

Monetization Process

1. Dominion Diamond Mines ULC ("**Dominion**") and Diavik Diamond Mines (2012) Inc. ("**DDMI**") are successors in interest to the Diavik Joint Venture Agreement dated as of March 23, 1995 between Kennecott Canada Inc. and Aber Resources Limited, as subsequently amended (collectively, the "**JVA**").
2. On April 22, 2020, Dominion sought and obtained protection from its creditors pursuant to an order issued by the Court of Queen's Bench of Alberta (the "**Court**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") in Court File No. 2001-05630 (the "**CCAA Proceedings**"). FTI Consulting Canada Inc. has been appointed as the monitor of Dominion pursuant to the CCAA (the "**Monitor**").
3. This Monetization Process shall govern the disposition of Dominion's share of production produced on or after April 15, 2020 and from the Diavik Diamond Mine located in the North Slave Region of the Northwest Territories, Canada (the "**Diavik Mine**") that is not otherwise identified in paragraph 2 of the Order (Delivery of Diamonds) issued in the CCAA Proceedings on May 8, 2020 (the "**DDMI Collateral**"). In order to optimize the value of the DDMI Collateral for all stakeholders, the DDMI Collateral must be disposed of in a commercially reasonable manner, in a fair and transparent process and, recognizing that the DDMI production from the Diavik Mine (the "**DDMI Production**") may already be subject to agreement for sale, is intended to be treated in a manner no less favourable than the DDMI Production wherever possible.
4. DDMI is hereby empowered and authorized, but not obligated, to act at once in respect of the DDMI Collateral, and is hereby expressly empowered and authorized to do any of the following, at all times acting in a commercially reasonable manner and in accordance with the procedure set out in Schedule "A", where DDMI considers it reasonably necessary or desirable:
 - (a) transport the DDMI Collateral from the production sorting facility in Yellowknife, Northwest Territories (the "**PSF**") to Antwerp, Belgium;
 - (b) engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons including, without limitation, persons who are affiliates of DDMI, from time to time and on whatever basis, including on

a temporary basis, on terms and conditions that are commercially reasonable and consistent with standard processes and procedures of DDMI, or persons who are affiliates of DDMI, to assist with the exercise of DDMI's powers and duties in respect of the DDMI Collateral;

- (c) clean, sort, value and market the DDMI Collateral to and with the assistance of any person;
 - (d) sell, transfer and convey the DDMI Collateral to any person in accordance with the procedure set out in Schedule "A" hereto;
 - (e) receive and collect on Dominion's behalf all monies and accounts now owed or hereafter owing to Dominion in respect of the DDMI Collateral and to exercise all remedies of Dominion in collecting such monies, including, without limitation, to enforce any security held by Dominion in respect of the DDMI Collateral;
 - (f) disburse all monies and accounts that are received and collected in respect of the DDMI Collateral in accordance with the priorities set forth in paragraph 8 of this Monetization Process;
 - (g) take any steps reasonably incidental to carrying out the procedure set out in Schedule "A";
 - (h) and in each case where DDMI takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other persons, including Dominion, and without interference from any other persons.
5. Upon the completion of a disposition of all or any portion of the DDMI Collateral (each, a **"Sale"**), Dominion's and DDMI's interest in the DDMI Collateral that is subject to such Sale shall vest absolutely in the applicable purchaser, free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered

or filed and whether secured, unsecured or otherwise including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by any order in the CCAA proceeding involving Dominion; and;
- (b) any charges, security interests or claims evidenced by registrations pursuant to any personal property registry system in a Canadian jurisdiction.

6. DDMI shall not be acting as, and shall not be deemed to act as, Dominion's agent as a result of carrying out the provisions of this Monetization Process and shall not become liable for or obligated to perform any liability, indebtedness or obligation of Dominion as a result of carrying out the provisions of this Monetization Process, completing any Sales or distributing any proceeds resulting therefrom. All Sales shall be permitted to be completed in one or more transactions, in DDMI's sole and absolute discretion, including without limitation, with respect to the timing, process, and manner of such Sale provided the Sale complies with the provisions of Schedule "A". Other than liabilities that DDMI expressly agrees to incur in writing in respect of any Sale, DDMI shall have no liability of any kind to any person with respect to any Sale including, without limitation, the timing, process, and manner of such Sale, and no person shall sue or otherwise take any action against DDMI with respect to such Sale except for:

- (a) claims that DDMI expressly agrees to incur in writing in respect of any Sale; ~~or~~
- (b) ~~claims that DDMI's conduct with respect to the process and manner of such Sale constituted gross negligence or willful misconduct or~~ did not comply with the provisions of Schedule "A";
- (c) claims under the JVA; or
- (d) claims that DDMI did not act in good faith and in a commercially reasonable manner.

7. For certainty, Dominion shall have and shall continue to have all right, title and interest in the DDMI Collateral throughout the sales process and until completion of a Sale. ~~DDMI and the proceeds of a Sale shall take good faith and commercially reasonable steps in order to effectuate the Sales in a tax efficient manner~~ be treated for all tax and

[accounting purposes as if they were received by Dominion and distributed by Dominion in accordance with paragraph 8 of this Monetization Process.](#)

8. The proceeds resulting from any Sale shall be distributed [by DDMI](#) promptly after receipt thereof in accordance with the following:
- (a) first, towards all taxes or royalties applicable to DDMI Collateral that rank in priority to the security provided for [by law](#) in Article 9.4 of the JVA;
 - (b) second, to all [reasonable and documented](#) fees, costs and expenses incurred by or on behalf of DDMI in the implementation of the Realization Process and the completion of the Sale including, without limitation, a fee equal to ~~21.50~~% of the gross value of any Sale payable to DDMI in relation to handling, sorting, selling and collecting proceeds;
 - (c) third, to DDMI, in satisfaction of outstanding Cover Payments (as such term is defined in the JVA) and interest thereon made by DDMI pursuant to Article 9.4 of the JVA including reasonable legal fees and all other reasonable costs and expenses incurred by DDMI in collecting payment of such indebtedness and enforcing such security interest;
 - (d) fourth, to Credit Suisse AG, Cayman Islands Branch (the “**Administrative Agent**”) in satisfaction of all indebtedness, liabilities and obligations owing by Dominion under the credit agreement (as amended or supplemented from time to time) dated as of November 1, 2017 among, inter alia, Dominion, the Administrative Agent and various lenders from time to time party thereto including, without limitation, principal, interest, reasonable legal fees and all other reasonable costs and expenses incurred by the Administrative Agent;
 - (e) fifth, to Wilmington Trust, National Association, as trustee (the “**Second Lien Trustee**”), in satisfaction of all indebtedness, liabilities and obligations owing by Dominion under the 7.125% senior secured second lien notes issued pursuant to a trust indenture dated as of October 23, 2017 (as amended or supplemented from time to time) among, inter alia, Dominion and the Second Lien Trustee

including, without limitation, principal, interest, reasonable legal fees and all other reasonable costs and expenses incurred by the Second Lien Trustee; and

- (f) sixth, to Dominion, to be held in a segregated trust account at a chartered Canadian bank and distributed in accordance with a distribution order or other order of the Court.
9. Subject to DDMI complying with any order in the CCAA proceedings, nothing in this Monetization Process shall prevent DDMI from exercising all such other rights and remedies available to it under applicable law.
10. DDMI will report to Dominion, the Monitor and the Administrative Agent as the representative of Dominion's first lien lenders (the "**First Lien Lenders**") on the Monetization Process in accordance with the provisions of Schedule "A" and the form attached hereto as Schedule "B" on a monthly basis and when otherwise reasonably requested by Dominion, the Monitor or the Administrative Agent. Any such reporting to the Administrative Agent shall be deemed to be made without any representation or warranty from DDMI to the Administrative Agent or the First Lien Lenders and, with respect to such reporting, DDMI shall not have any liability to the Administrative Agent, or the First Lien Lenders ~~or any other person~~ resulting from such parties' use of such reporting or any errors therein.
11. The Monitor or any person with an interest in the DDMI Collateral may seek advice or directions from the Court in respect of the Monetization Process on reasonable notice to all other interested persons. All persons with an interest in the DDMI Collateral shall act in good faith and in a commercially reasonable manner in respect of the Monetization Process. ~~Any Sale of the DDMI Collateral by auction, and any direct to customer sale in a manner generally consistent with past practice or as authorized by this Monetization Process, shall be and is hereby deemed to be commercially reasonable.~~

SCHEDULE "A"