



Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trademark Agents
595 Burrard Street, P.O. Box 49314
Suite 2600, Three Bentall Centre
Vancouver BC V7X 1L3 Canada
Tel: 604-631-3300 Fax: 604-631-3309

Peter L. Rubin*

Partner

Dir: 604-631-3315

peter.rubin@blakes.com

*Law Corporation

Reference: 00180245/13

November 10, 2020

VIA EMAIL (calgary.registry@albertacourts.ca)

Court of Appeal of Alberta
Registrar's Office
26th Floor, 450 - 1st Street SW
Calgary, AB T2P 5H1

RE: In the Matter of the Companies' Creditors Arrangement Act (the "CCAA") and In the Matter of a Plan of Compromise or Arrangement of Dominion Diamond Mines ULC, Dominion Diamond Delaware Company, LLC, Dominion Diamond Canada ULC, Washington Diamond Investments, LLC, Dominion Diamond Holdings, LLC, Dominion Finco Inc., and Dominion Diamond Marketing Corporation (collectively, the "CCAA Applicants" or "Dominion Diamond") (QB Court File No. 2001-05630)

Re: Intended Application by Diavik Diamond Mines (2012) Inc. ("DDMI") for Leave to Appeal and Stay of Certain Provisions of an Order pronounced by the Honourable Madam Justice K.M. Eidsvik on November 4, 2020 (the "Order") - Request for Expedited Emergency Application

Dear Sir/Madam:

We are counsel to the Dominion Diamond entities noted above which are under insolvency protection pursuant to the CCAA. We write in response to the letter of Mr. Collins dated today and sent earlier this afternoon (copy enclosed) and further to our letter of earlier today (copy also enclosed).

Mr. Collin's client (DDMI) continues to assert a level of urgency that is not supported in facts and which prejudices the ability of the various respondent parties (including our client) to adequately respond to his client's leave application (an application which is supported by an affidavit that is over 900 pages long with exhibits).

DDMI's letter of earlier this afternoon fails to reference three critical facts:

1. DDMI holds the excess diamonds in question and has not delivered any excess diamonds to our client (Dominion Diamond). As such there are currently no excess diamonds that could be sold by Dominion Diamond.
2. DDMI has taken the position the court below did not order that the excess diamonds in issue, assuming diamonds may at some point in the future be delivered by DDMI to Dominion Diamond, can be sold by Dominion. That issue will have to be determined by the supervising CCAA Judge absent any agreement.

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3. The draft form of order drafted circulated by Dominion Diamond and the first lien lenders that DDMI references in their letter from this afternoon, also provides that if any excess diamonds are delivered by DDMI to Dominion Diamond, and if those diamonds are sold, they can only be sold with the consent of the court appointed independent Monitor and, importantly, all proceeds realized from the sale shall be secured and segregated from all other property and such proceeds shall be held pending further order of the court.

DDMI's urgency is manufactured. As noted in our prior correspondence, Dominion Diamond and the other CCAA stakeholders who have taken an active role in these proceedings should be given sufficient time to prepare for defend the applications being brought by DDMI.

Yours truly,



Peter L. Rubin*

cc: CCAA Service List



McCarthy Tétrault LLP
Suite 4000
421-7th Avenue S.W.
Calgary AB T2P 4K9
Canada
Office Phone
Fax: 403-260-3501

Sean F. Collins
Partner
Direct Line: (403) 260-3531
Direct Fax: (403) 260-3501
Email: scollins@mccarthy.ca

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**Re: In the Matter of a Plan of Compromise or Arrangement of Dominion Diamond Mines ULC, Dominion Diamond Delaware Company LLC, Dominion Diamond Canada ULC, Washington Diamond Investments, LLC, Dominion Diamond Holdings, LLC and Dominion Finco Inc.
QB Court File No. 2001-05630
Intended Application by Diavik Diamond Mines (2012) Inc. ("DDMI") for Leave to Appeal and Stay of Certain Provisions of an Order pronounced by the Honourable Madam Justice K.M. Eidsvik on November 4, 2020
Request for Expedited Emergency Application**

We are counsel to DDMI. Further to our letter of November 6, 2020, we confirm we have filed our application and memorandum of argument for leave to appeal and accompanying stay of certain provisions of the order made by the learned CCAA supervising judge.

Counsel for the Dominion group delivered correspondence dated November 9, 2020 indicating Dominion's view that the matter was not urgent due to certain terms of the Court of Queen's Bench order under appeal. DDMI disagrees with this position.

DDMI acknowledges that the order includes a requirement that released diamonds be segregated, secured and held by Dominion. However, Dominion's proposed form of order also states that such obligation is subject to an ability to sell the diamonds in question; which, beyond the fact of the requirement by DDMI to deliver diamonds to Dominion, is another reason why DDMI requires that, at the at the very least, the stay or interim stay application be heard on or prior to November 16, 2020 (being the next scheduled date for the valuation of the diamonds whereupon DDMI may become obligated to release diamonds following such valuation).

To this end, to the extent the matter is not able to be heard on November 16, 2020, then we would request that the matter be returned to what we had understood to have been a provisional booking on November 13, 2020 and for which we were advised was cancelled in light of our request for a later application date.

Yours truly,

McCarthy Tétrault LLP

A handwritten signature in blue ink, appearing to read "SFC", with a stylized flourish extending to the right.

Sean F. Collins

SFC

cc: Service List



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Dear Sir/Madam:

We write further to our correspondence of yesterday (November 9) and the correspondence of this morning from counsel for DDMI (copies of which are enclosed). We are counsel to the Dominion Diamond entities noted above which are under insolvency protection pursuant to the CCAA.

We were not aware that a hearing of an application to this Court by DDMI had been set for this Friday, November 13 until we received the aforementioned correspondence from counsel for DDMI this morning. There has been no agreement or consent to a hearing date of November 13.

There is also no agreement or consent to a hearing date of November 16, or an expedited hearing date, by any of the responding parties. For the reasons set out in our enclosed correspondence from yesterday, there is no reason to deprive Dominion Diamond (and the other interested parties) of a reasonable opportunity to review and respond to any materials filed by DDMI or to impose undue urgency on the court.

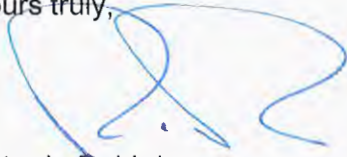
We have not seen any materials filed by DDMI with respect to any application to this Court. Tomorrow (November 11) is a statutory holiday. As such, if DDMI is permitted to unilaterally set down an application for November 16, Dominion Diamond and the various other interested parties will have two business days to prepare and serve responsive materials.

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Subject to availability of all counsel and prompt delivery of DDMI's materials, a hearing during the weeks of November 23 or 30 would likely be appropriate. Dominion Diamond and the other CCAA stakeholders should be given sufficient time to prepare for any applications and orders being sought by DDMI.

We thank you for your attention to this matter.

Yours truly,



Peter L. Rubin*

cc: CCAA Service List

Encls.