BUILDING QUEBEC’S FIRST DIAMOND MINE
This presentation 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 presentation 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 our 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) assumptions relating to recovered grade, average ore recovery, internal dilution, mining dilution and other mining parameters set out in the March 2016 Updated Renard Mine Plan and Mineral Reserve Estimate; (iv) assumptions relating to gross revenues, operating cash flow and other revenue metrics set out in the 2016 Updated Renard Mine Plan and Mineral Reserve Estimate; (v) mine expansion potential and expected mine life; (vi) 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; (vii) the expected time frames for the completion of the open pit and underground mine at the Renard Diamond Project; (viii) future market prices for rough diamonds; and (ix) future market prices for liquified natural gas and diesel. All statements, other than statements of historical fact regarding Stornoway or the Renard Diamond Project, are forward-looking statements. Any statements that express or involve discussions with respect to 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, regulatory developments, development plans, exploration, development and mining activities and commitments. 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; (ii) the amount of future production over any period; (iii) assumptions relating to recovered grade, average ore recovery, internal dilution, mining dilution and other mining parameters set out in the March 2016 Updated Renard Mine Plan and Mineral Reserve Estimate; (iv) assumptions relating to gross revenues, operating cash flow and other revenue metrics set out in the 2016 Updated Renard Mine Plan and Mineral Reserve Estimate; (v) estimates of net present value; (vi) anticipated timelines for completion of construction, commencement of mine production and development of an open pit and underground mine at the Renard Diamond Project; (vii) anticipated geological formations; (viii) Stornoway’s interpretation of the geological drill data collected and its potential impact on stated Mineral Resources, Mineral Reserves, and mine life; and (ix) Stornoway’s ability to draft on the financing elements of the Renard Diamond Project Financing Transactions closed on July 8th, 2014.

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, 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) changes in development or mining plans due to changes in other factors or exploration results; (iv) slower increases in the diamond price and other currencies relative to the Canadian dollar; (v) increases in the costs of proposed capital and operating expenditures; (vi) increases in financing costs or adverse changes to the terms of available financing, if any; (vii) tax rates or royalties being greater than assumed; (viii) risks relating to the receipt of regulatory approvals; and (ix) 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 new, unforeseeable risks may arise from time to time.


The Qualified Persons that prepared the technical reports and press releases that form the basis for the presentation are listed in the Company’s AIF dated March 30, 2016. Disclosure of a scientific or technical nature in this presentation was prepared under the supervision of Patrick Godin, P.Eng. (Quebec), Chief Operating Officer and Robin Hopkins, P. Geo. (NT/NU, VI), Vice President, Exploration, both “qualified persons” under NI 43-101. Darrell Farrow, P.S.C.Hat, P.Geo.(BC), Ordre des geologues du Quebec (Special Authorisation # 332) of GeoStrat Consulting Services Inc. is the independent Qualified Person responsible for preparation of the mineral resource estimate for the Renard Diamond Project. GeoStrat Consulting Services Inc, a mineral resources consultancy, focuses on client interaction and involvement in developing resource models, and has experience in exploration, geological modeling, resource evaluation, production, resource reconciliation and accounting of diamond deposits around the globe. GeoStrat has verified the results disclosed herein with respect to the mineral resources, and has conducted appropriate verification on the underlying data, including visitations to the Renard site and the primary process laboratories.
Stornoway Diamond Corporation (TSX: SWY)

100% Ownership in Renard, Québec’s First Diamond Mine
Road Accessible; Strong Social License; Large Mineral Resource

Construction 97% Complete to June 30th; Ore Processing Commenced July 14, 2016
Ahead of Schedule; Below Budget; Production ramp-up underway

Strong Balance Sheet
Excess financing capacity available to complete the project, comprising cash, receivables, expected mine tax credits, and available credit facilities, forecasted to be $197m¹

¹ As of June 30, 2016, assuming the satisfaction of all covenants and conditions precedent relating to future funding commitments and a CAD$:US$ conversion rate of $1.25.
Capital Structure & Balance Sheet

**Capital Structure**

- **Recent Share Price (TSX)**: $1.09
- **52 week range**: $0.65 – $1.20
- **Market Capitalization**: $899 million
- **Shares Outstanding**: 824.9 million
- **Warrants**: 29.0 million
- **Employee Options**: 31.4 million

**Balance Sheet**

- **Cash and Equivalents**: $137 million
- **Total Debt**: $249 million
- **Undrawn Financing Commitments**: $108 million

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**Share Ownership**

- **Project Finance Sponsors**: 50.4%
- **Institutional**: 38.5%
- **Retail and Insiders**: 11.1%

**Project Finance Sponsors**
Investissement Québec, Orion Mine Finance, CDPQ, Blackstone Tactical Opportunities

**Institutional Shareholders**

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1. As of September 16, 2016.
2. As of June 30, 2016. Unaudited
3. Does not include $72 million of warrant proceeds received after June 30, 2016.
5. Fully Diluted
<table>
<thead>
<tr>
<th>Ticker</th>
<th>Price (16/9/16)</th>
<th>Shares O/S (mm)</th>
<th>Market Cap($mm)</th>
<th>NAV/sh(^{(1)})</th>
<th>Current P/NAV(^{(1)})</th>
<th>Target (^{(1)})</th>
<th>% Return to Target</th>
<th>Annual Dividend</th>
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<tbody>
<tr>
<td><strong>Diamond Producers</strong></td>
<td></td>
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<tr>
<td>ALROSA</td>
<td>ALRS:M</td>
<td>RUB84.69</td>
<td>7,365.0</td>
<td>(n/a)</td>
<td>(n/a)</td>
<td>RUB92.23</td>
<td>11%</td>
<td>RUB1.47/sh</td>
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<tr>
<td>Dominion Diamonds</td>
<td></td>
<td>$10.49</td>
<td>85.3</td>
<td>$895.2</td>
<td>$23.14</td>
<td>0.5x</td>
<td>80%</td>
<td>US$0.40/sh</td>
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<tr>
<td>Gem</td>
<td>GEMD:LN</td>
<td>£1.23</td>
<td>138.3</td>
<td>£170.1</td>
<td>£1.81</td>
<td>0.7x</td>
<td>31%</td>
<td>US$0.05/sh</td>
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<tr>
<td>Lucara</td>
<td>LUC:T</td>
<td>$3.97</td>
<td>381.7</td>
<td>$1,515.6</td>
<td>$3.17</td>
<td>1.3x</td>
<td>-6%</td>
<td>£0.06/sh</td>
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<td>Petra</td>
<td>PDL:LN</td>
<td>£1.13</td>
<td>524.2</td>
<td>£589.7</td>
<td>£1.71</td>
<td>0.7x</td>
<td>31%</td>
<td>£0.02/sh</td>
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<td><strong>Diamond Developers</strong></td>
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<td></td>
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<tr>
<td>Firestone</td>
<td>FDI:LN</td>
<td>£0.46</td>
<td>314.0</td>
<td>£143.9</td>
<td>£0.51</td>
<td>0.9x</td>
<td>-7%</td>
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<tr>
<td>Mountain Province</td>
<td>MPV:T</td>
<td>$6.70</td>
<td>159.7</td>
<td>$1,069.8</td>
<td>$6.64</td>
<td>1.0x</td>
<td>7%</td>
<td>(n/a)</td>
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<td>Stornoway</td>
<td>SWY:T</td>
<td>$1.09</td>
<td>824.9</td>
<td>$899.1</td>
<td>$1.41</td>
<td>0.8x</td>
<td>28%</td>
<td>(n/a)</td>
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<td><strong>Diamond Explorers</strong></td>
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<tr>
<td>Kennady Diamonds</td>
<td>KDI:V</td>
<td>$4.00</td>
<td>47.1</td>
<td>$188.5</td>
<td>(n/a)</td>
<td>(n/a)</td>
<td>(n/a)</td>
<td>(n/a)</td>
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<tr>
<td>North Arrow Minerals</td>
<td>NAR:V</td>
<td>$0.17</td>
<td>54.2</td>
<td>$9.2</td>
<td>(n/a)</td>
<td>(n/a)</td>
<td>(n/a)</td>
<td>(n/a)</td>
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<tr>
<td>Peregrine Diamonds</td>
<td>PGD:T</td>
<td>$0.245</td>
<td>339.1</td>
<td>$83.1</td>
<td>(n/a)</td>
<td>(n/a)</td>
<td>(n/a)</td>
<td>(n/a)</td>
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<tr>
<td>Shore Gold</td>
<td>SGF:T</td>
<td>$0.195</td>
<td>274.4</td>
<td>$53.5</td>
<td>(n/a)</td>
<td>(n/a)</td>
<td>(n/a)</td>
<td>(n/a)</td>
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</tbody>
</table>

1. Bloomberg and Thomson One Analyst Consensus. All Currencies in C$ unless specified
Renard Diamond Project – Québec, Canada

The Canadian Diamond Mine Connected by Permanent Road Access
Renard Project Site
August 2016

R65 Pit
Power Plant
R2 & R3 Pit
Crusher
Process Plant
Maintenance Shop
Admin/Dry
UG Mine Portal
Accommodation
KPIs
As of June 30th, 2016

- Construction
  - 97.4% complete (compared to 95.2% plan, 85.8% initial plan)

- Budget
  - Forecast cost to complete of C$775m (compared to C$811m initial plan)

- Mining
  - 9.5 mTonnes from R2, R3 and R65 open pits (102% of plan). 0.9 mTonnes ore stockpiled (149% of plan).
  - 1,842m of ramp development (85% of plan).

- Schedule
Underground Mining Sequence
Mineral Reserve Case Only, March 30, 2016

- Combined open pit and underground mining
- 2015-2018 Open pit R2, R3
- 2014-2029 Open pit R65
- 2018-2027 Underground R2, blasthole shrink stoppage with panel retreat
- 2026-2029 Underground R3, R4, longhole stoping and blasthole stoppage respectively

Reserve and Resource categories are compliant with the “CIM Definition Standards on Mineral Resources and Reserves”. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The potential quantity and grade of any Exploration Target (previously referred to as a “Potential Mineral Deposit”) is conceptual in nature, and it is uncertain if further exploration will result in the target being delineated as a mineral resource.
Underground Mining Sequence

- Extension of UG at Renard 2 to 860L (stope 5)
- Deferral of UG at Renard 3 (stope 6) and its extension to 400L (stope 7)
- Deferral of UG at Renard 4 (stope 8) and its extension to 410L (stope 9)
- New UG at Renard 9 to 410L (stopes 10 and 11)
- Does not include non-resource exploration upside. All pipes open at depth.
- Does not include mining of Inferred Mineral Resources at Renard 65 below open pit pending confirmation of Renard 65 ROM $/carat.

Reserve and Resource categories are compliant with the “CIM Definition Standards on Mineral Resources and Reserves”. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The potential quantity and grade of any Exploration Target (previously referred to as a “Potential Mineral Deposit”) is conceptual in nature, and it is uncertain if further exploration will result in the target being delineated as a mineral resource.
Financial Analysis

Net Free Cash Flow, After-Tax, After-Stream (C$ million)

Note: Expressed in real terms. Payables and cash as of December 31, 2015 are included in 2016 Net FCF.
2016-2017 Guidance  
*March 30, 2016 Updated Mine Plan*

- **Mining**
  - 5.5 mTonnes in FY2016 from Renard 2-3 OP
  - 5.0 mTonnes in FY2017 from Renard 2-3 OP/UG

- **Diamond Production**
  - 0.22 Mcarats in FY2016 at 97cpht processed
  - 1.71 Mcarats in FY2017 at 86cpht processed

- **Diamond Pricing (March 2016)**
  - Renard 2: US$160/ct
  - Renard 3: US$128/ct

- **Sales**
  - 1.36 Mcarats in FY2017
Renard Diamond Price Guidance
March 30, 2016 Updated Mine Plan

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<tr>
<td>Renard 2</td>
<td>$197</td>
<td>$160</td>
<td>$160 (High $181, Min $145)</td>
</tr>
<tr>
<td></td>
<td>(High $222, Min $178)</td>
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<tr>
<td>Renard 3</td>
<td>$157</td>
<td>$128</td>
<td>$128 (High $156, Min $119)</td>
</tr>
<tr>
<td></td>
<td>(High $192, Min $146)</td>
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<tr>
<td>Renard 4</td>
<td>$106 ($155)³</td>
<td>$86 ($126)³</td>
<td>$86 ($126)³ (High $156, Min $119)</td>
</tr>
<tr>
<td></td>
<td>(High $174, Min $100)</td>
<td></td>
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</tr>
<tr>
<td>Renard 65</td>
<td>$187</td>
<td>$152</td>
<td>$152 (High $155, Min $130)</td>
</tr>
<tr>
<td></td>
<td>(High $190, Min $160)</td>
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1. As determined WWW International Diamond Consultants Ltd. at a +1 DTC sieve size cut off.
2. As determined by applying the world average rough price index of roughrices.com to the March 2014 price models, at a +1 DTC sieve size cut-off.
3. Should 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.


Average life-of-mine pricing is US$185/ct or C$250/ct, or US$159/ct or C$214/ct after stream.

Mine Plan Financial Analysis assumes a 2.5% real terms diamond price escalation between 2016 and 2028.

The Renard Streaming Agreement includes a payment of US$56 per carat on 20% of ROM production from Renards 2,3,4,9 and 65, Life-of-mine, escalating at 1% per annum after the 3rd anniversary of production, inclusive of marketing costs.
First Ore Processing

*July 14, 2016 – 10+ weeks ahead of schedule*
Resource Reconciliation
Four Measurements in a Diamond Project

1. Reconcile actual pipe geology with geological model (example from Renard 2 & 3 on 480m level shown opposite)
2. Reconcile size distribution; understand plant recovery characteristics
3. Reconcile grade
4. Reconcile quality assortment and value

Note on Reporting: Stornoway will report production and sales data on a quarterly basis. Resource reconciliation will be measured on a 12-month rolling average.
Process Plant
World’s First Diamond Plant with LDR in Primary Flow Sheet

- Nameplate capacity of 6,000 tpd (2.16 Mt/a) based on 78% plant utilization.

- Expansion to 7000 tpd (2.52 MT/a) is scheduled for 2018 based on 83.5% utilization and +2% throughput.

- Flow sheet:
  - Primary jaw crushing to < 230mm
  - Twin DMS circuits at +1mm -19mm
  - LDR circuit at +19mm -45mm, scalable to -60mm
  - Oversize +45mm to secondary cone crusher
  - LDR and DMS tails +6mm -19mm to tertiary High Pressure Grinding Rolls

- Centrifugal de-watering of fines and tails for truckable dry-stack disposal.

- Large Diamond Recovery (“LDR”) through TOMRA XRT.
**Open Pit Mining**

**KPIs to June 30, 2016**

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Plan</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tonnes Mined, R2-R3/R65</td>
<td>9,454,038</td>
<td>9,300,003</td>
<td>102%</td>
</tr>
<tr>
<td>Tonnes Ore Stockpiled</td>
<td>859,498</td>
<td>577,955</td>
<td>149%</td>
</tr>
</tbody>
</table>

**Renard 2-3 Pit (2015-2018)**
- 15.5 Mtonnes moved, 2.58 Mcarats (4.33 Mtonnes at 59cpht)
- Stripping ratio (Waste to Ore): 2.54, Depth 130m

**Renard 65 Pit (2014-2029)**
- 14.0 Mtonnes moved, 1.38 Mcarats (4.58 Mtonnes at 30cpht)
- Stripping ratio (Waste to Ore): 2.11, Depth 155m
Underground Mine Ramp Development

**KPIs to June 30, 2016**

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Plan</th>
<th>%</th>
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<tbody>
<tr>
<td>Ramp Development (m)</td>
<td>1,842</td>
<td>2,180</td>
<td>85%</td>
</tr>
</tbody>
</table>

![Image of mine ramp development](image)
Diamond Sales

- Stornoway will sell 100% of the Renard diamond production by tender sale in Antwerp on an undivided basis.

- Stornoway has engaged Bonas-Couzyn as sales commissionaire and tender agent for arm's length market sales.

- Other than under exceptional circumstances, Stornoway will sell 100% of what it produces, will not carry a stockpile outside of normal goods-in-progress, and will be a market price taker.

- Stornoway will support the Québec or Canadian brand identification initiatives of its clients through chain of custody certification.

- First sales are expected in January 2017.
12 Month Outlook and Priorities

- A Safe and Protected Workplace and Environment
- Final Project Completion on Budget and Schedule
- Ramp-up on Schedule
- Positive Resource Reconciliation
- First Québec Diamond Sales January 2017
- Performance against March 2016 Mine Plan Guidance
- Maintain Balance Sheet Strength
Stornoway Diamond Corporation TSX:SWY, TSX:SWY.DB.U

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