RENARD: QUEBEC'S FIRST DIAMOND MINE

stornoway

Denver Gold Forum

Colorado Springs, Colorado, September 24th-26th, 2018

Forward Looking Information

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 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 estimated amount of future production over any period; (iii) net present value and internal rates of return of the mining operation; (iv) expectations and targets relating to recovered grade, size distribution and quality of diamonds, average ore recovery, carats recovered, carats sold, internal dilution, mining dilution and other mining parameters set out in the 2016 Technical Report as well as levels of diamond breakage; (v) expectations, targets and forecasts relating to gross revenues, operating cash flows and other revenue metrics set out in the 2016 Technical Report, growth in diamond sales, cost of goods sold, cash cost of production, gross margins estimates, planned and projected diamond sales, mix of diamonds sold, and capital expenditures, liquidity and working capital requirements; (vi) mine and resource expansion potential, expected mine life, and estimated incremental ore recovery, revenue and other mining parameters from potential additional mine life extension; (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 financial obligations or costs incurred by Stornoway in connection with the ongoing development of the Renard Diamond Mine; (x) mining, development, production, processing and exploration rates, progress and plans, as compared to schedule and budget, and planned optimization, expansion opportunities, timing thereof and anticipated benefits therefrom; (xi) future exploration plans and potential upside from targets identified for further exploratio; (xii) expectations concerning outlook and trends in the diamond industry, rough diamond production, rough diamond market demand and supply, and future market prices for rough diamonds and the potential impact of the foregoing on various Renard financial metrics and diamond production; (xiii) the economic benefits of using liquefied natural gas rather than diesel for power generation; (xiv) requirements for and sources of, and access to, financing and uses of funds; (xv) the ability to meet Subject Diamonds Interest delivery obligations under the Purchase and Sale Agreement; (xvi) the foreign exchange rate between the US dollar and the Canadian dollar; and (xvii) the anticipated benefits from recently approved plant modification measures and the anticipated timeframe and expected capital cost thereof. 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, access to financing, 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) the accuracy of our estimates regarding capital 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, carats recovered, carats sold, internal dilution, mining dilution and other mining parameters set out in the 2016 Technical Report as well as levels of diamond breakage; (iv) the expected mix of diamonds sold, and successful mitigation of ongoing issues of diamond breakage in the Renard Diamond Mine process plant and realization of the anticipated benefits from plant modification measures within the anticipated timeframe and expected capital cost; (v) the stabilization of the Indian currency market and full recovery of prices; (vi) receipt of regulatory approvals on acceptable terms within commonly experienced time frames and absence of adverse regulatory developments; (vii) anticipated timelines for the development of an open pit and underground mine at the Renard Diamond Mine; (viii) anticipated geological formations; (ix) continued market acceptance of the Renard diamond production, conservative forecasting of future market prices for rough diamonds and impact of the foregoing on various Renard

Forward Looking Information (continued)

financial metrics and diamond production; (x) the timeline, progress and costs of future exploration, development, production and mining activities, plans, commitments and objectives; (xi) the availability of existing credit facilities and any required future financing on favourable terms and the satisfaction of all covenants and conditions precedent relating to future funding commitments; (xii) the ability to meet Subject Diamonds Interest delivery obligations under the Purchase and Sale Agreement; (xiii) Stornoway's interpretation of the geological drill data collected and its potential impact on stated Mineral Resources and mine life; (xiv) the continued strength of the US dollar against the Canadian dollar and absence of significant variability in interest rates; (xv) improvement of long-term diamond industry fundamentals and absence of material deterioration in general business and economic conditions; and absence of significant variability in interest rates; (xvi) increasing carat recoveries with progressively increasing grade in LOM plan; (xvii) estimated incremental ore recovery, revenue and other mining parameters from potential additional mine life extension with minimal capital expenditures; (xviii) availability of skilled employees and maintenance of key relationships with financing partners, local communities and other stakeholders; (xix) long-term positive demand trends and rough diamond demand meaningfully exceeding supply; (xx) high depletion rates from existing diamond mines; (xxi) global rough diamond production remaining stable; (xxii) modest capital requirements post-2018 with significant resource expansion available at marginal cost; (xxiii) substantial resource upside within scope of mine plan; (xxiv) opportunities for high grade ore acceleration and processing expansion and realization of anticipated benefits therefrom; (xxv) significant potential upside from targets identified for further exploration; and (xxvi) limited cash income taxes payable over the medium term.

By their very nature, forward-looking statements involve inherent risks and uncertainties. *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.* The operating results and financial condition of the Corporation are subject to a number of inherent risks and uncertainties associated with its business activities, which include the financing, exploration, development, construction and operation of its mine and processing facility. The operating results and financial condition are also subject to numerous external factors, which include economic, regulatory, legal, tax and market risks impacting, among other things, supply of materials and demand for rough diamonds, rough diamond prices, foreign exchange rates, inflation and the availability and cost of capital to fund the capital requirements of the business. Each of these risks could have a material adverse effect on the Corporation's future business, financial condition, prospects, results of operations or cash flow, and could cause actual results to differ materially from those described in any forward-looking statements contained in this document. There can be no assurance that the Corporation has been or will be successful in identifying all risks or that any risk-mitigating strategies adopted to reduce or eliminate risk will be successful. These risks should be considered when evaluating the Corporation and its guidance. With the exception of the going concern risk, which is described in the Corporation's most recently filed MD&A, a comprehensive discussion of the risks faced by the Corporation can be found in the Corporation's 2017 Annual MD&A and most recently filed AIF, which are available on SEDAR at www.sedar.com under the Corporation's profile.

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 March 29, 2018. 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. Robin Hopkins, P.Geol. (NT/NU), Vice President, Exploration, both "qualified persons" under National Instrument ("NI") 43-101.

Non-IFRS Financial Measures

This document refers to certain financial measures, such as Adjusted Net Loss, Adjusted Revenues, Adjusted EBITDA, Adjusted EBITDA Margin, Average Diamond Pricing Achieved, Cash Operating Cost per Tonne Processed, Cash Operating Cost per Carat Recovered, Capital Expenditures, and Available Liquidity, which are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. As a result, these measures may not be comparable to similar measures reported by other corporations.

Each of these measures have been derived from the Corporation's financial statements and have been defined and calculated based on management's reasonable judgement. These measures are used by management and by investors to assist in assessing the Corporation's performance. The measures are intended to provide additional information to the user and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. Refer to the "Non-IFRS Financial Measures" section of the Corporation's Management Discussion and Analysis as at and for the quarter ended June 30, 2018 which is incorporated by reference herein for further discussion of these items, including reconciliations to IFRS measures.

100% Owned Renard Diamond Mine – Québec, Canada

The Canadian Diamond Mine Connected by Permanent Road Access

Quebec's first Diamond Mine; Canada's sixth

Financed 2014; First processing July 2016; commercial production Jan 1, 2017; Underground mine ramp-up completed August 2018

2017: First Full Operating Year Completed

$85m EBITDA[1] in FY2017 at 43% EBITDA margin[1]. Lower diamond pricing than expected. Good resource reconciliation. Cost targets achieved.

First Half 2018: Mining and Processing Transition

Ramping up UG mine; Implementing ore waste sorting. Miss on carats and tonnes due to ore availability. Strong gains on pricing achieved at sale.

Low Cost, Long Life Asset with Strong Sector Fundamentals

Lowest cost diamond producer in Canada; Life of Mine Plan to FY2030; Upside on mine life, processing capacity and pricing.

Strong Social License and Institutional Support

Partnered with the Crees of Eeyou Istchee; Investissement Québec, CDPQ, Orion and Osisko as investors, lenders and/or streamers

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

First 18 Months of Operations

2017 Full Year Results Compared to FY2017 Guidance

At December 31, 2017. All quoted figures in CAD$ unless noted

	FY2017 Guidance	FY2017 Result
Open Pit Tonnes Mined	4.4m	4.48m
Underground Tonnes Mined	0.5m	0.45m
Tonnes Processed	2.0m	1.96m
Carats Recovered	1.7m	1.64m
Grade *(cpht)*	85	84
Carats Sold	1.8m	1.70m
Price *(US$/ct)*	$100 to $132	$85
Gross Proceeds[1,2] *(US$)*	$180 to $230	$145m
Cash Operating Cost per Tonne Processed[1,3] *($/t)*	$60	$45.02
Cash Operating Cost per Carat Processed[1,3] *($/ct)*	$70	$53.60
Capital Expenditures[1,3,4]	$78.7m	$126.9m

1. *See note on "Non-IFRS Financial Measures"*
2. *Before stream and royalty*
3. *See note on "Change in Accounting Policy" in Stornoway's MD&A dated March 26, 2018. Under the changed accounting policy, cash operating costs are lower and capital expenditures are higher than was contemplated in the 2017 guidance.*
4. *FY2017 guidance excludes $22m of extraordinary capital approved by the Board of Directors in August 2017 for ore waste sorting.*

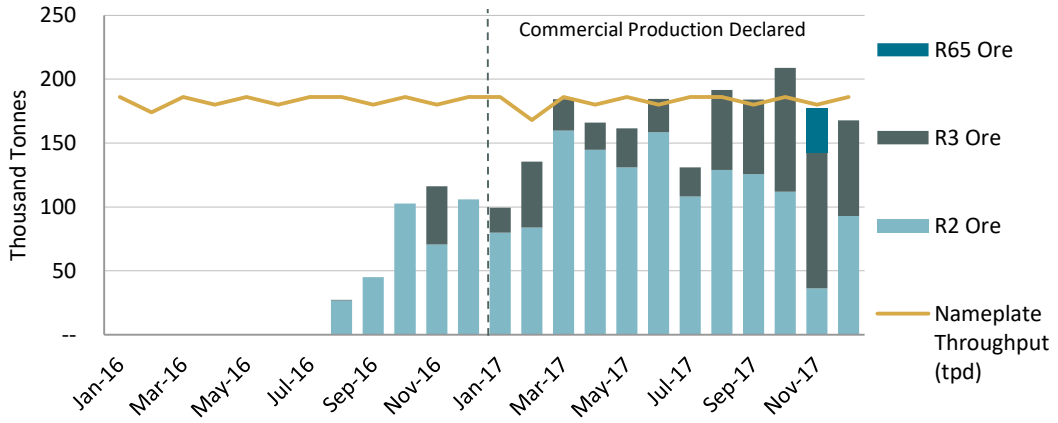
Renard Project Resource Reconciliation

Renard Project Operating KPIs

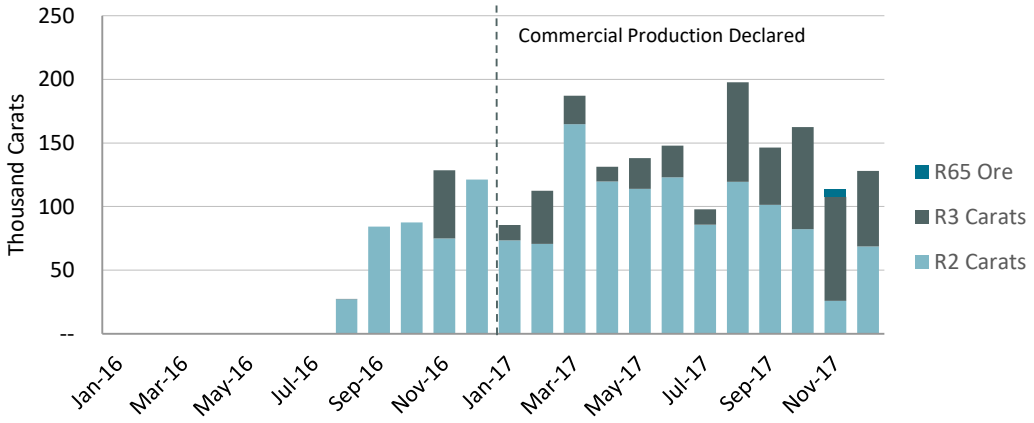
Project to Date as at December 31, 2017

	Actual	Plan	% Variance
Ore Tonnes Processed	2.35m	2.22m	+6%
Carats Recovered	2.09m	1.91m	+9%
Grade (cpht)	89	86	+3%

Monthly Ore Milled

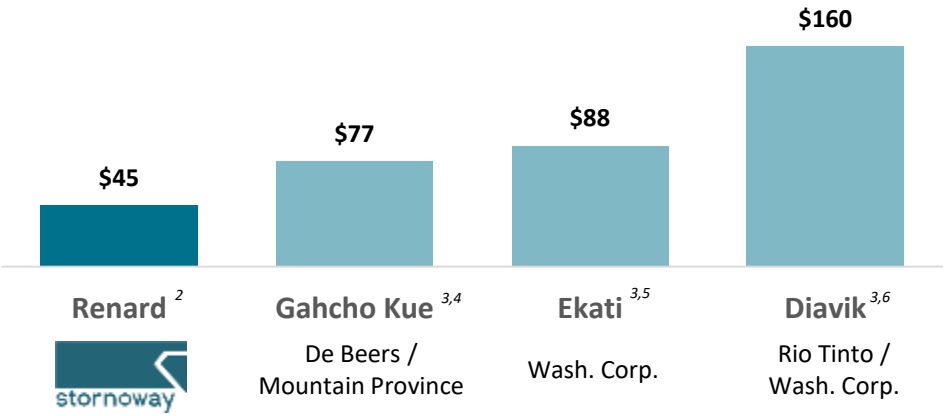


Monthly Carats Recovered

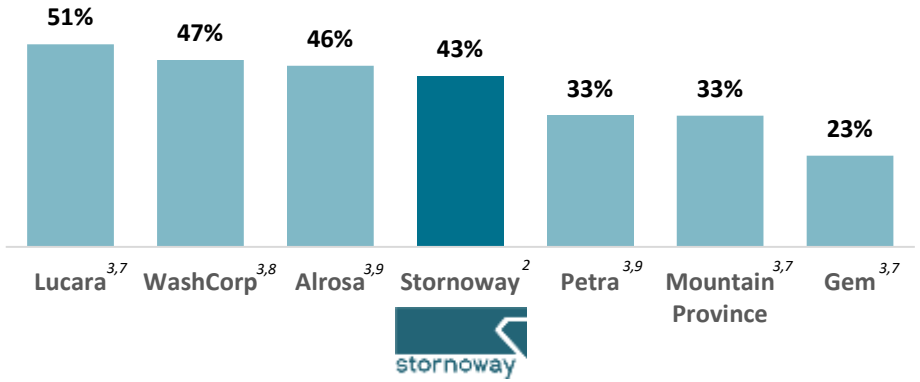


Lowest-Cost Canadian Diamond Mine

2017 Canadian Diamond Mine Cash Operating Costs[1]
$ per Tonne Processed

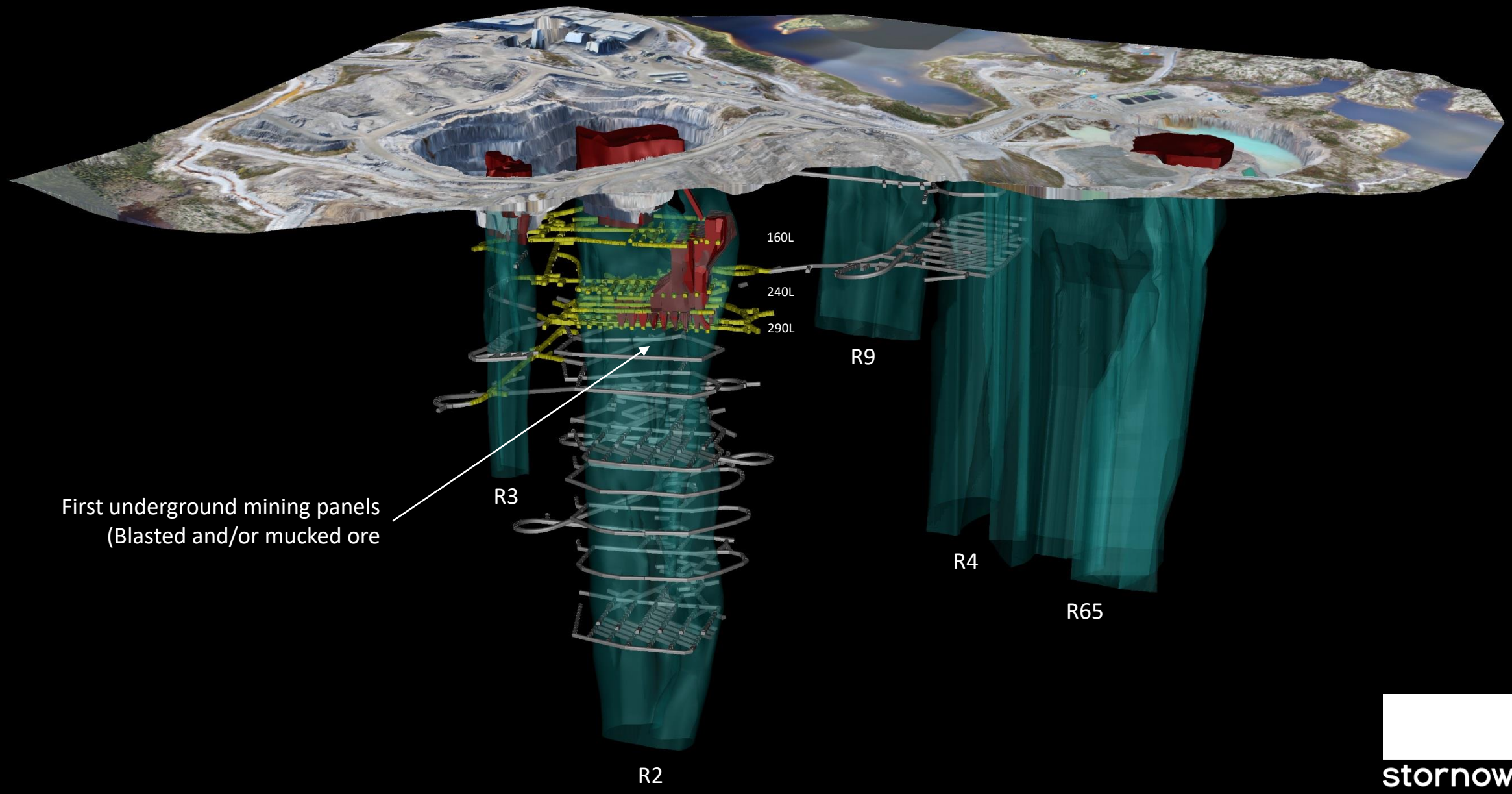


2017 Diamond Sector EBITDA Margins[1]
% of Gross Revenues



1. *See note on "Non-IFRS Financial Measures"*
2. *FY2017 full year result. See note on "Change in Accounting Policy"*
3. *Information derived from public filings of companies. Cash operating costs per tonne is not defined under IFRS and therefore may not be comparable to similar measures presented by other issuers. Companies calculate non-IFRS measures differently and as such a comparison of this measure among different companies may not be reliable*
4. *Based on cash operating costs per tonne processed, net of capitalized stripping, during the first three quarters of 2017*
5. *In respect of Ekati, based on last reported cash cost per tonne processed prior to acquisition by Washington Corp.; converted from US$ to C$ using the average Bank of Canada closing rate for the corresponding six months ended July 31, 2017 of 0.7539*
6. *In respect of Diavik, based on last reported cash cost per tonne processed prior to acquisition by Washington Corp.; converted from US$ to C$ using the average Bank of Canada closing rate for the corresponding six months ended June 30, 2017 of 0.7494*
7. *YE December 2017*
8. *Q2 YTD June 2017*
9. *YE June 2017*

First Half 2018: Transitioning to UG Mining and Ore-Waste Sorting



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MineRENARDMine

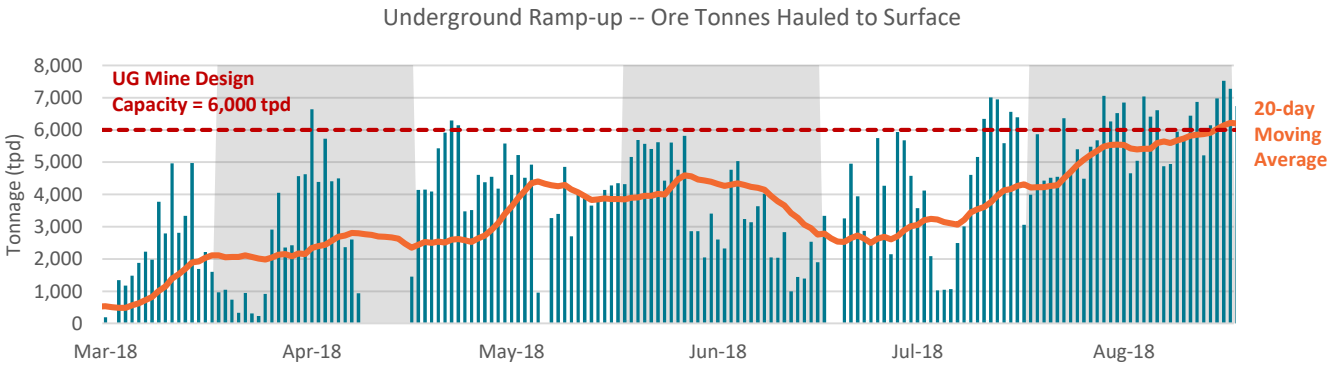
Underground Mining

- First production blast December 2017. Production ramp-up since March 2018

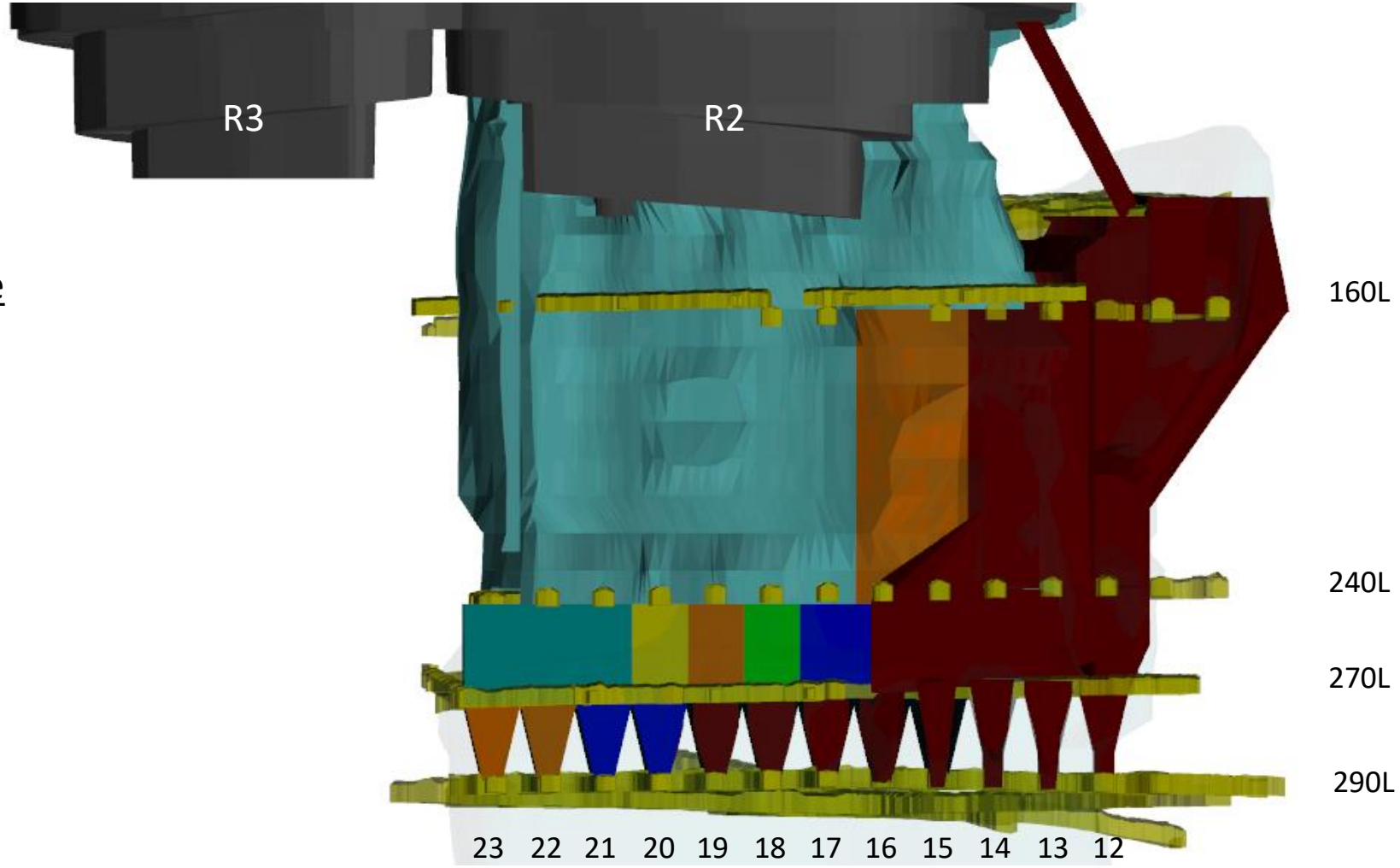
First Experiences

- More competent country rock and less competent kimberlite than expected
- Blasted stopes are caving naturally
- Focus on developing sufficient drawpoints to maintain production rate and ore granulometry
- Mining method will develop from Blasthole shrinkage to an Assisted Block Cave (ABC)
- All infrastructure for ABC is in place

- Slower than expected ramp-up: 1,538 tpd April; 4,342 tpd May; 3,864 tpd June
- Sustained 6000 tpd design capacity achieved by late August.
- First production panels developed at the north pipe margin of the 290m level in highly dilute, low grade kimberlite. Grade is increasing as mining progresses towards the center of the kimberlite.



Underground Mine Ore Supply



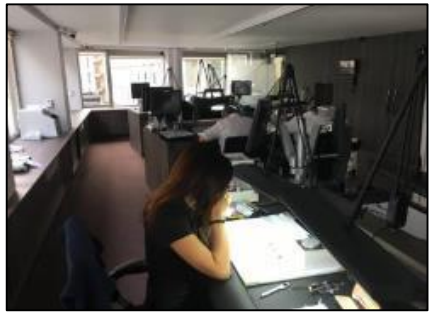
Looking West

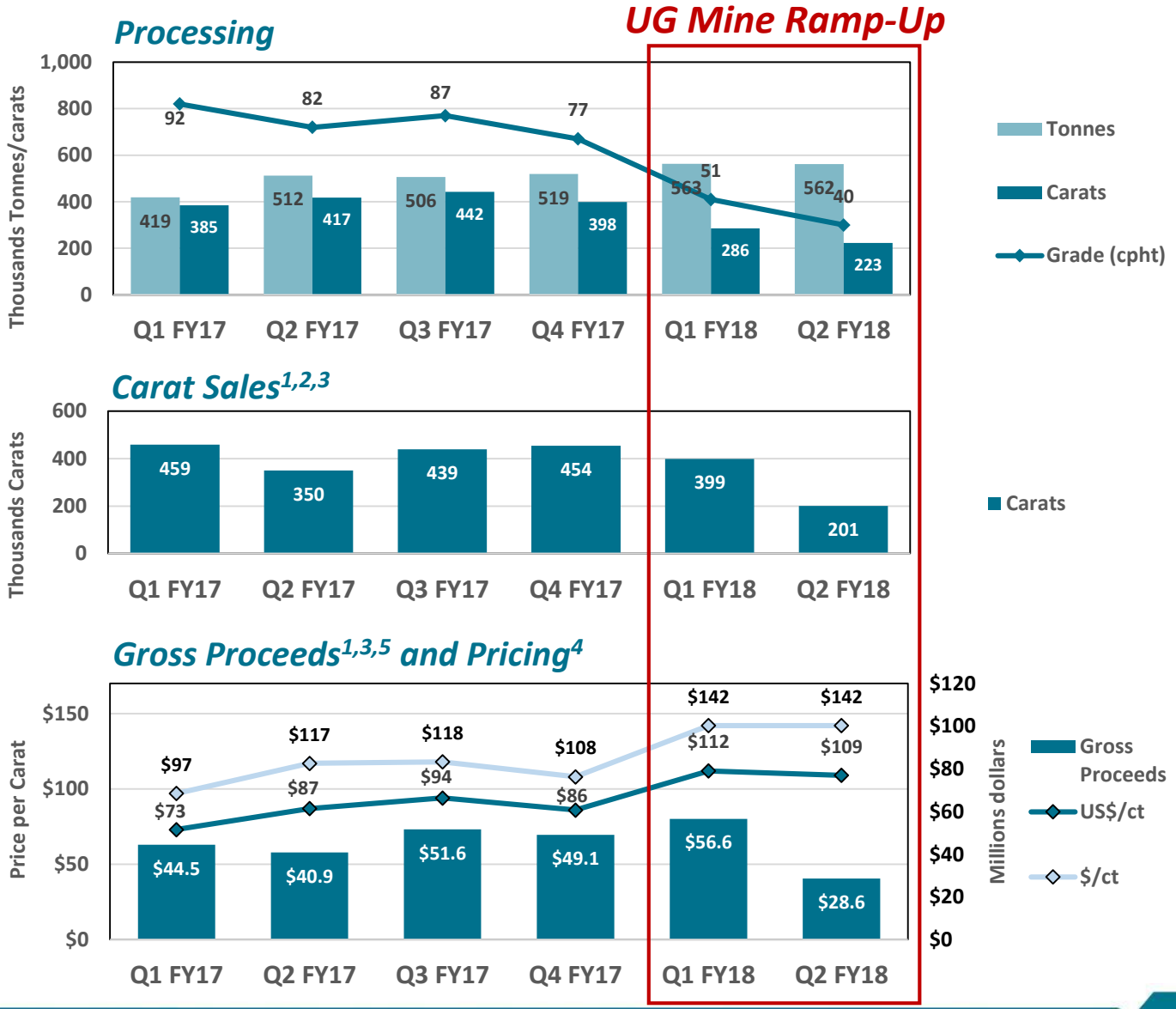
Blasting Sequence

- Pre Sep-2018
- Sep-2018
- Oct-2018
- Nov-2018
- Dec-2018
- Post 2018

FY2017 to Q2 FY2018 Processing and Sales

At June 30, 2018. All quoted figures in CAD$ unless noted



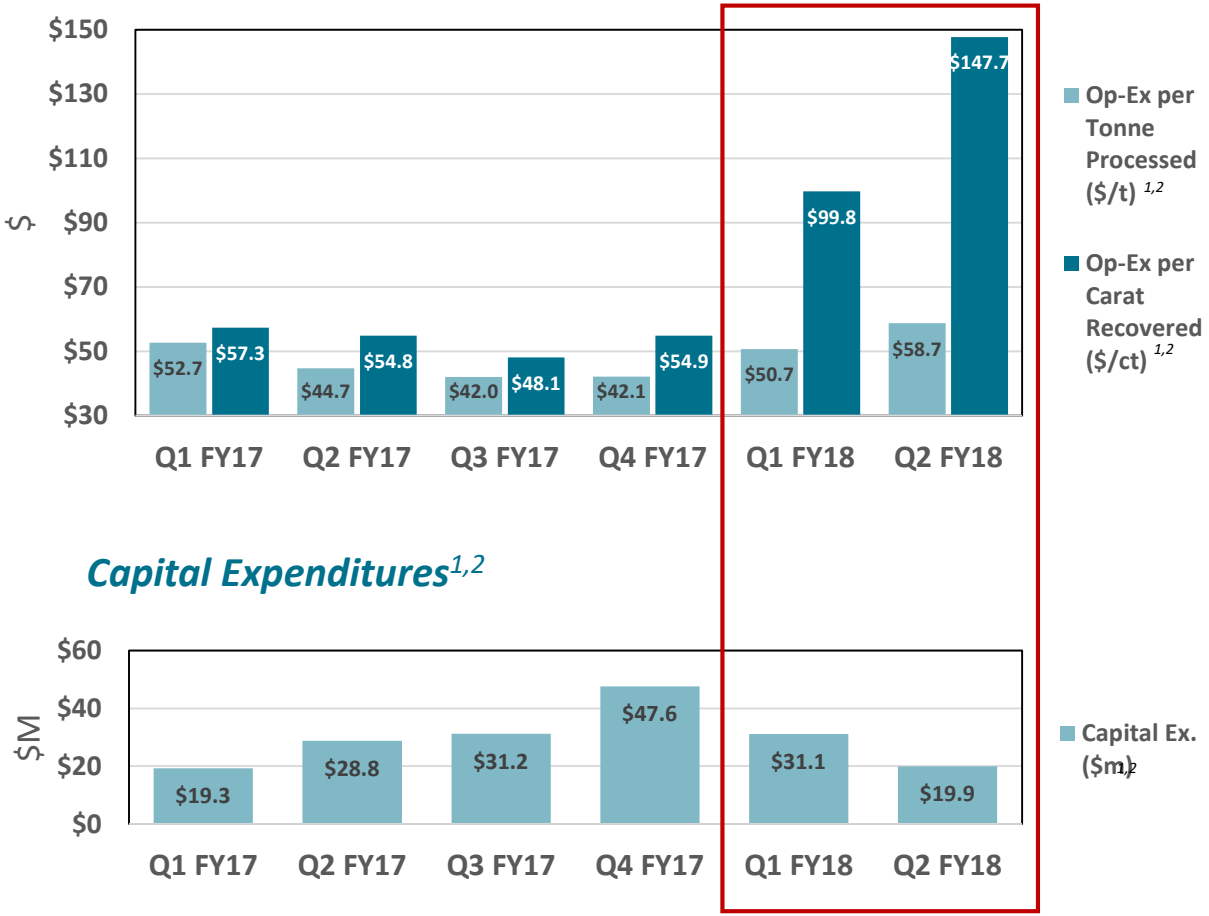


1. *Q1 FY17 carat sales include 52,681 carats of smaller and lower quality goods carried over from Stornoway's first sale in November 2016. Q3 FY17 carat sales include 32,989 carats that were sold in the third quarter for which revenue was realized in the fourth quarter. Q1 FY18 includes 127,616 carats that were sold in the first quarter for which revenue was realized in the second quarter.*
2. *Q1-2018 sales exclude an additional 42,663 carats of "incidental" diamonds smaller than the -7 DTC sold in an out of tender contract sale for gross proceeds of $1.0 million at an average price of US$18.50/ct*
3. *Q2-2018 sales exclude an additional 41,979 carats of "incidental" diamonds smaller than the -7 DTC sold in an out of tender contract sale for gross proceeds of $1.0 million at an average price of US$18.50/ct*
4. *See note on "Non-IFRS Financial Measures"*
5. *Before Stream and royalty*

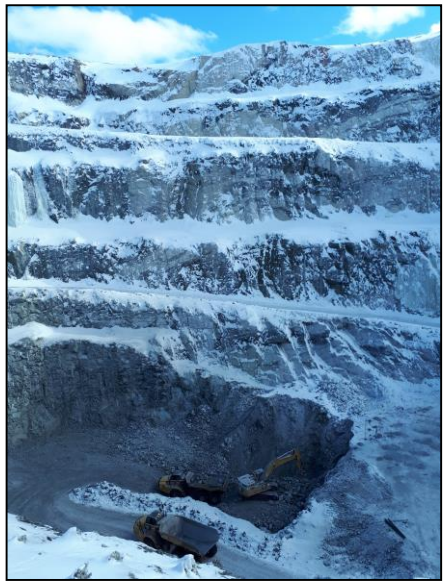
FY2017 to Q2 FY2018 Expenditures

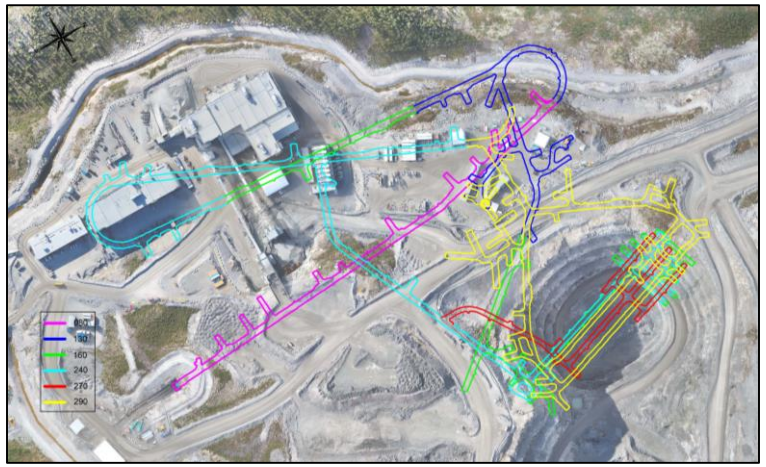
At June 30, 2018. All quoted figures in CAD$ unless noted

Cash Costs[1,2]



Capital Expenditures[1,2]



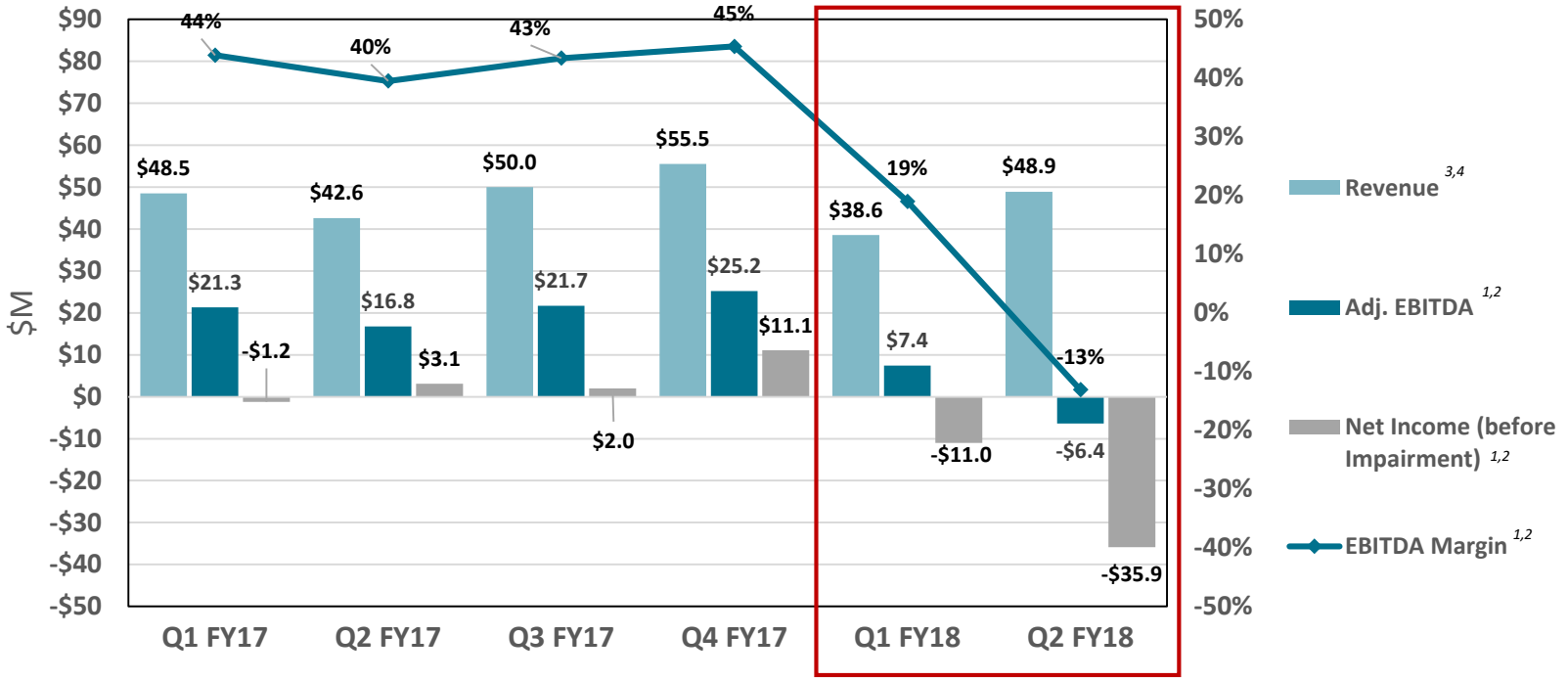


1. *See note on "Non-IFRS Financial Measures"*

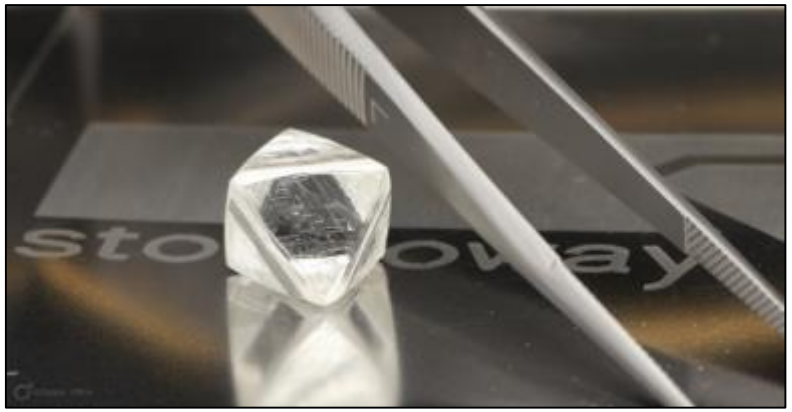
FY2017 to Q2 FY2018 Financial Results

At June 30, 2018. All quoted figures in CAD$ unless noted

Revenue, Adjusted EBITDA[1], EBITDA Margin[1] and Income



UG Mine Ramp-Up



Balance Sheet

As of June 30, 2018 cash, cash equivalents and short term investments of **$31.6m.** Debt of **$310.8m.** Total liquidity[1], comprising cash, cash equivalents and available credit facilities of **$46.5m**

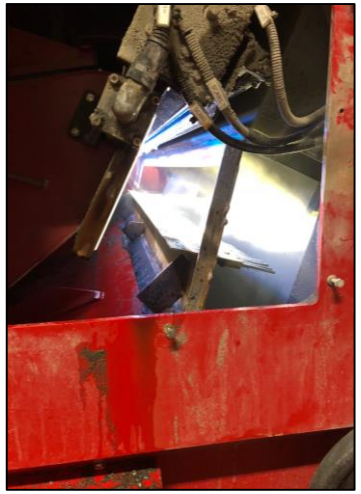
1. *See note on "Non-IFRS Financial Measures"*
2. *Revenue from the third tender sale of Q1 2018, comprising 127,616 carats sold for gross proceeds of $19.9 million, was recognized as revenue in the second quarter.*
3. *Revenues for 2018 exclude the impacts of applying IFRS 15, adopted effective January 1, 2018, which increased revenues by $17.3 million in Q1 FY18, and by $8.0 million in Q2 FY18. As such, revenues presented in the Q1 FY18 and Q2 FY18 financial statements totaled $55.9 million and $56.9 million, respectively.*

Ore Sorting Plant ("OSP")

- Commissioned May 2018.
- Waste reduction in Renard ore feed to minimize diamond breakage and maximize value recovery.
- Employs spectral analysis on primary feed +30mm -200mm
- Multi-Stage
  - First stage of sorting is to reject the waste
  - Second stage (scavenging) is extract kimberlite from rejection stream and return to main plant

First Experiences

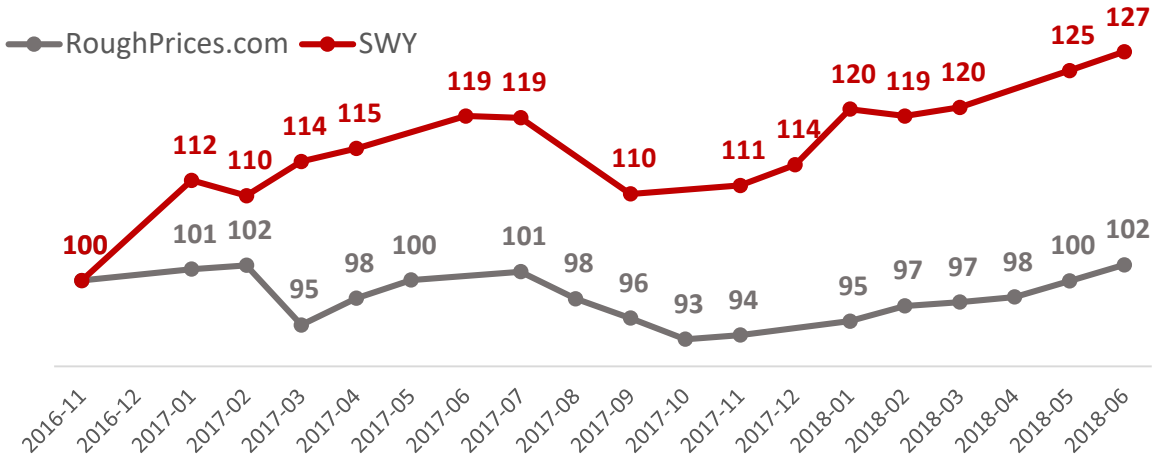
- **Positive** on volume and quality of ore-waste segregation: 15%-30% waste rejection with 1-2% kimberlite content in the reject stream.
- **Positive** on diamond quality: lower levels of diamond breakage than observed previously with comparable feed composition
- **Positive** savings in power consumption due to decreased crushing load
- Reduction in the process plant head feed opens up new plant capacity
- Further observable improvements expected as dilution in the feed decreases from improved ore sourcing



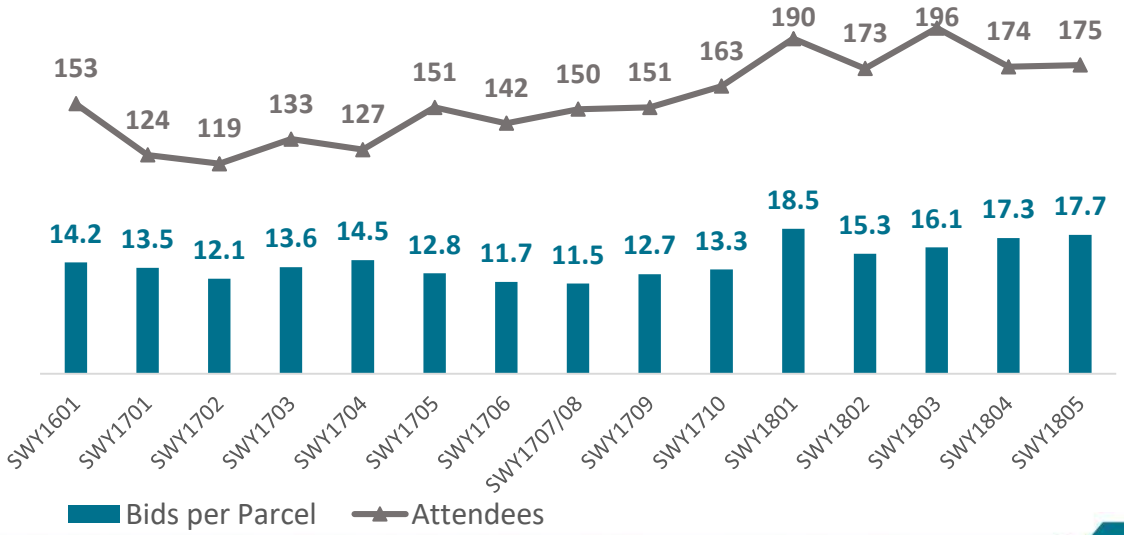
Stornoway's Tender Sales

- Stornoway sells its production by tender through the Antwerp offices of its sales agent Bonas-Couzyn.
- Stornoway's tender sales have shown a progressive increase in attendance and bidding through 2017 and 2018.
- In real terms, pricing for Renard diamonds has increased **+27%** between the first sale in November 2016 and June 2018[1]. During the same period, the general rough diamond market has gained a net **+2%**, as evidenced by the roughprices.com price index.
- Renard price gains are principally due to:
  - Positive market experience with the Renard production
  - Improving quality and size distribution mix
- The rough diamond market saw price gains during the first half of 2018, with the market slowing during the traditional summer break. Currently, weakness is being reported in smaller and lower quality goods.

SWY Real Price Index vs WWW's Rough Price Index, Real Terms[1]



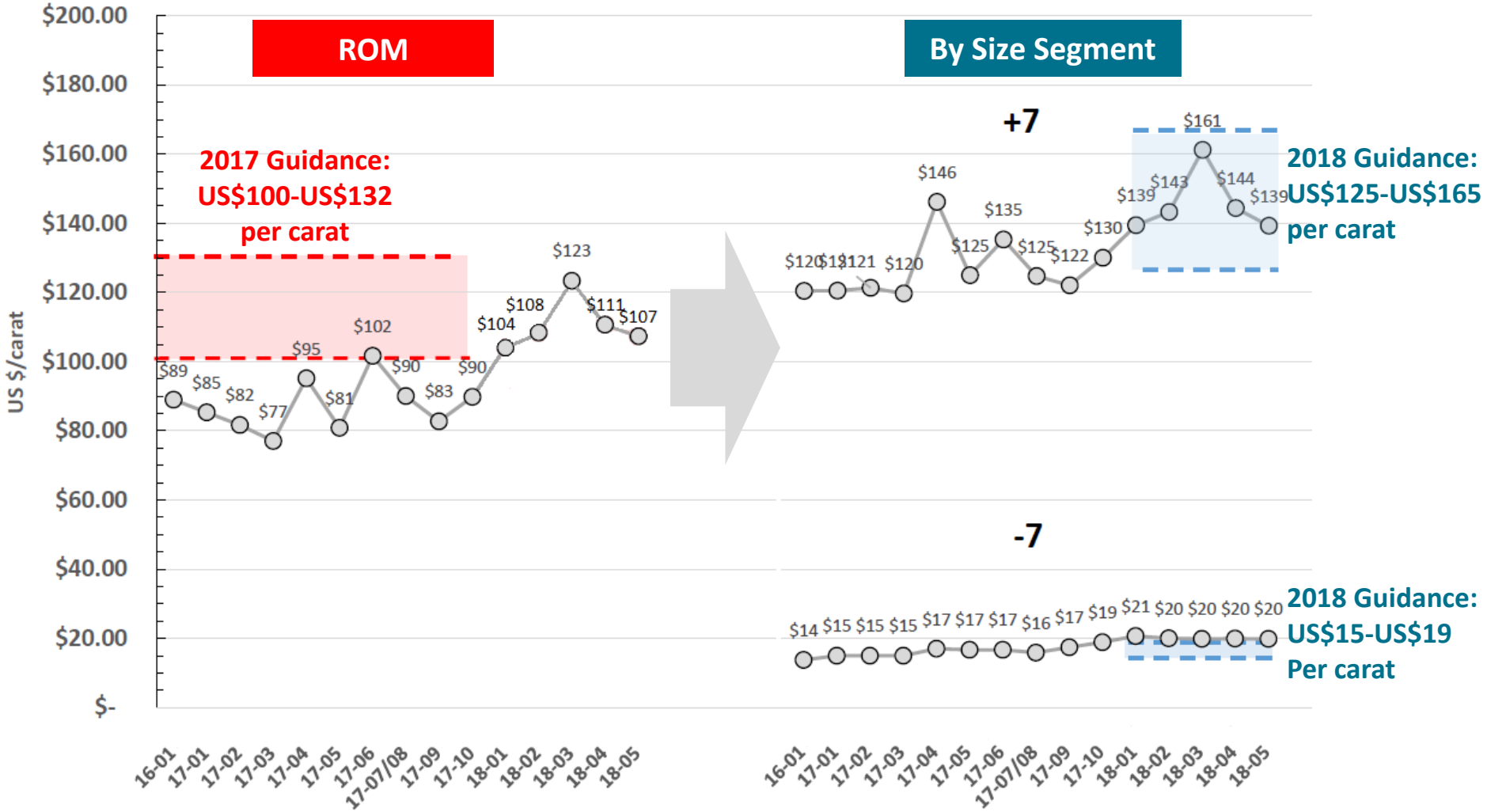
Bidding Statistics

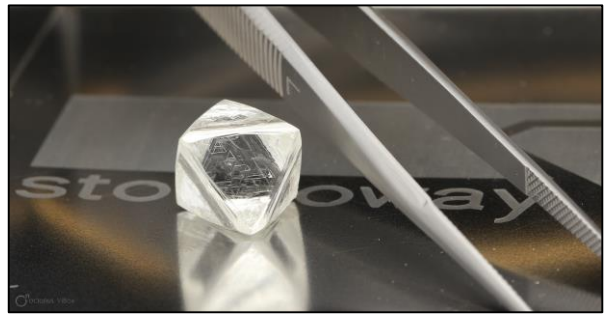


1. *Sale by sale basis, normalized for variations in quality and size distribution*
2. *Before stream and royalty*
3. *Roughprices.com*

Pricing Trends

Prices Achieved at Sale[1,2,3]





1. *ROM pricing for sales 18-01 to 18-05 does not include withheld -7 incidentals*
2. *Before stream and royalty*
3. *Sale by sale basis, normalized for variations in quality and size distribution*

2018 Operational Update and Outlook

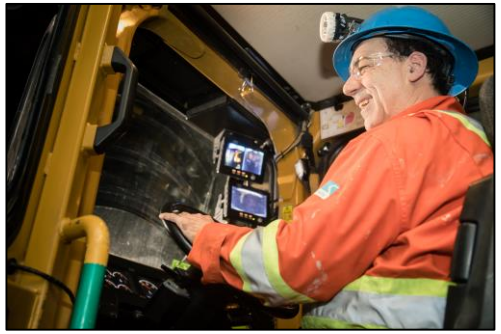
FY2018 Guidance.

Revised May 15, 2018
All quoted figures in CAD$ unless noted

MINING AND PROCESSING	
Open Pit Tonnes Mined	2.7 million
Underground Tonnes Mined	2.2 million
Tonnes Processed	2.5 million
Carats Recovered	1.35 to 1.40 million
Grade *(cpht)*	54 to 56
Cash Operating Cost per Tonne Processed[1,2] *($/t)*	$48-50
Cash Operating Cost per Carat Recovered[1,2] *($/ct)*	$88-90

SELLING AND MARKETING	
Carats Sold	1.20 to 1.25 million
Average Diamond Pricing, +7 DTC *(US$/ct)*	US$ 125-165
Average Diamond Pricing, -7 DTC *(US$/ct)*	US$ 15-19

CAPITAL	
Capital Expenditures[1,2]	$100 million


1. *See note on "Non-IFRS Financial Measures"*
2. *See note on "Change in Accounting Policy"*

Balance Sheet and Project Finance Sponsors

- $946 million raised in July 2014 for project construction and ramp-up. Mixture of equity, debt and stream
- As of June 30, 2018:
  - Cash, cash equivalents and short term investments of $31.6m
  - Total Debt of $310.8m: $116.8m senior debt, $79.7m convertible debenture, C$50.4m road loan, C$39.6m CAT equipment finance. C$24.3m other debt
  - Available liquidity[1] of $46.5 million.
- Stornoway is currently engaged with lenders and key stakeholders to amend the terms of certain financial agreements to provide greater financial flexibility in our operations, and provide sufficient working capital to the business as we work towards attaining free cash flow.

State-Backed Investor and Lender

- With related parties, owns 25% of Stornoway equity
- Senior Lender

Canada's Largest Pension Plan

- Significant shareholder
- Holds 4.0% Renard stream

Quebec's Labour Investment Fund

- Significant Shareholder
- Unsecured Lender

Cree Nation of Mistissini

First Nations Partner and Impacted Community

- Signatories of the 2012 Mecheshoo Agreement
- Beneficiaries of employment, purchasing and contracting

Government of Québec

- Lender and infrastructure development partner

Leading Québec-Based Mining Group

- Holds 9.6% Renard stream

Leading Mining Private Equity Fund

- Owns ~16% of Stornoway equity
- Significant owner of convertible debentures

Grand Council of the Crees (EI)/CRA

First Nations Partner and Regional Authority

- Signatories of the 2012 Mecheshoo Agreement
- Long term financial beneficiary

1. *See Note on "Non-IFRS Financial Measures"; includes cash, cash equivalents and available credit facilities*

Upcoming Additional Optimizations to the Mine Plan

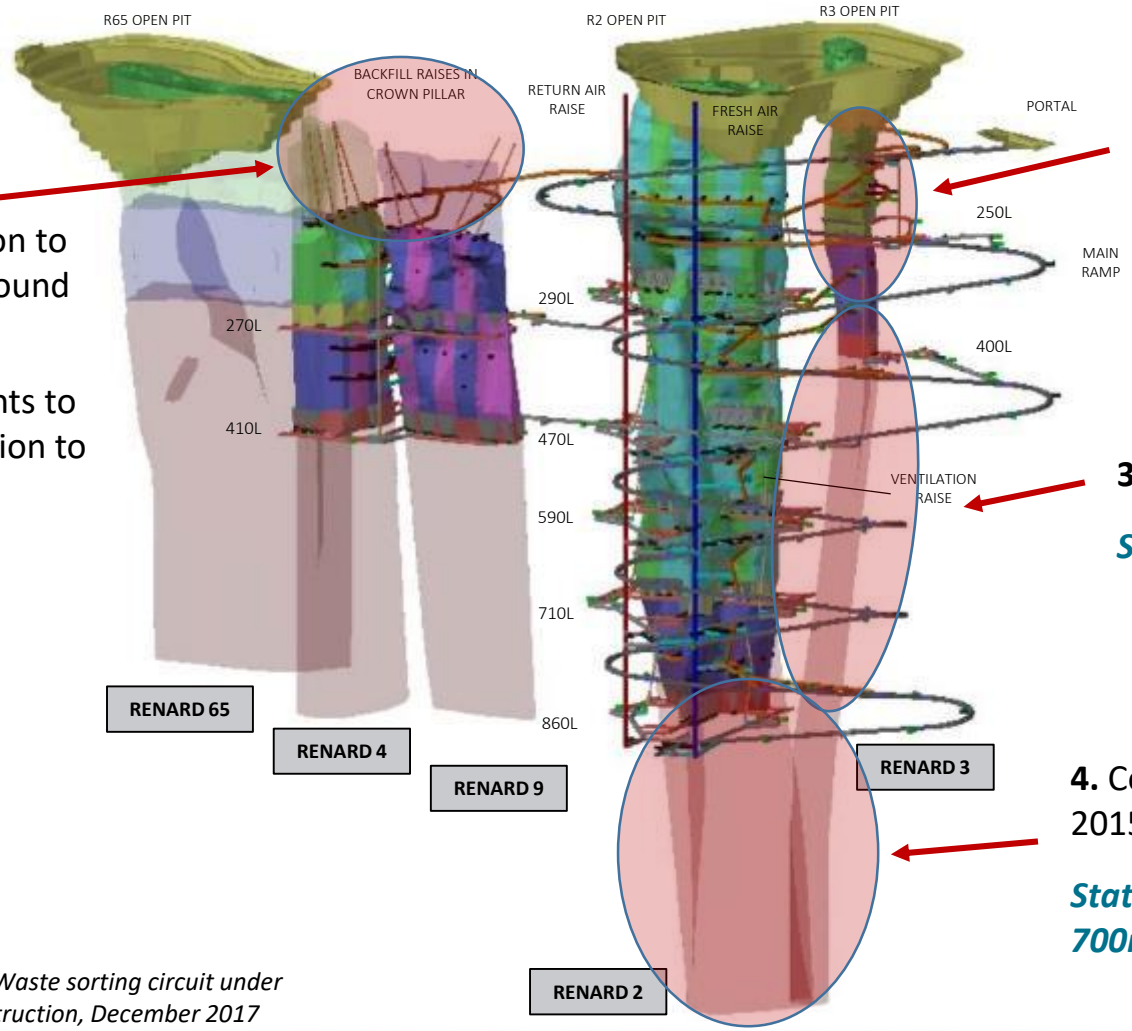
Opportunity to accelerate high-grade ore and expand processing capabilities

2. Potential open pit at Renard 4-9

In support of potential processing expansion to 8,000 based on blended 6,000tpd underground and 2,000tpd open pit

Will require incremental capital, adjustments to MPKC capital plan, and potential modification to closure plan and project permitting

Status: Initial Planning and Consultation



1. Acceleration of high grade R3 Underground Resources above 280m level

Status: 2018 definition drilling for potential inclusion in 2019 mining schedule

3. Resource expansion in R3 below 280m level

Status: Future potential

4. Convergence of R2-R3 at depth indicated by 2015 drilling. Open at depth.

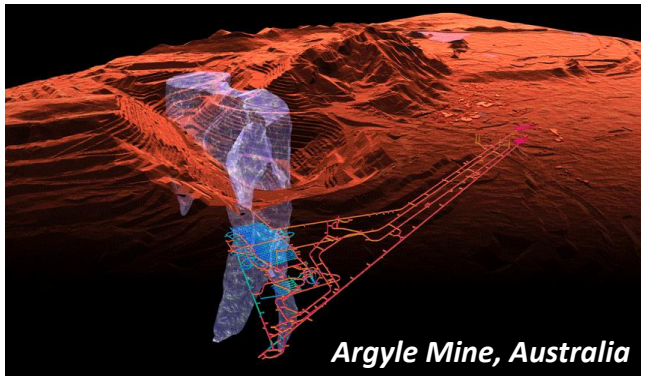
Status: Future potential. Development below 700m will require shaft access.

Ore-Waste sorting circuit under construction, December 2017

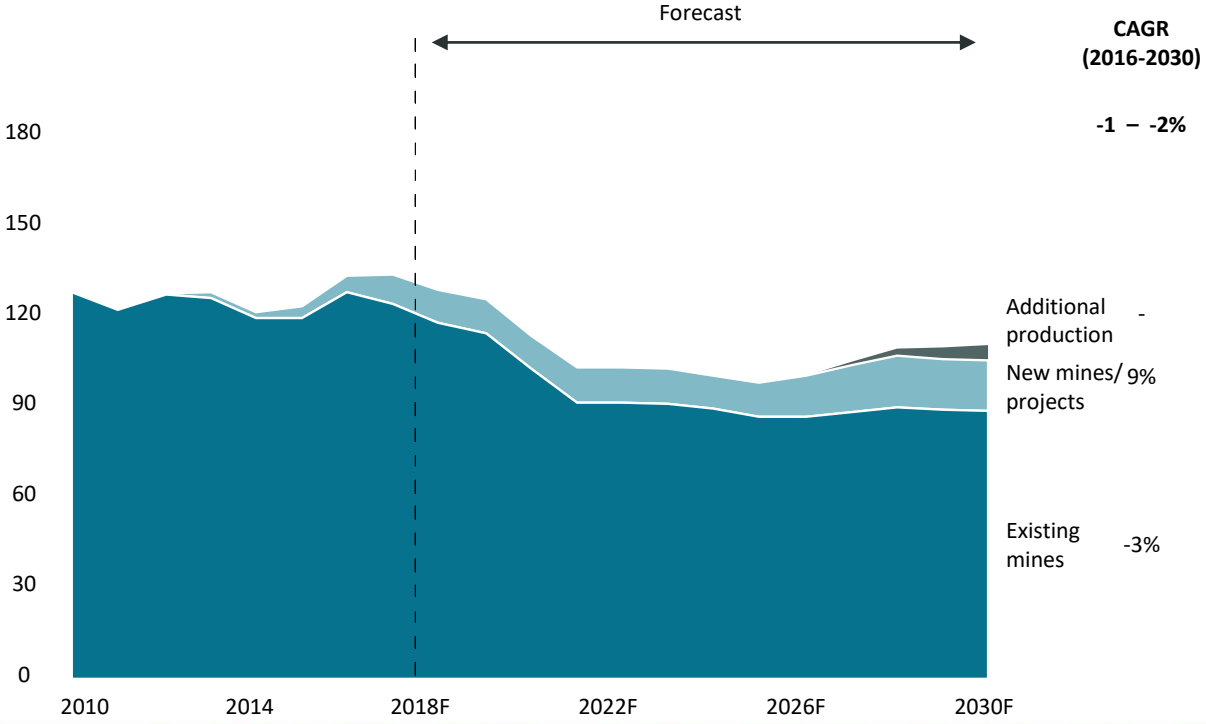
Diamond Supply Outlook[1]

Decrease in mine supply from 2018

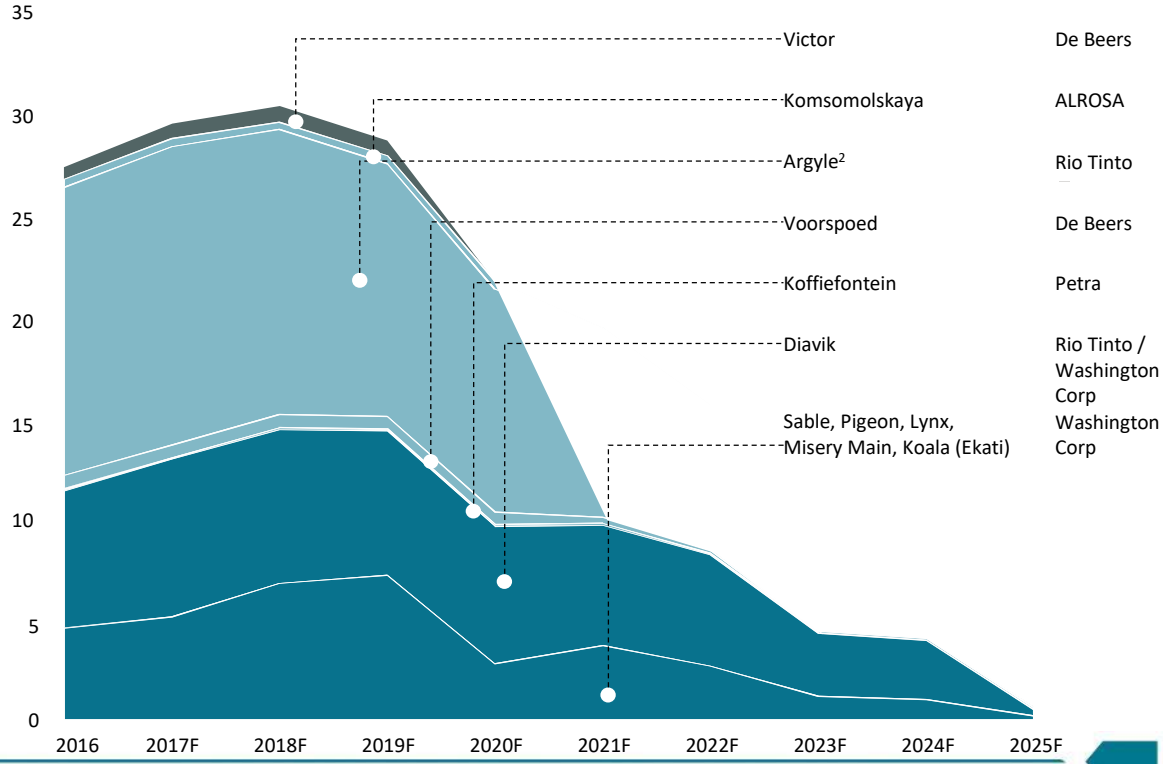
- The supply outlook, driven by the depletion of existing mines and handicapped to "likely production", shows a downward trending CAGR of -1% to -2% to 2030



Rough-Diamond Supply, Mcts, Base Scenario



Rough-Diamond Depletion Curve, Mcts



Source: Bain & Company "The Global Diamond Industry 2017: The Enduring Story in a Changing World"

1. *Additional resources include tailings retreatment, which could be viable in older mines as run-of-mine is depleted, early-stage projects and projects currently marginal, which may become viable as rough prices increases*
2. *Argyle production profile based on SWY management estimates*

Stornoway Diamond Corporation TSX:SWY, TSX:SWY.DB.U

Head Office:

1111 Rue St. Charles Ouest,

Longueuil, Québec J4K 4G4

Tel: +1 (450) 616-5555

IR Contact:

Orin Baranowsky, Chief Financial Officer

obaranowsky@stornowaydiamonds.com

Tel: +1 (416) 304-1026 x2103

www.stornowaydiamonds.com

Info@stornowaydiamonds.com