



COURT FILE NUMBER 2001-05630
COURT COURT OF QUEEN'S BENCH OF ALBERTA IN
BANKRUPTCY AND INSOLVENCY COM
JUDICIAL CENTRE CALGARY May 29, 2020
Justice Eidsvik

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, and DOMINION FINCO INC.**

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

BLAKE, CASSELS & GRAYDON LLP
Barristers and Solicitors
3500 Bankers Hall East
855 – 2nd Street SW
Calgary, Alberta T2P 4J8

Attention: Peter L. Rubin / Peter Bychawski /
Claire Hildebrand / Morgan Crilly
Telephone No.: 604.631.3315 / 604.631.4218 /
604.631.3331 / 403.260.9657
Email: peter.rubin@blakes.com /
peter.bychawski@blakes.com /
claire.hildebrand@blakes.com /
morgan.crilly@blakes.com

Fax No.: 604.631.3309

AFFIDAVIT OF BRENDAN BELL

Sworn on May 21, 2020

I, Brendan Bell, of Kelowna, British Columbia, MAKE OATH AND SAY THAT:

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I. INTRODUCTION

1. I am a director of Dominion Diamond Mines ULC ("**Dominion Diamond**"). As such, I have personal knowledge of the matters deposed to in this affidavit, except where stated to be based upon information provided to me, in which case I believe the same to be true.
2. Dominion Diamond and the other applicants in these proceedings, being Dominion Diamond Canada ULC, Dominion Diamond Delaware Company, ULC, Washington Diamond Investments, LLC, Dominion Diamond Holdings, LLC, and Dominion Finco Inc., conduct business as an integrated company and are collectively referred to in this affidavit as "**Dominion**" or the "**Applicants**".
3. On April 22, 2020, the Applicants were granted protection under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") pursuant to an initial order of this Court (the "**Initial Order**"), as subsequently amended and restated in the order of this Court granted on May 1, 2020 (the "**ARIO**").
4. Details regarding the background to these CCAA proceedings are set out in the affidavit of Kristal Kaye sworn on April 21, 2020 (the "**Kaye Affidavit**").
5. I swear this Affidavit in support of an application by the Applicants for an amended and restated initial order (the "**Second ARIO**"), among other things:
 - (a) authorizing and directing Dominion Diamond, Washington Diamond Investments, LLC, and Dominion Diamond Holdings, ULC, as vendors (collectively, the "**Dominion Vendors**"), to negotiate and finalize a definitive "stalking horse" agreement of purchase and sale (such definitive agreement being the "**Stalking Horse Bid**") with Washington Diamond Investments Holdings II, LLC, or its designated nominee, as purchaser (the "**Stalking Horse Bidder**"), substantially in accordance with the terms of the "stalking horse" term sheet (the "**Stalking Horse Term Sheet**") negotiated among the Dominion Vendors and the Stalking Horse Bidder;
 - (b) approving a sale and investment solicitation process ("**SISP**") with respect to the Dominion Vendors' business and assets which will, among other things, allow the Dominion Vendors to seek to identify any superior bid to the Stalking Horse Bid;

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- (c) authorizing the Dominion Vendors to reimburse the Stalking Horse Bidder for certain fees incurred by it in connection with the negotiation of the Stalking Horse Term Sheet, the Stalking Horse Bid and the SISP and approving certain bid protections in favour of the Stalking Horse Bidder should a bid superior to that of the Stalking Horse Bid be selected in accordance with the SISP;
- (d) approving the interim financing term sheet (the "**Interim Financing Term Sheet**") between Dominion Diamond, as borrower, and an affiliate of the Stalking Horse Bidder, Washington Diamond Lending, LLC, and the other lenders party thereto (collectively the "**Interim Lenders**"), as lenders, and Credit Suisse AG, Cayman Islands Branch, as the administrative agent and collateral agent of the First Lien Lenders (as defined below), and granting the Interim Lenders' Charge (as defined in the Second ARIO) on the terms and with the priority set out in the Second ARIO; and
- (e) approving the Financial Advisor Agreement (as defined below) between the Applicants and Evercore Group L.L.C. ("**Evercore**") and granting the Financial Advisor Charge (as defined in the Second ARIO) on the terms and with the priority set out in the proposed Second ARIO.

6. Copies of (a) a letter of intent dated May 21, 2020 delivered by the Stalking Horse Bidder to me, in my capacity as Dominion Diamond's Independent Director (as defined below), in which the Stalking Horse Bidder sets out the terms on which it is prepared to support Dominion in its restructuring efforts (the "**LOI**"), (b) Stalking Horse Term Sheet, (c) SISP, (d) Interim Financing Term Sheet (collectively, the "**Restructuring Proposal**"), and (e) Financial Advisor Agreement are attached as Exhibits "A" to "E" to the affidavit of John Startin dated May 21, 2020, (the "**Evercore Affidavit**"), respectively, which affidavit I have reviewed prior to making my affidavit.

7. When I refer in my affidavit to the LOI, the Stalking Horse Term Sheet, the SISP, the Interim Financing Term Sheet, and the Financial Advisor Agreement, I am referring to the versions of these documents that are exhibited to the Evercore Affidavit.

8. Capitalized terms not otherwise defined in my affidavit have the meanings ascribed to them in the Kaye Affidavit or the Evercore Affidavit, as applicable.

II. BACKGROUND AND ROLE WITH DOMINION DIAMOND

9. I have a Bachelor of Commerce degree from the University of Calgary and a Master of Business Administration degree from Heriot-Watt University.

10. I have been actively engaged in government and private business in the Northwest Territories for more than twenty (20) years.

11. From October 1999 to October 2008, I served as an elected member of the Northwest Territories Legislative Assembly. In 2003, I was chosen to serve in Cabinet and held several Cabinet positions over the following four (4) years, including Minister Responsible for Energy and Mining, Minister Responsible for the Environment, and Minister of Justice and Attorney General. During this period, I was the lead Cabinet Minister responsible for dealing with economic and resource development issues for the Government of the Northwest Territories ("**GNWT**"). This included responsibility for the completion of several important socio-economic agreements with major international resource companies. I also oversaw the negotiation of an agreement with the Government of Canada to clean up the GIANT Mine in the Northwest Territories, which mine was the subject of a bankruptcy and significant environmental reclamation issues.

12. Following my time with the GNWT, I was a founding partner of the Northern Strategy Group, advising clients on intergovernmental, socio-economic, and environmental matters. I also became actively involved in matters of energy policy affecting Northern and Western Canada and served as member of the Government of Alberta's Energy Strategy Panel and as Chairman of the Northwest Territories Power Corporation, the public electric utility for the Northwest Territories.

13. While at Northern Strategy Group, I began providing consulting services to the entity which is now Dominion Diamond (at the time named Harry Winston Diamond Corp.) beginning in 2007 and to the president of BHP Billiton Canada Inc. ("**BHP**"), which at the time owned the controlling interest in the Ekati Mine, beginning in 2008. Dominion Diamond went on to acquire the controlling interest in the Ekati Mine as well as associated sorting and sales facilities in the Northwest Territories and Antwerp, Belgium from BHP in 2013.

14. After Dominion Diamond acquired the controlling interest in the Ekati Mine from BHP in 2013, I joined Dominion Diamond as an executive with responsibility for External Affairs and Human Resources. In November 2014, I was appointed acting CEO and in July 2015 I was appointed permanent CEO and director of Dominion Diamond. Accordingly, I have been involved

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with Dominion Diamond and its predecessors with an interest in the Ekati Mine for approximately twelve (12) years.

15. While I was CEO, Dominion Diamond conducted strategic review processes in each of 2015 and 2016. These processes were done privately and included engaging a bank-owned financial advisor to, among other things, solicit the sale of Dominion Diamond to a third party. Neither process resulted in a sale of Dominion Diamond.

16. In March 2017, Dominion Diamond publicly announced a third strategic review process. Dominion Diamond again engaged a bank-owned financial advisor to, among other things, solicit the sale of Dominion Diamond. In this third process, Dominion Diamond considered a range of potential strategic alternatives focused on maximizing shareholder value. While this process was public, Dominion Diamond received no formal offers to acquire the company other than from The Washington Companies ("**Washington**"). Washington acquired Dominion Diamond in November 2017 and it became a private company.

17. Upon completion of Washington's acquisition of Dominion Diamond in November 2017, I resigned as CEO. However, Washington requested and I agreed to serve as an independent director of Dominion Diamond so that the company's board of directors could continue to benefit from my history, knowledge, experience, and perspective with respect to the company, its assets, and its relationships with stakeholders in the Northwest Territories.

18. As described in the Kaye Affidavit, the global COVID-19 pandemic, among other factors, including the highly-leveraged nature of the Applicants' capital structure, the cost of funding cash calls made by Dominion Diamond's joint venture partner at the Diavik Mine from January to April 2020 totalling approximately \$86 million, and associated liquidity challenges, forced Dominion to quickly reconsider its strategic alternatives, which ultimately led to the commencement of these CCAA proceedings.

19. Since the acquisition of Dominion by Washington, I have not been a member of management of Dominion Diamond, do not have a role with Washington, and do not have a relationship with Washington or Dominion Diamond that could reasonably interfere with the exercise of my independent judgement as a director in respect of a restructuring. In other words, I am independent.

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20. In this context, and considering the possibility that any potential restructuring implemented by Dominion would likely impact upon the interests of Washington in its capacity as Dominion's 100% equity holder, and may involve Washington in any restructuring exit strategy, prior to the CCAA filing the Dominion Diamond board of directors delegated to me (the "**Independent Director**") powers to:

- (a) review the terms and conditions of any proposed restructuring options available to Dominion Diamond;
- (b) assess whether any proposed restructuring options available to Dominion Diamond are in the best interest of the company;
- (c) negotiate or supervise the negotiation of the terms of any proposed restructuring options available to Dominion Diamond and any agreements necessary to give effect thereto;
- (d) determine whether or not to make a recommendation to the board of directors of Dominion Diamond with respect to restructuring options available to Dominion Diamond and, if a recommendation is to be made, to formulate the recommendation and report to the board of directors as to the Independent Director's recommendation and his reasons and conclusions in respect thereof;
- (e) engage such professional advisors, such as financial advisor(s), legal counsel, and restructuring advisor(s) as the Independent Director may determine are reasonably necessary or advisable to assist Dominion Diamond, the Independent Director, and the board of directors of Dominion Diamond, as the case may be; and
- (f) take such other actions as the Independent Director determines are necessary or advisable to permit him to formulate an appropriate recommendation to the board of directors of Dominion Diamond with respect to any proposed restructuring step.

21. In addition, in order to facilitate my decision making in my role as the Independent Director, prior to the CCAA filing the Dominion Diamond board of directors reduced the quorum for meetings of the board of directors to one (1) director, so that I can make decisions and provide instructions to Dominion Diamond's advisors on behalf of the company without the presence of Washington representatives serving on the board of directors of Dominion Diamond.

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22. I have had in excess of twenty (20) formal Independent Director meetings with various participants in attendance since the CCAA filing. These meetings have not always included the same participants but have throughout this process included, at appropriate times, certain representatives of Evercore and certain members of management, and have always included Dominion Diamond's legal advisors. At no time have any of the other directors of Dominion Diamond participated in any of these meetings.

23. The first meeting of the full Dominion Diamond board of directors since the CCAA filing on April 22, 2020 was held on May 20, 2020. During that board of directors meeting (a) management provided financial, operational and safety updates including in respect of operations at the Ekati Mine and Diavik Mine and operations of the company generally; and (b) I provided an update on the "process" (but not the substance) of the actions I was taking as the Independent Director. After that portion of the board meeting, Washington representatives serving on the board of directors declared their interest in the Restructuring Proposal and recused themselves from and left the meeting. Members of management provided me with their views and perspectives on the Restructuring Proposal and then management also left the meeting. I met alone in-camera with Evercore and legal counsel to review the Restructuring Proposal and the financing proposals received from other parties, which I had previously reviewed in the Independent Director meetings, and I approved the Restructuring Proposal.

III. THE RESTRUCTURING PROPOSAL IS IN THE BEST INTEREST OF THE APPLICANTS AND THEIR STAKEHOLDERS

A. Overview

24. During the past several weeks, and as briefly noted above, under my direction, and with the benefit of advice from the company's professional advisors including in particular significant assistance from Evercore, Dominion Diamond has assessed its financial affairs and restructuring options as well as options for potential interim financing providers.

25. Based on my experience with Dominion Diamond and involvement in these CCAA proceedings, I am of the view that Dominion's business has value and is deserving of being restructured and saved. I say that considering not only the best interests of Dominion Diamond but also taking into consideration the interests of various stakeholders, including but not limited to, Northern communities, employees, contractors, the environment, and creditors.

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26. It is also clear to me that a sales and investment solicitation process needs to be run in the context of these CCAA proceedings for the benefit of the Applicants' stakeholders and that the Applicants will require interim financing in order to run such a process.

27. Dominion's negotiations with Washington and Dominion's revolving credit facility lenders (the "**First Lien Lenders**") culminated in the LOI which sets out an integrated, comprehensive Restructuring Proposal, consisting of:

- (a) the Stalking Horse Term Sheet which forms the basis of the proposed Stalking Horse Bid, which would in turn set the "floor price" for the acquisition of substantially all the Dominion Vendors' business and assets;
- (b) the SISP that provides for a process to identify potentially higher and better offers than provided for by the Stalking Horse Bid; and
- (c) the Interim Financing Term Sheet which provides the Applicants with funding required to meet their operational and administrative expenses through to the completion of the SISP.

28. The Restructuring Proposal is the product of several weeks of negotiations aimed at identifying and implementing a restructuring strategy that will allow Dominion's core business to continue to operate for the benefit of its stakeholders.

29. I have been directly overseeing the negotiations related to the Restructuring Proposal. In the process of considering and negotiating the Stalking Horse Term Sheet, SISP, and the Interim Financing Term Sheet, I have had the benefit of professional advice from experienced advisors at Evercore and Blake, Cassels & Graydon LLP ("**Blakes**") as well as daily contact with Dominion's management and certain of its employees. During this negotiation process, Washington and the First Lien Lenders have been represented by their own legal and financial advisors.

30. As noted in the Kaye Affidavit, and as is evident from the Evercore Affidavit, the Evercore team has significant experience and I have had access to a number of their professionals in both their Metals, Materials & Mining as well as their Restructuring and Debt Advisory groups. Similarly, on the legal side, and without waiving any legal privilege, the Blakes team has included professionals in the Corporate, M&A, Mining, Financial Services, Pensions, and Restructuring & Insolvency groups. I have also had direct discussions with the Monitor.

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31. Based on my own knowledge of Dominion's business, and experience in the Northwest Territories, including in the diamond mining industry, and after considering all of the professional advice I have received, it is my strongly held view that pursuit of the Restructuring Proposal is warranted at this time, is the appropriate course of action, and will benefit the Applicants and their stakeholders through value maximization.

B. The Stalking Horse Bid

32. As discussed in the Kaye Affidavit, to address the highly-leveraged nature of the Applicants' capital structure and associated liquidity challenges, the Applicants' plans while under CCAA protection included consideration of, among other things, the undertaking of a sale and investment solicitation process to maximize the value of the Applicants' business and property for the benefit of stakeholders.

33. On April 22, 2020, upon the granting of the Initial Order, Dominion Diamond issued a press release advising the public and interested parties of the commencement of these CCAA proceedings. In this press release, Dominion Diamond disclosed that it intended to use these CCAA proceedings to engage in discussions with its lenders, creditors, equity sponsor, and other stakeholders, and to solicit and evaluate strategic alternatives to restructure financially and operationally. Dominion Diamond's press release also noted that Dominion Diamond had received and was considering a proposal from a Washington affiliate to provide debtor-in-possession financing which would help provide sufficient liquidity through the CCAA process and be conditional upon Dominion Diamond agreeing to: (a) a Memorandum of Understanding (MOU) regarding a possible sale of Dominion Diamond's assets to an affiliate of Washington, as a stalking horse bidder; and (b) bidding procedures for the solicitation of competing offers to such asset sale, either to purchase the Dominion Diamond's assets or to make an investment in the company. Attached as **Exhibit "A"** is a copy of the April 22, 2020 Dominion Diamond press release.

34. The Applicants' filing for CCAA protection on April 22, 2020, the press release of the same date, and subsequent hearings, affidavits and the like filed in these CCAA proceedings, have received significant public attention and have been the subject of many news and press reports. The diamond mining industry is very small – the players all know each other and are all well known – and I would be very surprised if any potential Dominion buyer or investor has not had knowledge of the Applicants' CCAA filing since the filing date or within days thereafter.

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35. The Restructuring Proposal for which the Applicants seek this Court's approval, as more fully described in the Evercore Affidavit, is structured in the manner consistent with the April 22, 2020 press release (other than the inclusion of the First Lien Lenders as participants in the interim financing contemplated by the Interim Financing Term Sheet).

36. While the Stalking Horse Bid may, or may not, be the final or best bid at the end of the SISP, it provides in my view significant value by setting a "floor price" that will potentially be bested by any bids received under the SISP. Also important in my view, is the fact that the Stalking Horse Bid is intended to demonstrate that there will be a going concern outcome for the Applicants' business.

37. The existence of the Stalking Horse Bid, and to a certain degree the support of the First Lien Lenders, and Washington as the 100% equity owner, is important in demonstrating to, among others, Dominion's employees, contractors, creditors and to Northern communities and the GNWT that they should have confidence in Dominion and that it will survive as an ongoing business. This confidence could be critical in ensuring Dominion is able to handle this COVID-19 environment, restructure, and survive as a viable business. Specifically, Dominion's highly skilled employees and contractors are vital to its business. The loss of these employees and contractors to competitors or other regions of Canada due to uncertainty as to whether the Ekati Mine will operate again as a going concern would have a material negative effect on Dominion and the future viability of the Ekati Mine.

38. The Stalking Horse Bid contemplates that the Stalking Horse Bidder will assume substantially all of the operating liabilities of the Dominion Vendors, including all obligations of the Dominion Vendors under its operational contracts and joint venture agreements, to employees and unions (including obligations under its collective bargaining agreements and pension plan), to First Nations groups, and to the GNWT.

39. In terms of the significance of Dominion's operations continuing as a going concern, I share the views of Ms. Kaye as expressed in the Kaye Affidavit that Dominion and its business is very important to the Northwest Territories. I will not repeat what Ms. Kaye stated in her affidavit as her description of Dominion's economic and social impact on the Northwest Territories speaks for itself. Suffice it to say that the fact that the Stalking Horse Bid contemplates the continued employment of nearly all of Dominion's employees and the maintenance of a business partner to the significant number of companies, First Nations, and local communities who conduct business

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with Dominion is a significant benefit to those who depend on Dominion's business operations for their livelihoods and economic well being.

C. The SISP

40. Approval for the Applicants to enter the Stalking Horse Bid is only being sought at this juncture for purposes of approving it as the Stalking Horse Bid. That is, a transaction with Washington, or any other party for that matter, requires court approval at a later date, likely in the summer or early fall.

41. The SISP for which the Applicants seek approval will govern the solicitation of potentially higher and better offers for the Applicants' assets than provided for in the Stalking Horse Bid.

42. As explained in the Evercore Affidavit, the SISP will provide a process to test for whether the Stalking Horse Bid delivers the best possible result for Dominion and its stakeholders in terms of value maximization.

43. I am also of the view that if there are other potential investors or purchasers interested in Dominion, that they will be able to participate in the SISP on the timelines set out therein. As noted above, the diamond mining community is small, the participants are well known to each other, and the Applicants' restructuring objectives in the context of these CCAA proceedings have been known since April 22, 2020.

D. The Interim Financing Term Sheet

44. As noted in the Kaye Affidavit, and demonstrated in the Cash-flow Projections attached thereto as Exhibit "H", the Applicants require interim financing for working capital and general corporate purposes to pursue their restructuring efforts in the context of these CCAA proceedings and to allow payment of their post-filing financial obligations, including the Applicants' ordinary course of business obligations and the essential administrative expenses associated with these CCAA proceedings. The Evercore Affidavit also describes the cash flow needs of the Applicants through the sale and investment solicitation process.

45. The Applicants, with the assistance of Evercore, have been actively soliciting proposals from key stakeholders across the Applicants' capital structure, as well as certain other potential financing sources, to ascertain interest in providing interim financing to the Applicants. As part of this process, Evercore canvassed the market to identify potential sources of interim financing and

provided information about the Applicants' financial needs to potential lenders. Evercore's efforts in this regard are set out in detail in the Evercore Affidavit and will not be repeated here.

46. The Applicants, in consultation with Evercore and the Monitor, believe that the Interim Financing Term Sheet and the Interim Lenders' Charge (in each case as defined in the Evercore Affidavit), the approval of which is a condition of the Stalking Horse Bid, are fair and reasonable in the circumstances, are necessary, and are in the best interest of the Applicants and their stakeholders having regard to, among other things, (a) the period during which the Applicants are expected to be subject to these CCAA proceedings; (b) how the Applicants' business and financial affairs are to be managed during these CCAA proceedings; and (c) the nature and value of the Applicants' business and assets.

47. The funds to be advanced pursuant to the Interim Financing Term Sheet are necessary and will therefore enhance the prospects of a successful SISP and a viable compromise or arrangement in respect of the Applicants.

IV. FINANCIAL ADVISOR AGREEMENT APPROVAL

48. As noted in the Kaye Affidavit, Dominion Diamond engaged Evercore as a financial advisor to the company prior to the commencement of these CCAA proceedings pursuant to an engagement letter dated April 8, 2020 between Dominion Diamond and Evercore (as amended on April 22, 2020, the "**Financial Advisor Agreement**").

49. The terms of Evercore's engagement, as set out in the Financial Advisor Agreement, were negotiated among Dominion Diamond and Evercore, in consultation with the Monitor, and are within the range of comparable market arrangements. I understand that the Monitor will provide further details on market comparables in a Monitor's Report.

50. As outlined in the Kaye Affidavit, and more fully described in the Evercore Affidavit, Evercore's role with Dominion includes, but is not limited to, reviewing and analyzing the Applicants' business, operations, and financial projections, communicating with lenders, other stakeholders, and their advisors, and advising and assisting the Applicants in negotiating the terms of a comprehensive restructuring framework. In furtherance of this role, Evercore has evaluated several strategic alternatives for Dominion, has been directly involved in and has led the search for potential interim financing, and has played a critical role in the negotiation and development of the Restructuring Proposal.

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51. The Applicants believe that the engagement of Evercore pursuant to the Financial Advisor Agreement has been, and will continue to be, in the best interest of the Applicants and their stakeholders. Evercore will continue to have an important role in these CCAA proceedings in connection with the SISP and the implementation of a potential transaction thereunder.

52. In my view, it is virtually impossible for a company of this size, with this debt structure and with the restructuring complexities at issue, to try to restructure without retaining a company financial advisor. Dominion Diamond simply does not have the expertise or management resources to do this on its own.

53. It is contemplated that that Evercore will be granted a Court-ordered charge on the Applicants' property on such terms and with the priority set out in the proposed Second ARIO as security for the payment of the fees payable to Evercore pursuant to the Financial Advisor Agreement ("**Financial Advisors' Charge**").

54. The Applicants require the expertise, knowledge, and continued participation of Evercore as they pursue restructuring efforts for the benefit of their stakeholders and believe that the Financial Advisors' Charge is necessary to ensure Evercore's continued assistance and participation in these proceedings.

VI. CONCLUSION

55. For the reasons set out in this affidavit, I believe that Dominion's business deserves to be saved, that the Restructuring Proposal furthers Dominion's restructuring objectives and that the continuation of these CCAA proceedings in the manner advanced, is in the best interests of the Applicants, their stakeholders, and the businesses and communities that depend on the continued operation of Dominion's core business for their economic livelihoods and well being.

VII. PROCESS FOR COMMISSIONING OF THIS AFFIDAVIT

34. I am not physically present before the Commissioner for Oaths (the "**Commissioner**") taking this affidavit, but I am linked with the Commissioner by video technology. The following steps have been or will be taken by me and the Commissioner:

- (a) I have shown the Commissioner the front and back of my current government-issued photo identification ("**ID**") and the Commissioner has compared my video image to the information on my ID;

- (b) the Commissioner has taken a screenshot of the front and back of my ID to retain it;
- (c) the Commissioner and I have a paper copy of this affidavit, including all Exhibits, before us;
- (d) the Commissioner and I have reviewed each page of this affidavit and Exhibits to verify that the pages are identical and have initialed each page in the lower right corner;
- (e) at the conclusion of our review of the affidavit and Exhibits, the Commissioner administered the oath to me, and the Commissioner watched me sign my name to this affidavit; and
- (f) I will send this signed affidavit, including Exhibits, electronically to the Commissioner.

SWORN BEFORE ME by two-way video)
conference on May 21, 2020.)
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_____)
A Commissioner for Oaths in and for the)
Province of Alberta)
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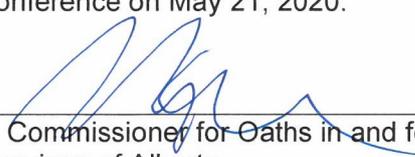


BRENDAN BELL



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- (f) I will send this signed affidavit, including Exhibits, electronically to the Commissioner.

SWORN BEFORE ME by two-way video)
conference on May 21, 2020.)



A Commissioner for Oaths in and for the)
Province of Alberta)

Morgan Crilly
Barrister & Solicitor)

BRENDAN BELL

me

This is Exhibit "A" referred to in the Affidavit of
Brendan Bell sworn before me by two-way video
conference this 21st day of May, 2020



A Commissioner for Oaths
in and for Alberta

Morgan Crilly
Barrister & Solicitor





NOTIFICATION

DOMINION DIAMOND MINES OBTAINS INITIAL ORDER OF PROTECTION UNDER COMPANIES' CREDITORS ARRANGEMENT ACT (CCAA)

CALGARY, AB - April 22, 2020 – Dominion Diamond Mines ULC announced today that it and certain of its affiliates (collectively, “Dominion” or the “Company”) have filed for insolvency protection under the Companies’ Creditors Arrangement Act (“CCAA”) and obtained an order from the Alberta Court of Queen’s Bench (the “Court”) granting Dominion protection under the CCAA. Dominion intends to use the CCAA process to engage in discussions with its lenders, creditors, equity owner and other stakeholders and to solicit and evaluate strategic alternatives to restructure the Company financially and operationally, and position it for long-term success when global economic and industry conditions improve.

Dominion has received and is considering a proposal from an affiliate of The Washington Companies, Dominion’s current equity owner, to provide debtor-in-possession (“DIP”) financing, which would help provide sufficient liquidity through the CCAA process. This proposal is conditional upon Dominion agreeing to: (i) a Memorandum of Understanding (MOU) regarding a possible sale of its assets to an affiliate of The Washington Companies, as a stalking horse bidder; and (ii) bidding procedures for the solicitation of competing offers to such asset sale, either to purchase the Company’s assets or to make an investment in the Company. If the Washington proposal is agreed to by Dominion, the DIP financing, MOU for an asset sale and bidding procedures will be subject to approval from the Court with notice to interested parties.

The Washington Companies proposes in the MOU for an asset sale that its affiliate will pay or otherwise satisfy, among other things, all obligations to employees and governmental authorities (including reclamation obligations) and all obligations under the Company’s agreements with the First Nations and aboriginal groups. The proposed asset sale would be a stand-alone bid that would operate as a “floor bid” as part of a competitive process to maximize value for Dominion’s stakeholders. Dominion is reviewing the proposal with its advisors and is engaged in discussions on the terms. The proposal is subject to various contingencies, including due diligence.

Whether or not Dominion agrees to the Washington proposal, it expects as part of the restructuring to obtain new financing, which combined with the Company’s available cash, should provide sufficient liquidity to continue to operate during the CCAA process for the benefit of local communities and other stakeholders.

The CCAA filing was necessitated primarily by the impact of the COVID-19 pandemic. Although the Company has strong diamond inventory, sorting houses and diamond markets are closed. These are key channels to facilitate the sale of the Company’s inventory, so currently there is no ability to generate sufficient revenue to support Dominion’s ongoing financial obligations.

Given the rapidly evolving environment and uncertainty of the scope and duration of the restrictions and health and safety concerns associated with the COVID-19 pandemic, along with market dislocation and the continued capital calls from the Diavik joint venture, the Company believes filing for protection under the CCAA is the most prudent course of action. Dominion has worked consistently to cut costs and optimize the Company’s long-term capital structure. Despite these efforts, and after careful consideration of all other available alternatives, Dominion’s board of directors determined that it is in the best interests of the Company and all its stakeholders to seek protection under the CCAA.

A handwritten signature in blue ink, consisting of a stylized, cursive 'M' followed by a flourish.

Dominion's commitments to employees and local communities remain a priority for the Company. As the spread of COVID-19 subsides and diamond markets reopen, Dominion plans to resume mining operations at the Ekati Diamond Mine and safely recall its furloughed workers. Dominion continues to believe in the long-term viability of its assets and expects to emerge stronger and better able to deliver value to all stakeholders.

During the CCAA process, it is expected that Dominion's management will continue to be responsible for handling the care and maintenance of the Ekati Diamond Mine and all other necessary day-to-day operations. The Company expects to arrange for sufficient liquidity to meet its post-CCAA filing obligations to current employees and suppliers of goods and services.

Under the terms of the Initial Order, FTI will serve as the Court-appointed Monitor of Dominion to oversee the CCAA proceedings and report to the Court. A copy of the Initial Order and other Court materials and information related to the Company's CCAA proceedings, all as may be updated or amended from time to time, are available on the website maintained by FTI at cfcanda.fticonsulting.com/Dominion.

Blake, Cassels & Graydon LLP is serving as Dominion's legal counsel and McDermott Will & Emery is serving as U.S. counsel. Evercore is serving as financial advisor.

The Company intends to provide further updates on the CCAA proceedings when there are significant developments.

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About Dominion Diamond Mines

Dominion Diamond Mines ULC is a Canadian mining company and one of the world's largest producers and suppliers of premium rough diamond assortments to the global market. The company owns a controlling interest in the Ekati Diamond Mine, which it operates, and owns 40% of the Diavik Diamond Mine. The company also holds a controlling interest in the Lac De Gras Diamond Project. The Ekati and Diavik Diamond Mines, and the Lac de Gras Diamond Project are located in the Northwest Territories of Canada. In addition to its mining and exploration operations, Dominion has offices in Canada, Belgium and India.

For more information, please visit www.ddmines.com and Dominion's private investor portal, or contact investor@ddcorp.ca.

Media Contacts:

Rebecca Hurl
Rebecca.Hurl@ddcorp.ca
403-797-0486

Sard Verbinnen & Co
Liz Zale/Nikki Ritchie
212-687-8080
DominionDiamond-SVC@sardverb.com

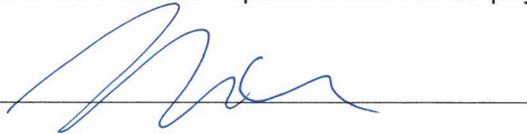
APPENDIX A

Certificate of Commissioning by Videoconference

I, Morgan Crilly Commissioner of Oaths in and for Alberta, took the affidavit of Brendan Bell via videoconference on May 21, 2020 (the "**Affidavit**").

The affiant and I followed the process outlined by the Alberta Court of Queen's Bench in Notice to the Profession and Public #2020-02 dated March 25, 2020. In addition to the steps described in the Affidavit, I compared each page of the copy I received from the affiant with the initialed copy that was before me while I was linked by videoconference with the affiant. Upon being satisfied that the two copies were identical, I affixed my name to the jurat.

On March 17, 2020, the Government of Alberta declared a state of public health emergency pursuant to the Alberta *Public Health Act* in response to the COVID-19 pandemic. The Government of Alberta also strongly recommends that all individuals stay home and avoid contact with others whenever possible. Therefore, I am satisfied that this process was necessary because it was unsafe for the deponent and I to be physically present together.



Commissioner of Oaths in and for Alberta
Morgan Crilly
Barrister & Solicitor