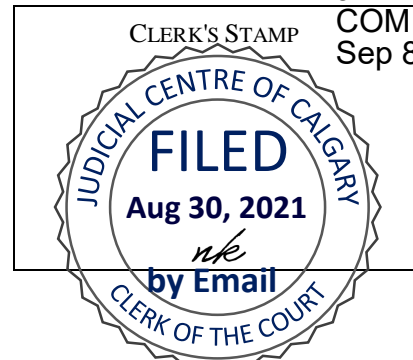


FORM 27
[RULES 6.3 AND 10.52(1)]



803524

\$50.00
Justice Eidsvik
COM
Sep 8, 2021



COURT FILE NUMBER

2001-05630

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

APPLICANTS

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c C-36, AS AMENDED

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

DOCUMENT

**APPLICATION (STAY EXTENSION and
SEALING ORDER)**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

BENNETT JONES LLP
Barristers and Solicitors
4500 Bankers Hall East
855-2nd Street SW
Calgary, AB T2P 4K7

Attention: Chris Simard / Kelsey Meyer
Telephone No.: 403-298-4485 / 403-298-3323
Fax No.: 403-265-7219
Client File No.: 76142-10

NOTICE TO RESPONDENTS:

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the judge.

To do so, you must be in Court when the application is heard as shown below:

Date: Wednesday, September 8, 2021
Time: 3:00 p.m.
Where: Calgary Courts Centre
Before Whom: The Honourable Madam Justice K. M. Eidsvik

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. FTI Consulting Canada Inc., in its capacity as the court-appointed monitor (the "**Monitor**") 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 "**Dominion**"), in accordance with the initial order granted on April 22, 2020 (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**"), as subsequently amended, and in accordance with the Order (Expansion of Monitor's Powers) granted on January 27, 2021 (the "**EMP Order**") in the within proceedings (the "**CCAA Proceedings**"), seeks an order substantially in the form attached hereto as **Schedule "A"**:
 - (a) declaring service of the application for this Order and the Fifteenth Report of the Monitor dated August 30, 2021 (the "**Fifteenth Report**") to be abridged, if necessary, and deemed good and sufficient, and that this application is properly returnable on September 8, 2021; and
 - (b) extending the Stay Period (as defined in the Second Amended and Restated Initial Order granted by this Court on June 19, 2020 (the "**SARIO**")) from September 17, 2021 to and including December 15, 2021.
2. Such further and other relief as counsel may request and this Honourable Court may deem appropriate.

Grounds for making this application:

Background

3. On April 22, 2020, Dominion Diamond Mines ULC, Dominion Diamond Canada UC, Dominion Diamond Delaware Company LLC, Washington Diamond Investments, LLC, Dominion Diamond Holdings, LLC and Dominion Finco Inc. (collectively, the "**Applicants**") were granted the Initial Order commencing the CCAA Proceedings. On September 18, 2020, Dominion Diamond Marketing Corporation was added as an applicant in the CCAA Proceedings. The Applicants and Dominion Diamond Marketing Corporation are collectively referred to herein as "**Dominion**".
4. The Initial Order appointed FTI Consulting Canada Inc. as Monitor and established a stay of proceedings (the "**Stay of Proceedings**") in favour of the Applicants until May 2, 2020 (the "**Stay Period**").
5. Pursuant to an Amended and Restated Initial Order granted May 1, 2020, this Court extended the Stay Period to June 1, 2020. The Stay Period was subsequently extended by further Orders of this Court, and was ultimately extended to September 17, 2021.
6. On November 4, 2020, this Court granted an Order (Approval of Monetization Process) (the "**Monetization Order**") which approved a monetization process to govern the disposition of Dominion Diamond Mines ULC's share of production from the Diavik Diamond Mine located in the North Slave Region of the Northwest Territories.
7. On December 11, 2020, this Court granted an approval and vesting order which approved an asset purchase agreement dated as of December 6, 2020 (the "**Purchase Agreement**") in relation to a going-concern restructuring transaction (the "**Transaction**") between Dominion, as vendor, and DDJ Capital Management, LLC and Brigade Capital Management, LP, as purchasers (collectively, the "**Contracting Purchasers**"). The Transaction between Dominion and Arctic Canadian Diamond Company Ltd., the entity designated by the Contracting Purchasers in accordance with the Purchase Agreement (the "**Purchaser**"), closed on February 3, 2021.

8. On January 27, 2021, this Court granted the EMP Order, which authorized the Monitor to, among other things, take any and all actions and steps in the name of and on behalf of Dominion to facilitate the administration of Dominion's business, property, operations, affairs and estate, and to execute any agreement in the name of and on behalf of Dominion.
9. On March 4, 2021, this Court granted an Order extending the Stay Period to September 17, 2021.

Stay Extension

10. Since the granting of the Order on March 4, 2021 extending the Stay Period to September 17, 2021, the Monitor, on behalf of Dominion, has taken steps to advance these proceedings, including, among others, the following:
 - (a) communicating with various stakeholder groups and/or their advisors;
 - (b) attending to post-closing matters in relation to the Transaction;
 - (c) taking all actions and steps pursuant to the Transition Services Agreement dated February 3, 2021 (the "**TSA**") with the Purchaser and Credit Suisse AG, Cayman Islands Branch, in its capacity as administrative agent (the "**Agent**") for the first lien secured lenders (the "**1L Lenders**") pursuant to the Revolving Credit Agreement dated as of November 1, 2017 (as amended, restated or supplemented from time to time, the "**1L Credit Agreement**"), which was executed by the Monitor on behalf of Dominion in accordance with the EMP Order;
 - (d) communicating regularly with Diavik Diamond Mines (2012), Inc. ("**DDMI**") regarding Dominion's ongoing interest in the Diavik Diamond Mine and Monetization Order issues;
 - (e) communicating regularly with the Agent; and
 - (f) communicating with stakeholders and considering strategies to maximize the value of the remaining assets of Dominion.

11. A further extension of the Stay Period to December 15, 2021 is appropriate in the circumstances where:
- (a) pursuant to the TSA, Dominion has agreed to take all reasonable steps that are necessary or desirable for the full realization and recovery of the Diavik Realization Assets (the "**Realization Activities**"), to provide information to the Agent and the Purchaser as more specifically set out in the TSA (in addition to other reporting requirements, including those required by the Monetization Order), and to distribute proceeds of the Diavik Realization Assets in accordance with the TSA, which distribution provisions reflect the terms of the Approval and Vesting Order and the Purchase Agreement;
 - (b) in addition, pursuant to the Monetization Order, DDMI is required to report to the Monitor on its diamond sorting results and on the status of its monetization of the DDMI Collateral (as defined in the Monetization Order), including in respect of any distributions made by DDMI to one or more stakeholders of Dominion pursuant to paragraph 8 thereof. As noted in the Monetization Order, such reporting is important to ensure that the process is transparent to all "other creditors and other stakeholders" of Dominion. An extension of the stay will allow the Monitor to continue to receive and review DDMI's monthly reporting, and to monitor the monetization process of the DDMI Collateral, including any distributions to Dominion's creditors under the Monetization Order;
 - (c) a stay extension will allow the Monitor, in accordance with the EMP Order, to take all actions and steps in the name of and on behalf of Dominion to facilitate the administration of Dominion's business, property, operations, affairs and estate, including but not limited to all actions and steps in relation to Dominion Diamond Mines ULC's 40% interest in the Diavik Diamond Mine, in relation to its joint venture agreement with DDMI dated March 23, 1995, as amended, and as contemplated in the TSA;

- (d) a stay extension will also allow the Monitor to maximize the value of Dominion's remaining asset pool (i.e., assets other than those assets that were purchased by the Purchaser);
- (e) Dominion expects to have sufficient funds, as a result of the Wind-Down Account and the Diavik Realization Account (as those terms are defined in the Purchase Agreement), and further funding of those accounts by the 1L Lenders as necessary, to fund its obligations and the cost of these CCAA Proceedings through the end of the proposed Stay Period;
- (f) Dominion has acted, and is continuing to act, in good faith and with due diligence in respect of these CCAA Proceedings; and
- (g) such further and other considerations as counsel may advise and this Honourable Court considers just and appropriate in the circumstances.

Material or evidence to be relied on:

- 12. The Fifteenth Report of the Monitor, filed herewith;
- 13. Such further and other evidence as counsel may advise and this Honourable Court may permit.

Applicable Rules:

- 14. Part 6, Division 1 of the Alberta *Rules of Court* (AR 124/2010); and
- 15. Such further and other rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and Regulations:

- 16. The *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended; and
- 17. Such further and other Acts and Regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

18. None.

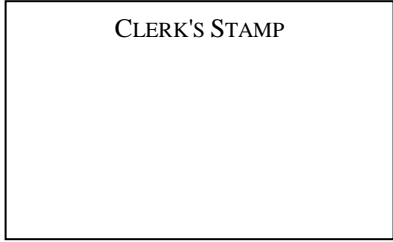
How the application is proposed to be heard or considered:

19. Via Webex before the Honourable Madam Justice K. M. Eidsvik.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

SCHEDULE "A"



COURT FILE NUMBER 2001-05630
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANTS IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c C-36, AS AMENDED

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

DOCUMENT **ORDER (STAY EXTENSION)**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT **BENNETT JONES LLP**
Barristers and Solicitors
4500 Bankers Hall East
855-2nd Street SW
Calgary, AB T2P 4K7

Attention: Chris Simard / Kelsey Meyer
Telephone No.: 403-298-4485 / 403-298-3323
Fax No.: 403-265-7219
Client File No.: 76142-10

**DATE ON WHICH ORDER WAS
PRONOUNCED:** WEDNESDAY, SEPTEMBER 8, 2021

LOCATION OF HEARING OR TRIAL: CALGARY COURTS CENTRE

**NAME OF JUDGE
WHO MADE THIS ORDER:** THE HONOURABLE MADAM JUSTICE
K. M. EIDSVIK

UPON THE APPLICATION OF FTI Consulting Canada Inc. in its capacity as the Court-appointed monitor
(the "**Monitor**") in these proceedings (the "**CCAA Proceedings**") pursuant to the *Companies' Creditors*

Arrangement Act, RSC 1985 c C-36, as amended (the "CCAA"); AND UPON reading the Fifteenth Report of the Monitor dated August 30, 2021, filed (the "**Fifteenth Report**"); AND UPON hearing counsel for the Monitor and other counsel present;

IT IS ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of the application for this Order and the Fifteenth Report is hereby abridged and deemed good and sufficient, no other person is required to have been served with notice of this application, and this application is properly returnable today.

EXTENSION OF STAY PERIOD

2. The Stay Period (as defined in the Second Amended and Restated Initial Order of this Court dated June 19, 2020 ("**SARIO**")) is hereby extended until and including December 15, 2021.

Justice of the Court of Queen's Bench of Alberta