

QUEBEC'S FIRST DIAMOND MINE

Corporate Update

July 13, 2017



Forward Looking Information

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. Capitalized terms in these FLS not otherwise defined in this presentation have the meaning attributed thereto in the most recently filed AIF of the Corporation.

These forward-looking statements 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 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, 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) the expected time frames for the ramp-up and achievement of plant nameplate capacity of the Renard Diamond Mine (viii) the expected financial obligations or costs incurred by Stornoway in connection with the ongoing development of the Renard Diamond Mine; (ix) future market prices for rough diamonds; (x) sources of and anticipated financing requirements; (xi) 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; (xii) the Corporation's ability to meet its Subject Diamonds Interest delivery obligations under the Purchase and Sale Agreement; and (xiii) the foreign exchange rate between the US dollar and the Canadian dollar. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance 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. 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) 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) anticipated timelines for ramp-up and achievement of nameplate capacity at the Renard Diamond Mine, (v) anticipated timelines for the development of an open pit and underground mine at the Renard Diamond Mine; (vi) anticipated geological formations; (vii) market prices for rough diamonds and their potential impact on the Renard Diamond Mine; and (viii) 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.

Forward Looking Information (continued)

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 diamond breakage; (iii) slower increases in diamond valuations than assumed; (iv) risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar; (v) increases in the costs of proposed capital, operating and sustainable capital expenditures; (vi) operational and infrastructure risks; (vii) execution risk relating to the development of an operating mine at the Renard Diamond Mine; (viii) failure to satisfy the conditions to the funding or availability, as the case may require, of the Senior Secured Loan and the Equipment Facility; (ix) developments in world diamond markets; and (x) all other risks described in Stornoway's most recently filed AIF and its other disclosure documents available under the Corporation's profile at www.sedar.com. Stornoway cautions that the foregoing list of factors that may affect future results is not exhaustive and new, unforeseeable factors and risks may arise from time to time.

Qualified Persons

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 February 23, 2017. Disclosure of a scientific or technical nature in this presentation was prepared under the supervision of M. Patrick Godin, P.Eng. (Québec), Chief Operating Officer, and Mr. David Farrow, Pr.Sci.Nat (South Africa) and P.Geo. (BC), Vice President Diamonds. Stornoway's exploration programs are supervised by Robin Hopkins, P.Geo. (NT/NU), Vice President, Exploration. Each of M. Godin, Mr. Farrow and Mr. Hopkins are "qualified persons" under NI 43-101.

Non-IFRS Financial Measures

This presentation refers to certain financial measures, such as EBITDA, Adjusted EBITDA, Cash Operating Cost per Tonne Ore Processed, Capital Expenditures and Available Liquidity, which are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS.

"EBITDA" is the term the Corporation uses as an approximate measure of pre-tax operating cash flow and is generally used to better measure performance and evaluate trends of individual assets. EBITDA comprises earnings before deducting interest and other financial charges, income taxes and depreciation. "Adjusted EBITDA" is the calculation of EBITDA adjusted by all the non-cash items that are included in the EBITDA calculation. These items are share based compensation and the depreciation of deferred revenue. Also, exploration costs do not reflect the operating performance of the Corporation and are not indicative of future operating results. "Adjusted EBITDA Margin" is the calculation of Adjusted EBITDA divided by total revenues less amortization of deferred revenue from the Renard Stream "Cash Operating Cost per Tonne Processed" is the term the Corporation uses to describe operating expenses (including inventory variation which includes depreciation) per tonne processed on a cash basis. This is calculated as cash operating cost divided by tonnes of ore processed for the period. This ratio provides the user with the total cash costs incurred by the mine during the period per tonne of ore processed, including mobilization costs. The most directly comparable measure calculated in accordance with IFRS is operating expenses. "Cash Operating Cost per Carats Recovered" is the total cash operating cost divided by carats recovered. "Capital Expenditure" is the term used to describe cash capital expenditure incurred. This measure is consistent with that used in the \$78.7M capital cost estimate previously provided as guidance for the fiscal year 2017. "Available Liquidity" comprises cash and cash equivalents, short-term investments and available credit facilities (less related upfront fees), net of payables and receivables.

Stornoway Diamond Corporation (TSX: SWY)

100% Ownership in Renard, Québec's First Diamond Mine

Road accessible; Strong social license; Large mineral resource

Construction Completed ahead of Schedule and Below Budget

First Ore in Plant July, 2016; Commercial Production Jan. 1, 2017

Construction Completed C\$37M Below Budget^{note 1}

Strong Balance Sheet

As of March 31, 2017, cash, cash equivalents and short term investments of \$72 million. Available liquidity^{note 2}, comprising cash, cash equivalents and available credit facilities, of \$153 million.

Production Ramping Up

Two operating quarter and 7 sales completed. Nameplate capacity of 6,000 tpd achieved for month of June 2017.



1. \$771.2 million to December 31, 2016 and \$2.8 million of costs deferred to 2017 compared to a starting budget of C\$811 million (July 2014).

2. See Note on "Non-IFRS Financial Measures"

Quarter Highlights: Operational Results

At March 31, 2017

Mining

- Mining in R2-R3 and R65 open pits of 1,245,021 tonnes (+12% compared to plan) including 625,576 tonnes ore
- Underground mine development of 1,459 meters (+13% compared to plan)

Processing

- 385,151 carats recovered from processing 419,233 tonnes at 92 cpht (+3%, +4% and +1% compared to plan, respectively)

Costs

- Cash operating cost per tonne processed^{note 1} of \$57.86/tonne, or \$62.99 per carat (-4% and -5% compared to plan)
- Capital expenditure^{note 1} of \$17.1 million (Annual Guidance \$79 million)



Notes

1. See Note on "Non-IFRS Financial Measures"

Quarter Highlights: Financial Results

At March 31, 2017

Sales and Revenue

- ✓ Diamond Sales of 459,126 carats for proceeds of \$48.5 million. Total sales proceeds since project began now at 498,039 carats at US\$83/carats (Annual Guidance US\$100/ct-US\$132/ct)
- ✓ No carried inventory of unsold goods at end of quarter outside of normal goods in progress

EBITDA

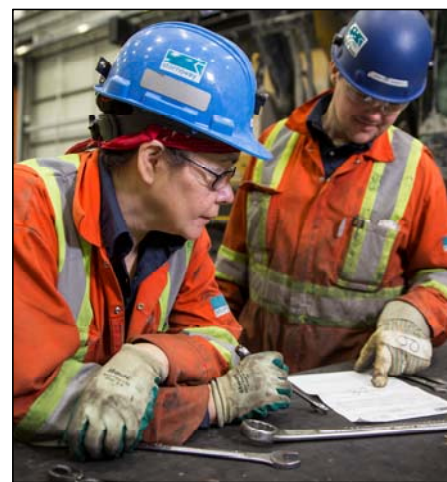
- ✓ Adjusted EBITDA^{note 1} of \$15.0 million, or 35.9% of sales

Net Income

- ✓ Net loss of \$3.0 million, or \$Nil per share, \$0.01 loss fully diluted

Balance Sheet

- ✓ Cash, cash equivalents and short term investments of \$72 million. Total liquidity^{note 1}, comprising cash, cash equivalents and available credit facilities, net of payables and receivables, of \$153 million.



Notes

1. See Note on "Non-IFRS Financial Measures"

Second Quarter Sales and Production Results

Quarter Ended June 30, 2017

Processing

- 417,362 carats recovered from processing 512,005 tonnes at 82 cpht (-13%, -0% and -14% compared to plan, respectively) due to the processing of lower grade ore.
- Nameplate capacity of 6,000 tpd achieved in the month of June (average 6,149 tpd).

Sales and Revenue

- Diamond Sales of 350,159 carats for gross proceeds of \$40.9 million^{1,2} at an average price of US\$87/ct.
- 151,135 carats were sold subsequent to quarter end for gross proceeds of C\$19.8 million^{1,3} at an average price of US\$101/ct.



Notes

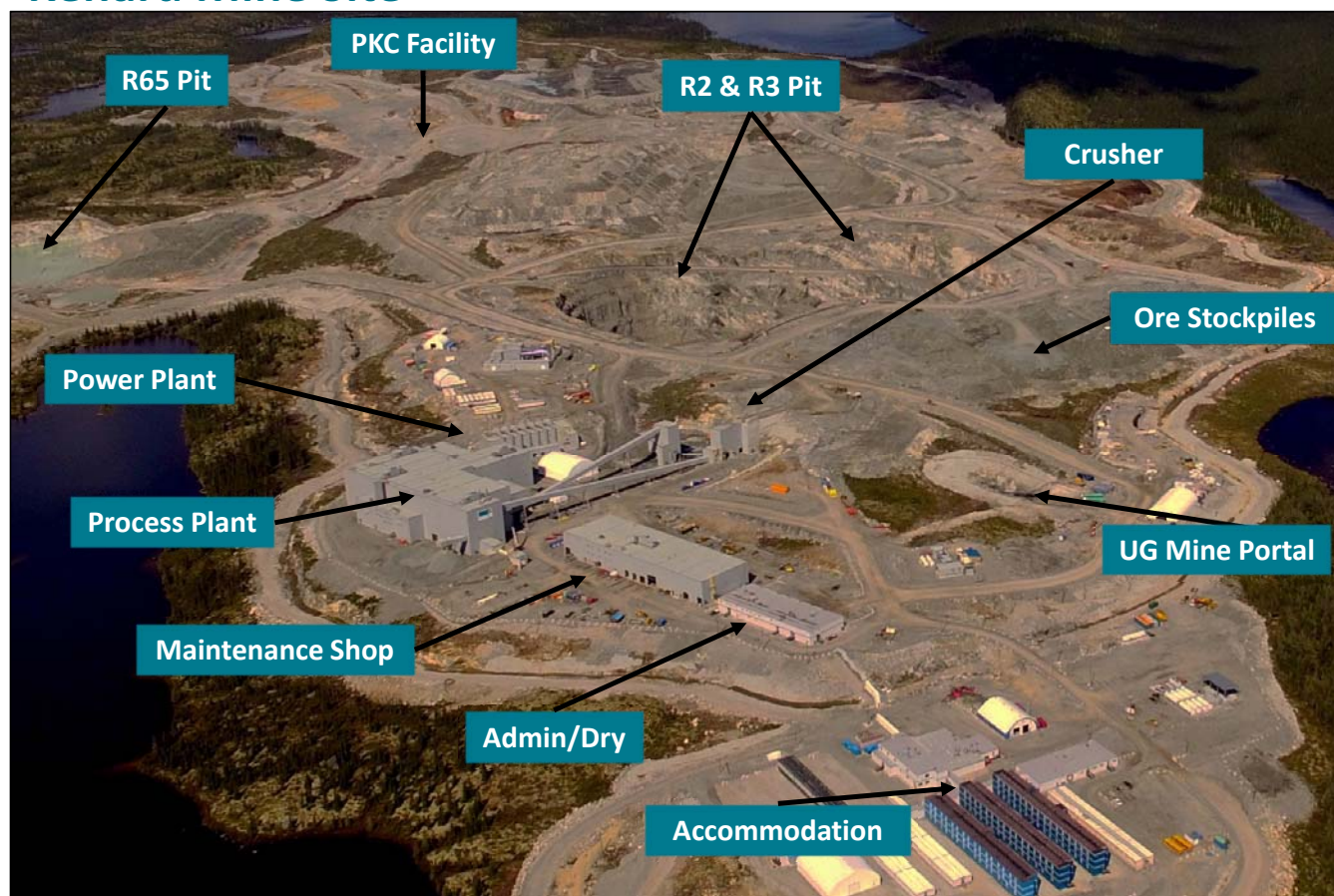
1. Before stream and royalty.
2. Based on an average C\$:US\$ conversion rate of \$1.3453
3. Assuming a C\$:US\$ conversion rate of \$1.2900

Renard Diamond Project – Québec, Canada

The Canadian Diamond Mine Connected by Permanent Road Access



Renard Mine Site



R2-R3 Pit, June 2017

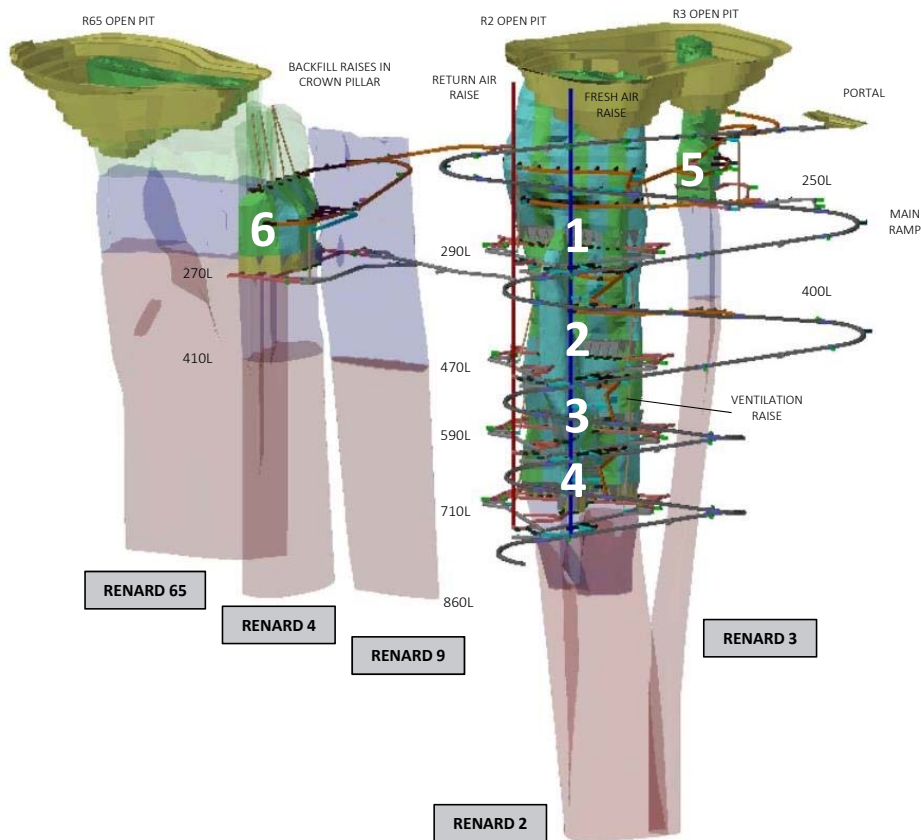


UG Mine Portal, June 2017

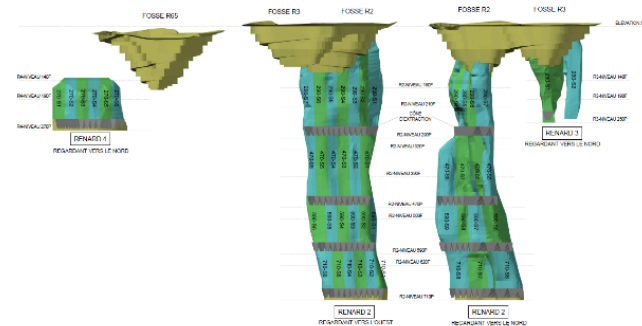
June 2017

Underground Mining Sequence

22Mcarat Mineral Reserve Case, March 30, 2016



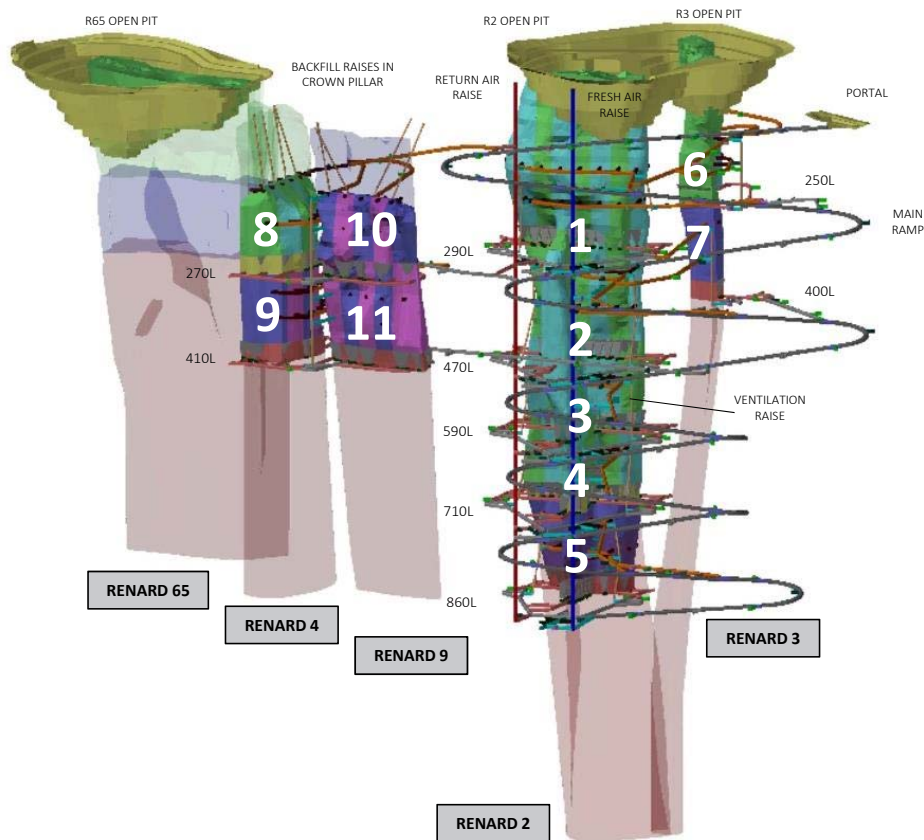
- Combined open pit and underground mining
- 2015-2018 Open pit R2, R3
- 2014-2029 Open pit R65
- 2018-2027 Underground R2, blasthole shrink stoppage with panel retreat
- 2026-2029 Underground R3, R4, longhole stoping and blasthole stoppage respectively



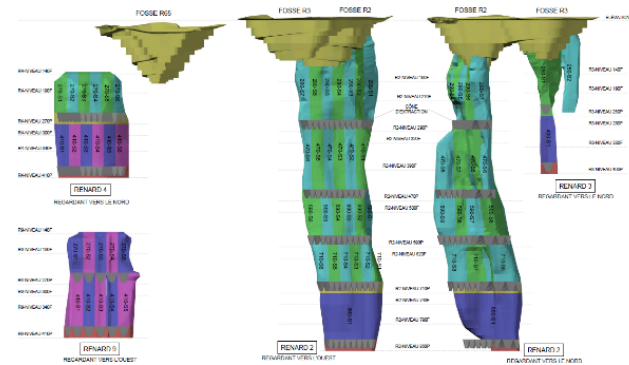
Reserve and Resource categories are compliant with the "CIM Definition Standards on Mineral Resources and Reserves". Mineral resources that are not mineral reserves do not have demonstrated economic viability. The potential quantity and grade of any Exploration Target (previously referred to as a "Potential 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

Business Case, Including 13Mcarat Inferred Mineral Resources, March 30, 2016



- 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.

Open Pit Mining KPIs

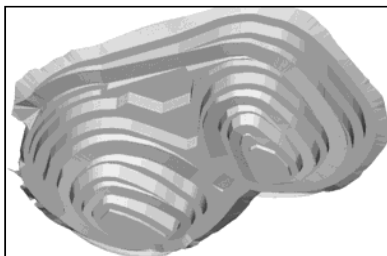
KPIs Project to Date to March 31, 2017

	Actual	Plan	%
Tonnes Mined, R2-R3/R65	15,060,964	13,173,079	+14%
Ore Tonnes Mined^{note 1}	2,851,994	1,802,382	+58%
Ore Tonnes Processed	818,395	631,000	+30%
Ore Stockpile	2,167,603 tonnes at March 31, 2017		

Renard 2-3 Pit (2015-2018)

Stripping ratio (Waste to Ore):
2.54, Depth 130m

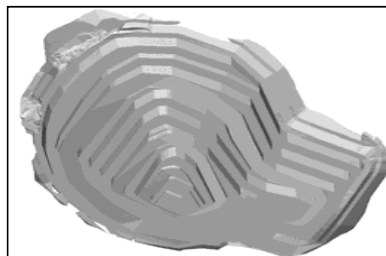
April 2018



Renard 65 Pit (2014-2029)

Stripping ratio (Waste to Ore):
2.11, Depth 155m

End 2027



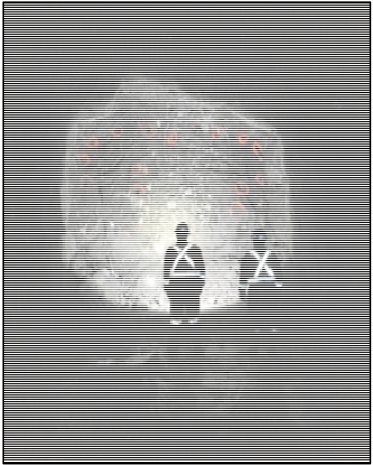
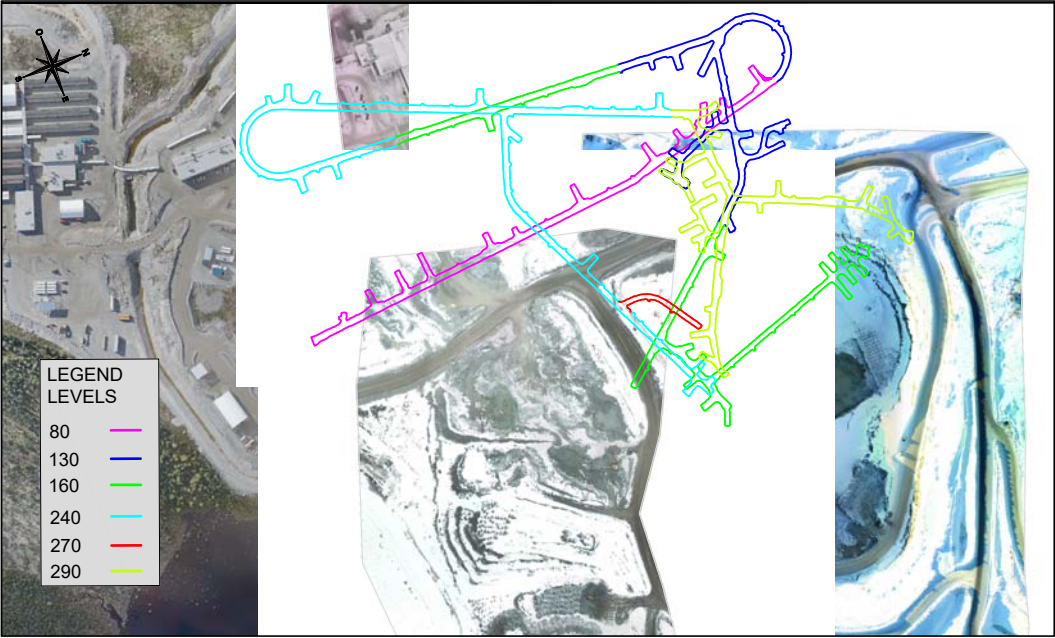
Notes

1. Includes Renard 2 CRB and CRB2a material classified as Mineral Reserve in March 2016 and previously classified as waste.

Underground Mine Development KPIs

KPIs Project to Date to March 31, 2017

	Actual	Plan	%
Development (m)	4,188	4,063	+3%

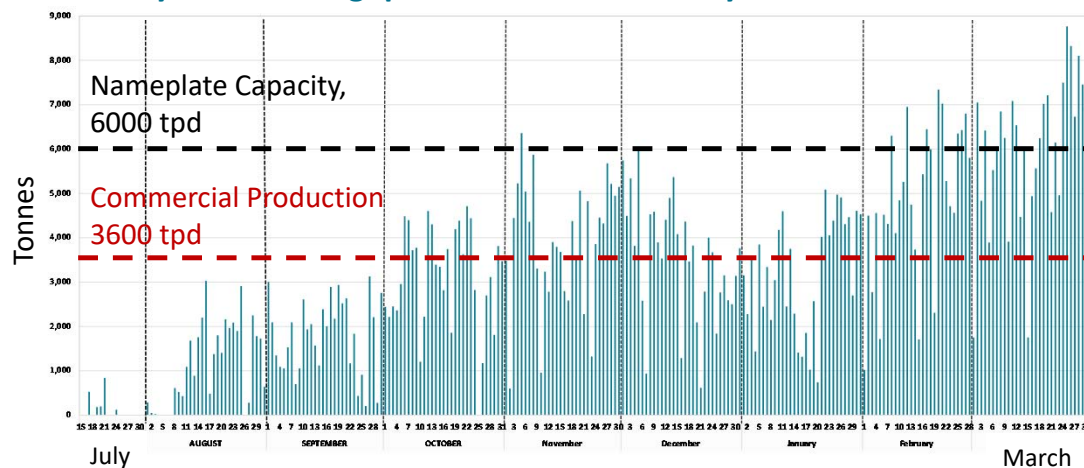


Processing KPIs

KPIs Project to Date to June 30, 2017

	Actual	Plan	%
Ore Tonnes Processed	1,330,400	1,144,000	+16%
Carats Recovered	1,251,400	1,074,298	+16%
Grade (cpht)	94	94	+0%

Daily Plant Throughput since "first ore", July 2016 to March 2017

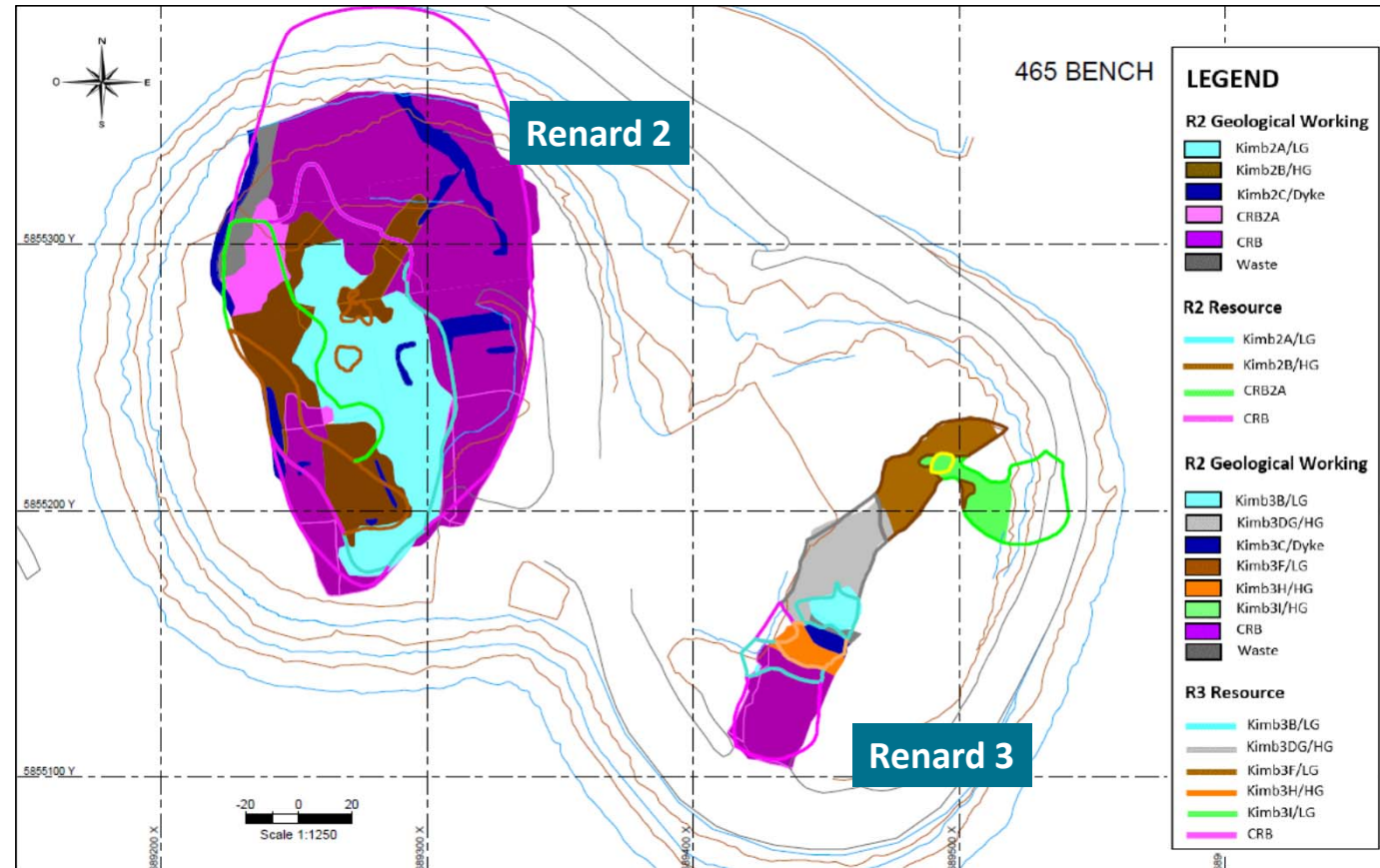


Resource Reconciliation

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.



2016 Production Results and Grade Reconciliation

Mining and Processing by Geology

	Total <i>note 1</i>	R2	R3	CRB-2A	CRB-R2	CRB-R3 <i>note 1</i>	R65
Open Pit Ore Tonnes Mined	2,074,827	671,671	169,891	104,520	889,654	53,007	239,091
Tonnes Processed	399,162	354,266	43,463	--	1,432	--	--
Average OP Reserve Grade (cpht)	93	93	92	32	20	--	30
2016 Mine Plan Grade ^{note 2}	97	<i>Represents expected proportion of high/low grade ore mix in the open pit.</i>					
Estimated Head Feed Grade (cpht) ^{note 3}	111	<i>Reflects better than expected high/low grade ore mix available in the open pit</i>					
Carats Recovered ^{note 4}	448,887						
Recovered Grade (cpht) ^{note 4}	112	<i>Demonstrates good reconciliation with estimated head feed grade</i>					

Notes

1. Inferred Mineral Resources or Non-Resources (eg CRB-R3) not included in totals
2. March 2016 Technical Report "Updated Renard Diamond Project Mine Plan and Mineral Reserve Estimate, Québec, Canada
3. Head feed grades are estimated from average Mineral Resource grades, after applying measured internal and external dilution factors.
4. Assumes a processing cut-off 3 days subsequent to period-end

Diamond Sales

All Figures in C\$ unless otherwise noted

Q1 2017 Quarter Sales

- 459,126 carats sold in 3 tenders and 4 out of tender sales, for proceeds^{note 1} of \$48.5 million
- Sales in quarter included all goods withheld from sale in November 2016

ROM Sales to Date

- 498,039 carats sold to end of Q1 for proceeds of \$54.5 million, or US\$83 per carat; 350,159 carats sold in Q2 at an average price of US\$87 per carat and first sale of Q3 completed for 151,135 carats at an average price of US\$101 per carat
- Sales to end of Q1 represent diamonds recovered between July 2016 and January 2017, during which time high levels of diamond breakage were being experienced in the process plant, with a higher recovery of small diamonds compared to plan
- Full year guidance of US\$100 to US\$132 per carat^{note 2}

Notes

1. Before stream, royalty and marketing costs
2. Stornoway's price guidance for 2017 incorporates data on the production profile recovered at Renard to December 31st, and on the results of two diamond sales conducted in November 2016 and January 2017. Guidance for 2017 is impacted by two factors: market conditions, and plant factors (diamond breakage) relating to the current diamond size profile.



Update on Diamond Breakage Mitigation

- Mitigating diamond breakage during processing is the principal focus of the production ramp-up.
- Diamond breakage impacts recovered grade, size distribution, and quality.
- A two quarter mitigation plan, first announced on February 6, 2017, is ongoing.
- Diamond breakage occurs in all diamond process plants. It is measurable, and can be mitigated.

Simulant Breakage



6mm (4ct) density tracers,
November 2016

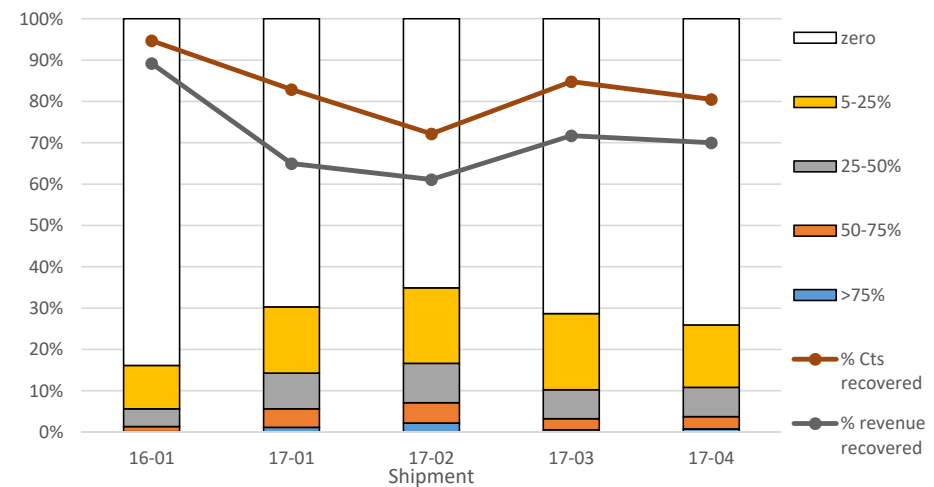


16mm (25ct) breakage
simulants, February 2017



16mm (25ct) breakage
simulants, April 2017

Diamond Breakage Measurements



Dr. Paddy Lawless for Stornoway Diamond Corporation, April 2017

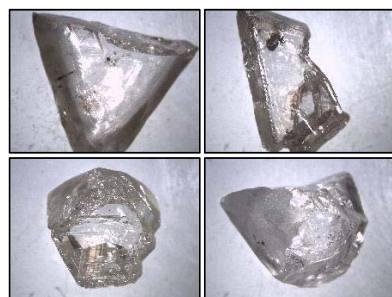
Process Plant

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. Achieved for month of June 2017 (6,149 tpd)
- Expansion to 7,000 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.



Seeing Through the Breakage to Value Upside



1. Improved Size Distribution

*Illustrated On Left: 4ct fragments from January 2017 representing individual fragments of 4 x 15ct+ stones.
Illustrated On Right: 19.90ct Special sold for US\$174,000 (\$8,750 per ct)*



2. Improved Qualities

*Illustrated On Left: Damaged 12ct Specials recovered in October 2016.
Illustrated on Right: 12.72ct Special sold for US\$168,000 (\$13,250 per ct)*



3. Larger Specials

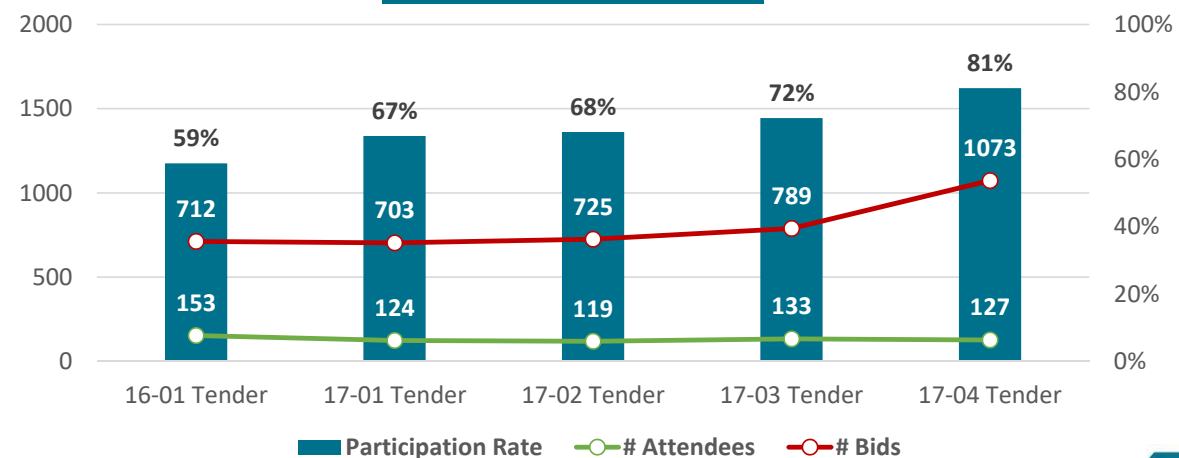
*Illustrated On Left: 13.84ct and 8.78ct fragments of a c.30ct macle recovered in May 2017.
Illustrated on Right: 23.74ct macle sold for US\$156,000 (\$6,500 per ct)*

Tender Sales

- Stornoway has retained Bonas-Couzyn as sales commissionaire and tender agent for arm's length market sales, 10 times a year, in Antwerp, Belgium.
- Stornoway's first five tender sales have been well attended, with increasing bidder participation and growing prices. Trend continued for sale 17-05 and 17-06.
- Sales in lower quality and smaller items have to date been impacted by the Indian de-monetization event of late 2016. Liquidity in these items has returned, however, and pricing is gradually improving.
- Quebec's first diamond production has been well received by the market. Yields of polished from the rough are reported as high, with good performance during manufacturing and good colours.



Tender Participation



Recent Notable Recoveries



At Sale:

29.28ct
Sold for US\$530,000 April 2017
(US\$18,100/carat)



In Recovery:

33.32ct fragment recovered March 28
73.87ct fragment recovered April 2



Reconstructed:

107.91ct partial octohedra.
20-30ct missing with fresh breakage. Not recovered.
Another c. 100ct missing with non-fresh breakage
Imply the stone was originally **200-250ct** in mantle

2017 Outlook and Guidance

Operations

- ✔ 4.4mT mined open pit and 0.5mT mined underground
- ✔ 4,900m underground development
- ✔ Opex: C\$60 per tonne or C\$66 per carat sold
- ✔ Capex: C\$79m.

Processing and Ramp-Up

- ✔ 1.7mcarats recovered at 86cpht.
- ✔ Focussed on diamond breakage mitigation.
- ✔ Ramp-up to sustained 6,000tpd scheduled to June.

Diamond Sales

- ✔ 1.8mcarats sold at US\$100-US\$132 per carat

Balance Sheet (as of March 31, 2017, unaudited)

Cash and Equivalents	C\$72 million
Total Debt ^{note 2}	C\$238 million
Undrawn Financing Commitments ^{note 3}	C\$104 million
Available Liquidity ^{note 4}	C\$153 million



Notes

1. See Note on "Non-IFRS Financial Measures"
2. Renard Mine Road facility, convertible debentures and unsecured debt facilities
3. Includes \$100 million senior debt facility and financing available under equipment leasing facility. Does not include C\$48 million cost over run facility.
4. Cash, cash equivalents, receivables and undrawn financing commitments, net of receivables and payables.

2017 Production Guidance

As of December 31, 2016

2017 Production Guidance

Summary

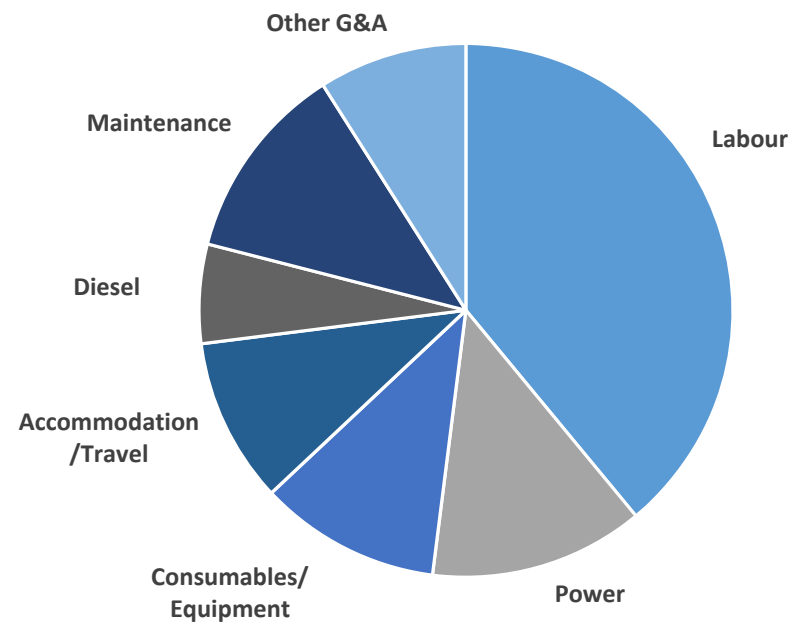
	2017 Guidance
Open Pit Tonnes Mined (ore and waste)	4,400,000
Underground Tonnes Mined (ore and waste)	500,000
Underground Development (m)	2,300
Underground Stope Preparation (m)	2,600
Tonnes Processed	2,000,000
Carats Recovered	1,700,000
Grade (cpht)	86
Carats Sold	1,800,000



2017 Guidance: Operating Costs

(C\$/t processed)

	2017 Guidance
Open Pit	\$9.10
Underground	\$11.90
Process Plant	\$20.02
G&A ^{note 1}	\$18.66
Total C\$/t processed	\$59.68
Total C\$/ct processed	\$70.41
Total C\$/ct sold	\$66.49



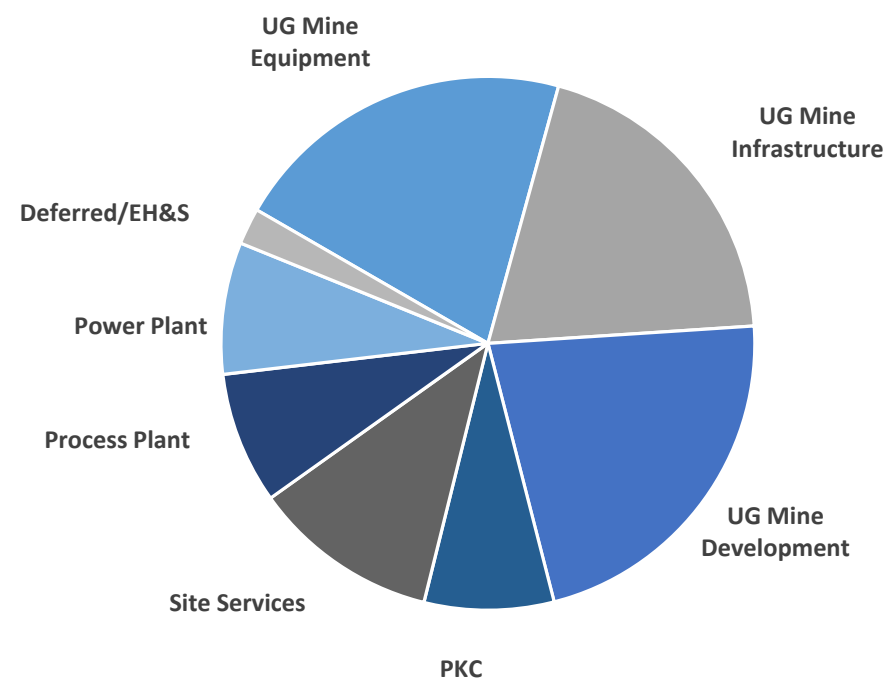
Notes

1. Site service overheads related to capital cost items have been transferred to sustaining capital in 2017

2017 Guidance: Capital Costs

(C\$ million)

	2017 Guidance
Underground	\$45.5
Processed Kimberlite Containment	\$5.7
Site Services ^{note 1}	\$11.8
Process Plant	\$8.2
Power Plant	\$5.8
2016 Deferred Capital/EH&S	\$1.7
Total	\$78.7



Notes

1. Site service overheads related to capital cost items have been transferred to sustaining capital in 2017

Sales

2017 Guidance^{note 1}

Carats Sold	1.8 million
Sales Revenue	US\$180mm-US\$230mm
Average Price per Carat ^{note 2}	US\$100 – US\$132
C\$:US\$ Exchange	\$1.30

Notes

1. Stornoway's price guidance for 2017 incorporates data on the production profile recovered at Renard to December 31st, and on the results of two diamond sales conducted in November 2016 and January 2017. Guidance for 2017 is impacted by two factors: market conditions, and plant factors (diamond breakage) relating to the current diamond size profile.
2. Before stream, royalty and marketing costs



2017 Guidance: Commentary on Diamond Market

- Stornoway has retained Bonas-Couzyn as sales commissionaire and tender agent for arm's length market sales, 10 times a year, in Antwerp, Belgium.
- Stornoway's first six diamond tenders have been well attended, with all parcels receiving competitive bids and good demand for the higher quality and larger goods.
- Compared to previous estimates, 2017 pricing guidance incorporates lower pricing for smaller and/or lower quality rough seen during the course of 2016 and confirmed in the first two sales.
- This trend, already underway, was exacerbated by the Indian demonetization event of late 2016 which has prompted many diamond producers, including Stornoway, to temporarily withhold this material from sale. At the end of March 2017, Stornoway held no carried inventory other than normal run of mine production as goods in process.
- Stornoway's 2017 price guidance assumes stabilization of the Indian currency market and the beginning of price recovery prior to the end of the second quarter of 2017.



2017 Guidance: Commentary on Diamond Breakage

- The Renard diamond process plant is yielding a higher level of small diamond liberation, and inducing higher levels of diamond breakage, compared to the project's bulk samples.
- Diamond breakage occurs in all diamond process plants. It is measurable, and curable.
- High levels of diamond breakage in the Renard process plant is evidenced by:
 1. Broken diamonds.
 2. Broken tracers.
 3. Non-lognormal size frequency distribution.
 4. Audit tests of tails.
 5. Higher than expected abrasion in crusher liners.
- Diamond pricing will be influenced by this breakage until it is resolved.
- Stornoway is undertaking a breakage mitigation plan in conjunction with 3rd party experts and equipment vendors.
- Elements of this plan include:
 1. Prioritizing risk areas with targeted simulant testing.
 2. Optimizing crushing conditions
 3. Reducing plant dwell times
 4. Addressing equipment design improvements
 5. Reducing waste content in ore feed.
 6. Regular auditing, trended data analysis, physical inspection.
- This work will be ongoing through 1H FY2017

Reserves and Resources

As of December 31, 2016

Mineral Reserves

Effective December 31, 2016

PROVEN MINERAL RESERVES ^(1,2) <u>Stockpile</u> ⁽³⁾	Carats (millions)	Tonnes (millions)	Grade (cpht) ⁽⁴⁾
Renard 2, All Units	0.55	1.31	42
<i>Renard 2</i>	<i>0.29</i>	<i>0.29</i>	<i>98</i>
<i>CRB-2A</i>	<i>0.03</i>	<i>0.11</i>	<i>33</i>
<i>CRB</i>	<i>0.23</i>	<i>0.91</i>	<i>25</i>
Renard 3	0.23	0.28	81
Renard 65	0.09	0.25	35
Reload	0.003	0.004	76
Renard 2 UG	0.004	0.007	52
Total Stockpile Proven Mineral Reserves	0.87	1.85	47
PROBABLE MINERAL RESERVES ^(1,2) <u>Open Pit</u>	Carats (millions)	Tonnes (millions)	Grade (cpht) ⁽³⁾
Renard 2, All Units	1.06	1.93	55
<i>Renard 2</i>	<i>0.82</i>	<i>0.90</i>	<i>91</i>
<i>CRB-2A</i>	<i>0.10</i>	<i>0.33</i>	<i>32</i>
<i>CRB</i>	<i>0.14</i>	<i>0.69</i>	<i>20</i>
Renard 3	0.56	0.58	97
Renard 65	1.28	4.30	30
Total OP Probable Mineral Reserves	2.90	6.80	43
PROBABLE MINERAL RESERVES ^(1,2) <u>Underground</u>	Carats (millions)	Tonnes (millions)	Grade (cpht) ⁽³⁾
Renard 2	15.65	19.67	80
Renard 3	0.86	1.22	70
Renard 4	1.67	3.46	48
Total UG Probable Mineral Reserves	18.18	24.35	75
Total Proven and Probable Mineral Reserves⁽⁵⁾	21.95 (-0.31)	33.00 (-0.42)	67 (--)

Notes

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

² Totals may not add due to rounding.

³ Represents mine and stockpiled ore as of December 31, 2016

⁴ Carats per hundred tonnes. Estimated at a +1 DTC sieve size cut-off.

⁵ Changes from March 2016 Mineral Reserve estimate shown in italics

Mineral Resources

Effective December 31, 2016, Exclusive of the Mineral Reserves

INDICATED MINERAL RESOURCES ^(1,2)	Carats (millions)	Tonnes (millions)	Grade (cpht) ⁽³⁾
Renard 2	--	--	--
Renard 3	--	--	--
Renard 4	1.99	2.93	68
Renard 65	0.90	3.37	27
Total Indicated Mineral Resources	2.89	6.30	46

INFERRED MINERAL RESOURCES ^(1,2)	Carats (millions)	Tonnes (millions)	Grade (cpht) ⁽³⁾
Renard 2, All Units	3.88	6.59	59
Renard 2, w/o CRB	3.36	4.08	82
CRB	0.53	2.51	21
Renard 3	0.61	0.54	112
Renard 4	2.46	4.75	52
Renard 65	1.18	4.93	24
Renard 9	3.04	5.70	53
Lynx	1.92	1.80	107
Hibou	0.26	0.18	144
Total Inferred Mineral Resources	13.35	24.49	54

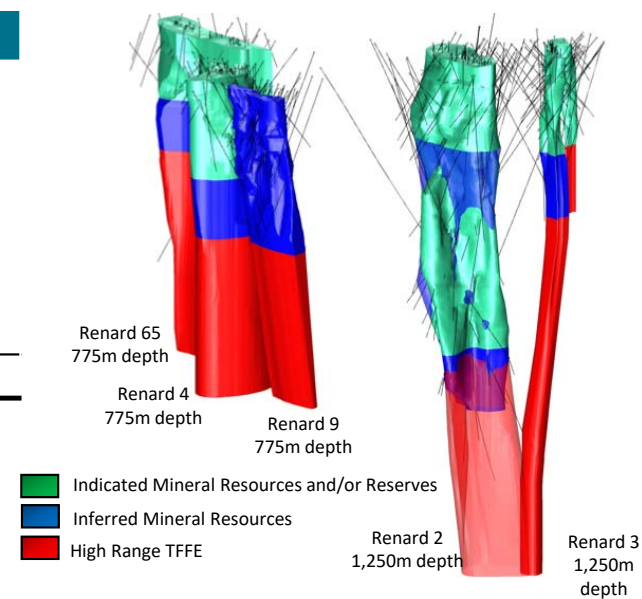
Notes

¹ Resource categories were completed in accordance with the "CIM Definition Standards on Mineral Resources and Reserves". Mineral resources that are not mineral reserves do not have demonstrated economic viability.

² Totals may not add due to rounding.

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

North East View



Exploration Potential

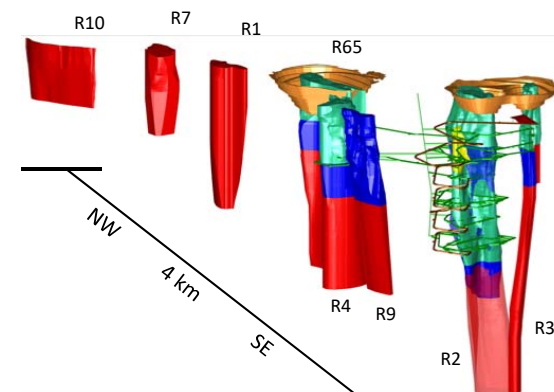
Effective December 31, 2016

TARGETS FOR FURTHER EXPLORATION ⁽¹⁾	Carats (millions)			Tonnes (millions)			Grade (cpht) ⁽²⁾		
Renard 1	1.7	to	3.9	8.6	to	13.0	20	to	30
Renard 2, All Units	3.7	to	15.5	6.1	to	15.5	60	to	100
Renard 3	3.6	to	6.3	3.4	to	3.8	105	to	168
Renard 4	5.6	to	11.8	11.1	to	15.4	50	to	77
Renard 65	7.3	to	13.5	29.0	to	40.9	25	to	33
Renard 7	1.9	to	3.8	6.3	to	9.4	30	to	40
Renard 9	2.0	to	4.3	3.9	to	6.3	52	to	68
Renard 10	0.7	to	2.1	1.2	to	1.7	60	to	120
Lynx	3.0	to	3.8	3.1	to	3.2	96	to	120
Hibou	3.6	to	6.1	3.5	to	4.0	104	to	151
Total TFFE	33.0	to	71.1	76.2	To	113.2			

Notes

¹ Target for Further Exploration: represents potential upside that can be reasonably assumed given the nature and grade of material within the current 2015 Mineral Resource. The Renard 2 shape has been projected 250m below the deepest kimberlite intersection at 1,000m depth. Tonnage and grade ranges are not directly applicable to potential total carats. The potential quantity and grade of any Exploration Target is conceptual in nature, there has been insufficient information to define a mineral resource, and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

² Carats per hundred tonnes. Potential at a +1 DTC sieve size cut-off.



Corporate Data

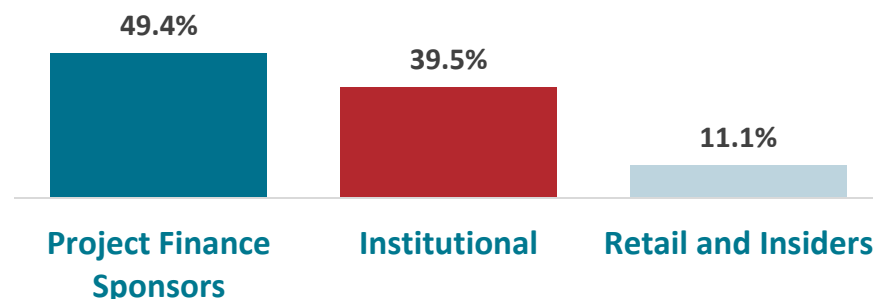
As of June 7, 2017

Capital Structure & Balance Sheet

Capital Structure	
Recent Share Price (TSX) ^{note 1}	C\$0.80
52 week range	C\$0.69 – \$1.33
Market Capitalization ^{note 1}	C\$663 million
Shares Outstanding	828.7 million
Warrants	29.0 million
Employee Options	43.2 million
Balance Sheet ^{note 2}	
Cash and Equivalents	C\$72 million
Total Debt	C\$238 million
Available Liquidity ^{note 3}	C\$153 million

1. As of July 12, 2017.
2. As of March 31, 2017, unaudited.
3. Cash, cash equivalents, and available credit facilities, net of payables and receivables. See “Non-IFRS Financial Measures”.
4. Fully Diluted

Share Ownership^{note 4}



Project Finance Sponsors

Investissement Québec, Orion Mine Finance, CDPQ, Blackstone Tactical Opportunities

Institutional Shareholders



Publicly Listed Diamond Producers, Developers and Explorers

Consensus Analyst Views on Value

	Ticker	Price (7/12/17)	Shares O/S (mm)	Market Cap(\$mm)	NAV/sh ⁽¹⁾	Current P/NAV ⁽¹⁾	Target ⁽¹⁾	% Return to Target	Annual Dividend
Diamond Producers									
ALROSA	ALRS:M	RUB94.10	7,365.0	RUB693,043	(n/a)	(n/a)	RUB107.11	15%	RUB2.09/sh
Dominion Diamonds	DDC:T	\$16.25	80.9	\$1,315.3	\$22.59	0.7x	\$17.95	14%	US\$0.40/sh
Firestone	FDI:LN	£0.39	318.0	£124.0	£0.66	0.6x	£0.62	60%	(n/a)
Gem	GEMD:LN	£0.86	138.5	£119.1	£1.59	0.5x	£1.13	32%	(n/a)
Lucara	LUC:T	\$2.81	382.4	\$1,074.7	\$3.02	0.9x	\$3.94	44%	\$0.10/sh
Mountain Province	MPVD:T	\$4.01	160.2	\$642.3	\$4.72	0.9x	\$5.15	28%	(n/a)
Petra	PDL:LN	£1.03	530.5	£546.4	£1.57	0.7x	£1.63	59%	(n/a)
Stornoway	SWY:T	\$0.80	828.7	\$662.9	\$1.20	0.7x	\$1.11	39%	(n/a)
Diamond Explorers									
Kennady Diamonds	KDI:V	\$3.25	49.3	\$160.1	(n/a)	(n/a)	(n/a)	(n/a)	(n/a)
North Arrow Minerals	NAR:V	\$0.29	76.2	\$22.1	(n/a)	(n/a)	(n/a)	(n/a)	(n/a)
Peregrine Diamonds	PGD:T	\$0.14	339.3	\$47.5	(n/a)	(n/a)	(n/a)	(n/a)	(n/a)
Shore Gold	SGF:T	\$0.285	354.7	\$101.1	(n/a)	(n/a)	(n/a)	(n/a)	(n/a)

1. Bloomberg and Thomson One Analyst Consensus. All Currencies in C\$ unless specified

Stornoway Board and Management Team

Executive Officers



Matt Manson
President, CEO
& Director



Pat Godin
COO & Director



Orin Baranowsky
Interim CFO, VP IR
& Corp Dev



Annie Torkia-
Lagace
VP Legal

Head Office: Longueuil, Québec

Exploration Office: North Vancouver, BC

Community Offices: Mistissini & Chibougamau Québec

Non-Executive Directors



Ebe Scherkus
Independent/
Board Chairman



Hume Kyle
Independent



John LeBoutillier
Independent/
IQ Designate



Gaston Morin
Independent/
IQ Designate



Marie-Anne Tawil
Independent/
IQ Designate



Peter Nixon
Independent



Douglas Silver
Orion Designate

Executive Officer Biographies



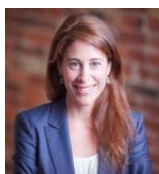
Matt Manson, President and CEO, has 20 years of experience in diamond exploration, development and production. He was appointed President of Stornoway in March 2007 following the acquisition of Ashton Mining of Canada and Contact Diamond Corporation, and subsequently President & CEO in January 2009. Between 1999 and 2005 he was employed by Aber Diamond Corporation (now Dominion Diamond Corporation) as VP Marketing and subsequently VP Technical Services & Control during which time oversaw Aber's technical and marketing operations. In March 2015 he was awarded the Viola MacMillan award from the Prospectors and Developers Association of Canada for the financing and development of Stornoway's Renard Diamond Project and was the Northern Miner's "Mining Person of the Year" in 2017. Matt is a graduate of the University of Edinburgh (BSc Geophysics, 1987) and the University of Toronto (PhD Geology, 1996).



Patrick Godin, COO, joined Stornoway as Chief Operating Officer in May 2010 and had overall responsibility for the development of the Renard Diamond Mine. He was previously Vice-President, Project Development for GMining Services, responsible for the development of the Essakane Mine in Burkina Faso under contract to IAMGOLD, and Vice President of Operations for Canadian Royalties, responsible for the development of the Nunavik Nickel project in Northern Québec. For many years, Pat was employed by Cambior in successive management roles in project development and mine management, including President and General Manager of CBJ-CAIMAN S.A.S., the French subsidiary of Cambior/IAMGOLD and holder of the Camp Caïman gold project in French Guiana. He holds a Bachelor's degree in mining engineering from Université Laval in Québec, and is a member of the Ordre des Ingénieurs du Québec.



Orin Baranowsky, Interim CFO and Vice-President Investor Relations and Corporate Development, joined Stornoway in June 2013. He has more than 15 years of finance experience, and has been involved in more than \$1 billion of capital raisings for mining companies. Prior to joining Stornoway, Mr. Baranowsky was Vice President, Investor Relations for CB Gold Inc., a Canadian-based precious metals exploration company with assets in Colombia. Previously, he worked for more than 10 years for BMO Capital Markets in progressively senior roles in equity research. He holds an Honours Bachelor of Business Administration degree from Wilfrid Laurier University in Ontario and is a CFA Charterholder.



Annie Torkia Lagacé joined Stornoway as its Vice-President, Legal Affairs, General Counsel and Corporate Secretary in December 2014. She has over 14 years of business and legal experience practising law as well as analyzing, structuring, negotiating and closing sophisticated commercial and corporate transactions. Prior to joining Stornoway, she was Senior Legal Counsel for the Eastern Canadian Iron Ore division of Cliffs Natural Resources. Ms. Torkia Lagacé also previously practised law in the Business Law Groups of Stikeman Elliott LLP and Blake, Cassels and Graydon LLP, two of Canada's largest business law firms, where she developed extensive knowledge of sophisticated financing and M&A transactions involving large national and multi-national corporations. She holds a Bachelor's degree in both civil and common law from the University of Ottawa.

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