

MONTREAL, QUEBEC--(Marketwired - Mar 31, 2015) - [Stornoway Diamond Corp.](#) (TSX:SWY) (the "Corporation" or "Stornoway") is pleased to announce that it has successfully completed the drawdown of the first US\$80m tranche of diamond stream funding from Orion Mine Finance ("Orion") and the Caisse de dépôt et placement du Québec ("CDPQ"). Under Stornoway's C\$946 million(1) project financing transaction, which closed on July 8th, 2014, a total of US\$250 million in upfront stream payments were committed by Orion and the CDPQ to fund in three tranches, scheduled for March 2015, September 2015 and March 2016. Drawdown of each tranche is conditional upon the satisfaction of certain terms and conditions, including the independent certification of construction progress at the Renard Diamond Project and its cost to complete being within plan. With these conditions having been met, the first stream tranche has been funded on schedule.

As of January 31st, 2015, Stornoway's cash, cash equivalents and short-term investments stood at C\$322 million(2). Stornoway's current cash resources are sufficient to cover all planned mine development expenses, financing and corporate costs into calendar 2016. Following funding of the second and third tranches of stream payments, Stornoway expects to draw on a C\$100 million senior secured loan in late 2016 to complete mine development at Renard, which has a capital budget (including contingencies and escalation allowances) of C\$811 million. Given the recent devaluation of the Canadian dollar, Stornoway will realize a significant foreign exchange gain on the US\$ denominated stream payments over and above the C\$ denominated July 2014 funding plan, should the US\$ continue to trade above C\$1.10 for the next 12 months. This is expected to provide additional financing flexibility to the Corporation. Construction progress at Renard continues on budget and schedule.

About the Renard Diamond Project

The Renard Diamond Project is located approximately 250 km north of the Cree community of Mistissini and 350 km north of Chibougamau in the James Bay region of north-central Québec. On July 8th 2014 Stornoway announced the completion of a C\$946 million¹ project financing transaction to fully fund the project to production, and construction commenced on July 10th, 2014. First ore is scheduled to be delivered to the plant in the second half of 2016 with commercial production scheduled for the 2nd quarter of 2017.

In January 2013, Stornoway released the results of an Optimized Feasibility Study at Renard which highlighted the potential of the project to become a significant producer of high value rough diamonds over a long mine life. Probable Mineral Reserves, as defined in National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101"), stand at 17.9 million carats. Total Indicated Mineral Resources, inclusive of the Mineral Reserve, stand at 27.1 million carats, with a further 16.85 million carats classified as Inferred Mineral Resources, and 25.7 to 47.8 million carats classified as non-resource exploration upside. Average annual diamond production is forecast at 1.6mcarats/year over the first 11 years of mining, at an average valuation of US\$190/carats based on a March 2014 assessment by WWWW International Diamond Consultants Ltd.

Readers are cautioned that the potential quality and grade of any target for further exploration is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the target being delineated as a Mineral Resource. All kimberlites remain open at depth. Readers are referred to the technical report dated February 28th, 2013 in respect of the January 2013 Optimization Study (the "Optimization Study"), and the press release dated July 23, 2013 in respect of the July 2013 Mineral Resource estimate, for further details and assumptions relating to the project. Disclosure of a scientific or technical nature in this press release was prepared under the supervision of Patrick Godin, P.Eng. (Québec), Chief Operating Officer and Robin Hopkins, P.Geol. (NT/NU), Vice President, Exploration, both "qualified persons" under NI 43-101.

About Stornoway Diamond Corporation

Stornoway is a leading Canadian diamond exploration and development company listed on the Toronto Stock Exchange under the symbol SWY and headquartered in Montreal. Our flagship asset is the 100% owned Renard Diamond Project, on track to becoming Québec's first diamond mine. Stornoway is a growth oriented company with a world class asset, in one of the world's best mining jurisdictions, in one of the world's great mining businesses.

On behalf of the Board

STORNOWAY DIAMOND CORPORATION

/s/ "Matt Manson"

Matt Manson

President and Chief Executive

This press release 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 press release and the

Corporation does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by law.

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 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, average ore recovery, internal dilution, mining dilution and other mining parameters set out in the Optimization Study; (v) assumptions relating to gross revenues, operating cash flow and other revenue metrics set out in the Optimization Study; (vi) mine expansion potential and expected mine life; (vii) expected time frames for completion of permitting and regulatory approvals; (viii) expected time frames for completion of construction, start of mining and commercial production; (ix) future exploration plans; (x) future market prices for rough diamonds; (xi) the economic benefits of using liquefied natural gas rather than diesel for power generation; (xii) sources of and anticipated financing requirements; (xiii) the completion, effectiveness or availability, as the case may require, of the various elements of the financing transactions which closed on July 8th, 2014 (the "Financing Transactions") and the use of proceeds therefrom; and (xiv) the impact of the Financing Transactions on the Corporation's operations, infrastructure, opportunities, financial condition, access to capital and overall strategy. 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 price of diamonds, anticipated costs and Stornoway's ability to achieve its goals, anticipated financial performance, regulatory developments, development plans, exploration, development and mining activities and commitments and the impact of changes in commodity prices and foreign exchange rates on Stornoway's results of operations. 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 in making forward-looking statements include, but are not limited to: (i) required capital investment and estimated workforce requirements; (ii) estimates of net present value and internal rates of return; (iii) receipt of regulatory approvals on acceptable terms within commonly experienced time frames; (iv) anticipated timelines for completion of construction and the commencement of mine production; (v) market prices for rough diamonds and the potential impact on the Renard Diamond Project; (vi) Stornoway's ability to comply with its obligations under the various agreements forming part of the Financing Transactions and to draw on the funding available under those financing elements; (vii) Stornoway's interpretation of the geological drill data collected and its potential impact on stated Mineral Resources and mine life, and (viii) future exploration plans and objectives. Additional risks are described in Stornoway's most recently filed Annual Information Form, annual and interim MD&A, and other disclosure documents available under the Corporation's profile at: www.sedar.com.

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, 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) the uncertainty as to whether further exploration of exploration targets will result in the targets being delineated as mineral resources; (iv) developments in world diamond markets; (v) slower increases in diamond valuations than assumed; (vi) risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar; (vii) increases in the costs of proposed capital and operating expenditures; (viii) increases in financing costs or adverse changes to the terms of available financing if any; (ix) tax rates or royalties being greater than assumed; (x) uncertainty of results of exploration in areas of potential expansion of resources;

(xi) changes in development or mining plans due to changes in other factors or exploration results; (xii) changes in project parameters as plans continue to be refined; (xiii) risks relating to the receipt of regulatory approvals or the implementation of the existing Impact and Benefits Agreement with aboriginal communities; (xiv) the effects of competition in the markets in which Stornoway operates; (xv) operational and infrastructure risks; (xvi) timeframe and potential benefits relating to the issuance of an updated Mineral Resource Estimate in 2015; (xvii) the risk relating to Stornoway's ability to comply with its obligations under the various agreements forming part of the Financing Transactions and to draw on the funding available under those financing elements; (xviii) future sales or issuances of common shares lowering the common share price and diluting the interest of existing shareholders; (xix) Stornoway being unable to meet its diamond delivery obligations under the purchase and sale agreement entered into on July 8th, 2014 as part of the Financing Transactions, and (xx) 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.

(1) For illustrative purposes. Assumes a C\$: US\$ conversion rate of \$1.10. Actual proceeds of each financing tranche are measured at the C\$: US\$ exchange rate in effect the date the funds are received.

(2) Assuming a C\$: US\$ conversion rate of \$1.2717.

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