

LONGUEUIL, Québec, Nov. 23, 2016 (GLOBE NEWSWIRE) -- [Stornoway Diamond Corp.](#) (TSX:SWY) (the "Corporation" or "Stornoway") is pleased to announce the completion of the first sale of Renard diamonds held between the 14th and 23rd of November in Antwerp Belgium.

In total, 38,913 carats were sold at an average price of US\$195 per carat, for proceeds of US\$7.6 million (C\$10.2 million¹).

¹ Assuming C\$: US\$ conversion rate of \$1.34

Matt Manson, President and CEO of Stornoway, commented "The diamonds sold in this first sale represent a portion of our production recovered during the initial commissioning and ramp-up of the Renard project during August and September. We saw strong interest in our product assortment, with 153 diamantaires attending the tender. Pricing met or was close to our expectations on most items. Recent events in India surrounding demonetization has impacted pricing and demand for certain smaller and lower quality items and, as a result, a quantity of these were withdrawn from the sale. These will be sold at a later date. Because of this, and because of a higher than expected proportion of small diamonds recovered during the ramp-up period, the result of this first sale cannot be taken as representative of the longer term pricing profile of the project. This was the first introduction of Québec diamonds to the market and a price discovery exercise. We look forward to growing our sales profile over the next few months. The project's production ramp-up continues to exceed our expectations, and three tender sales have been scheduled for the first quarter of 2017."

Production Update

As of November 15th, 2016 244,623 tonnes of ore had been processed for an attributable carat production of 261,353 carats, representing an average grade of 107 carats per hundred tonnes (cpht). Stornoway's guidance for FY2016, based on the March 2016 mine plan, is 220,000 carats produced, at an average grade of 97 cpht. The higher grade achieved is attributable to a better than expected mix of ore available within the open pit for processing. The focus of the ramp-up remains the management and de-watering of processed kimberlite. Ore processing rates in October achieved an average daily rate of 3,114 tonnes per day, with a peak of 4,711 tonnes per day. This increased to an average rate of 3,804 tonnes per day and a peak of 6,357 tonnes per day in the first half of November. Commercial production at Renard is defined as 60% of plant capacity, or 3,600 tonnes per day, over a 30 day period. This is expected to be achieved, on schedule, on or around December 31, 2016.

About the Renard Diamond Mine

The Renard Diamond Mine 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 8, 2014, Stornoway announced the completion of a \$946 million project financing transaction to fully fund the project to production, and construction commenced on July 10, 2014. Processing of ore commenced on July 15, 2016.

In March 2016, Stornoway released the results of an Updated Mine Plan and Mineral Reserve Estimate in March 2016. The study highlighted the potential of the project to become a significant producer of high value rough diamonds over an initial 14 year mine life. Probable Mineral Reserves, as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"), stand at 22.3 million carats. In accordance with the Corporation's September 2015 Mineral Resource estimate, total Indicated Mineral Resources, inclusive of the Mineral Reserve, stand at 30.2 million carats, with a further 13.35 million carats classified as Inferred Mineral Resources, and 33.0 to 71.1 million carats classified as non-resource exploration upside. Average annual diamond production is forecast at 1.8 million carats per annum over the first 10 years of mining, at an average valuation of US\$155/carat based on March 2016 terms.

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 January 11, 2016, in respect of the September 2015 Mineral Resource estimate, and the technical report dated March 30, 2016, in respect of the March 2016 Updated Mine Plan and Mineral Reserve Estimate for further details and assumptions relating to the project.

About Stornoway Diamond Corporation

Stornoway is a leading Canadian diamond exploration and development company listed on the Toronto Stock Exchange under the symbol SWY and headquartered in Montreal. Our flagship asset is the 100% owned Renard Diamond Project, 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 Corp.](#)

/s/ "Matt Manson"

Matt Manson

For more information, please contact Matt Manson (President and CEO) at 416-304-1026 x2101 or Orin Baranowsky (Vice President, Investor Relations and Corporate Development) at 416-304-1026 x2103 or toll free at 1-877-331-2232

Pour plus d'information, veuillez contacter M. Ghislain Poirier, Vice-président Affaires publiques de Stornoway au 418-254-6550, gpoirier@stornowaydiamonds.com

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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.

These forward-looking statements include, among others, statements with respect to Stornoway's objectives for the ensuing year, Stornoway's medium and long-term goals, and strategies to achieve those objectives and goals, as well as statements with respect to Stornoway's 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; (v) assumptions relating to gross revenues, operating cash flow and other revenue metrics set out in the 2016 Technical Report; (vi) mine expansion potential and expected mine life; (vii) expected time frames for completion of permitting and regulatory approvals related to construction activities at the Renard Diamond Project; (viii) the expected time frames for the completion of the open pit and underground mine at the Renard Diamond Project; (ix) the expected time frames for the completion of construction, ramp-up, achievement of commercial production and achievement of plant nameplate capacity at the Renard Diamond Project and the financial obligations or costs incurred by Stornoway in connection with such mine development; (x) future exploration plans; (xi) future market prices for rough diamonds; (xii) the economic benefits of using liquefied natural gas rather than diesel for power generation; (xiii) sources of and anticipated financing requirements; (xiv) the effectiveness, funding or availability, as the case may require, of the Senior Secured Loan, the COF and the Equipment Facility and the use of proceeds therefrom; (xv) the Corporation's ability to meet its Subject Diamonds Interest delivery obligations under the Purchase and Sale Agreement; (xvi) the impact of the Financing Transactions on the Corporation's operations, infrastructure, opportunities, financial condition, access to capital and overall strategy; (xvii) the foreign exchange rate between the US dollar and the Canadian dollar; and (xviii) the availability of excess funding for the construction and operation of the Renard Diamond Project. 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", "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 foreign exchange rate between the US and Canadian dollars. Although management considers its assumptions on such matters to be reasonable based on information currently available to it, they may prove to be incorrect. Certain important assumptions by Stornoway or its consultants in making forward-looking statements include, but are not limited to: (i) required capital investment and estimated workforce requirements; (ii) estimates of net present value and internal rates of return; (iii) receipt of regulatory approvals on acceptable terms within commonly experienced time frames; (iv) anticipated timelines for completion of construction, ramp-up, achievement of commercial production and achievement of plant nameplate capacity at the Renard Diamond Project, as well as continuous development of an open pit and underground mine at the Renard Diamond Project (v) anticipated geological formations; (vi) market prices for rough diamonds and the potential impact on the Renard Diamond Project; (vii) the satisfaction or waiver of all conditions under each of the Senior Secured Loan, the COF and the Equipment Facility to allow the Corporation to draw on the funding available under those financing elements for the completion of the development and construction of the Renard Diamond Project; (viii) Stornoway's interpretation of the geological drill data collected and its potential impact on stated Mineral Resources and mine life; (ix) future exploration plans and objectives; (x) the Corporation's ability to meet its Subject Diamonds Interest delivery obligations under the

Purchase and Sale Agreement; and (xi) the continued strength of the US dollar against the Canadian dollar. 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, 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 breakage; (iii) the uncertainty as to whether further exploration of exploration targets will result in the targets being delineated as Mineral Resources; (iv) developments in world diamond markets; (v) slower increases in diamond valuations than assumed; (vi) risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar; (vii) increases in the costs of proposed capital, operating and sustaining capital expenditures; (viii) increases in financing costs or adverse changes to the terms of available financing, if any; (ix) tax rates or royalties being greater than assumed; (x) uncertainty of results of exploration in areas of potential expansion of resources; (xi) changes in development or mining plans due to changes in other factors or exploration results; (xii) risks relating to the receipt of regulatory approvals or the implementation of the existing Impact and Benefits Agreement with aboriginal communities; (xiii) the effects of competition in the markets in which Stornoway operates; (xiv) operational and infrastructure risks; (xv) execution risk relating to the development of an operating mine at the Renard Diamond Project; (xvi) failure to satisfy the conditions to the funding or availability, as the case may require, of the Senior Secured Loan, the COF and the Equipment Facility; (xvii) changes in the terms of the Forward Sale of Diamonds, the Senior Secured Loan, the COF or the Equipment Facility; (xviii) the funds of the Senior Secured Loan, the COF or the Equipment Facility not being available to the Corporation; (xix) the Corporation being unable to meet its Subject Diamonds Interest delivery obligations under the Purchase and Sale Agreement; (xx) future sales or issuances of Common Shares lowering the Common Share price and diluting the interest of existing shareholders; and (xxi) the additional risk factors described herein and in Stornoway's annual and interim MD&A's, most recently filed AIF, its other disclosure documents and Stornoway's anticipation of and success in managing the foregoing risks. Stornoway cautions that the foregoing list of factors that may affect future results is not exhaustive and new, unforeseeable risks may arise from time to time.