renard Diamond Mine (x) the expected financial obligations or costs incurred by Stornoway in connection with the ongoing development of the Renard Diamond Mine; (xi) future exploration plans; (xii) future market prices for rough diamonds; (xiii) the economic benefits of using liquefied natural gas rather than diesel for power generation; (xiv) sources of and anticipated financing requirements; (xv) the effectiveness, funding or availability, as the case may require, of the Senior Secured Loan and the remaining Equipment Facility and the use of proceeds therefrom; (xvi) the Corporation’s ability to meet its Subject Diamonds Interest delivery obligations under the Purchase and Sale Agreement; (xvii) the impact of the Financing Transactions on the Corporation’s operations, infrastructure, opportunities, financial condition, access to capital and overall strategy; (xviii) the foreign exchange rate between the US dollar and the Canadian dollar; and (xix) the availability of excess funding for the operation of the Renard Diamond Mine. 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 recovered grade, size distribution and quality of diamonds, average ore recovery, internal dilution, and levels of diamond breakage, 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) recovered grade, size distribution and quality of diamonds, average ore recovery, internal dilution, mining dilution and other mining parameters set out in the 2016 Technical Report as well as levels of diamond breakage, (iv) receipt of regulatory approvals on acceptable terms within commonly experienced time frames; (v) anticipated timelines for ramp-up and achievement of nameplate capacity at the Renard Diamond Mine, (vi) anticipated timelines for the development of an open pit and underground mine at the Renard Diamond Mine; (vii) anticipated geological formations; (viii) market prices for rough diamonds and their potential impact on the Renard Diamond Mine; (ix) the satisfaction or waiver of all conditions under the Senior Secured Loan and the remaining Equipment Facility to allow the Corporation to draw on the funding available under those financing elements; (x) Stornoway's interpretation of the geological drill data collected and its potential impact on stated Mineral Resources and mine life; (xi) future exploration plans and objectives; (xii) the Corporation's ability to meet its Subject Diamonds Interest delivery obligations under the Purchase and Sale Agreement; and (xiii) the continued strength of the US dollar against the Canadian dollar.

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, size distribution and quality of diamonds, kimberlite lithologies and country rock content within the material identified as Mineral Resources from that predicted; (ii) variations in rates of recovery and levels of diamond 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, operating and sustainable capital 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) risks relating to the receipt of regulatory approvals or the implementation of the existing Impact and Benefits Agreement with aboriginal communities; (xiii) the effects of competition in the markets in which Stornoway operates; (xiv) operational and infrastructure risks; (xv) execution risk relating to the development of an operating mine at the Renard Diamond Mine; (xvi) failure to satisfy the conditions to the funding or availability, as the case may require, of the Senior Secured Loan and the Equipment Facility; (xvii) changes in the terms of the Forward Sale of Diamonds, the Senior Secured Loan or the Equipment Facility; (xviii) the funds of the Senior Secured Loan or the Equipment Facility not being available to the Corporation; (xix) the Corporation being unable to meet its Subject Diamonds Interest delivery obligations under the Purchase and Sale Agreement; (xx) future sales or issuances of Common Shares lowering the Common Share price and diluting the interest of existing shareholders; and (xxi) the additional risk factors described herein and in Stornoway's annual and interim MD&A's, most recently filed AIF, its other disclosure documents 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 new, unforeseeable risks may arise from time to time. and (xxi) the additional risk factors described herein and in Stornoway's annual and interim MD&A's, most recently filed AIF, its other disclosure documents 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 new, unforeseeable risks may arise from time to time.

