May 12, 2014

Stornoway Diamond Corporation
1111 St-Charles West
Suite 400
West Tower
Longueuil, Québec J4K 5G4

Attention: Mr. Matthew Manson
President and Chief Executive Officer

Re: Issuance of Subscription Receipts

Dear Sirs/Mesdames:

Scotia Capital Inc. ("**SCI**"), Dundee Securities Ltd. ("**DSL**"), RBC Dominion Securities Inc. ("**RBCDS**" and, together with SCI and DSL, the "**Co-Lead Underwriters**"), Desjardins Securities Inc., National Bank Financial Inc., Laurentian Bank Securities Inc. and Paradigm Capital Inc. (each individually, an "**Underwriter**" and collectively, the "**Underwriters**") understand that Stornoway Diamond Corporation (the "**Corporation**") desires to sell pursuant to this Agreement 188,600,000 subscription receipts of the Corporation (the "**Subscription Receipts**"), which subscription receipts will have the material attributes described in the Prospectus (as hereinafter defined), and is prepared:

(a) to authorize and issue the Subscription Receipts and, if applicable, the Over-Allotment Subscription Receipts (as hereinafter defined and, collectively with the Subscription Receipts, the "**Offered Subscription Receipts**");

(b) to prepare and file, without delay, a (final) short form prospectus and all necessary related documents to qualify the Offered Subscription Receipts for Distribution (as hereinafter defined) in each of the provinces of Canada (the "**Qualifying Jurisdictions**"); and

(c) to prepare a U.S. Placement Memorandum (as hereinafter defined) for sales of the Offered Subscription Receipts into the United States (as hereinafter defined) to Qualified Institutional Buyers (as hereinafter defined).

Upon and subject to the terms and conditions contained herein, the Underwriters hereby severally, and not jointly and severally, offer to purchase from the Corporation, and by its acceptance hereof the Corporation agrees to sell to the Underwriters, at the Closing Time (as hereinafter defined), all, but not less than all, of the Subscription Receipts for a purchase price of $0.70 per Subscription Receipt (the "**Subscription Price**"), for an aggregate purchase price of $132,020,000 (the "**Purchase Price**"). The Underwriters intend to offer the Subscription Receipts to investors initially at the Subscription Price. After a reasonable effort has been made to sell all of the Subscription Receipts at the Subscription Price, the Underwriters may subsequently reduce the selling price to investors from time to time. Any such reduction in the selling price below the Subscription Price shall not affect the Purchase Price.

Subject to receiving the required regulatory approvals, the Corporation hereby grants to the Underwriters an over-allotment option (the "**Over-Allotment Option**") for the purpose of satisfying over-allocations, if any, and for market stabilization purposes by the Underwriters. The Over-

Allotment Option shall entitle the Underwriters to purchase up to an additional 28,290,000 subscription receipts of the Corporation having the same terms and attributes as the Subscription Receipts (the "**Over-Allotment Subscription Receipts**") at a price per Over-Allotment Subscription Receipt equal to the Subscription Price. The Over-Allotment Option shall be exercisable, in whole or from time to time in part, until 5:00 p.m. (Eastern time) on the 30th day following the Closing Date (as defined below) by delivery of written notice of the Co-Lead Underwriters, on behalf of the Underwriters, to the Corporation specifying the number of Over-Allotment Subscription Receipts in respect of which the Over-Allotment Option is being exercised (an "**Over-Allotment Exercise Notice**").

The parties acknowledge and agree that the Offered Subscription Receipts have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States (as hereinafter defined). Accordingly, the Corporation and each of the Underwriters agree that all offers or sales in the United States shall be conducted only in the manner specified in Schedule "A" hereof, which forms part of and is incorporated into this Agreement.

In consideration of the Underwriters' agreement to purchase the Subscription Receipts, and in consideration of the underwriting services to be rendered by the Underwriters or their respective U.S. Affiliates in connection therewith, the Corporation agrees to pay to SCI, on behalf of the Underwriters, an aggregate fee (the "**Underwriters' Fee**") equal to 5.00% of the aggregate gross proceeds from the Offering, payable as to 50% at the Closing Time and as to 50% upon the satisfaction or waiver of the Escrow Release Conditions (as hereinafter defined). If the Over-Allotment Option is exercised, the Corporation agrees to pay to SCI, on behalf of the Underwriters, an aggregate fee (the "**Over-Allotment Underwriters' Fee**") equal to 5.00% of the aggregate gross proceeds received from the sale of such Over-Allotment Subscription Receipts, payable as to 50% upon the issuance of the applicable Over-Allotment Subscription Receipts and as to 50% upon the satisfaction or waiver of the Escrow Release Conditions. For greater certainty, if the Escrow Release Conditions are not satisfied or waived before the occurrence of a Termination Event, the Underwriters shall only be entitled to receive the Initial Underwriters' Fee (as hereinafter defined) and the Initial Over-Allotment Underwriters' Fee (as hereinafter defined). The Underwriters' Fee and the Over-Allotment Underwriters' Fee shall be exclusive of any applicable sales or transfer taxes.

1. Defined Terms. Whenever used in this Agreement:

"**affiliate**" has the meaning given to such term in National Instrument 45-106 – *Prospectus and Registration Exemptions*;

"**associate**" has the meaning given to such term in the *Securities Act* (Ontario);

"**Agreement**" means the agreement resulting from the Corporation's acceptance of the offer contained herein, including the schedules attached hereto, as amended or supplemented from time to time;

"**AMCI**" means Ashton Mining of Canada Inc.;

"**Business Day**" means a day that is not a Saturday, a Sunday or a day on which banks in Toronto or Montreal are not open for the transaction of business;

"**CBCA**" means the *Canada Business Corporations Act*;

"**CDPQ**" means Caisse de dépôt et placement du Québec;

"**Claims**" has the meaning ascribed thereto in paragraph 14;

"**Closing Date**" has the meaning ascribed thereto in paragraph 11;

"**Closing Time**" means 8:00 a.m. (Eastern time) on the Closing Date or such other time as may be agreed to in writing between the Corporation and the Underwriters;

"**COF**" means an unsecured cost overrun facility in an amount of $28 million to be provided by CDPQ to the Corporation;

"**Co-Lead Underwriters**" has the meaning ascribed thereto above;

"**Common Share**" means a common share in the capital of the Corporation;

"**Concurrent Private Placements**" means the purchase by Orion, RQ and CDPQ, on a private placement basis at the Subscription Price, of subscription receipts of the Corporation with substantially the same terms as the Subscription Receipts (with the exception that, unlike the Subscription Receipts, no one-half warrant will be issuable pursuant to their terms), for aggregate proceeds of US$110,000,000, $100,000,000 and $22,000,000, respectively;

"**Convertible Loan**" means a US$79,000,000 convertible unsecured loan to be provided to the Corporation by Orion and other mutually acceptable purchasers, subject to increase up to US$90,000,000;

"**Corporate Disclosure Record**" means all documents filed by the Corporation pursuant to the requirements of Securities Laws since May 1, 2012, and includes, but is not limited to, all material change reports and financial statements of the Corporation

"**Corporation**" has the meaning ascribed thereto above;

"**Debt Financing Facilities**" means, collectively, the Senior Secured Loan, the Convertible Loan and the COF;

"**Deemed Amount**" means an amount equal to the interest and other income that would have otherwise been earned on the Initial Underwriters' Fee and, if applicable, the Initial Over-Allotment Underwriters' Fee paid to the Underwriters if such amounts had been held in escrow as part of the Escrowed Funds and not paid to the Underwriters;

"**Defaulted Subscription Receipts**" has the meaning ascribed thereto in paragraph 19;

"**Definitive Agreements**" means all definitive documentation for the Financing Transactions (other than the Equipment Facility);

"**Diaquem**" means Diaquem Inc.;

"**Distribution**" means "distribution" or "distribution to the public" as those terms are defined in Securities Laws;

"**DSL**" has the meaning ascribed thereto above;

"**Earned Interest**" means an amount equal to the interest and other income actually earned on the investment of the Escrowed Funds from, and including, the Closing Date to, but excluding, the Termination Date;

"**Equipment Facility**" means equipment financing by an equipment financier in a net amount of US$35 million;

"**Equity Investment**" means, collectively, the Offering (including the Over-Allotment Option, if exercised) and the Concurrent Private Placements;

"**Escrow Agent**" means Computershare Trust Company of Canada, as escrow agent pursuant to the Subscription Receipt Agreement;

"**Escrowed Funds**" means the product of the Subscription Price and the number of Offered Subscription Receipts issued pursuant to the Prospectus or any Prospectus Amendment (including pursuant to any exercise of the Over-Allotment Option prior to the satisfaction or waiver of the Escrow Release Conditions), less the Initial Underwriters' Fee and, if applicable, the Initial Over-Allotment Underwriters' Fee;

"**Escrow Release Conditions**" means, collectively, (i) the Corporation having entered into Definitive Agreements acceptable to the Co-Lead Underwriters, acting reasonably (on behalf of the Underwriters) in respect of the Stream, the Senior Secured Loan, the Convertible Loan and the COF and such Definitive Agreements remaining in force and there having not been any material amendment thereto that has not been approved by the Co-Lead Underwriters, acting reasonably (on behalf of the Underwriters), (ii) the receipt of all required regulatory and other approvals, including Shareholder Approval and TSX approval, (iii) approval of the Existing Lenders to the terms of the Stream, (iv) the absence of any Pre-Closing Material Adverse Change, (v) the QP Condition Precedent, and (vi) confirmation from RQ that, subject to the issuance of a certificate of amendment to the articles of continuance of the Corporation, the RQ Conditions Precedent have been satisfied or waived;

"**Excluded Properties**" means any ore bodies or properties which form part of the Renard Diamond Project other than the Properties;

"**Existing Lenders**" means, collectively, Fonds de solidarité FTQ, the Fonds régional de solidarité FTQ Nord-du-Québec, S.E.C. and Diaquem;

"**Final Receipt**" has the meaning ascribed thereto in paragraph 3;

"**Financing Commitment Letter**" means, collectively, the financing commitment letter and the term sheets attached as schedules thereto (including the general terms and conditions term sheet) entered into on April 9, 2014 among the Corporation, SDCI, Orion, RQ and CDPQ;

"**Financing Transactions**" means, collectively, the series of financing transactions contemplated by the terms of the Financing Commitment Letter, which include the Equity Investment, the Stream, the Debt Financing Facilities and the Equipment Facility, and "**Financing Transaction**" means any one of the Financing Transactions;

"**Governmental Authority**" means and includes, without limitation, any national, federal provincial, territorial, state or municipal government or political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or

pertaining to government and any Corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing);

"**Indemnified Parties**" has the meaning ascribed thereto in paragraph 14;

"**Initial Over-Allotment Underwriters' Fee**" means the 50% of the Over-Allotment Underwriters' Fee that is payable upon the issuance of the applicable Over-Allotment Subscription Receipts;

"**Initial Underwriters' Fee**" means the 50% of the Underwriters' Fee that is payable at the Closing Time;

"**Investor Agreement**" means the Investor Agreement dated April 1, 2011 among the Corporation, Diaquem and IQ, as amended;

"**Investors**" means Orion, CDPQ, RQ and/or Diaquem, as the context may require and "**Investor**" means any one of the Investors;

"**IQ**" means Investissement Québec, the parent company of Diaquem;

"**material change**", "**material fact**" and "**misrepresentation**" shall have the respective meanings given to such terms in the *Securities Act* (Ontario), unless otherwise stated;

"**Material Contracts**" means (a) the agreements listed under the heading "Material Contracts" in the Corporation's annual information form dated July 25, 2013 for the fiscal year ended April 30, 2013, and (b) any other agreements that are otherwise material to the Corporation and its Subsidiaries;

"**Non-Voting Convertible Shares**" means the non-voting convertible shares in the capital of the Corporation;

"**Offered Subscription Receipts**" has the meaning ascribed thereto above;

"**Offering**" means the offering of the Offered Subscription Receipts as contemplated under this Agreement;

"**Offering Documents**" means, collectively, the Preliminary Prospectus, the Prospectus, any Prospectus Amendment, any Supplemental Material and the U.S. Placement Memorandum;

"**Orion**" means Orion Co-Investments I Limited;

"**Over-Allotment Closing Time**" has the meaning ascribed thereto in paragraph 13;

"**Over-Allotment Exercise Notice**" has the meaning ascribed thereto above;

"**Over-Allotment Option**" has the meaning ascribed thereto above;

"**Over-Allotment Subscription Receipts**" has the meaning ascribed thereto above;

"**Over-Allotment Underwriters' Fee**" has the meaning ascribed thereto above;

"**Passport System**" has the meaning ascribed thereto in paragraph 3;

"**Person**" means an individual, a firm, a corporation, a syndicate, a partnership, a trust, an association, an unincorporated organization, a joint venture, an investment club, a government or an agency or political subdivision thereof and every other form of legal or business entity of any nature or kind whatsoever;

"**Pre-Closing Material Adverse Change**" means any change, event or circumstance which is or would reasonably be expected to be material and adverse to the business, operations, results of operations, properties, assets (tangible or intangible), liabilities, obligations, prospects or condition (financial or otherwise) of the Corporation and SDCI, taken as a whole, or prevent, or materially delay or hinder the ability of the Corporation or SDCI to consummate on a timely basis the Financing Transactions or from performing their respective obligations thereunder in all material respects;

"**Preliminary Prospectus**" means the amended and restated preliminary short form prospectus dated May 7, 2014 of the Corporation filed on that day in each of the Qualifying Jurisdictions with respect to the proposed Distribution of the Offered Subscription Receipts (in both the English and French languages unless the context indicates otherwise), including any documents or information incorporated therein by reference;

"**Properties**" means the Renard 2, Renard 3, Renard 4, Renard 9, and Renard 65 kimberlites at the Renard Diamond Project;

"**Prospectus**" means the (final) short form prospectus of the Corporation which will qualify the Distribution of the Offered Subscription Receipts in each of the Qualifying Jurisdictions (in both the English and French languages unless the context indicates otherwise), including any documents or information to be incorporated therein by reference;

"**Prospectus Amendment**" means any amendment to the Preliminary Prospectus or the Prospectus that may be filed by or on behalf of the Corporation under Securities Laws;

"**Purchase Price**" has the meaning ascribed thereto above;

"**QP Condition Precedent**" means that a qualified person (as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*) shall have reviewed the report titled "Basis of Estimate-Control Estimate" prepared by SNC–Lavalin Inc. and AMEC Americas Ltd. in connection with their engineering, procurement and construction management work on the Renard Diamond Project, including an updated budget and timeline for completion, and certified for and on behalf of the Corporation, without personal liability, that the disclosure regarding the Renard Diamond Project in the Prospectus, including the budget and timeline for completion, remains complete and accurate in all material respects, which condition is to the benefit of, and may be waived by, the Co-Lead Underwriters in their sole discretion;

"**Qualified Institutional Buyer**" has the meaning ascribed thereto in paragraph 4;

"**Qualifying Jurisdictions**" has the meaning ascribed thereto above;

"**Renard Diamond Project**" means the Corporation's 100% owned Renard diamond project located in north-central Québec, which is held through its wholly-owned subsidiary SDCI;

"**RQ**" means Ressources Québec, as principal and as mandatary for the Government of Quebec;

"**RQ Conditions Precedent**" means, collectively, (i) the terms of the Investor Agreement having been amended in a manner satisfactory to RQ, acting reasonably, to eliminate the Standstill Obligation; and (ii) all 22,543,918 Non-Voting Convertible Shares held by Diaquem having been converted into the same number of Common Shares in accordance with the existing rights, privileges, restrictions and conditions attaching to the Non-Voting Convertible Shares and the articles of continuance of the Corporation having been amended in accordance with subsection 173(g) of the CBCA to cancel and repeal the Non-Voting Convertible Shares and the rights, privileges, restrictions and conditions attaching thereto;

"**Rule 144A**" has the meaning ascribed thereto in paragraph 4;

"**SCI**" has the meaning ascribed thereto above;

"**SDCI**" means Stornoway Diamonds (Canada) Inc.;

"**Securities Commissions**" has the meaning ascribed thereto in paragraph 3;

"**Securities Laws**" means, collectively, and as the context may require, the applicable securities laws of each of the Qualifying Jurisdictions and the respective regulations and rules made thereunder, together with all applicable policy statements, instruments, blanket orders and rulings of the Securities Commissions and all discretionary orders or rulings, if any, of the Securities Commissions made in connection with the transactions contemplated by this Agreement together with applicable published policy statements of the Canadian Securities Administrators and any applicable rules or regulations of the TSX;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"**Selling Firms**" has the meaning ascribed thereto in paragraph 4;

"**Senior Secured Loan**" means, collectively, the Senior Secured Loan, Tranche A and the Senior Secured Loan, Tranche B;

"**Senior Secured Loan, Tranche A**" means the initial $100,000,000 of the Senior Secured Loan;

"**Senior Secured Loan, Tranche B**" means the further $20,000,000 of the Senior Secured Loan, with an accordion feature;

"**Shareholder Approval**" means approval of (i) the consummation of the Financing Transactions and the other transactions contemplated thereby, including the issuance of Common Shares or securities convertible into, exercisable or exchangeable for, Common Shares in connection therewith, by the affirmative vote of holders of at least a majority of the outstanding Common Shares voted in respect of such matters; excluding the votes cast by IQ and its affiliated entities, as well as votes cast by their respective directors, senior officers and joint actors, the whole in compliance with the provisions of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* and the rules of the TSX; and (ii) an amendment to the articles of continuance of the Corporation, in accordance with subsection 173(g) of the CBCA, to cancel and repeal the Non-Voting Convertible Shares and

the rights, privileges, restrictions and conditions attaching thereto, by the affirmative vote of holders of not less than two-thirds of the outstanding Common Shares voted in respect of such matter and holders of not less than two-thirds of the outstanding Non-Voting Convertible Shares, voting together as well as separately as classes;

"**Standstill Obligation**" means a standstill obligation pursuant to which IQ has agreed and consented that it will not, acting alone or in concert with a subsidiary, increase, directly or indirectly, the aggregate ownership interest of IQ and its subsidiaries in the Common Shares to more than twenty-five percent (25%) without the prior written consent of the Corporation;

"**Stornoway Financial Information**" has the meaning ascribed thereto in paragraph 7(e)(i);

"**Stream**" means the sale by SDCI to the Stream Buyers, and the purchase by the Stream Buyers from SDCI, of a 20% undivided interest (in a proportion of 16% to Orion and/or one or more of its designated affiliates and/or respective limited partners or investors and 4% to an affiliate of CDPQ (designated by CDPQ in its sole discretion)) in each of the run of mine diamonds produced (i) over the life of the Renard Diamond Project from the Properties and (ii) from the Excluded Properties until the Threshold Number is reached from production from all ore bodies forming part of the Renard Diamond Project, including the Properties;

"**Stream Buyers**" means, collectively, Orion and/or one or more of its designated affiliates and/or respective limited partners or investors and an affiliate of CDPQ (designated by CDPQ in its sole discretion);

"**Subscription Price**" has the meaning ascribed thereto above;

"**Subscription Receipt Agreement**" means the subscription receipt agreement to be entered into between the Corporation, the Co-Lead Underwriters (on behalf of the Underwriters) and the Escrow Agent on the Closing Date, governing the terms of the Offered Subscription Receipts;

"**Subscription Receipts**" has the meaning ascribed thereto above;

"**subsidiary**" has the meaning given to such term in National Instrument 45-106 – *Prospectus and Registration Exemptions*;

"**Subsidiaries**" means, collectively, AMCI and SDCI;

"**Supplemental Material**" means, collectively, any amendment or supplemental prospectus or ancillary and continuous disclosure materials (in both the English and French language) that may be filed by or on behalf of the Corporation under the Securities Laws relating to the qualification for Distribution of, *inter alia*, the Offered Subscription Receipts;

"**Termination Date**" means the date on which a Termination Event occurs;

"**Termination Event**" means the earlier of (i) 5:00 p.m. (Eastern time) on July 1, 2014 or such later date and time as may be agreed by the Corporation and the Investors, but not later than October 1, 2014, and (ii) the Corporation advising the Co-Lead Underwriters (on behalf of the Underwriters) or announcing to the public that the Corporation and the Investors have determined not to proceed with the Financing Transactions;

"**Threshold Number**" means the first 30 million carats produced from the Renard Diamond Project;

"**TSX**" means the Toronto Stock Exchange;

"**Underlying Common Shares**" means the Common Shares issuable pursuant to the terms and conditions of the Offered Subscription Receipts;

"**Underlying Securities**" means the Underlying Common Shares and the Warrants;

"**Underwriters**" has the meaning ascribed thereto above;

"**Underwriters' Fee**" has the meaning ascribed thereto above;

"**United States**" means the United States of America, its territories and possessions and the District of Columbia;

"**U.S. Affiliate**" means a duly registered United States broker-dealer affiliate of an Underwriter;

"**U.S. Placement Memorandum**" has the meaning ascribed thereto in paragraph 7(b);

"**U.S. Securities Act**" has the meaning ascribed thereto above;

"**U.S. Securities Laws**" means the United States federal securities laws including, without limitation, the U.S. Securities Act and applicable state securities laws;

"**Warrant Indenture**" means the Warrant Indenture to be entered into between the Corporation and Computershare Trust Company of Canada governing the terms of the Warrants;

"**Warrants**" means the Warrants of the Corporation exercisable to acquire Common Shares that are issuable pursuant to the terms of the Offered Subscription Receipts; and

"**Warrant Shares**" means the Common Shares issuable upon exercise of the Warrants.

2. Terms of Offered Subscription Receipts and Warrants. The Corporation will duly and validly create, authorize and issue the Offered Subscription Receipts upon payment therefor and will duly and validly create and authorize the Warrants upon issuance of the Offered Subscription Receipts. The Offered Subscription Receipts and the Warrants will have attributes corresponding in all material respects to the descriptions thereof in this Agreement, the Prospectus and any Prospectus Amendment. The documentation establishing the attributes of the Offered Subscription Receipts and the Warrants shall be satisfactory in all material respects to the Underwriters and the Corporation and to their respective counsel.

3. Qualification of Offered Subscription Receipts. The Corporation has prepared and filed the English language Preliminary Prospectus in each of the Qualifying Jurisdictions and the French language Preliminary Prospectus in the Province of Québec. The Corporation shall fulfill, to the satisfaction of the Underwriters' counsel, all legal requirements to be fulfilled by the Corporation to enable the Offered Subscription Receipts to be offered for sale and sold to the public in each of the Qualifying Jurisdictions by or through the Underwriters and other

investment dealers and brokers who comply with all Securities Laws. All legal requirements to enable the Distribution of the Offered Subscription Receipts shall be fulfilled as soon as possible but in any event not later than 5:00 p.m., local time, on May 13, 2014 in each Qualifying Jurisdiction or such later date and time as may be agreed upon in writing, by filing the Prospectus and all other required documents in accordance with Multilateral Instrument 11-102 - *Passport System* and National Policy 11-202 - *Process for Prospectus Reviews in Multiple Jurisdictions* (the "**Passport System**") with the Autorité des marchés financiers, as principal regulator under the Passport System, and the applicable securities commission or regulatory authority in each of the other Qualifying Jurisdictions (collectively, the "**Securities Commissions**") in order to obtain a receipt for the Prospectus issued in accordance with the Passport System (the "**Final Receipt**"), which receipt shall also evidence that the Ontario Securities Commission has issued a receipt therefor.

Such fulfillment shall include, without limiting the generality of the foregoing, compliance with all Securities Laws, including, without limitation, compliance with all requirements with respect to the preparation and filing of an English language Prospectus in each of the Qualifying Jurisdictions and a French language Prospectus in the Province of Québec with such changes from the Preliminary Prospectus as the Corporation and the Underwriters may approve, such approval to be evidenced by the signing of the Prospectus by the Corporation and the Underwriters.

4. Distribution of Offered Subscription Receipts. The Underwriters may offer the Offered Subscription Receipts for sale to the public, directly, and through other investment dealers and brokers (the Underwriters, together with such other investment dealers and brokers, are referred to herein as the "**Selling Firms**"), only as permitted by Securities Laws, upon the terms and conditions set forth in the Prospectus and in this Agreement which, for greater certainty, shall include delivery by the Underwriters of a copy of the Prospectus and any Prospectus Amendment to each purchaser of Offered Subscription Receipts from the Underwriters. Each Underwriter, other than SCI and DSL, by signing this Agreement, represents and warrants to the Corporation that it is not a Person in respect of which the Corporation is a "related issuer" or a "connected issuer" (within the meaning of National Instrument 33-105 – *Underwriting Conflicts*).

The Underwriters covenant and agree that if they offer to sell or sell any Offered Subscription Receipts in jurisdictions other than the Qualifying Jurisdictions, such offers and sales shall be effected in accordance and compliance with the applicable laws of such jurisdictions and shall be effected in such manner so as not to require registration of the Corporation in accordance with, or the registration of the Offered Subscription Receipts, the Underlying Securities or the Warrant Shares or the filing of any prospectus or other document with respect thereto under, the laws of any jurisdiction outside the Qualifying Jurisdictions including, without limitation, the United States. The Underwriters shall cause similar undertakings to be contained in any agreements among the Selling Firms. For purposes of this paragraph 4, the Underwriters shall be entitled to assume that the Offered Subscription Receipts are qualified for Distribution in the Qualifying Jurisdictions if the Final Receipt has been issued evidencing that a receipt for the Prospectus in respect of the Distribution of the Offered Subscription Receipts has been issued by the Securities Commissions of each of the Qualifying Jurisdictions. Notwithstanding the foregoing provisions of this paragraph, an Underwriter will not be liable to the Corporation under this paragraph or Schedule "A" with respect to a default by another Underwriter or another Underwriter's U.S. Affiliate under this paragraph or Schedule "A".

Subject to the foregoing, the U.S. Affiliates shall be entitled to offer and sell the Offered Subscription Receipts in the United States only to persons who are qualified institutional buyers ("**Qualified Institutional Buyers**") as defined in Rule 144A ("**Rule 144A**") under the U.S. Securities Act. The Corporation and each of the Underwriters agree that all offers or sales of the Offered Subscription Receipts in the United States shall be conducted only in accordance with the applicable provisions of Schedule "A" hereof, which forms part of, and is incorporated into, this Agreement.

The Underwriters shall use their reasonable best efforts to complete, and to cause the Selling Firms to complete, Distribution of the Offered Subscription Receipts as promptly as possible after the Closing Time or Over-Allotment Closing Time, as applicable, and the Co-Lead Underwriters shall promptly notify the Corporation in writing of the completion of the Distribution of the Offered Subscription Receipts by the Selling Firms. After closing but no later than 30 days following the date on which the Distribution of the Offered Subscription Receipts shall have ceased, the Underwriters shall provide the Corporation with such information as it may require with respect to the proceeds realized in each of the Qualifying Jurisdictions, or any other jurisdiction in which offers and sales of the Offered Subscription Receipts are made, from the Distribution of the Offered Subscription Receipts for the purpose of payment of filing fees and filing any reports with the Securities Commissions.

5. Drafting and Diligence. The Corporation shall co-operate in all respects with the Underwriters to allow and assist the Underwriters to participate fully in the preparation of the Prospectus and any Prospectus Amendment and shall allow the Underwriters to conduct all "due diligence" investigations which the Underwriters may reasonably require to fulfil the Underwriters' obligations as underwriters and to enable the Underwriters to responsibly execute any certificate required to be executed by the Underwriters in such documentation.

6. Material Change. During the period from the date of this Agreement until the completion of the Distribution of the Offered Subscription Receipts, the Corporation will promptly notify the Underwriters in writing of the full particulars of any material change (actual, anticipated, contemplated, proposed or, to the Corporation's knowledge, threatened) in the business, financial condition, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Corporation and its subsidiaries, taken as a whole, or any change in any matter covered by a statement contained in the Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment, as they exist immediately prior to such change, which change is, or may be, of such a nature as to render the Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment, as it exists immediately prior to such change, misleading or untrue or would result in any of such documents, as they exist immediately prior to such change, containing a misrepresentation or which would result in any of such documents, as they exist immediately prior to such change, not complying with Securities Laws of any Qualifying Jurisdiction in which the Offered Subscription Receipts are to be offered for sale, or which change would reasonably be expected to have a significant effect on the market price or value of any securities of the Corporation. The Corporation shall discuss in good faith with the Underwriters any change in circumstances (actual, proposed or prospective) which is or may be of such a nature that there is reasonable doubt as to whether notice need be given pursuant to this paragraph.

The Underwriters agree, and will require each Selling Firm to agree, to cease the Distribution of the Offered Subscription Receipts upon the Underwriters receiving written notification from the Corporation of any change contemplated by this paragraph and to not recommence the Distribution of the Offered Subscription Receipts in any Qualifying Jurisdiction until a

receipt is issued by such Qualifying Jurisdiction for a Prospectus Amendment disclosing such change. The Corporation shall, to the satisfaction of the Underwriters' counsel, promptly comply with all applicable filing and other requirements under Securities Laws arising as a result of such change. The execution of a Prospectus Amendment in respect of any material change or change in a material fact or disclosure of a material fact by the Underwriters shall not constitute a waiver of the Underwriters' rights under paragraph 17(a) hereof.

In addition, if, during the period from the signing of the Prospectus to the completion of the Distribution of the Offered Subscription Receipts there is any change in any Securities Laws which results in a requirement to file a Prospectus Amendment, the Corporation shall, to the satisfaction of the Underwriters' counsel, make any such filing as soon as possible.

7. Deliveries. The Corporation shall cause to be delivered to the Underwriters:

(a) on, or as soon as possible after the date thereof, copies of the Prospectus and any Prospectus Amendment signed as required by applicable Securities Laws, including, for greater certainty, copies of all documents or information incorporated by reference therein, to the extent that such documents or information incorporated by reference are not otherwise publicly available on SEDAR;

(b) as soon as practicable after each of the Prospectus and any Prospectus Amendment are prepared, the private placement memorandum incorporating the Prospectus and any Prospectus Amendment, as the case may be, prepared for use in connection with any offer or sale of the Offered Subscription Receipts in the United States (the "**U.S. Placement Memorandum**") and, forthwith after preparation, any necessary amendment to the U.S. Placement Memorandum;

(c) until the completion of the Distribution of the Offered Subscription Receipts, a copy of any other document required to be filed by the Corporation in compliance with Securities Laws, to the extent that such document is not otherwise publicly available on SEDAR;

(d) forthwith when filed with securities regulatory authorities, copies of any document which, when so filed, will be deemed to be incorporated by reference in the Prospectus and any Prospectus Amendment, to the extent that such document incorporated by reference is not otherwise publicly available on SEDAR;

(e) at or before the time of the delivery to the Underwriters pursuant to this paragraph 7 of the Prospectus or any Prospectus Amendment, in each case in the French language,

(i) an opinion of the Corporation's counsel in Québec dated the date of such document, and acceptable in form and substance to the Underwriters' counsel, that except for the Stornoway Financial Information (as defined below), such document in the French language is in all material respects a complete and proper translation of the document in the English language; "**Stornoway Financial Information**" means (A) the Corporation's audited consolidated financial statements as at and for the years ended April 30, 2013 and 2012 and the notes thereto and the auditor's report thereon, together with the related management's discussion and analysis of financial condition and results of operations for the year ended April 30, 2013, (B) the Corporation's

unaudited condensed interim consolidated financial statements as at and for the three- and nine-month periods ended January 31, 2014 and 2013 and the notes thereto, together with the related management's discussion and analysis of financial condition and results of operations for the three- and nine-month periods ended January 31, 2014 and (C) any other financial information contained or incorporated by reference in the Prospectus and any Prospectus Amendment, as the case may be, on which the Corporation's counsel in Québec is not opining; and

(ii) an opinion of Ernst & Young LLP, Chartered Accountants dated the date of such document, and acceptable in form and substance to the Underwriters' counsel, that the Stornoway Financial Information contained or incorporated by reference in such document in the French language in all material respects carries the same meaning as the English language version thereof;

(f) at the time of the delivery to the Underwriters pursuant to this paragraph 7 of the Prospectus or any Prospectus Amendment, a comfort letter from PricewaterhouseCoopers LLP, Chartered Accountants dated the date of the Prospectus or the Prospectus Amendment, as the case may be, and acceptable in form and substance to the Underwriters, with respect to such financial and accounting information which is contained or incorporated by reference in the Prospectus or Prospectus Amendment, as the case may be, which comfort letter shall be based on a review by such auditors having a cut-off date not more than two Business Days prior to the date of the comfort letter;

(g) forthwith when available, but in any event no later than noon (Eastern time) on the second Business Day following the date of receiving a receipt therefor, in such cities as the Underwriters may reasonably request, without charge, such numbers of commercial copies of the Prospectus and any Prospectus Amendment as the Underwriters may reasonably require; and

(h) forthwith when available, in such cities as the Underwriters may reasonably request, without charge, such numbers of copies of the U.S. Placement Memorandum as the Underwriters may reasonably require.

8. Representations and Warranties of the Corporation. The Corporation represents and warrants to the Underwriters that:

(a) *Incorporation and Organization*: Each of the Corporation and the Subsidiaries have been incorporated or continued and is a valid and subsisting company in good standing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority to carry on its business as now conducted or proposed to be conducted and to own or lease and operate the property and assets thereof and the Corporation has all requisite corporate power and authority to enter into, execute and deliver this Agreement, the Subscription Receipt Agreement and the Warrant Indenture and to carry out its obligations hereunder and thereunder.

(b) *Extra-provincial Registration*: Each of the Corporation and the Subsidiaries is licensed, registered or qualified as an extra-provincial or foreign company in all jurisdictions where the character of the property or assets thereof owned or leased or the nature of the activities conducted by it make licensing, registration or

qualification necessary and is carrying on the business thereof in compliance with all applicable laws, rules and regulations of each such jurisdiction.

(c) *Authorized Capital*: The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Non-Voting Convertible Shares, of which, as at the close of business on May 9, 2014, 153,533,071 Common Shares and 22,543,918 Non-Voting Convertible Shares were issued and outstanding as fully paid and non-assessable shares.

(d) *Listing*: The Common Shares are listed on the TSX and the Offered Subscription Receipts, the Underlying Securities and the Warrant Shares have been conditionally approved for listing on the TSX, subject to the fulfillment of standard conditions. The Corporation is not in default of any of the listing requirements of the TSX.

(e) *Certain Securities Law Matters*: The Common Shares are listed only on the TSX. The Corporation is a reporting issuer or the equivalent in the Qualifying Jurisdictions, but no other jurisdictions, and is not in default of any requirement of the Securities Laws. The Corporation is not subject to the reporting requirements of Section 13(a) or 15(d) of the United States Securities Exchange Act of 1934, as amended.

(f) *Rights to Acquire Securities*: No Person has any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for or issue of any of the unissued Common Shares or other securities of the Corporation or of the Subsidiaries, except as contemplated in the Financing Commitment Letter and as at the close of business on May 9, 2014, an aggregate of 23,136,150 Common Shares which are issuable pursuant to outstanding options, warrants, share incentive plans, convertible, exercisable and exchangeable securities and other rights to acquire Common Shares.

(g) *No Pre-emptive Rights*: The issue of the Offered Subscription Receipts, the Underlying Securities and the Warrant Shares is not subject to any pre-emptive right or other contractual right to purchase securities granted by the Corporation or to which the Corporation is subject, except in connection with the Investor Agreement. In that regard, each of IQ and Diaquem have not exercised either their "Piggyback Rights" or pre-emptive rights pursuant to the Investor Agreement in connection with this Offering.

(h) *Subsidiaries*: The Corporation is the direct or indirect owner of all of the issued and outstanding shares of the Subsidiaries, free and clear of all liens, charges and encumbrances of any kind whatsoever. All of such shares in the capital of the Subsidiaries have been duly authorized and validly issued and are outstanding as fully paid shares and no Person, other than the Corporation or a subsidiary thereof has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the purchase of any interest in any of such shares or for the issue or allotment of any unissued shares in the capital of the Subsidiaries or any other security convertible into or exchangeable for any such shares. Other than the Subsidiaries, no other subsidiary of the Corporation has any assets or liabilities that are material to the Corporation, is a party to any agreement that is material to the Corporation or material to the business of the Corporation and no material revenues of the Corporation are derived through such other subsidiaries. The only material asset of SDCI is the Renard Diamond Project.

The only material asset of AMCI is its direct ownership of 85.4% of the voting equity of SDCI.

(i) *Issuance of the Offered Subscription Receipts, Underlying Securities and Warrant Shares*: At the Closing Time and, if applicable, any Over-Allotment Closing Time, all necessary corporate action will have been taken to authorize the issuance and sale of the Subscription Receipts or the Over-Allotment Subscription Receipts, as applicable, and the allotment and reservation for issuance of the Underlying Securities and the Warrant Shares. Upon receipt of the purchase price therefor, the Offered Subscription Receipts will be duly authorized and validly issued as fully paid and non-assessable securities of the Corporation. Upon the issuance of the Underlying Securities and the Warrant Shares in accordance with the terms of the Subscription Receipt Agreement and the Warrant Indenture, as applicable, the Underlying Securities and the Warrant Shares will be duly and validly issued as fully paid and non-assessable Securities of the Corporation. The Offered Subscription Receipts, the Underlying Securities and the Warrant Shares conform in all material respects to the statements relating thereto contained in the Offering Documents and such description conforms to the rights set forth in the instruments defining the same.

(j) *Eligible to File Short Form Prospectus*: The Corporation is eligible to file a short form prospectus in each of the Qualifying Jurisdictions pursuant to Securities Laws and on the date of and upon filing of the Prospectus there will be no documents required to be filed under the Securities Laws in connection with the Offering that will not have been filed as required.

(k) *Consents, Approvals and Conflicts*: Except as disclosed in the Offering Documents, none of the Offering, the execution and delivery of this Agreement, the Subscription Receipt Agreement, the Warrant Indenture or the Financing Commitment Letter and the compliance by the Corporation with the provisions thereof or the consummation of the transactions contemplated herein or thereby including, without limitation, the issue of the Offered Subscription Receipts for the consideration and upon the terms and conditions set forth herein, the issue of the Underlying Securities upon the terms and conditions set forth herein and in the Subscription Receipt Agreement and the issue of the Warrant Shares upon due exercise of the Warrants in accordance with the terms and conditions thereof and as set out in the Warrant Indenture, do or will (i) require the consent, approval, or authorization, order or agreement of, or registration or qualification with, any governmental agency, body or authority, court, stock exchange, securities regulatory authority or other Person, except (A) such as have been obtained; (B) such as may be required under applicable corporate laws or Securities Laws and the policies of the TSX and will be obtained by the Closing Date, or the Financing Transactions Closing Date (as defined in the Prospectus), as applicable, or (C) with respect to sales of the Offered Subscription Receipts in the United States, such filings following the Closing Date as are necessary to comply with the registration exemption requirements under the U.S. Securities Act and applicable state securities laws, or (ii) conflict with or result in any breach or violation of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Corporation or any of the Subsidiaries is a party or by which it or any of the properties or assets thereof is bound, or the constating documents of the Corporation or any of the Subsidiaries or any resolution passed by the directors (or any committee thereof) or shareholders of the Corporation or any of the Subsidiaries, or any statute

or any judgment, decree, order, rule, policy or regulation of any court, Governmental Authority, arbitrator, stock exchange or securities regulatory authority applicable to the Corporation or any of the Subsidiaries or any of the properties or assets thereof which could have a material adverse effect on the condition (financial or otherwise), business, properties or results of operations of the Corporation or any of the Subsidiaries.

(l) *Authority and Authorization*: The Corporation has full corporate power and authority to enter into this Agreement, the Subscription Receipt Agreement, the Warrant Indenture and the Financing Commitment Letter and to do all acts and things and execute and deliver all documents as are required hereunder or thereunder to be done, observed, performed or executed and delivered by it in accordance with the terms hereof and thereof and the Corporation has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement, the Subscription Receipt Agreement, the Warrant Indenture and the Financing Commitment Letter including, without limitation, the issue of the Offered Subscription Receipts upon the terms and conditions set forth herein, and the issue of the Underlying Securities upon the terms and conditions set forth in the Subscription Receipt Agreement and the Warrant Shares upon due exercise of the Warrants in accordance with the terms and conditions thereof and as set out in the Warrant Indenture.

(m) *Validity and Enforceability*: Each of this Agreement and the Financing Commitment Letter has been, upon the Closing Time the Subscription Receipt Agreement will be, and upon the satisfaction or waiver of the Escrow Release Conditions the Warrant Indenture will be authorized, executed and delivered by the Corporation and each of them constitutes or, in the case of the Subscription Receipt Agreement will constitute as of the Closing Time or in the case of the Warrant Indenture will constitute as of the satisfaction or waiver of the Escrow Release Conditions, a valid and legally binding obligation of the Corporation enforceable against the Corporation in accordance with its terms, and upon being delivered and executed, the certificate(s), if any, representing Offered Subscription Receipts, the Underlying Securities and the Warrant Shares will constitute a valid and legally binding obligation of the Corporation enforceable against the Corporation in accordance with the terms thereof, except as enforcement hereof and thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought and subject to the fact that rights of indemnity and contribution may be limited by applicable law.

(n) *Public Disclosure*: As of their respective dates, the documents contained in the Corporate Disclosure Record complied in all material respects with Securities Laws and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Corporation has not made any confidential filings with the Securities Commissions or the TSX that are still maintained on a confidential basis. The Corporation is in compliance with all timely disclosure obligations under the Securities Laws of the Qualifying Jurisdictions, and, without limiting the generality of the foregoing, there is no fact known to the Corporation which the Corporation has not publicly disclosed which materially adversely affects, or so far as the Corporation can reasonably foresee, will

materially adversely affect, the assets, liabilities (contingent or otherwise), capital, affairs, business, prospects, operations or condition (financial or otherwise) of the Corporation and its subsidiaries, taken as a whole, or the ability of the Corporation to perform its obligations under this Agreement, the Subscription Receipt Agreement or the Financing Commitment Letter or which would otherwise be material to a reasonable investor intending to make an equity investment.

(o) *No Cease Trade Order*: No order preventing, ceasing or suspending trading in any securities of the Corporation or prohibiting the issue and sale of securities by the Corporation has been issued and no proceedings for either of such purposes have been instituted or, to the best of the knowledge of the Corporation, are pending, contemplated or threatened.

(p) *Accounting Controls*: The Corporation and its Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are completed in accordance with the general or a specific authorization of management of the Corporation or any of the Subsidiaries, as the case may be; (ii) transactions are recorded as necessary to permit preparation of consolidated financial statements for the Corporation in conformity with International Financing Reporting Standards and to maintain asset accountability; (iii) access to assets of the Corporation and its Subsidiaries is permitted only in accordance with the general or a specific authorization of management of the Corporation or the Subsidiaries, as the case may be; and (iv) the recorded accountability for assets of the Corporation and its Subsidiaries is compared with the existing assets of the Corporation and its Subsidiaries at reasonable intervals and appropriate action is taken with respect to any differences therein.

(q) *Financial Statements*: The audited consolidated financial statements of the Corporation for the year ended April 30, 2013, together with the auditors' report thereon and the notes thereto, the unaudited consolidated interim financial statements of the Corporation for the period ended January 31, 2014, and the notes thereto, have been prepared in accordance with International Financial Reporting Standards applied on a basis consistent with prior periods (except as disclosed in such financial statements), present fairly the financial condition and position of the Corporation and its subsidiaries, on a consolidated basis as at the dates thereof and the results of its operations for the periods covered thereby. The auditors of the Corporation who audited the consolidated financial statements of the Corporation for the year ended April 30, 2013 are, and were at the time of the audit, independent public accountants as required by Securities Laws and there has not been any "reportable event" (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) with the present or any former auditor of the Corporation;

(r) *Changes in Financial Position*: Since April 30, 2013, except as disclosed in the Offering Documents:

(i) neither the Corporation nor either of the Subsidiaries has paid or declared a dividend or incurred any material capital expenditure or made any commitment therefor;

(ii) neither the Corporation nor either of the Subsidiaries has incurred any obligation or liability, direct or indirect, contingent or otherwise, except in

the ordinary course of business and which is not, and which in the aggregate are not, material; and

(iii) neither the Corporation nor either of the Subsidiaries has entered into a material transaction, other than the Financing Transactions.

(s) *Contingent Liabilities*: None of the Corporation or either of its Subsidiaries has any contingent liabilities other than the liabilities that are either reflected or reserved against in the financial statements referred to in Section 8(q) which are material to the condition (financial or otherwise), business, affairs, operations, assets, liabilities (contingent or otherwise), capital or control of the Corporation and its Subsidiaries on a consolidated basis.

(t) *Off-Balance Sheet Transactions*: Other than as disclosed in the financial statements referred to in Section 8(q), there are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of the Corporation or either of its Subsidiaries with unconsolidated entities or other persons that may have a material current or future material effect on the condition (financial or otherwise), business, affairs, operations, assets, liabilities (contingent or otherwise), capital or control of the Corporation and the Subsidiaries on a consolidated basis or on the liquidity, capital expenditures, capital resources, or significant components of revenues or expenses of the Corporation and the Subsidiaries on a consolidated basis.

(u) *Audit Committee*: The audit committee of the Corporation is comprised and operates in accordance with the requirements of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, and each of its members is "independent" within the meaning of such instrument.

(v) *Insolvency*: Neither the Corporation nor either of the Subsidiaries has committed an act of bankruptcy or sought protection from the creditors thereof before any court or pursuant to any legislation, proposed a compromise or arrangement to the creditors thereof generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to be declared bankrupt or wound up, taken any proceeding to have a receiver appointed of any of the assets thereof, had any Person holding any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement or other security interest or receiver take possession of any of the property thereof, had an execution or distress become enforceable or levied upon any portion of the property thereof or had any petition for a receiving order in bankruptcy filed against it. No proceedings have been taken, instituted or, to the knowledge of the Corporation, are pending for the dissolution or liquidation of the Corporation or either of the Subsidiaries.

(w) *No Contemplated Changes*: Other than as disclosed in the Offering Documents, neither the Corporation nor either of the Subsidiaries has approved, is contemplating, has entered into any agreement in respect of, or has knowledge of:

(i) the purchase of any property or assets or any interest therein, or the sale, transfer or other disposition of any property or assets or any interest therein currently owned, directly or indirectly, by the Corporation or the Subsidiaries whether by asset sale, transfer of shares or otherwise;

(ii) the change of control (by sale or transfer of shares or sale of all or substantially all of the property and assets of the Corporation or the Subsidiaries or otherwise) of the Corporation or either of the Subsidiaries; or

(iii) a proposed or planned disposition of shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding shares of the Corporation or a proposed or planned disposition of any of the outstanding shares of either of the Subsidiaries by the Corporation (directly or indirectly).

(x) *Insurance*: The assets of the Corporation and of each Subsidiary and the business and operations thereof are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in a comparable business in comparable circumstances, such coverage is in full force and effect and the Corporation and each Subsidiary has not failed to promptly give any notice or present any material claim thereunder.

(y) *Taxes and Tax Returns*: The Corporation and the Subsidiaries have filed in a timely manner all necessary tax returns and notices and have paid all applicable taxes of whatsoever nature for all tax years prior to the date hereof to the extent that such taxes have become due or have been alleged to be due, and neither the Corporation nor either of the Subsidiaries is aware of any tax deficiencies or interest or penalties accrued or accruing, or alleged to be accrued or accruing, thereon where, in any of the above cases, it might reasonably be expected to result in any material adverse change in the condition (financial or otherwise), or in the earnings, business, affairs or prospects of the Corporation or the Subsidiaries, and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by the Corporation or either of the Subsidiaries or the payment of any material tax, governmental charge, penalty, interest or fine against the Corporation or either of the Subsidiaries. There are no material actions, suits, proceedings, investigations or claims now threatened or pending against the Corporation or either of the Subsidiaries which could result in a material liability in respect of taxes, charges or levies of any governmental authority, penalties, interest, fines, assessments or reassessments or any matters under discussion with any governmental authority relating to taxes, governmental charges, penalties, interest, fines, assessments or reassessments asserted by any such authority and the Corporation and each of the Subsidiaries have withheld (where applicable) from each payment to each of the present and former officers, directors, employees and consultants thereof the amount of all taxes and other amounts, including, but not limited to, income tax and other deductions, required to be withheld therefrom, and has paid the same or will pay the same when due to the proper tax or other receiving authority within the time required under applicable tax legislation.

(z) *Compliance with Laws, Licenses and Permits*: Each of the Corporation and the Subsidiaries has conducted and is conducting the business thereof in compliance in all material respects with good mining industry practices and all applicable laws, rules, regulations, tariffs, orders and directives of each jurisdiction in which it carries on business and possesses all material approvals, consents, certificates, registrations, authorizations, permits and licenses issued by the appropriate provincial, state, municipal, federal or other regulatory agency or body ("**Permits**") necessary to carry on the business currently carried on, or contemplated to be carried on, by it, other than certain Permits that are not currently required to carry on the business currently

carried on by it and that it reasonably expects to be able to obtain in the ordinary course of business prior to or concurrently with the application to it of the requirement to possess each such Permit, is in compliance in all material respects with the terms and conditions of all such Permits and with all laws, regulations, tariffs, rules, orders and directives material to the operations thereof, and neither the Corporation nor either of the Subsidiaries has received any notice of the modification, revocation or cancellation of, or any intention to modify, revoke or cancel or any proceeding relating to the modification, revocation or cancellation of any such Permit which, singly or in the aggregate, if the subject of an unfavourable decision, order, ruling or finding, would materially adversely affect the conduct of the business or operations of, or the assets, liabilities (contingent or otherwise), condition (financial or otherwise) or prospects of, the Corporation or the Subsidiaries.

(aa) *No Violation*: Neither the Corporation nor any of the Subsidiaries is in violation of any term of its constating documents. Neither the Corporation nor either of the Subsidiaries is in violation of any term or provision of any agreement, indenture or other instrument applicable to it which would, or would reasonably be expected to, individually or in the aggregate, result in any material adverse effect on the business, condition (financial or otherwise), capital, affairs or operations of the Corporation or the Subsidiaries, nor is the Corporation or either of the Subsidiaries in default in the payment of any material obligation owed which is now due and there is no action, suit, proceeding or investigation commenced, pending or, to the knowledge of the Corporation or either of the Subsidiaries after due inquiry, threatened which, either in any case or in the aggregate, might result in any material adverse effect on the business, condition (financial or otherwise), capital, affairs, prospects or operations of the Corporation or either of the Subsidiaries or in any of the material properties or assets thereof, or in any material liability on the part of the Corporation or either of the Subsidiaries or which places, or could place, in question the validity or enforceability, as applicable, of this Agreement, the Offering Documents, the Subscription Receipt Agreement, the Warrant Indenture, the Financing Commitment Letter or any document or instrument delivered, or to be delivered, by the Corporation pursuant hereto or thereto, or which questions the validity of the Offered Subscription Receipts, Underlying Securities or Warrant Shares.

(bb) *Owner of Property*: The Corporation or the Subsidiaries, as applicable, is the absolute legal and beneficial owner or optionee of, and has good and marketable title to or right or interest in, all of the material property or assets thereof as described in the Offering Documents, free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, other than those described in the Offering Documents, and no other property rights are necessary for the conduct of the business of the Corporation or any Subsidiary as currently conducted or contemplated to be conducted save those which do not materially interfere with the current or contemplated business thereon, neither the Corporation nor any of the Subsidiaries knows of any claim or the basis for any claim that might or could adversely affect the right thereof to use, transfer or otherwise exploit such property rights and, except as disclosed in the Offering Documents, neither the Corporation nor either of the Subsidiaries has any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any Person with respect to the property rights thereof.

(cc) *Mineral Rights*: The Corporation or one of the Subsidiaries holds either freehold title, mining leases, mining claims or other conventional property, proprietary or contractual interests or rights recognized in the jurisdiction in which a particular property is located, in respect of the ore bodies and minerals located in properties in which the Corporation or the Subsidiaries has an interest, as described in the Offering Documents, under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments sufficient to permit the Corporation or the Subsidiaries to access such properties and explore for, extract, exploit, remove, process or refine the minerals relating thereto, except where the failure to so hold such interests or rights would not be material to the Corporation; all such property, leases or claims and all property, leases or claims in which the Corporation or any of the Subsidiaries has any interest or right have been validly located and recorded in accordance with all applicable laws and are valid and subsisting; the Corporation or a Subsidiary has all necessary surface rights, access rights and other necessary rights and interests relating to the properties in which the Corporation or the Subsidiaries has an interest, as described in the Offering Documents, granting the Corporation or the Subsidiaries the right and ability to explore for, extract, exploit, remove, process or refine the minerals relating thereto, except where the failure to so hold such interests or rights would not be material to the Corporation; and each of the proprietary interests or rights and each of the documents, agreements and instruments and obligations relating thereto referred to above is currently in good standing in the name of the Corporation or the Subsidiaries.

(dd) *Technical Mining Information*: The Corporation has duly filed with the applicable regulatory authorities all reports required by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and all such reports comply in all material respects with the requirements of NI 43-101. Any scientific and technical information about a material mineral property of the Corporation contained in the Corporate Disclosure Record and/or the Offering Documents (the "**Technical Information**"), including the estimates by the Corporation and the Subsidiaries of mineral resources and mineral reserves (as such terms are defined in NI 43-101) has been reviewed and verified by "qualified persons" (as such term is defined under NI 43-101), except as disclosed to the Underwriters. In all cases, the Technical Information has been prepared in accordance with Canadian industry standards set forth in NI 43-101. The information upon which the Technical Information was based was, to the knowledge of the Corporation, at the time of delivery thereof, complete and accurate in all material respects and there have been no material changes to such information since the date of delivery or preparation thereof.

(ee) *Aboriginal Claims*: Except as disclosed in the Offering Documents, there are no claims with respect to aboriginal rights currently pending or, to the best of the knowledge of the Corporation, threatened with respect to any of the material properties of the Corporation or its Subsidiaries.

(ff) *Property Agreements*: Any and all of the agreements and other documents and instruments pursuant to which the Corporation or the Subsidiaries holds the property and assets thereof (including an interest in, or right to earn an interest in, any property) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof, neither the Corporation nor any of the Subsidiaries is in default of any of the material provisions of any such

agreements, documents or instruments nor has any such default been alleged, and such properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, to the best knowledge of the Corporation and its Subsidiaries, after due enquiry, all leases, licences and claims pursuant to which the Corporation or the Subsidiaries derives the interests thereof in such property and assets are in good standing and there has been no material default under any such lease, licence or claim and all taxes required to be paid with respect to such properties and assets to the date hereof have been paid. To the best knowledge of the Corporation and its Subsidiaries, after due enquiry, none of the properties (or any interest in, or right to earn an interest in, any property) of the Corporation or the Subsidiaries is subject to any right of first refusal or purchase or acquisition right which is not disclosed in the Offering Documents.

(gg) *Permits and Zoning*: Other than standard permitting and regulations applicable to the Corporation's business operations, there are no restrictions imposed by any applicable law or by agreement which materially conflict with the proposed development, construction, maintenance and operation of the Renard Diamond Project. The Renard Diamond Project is zoned and otherwise regulated so as to permit the use of the site for its intended uses and in accordance with applicable law.

(hh) *No Defaults*: Neither the Corporation nor either of the Subsidiaries is in default of any material term, covenant or condition under or in respect of any judgment, order, agreement or instrument to which it is a party or to which it or any of the property or assets thereof are or may be subject, and no event has occurred and is continuing, and no circumstance exists which has not been waived, which constitutes a material default in respect of any commitment, agreement, document or other instrument to which the Corporation or the Subsidiaries is a party or by which it is otherwise bound entitling any other party thereto to accelerate the maturity of any amount owing thereunder or which could have a material adverse effect upon the condition (financial or otherwise), capital, property, assets, operations or business of the Corporation or the Subsidiaries.

(ii) *Environmental Compliance*: Each of the Corporation and the Subsidiaries:

(i) and the property, assets and operations thereof comply in all material respects with all applicable "**Environmental Laws**" (which term means and includes, without limitation, any and all applicable international, federal, provincial, state, municipal or local laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, or any "**Environmental Activity**" (which term means and includes, without limitation, any past, present or future activity, event or circumstance in respect of a "**Contaminant**" (which term means and includes, without limitation, any pollutants, dangerous substances, liquid wastes, hazardous wastes, hazardous materials, hazardous substances or contaminants or any other matter including any of the foregoing, as defined or described as such pursuant to any Environmental Law), including, without limitation, the storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation thereof, or the release, escape, leaching, dispersal or migration thereof into the natural environment,

including the movement through or in the air, soil, surface water or groundwater));

(ii) does not have any knowledge of, and has not received any notice of, any material claim, judicial or administrative proceeding, pending or threatened against, or which may affect, the Corporation, either of the Subsidiaries or any of the property, assets or operations thereof, relating to, or alleging any material violation of, any Environmental Laws, is not aware of any facts which could give rise to any such claim or judicial or administrative proceeding and neither the Corporation nor either of the Subsidiaries nor any of their respective properties, assets or operations is the subject of any investigation, evaluation, audit or review by any Governmental Authority to determine whether any material violation of any Environmental Laws has occurred or is occurring or whether any remedial action is needed in connection with a release of any Contaminant into the environment, except for compliance investigations conducted in the normal course by any Governmental Authority;

(iii) has not given or filed any notice under any federal, state, provincial, territorial or local law with respect to any Environmental Activity (except in the ordinary course of business), does not have any material liability (whether contingent or otherwise) in connection with any Environmental Activity and is not aware of any notice being given under any federal, state, provincial, territorial or local law or of any liability (whether contingent or otherwise) with respect to any Environmental Activity relating to or affecting the Corporation, the Subsidiaries or the property, assets, business or operations thereof;

(iv) does not store any hazardous or toxic waste or substance on the property thereof and has not disposed of any hazardous or toxic waste, in each case in a manner contrary to any Environmental Laws and, except as disclosed to the Underwriters in writing, there are no Contaminants on any of the premises at which the Corporation or the Subsidiaries carries on business, in each case other than in compliance in all material respects with Environmental Laws; and

(v) is not subject to any material contingent or other material liability relating to the restoration or rehabilitation of land, water or any other part of the environment or non-compliance with Environmental Law.

(jj) *No Litigation*: Except as disclosed in the Offering Documents, there are no actions, suits, proceedings, inquiries or investigations existing, pending or, to the knowledge of the Corporation and the Subsidiaries after due inquiry, threatened against or which adversely affect the Corporation or the Subsidiaries or to which any of the property or assets thereof is subject, at law or equity, or before or by any court, federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which may in any way materially adversely affect the condition (financial or otherwise), capital, property, assets, operations or business of the Corporation or the Subsidiaries or the ability of the Corporation or the Subsidiaries to perform the obligations thereof and neither the Corporation nor any of the Subsidiaries is subject to any judgment, order, writ,

injunction, decree, award, rule, policy or regulation of any Governmental Authority, which, either separately or in the aggregate, may result in a material adverse effect on the condition (financial or otherwise), capital, property, assets, operations or business of the Corporation or the Subsidiaries or the ability of the Corporation to perform its obligations under this Agreement, the Subscription Receipt Agreement, the Warrant Indenture or the Financing Commitment Letter.

(kk) *Non-Arm's-Length Transactions*: Each of the Corporation and the Subsidiaries do not owe any amount to, have any present material loans to, or have borrowed any material amount from or is otherwise materially indebted to, any officer, director, employee or securityholder thereof or any Person not dealing at "arm's-length" (as such term is defined in the *Income Tax Act* (Canada)) with any of them except as disclosed in the Offering Documents and for usual employee reimbursements and compensation paid in the ordinary and normal course of the business of the Corporation and the Subsidiaries. Except as disclosed in the Offering Documents and usual employee or consulting arrangements made in the ordinary and normal course of business, each of the Corporation and the Subsidiaries is not a party to any contract, agreement or understanding with any officer, director, employee or securityholder thereof or any other Person not dealing at arm's-length with the Corporation or the Subsidiaries. To the Corporation's knowledge, no officer, director or employee of the Corporation or the Subsidiaries and no Person which is an affiliate or associate of any of the foregoing Person, owns, directly or indirectly, any interest in, or is an officer, director, employee or consultant of, any Person which is, or is engaged in, a business competitive with the business of the Corporation or the Subsidiaries and, which, in each case, could materially adversely impact on the ability to properly perform the services to be performed by such Person for the Corporation or the Subsidiaries. No officer, director, employee or securityholder of the Corporation or either of the Subsidiaries has any cause of action or other claim whatsoever against, or owes any amount to, the Corporation or either of its Subsidiaries except for claims in the ordinary and normal course of the business of the Corporation or either of the Subsidiaries such as for accrued vacation pay or other amounts or matters which would not be material to the Corporation or the Subsidiaries.

(ll) *Intellectual Property*: The Corporation and each of the Subsidiaries owns or has the right to use under license, sub-license or otherwise all material intellectual property used by the Corporation and the Subsidiaries in its business, including copyrights, industrial designs, trademarks, trade secrets, know-how and proprietary rights, free and clear of any and all encumbrances.

(mm) *No Brokerage or Finder's Fee*: Other than the Underwriters, there is no Person acting or purporting to act at the request of or on behalf of the Corporation, that is entitled to any brokerage or finder's fee in connection with this Offering.

(nn) *Transfer, Escrow and Warrant Agents*: Computershare Investor Services Inc. has been duly appointed as the transfer agent and registrar for the Common Shares. Computershare Trust Company of Canada will, on the Closing Date, be duly appointed as the escrow agent, transfer agent and registrar for the Offered Subscription Receipts under the Subscription Receipt Agreement. Computershare Trust Company of Canada will, on the date the Escrow Release Conditions are

satisfied or waived, be duly appointed as the warrant agent, transfer agent and registrar of the Warrants.

(oo) *Significant Acquisitions or Dispositions*: The Corporation has not completed any "significant acquisition", "significant disposition" nor is it proposing any "probable acquisition" (as the Corporation understands such terms are defined in National Instrument 44-101 – *Short Form Prospectus Distributions*) that would require the inclusion of any additional financial statements or *pro forma* financial statements in the Prospectus pursuant to Securities Laws.

(pp) *Corruption*: Neither the Corporation nor, to the knowledge of the Corporation, any director, officer, agent, employee, affiliate or other Person acting on behalf of the Corporation or any of its subsidiaries is aware of or has taken any action, directly or indirectly, that violates in any material respect the *Corruption of Foreign Public Officials Act* (Canada), as amended, and the rules and regulations thereunder or any similar anti-corruption legislation, including the applicable provisions of the *Criminal Code* (Canada).

(qq) *Anti-Money Laundering*: The operations of the Corporation and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the money laundering statutes of all jurisdictions, the rules and regulations thereunder (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court, Governmental Authority or any arbitrator of non-governmental authority involving the Corporation or any of its subsidiaries with respect to the Money Laundering Laws is, to the best knowledge of the Corporation, pending or threatened.

(rr) *Market Stabilization*: Neither the Corporation nor any of its affiliates has taken, nor will the Corporation or any affiliate take, directly or indirectly, any action which is designed to or which has constituted, or which might reasonably be expected to cause or result in, the stabilization or manipulation of the price of any security of the Corporation in connection with the Offering.

(ss) *Minute Books*: The minute books and records of the Corporation and the Subsidiaries made available to counsel for the Underwriter in connection with their due diligence investigation are all of the minute books and records of the Corporation, AMCI and SDCI, respectively, and contain copies of all material proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders, the directors and all committees of directors of the Corporation, AMCI and SDCI to the date of review of such corporate records and minute books and there have been no other meetings, resolutions or proceedings of the shareholders, directors or any committees of the directors of the Corporation, AMCI or SDCI to the date hereof not reflected in such minute books and other records. The minute books and corporate records of the Corporation's other subsidiaries are not material in the context of the Corporation and its subsidiaries, taken as a whole.

(tt) *Material Contracts*: The Corporation has made available to the Underwriter and its counsel a correct and complete copy of each Material Contract. Each Material Contract constitutes a legal, valid and binding obligation of the Corporation and/or each of the Subsidiaries which is a party thereto, and is in full force and effect. There is no default or event which, with notice or lapse of time or both, would constitute a

default under the Material Contracts on the part of the Corporation or either of the Subsidiaries, or, to the knowledge of the Corporation, on the part of other parties thereto.

(uu) *Employees*. The Corporation and the Subsidiaries are in compliance with all laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages, except where such non-compliance would not have a material adverse effect on the condition (financial or otherwise), business, properties or results of operations of the Corporation or any of the Subsidiaries.

(vv) *Amendments to Financing Commitment Letter*: The Financing Commitment Letter has not been amended nor have any terms and conditions thereof been waived in any material respect, other than as disclosed in writing to the Underwriters.

(ww) *Description of Financing Commitment Letter and Subscription Receipt Agreement*: The Financing Commitment Letter conforms; at the Closing Time and, if applicable, the Over-Allotment Closing Time the Subscription Receipt Agreement will conform; and upon the satisfaction or waiver of the Escrow Release Conditions the Warrant Indenture will conform, with the respective descriptions thereof in the Prospectus in all material respects.

(xx) *Completion of Financing Transactions*: The Corporation is not aware of any facts or circumstances that would cause it to believe that (i) the Escrow Release Conditions will not be satisfied or waived before the occurrence of a Termination Event, (ii) the Financing Commitment Letter will be terminated, or (iii) the Financing Transactions will not be completed in accordance with the Financing Commitment Letter and otherwise in accordance with the disclosure in the Prospectus.

9. Covenants of the Corporation. The Corporation covenants to the Underwriters that:

(a) it will apply the net proceeds from the issue and sale of the Offered Subscription Receipts substantially in accordance with the disclosure set forth under the heading "Use of Proceeds" in the Prospectus;

(b) as soon as possible following any termination of the Financing Commitment Letter or determination not to proceed with the Financing Transactions, the Corporation shall provide the Co-Lead Underwriters, on behalf of the Underwriters, with notice thereof;

(c) it will not agree, and will cause SDCI not to agree, to (A) waive any material provision of the Financing Commitment Letter or (B) make any material amendments to the terms and conditions of the Financing Commitment Letter, in each case, without the consent and/or approval of the Co-Lead Underwriters, on behalf of the Underwriters;

(d) if the Escrow Release Conditions are not satisfied or waived prior to the occurrence of a Termination Event, it shall pay or cause to be paid to the holders of Offered Subscription Receipts, in the manner contemplated in the Subscription Receipt Agreement, an amount equal to the Deemed Amount (which for greater certainty, shall be in addition to the Escrowed Funds and any Earned Interest to be paid to the holders of the Offered Subscription Receipts by the Escrow Agent); and

(e) during the period commencing on the date hereof and ending on the date of completion of the Distribution of the Offered Subscription Receipts, the Corporation will promptly provide to the Co-Lead Underwriters and their counsel drafts of any press release of the Corporation relating to the Offering or the Financing Transactions for review and approval by the Co-Lead Underwriters and its counsel, such approval not to be unreasonably withheld or delayed.

10. Representations, Warranties and Agreements of the Corporation Regarding Offering Documents. The Corporation's delivery to the Underwriters of the documents referred to in clauses 7(a), 7(b), and 7(d) hereof shall constitute the Corporation's:

(a) representation and warranty to the Underwriters that each such document at the time of its delivery complied in all material respects with the requirements of either Securities Laws or, in the case of the U.S. Placement Memorandum only, U.S. Securities Laws, as applicable to the Offering, and that all the information and statements contained therein (except information and statements contained therein relating solely to, and provided in writing by, the Underwriters, or which are modified by or superseded by information or statements contained in any Prospectus Amendment, as the case may be) are at the respective dates of delivery thereof, true and correct, in all material respects, contain no misrepresentation (as defined in Securities Laws) and constitute full, true and plain disclosure of all material facts relating to the Corporation and its subsidiaries, taken as a whole, and the Offered Subscription Receipts as required by Securities Laws;

(b) representation and warranty to the Underwriters that the Corporation has a reasonable basis for disclosing any forward-looking statements (as such forward-looking statements are described in the Prospectus under the heading "*Forward-Looking Statements*") included in the Prospectus or any Prospectus Amendment;

(c) representation and warranty to the Underwriters, that, except as has been publicly disclosed or described in the Offering Documents, there has been no material adverse change in the business, affairs, operations, assets, liabilities (contingent or otherwise), capital or ownership of the Corporation and its subsidiaries, taken as a whole, since the end of the Corporation's fiscal year on April 30, 2013;

(d) consent to the use by the Selling Firms of such documents in connection with the Distribution of the Offered Subscription Receipts in the Qualifying Jurisdictions or , in the case of the U.S. Placement Memorandum, the United States in compliance with the provisions of this Agreement; and

(e) representation and warranty to the Underwriters that, (i) as of the date of the filing of the Preliminary Prospectus, the Preliminary Prospectus did not, and (ii) as of the date of filing the Prospectus and as of the Closing Time, and, if applicable, any Over-Allotment Closing Time, the Prospectus, any Prospectus Amendment and the U.S. Placement Memorandum do not, contain any untrue statement of a material fact or omit to state a material fact that is required to be stated or that is necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided that this representation, warranty and agreement shall not apply to statements or omissions made in reliance upon and in conformity with information furnished to the Corporation by any Underwriter through the Co-Lead

Underwriters specifically for use in the Preliminary Prospectus, the Prospectus, any Prospectus Amendment or the U.S. Placement Memorandum.

11. Closing. The purchase of the Subscription Receipts under this Agreement shall take place at the Closing Time on May 21, 2014 at the offices of Norton Rose Fulbright Canada LLP, 1 Place Ville Marie, Suite 2500, Montréal, QC, H3B 1R1 or on such other date not later than June 23, 2014 and such other time as may be agreed upon in writing between the Corporation and the Co-Lead Underwriters (any such date being referred to herein as the "**Closing Date**") pursuant to which, among other things, the Escrow Agent, on behalf of the Corporation in accordance with the Subscription Receipt Agreement, shall receive from SCI by electronic funds transfer or other means of providing immediately available funds in Canadian dollars, payable to the Escrow Agent (or as the Corporation and the Escrow Agent may otherwise direct to the Underwriters), the Purchase Price less the Initial Underwriters' Fee payable in respect of the Subscription Receipts.

12. Conditions to Closing. The Underwriters' obligations under this Agreement are conditional upon and subject to the Underwriters receiving at the Closing Time:

(a) one or more global certificates representing the Subscription Receipts registered in the name of "CDS & Co." or such other name as the Co-Lead Underwriters (on behalf of the Underwriters) may notify to the Corporation in writing not less than 48 hours prior to the Closing Time, against payment to the Escrow Agent of the Purchase Price less the Initial Underwriters' Fee payable in respect of the Subscription Receipts by wire transfer; the certificate(s) in global form representing the Subscription Receipts shall be delivered by the Co-Lead Underwriters to CDS Clearing and Depository Services Inc. ("**CDS**"), together with a direction to CDS with respect to the crediting of Subscription Receipts to the appropriate accounts of the participants of CDS;

(b) a certificate, dated the Closing Date and signed by the Chief Executive Officer and Chief Financial Officer of the Corporation or such other senior officers of the Corporation as may be acceptable to the Underwriters, certifying, on behalf of the Corporation and not in their personal capacity (i) that the Corporation has complied with all terms and conditions of this Agreement to be complied with by the Corporation at or prior to the Closing Time; (ii) the representations and warranties of the Corporation contained herein are true and correct in all material respects as of the Closing Time, except to the extent that they are provided as of a particular date, in which case they were true and correct in all material respects as of such date; (iii) no order, ruling or determination having the effect of ceasing or suspending trading in the Subscription Receipts or any other securities of the Corporation has been issued and no proceedings for such purpose are pending or, to the best of the knowledge, information and belief of the persons signing such certificate, are contemplated or threatened; (iv) there has been, since April 30, 2013, no material adverse change, financial or otherwise (except as publicly disclosed, including as described in the Offering Documents), in the business, financial condition, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Corporation, and its subsidiaries, taken as a whole; (v) the Prospectus, as amended by any Prospectus Amendment, does not contain, as of the Closing Date, any misrepresentation (within the meaning of the Securities Laws); (vi) the Financing Commitment Letter has not been terminated or amended in any material respect (subject to paragraph 9(c) hereof), no event has occurred or condition exists which will prevent the Escrow Release

Conditions from being satisfied or waived before the occurrence of a Termination Event and the Corporation has no reason to believe that the Financing Transactions will not be completed in accordance with the terms of the Financing Commitment Letter; and (vii) such other matters as the Underwriters may reasonably request;

(c) a certificate, dated the Closing Date signed by an appropriate officer of the Corporation and addressed to the Underwriters, with respect to the constating documents of the Corporation, the resolutions of the directors and shareholders, if any, of the Corporation and any other corporate action taken relating to this Agreement and with respect to such other matters as the Underwriters may reasonably request and including specimen signatures of the signing officers of the Corporation;

(d) a comfort letter from PricewaterhouseCoopers LLP, Chartered Accountants, dated the date of delivery and acceptable in form and substance to the Underwriters, bringing the information contained in the comfort letter or letters referred to in clause 7(f) hereof forward to the Closing Time, provided that such comfort letter shall be based on a review by such auditors having a cut-off date not more than two Business Days prior to the Closing Date;

(e) favourable legal opinions addressed to the Underwriters, dated the Closing Date, from the Corporation's Canadian counsel, Norton Rose Fulbright Canada LLP, as to matters governed by the laws of the Provinces of Ontario, Québec and Alberta and the federal laws of Canada applicable therein, and from local counsel as to matters governed by the laws of other Qualifying Jurisdictions or relating to the Subsidiaries, with respect to all such matters as the Underwriters may reasonably request, including, without limiting the generality of the foregoing: (i) the incorporation, existence and corporate power and authority of the Corporation and each of the Subsidiaries; (ii) that the Corporation and each of the Subsidiaries are duly licensed to carry on their business in the jurisdictions where such business is carried on; (iii) that all necessary action has been taken by the Corporation to authorize the creation, authorization, issue and sale of the Offered Subscription Receipts, the creation, authorization and issue of the Warrants and the authorization and issue of the Underlying Common Shares and the Warrant Shares, the form of certificate representing the Offered Subscription Receipts and the granting of the Over-Allotment Option; (iv) the due appointment of the registrar and transfer agent in respect of the Common Shares and the Escrow Agent as escrow agent under the Subscription Receipt Agreement; (v) the due authorization, execution, delivery and enforceability of this Agreement, the Subscription Receipt Agreement and the Financing Commitment Letter on the Corporation and, for the Financing Commitment Letter, SDCI, subject to customary qualifications for enforceability; (vi) that the execution and delivery of this Agreement by the Corporation and the consummation of the transactions contemplated herein do not and will not result in a breach of any of (A) the provisions of the constating documents of the Corporation, (B) the Securities Laws of the provinces of Ontario and Québec, the CBCA and any other law, rule or regulation of general application having the force of law applicable in Ontario or Québec, or (C) any resolution of the Board of Directors or shareholders of the Corporation; (vii) the consistency in all material respects of the Subscription Receipts with the descriptions thereof as set forth in the Prospectus; (viii) confirming that the Corporation is a reporting issuer pursuant to the Securities Laws of each Qualifying Jurisdiction and is not included on the list of defaulting issuers maintained

pursuant to the Securities Laws of each Qualifying Jurisdiction; (ix) that the Subscription Receipts, Underlying Securities and Warrant Shares have been conditionally approved for listing on the Toronto Stock Exchange, subject only to customary conditions; (x) that the issuance of the Underlying Securities pursuant to the terms of the Subscription Receipts in accordance with the terms of the Subscription Receipt Agreement and the issuance of the Warrant Shares upon due exercise thereof in accordance with their terms and the terms of the Warrant Indenture will be exempt from the prospectus and registration requirements under Securities Laws and no documents are required to be filed, proceedings taken or approvals, permits, consents, orders or authorizations required to be obtained under Securities Laws (other than such as have been filed or obtained) to permit such issue and delivery (subject to the usual qualifications); (xi) as to the first trade in the Underlying Securities and Warrant Shares being exempt from prospectus and registration requirements under the Securities Laws and that no documents are required to be filed, proceedings taken or approvals, permits, consents, order or authorizations required to be obtained under Securities Laws (other than such as have been filed or obtained) to permit such trade (subject to the usual qualifications); (xii) that all necessary documents have been filed, all requisite proceedings have been taken and all legal requirements have been fulfilled to qualify the Subscription Receipts for distribution and sale to the public in each of the Qualifying Jurisdictions; (xiii) confirming its opinions set out under “Eligibility for Investment” and “Certain Canadian Federal Income Tax Considerations” in the Prospectus, subject to the qualifications and limitations set out therein; (xiv) compliance with the laws of Québec relating to the use of the French language; and (xv) the Underlying Securities, upon the issue thereof in accordance with the terms of the Subscription Receipt Agreement, and the Warrant Shares, upon the issue thereof upon the due exercise of the Warrants in accordance with the terms thereof and the terms of the Warrant Indenture, will be validly issued by the Corporation without any further action by the Corporation and the Underlying Common Shares and the Warrant Shares will be outstanding as fully paid and non-assessable common shares in the capital of the Corporation; it being further understood that the Corporation’s counsel may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of the Corporation’s officers or of the auditors of the Corporation;

(f) if any of the Subscription Receipts are offered or sold in the United States, a favourable legal opinion addressed to the Underwriters, dated the Closing Date, from Fulbright & Jaworski LLP, in form and substance satisfactory to the Underwriters acting reasonably, to the effect that no registration of the Subscription Receipts, Underlying Securities or Warrant Shares will be required under the U.S. Securities Act in connection with the offer, sale and delivery of the Subscription Receipts in the United States or the conversion thereof in the United States for Underlying Securities or the exercise of Warrants in the United States for Warrant Shares, provided, in each case, that such offer, sale and delivery of the Subscription Receipts, Underlying Securities and Warrant Shares in the United States is made in accordance with the terms set out in Schedule “A” hereto;

(g) a favourable legal opinion addressed to the Underwriters, dated the Closing Date, from Blake, Cassels & Graydon LLP, Canadian counsel to the Underwriters, as to such matters governed by the laws of Ontario as the Underwriters may reasonably request, it being understood that Underwriters’ counsel may rely on the opinion of the Corporation’s counsel and local counsel as to matters which specifically relate to

the Corporation or any of its subsidiaries or as to matters governed by the laws of other jurisdictions;

(h) a favourable title opinion, addressed to the Underwriters, dated the Closing Date, from the Corporation's Canadian counsel, Norton Rose Fulbright Canada LLP with respect to the status of the Corporation's interest in the Renard Diamond Project;

(i) the Corporation shall have complied, in all material respects, with all of the terms and conditions, its covenants and its obligations under this Agreement required to be satisfied or complied with, as applicable, on its part, at or prior to the Closing Time;

(j) the representations and warranties of the Corporation contained in this Agreement are true and correct in all material respects as of the Closing Time, except to the extent that they are provided as of a particular date, in which case they were true and correct in all material respects as of such date;

(k) the Underwriters shall have received standstill instruments, substantially in a form agreed by the Co-Lead Underwriters, from: (i) the officers and directors of the Corporation; (ii) CDPQ; (iii) Orion; and (iv) IQ: pursuant to which such parties will have agreed not to sell (and, as applicable, to cause their subsidiaries not to sell) Common Shares or securities convertible or exchangeable into Common Shares (or announce any intention to do so) for a period commencing on the date thereof and ending on the earlier of 90 days after the closing of the Offering and the date of termination of this Agreement;

(l) the Financing Commitment Letter shall not have been terminated;

(m) evidence satisfactory to the Underwriters that the Subscription Receipts, Underlying Securities and Warrant Shares have been conditionally approved for listing on the TSX, subject to standard listing conditions; and

(n) evidence satisfactory to the Underwriters, acting reasonably, of the concurrent closing of the Concurrent Private Placements.

13. Exercise of Over-Allotment Option. Upon exercise of the Over-Allotment Option, the Corporation shall become obligated to issue and sell, and the Underwriters shall become severally obligated to purchase, the total number of Over-Allotment Subscription Receipts set out in the Over-Allotment Exercise Notice in accordance with their respective percentages set out in paragraph 19 hereof; provided that if the Over-Allotment Option is exercised after the Escrow Release Conditions have been satisfied or waived, the number of Underlying Securities that would be issuable if the applicable Over-Allotment Subscription Receipts were issued and converted shall be issued in lieu of such Over-Allotment Subscription Receipts and all provisions of this Agreement with respect to Over-Allotment Subscription Receipts shall apply to such Underlying Securities *mutatis mutandis*, with necessary adjustments. The Over-Allotment Option closing time (the "**Over-Allotment Closing Time**") shall be determined by the Co-Lead Underwriters, on behalf of the Underwriters, but shall not be earlier than two Business Days or later than five Business Days after the exercise of the Over-Allotment Option and, in any event, shall not be earlier than the Closing Date.

If the Over-Allotment Option is exercised as to all or any portion of the Over-Allotment Subscription Receipts, one or more global certificates for such Over-Allotment Subscription

Receipts, and payment therefor, shall be delivered at the Over-Allotment Closing Time in the manner set forth in paragraphs 11, except that reference therein to the Subscription Receipts and the Closing Time shall be deemed, for the purposes of this paragraph, to refer to the applicable Over-Allotment Subscription Receipts and the Over-Allotment Closing Time, respectively, and the amount payable by the Underwriters to the Corporation in respect of the exercise of the Over-Allotment Option shall be equal to the number of Over-Allotment Subscription Receipts in respect of which the Over-Allotment Option is exercised multiplied by the Subscription Price less the Initial Over-Allotment Underwriters' Fee.

If the Over-Allotment Option is exercised as to all or any portion of the Over-Allotment Subscription Receipts, all provisions of this Agreement with respect to the sale of the Subscription Receipts shall apply, *mutatis mutandis*, to the sale of the Over-Allotment Subscription Receipts at the closing, with the Over-Allotment Closing Time being substituted for the Closing Time, the Over-Allotment Closing Date being substituted for the Closing Date, the Over-Allotment Subscription Receipts being substituted for the Subscription Receipts and any other required substitutions being made.

The obligation of the Underwriters to close the exercise of the Over-Allotment Option at the Over-Allotment Closing Time shall be conditional on the Underwriters not having previously terminated their obligations pursuant to paragraph 17 of this Agreement, with reference therein to "Closing Time" being deemed, for the purposes hereof, to refer to the Over-Allotment Closing Time.

14. Indemnification. The Corporation agrees to indemnify and hold harmless each of the Underwriters and their respective affiliates and their respective directors, officers, employees, partners, agents and shareholders (the "**Indemnified Parties**") from and against all losses (other than loss of profits), claims (including shareholder actions, derivative or otherwise), damages, expenses, actions or liabilities, joint or several, of any nature (including the reasonable fees and expenses of their respective counsel and other reasonable out-of-pocket expenses) incurred in investigating, defending and settling any pending or threatened action, suit, proceeding, investigation or claim (collectively, "**Claims**") that is made or threatened against any Indemnified Party or in enforcing this indemnity, to which an Indemnified Party becomes subject or otherwise involved in any capacity insofar as the Claims relate to, are caused by, arise out of, result from or are based upon, directly or indirectly:

(a) any breach of or default under any representation, warranty, covenant obligation or agreement of the Corporation in this Agreement or any certificate to be delivered in connection with this Agreement;

(b) the Corporation not complying with any requirement of any Securities Laws or U.S. Securities Laws relating to the Offering;

(c) any information or statement (except any information or statement furnished by an Indemnified Party in writing and relating solely to the Underwriters) contained or incorporated by reference in the Preliminary Prospectus, the Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment or in any other document or material filed or delivered pursuant hereto being or being alleged to be a misrepresentation or untrue or any omission or alleged omission to state therein any fact or information (except facts or information relating solely to the Underwriters) required to be stated therein or necessary to make any of the statements therein not misleading in light of the circumstances in which they were made; or

(d) any order made or any inquiry, investigation or proceeding commenced or threatened by any securities regulatory authority or by any other competent authority, based upon any untrue statement, omission or misrepresentation or alleged untrue statement, omission or misrepresentation (except a statement, omission or misrepresentation relating solely to the Underwriters) contained or incorporated by reference in the Preliminary Prospectus, the Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment or in any other document or material filed or delivered pursuant hereto (except any document or material delivered or filed solely by an Indemnified Party) preventing or restricting the trading in or the sale or Distribution of the Offered Subscription Receipts, the Underlying Securities or the Warrant Shares in any of the Qualifying Jurisdictions; other than any Claim caused by or arising directly or indirectly by reason of the breach by any Indemnified Party of any of its covenants herein provided for or of applicable securities or other laws in connection with any of the transactions contemplated herein.

The rights of indemnity contained in this Section 14 will not enure to the benefit of an Indemnified Party if the person asserting any claim contemplated by this Section 14 was not provided by the Underwriters or Selling Firms with a copy of any Offering Document which corrects any untrue statement or information, misrepresentation (for the purposes of Securities Laws or U.S. Securities Laws) or omission which is the basis of the Claim and which is required under applicable securities laws to be delivered to that person by the Underwriters or Selling Firms if such Offering Document has been provided to the Underwriters or Selling Firms by the Corporation for delivery to such person.

This indemnity shall not apply to the extent that any losses, claims, damages, expenses or liabilities are determined by a final non-appealable judicial determination of a court of competent jurisdiction to have resulted solely from the negligence, fraud or willful misconduct of the Indemnified Party.

If any Claim contemplated by this paragraph shall be asserted against any of the Indemnified Parties, or if any potential Claim contemplated by this paragraph shall come to the knowledge of any of the Indemnified Parties, the Indemnified Party concerned shall notify the Corporation as soon as practicable of the nature of such Claim (provided that any failure to so notify shall not affect the Corporation's liability under this paragraph, except to the extent that such failure significantly prejudices the proceedings) and the Corporation shall, subject as hereinafter provided, be entitled (but not required) to assume the defence on behalf of the Indemnified Party of any suit brought to enforce such Claim; provided that the defence shall be through legal counsel acceptable to the Indemnified Party, acting reasonably.

An Indemnified Party shall have the right to employ separate counsel in any such suit and participate in the defence thereof but the fees and expenses of such counsel shall be at the expense of the Indemnified Party unless: (i) the Corporation fails to assume the defence of such suit on behalf of the Indemnified Party within 14 days of receiving notice of such suit or, having assumed such defense, fails to diligently pursue it; (ii) the employment of such counsel has been authorized by the Corporation; or (iii) such Indemnified Party is advised by counsel in writing that there is an actual or potential conflict in the Corporation's and such Indemnified Party's respective interests or additional defenses are available to such Indemnified Party such that representation by the same counsel would be inappropriate, in which case the Corporation shall not have the right to assume the defence of such suit on behalf of the Indemnified Party but shall be liable to pay the reasonable fees and expenses of counsel for the Indemnified Party. The Corporation will not, without the Underwriters' prior

written consent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Claim in respect of which indemnification may be sought hereunder (whether or not any Indemnified Party is a party thereto).

The Corporation hereby constitutes the Underwriters as trustees for the other Indemnified Parties of the Corporation's covenants under this indemnity with respect to such persons and the Underwriters agree to accept such trust and to hold and enforce such covenants on behalf of such persons.

The Corporation agrees to waive any right the Corporation may have of first requiring an Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other Person before claiming under this indemnity.

The Corporation also agrees to reimburse the Underwriters for the time spent by their respective personnel at their normal per diem rates in connection with any Claim for which the Corporation has agreed to indemnify the Underwriters hereunder.

The Corporation also agrees that no Indemnified Party shall have any liability (either direct or indirect, in contract, tort or otherwise) to the Corporation or any Person asserting Claims on the Corporation's behalf or in right for or in connection with the Offering, except to the extent that any losses, claims, damages, expenses, actions or liabilities incurred by the Corporation are determined by a court of competent jurisdiction in a final judgment that has become non-appealable to have resulted from the negligence, fraud or willful misconduct of an Indemnified Party.

15. Contribution. If for any reason the indemnity provided in paragraph 14 is unavailable in whole or in part (other than in accordance with the terms hereof) to any Indemnified Party, or is insufficient to hold any Indemnified Party harmless in respect of any Claim, the Corporation shall contribute to the amount paid or payable by the Indemnified Party as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Corporation, on the one hand, and the Indemnified Party, on the other hand, but also the relative fault of the Corporation, the Underwriters or any other Indemnified Party, as well as any relevant equitable considerations. Notwithstanding the foregoing, the Corporation shall in any event, to the extent permitted by the applicable law, contribute to the amount paid or payable by any Indemnified Party as a result of such Claim any excess of such amount over the amount of fees received by the applicable Underwriter in connection with the Offering.

The rights to contribution provided in this paragraph 15 shall be in addition to and not in derogation of any other right to contribution which the Underwriters may have by statute or otherwise at law. If the Underwriters have reason to believe that a claim for contribution may arise, they shall give the Corporation notice thereof in writing, but the failure to notify the Corporation in a timely fashion shall not relieve the Corporation of any obligation which it may have to the Indemnified Parties under this paragraph, except to the extent that such failure significantly prejudices the proceedings or increases the liability which the Corporation would otherwise have hereunder.

If the Corporation is held to be entitled to contribution from the Underwriters under the provisions of any statute or law, the Corporation shall be limited to receiving contribution in an amount not exceeding the amount of the fees actually received by the Underwriters from the Corporation.

16. Expenses. Whether or not the transactions herein contemplated shall be completed, all expenses of or incidental to the Offering shall be paid by the Corporation including, without limitation, listing fees, expenses payable in connection with qualifying the Distribution of the Offered Subscription Receipts (including in connection with preparing, printing, translating and delivery of commercial copies of the Prospectus), the fees and disbursements of counsel for the Corporation, the fees and disbursements of local counsel (including U.S. counsel), the fees and disbursements of the Underwriters' legal counsel (including U.S. counsel), the fees and expenses of the Corporation's auditors, the fees and expenses of technical or other consultants, all costs and reasonable out of pocket expenses relating to the marketing of the Offered Subscription Receipts (including without limitation, relating to roadshows and other information meetings), and all applicable taxes on any of the foregoing. Other than with respect to the fees of Canadian and U.S. legal counsel to the Underwriters, the Underwriters shall seek the pre-approval of the Corporation for any individual expense exceeding $10,000.

17. Termination. In addition to any other remedies which may be available to the Underwriters, any Underwriter shall be entitled, at the Underwriter's option, to terminate and cancel, without any liability on the Underwriter's part, the Underwriter's obligations under this Agreement if, during the period from the date of this Agreement to the Closing Time:

    (a) there shall have occurred or the Corporation shall have notified the Underwriters that there has occurred any material adverse change, or adverse change of material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact), financial or otherwise, in the business, financial condition, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Corporation and its subsidiaries, taken as a whole (including any notice provided under paragraph 6) which was undisclosed as of the date of this Agreement and such change in the reasonable opinion of the Underwriter would be expected to have a significant adverse effect on the market price or value of the Offered Subscription Receipts or Underlying Securities;

    (b) there shall have occurred any change in Securities Laws, or any inquiry, investigation or other proceeding is announced, instituted or threatened or any order is made or issued under or pursuant to any statute of Canada, the United States or any other jurisdiction where the Offered Subscription Receipts will be marketed, or by a regulatory authority in relation to the Corporation or any of its securities, which, in the opinion of the Underwriter, acting reasonably, prevents or restricts the Distribution of or trading in the Offered Subscription Receipts or significantly adversely affects or might reasonably be expected to significantly adversely affect the value or marketability of the Offered Subscription Receipts;

    (c) the state of the financial markets in Canada or the United States is such that, in the opinion of the Underwriter, acting reasonably, the Offered Subscription Receipts cannot be marketed successfully or profitably;

    (d) there should develop, occur or come into effect or existence any event, action, state, condition or occurrence of national or international consequence, including any act of terrorism, war or like event, any change in national or international political, financial or economic conditions, or any law, action or regulation or other occurrence of any nature whatsoever, which, in the opinion of the Underwriter, acting reasonably, might reasonably be expected to significantly adversely affect the value or marketability of the Offered Subscription Receipts; or

(e) a Termination Event occurs,

by giving the Corporation written notice to that effect at or prior to the Closing Time. If any Underwriter terminates the Underwriter's obligations hereunder pursuant to this paragraph, the Corporation's liability hereunder to such Underwriter shall be limited to the Corporation's obligations under paragraphs 14, 15 and 16 hereof. The right of each of the Underwriters to so terminate its respective obligations under this Agreement is in addition to such other remedies as it has in respect of any default, act or failure to act of the Corporation in respect of any matters contemplated by this Agreement.

18. Authority of Co-Lead Underwriters. All steps which must or may be taken by the Underwriters in connection with this Agreement, with the exception of the steps contemplated by paragraphs 13, 15, 17 and 20 hereof, may be taken by the Co-Lead Underwriters on the Underwriters' behalf and the Corporation may accept notification of any such steps from the Co-Lead Underwriters.

19. Underwriters' Obligations to Purchase. Subject to the terms of this Agreement, the Underwriters' obligations under this Agreement to purchase the Subscription Receipts and, if applicable, the Over-Allotment Subscription Receipts shall be several and not joint or joint and several and the liability of each of the Underwriters to purchase the Subscription Receipts and, if applicable, the Over-Allotment Subscription Receipts shall be limited to the following percentages of the aggregate purchase price of the Subscription Receipts and, if applicable, the Over-Allotment Subscription Receipts as set forth herein:

Scotia Capital Inc.	32.0%
Dundee Securities Ltd.	32.0%
RBC Dominion Securities Inc.	25.0%
Desjardins Securities Inc.	7.0%
National Bank Financial Inc.	2.0%
Laurentian Bank Securities Inc.	1.0%
Paradigm Capital Inc.	1.0%
Total	**100.0%**

Nothing herein shall oblige the Corporation to sell to any or all of the Underwriters, or the Underwriters to purchase, less than all of the aggregate amount of the Subscription Receipts and, if applicable, the Over-Allotment Subscription Receipts or shall relieve any Underwriter in default hereunder from liability to the Corporation or the other Underwriters. If one or more of the Underwriters fails to purchase its or their applicable percentages of the aggregate amount of the Subscription Receipts or Over-Allotment Subscription Receipts (the "**Defaulted Subscription Receipts**"), as applicable, at the Closing Time or any Over-Allotment Closing Time, as applicable, and: (i) the number of Defaulted Subscription Receipts does not exceed 10% of the number of the Offered Subscription Receipts to be purchased hereunder on such date, then the other Underwriter or Underwriters shall be obligated, each severally and not jointly or joint and severally, to purchase the Defaulted Subscription Receipts in the proportions that their respective underwriting obligations bear to the underwriting obligation of all Underwriters which are able and willing to purchase their respective percentage of Subscription Receipts; or (ii) the number of Defaulted Subscription Receipts exceeds 10% of the number of the Offered Subscription Receipts to be purchased

hereunder on such date, then the other Underwriter or Underwriters shall have the right, but shall not be obliged, to purchase on a pro-rata basis (or such other basis as they may agree) all, but not less than all, of the Defaulted Subscription Receipts. In the event that the right in clause (ii) above is applicable but not exercised by the applicable Underwriters, then this Agreement shall terminate and the Underwriters which are able and willing to purchase their respective percentage of applicable Offered Subscription Receipts shall be relieved of all obligations to the Corporation on submission to the Corporation of reasonable evidence of their ability and willingness to fulfill their obligations hereunder at the Closing Time or Over-Allotment Closing Time, as applicable, and the Corporation shall be relieved of all obligations to the Underwriters, except in respect of any liability which may have arisen or may thereafter arise under paragraphs 14, 15 or 16. Nothing in this Agreement shall oblige any U.S. Affiliate to purchase any Offered Subscription Receipts. The right of the Underwriters or any of them to terminate their respective obligations under this Agreement is in addition to all other remedies they may have in respect of any default, act or failure to act of the Corporation in respect of any of the matters contemplated by this Agreement.

20. Representations, Warranties and Terms as Conditions. All representations, warranties and terms of this Agreement shall also be construed as conditions, and any breach or failure to comply with any such representations, warranties, terms or conditions in all material respects shall entitle any of the Underwriters, without limitation of any other remedies of the Underwriters, to terminate such Underwriter's obligations to purchase Offered Subscription Receipts by giving written notice to that effect to the Corporation at or prior to the Closing Time or any Over-Allotment Closing Time, as applicable. It is understood that the Underwriters may waive, in whole or in part, or extend the time for compliance with, any of such representations, warranties, terms and conditions without prejudice to the Underwriters' rights in respect of any other of such representations, warranties, terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Underwriters any such waiver or extension must be in writing.

21. Survival. The representations, warranties, covenants, obligations and agreements of the parties contained herein or delivered pursuant hereto shall survive the purchase by the Underwriters of the Offered Subscription Receipts and shall continue in full force and effect notwithstanding any subsequent disposition by the Underwriters of the Offered Subscription Receipts and the issuance of the Underlying Securities and Warrant Shares. The Underwriters shall be entitled to rely on the representations and warranties of the Corporation contained herein or delivered pursuant hereto notwithstanding any investigation which the Underwriters may undertake or which may be undertaken on the Underwriters' behalf.

22. Notice. Any notice or other communication to be given hereunder shall, in the case of notice to the Corporation, be addressed to the Corporation at 1111 St-Charles West, Suite 400, West Tower, Longueuil, Quebec J4K 5G4, Canada, Attention: President and Chief Executive Officer, Fax Number: (450) 674-2012, and, in the case of notice to the Underwriters, be addressed to the persons indicated on Schedule "B" hereto, at the address therein set out. Any such notice or other communication shall be deemed to have been given on the day on which it was delivered or sent by facsimile if received on or before 5:00 p.m. (Eastern time) on such day; otherwise it shall be deemed to have been received by 9:00 a.m. (Eastern time) on the next Business Day. The Corporation or any of the Underwriters may change its address by notice given in accordance with this paragraph.

23. Public Announcements. None of the Corporation, its subsidiaries or the Underwriters shall make any public announcement concerning the appointment of the Underwriters or the

Offering without the consent of the other parties, acting reasonably, and any public announcements shall be made in compliance with Securities Laws. After the completion of the Distribution of the Offered Subscription Receipts, the Underwriters shall be entitled to place advertisements in financial and other newspapers and journals at their own expense describing their services hereunder.

24. Acknowledgment of Underwriters' Activities. The Corporation acknowledges that the Underwriters and their affiliates carry on a range of businesses, including providing institutional and retail brokerage, investment advisory, research, investment management, securities lending and custodial services to clients and trading in financial products as agent or principal. It is possible that the Underwriters and other entities in their respective groups that carry on those businesses may hold long or short positions in securities of companies or other entities, which are or may be involved in the transactions contemplated in this Agreement and effect transactions in those securities for their own account or for the account of their respective clients. The Corporation agrees that these divisions and entities may hold such positions and effect such transactions without regard to the Corporation's interest under this Agreement.

25. No Requirement to List Securities as Condition to Supply of Services . Each of National Bank Financial Inc. and SCI, or an affiliate thereof, owns or controls an equity interest in TMX Group Limited ("**TMX Group**") and has a nominee director serving on the TMX Group's board of directors. As such, each such investment dealer may be considered to have an economic interest in the listing of securities on any exchange owned or operated by TMX Group, including the TSX, the TSX Venture Exchange and the Alpha Exchange. No Person is required to obtain products or services from TMX Group or its affiliates as a condition of any such dealer supplying or continuing to supply a product or service.

26. Time of the Essence. Time shall be of the essence of this Agreement.

27. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the courts of such province shall have exclusive jurisdiction over any dispute hereunder.

28. Securities Sales. The Corporation will not, directly or indirectly, without the prior written consent of the Co-Lead Underwriters on behalf of the Underwriters, such consent not to be unreasonably withheld, issue, offer, sell or grant any option to purchase or otherwise dispose of (or announce any intention to do so) any equity securities of the Corporation or any securities convertible into, or exchangeable or exercisable for, equity securities of the Corporation, for a period commencing on the date hereof and ending on the earlier of 90 days after the Closing Date and the date of termination of this agreement, except (i) employee stock options and other securities-based compensation arrangements and Common Shares issued upon their exercise or settlement; (ii) securities issued as part of or in connection with the Offering, the Concurrent Private Placements and the Debt Financing and the Common Shares issued pursuant to the conversion, exchange or exercise thereof in accordance with their terms; (iii) securities issued pursuant to the conversion, exchange or exercise of currently outstanding convertible, exchangeable or exercisable securities of the Corporation in accordance with their terms; (iv) any conversion of outstanding non-voting convertible shares of the Corporation into Common Shares; and (v) as full or partial consideration for arm's length acquisitions of assets (including royalty interests) or securities.

29. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements (including the letter agreement between the Corporation and the Co-Lead Underwriters dated April 9, 2014), understandings, negotiations and discussions, whether oral or written.

30. Counterparties. This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

If the foregoing is acceptable to the Corporation, please signify such acceptance on the duplicates of this letter and return such duplicates to us, which accepted offer shall constitute a binding agreement among us.

Yours very truly,

SCOTIA CAPITAL INC.

By: (signed) "*Jeff W. Richmond*"

Name: Jeff W. Richmond

Title: Managing Director

DUNDEE SECURITIES LTD.

By: (signed) "*Aaron Unger*"

Name: Aaron Unger

Title: Managing Director

RBC DOMINION SECURITIES INC.

By: (signed) "*Timothy Loftsgard*"

Name: Timothy Loftsgard

Title: Managing Director

DESJARDINS SECURITIES INC.

By: (signed) "*Vincent Metcalfe*"

Name: Vincent Metcalfe

Title: Vice President & Director

NATIONAL BANK FINANCIAL INC.

By: (signed) "*William Washington*"

Name: William Washington

Title: Managing Director, Investment Banking

LAURENTIAN BANK SECURITIES INC.

By: (signed) "*Ryan Thomas*"

Name: Ryan Thomas
Title: Director – Investment Banking

PARADIGM CAPITAL INC.

By: (signed) "*Bruno Kaiser*"

Name: Bruno Kaiser
Title: Partner, Investment Banking

ACCEPTED AND AGREED to this 12th day of May, 2014.

STORNOWAY DIAMOND CORPORATION

By: (signed) "*Matthew Manson*"

Name: Matthew Manson

Title: President and Chief Executive Officer

By: (signed) "*Zara Boldt*"

Name: Zara Boldt

Title: Vice-President, Finance and Chief Financial Officer

SCHEDULE "A"
TERMS AND CONDITIONS FOR
UNITED STATES OFFERS AND SALES

U.S. SELLING RESTRICTIONS

Capitalized terms used but not defined in this Schedule "A" shall have the meaning ascribed thereto in the Underwriting Agreement to which this Schedule "A" is attached.

1. For the purpose of this Schedule "A", the following terms shall have the meanings indicated:

(a) "**Directed Selling Efforts**" means "directed selling efforts" as that term is defined in Rule 902(c) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule "A", it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Offered Subscription Receipts or the Underlying Common Shares, and includes, without limitation, the placement of any advertisement in a publication "with a general circulation in the United States" that refers to the offering of the Offered Subscription Receipts;

(b) "**Foreign Issuer**" means a "foreign issuer" as that term is defined in Rule 902(e) of Regulation S;

(c) "**General Solicitation**" and "**General Advertising**" mean "general solicitation" and "general advertising", respectively, as used in Rule 502(c) of Regulation D, including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine, or similar media or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising, subject to the exceptions described in Rule 502(c) of Regulation D;

(d) "**Qualified Institutional Buyer**" means a "qualified institutional buyer" as that term is defined in Rule 144A;

(e) "**Regulation D**" means Regulation D adopted by the SEC under the U.S. Securities Act;

(f) "**Regulation S**" means Regulation S adopted by the SEC under the U.S. Securities Act;

(g) "**Rule 144**" means Rule 144 adopted by the SEC under the U.S. Securities Act;

(h) "**Rule 144A**" means Rule 144A adopted by the SEC under the U.S. Securities Act;

(i) "**SEC**" means the United States Securities and Exchange Commission;

(j) "**Selling Dealer Group**" means dealers or brokers other than the Underwriters and their U.S. Affiliates who participate in the offer and sale of Offered Subscription Receipts pursuant to the Underwriting Agreement;

(k) “**Substantial U.S. Market Interest**” means “substantial U.S. market interest” as that term is defined in Rule 902(j) of Regulation S;

(l) “**Subscription Receipt Agent**” means Computershare Trust Corporation of Canada;

(m) “**United States**” means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

(n) “**U.S. Affiliate**” means a duly registered U.S. broker-dealer affiliate of an Underwriter;

(o) “**U.S. Exchange Act**” means the *United States Securities Exchange Act of 1934*, as amended;

(p) “**U.S. Placement Memorandum**” means the placement memorandum incorporating the Preliminary Prospectus, Prospectus and any Prospectus Amendment, as the case may be, prepared for use in connection with the offer or sale of the Offered Subscription Receipts pursuant to the provisions of Rule 144A in the United States; and

(q) “**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended.

2. Each Underwriter acknowledges that the Offered Subscription Receipts have not been and will not be registered under the U.S. Securities Act or the laws of any state of the United States, and may not be offered or sold except (i) to persons outside the United States in transactions meeting the requirements of Regulation S or (ii) to persons inside the United States whom such Underwriter reasonably believes to be Qualified Institutional Buyers, in transactions exempt from the registration requirements of the U.S. Securities Act. Each Underwriter agrees that it, its U.S. Affiliate and each member of the Selling Dealer Group will offer and sell the Subscription Receipts only in accordance with Rule 903 of Regulation S or in accordance with Rule 144A, and in each case in accordance with the restrictions set forth in this Schedule “A”. Accordingly, with respect to sales to persons outside the U.S., no Underwriter, its U.S. Affiliate or any Selling Dealer Group member has engaged or will engage in any Directed Selling Efforts, and each Underwriter, its U.S. Affiliate and each Selling Dealer Group member has complied and will comply with the offering restriction requirements of Regulation S.

Each Underwriter acknowledges that it has not entered and will not enter into any contractual arrangement with respect to the Distribution of the Offered Subscription Receipts, except (i) with its affiliates, (ii) with members of the Selling Dealer Group in accordance with this paragraph 2 or (iii) otherwise with the prior written consent of the Corporation.

Each Underwriter, severally and not jointly, represents, warrants and covenants to the Corporation that, in connection with all offers or sales of the Offered Subscription Receipts in the United States by it, its U.S. Affiliates or members of the Selling Dealer Group:

(a) its U.S. Affiliate is a duly registered broker or dealer with the SEC and is a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. on the date such representation is given;

(b) all offers and sales of the Offered Subscription Receipts in the United States will be effected by (i) its U.S. Affiliate in accordance with all applicable U.S. federal and state broker-dealer requirements governing the registration and conduct of broker-dealers or (ii) directly by it in accordance with Rule 15a-6 under the U.S. Exchange Act;

(c) all offers and sales will be made to persons who are, or are reasonably believed by the Underwriters to be Qualified Institutional Buyers and in all cases such Underwriter or its U.S. Affiliate will take reasonable steps to ensure that each purchaser is aware that such offer or sale is being made in reliance on Rule 144A and in compliance with applicable state securities laws of the United States;

(d) each offeree of the Offered Subscription Receipts in the United States will be sent a copy of the U.S. Placement Memorandum, including a copy that includes the Prospectus;

(e) at least one Business Day prior to the Closing Date or Over-Allotment Closing Date, as applicable, it will provide the transfer agent for the Offered Subscription Receipts with a list of all purchasers of the Offered Subscription Receipts in the United States;

(f) prior to any sale of the Offered Subscription Receipts in the United States, each purchaser thereof will be required to execute and deliver to the Underwriters or their U.S. Affiliates making such sale a Qualified Institutional Buyer Investment Letter in the form attached to the U.S. Placement Memorandum;

(g) immediately prior to transmitting the U.S. Placement Memorandum, it had or will have reasonable grounds to believe that each offeree is a Qualified Institutional Buyer acquiring the Offered Subscription Receipts for its own account or for the account of one or more Qualified Institutional Buyers with respect to which it exercises sole investment discretion; and

(h) neither it nor its representatives have used, and none of such persons will use, any form of General Solicitation or General Advertising in connection with the offer or sale of the Offered Subscription Receipts (or any Underlying Securities or Warrant Shares) in the United States or have offered or will offer to sell any Offered Subscription Receipts (or any Underlying Securities or Warrant Shares) in any manner involving a public offering within the meaning of the U.S. Securities Act.

3. It is understood and agreed by the Underwriters that the Offered Subscription Receipts may be offered and resold by the Underwriters and their U.S. Affiliates in the United States pursuant to the provisions of Rule 144A to persons who are, or are reasonably believed by them to be, Qualified Institutional Buyers in transactions meeting the requirements of Rule 144A and in compliance with any applicable state securities laws of the United States.

4. The Corporation represents, warrants and covenants to the Underwriters that:

(a) it is a Foreign Issuer and reasonably believes that there is no Substantial U.S. Market Interest in the Offered Subscription Receipts, Underlying Securities or Warrant Shares;

(b) it is not, and as a result of the offering of the Offered Subscription Receipts contemplated hereby, and the application of the proceeds thereof as described in the Prospectus, will not, be required to be registered as an "investment company" pursuant to the provisions of the United States Investment Company Act of 1940, as amended;

(c) none of the Corporation, any of its affiliates, or any persons acting on its or their behalf (other than the Underwriters and their affiliates, as to which the Corporation makes no representation) has made or will make any Directed Selling Efforts in the United States, or has engaged or will engage in any form of General Solicitation or General Advertising in connection with the offer or sale of the Offered Subscription Receipts in the United States;

(d) on the date hereof, the Offered Subscription Receipts, the Underlying Securities and the Warrant Shares are not, and as of the Closing Date and as of when the Underlying Securities and the Warrant Shares are issued will not be, and no Offered Subscription Receipts, Underlying Securities or Warrant Shares of the same class as the Offered Subscription Receipts, the Underlying Securities or Warrant Shares are or will be:

    (i) listed on a national securities exchange in the United States registered under the U.S. Exchange Act, or

    (ii) quoted in an "automated inter-dealer quotation system", as such term is used in the U.S. Exchange Act;

(e) for so long as any of the Offered Subscription Receipts, the Underlying Securities or Warrant Shares, if applicable, are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3), and if the Corporation is not subject to and in compliance with the reporting requirements of Section 13 or Section 15(d) of the U.S. Exchange Act or exempt from such reporting requirements pursuant to Rule 12g3-2(b) thereunder, the Corporation will provide to any holder of such Offered Subscription Receipts, Underlying Securities or Warrant Shares, or to any prospective purchaser of such Offered Subscription Receipts, Underlying Securities or Warrant Shares, as applicable, designated by such holder, upon the request of such holder, at or prior to the time of resale, the information required to be provided by Rule 144A(d)(4);

(f) except with respect to the offer and sale of the Offered Subscription Receipts, the Corporation has not, for a period of six months prior to the date hereof, sold, offered for sale or solicited any offer to buy any of its securities in the United States;

(g) none of the Corporation, its affiliates or any Person acting on its or their behalf (except for the Underwriters and their U.S. Affiliates) has made any offer or sale of Offered Subscription Receipts in the United States, except through the Underwriters and their U.S. Affiliates; and

(h) all offers and sales of the Offered Subscription Receipts made outside the United States by the Corporation, its affiliates or any Person acting on its or their behalf have been and will be made in "offshore transactions" within the meaning of Regulation S, and otherwise in compliance with Rule 903 of Regulation S.

5. At the closing, each of the Underwriters, together with the Underwriter's applicable U.S. Affiliate, will provide a certificate, substantially in the form of Exhibit I to this Schedule "A", relating to the manner of the offer and sale of the Subscription Receipts in the United States.

Exhibit I

In connection with the sale of subscription receipts of Stornoway Diamond Corporation (the "**Subscription Receipts**"), on behalf of the several underwriters (the "**Underwriters**") referred to in the Underwriting Agreement dated as of May 12, 2014 among Stornoway Diamond Corporation and the underwriters party thereto (the "**Underwriting Agreement**"), the undersigned underwriter and its affiliate in the United States, being **[●]**, (the "**U.S. Affiliate**") each certifies that:

(a) all offers and sales of the Subscription Receipts by the Underwriter and the U.S. Affiliate in the United States have been effected directly by the Underwriter in accordance with Rule 15a-6 under the United States Securities Exchange Act of 1934, as amended, or by the U.S. Affiliate in accordance with all applicable United States broker-dealer requirements;

(b) the U.S. Affiliate is a duly registered broker or dealer with the United States Securities and Exchange Commission and is a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. on the date hereof;

(c) all offers and sales of the Subscription Receipts in the United States have been made to persons who are, or are reasonably believed by the Underwriter to be, "**Qualified Institutional Buyers**" as such term is defined in Rule 144A under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**");

(d) it has not used and will not use any written material other than the preliminary and final Canadian prospectus, as the case may be, together with the offering memorandum relating to sales of Subscription Receipts in the United States (all such documents, the "**Offering Documents**"), and each offeree of the Subscription Receipts in the United States has been sent a copy of the Offering Documents (including the final Canadian prospectus), electronically or otherwise;

(e) immediately prior to transmitting the Offering Documents, it had reasonable grounds to believe that each offeree was a Qualified Institutional Buyer acquiring the Subscription Receipts for its own account or for the account of one or more Qualified Institutional Buyers with respect to which such offeree exercises sole investment discretion and on the date hereof, it continues to believe that each purchaser of the Subscription Receipts is a Qualified Institutional Buyer acquiring the Subscription Receipts for its own account or for the account of one or more Qualified Institutional Buyers with respect to which such purchaser exercises sole investment discretion;

(f) neither it nor its representatives have used, and none of such persons will use, any form of "general solicitation" or "general advertising" (as defined in Rule 502(c) of Regulation D under the U.S. Securities Act) in connection with the offer or sale of the Subscription Receipts in the United States or have offered or will offer to sell any Subscription Receipts in any manner involving a public offering within the meaning of the U.S. Securities Act; and

(g) the Offering of the Subscription Receipts of Stornoway Diamond Corporation in the United States has been conducted by it in accordance with the Underwriting Agreement (including Schedule A thereto).

DATED this **[●]** day of **[●]**, 2014.

[UNDERWRITER]	**[U.S. AFFILIATE]**
Per: ______________________	Per: ______________________
Name:	Name:
Title:	Title:

SCHEDULE "B"

Scotia Capital Inc.
Scotia Plaza, 66th Floor
40 King Street West
Toronto, ON M5W 2X6

Attention: Jeff Richmond
Fax Number: 416-863-7117

RBC Dominion Securities Inc.
200 Bay Street, 4th Floor
South Tower
Toronto, ON M5J 2W7

Attention: Timothy Loftsgard
Fax Number: 416-842-7527

National Bank Financial Inc.
The Exchange Tower
130 King Street West
Suite 3200
Toronto, ON M5X 1J9

Attention: William Washington
Fax Number: 416-869-8013

Paradigm Capital Inc.
95 Wellington Street West
Suite 2101, PO Box 55
Toronto, ON M5J 2N7

Attention: Bruno Kaiser
Fax Number: 416-361-0679

Dundee Securities Ltd.
1 Adelaide Street East
Suite 2200
Toronto, ON M5C 2V9

Attention: Aaron Unger
Fax Number: 416-849-1380

Desjardins Securities Inc.
25 York Street
Suite 1000
Toronto, ON M5J 2V5

Attention: Vincent Metcalfe
Fax Number: 416-861-9992

Laurentian Bank Securities Inc.
130 Adelaide St. W.
Second Floor
Toronto, ON
M5H 3P5

Attention: Ryan Thomas
Fax Number: 416-865-5694

With a copy, which shall not constitute notice, to:

Blake, Cassels & Graydon LLP
199 Bay Street
Suite 4000
Toronto, ON M5L 1A9

Attention: Jeffrey R. Lloyd
Fax Number: 416-863-2653