COURT FILE NUMBER	2001-05630
COURT	COURT OF QUEEN'S BENCH OF ALBERTA IN BANKRUPTCY AND INSOLVENCY
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, 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

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May 29, 2020
Justice Eidsvik

AFFIDAVIT OF JOHN STARTIN
Sworn on May 21, 2020

I, John Startin, of New York, New York, MAKE OATH AND SAY THAT:

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I. INTRODUCTION

1. I am a Senior Managing Director in Evercore Group L.L.C.'s ("**Evercore**") Corporate Advisory business, with responsibility for Evercore's global metals, minerals and mining practice. Prior to joining Evercore I was most recently a Managing Director, Head of Metals and Mining in the Americas, and a member of the Mergers and Acquisitions Group at Goldman Sachs. I have more than eighteen (18) years of corporate advisory experience.

2. Evercore was engaged by Dominion Diamond Mines ULC ("**Dominion Diamond**" and, together with the other entities listed as applicants in these proceedings, collectively, "**Dominion**" or the "**Applicants**") to provide investment banking, financial, and restructuring advisory services to the Applicants in connection with the Applicants' restructuring efforts including these *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") proceedings. 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.

3. I make this affidavit in support of the Applicants' application 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 ("**Dominion Holdings**"), 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;

(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

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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 ("**Washington Lending**"), and the other lenders party thereto (the "**Existing Credit Facility Lenders**" and, together with Washington Lending, the "**Interim Lenders**"), as lenders, and Credit Suisse AG, Cayman Islands Branch (the "**Existing Credit Facility Agent**"), 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 and granting the Financial Advisor Charge (as defined in the Second ARIO) on the terms and with the priority set out in the Second ARIO.

II. EVERCORE

4. Dominion Diamond engaged Evercore as a financial advisor to Dominion 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**") to provide general investment banking advice and to advise the Applicants on their restructuring efforts including these CCAA proceedings.

5. Established in 1996, Evercore is a leading independent investment banking advisory and investment management firm that serves a diverse set of clients through its office around the world. Since the beginning of 2000, Evercore's corporate advisory and restructuring advisory groups have advised on over US$3.9 trillion of transactions.

6. Evercore's investment banking business includes its advisory business, which advises multinational corporations on mergers and acquisitions, divestitures, special committee assignments, recapitalizations, restructurings, and other strategic transactions. Evercore's restructuring professionals provide investment banking services in financially distressed situations, including advising debtors, creditors, and other constituents in United States chapter 11 and Canadian CCAA proceedings and out-of-court restructurings.

7. Pursuant to the Financial Advisor Agreement, Evercore has agreed to provide the following services to the Applicants in the context of these CCAA proceedings:

(a) reviewing and analyzing Dominion's business, operations, and financial projections including by assisting in the preparation of weekly cashflow statements and assisting with the refinement and analysis of Dominion's long-term modelling as it relates to various restart dates for the operation of the Ekati Mine (which Dominion Diamond operates and holds a controlling interest in) which is currently on care and maintenance;

(b) advising and assisting Dominion in evaluating proposed transactions and transaction implementation steps;

(c) advising Dominion on negotiations with various stakeholders and assisting in negotiations at the direction of Dominion;

(d) providing financial advice in developing and implementing a restructuring plan in the context of these CCAA proceedings, including by, among other things, engaging in discussions with and providing information to the advisors to the revolving credit facility lenders (the "**First Lien Lenders**"), second lien noteholders (the "**Second Lien Lenders**"), and The Washington Companies ("**Washington**"), Dominion's 100% equity holder;

(e) assisting Dominion with soliciting, assessing, and negotiating an interim lending facility (as discussed in more detail below);

(f) considering and providing advice related to potential sales transactions, including by (i) considering, structuring, and evaluating the Stalking Horse Term Sheet and the SISP; (ii) identifying interested parties and/or potential acquirors and, at Dominion's request, contacting such interested parties and/or potential acquirors; (iii) assessing the structure of a potential sale transaction with a view to maximizing value for Dominion's stakeholders; and (iv) advising and assisting Dominion in connection with negotiations with potential interested parties and/or acquirors.

8. Evercore's work on behalf of Dominion to date has culminated in the preparation, negotiation and settling of the Stalking Horse Term Sheet, SISP, and Interim Financing Term Sheet that are the subject of the Applicants' current application.

III. LETTER OF INTENT

9. Following several weeks of discussions and negotiations among the Stalking Horse Bidder and its legal and financial advisors, and Dominion and its legal and financial advisors (Evercore), on May 21, 2020, the Stalking Horse Bidder delivered a definitive letter of intent to Dominion, via its Independent Director, Brendan Bell, in which the Stalking Horse Bidder set out the terms on which it is prepared to support Dominion in its restructuring efforts (the "**LOI**"). The LOI memorialized an integrated proposal that had been developed across the course of those discussions and negotiations and that contains three (3) key interconnected components:

(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.

A copy of the LOI (without schedules) is attached as **Exhibit "A"**.

10. The Dominion Vendors accepted the LOI by way of return signature, to evidence their intent to seek approval by this Court of its component parts. For the reasons discussed below, in Evercore's judgment (a) a sale transaction with respect to the Applicants' business and assets is warranted at this time in the context of the Applicants' restructuring objectives in these CCAA proceedings; (b) the integrated, comprehensive nature of the proposal reflected in the LOI provides material value to the Applicants and is the best currently available executable restructuring option available to the Applicants in the context of these CCAA proceedings; and (c) approval of the Stalking Horse Term Sheet, SISP, and Interim Financing Term Sheet on the terms sought by the Applicants is appropriate and will support the Applicants in seeking value maximization for their stakeholders in the context of these CCAA proceedings.

IV. THE STALKING HORSE TERM SHEET

11. One of the restructuring options identified by the Applicants in their consultations with Evercore for restructuring the Applicants' financial affairs was the sale of the Applicants' business and assets.

12. Evercore's process for assessing the viability and availability of a potential sale of the Applicants' assets in the context of these CCAA proceedings included, among other things:

(a) reviewing proposed operations and projected operating costs and cash flows of Dominion, particularly with respect to the Ekati Mine and the Diavik Mine (in which Dominion Diamond holds a minority interest and is operated by Dominion Diamond's joint venture partner);

(b) identifying interested parties and/or potential acquirors of Dominion's business and assets based on Evercore's understanding of such potential acquirors' interest in diamond operations, their level of mining expertise, and their ability to adequately finance an acquisition of this nature; and

(c) developing a plan to contact potentially interested parties during the SISP that may have an interest in Dominion's business or assets.

13. Evercore's efforts in this regard, including its discussions and negotiations with Washington, culminated in the Stalking Horse Bidder agreeing to deliver and enter into the LOI which attaches the Stalking Horse Term Sheet which, subject to Court approval, will serve as the basis for the Stalking Horse Bid in the SISP to be undertaken by Evercore with the oversight of the Monitor. A copy of the Stalking Horse Term Sheet is attached as **Exhibit "B"**. It is proposed that the Dominion Vendors will seek to finalize a definitive Stalking Horse Bid which will reflect the terms of the Stalking Horse Term Sheet and be approved by the Monitor as soon as practical.

14. The Stalking Horse Term Sheet provides that the Stalking Horse Bid will include the acquisition of substantially all of the assets of the business, subject to certain terms and conditions, and will include the following material terms (with capitalized terms utilized in the table below that are not otherwise defined in this affidavit having the meanings ascribed to them in the Stalking Horse Term Sheet):

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Term	Details
Purchase Price	In consideration for the Acquired Assets, the Stalking Horse Bidder will pay a Cash Purchase Price in an amount equal to US$126,107,000, subject to the adjustments and conditions to be set out in the Stalking Horse Term Sheet, plus the assumption of the Core Liabilities (as defined below) and certain other assumed liabilities. The Stalking Horse Term Sheet provides that "the Cash Purchase Price is currently anticipated to be sufficient to (a) cash collateralize super priority charges approved pursuant to the Initial Order entered on April 22, 2020, as may be modified by subsequent order and subject to Buyer's prior written consent, not to be unreasonably withheld, (b) satisfy the Interim (DIP) Facility obligations, and (c) satisfy the first lien obligations of DDM under its revolving credit facility, based on the Company's Interim (DIP) Facility dated May 21, 2020 and an assumed closing date on or before October 31, 2020".
Transaction Structure	The transaction would be structured as a sale of assets (including equity in certain subsidiaries) by the Dominion Vendors and the assumption by the Stalking Horse Bidder of certain liabilities of the Dominion Vendors pursuant to the CCAA. However, the parties have the flexibility to elect a share sale should it be determined that such share sale is more advantageous.
Acquired and Excluded Assets	The Stalking Horse Bidder will agree to acquire substantially all the assets used in connection with the Dominion Vendors' business. However, under certain circumstances (discussed below in connection with the "Ex-Rio Toggle") the transaction may exclude assets relating to the Diavik Mine. The Stalking Horse Bidder will not acquire the equity interests of (a) Dominion Holdings in Dominion Finco, Inc. and Dominion Diamond; or (b) Dominion Diamond in Dominion Diamond Delaware Company LLC (or any indirect interest in Dominion Diamond Canada ULC), Dominion Diamond (Cyprus) Limited and Dominion Diamond (Luxembourg) S.a.r.l. as they are not integral to the Dominion Vendors' business.
Assumption of Liabilities	The Stalking Horse Bidder will agree to assume substantially all operating liabilities of the Dominion Vendors, including all obligations of the Dominion Vendors under their operational contracts and JV agreements, to employees and unions, and First Nations and aboriginal groups and The Government of

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Term	Details
	the Northwest Territories ("**GNWT**"), subject to certain modifications which are conditions to closing or an agreement between the Stalking Horse Bidder and the Dominion Vendors. The Stalking Horse Bidder and the Dominion Vendors will consider whether there are any contractual obligations in connection with the operations at the Ekati Mine that should not be assigned to the Stalking Horse Bidder. The additional liabilities the Stalking Horse Bidder agrees to assume include: (a) Dominion Diamond's obligation to collateralize or refinance outstanding letters of credit issued under Dominion Diamond's revolving credit facility to secure closure costs (including reclamation) pursuant to the Diavik Joint Venture Agreement and Closure Security Agreement as of closing; (b) Dominion Diamond's obligations under its pension plan, including with respect to the windup deficit; and (c) Dominion Diamond's obligations under the Diavik Joint Venture Agreement with respect to all accrued and unpaid capital calls, plus accrued interest, any pending (but not yet due) capital calls, each as of closing (the "**Core Liabilities**").
Employees	Subject to certain terms specified in the Stalking Horse Term Sheet, the Stalking Horse Bidder anticipates that it will offer employment to all employees of the Dominion Vendors and assume all employee benefit plans, pension plans, union and collective bargaining arrangements, and other employee arrangements on their existing terms.
Conditions	Closing of the transaction contemplated by the Stalking Horse Term Sheet is subject to various conditions, including but not limited to (a) approval by this Court of the SISP and Interim Financing Term Sheet; (b) an agreement acceptable to the Stalking Horse Bidder with Diavik Diamond Mines (2012) Inc. ("**DDMI**") (a subsidiary of Rio Tinto plc. and Dominion Diamond's joint venture partner with respect to the Diavik Mine) and GNWT in relation to the timing and quantum of capital calls and reclamation liabilities at Diavik Mine (the "**Rio Condition**"); and (c) the Stalking Horse Bidder obtaining third-party equity and debt commitments on terms acceptable to the Stalking Horse Bidder provided that the aggregate amount of third-party equity committed will be at least US$140 million, less 50% of any debt raised (the "**Financing Condition**").
"**Ex-Rio Toggle**" Transaction	If the Rio Condition is not satisfied or waived by July 21, 2020, the parties will proceed with the transaction contemplated by the Stalking Horse Term Sheet but the Stalking Horse Bidder will not acquire or assume any rights or obligations with

Term	Details
	respect to the Diavik Mine Joint Venture (all of which would become excluded assets and excluded liabilities) (the "**Ex-Rio Toggle**") and Dominion may dispose of Dominion Diamond's participation interest to DDMI or another party. If the Ex-Rio Toggle occurs, then (a) the Cash Purchase Price would be as specified in the Stalking Horse Term Sheet, without reduction; (b) the Excluded Assets would include Dominion Diamond's interest in the Diavik Joint Venture and any diamonds distributed by the Diavik Joint Venture to Dominion Diamond after the date of the commencement of these CCAA proceedings and prior to closing; (c) the Stalking Horse Bidder would not assume Core Liabilities with respect to the Diavik Joint Venture, including obligations for collateralizing or refinancing outstanding letters of credit and obligations with respect to capital calls; and (d) the aggregate amount of equity required to be committed in order to satisfy the Financing Condition would be reduced to at least US$70 million, less 50% of any debt raised.
Closing and Outside Date	The parties will seek to close as soon as reasonably possible following court approval and the "target date" for closing is August 31, 2020. The "Outside Date" for the closing of the contemplated transaction is October 31, 2020.

15. In addition to setting a "floor price" and commercial terms for the acquisition of the Dominion Vendors' assets in the context of these CCAA proceedings, the utilization of a stalking horse bid is, from Evercore's experience, helpful in generating interest in an asset among potential purchasers and provides a level of certainty and stability during the SISP, both in terms of setting a valuable baseline price that will potentially improve any bids received under the SISP and assuring stakeholder groups that there will be a going concern sale of Dominion's business.

16. In addition to the terms outlined above, the Stalking Horse Term Sheet provides that in certain circumstances fees or reimbursements of costs will be paid to the Stalking Horse Bidder.

(a) Reimbursement Payment on Signing of Stalking Horse Bid. All out-of-pocket expenses related to the Stalking Horse Term Sheet, Stalking Horse Bid and the SISP, up to the time of signing the Stalking Horse Bid, will become payable upon signing of the Stalking Horse Bid, subject to a US$1.75 million cap;

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(b) Alternate Transaction. The Stalking Horse Term Sheet contemplates the Dominion Vendors' ability to terminate the Stalking Horse Agreement and consummate an "**Alternate Transaction**" in certain circumstances. Such Alternate Transaction must be (A) a Successful Bid (as defined in the SISP and discussed below) or (B) any other sale of assets or plan in the CCAA proceeding that (i) results in a change in control and (ii) provides cash on closing to the Dominion Vendors or the Applicants equal to or greater than the Minimum Purchase Price (as defined in the SISP and discussed below).

(c) Break-Up Fee and Expense Reimbursement. Pursuant to the terms of the Stalking Horse Term Sheet a "Break-Up Fee" of 2.0% of the Cash Purchase Price and a reimbursement of third party expenses up to a cap of US $2.25 million (excluding prior reimbursements), is payable to the Stalking Horse Bidder from the proceeds of sale of the Alternate Transaction provided that (i) the Stalking Horse Bidder waives or satisfies the Financing Condition and waives or satisfies the Rio Condition on, or prior to, July 21, 2020; and (ii) the Stalking Horse Bid is not terminated because of a material breach by the Stalking Horse Bidder. Notably, the Dominion Vendors are entitled to terminate the Stalking Horse Bid on or before the first business day after the Phase 2 Bid Deadline (as defined in the SISP), without payment or penalty, in the event that the Stalking Horse Bidder does not waive or satisfy the Financing Condition (even if it has waived or satisfied the Rio Condition) by July 21, 2020. The consent of the Existing Credit Facility Agent is required for termination on this basis.

(d) Tail Period. Further, if an Alternate Transaction is not concluded during the SISP, but a transaction is concluded following termination of the SISP that provides cash on closing to the Dominion Vendors or the Applicants equal to or greater than the Minimum Purchase Price and results in a change in control, the Break-Up Fee will also be payable to the Stalking Horse Bidder in those circumstances. The length of this "tail period" and other relevant terms and conditions relating to the tail period, will be agreed upon by the parties, subject to approval of the Monitor.

17. It is Evercore's judgment that, when considered as part of an overall package, together with the SISP and the Interim Financing Term Sheet, including the fact that the Interim Financing Facility is on a no fee basis, with a below market interest rate, the Break-Up Fee and expense

reimbursement provisions of the Stalking Horse Term Sheet are in line with market terms and are commercially reasonable in the circumstances.

18. Further, as discussed in the next section of my affidavit, the SISP will provide for a fair and transparent marketing process that will allow the Dominion Vendors to maximize realization on their business and assets by seeking offers superior to the Stalking Horse Bid. Only if a superior bid is not identified in the SISP will the Dominion Vendors seek approval of the Court to consummate the Stalking Horse Bid.

V. THE SISP

19. The approval by this Court of the SISP, which is attached to my affidavit as **Exhibit "C"**, is a condition of the integrated proposal contemplated by the LOI.

20. The SISP, which was negotiated with the Stalking Horse Bidder in consultation with the Monitor, sets out the parameters of the marketing process pursuant to which Evercore, on behalf of the Dominion Vendors, will solicit offers to purchase the assets of the Applicants, and the requirements for the submission of the offers by interested parties.

21. The SISP is intended to solicit interest in, and opportunities for:

(a) a sale of (i) all or substantially all of the assets, property and undertakings of the Applicants and certain of their subsidiaries; (ii) the Diavik Interest (as defined in the SISP); (iii) the Non-Diavik Assets (as defined in the SISP); or (iv) some other portion of the assets, property and undertakings of the Applicants; or

(b) an investment in, restructuring, recapitalization, refinancing or other form of reorganization of Dominion or its business.

22. The SISP will be implemented by Evercore, with the oversight of the Monitor. The SISP is divided into two phases. Phase 1 requires interested parties to submit a non-binding letter of intent ("**Phase 1 Bids**") which contains critical information about the proposed bid. If no Phase 1 Bids are received, the SISP provides that the Dominion Vendors will seek court approval of the Stalking Horse Bid. Parties that submit Phase 1 Bids that satisfy certain enumerated criteria more particularly set out in the SISP will have the opportunity to submit a binding offer at a later date ("**Phase 2 Bids**").

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23. Binding Offers (as defined in the SISP), which can be in the form of acquisition bids or restructuring bids, must provide for cash on closing that is equal to or greater than the "**Minimum Cash Purchase Price**" being: (a) an amount equal to the cash payable on closing in the Stalking Horse Bid; plus (b) the amount of the Break-Up Fee and the amount of the Expense Reimbursement; plus (c) $1 million. The Dominion Vendors do have the flexibility, however, to aggregate non-overlapping bids that collectively meet the Minimum Cash Purchase Price. If one binding offer is received in addition to the Stalking Horse Bid (provided that any financing condition contained in the Stalking Horse Bid has been waived or satisfied), the SISP provides that an auction will be held to determine the Successful Bid (as defined in the SISP). The SISP also contemplates a Back-Up Bid (as defined in the SISP) being the second-best offer received in the auction.

24. The SISP affords flexibility to the Applicants to select not only the bid that provides the most cash, but to also consider other factors as well, such as levels of conditionality and overall impact on stakeholders.

25. The deadlines provided for in the SISP include the following (with capitalized terms utilized in the table below that are not otherwise defined in this affidavit having the meanings ascribed to them in the SISP):

Event	Date
Evercore to distribute Teaser Letter to Potential Bidders.	As soon as practical.
Evercore to prepare and have available to Potential Bidders a confidential information memorandum (defined in the SISP as a "**CIM**") and a confidential virtual data room (defined in the SISP as a "**VDR**").	As soon as practical.
Phase 1 Bid Deadline for delivery of non-binding LOIs by Phase 1 Qualified Bidders in accordance with the requirement of paragraph 14 of the SISP.	By June 26, 2020.
Evercore to notify each Phase 1 Qualified Bidder in writing as to whether its bid constituted a Phase 1 Successful Bid.	Within five (5) Business Days of the Phase 1 Bid Deadline, or at such later time as the Applicants, in consultation with Evercore, the Agent Advisors, and the Monitor, deem appropriate.

Event	Date
Sale Approval hearing in respect of the Stalking Horse Bid if no other Phase 1 Successful Bids are received.	By July 13, 2020.
Phase 2 Bid Deadline (for delivery of definitive offers by Phase 2 Qualified Bidders in accordance with the requirement of paragraph 22 of the SISP).	By August 7, 2020.
Auction Commencement Date (if needed).	August 10, 2020.
Deadline for selection of final Successful Bid.	August 14, 2020 or at such later date as the Applicants, in consultation with Evercore, the Agent Advisors, and the Monitor, deem appropriate.
Deadline for completion of definitive documentation in respect of Successful Bid.	August 18, 2020.
Deadline for filing of Approval Motion in respect of Successful Bid.	August 26, 2020.
Anticipated Deadline for closing of the Stalking Horse Bid in the event that no other Phase 1 Successful Bids are received.	August 31, 2020.
Anticipated Deadline for closing of Successful Bid, being the Target Closing Date.	September 9, 2020 or such earlier date as is achievable.
Outside Date by which the Successful Bid must close.	October 31, 2020.

26. In developing the timelines for the SISP, in consultation with the Monitor and the Applicants, Evercore considered a number of factors including that the pool of potential purchasers with sufficient resources and expertise to acquire and operate a diamond mine in the Northwest Territories is limited. Given the public nature of these CCAA proceedings, viable potential purchasers of Dominion's business and assets would have known of a potential transaction opportunity with respect to Dominion since at least the commencement of these CCAA proceedings on April 22, 2020. Discussions have already been had with potentially interested parties.

27. Pursuant to its terms, any provision of the SISP which affords discretion to the Applicants, including without limitation in connection with the granting by the Applicants of any consent,

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waiver or approval, requires that the Applicants exercise such discretion in a commercially reasonable manner and with prior consultation with Evercore, the Agent Advisors (as defined in the SISP), on behalf of the First Lien Lenders, and the Monitor. Notwithstanding the foregoing, (a) the Agent Advisors will only be consulted to the extent that the Existing Credit Facility Agent confirms that neither it nor any First Lien Lender intends to participate in the SISP as a bidder; and (b) nothing in the SISP will oblige or permit Evercore, the Monitor, or the Applicants to disclose to the Agent Advisors the identity of any bidder (other than the Stalking Horse Bidder) or any bid, prior to commencement of the Auction (all terms as defined in the SISP).

28. In the circumstances, it is Evercore's view that:

(a) the marketing and advertisement contemplated in the SISP will ensure the Applicants' assets are adequately exposed to the market;

(b) the SISP will allow for the assessment of the legitimacy of the bidders and their ability to ultimately close on a transaction;

(c) the due diligence period and information available through the CIM, the VDR, and the ability to meet with management of the Applicants provide potential purchasers with the time and information required to make an informed offer;

(d) the timelines set out in the SISP provide a reasonable opportunity for all interested parties to submit competing offers and that the auction provisions allow for a fair and transparent process to solicit the best offer for the Applicants and their stakeholders; and

(e) the consultation rights granted to the Existing Credit Facility Agent and the Agent Advisors under the SISP are reasonable and appropriate.

29. It is Evercore's judgment, based on consultations with the Monitor and the Applicants, that the SISP will provide an appropriate test for whether the Stalking Horse Bid delivers the best possible result for all stakeholders and will result in a fair and reasonable process that will adequately canvass the market in order to maximize value for the Applicants' assets for the benefit of the Applicants' stakeholders.

VI. INTERIM FINANCING

30. Since its engagement, Evercore, in consultation with the Monitor, has been actively soliciting proposals from and negotiating with key stakeholders across the Applicants' capital structure, including with the First Lien Lenders, Second Lien Lenders, and Washington, to ascertain interest in providing interim financing to the Applicants.

31. In this regard, Evercore has:

(a) assisted the Applicants with their weekly cashflow analysis to analyze the amount of interim financing required by the Applicants;

(b) assisted the Applicants with the preparation of interim financing marketing materials for distribution to potential lenders;

(c) assisted the Applicants with the preparation of the VDR through which prospective lenders could obtain information about the company and assisted the Applicants with the preparation of materials to populate the VDR;

(d) identified and contacted on behalf of the Applicants third-party lenders to discuss potential interim financing for the Applicants; and

(e) coordinated discussions and negotiations with third-party lenders and the Applicants' current stakeholders, the First Lien Lenders, Second Lien Lenders, and Washington.

32. Evercore commenced the process described above with a target potential interim financing requirement of between $55 million to $75 million. The target interim financing amount was sized to provide for operating disbursements over a five-month period, costs associated with the SISP and the Stalking Horse process, and CCAA costs.

33. In soliciting potential interim financing, Evercore first reached out to the First Lien Lenders, Second Lien Lenders and Washington, and then also reached out to potential third-party lenders, consisting of both banks and alternative lenders.

34. Of the sixteen (16) potential third-party lenders identified and contacted by Evercore, seven (7) executed non-disclosure agreements and subsequently received access to interim financing marketing materials prepared by the Applicants with Evercore's assistance. Evercore

received four (4) non-binding interim financing proposals from third-party lenders and three (3) non-binding interim financing proposals from the Applicants' existing stakeholders, including proposals from the First Lien Lenders, the Second Lien Lenders, and the proposal of the Interim Lenders that is part of the integrated Stalking Horse Term Sheet, SISP, and Interim Financing Term Sheet proposal.

35. Each of the interim financing proposals received by Evercore included a term that the interim financing to be provided have the benefit of a super-priority CCAA charge to rank in priority to all secured claims other than those subject to certain CCAA charges granted by this Court. Similarly, all interim financing proposals received by Evercore included expense reimbursement provisions and all of the proposals other than the proposal received from Washington (the Interim Financing Term Sheet) included additional fees in the nature of commitment fees, original issuance discounts, standby fees, and similar fees.

36. Evercore reviewed each of the interim financing proposals received on behalf of the Applicants in consultation with the Monitor.

37. It is Evercore's view that the interim financing proposal submitted by the Interim Lenders, which include an affiliate of the Stalking Horse Bidder and the Existing Credit Facility Lenders, consisting of a senior secured, super priority, debtor-in-possession, interim, non-revolving credit facility up to a maximum principal amount of US$60 million (the "**Interim Financing Facility**"), is more favourable as compared to the other proposals received by the Applicants for, among others, the following reasons:

(a) the Interim Lenders' proposal is part of a comprehensive, integrated proposal comprised of the Stalking Horse Term Sheet, SISP, and the Interim Financing Term Sheet;

(b) the Interim Lenders' proposal is less expensive than the other proposals submitted, with not only (i) an interest rate that is below comparable market rates but also (ii) no fees or prepayment penalties that were present in the other proposals received;

(c) the Interim Lenders' proposal is less expensive than the other proposals submitted even if the out of pocket expenses related to the Stalking Horse Term Sheet, Stalking Horse Bid, and the SISP referenced in paragraph 16(a) herein are included in the interim financing cost calculation;

(d) the Interim Lenders' proposal, unlike the third-party proposals, is not subject to due diligence conditions;

(e) unlike certain other proposals, the commitment amount and maturity date of the Interim Lenders' proposal extended for a long enough period to allow the Applicants to complete the SISP given the present trade and travel disruptions associated with the COVID-19 pandemic that may impact upon the due diligence stage of the sale process contemplated by the SISP; and

(f) unlike certain other proposals, the draw schedule under the Interim Lenders' proposal was subject to very limited conditionality.

38. Material terms of the Interim Financing Facility, as set out in an Interim Financing Term Sheet dated as of May 21, 2020 (the "**Interim Financing Term Sheet**"), attached as **Exhibit "D"** to my affidavit, include but are not limited to the following (with capitalized terms utilized in the table below that are not otherwise defined in this affidavit having the meanings ascribed to them in the Interim Financing Term Sheet):

Term	Description
Borrower	Dominion Diamond Mines ULC.
Interim Lenders	Washington Lending and the Existing Credit Facility Lenders as set out on Schedule "F" to the Interim Financing Term Sheet, provided that the aggregate Commitments of the Existing Credit Facility Lenders shall not exceed 34% of the Commitments.
Guarantors	Washington Diamond Investments, LLC, Dominion Diamond Holdings, LLC, Dominion Finco Inc., Dominion Diamond Delaware Company LLC, Dominion Diamond Canada ULC (together with Dominion Diamond, the "**Credit Parties**").
Facility Amount	Up to a maximum principal amount of US $60 million (as such amount may be reduced from time to time pursuant to the terms of the Interim Financing Term Sheet).

Term	Description
Drawdowns	The Interim Financing Facility will be made available to the Borrower by way of up to six (6) advances (each an, "**Advance**") which, in the aggregate, will not exceed the Facility Amount. The timing for each Advance will be determined based on the funding needs of the Borrower as set forth in the DIP Budget and as such draw amounts are agreed to by the Required Interim Lenders and the Credit Parties. Each Advance (other than the final Advance) will be in a principal amount of not less than US$2,000,000.
Interest Rate	Interest will be payable on the aggregate outstanding amount of the Facility Amount that has been advanced to the Borrower from the date of the funding thereof at a rate equal to 5.25% *per annum*, compounded monthly and payable monthly in arrears in cash on the last Business Day of each month, with the first such payment being made on May 31, 2020. Upon the occurrence and during the continuation of an Event of Default, all overdue amounts will bear interest at the applicable interest rate plus 2% *per annum* payable on demand in arrears in cash.
Costs and Expenses	The Borrower will reimburse the Interim Lenders and the Existing Credit Facility Agent for all reasonable fees and expenses incurred (including reasonable and documented legal, financial advisory and professional fees and expenses on a full indemnity basis) (the "**Interim Lenders' Expenses**") by the Interim Lenders or any of their affiliates and the Existing Credit Facility Agent in connection with the negotiation, development, and implementation of the Interim Financing Facility (including the administration of the Interim Financing Facility). The Interim Lenders' Expenses will form part of the Interim Financing Obligations secured by the Interim Lenders' Charge (as defined in the Second ARIO).
Interim Facility Security and Priority	All Interim Financing Obligations will be secured by the Interim Lenders' Charge which will be granted on the terms and with the

Term	Description
	priority set out in the Second ARIO. The Required Interim Lenders may, in their reasonable discretion (i) require the execution, filing or recording of any mortgages, security agreements, pledge agreements, control agreements, financing statements or other documents or instruments, or (ii) take possession or control of any Collateral of the Credit Parties, to the extent it is necessary to do so, to obtain and/or perfect its senior secured, super priority Lien on such Collateral. The Interim Lenders' Liens and the Interim Lenders' Charge shall have priority over all Liens on the Applicants' Collateral except that: (a) the Permitted Priority Liens shall be senior to any Liens of the Interim Lenders or the Existing Credit Facility Agent in any of the Collateral (such Permitted Priority Liens include certain court-ordered priority charges, the Liens of the Existing Credit Facility Agent in respect of the Diavik Collateral, and, subject to the terms of the Interim Facility Term Sheet, any Diavik JV Priority Liens with respect to the Diavik Collateral); (b) the Liens of the Existing Credit Facility Agent in the Interim Facility Priority Collateral to secure the Funded First Lien Facility Obligations shall be senior to the Liens of the Interim Lenders in the Interim Facility Priority Collateral to secure any October Advances (and related interest); and (c) the Liens of the Interim Lenders in the Interim Facility Priority Collateral to secure any October Advances (and related interest), shall be senior to any Liens of the Existing Credit Facility Agent to secure the First Lien Facility LC Obligations.
Repayment	The Interim Financing Facility and the Interim Financing Obligations will be due and repayable in full (subject to the obligation to cash collateralize amounts secured by

Term	Description
	charges ranking in priority to the Interim Lenders' Charge) on the earlier of: (i) the occurrence of any Event of Default which is continuing and has not been cured; (ii) the completion of a Restructuring Transaction; (iii) the conversion of the CCAA Proceedings into a proceeding under the *Bankruptcy and Insolvency Act* (Canada); (iv) the closing of a Successful Bid (as defined in the SISP); (v) the sale of all or substantially all of the CCAA Applicants' collateral; and (vi) the Outside Date (i.e., October 31, 2020).
Right of Repurchase	In the event that the purchase agreement governing the Stalking Horse Transaction is terminated, the Existing Credit Facility Lenders shall have the right, but not the obligation, to purchase from the Interim Lenders, upon at least five (5) days prior written notice from the Existing Credit Facility Lenders to Washington Lending (which request may be made in the sole and absolute discretion of the Existing Credit Facility Lenders) either: (a) all outstanding Interim Facility Obligations (including, for the avoidance of doubt, any accrued and unpaid interest, expenses and fees as of the date of such purchase); or (b) a portion of the Advances made by the Interim Lenders, together with a ratable portion of accrued and unpaid interest, expenses and fees associated with such Advances.

39. The Interim Financing Term Sheet provides that the purpose of the Interim Financing Facility is to fund certain obligations of the Credit Parties (as more fully described in the Interim Financing Term Sheet) in order for the Credit Parties to pursue and implement a "**Permitted Restructuring Transaction**", pursuant to and in accordance with the SISP, which is defined as (with capitalized terms having the meanings ascribed to them in the Interim Financing Term Sheet):

(a) the Stalking Horse Transaction;

(b) a transaction that (i) provides for the repayment in full in cash of all Interim Financing Obligations outstanding at the time of closing of such Restructuring Transaction and (ii) otherwise constitutes a "Successful Bid" as defined in and in accordance with the SISP; or

(c) a transaction for the Non-Diavik Assets (as defined in the SISP) that (i) provides for repayment in full in cash of all Interim Financing Obligations; (ii) otherwise constitutes a "Successful Bid" as defined in and in accordance with the SISP; and (iii) maintains all liens and other rights held by the Existing Credit Facility Agent on behalf of the First Lien Lenders securing all obligations under the Existing Credit Facility, to the Diavik Interest (as defined in the SISP) including, but not limited to, all diamond production from the Diavik Interest (but excluding in all respects those diamonds (and/or proceeds thereof) delivered to any of the Applicants or their direct or indirect controlled affiliates prior to the commencement of the CCAA), including the proceeds thereof.

40. The Interim Financing Term Sheet grants the Interim Lenders certain consent and consultation rights as described in the Interim Financing Term Sheet. In most instances the requisite consents and consultation rights are to be exercised by the "**Required Interim Lenders**", which are those Interim Lenders holding a majority of the Commitments and any outstanding Advances provided that the Required Interim Lenders must in all cases include Washington Lending. Washington Lending will hold at least 66% of the Commitments, as participation by the First Lien Lenders is limited to 34% of the Commitments. Certain matters are subject to the consent of the "**Supermajority Interim Lenders**", which are those Interim Lenders holding at least [68% of the Commitments and outstanding Advances held by all Interim Lenders provided that the Supermajority Interim Lenders must in all cases include Washington Lending. In other instances, consent and consultation rights are also granted to the Existing Credit Facility Agent. These instances include, among others, updates to the DIP Budget (as defined in the Interim Financing Term Sheet). In Evercore's judgment the consent and consultation rights granted to the Existing Credit Facility Agent under the Interim Financing Term Sheet are reasonable and appropriate in the circumstances.

41. In summary, Evercore believes that the terms of the Interim Financing Term Sheet, including the provision for the Interim Lenders' Charge (a) are fair and reasonable having regard to, among other things, the period during which the Applicants are expected to be subject to these CCAA proceedings, the timelines provided for by the SISP, and how the Applicants' business and financial affairs are to be managed during the SISP and these CCAA proceedings; and (b) will enhance the prospects of a viable restructuring of the Applicants' business and financial affairs, including allowing for the effective execution of the SISP.

VII. APPROVAL OF EVERCORE'S FINANCIAL ADVISOR AGREEMENT

42. As noted above, Evercore's engagement by Dominion Diamond is subject to the terms and conditions of the Financial Advisor Agreement. A copy of the Financial Advisor Agreement is attached to my affidavit as **Exhibit "E"**.

43. The terms of the Financial Advisor Agreement include but are not limited to the following (capitalized terms as defined in the Financial Advisor Agreement):

(a) a Monthly Fee of US $200,000 is payable to Evercore for its services, with the first Monthly Fee payable on the execution of the Financial Advisor Agreement and subsequent Monthly Fees payable on the first day of each month; provided, however, that 50% of all Monthly Fees paid in June 2020 and thereafter will be credited against any Restructuring Fee or Financing Fee that becomes payable or are negotiated;

(b) a Restructuring Fee is payable to Evercore upon the consummation of any Restructuring or Sale of US $6,500,000; provided, however, that 50% of any incremental amount above the Minimum Financing Fee paid pursuant to paragraph 2.d. of the Financial Advisor Agreement will be credited against the Restructuring Fee;

(c) a Liability Management Transaction Fee is payable to Evercore upon the closing of any Liability Management Transaction equal to 1.125% of the aggregate principal amount of Dominion's debt exchanged in connection with any such Transaction; and

(d) a Financing Fee is payable to Evercore upon consummation of any financing, with fees varying according to the form of the financing, but subject to a Minimum

Financing Fee set at US $2,500,000, on the first such financing. Notwithstanding the foregoing, the Financing Fee on account of the Interim Financing Facility that is before this Court for approval is capped at US $2,000,000 and that amount will be fully credited against any Restructuring or Liability Management Transaction Fee;

(e) Evercore is to have the benefit of a first-ranking super-priority charge (which charge will form part of the Administration Charge) to secure the Monthly Fee and all Evercore's disbursements and expenses incurred under the terms of the Financial Advisor Agreement; and

(f) Evercore is to have the benefit of a super-priority CCAA charge on all Dominion's property to secure the Restructuring Fee, Liability Management Transaction Fee, Liability Management Incentive Fee, Financing Fee, and Minimum Financing Fee that is to rank *pari passu* with the Interim Lenders' Charge.

44. I understand that the Applicants are seeking this Court's approval of the Financial Advisor Agreement, including the super-priority CCAA charges referenced therein, to allow for and secure the payments referenced above. Evercore is prepared to continue to provide services to the Applicants, including those contemplated by the SISP with a view to maximizing value for the Applicants' stakeholders in these CCAA proceedings if it is protected by the CCAA charges contemplated by the Financial Advisor Agreement.

VIII. CONCLUSION

45. Evercore has worked closely with the Applicants, and in consultation with the Monitor, to identify potential restructuring options that would maximize value for the benefit of the Applicants' stakeholders. For the reasons set out above, Evercore is of the view that this Court's approval of the Stalking Horse Bid, the SISP, and the Interim Financing Term Sheet on the terms sought by the Applicants is in the best interests of the Applicants and their stakeholders and assists the Applicants' efforts to maximize value through these CCAA proceedings. Evercore does not believe that the Applicants have better viable alternatives to the transactions that are the subject of this Application.

JS

IX. 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.

A Commissioner for Oaths in and for the Province of Alberta

John Startin

IX. 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:

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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

John Startin

This is Exhibit "A" referred to in the Affidavit of John Startin 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

May 21, 2020

Dominion Diamond Mines
900 – 606 4 Street SW
Calgary, Alberta, Canada
T2P 1T1
Attention: Brendan Bell, Independent Director

Mr. Bell:

This letter of intent confirms our mutual understanding regarding a transaction on the terms and conditions outlined below (the "Proposed Transaction"). Specifically, this letter sets forth the key material terms and conditions upon which Washington Diamond Investments Holdings II, LLC ("WDIH II") and/or one or more of its designated affiliates including a new company to be formed to effect the transactions contemplated which would include third party investors ("Buyer") is prepared to acquire certain assets and assume certain liabilities from Dominion Diamond Holdings, LLC, a Delaware limited liability company ("Dominion Holdings"), and Dominion Diamond Mines ULC, a British Columbia unlimited liability company ("DDM" and, together with Dominion Holdings, "Sellers"), in connection with a filing by the Sellers and certain of their affiliates under the Companies Creditors' Arrangement Act (Canada) ("CCAA").

WDIH II is the current equity owner of Sellers and an affiliate of The Washington Companies, a group of individual privately held companies headquartered throughout the United States and western Canada and conducting business internationally.

We strongly believe that the Proposed Transaction will be in the best interests of the Sellers and their stakeholders, including their creditors, employees, suppliers and customers, as well as the Government of the Northwest Territories, the Government of Canada and First Nations in the Northwest Territories. We also believe our proposal will provide the maximum recovery for the Sellers' creditors.

As you will see from the attached term sheet, the Proposed Transaction contemplates that Buyer will purchase substantially all of the assets of Sellers, and assume substantially all of the liabilities of Sellers, except for its debt

obligations and any contracts that are disclaimed pursuant to the CCAA proceedings, subject to certain terms and conditions.

The terms and conditions set forth in this letter of intent for the Proposed Transaction with respect to the sale and acquisition transaction contemplated in Exhibit A are not intended to be comprehensive and if, in the course of Buyer's due diligence review or development of the proposed acquisition structure, or in the course of negotiations, Buyer or Sellers determine that additional terms and conditions, or modification to the terms and conditions set out herein, are necessary, then the parties reserve the right to address such matters.

1. Terms of Proposed Transaction. Buyer would purchase and acquire substantially all assets of Sellers, and assume certain operating liabilities of Sellers, on the terms and subject to the conditions identified on Exhibit A attached hereto and made a part hereof (the "APA Term Sheet"), and as will be set out more particularly in the Definitive Agreement (as defined below). Our proposal is contingent upon the Proposed Transaction being approved as the stalking horse bid on the terms set forth in the APA Term Sheet and the SISP (as defined below), and on the terms and conditions set forth in the Second Amended and Restated Initial Order (as defined below).

2. Sale Procedures. We understand that the Proposed Transaction will be subject to Sellers' undertaking a competitive process, including a possible auction, on the terms and conditions set out in the Sales and Investment Solicitation Process attached as Exhibit B hereto and made a part hereof (the "SISP"), which has been designed to maximize value for Sellers and their stakeholders, and our proposal is contingent upon those SISP procedures being approved by the CCAA Court pursuant to the Second Amended and Restated Initial Order (as defined below) and Buyer being granted certain bid protections as identified in the SISP and in the APA Term Sheet, and approved by the CCAA Court pursuant to the Second Amended and Restated Initial Order.

3. Second Amended and Restated Initial Order. Our proposal is also contingent upon the APA Term Sheet, the SISP and the Interim Facility Term Sheet, attached as Exhibit D hereto and made a part hereof, being issued by the CCAA Court in the form attached hereto at Exhibit C and made a part hereof (the "Second Amended and Restated Initial Order"), and which Order shall otherwise be in form and substance acceptable to Buyer in its sole and absolute discretion.

4. DIP Lender. In connection with the execution and delivery of this letter of intent, DDM, Washington Diamond Lending, LLC and certain other Interim Lenders (as defined therein) will enter into an Interim Financing Term Sheet in the form attached as Exhibit D hereto and made a part hereof. Our proposal is contingent upon Washington Diamond Lending, LLC being approved as an Interim Lender on the terms set forth in such Interim Financing Term Sheet, and on the terms and conditions set forth in the Second Amended and Restated Initial Order.

5. Definitive Agreement. As soon as reasonably practical after execution of this letter of intent, the parties will commence negotiations of a definitive binding asset purchase agreement (the "Definitive Agreement"). The Definitive Agreement will be negotiated to the mutual satisfaction of Buyer and Sellers and will contain terms and conditions consistent with those set forth on Exhibit A and other terms and conditions customary for transactions of this nature.

6. Public Announcements. Neither Sellers nor WDIH II or Buyer shall make public announcements or public statements concerning the Proposed Transaction, unless such public announcement or public statement is jointly approved by WDIH II and Sellers. In the event, however, that the parties are unable to agree on a public announcement or public statement at any time, and Sellers or WDIH II or Buyer determine, after consultation with counsel, that a public announcement or public statement is required by law at such time, then Sellers, Buyer or WDIH II, as the case may be, may issue such public statement or public announcement; provided that it gives the other party or parties advance notice of such public statement or public announcement, and an opportunity to provide comments, to the extent practicable.

7. Designated Buyers. Buyer shall be entitled to designate one or more entities formed by the members of Buyer or their respective affiliates to purchase specified assets, assume specified liabilities, perform any of the other covenants and agreements to be performed by Buyer under the Definitive Agreement and be entitled to the rights and benefits of Buyer thereunder.

8. Expense Reimbursement. Subject to receipt of any required approval by the CCAA court, Sellers shall reimburse Buyer's out-of-pocket expenses on the terms set forth on Exhibit A, Exhibit B, Exhibit C and Exhibit D hereto.

9. Governing Law. This letter of intent, and any questions, claims, disputes, remedies or actions arising from or related to this letter of intent, and any

relief or remedies sought by any party to this letter of intent, shall be governed exclusively by the laws of the Province of Alberta and the laws of Canada applicable therein without regard to the rules of conflict of laws applied therein or any other jurisdiction.

Other than paragraph 6, 8 and 9, which are binding on the parties, this letter of intent is not intended and does not create any binding legal obligation on the part of either WDIH II, Buyer or Sellers. This letter of intent is not intended and does not create any binding legal obligation on the part of WDIH II, Buyer or Sellers. No legal obligation to negotiate, enter into or consummate any sale and acquisition transaction will exist, unless and until the execution of the Definitive Agreement, which is subject to, among other things, board approval by Buyer, WDIH II and Sellers, satisfactory completion of confirmatory due diligence, negotiation of final documentation, and approval of the CCAA court monitor.

* * *

If you are in agreement with the foregoing, please execute a copy of this letter and return to me.

Very truly yours,

WASHINGTON DIAMOND INVESTMENTS HOLDINGS II, LLC

By: _____
Name: Lawrence R. Simkins
Title: President

Accepted and Agreed
as of this 21st day of May, 2020:

WASHINGTON DIAMOND INVESTMENTS, LLC

By: _____
Name: Joseph M. Racicot
Title: Secretary

DOMINION DIAMOND HOLDINGS, LLC

By: _____
Name: Joseph M. Racicot
Title: Secretary

DOMINION DIAMOND MINES ULC

By: _____
Name:
Title:

If you are in agreement with the foregoing, please execute a copy of this letter and return to me.

Very truly yours,

WASHINGTON DIAMOND INVESTMENTS HOLDINGS II, LLC

By: _____
Name:
Title:

Accepted and Agreed
as of this ____ day of May, 2020:

WASHINGTON DIAMOND INVESTMENTS, LLC

By:_____
Name:
Title:

DOMINION DIAMOND HOLDINGS, LLC

By:_____
Name:
Title:

DOMINION DIAMOND MINES ULC

By:_____
Name:
Title:

This is Exhibit "B" referred to in the Affidavit of John Startin 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

Washington Companies/Dominion Diamond Mines
Term Sheet for "Stalking Horse" Acquisition Agreement

The following term sheet (the "Term Sheet") sets forth a summary of certain terms for a proposed "stalking horse" acquisition agreement (the "Purchase Agreement") to be entered into among Dominion Diamond Holdings, LLC, a Delaware limited liability company ("Dominion Holdings"), Dominion Diamond Mines ULC, a British Columbia unlimited liability company ("DDM" and, together with Dominion Holdings, "Sellers"), and a new company to be formed to effect the transactions contemplated in which an affiliate of Washington Diamond Investments Holdings II, LLC will be the manager ("Buyer"), in connection with a filing in the court of Queen's Bench of Alberta (the "Court") by the Sellers and certain of their affiliates (the "Applicants") under the *Companies Creditors' Arrangement Act* (Canada) ("CCAA"). This Term Sheet is not intended and does not create any binding legal obligation on the part of either Buyer or Sellers. No legal obligation to negotiate, enter into or consummate any transaction will exist, unless and until definitive and binding transaction documentation regarding the proposed transaction has been entered into by the parties, which is subject to board approval by Buyer and Sellers, satisfactory completion of confirmatory due diligence, and negotiation of final documentation. The terms and conditions set forth in this Term Sheet are not intended to be comprehensive and if, in the course of Buyer's due diligence review or development of the proposed acquisition structure, or in the course of negotiations, Buyer or Sellers determine that additional terms and conditions, or modification to the terms and conditions set out herein, are necessary, then the parties reserve the right to address such matters.

Transaction Structure:	The transaction would be structured as a sale of assets (including equity in certain subsidiaries) by Sellers and the assumption by Buyer of certain liabilities of Sellers pursuant to the CCAA.
Acquired Assets:	The Buyer will agree to acquire substantially all of the assets used in connection with the Sellers' business, including: • all of the equity interests of Sellers in: o Dominion Diamond Marketing Corporation (100% of this Canadian corporation) o Dominion Diamond (India) Private Limited (100%, directly and indirectly, in this Indian company) o Dominion Diamond Marketing N.V. (100%, directly and indirectly, in this Belgian company)

	○ Ekati Diamond Mine Buffer Zone (100%) ○ Ekati Diamond Mine Core Zone Joint Venture (88.9%) ○ Diavik Diamond Mine Joint Venture (40%) ○ Lac de Gras Joint Venture (79%) ○ Glowworm Lake Property (100%) • all cash of Sellers (including all deposits and cash collateral, but excluding the Cash Purchase Price, as described below) • all accounts receivable of Sellers, including intercompany receivables from Dominion Diamond (India) Private Limited and Dominion Diamond Marketing N.V. • all equipment and tangible property of Sellers, including inventory, raw materials and work in process • all contracts (other than disclaimed contracts) of Sellers • all permits, licenses, surface leases and environmental agreements held by Sellers, to the extent assignable • all rights, options, claims and causes of action • all real property, fixtures and leases or other rights related to the same If the Rio Condition (as defined below) is not satisfied, then the Acquired Assets and Assumed Liabilities will be adjusted as set forth under the "Ex-Rio Toggle Transaction" below.
Excluded Assets:	The following assets would not be acquired by Buyer: • the equity interests of Dominion Holdings in Dominion Finco, Inc. and DDM • the equity interests of DDM in Dominion Diamond Delaware Company LLC (or any indirect interest in Dominion Diamond Canada ULC), Dominion Diamond (Cyprus) Limited and Dominion Diamond (Luxembourg) S.a.r.l.
Assumption of Liabilities:	Buyer will agree to assume substantially all operating liabilities of the Sellers, including all obligations of Sellers under its operational contracts and JV agreements, to

	employees and unions (as described under "Employees" below), and First Nations and aboriginal groups and The Government of the Northwest Territories ("GNWT"), subject to modifications pursuant to agreements referred to under conditions to closing. Buyer and Sellers will consider whether there are any contractual obligations in connection with the operations at the Ekati Mine that should not be assigned to Buyer. Buyer will not assume any liabilities with respect to Seller's obligations under the first-lien revolving credit facility and the second-lien notes due in 2022, cure obligations or liabilities with respect to any contracts that are disclaimed pursuant to the CCAA proceedings or otherwise terminated or cancelled prior to closing.
Purchase Price:	In consideration for the Acquired Assets, Buyer will pay a Cash Purchase Price in an amount equal to US$126,107,000 million, plus up to US$5 million in respect of any incremental amount outstanding under the Interim (DIP) Facility with respect to Advances and accrued and unpaid interest after September 30, 2020, minus the amount, if any, by which the aggregate amount of the Advances and accrued and unpaid interest under the Interim (DIP) Facility that is outstanding as of the closing is less than US$55 million, plus the assumption of the Core Liabilities and certain other assumed liabilities. The Cash Purchase Price is currently anticipated to be sufficient to (1) cash collateralize super priority charges approved pursuant to the Initial Order entered on April 22, 2020, as may be modified by subsequent order and subject to Buyer's prior written consent, not to be unreasonably withheld, (2) satisfy the Interim (DIP) Facility obligations, and (3) satisfy the first lien obligations of DDM under its revolving credit facility, based on the Company's Interim (DIP) Facility dated May 21, 2020 and an assumed closing date on or before October 31, 2020. If the Rio Condition is not satisfied, then the purchase price and Core Liabilities will be adjusted as set forth under the "Ex-Rio Toggle Transaction" below. The "Core Liabilities" to be assumed shall be:

	• DDM's obligation to collateralize or refinance outstanding letters of credit issued under DDM's revolving credit facility to secure closure costs (including reclamation) pursuant to the Diavik Joint Venture Agreement and Closure Security Agreement as of closing; • DDM's obligations under its pension plan, including with respect to the windup deficit; and • DDM's obligations under the Diavik Joint Venture Agreement with respect to all accrued and unpaid capital calls, plus accrued interest, any pending (but not yet due) capital calls, each as of closing. The Core Liabilities described above do not include the other liabilities that Buyer will assume pursuant to the Purchase Agreement at closing.
Representations and Warranties:	Representations and warranties given by Sellers and Buyer will include fundamental representations and warranties (valid existence, due authorization, title to assets, validity of permits etc.), and, in the case of Sellers, the absence of a material adverse change or a material breach or default under material contracts and operating representations and warranties that are customarily provided in a stalking horse bid purchase agreement for a company in CCAA. Acquisition of the assets would otherwise be on an "as-is, where-is" basis.

Operation of the Business Prior to Closing:	Sellers will agree to customary operating covenants, including an agreement to continue operations at the Ekati Mine on care and maintenance only, and not to conduct activities on any other properties. Sellers will agree not to re-start operations at the Ekati Mine without the prior written consent of Buyer, not to be unreasonably withheld. Sellers will agree not to terminate employee furloughs or sell diamonds without the prior written consent of Buyer, not to be unreasonably withheld. Sellers will agree not to enter into, amend or terminate any material contracts and agree to other customary restrictive covenants, each subject to Buyer's prior written consent, not to be unreasonably withheld.
Commercially Reasonable Efforts:	Buyer shall use commercially reasonable efforts to satisfy the Financing Condition, Rio Condition and Surety Condition, subject to certain limitations on what Buyer is required to accept. Sellers shall be entitled to have one person participate in all substantive discussions with Rio, GNWT and sureties regarding the Rio Condition and the Surety Condition. Sellers shall cooperate in a timely and commercially reasonable manner with Buyer in its efforts to satisfy the Financing Condition, Rio Condition and Surety Condition.
Employees:	Buyer approval, not to be unreasonably withheld, will be required for decisions relating to employees that are material to the business, including dealing with furloughed employees, unions and collective bargaining arrangements, and any changes to employee compensation arrangements (including changes approved by the Court as part of the CCAA process). Subject to the foregoing, Buyer anticipates that it will offer employment to all employees of Sellers and assume all employee benefit plans, pension plans, union and collective bargaining arrangements, and other employee arrangements on their existing terms (so long as there

	haven't been any changes to the foregoing that have not been shared with, and consented to by, Buyer).
Conditions to Closing:	The parties' obligations under the Purchase Agreement will be subject to the following conditions: • an Order shall be issued by the Court approving the Sale and Investment Solicitation Process ("SISP"), in the form of SISP set forth on Exhibit B to that certain letter agreement to which this term sheet is attached and shall have become a final order • a Sale Order shall be issued by the Court in form and substance satisfactory to Buyer, and shall have become a final order • receipt of all required approvals to complete the transfer of the Acquired Assets to Buyer under applicable competition and foreign investment laws, if any • absence of laws or court orders prohibiting the transaction The conditions to Buyer's obligation to consummate the closing would also include: • accuracy of Sellers' representations and warranties • absence of a Material Adverse Change measured from the date of the Purchase Agreement • receipt of all consents and other approvals required to effect the sale of assets and other transactions contemplated (to the extent that the transfer of such contracts are not effected through the CCAA process without consent separately being needed) • receipt of all required permits and approvals to operate the business after the closing, including the transfer and assignment of licenses, permits, surface leases, environmental agreements, etc. to Buyer • an order of the court approving Buyer or its designated affiliate as the Interim lender, in form and substance satisfactory to Buyer, must have been entered and have become a final order • an agreement with GNWT and the sureties with respect to collateralization of reclamation obligations of Buyer under environmental agreement, permits, licenses and subleases to be transferred (the "Surety Condition")

	• Buyer shall not be subject to any mandatory governmental regulations, advisories or restrictions related to COVID-19 which would prevent or materially restrict: (i) Buyer from conducting operations at the Ekati Mine; or (ii) Buyer's ability to reasonably transport, sort and conduct diamond tenders, with the precise standard to be negotiated as part of the Purchase Agreement negotiations. • an agreement acceptable to Buyer with Diavik Diamond Mines (2012) Inc. ("DDMI") and GNWT in relation to the timing and quantum of capital calls and reclamation liabilities at Diavik (the "Rio Condition") • Buyer shall have determined, acting reasonably, that upon payment of any outstanding cash calls with interest and the posting of cash collateral in respect of its portion of the reclamation liability in accordance with the existing closure security agreement or pursuant to other arrangements to be agreed that: (i) Buyer will be in full compliance with its obligations under the Diavik JV Agreement when assigned to Buyer, (ii) Buyer shall hold a 40% participating interest in the Diavik JV free and clear of any encumbrance other than as imposed by DDMI under the Diavik JV Agreement and (iii) DDMI shall agree to deliver any diamond inventory which accrued to the account of DDM under the Diavik JV Agreement which had not yet been delivered • Buyer shall have arranged third party equity and debt commitments on terms acceptable to it provided that the aggregate amount of third party equity committed shall be at least US$140 million, less 50% of any debt raised (the "Financing Condition") Notwithstanding that the Target Closing Date and Outside Date (each as defined and established under the SISP) are August 31 and October 31, 2020, respectively, the closing date for the transactions contemplated by the Purchase Agreement shall be as soon as practicable after all of the conditions to closing have been satisfied or waived.

Ex-Rio Toggle Transaction:	If the Rio Condition is not satisfied or waived by July 21, 2020, the parties would proceed but Buyer will not acquire or assume any rights or obligations with respect to the Diavik Mine Joint Venture (all of which would become excluded assets and excluded liabilities) and Dominion may dispose of Dominion's participation interest to Rio or another party (if either of such scenarios occurs, the "Rio Condition" will be deemed satisfied). If the Ex-Rio Toggle occurs, then • the Cash Purchase Price would be US$126,107,000 million (plus up to US$5 million in respect of additional Interim (DIP) Facility loans, minus the amount, if any, by which the aggregate amount of the Advances and accrued and unpaid interest under the Interim (DIP) Facility that is outstanding as of the closing is less than US$55 million, as set forth above); • the Excluded Assets would include DDM's interest in the Diavik Joint Venture and any diamonds distributed by the Diavik Joint Venture to DDM after the petition date • Buyer would not assume Core Liabilities with respect to Diavik, including obligations for collateralizing or refinancing outstanding letters of credit and obligations with respect to capital calls; and • the aggregate amount of equity required to be committed in order to satisfy the Financing Condition would be reduced to at least US$70 million, less 50% of any debt raised.
Termination Rights:	Each of the parties would be entitled to terminate the Purchase Agreement if: • the closing does not occur on or before October 31 • the CCAA Court, or other court or governmental authority, takes action to restrain, enjoin or otherwise prohibit the transfer of the Acquired Assets to Buyer which is not capable of appeal • Buyer is not the successful bidder chosen as a result of the SISP • the CCAA Court does not approve the sale of the Acquired Assets to Buyer on the terms set out in the

	Purchase Agreement or approves an alternative transaction Buyer also would be entitled to terminate the Purchase Agreement if: • certain CCAA milestones are not achieved, including if the CCAA court does not enter the SISP Order on or before May 29, 2020 or the Sale Order on or before September 9, 2020, in each case in form and substance satisfactory to Buyer • an order of the court approving Buyer or its designated affiliate as the Interim lender is not entered by the CCAA court on or before May 26, 2020 • any unwaived or uncured event of default under the Interim Facility or if at any time an affiliate of Buyer is not the Interim Lender • if the CCAA proceeding is terminated or a trustee in bankruptcy or receiver is appointed, and such trustee in bankruptcy or receiver refuses to proceed with the transactions contemplated by the Purchase Agreement • Sellers breach the Purchase Agreement and fail to cure • either (a) the Sellers or their affiliates request or (b) the CCAA Court approves any amendments or modifications to the SISP that adversely affects the interests of Buyer, the Interim Facility, or the Stalking Horse Transaction (which, for the avoidance of doubt, include any amendments or modifications to the Minimum Purchase Price or the Outside Date (as defined and established under the SISP), any amendments or modifications to the requirements set out for Phase 1 Qualified Bids in section 15 of the SISP or for Phase 2 Qualified Bids in section 23 of the SISP, and any amendment or modification to the terms and conditions set forth in sections 2, 3, 5, 9, 15, 17, 18, 20, 21, 23, 24-31, 35 and 36-38 of the SISP) Sellers also would be entitled to terminate the Purchase Agreement, with the consent of the agent for the Company's first lien revolving credit facility, on or before the first business day after Phase 2 Bid Deadline (as

	defined in the SISP) if Buyer does not remove or satisfy the Financing Condition on or before July 21, 2020.
Break-Up Fee and Expense Reimbursement:	All out-of-pocket expenses related to the Purchase Agreement and the SISP, up to the time of signing the Purchase Agreement, will be reimbursed upon signing of the Purchase Agreement, subject to a US$1.75 million cap. If: (i) Buyer removes or satisfies the Financing Condition and Rio Condition on or prior to July 21, 2020; and (ii) the Purchase Agreement is terminated and (x) a Successful Bid (as defined in the SISP) or (y) any other sale of assets or plan in the CCAA proceeding that (I) results in a change in control, (II) provides cash on closing to the Sellers or the Applicants equal to or greater than the Minimum Purchase Price (as defined in the SISP), and (III) did not arise following the material breach of the Purchase Agreement by the Buyer (an "**Alternate Transaction**") closes: • Buyer's reasonable SISP and Purchase Agreement third-party expenses incurred after the signing of the Purchase Agreement, subject to a cap of US$2.25 million; and • a Break-Up Fee in an amount equal to 2.0% of the cash purchase price that was to be paid by the Buyer to the Sellers under the Purchase Agreement, shall be paid to the Buyer immediately following closing of such Alternate Transaction. Further, if an Alternate Transaction is not concluded during the SISP, but a transaction is concluded following termination of the SISP that provides cash on closing to the Sellers or the Applicants equal to or greater than the Minimum Purchase Price (as defined in the SISP), or results in a change in control, the Break-Up Fee shall also be payable to the Buyer in those circumstances. This length of the this "tail period" and other relevant terms and conditions relating to the tail period, shall be agreed upon.

Limitation of Liability:	If the Purchase Agreement is terminated for Buyer breach, Sellers' sole remedy will be liquidated damages in an amount equal to 10% of the cash portion of the purchase price, which may be satisfied by Buyer by the forgiveness of amounts outstanding under the Interim Facility. Washington Diamond Investments Holdings II, LLC or one of its creditworthy affiliates will provide a limited guaranty of Buyer's obligation to pay such liquidated damages amount if and when it becomes due under the terms of the Purchase Agreement.
Not a Back-Up Bid:	Buyer's bid will not be deemed to be a "Back-Up Bid" and Buyer will not be required under any circumstances to be a Back-Up Bidder.
Governing Law:	Alberta
Dispute Resolution:	Alberta Court of Queen's Bench

* * *

This is Exhibit "C" referred to in the Affidavit of John Startin 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

Procedures for the Sale and Investment Solicitation Process

On April 22, 2020, Washington Diamond Investments, LLC, Dominion Diamond Holdings, LLC, Dominion Finco Inc., Dominion Diamond Mines ULC ("**DDM**"), Dominion Diamond Delaware Company LLC and Dominion Diamond Canada ULC (collectively, the "**Applicants**") obtained an Initial Order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") from the Alberta Court of Queen's Bench (the "**Court**") that, among other things, commenced the CCAA proceedings (the "**CCAA Proceedings**"), granted an initial stay of proceedings in respect of the Applicants (the "**Stay**") and appointed FTI Consulting Canada Inc. as monitor (the "**Monitor**"). On May 1, 2020, the Applicants obtained an amended and restated version of the Initial Order from the Court (the "**Amended and Restated Initial Order**") that, among other things, extended the Stay. On May **[29]**, 2020, the Applicants obtained a further amended and restated version of the Initial Order from the Court (the "**Second Amended and Restated Initial Order**") that, among other things, approved the DIP (as defined below) and approved the Sale and Investment Solicitation Process (the "**SISP**") set forth herein to determine whether a Successful Bid (as defined below) can be obtained.

For greater certainty, any provision of this SISP which affords discretion to the Applicants - including without limitation in connection with the granting by the Applicants of any consent, waiver or approval - requires that the Applicants exercise such discretion in a commercially reasonable manner and with prior consultation with the SISP Advisor (as defined below), the Agent Advisors (as defined below), on behalf of the First Lien Lenders (as defined below), and the Monitor. Any consent or approval to be provided by the Stalking Horse Bidder (as defined below), the SISP Advisor, the Agent, on behalf of the First Lien Lenders, the Applicants and/or the Monitor must be in writing (including by way of e-mail) and any approval required pursuant to the terms hereof is in addition to, and not in substitution for, any other approvals required by the CCAA or as otherwise required at law in order to implement a Successful Bid. Notwithstanding the forgoing or any other provision of the SISP (i) the Agent Advisors shall only be consulted to the extent that the Agent confirms that neither it nor any First Lien Lender intends to participate in the SISP as a bidder and (ii) nothing herein shall oblige or permit the SISP Advisor, the Monitor or the Applicants to disclose to the Agent Advisors the identity of any Potential Bidder, Phase 1 Qualified Bidder, or Phase 2 Qualified Bidder (other than the Stalking Horse Bidder) or any LOI, Phase 1 Qualified Bid, Binding Offer or Phase 2 Qualified Bid, prior to commencement of the Auction (all as such terms are defined below).

Defined Terms

1. In addition:

   (a) "**Agent**" means Credit Suisse AG, Cayman Islands Branch, as the administrative agent and collateral agent, under the Existing Credit Agreement[1];

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[1] References herein to the Agent mean the Agent, on behalf of the First Lien Lenders.

(b) "**Agent Advisors**" shall mean Osler, Hoskin & Harcourt LLP, Cahill Gordon & Reindel LLP and RPA Advisors, or any one of them;

(c) "**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open for business in Calgary, Alberta;

(d) "**DIP**" means the Interim Facility provided to Dominion Diamond Mines ULC and certain of its affiliates by Washington Diamond Lending, LLC (the "**Washington Interim Lender**") and the Agent and/or one or more First Lien Lenders (in their capacity as lenders under the DIP, the "**First Lien Interim Lenders**") as approved by the Second Amended and Restated Initial Order;

(e) "**Diavik Interest**" means the Applicants' right, title and interest in and to the Diavik Diamond Mine located in Lac de Gras, Northwest Territories and operated by DDM's joint venture partner, Diavik Diamond Mines (2012) Inc.;

(f) "**Existing Credit Agreement**" means the Revolving Credit Agreement dated as of November 1, 2017 by and among Dominion Diamond Mines ULC, as borrower, Washington Diamond Investments, LLC, a Delaware limited liability company, the Agent, and each of the other parties and lenders party thereto (the "**First Lien Lenders**"), as amended, restated, supplemented or otherwise modified from time to time.

(g) "**Non-Diavik Assets**" means the Applicants' right, title and interest in all Property other than the Diavik Interest (including, for the avoidance of doubt the Applicants' right, title, and interest in the Ekati Diamond Mine located in Lac de Gras, Northwest Territories, which is operated by DDM);

(h) "**SISP Advisor**" means Evercore Group LLC, as retained by the Applicants to conduct the SISP.

Sale and Investment Solicitation Process Procedures

Opportunity

2. The SISP is intended to solicit interest in, and opportunities for, (i) a sale or partial sales of (A) all, substantially all, or certain of the assets, property and undertakings (collectively, the "**Property**") of the Applicants and certain of their subsidiaries (together with the Applicants, the "**Dominion Diamond Group**"); (B) the Diavik Interest; or (C) the Non-Diavik Assets or (ii) for an investment in, restructuring, recapitalization, refinancing or other form of reorganization of the Dominion Diamond Group or its business. Bids considered pursuant to the SISP may include one or more of an investment, restructuring, recapitalization, refinancing or other form of reorganization of the business and affairs of the Dominion Diamond Group as a going concern or a sale (or partial sales) of all, substantially all, or certain of the Property of the Dominion Diamond Group, or a combination thereof (the "**Opportunity**").

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3. The Applicants have received a bid from Washington Diamond Investment Holdings II, LLC (the "**Stalking Horse Bidder**") which constitutes a qualified bid for all purposes and at all times under this SISP (the "**Stalking Horse Bid**"), and which Stalking Horse Bid shall serve as the "stalking horse" bid for purposes of this SISP. Notwithstanding the receipt of the Stalking Horse Bid, all interested parties are encouraged to submit bids based on any form of Opportunity that they may elect to advance pursuant to the SISP, including as a Sale Proposal or an Investment Proposal (each as defined below). A copy of the Stalking Horse Bid is available to all Phase 1 Qualified Bidders (as defined below).

4. The SISP set forth herein describes the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Dominion Diamond Group and its Property, including a copy of the Stalking Horse Bid, the manner in which bidders may participate in the SISP, the requirement of and the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder (as defined below), and the approval thereof by the Court. The Monitor shall oversee the SISP and in particular shall oversee the SISP Advisor in connection therewith. The Applicants are required to assist and support the efforts of the SISP Advisor and the Monitor as provided for herein. In the event that there is disagreement as to the interpretation or application of the SISP, the Court will have exclusive jurisdiction to hear and resolve such dispute.

5. Certain bid protections (i.e. break fee and expense reimbursement) have been approved in respect of the Stalking Horse Bid, subject to the conditions set forth therein, by the Court pursuant to the Second Amended and Restated Interim Order. No other bidder may request or receive any form of bid protection as part of any offer made pursuant to the SISP.

The key dates pursuant to the SISP are as follows (capitalized terms in the chart below have the meaning ascribed in the SISP):

Event	**Date**
SISP Advisor to distribute Teaser Letter to Potential Bidders	**As soon as practical**
SISP Advisor to prepare and have available to Potential Bidders the CIM and VDR	**As soon as practical**
Phase 1 Bid Deadline (for delivery of non-binding LOIs by Phase 1 Qualified Bidders in accordance with the requirement of paragraph 14 of the SISP)	**By June 26, 2020**
SISP Advisor to notify each Phase 1 Qualified Bidder in writing as to whether its bid constituted a Phase 1 Successful Bid	**Within five (5) Business Days of the Phase 1 Bid Deadline, or at such later time as the Applicants, in consultation with the SISP**

	Advisor, the Agent Advisors and the Monitor, deem appropriate
Sale Approval hearing in respect of the Stalking Horse Bid in the event that no other Phase 1 Successful Bids are received	**By July 13, 2020**
Phase 2 Bid Deadline (for delivery of definitive offers by Phase 2 Qualified Bidders in accordance with the requirement of paragraph 22 of the SISP)	**By August 7, 2020**
Auction Commencement Date (if needed)	**August 10, 2020**
Deadline for selection of final Successful Bid	**August 14, 2020 or at such later date as the Applicants, in consultation with the SISP Advisor, the Agent Advisors and the Monitor, deem appropriate**
Deadline for completion of definitive documentation in respect of Successful Bid	**August 18, 2020**
Deadline for filing of Approval Motion in respect of Successful Bid	**August 26, 2020**
Anticipated Deadline for closing of the Stalking Horse Bid in the event that no other Phase 1 Successful Bids are received	**August 31, 2020**
Anticipated Deadline for closing of Successful Bid being the Target Closing Date	**September 9, 2020 or such earlier date as is achievable**
Outside Date by which the Successful Bid must close	**October 31, 2020**

Solicitation of Interest: Notice of the SISP

6. As soon as reasonably practicable after the granting of the Second Amended and Restated Initial Order:

   (a) the SISP Advisor shall cause a notice of the SISP and such other relevant information which the SISP Advisor, in consultation with the Applicants and the Monitor, considers appropriate to be published in the *Globe & Mail* and such other publications as the SISP Advisor may consider appropriate; and

(b) the Dominion Diamond Group shall issue a press release setting out the notice and such other relevant information regarding the Opportunity as it may consider appropriate, with Canada Newswire designating dissemination in Canada.

7. The SISP Advisor shall prepare and distribute a summary describing the Opportunity (a "**Teaser Letter**"), outlining the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP, for distribution to potential bidders as soon as practical.

8. A confidential virtual data room (the "**VDR**") in relation to the Opportunity will be made available by the SISP Advisor to Potential Bidders that have executed the NDA (as defined below). The VDR will be available as soon as practical. Following the completion of "Phase 1", but prior to the completion of "Phase 2", additional information may be added to the VDR to enable Phase 2 Qualified Bidders to complete any confirmatory due diligence in respect of the Dominion Diamond Group and the Opportunity. The Applicants may establish separate VDRs (including "clean rooms"), if the Applicants and the SISP Advisor reasonably determine that doing so would further the Dominion Diamond Group and any Potential Bidders' compliance with applicable antitrust and competition laws, or would prevent the distribution of commercially sensitive competitive information.

PHASE 1: NON-BINDING LOIs

Phase 1 Qualified Bidders and Delivery of Confidential Information Memorandum

9. In order to participate in the SISP, an interested party must deliver to the SISP Advisor at the address specified in **Appendix "A"** hereto (including by email), and prior to the distribution of any confidential information by the SISP Advisor to such interested party (including access to the VDR), an executed non-disclosure agreement in form and substance satisfactory to the Applicants (an "**NDA**"), which shall inure to the benefit of any Successful Bidder (as defined below) that closes a transaction contemplated by the Successful Bid (as defined below). Pursuant to the terms of the NDA to be signed by a potential bidder (each potential bidder who has executed an NDA with the Applicants, a "**Potential Bidder**") each Potential Bidder will be prohibited from communicating with any other Potential Bidder regarding the Opportunity during the term of the SISP, without the express written consent of the Applicants. Prior to the Applicants' executing an NDA with any potential bidder, any potential bidder may be required to provide evidence, reasonably satisfactory to the Applicants of its financial wherewithal to complete a transaction in respect of the Opportunity (either with existing capital or with capital reasonably anticipated to be raised prior to closing) and/or to disclose details of their ownership. For the avoidance of doubt, a party who has executed an NDA or a joinder with a Potential Bidder for the purpose of providing financing to a Potential Bidder in connection with the Opportunity (such party a "**Financing Party**") shall not be deemed a Potential Bidder for purposes of the SISP, provided that such Financing Party undertakes to inform the Applicants in the event that it elects to act as a Potential Bidder.

10. A Potential Bidder that has executed an NDA and provided any additional information required pursuant to paragraph 9, will be deemed a "**Phase 1 Qualified Bidder**" and will

be promptly notified of such classification by the SISP Advisor. For the avoidance of doubt, the Stalking Horse Bidder is a Phase 1 Qualified Bidder.

11. The SISP Advisor, with the assistance of the Applicants, will prepare and send to each Phase 1 Qualified Bidder (including the Stalking Horse Bidder) a confidential information memorandum providing additional information considered relevant to the Opportunity (a "**CIM**") and provide an unredacted copy of the Staking Horse Bid as soon as practicable. The SISP Advisor, the Applicants, the Monitor and their respective advisors make no representation or warranty as to the information contained in the CIM or otherwise made available pursuant to the SISP.

12. The SISP Advisor shall provide any person deemed to be a Phase 1 Qualified Bidder (including the Stalking Horse Bidder) with access to the VDR. The SISP Advisor, the Applicants and the Monitor and their respective advisors make no representation or warranty as to the information contained in the VDR. The VDR shall contain a template letter of intent (the "**Template LOI**") and a proposed Purchase and Sale Agreement, based on the Stalking Horse Bid ("**Template PSA**").

13. If a Phase 1 Qualified Bidder (other than the Stalking Horse Bidder) wishes to submit a bid, it must deliver a non-binding letter of intent (an "**LOI**") (each such LOI, provided in accordance with paragraph 14 below, a "**Phase 1 Qualified Bid**"), to the SISP Advisor, with a copy to the Monitor, at the addresses specified in **Appendix "A"** hereto (including by email) so as to be received by the SISP Advisor and the Monitor not later than 5:00 p.m. (Mountain Standard Time) on June 26, 2020, or such other date or time as may be agreed by the Applicants with the consent of the Monitor (the "**Phase 1 Bid Deadline**"). To the extent possible, the Phase 1 Qualified Bid should follow the format as set out in the Template LOI.

14. An LOI submitted by a Phase 1 Qualified Bidder will only be considered a "**Phase 1 Qualified Bid**" by the Applicants, the Monitor and the SISP Advisor, if the LOI complies at a minimum with the following:

    (a) it has been duly executed by all required parties;

    (b) it is received by the Phase 1 Bid Deadline;

    (c) it provides written evidence, satisfactory to the Applicants, of the ability to consummate the transaction within the timeframe contemplated by the SISP and to satisfy any obligations or liabilities to be assumed on closing of the transaction, including, without limitation, a specific indication of the sources of capital;

    (d) it identifies all proposed material conditions to closing including, without limitation, any internal, regulatory or other approvals and any form of agreement or other document required from a government body, stakeholder or other third party, and an estimate of the anticipated timeframe and any anticipated impediments for obtaining such approvals;

(e) it (i) identifies the Qualified Phase 1 Bidder and representatives thereof who are authorized to appear and act on behalf of the Qualified Phase 1 Bidder for all purposes regarding the contemplated transaction, and (ii) fully discloses the identity of each entity or person that will be sponsoring, participating in or benefiting from the transaction contemplated by the LOI;

(f) an outline of any additional due diligence required to be conducted in order to submit a binding offer;

(g) it clearly indicates:

(i) the Phase 1 Qualified Bidder is seeking to acquire (A) all or substantially all of the Property, (B) the Diavik Interest or (C) the Non-Diavik Assets, whether through an asset purchase, a share purchase or a combination thereof (either one being, a "**Sale Proposal**") or some other portion of the Property (a "**Partial Sale Proposal**"); or

(ii) whether the Phase 1 Qualified Bidder is offering to make an investment in, restructure, recapitalize, reorganize or refinance the Dominion Diamond Group or its business (an "**Investment Proposal**"); and

(iii) that the Sale Proposal or Investment Proposal, as the case may be, will at a minimum and on closing, provide cash proceeds which are equal to the aggregate total of: (A) the amount of cash payable under the Stalking Horse Bid if it does not provide for a credit bid or, if the Stalking Horse Bid does provide for a credit bid, the amount of cash payable thereunder together with the amount of obligations being credit bid thereunder, *plus* (B) the amount of the expense reimbursement and break fee (if any) payable to the Stalking Horse Bidder, *plus* (C) a minimum overbid amount of US$1 million (the amounts set forth in this paragraph 14(g)(iii), the "**Minimum Purchase Price**"); provided, however, the Applicants may deem this criterion satisfied if the Sale Proposals, Partial Sale Proposals or the Investment Proposals, together with one or more other non-overlapping Sale Proposal, Partial Sale Proposal or Investment Proposal, in the aggregate, meet the Minimum Purchase Price (such bids, "**Aggregated Bids**") (the amount of the Minimum Purchase Price shall be confirmed by the Sale Advisor with Potential Bidders);

(h) it contains such other information as may be reasonably requested by the SISP Advisor, in consultation with the Applicants and the Monitor;

(i) it does not provide for any break fee or expense reimbursement, it being understood and agreed that no bidder other than the Stalking Horse Bidder shall be entitled to any bid protections;

(j) in the case of a Sale Proposal, it identifies or contains the following:

(i) the purchase price or price range in U.S. dollars and key assumptions supporting the valuation and the anticipated amount of cash payable on closing of the proposed transaction;

(ii) any contemplated purchase price adjustment;

(iii) a description of the specific assets that are expected to be subject to the transaction and any assets or obligations expected to be excluded;

(iv) a description of those liabilities and obligations (including operating liabilities, obligations to employees, and reclamation obligations) which the Phase 1 Qualified Bidder intends to assume and which such liabilities and obligations it does not intend to assume;

(v) information sufficient for the SISP Advisor, the Monitor and the Applicants to determine that the Phase 1 Qualified Bidder has sufficient ability to satisfy and perform any liabilities or obligations assumed pursuant to subparagraph (iv) above;

(vi) any other terms or conditions of the Sale Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;

(k) in the case of an Investment Proposal, it identifies the following:

(i) a description of how the Phase 1 Qualified Bidder proposes to structure the proposed investment, restructuring, recapitalization, refinancing or reorganization;

(ii) the aggregate amount of the equity and/or debt investment to be made in the Dominion Diamond Group or its business in U.S. dollars;

(iii) the underlying assumptions regarding the *pro forma* capital structure;

(iv) a description of those liabilities and obligations (including operating liabilities, obligations to employees, and reclamation obligations) which the Phase 1 Qualified Bidder intends to assume and which such liabilities and obligations it does not intend to assume;

(v) information sufficient for the SISP Advisor and the Applicants to determine that the Phase 1 Qualified Bidder has sufficient ability to satisfy and perform any liabilities or obligations assumed pursuant to subparagraph (iv) above;

(vi) any other terms or conditions of the Investment Proposal that the Phase 1 Qualified Bidder believes are material to the transaction.

15. The Applicants with the consent of the Monitor, may waive compliance with any one or more of the requirements specified herein and deem any such non-compliant LOI to be a

Phase 1 Qualified Bid; *provided* that the SISP Advisor shall consult with the Stalking Horse Bidder in advance and on a no-names basis regarding the general nature of any waiver being contemplated.

Assessment of Phase 1 Qualified Bids and Subsequent Process

16. The SISP Advisor, in consultation with the Monitor and the Applicants, may, following the receipt of any LOI, seek clarification with respect to any of the terms or conditions of such LOI and/or request and negotiate one or more amendments to such LOI prior to determining if the LOI should be considered a Phase 1 Qualified Bid or a Phase 1 Successful Bid (as defined below).

17. Following the Phase 1 Bid Deadline, the Applicants shall determine, in accordance with the requirements of paragraph 14, the most favourable Phase 1 Qualified Bid(s), which Phase 1 Qualified Bid(s) shall be deemed a "**Phase 1 Successful Bid(s)**" and which Phase 1 Qualified Bidder(s) shall be deemed a "**Phase 2 Qualified Bidder(s)**".

18. Only Phase 2 Qualified Bidders shall be permitted to proceed to Phase 2 of the SISP. The Stalking Horse Bid constitutes a Phase 1 Successful Bid and the Stalking Horse Bidder is a Phase 2 Qualified Bidder for all purposes under the SISP, other than the Auction (as defined below). Notwithstanding any other provision hereof, in order to participate in the Auction, the Stalking Horse Bidder shall have waived, or confirmed satisfaction of, any financing condition contained in the Stalking Horse Bid.

19. The SISP Advisor shall notify each Phase 1 Qualified Bidder in writing as to whether its Phase 1 Qualified Bid constituted a Phase 1 Successful Bid within five (5) Business Days of the Phase 1 Bid Deadline, or at such later time as the Applicants, in consultation with the SISP Advisor and the Monitor, deem appropriate.

20. In the event that no Phase 1 Successful Bids are received (other than the Stalking Horse Bid), the Applicants, with the assistance and support of the SISP Advisor and the Monitor, shall promptly proceed to seek Court approval of the Stalking Horse Bid; *provided, however*, that the Applicants may (i) extend the Phase 1 Bid Deadline with the consent of the Monitor, the Stalking Horse Bidder, and the Agent Advisors, or (ii) seek Court approval of an amendment to, or termination of, the SISP.

PHASE 2: FORMAL OFFERS AND REMOVAL OF CONDITIONS

Formal Binding Offers

21. Any Phase 2 Qualified Bidder (other than the Stalking Horse Bidder) that wishes to make a formal offer with respect to his/her/its Sale Proposal or Investment Proposal shall submit a binding offer (a "**Binding Offer**") (a) in the case of a Sale Proposal, in the form of the Template PSA provided in the VDR, along with a marked version showing edits to the original form of Template PSA provided in the VDR, or (b) in the case of an Investment Proposal, a plan or restructuring support agreement in form and substance satisfactory to the Applicants and the Monitor (each, such binding offer submitted in accordance with paragraph 25 below, a "**Phase 2 Qualified Bid**") in each case to the SISP Advisor, with a

copy to the Monitor, at the addresses specified in **Appendix "A"** hereto (including by email) so as to be received by the SISP Advisor and the Monitor not later than 5:00 p.m. (Mountain Standard Time) on August 7, 2020, or such other date or time as may be agreed by the Applicants with the consent of the Monitor (as maybe extended, the "**Phase 2 Bid Deadline**").

22. A Binding Offer will only be considered as a "**Phase 2 Qualified Bid**" by the Applicants if the binding offer:

(a) has been received by the Phase 2 Bid Deadline;

(b) is a Binding Offer (i) to purchase (A) all, substantially all, or a portion of the Property; (B) Diavik Interest; or (C) the Non-Diavik Assets or (ii) to make an investment in, restructure, recapitalize, reorganize or refinance the Dominion Diamond Group or its business, on terms and conditions reasonably acceptable to the Applicants;

(c) is not subject to any financing conditionality;

(d) is unconditional, other than upon the receipt of the Approval Order (as defined below) and satisfaction of any other conditions expressly set forth in the binding offer;

(e) includes acknowledgments and representations of the Phase 2 Qualified Bidder that it: (i) has had an opportunity to conduct any and all due diligence regarding the Opportunity prior to making its Binding Offer; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property of the Dominion Diamond Group in making its Binding Offer; (iii) did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Opportunity or the completeness of any information provided in connection therewith, other than as expressly set forth in the Binding Offer or other transaction document submitted with the Binding Offer; and (iv) promptly will commence any governmental or regulatory review of the proposed transaction by the applicable competition, antitrust or other applicable governmental authorities;

(f) provides for the payments of an amount at least equal to the Minimum Purchase Price unless it is a part of a bid the qualifies as an Aggregated Bid;

(g) the Binding Offer must be accompanied by a letter which confirms that the Binding Offer: (i) may be accepted by the Applicants by countersigning the Binding Offer, and (ii) is irrevocable and capable of acceptance until the earlier of (A) two business days after the date of closing of the Successful Bid; and (B) the Outside Date;

(h) does not provide for any break fee or expense reimbursement, it being understood and agreed that no bidder other than the Stalking Horse Bidder shall be entitled to any bid protections;

(i) is accompanied by a deposit in the amount of not less than 10% of the cash purchase price payable on closing or total new investment contemplated, as the case may be (the "**Deposit**"), along with acknowledgement that if the Phase 2 Qualified Bidder is selected as the Successful Bidder (as defined below), that the Deposit will be non-refundable subject to approval of the Successful Bid (as defined below) by the Court and the terms described in paragraph 35 below;

(j) contemplates and reasonably demonstrates a capacity to consummate a closing of the transaction set out therein on or before September 9, 2020, or such earlier date as is practical for the parties to close the contemplated transaction, following the satisfaction or waiver of the conditions to closing (the "**Target Closing Date**") and in any event no later than October 31, 2020 (the "**Outside Date**"); and

(k) contains an agreement that the Phase 2 Qualified Bidder submitting such bid, if not chosen as the Successful Bidder, shall serve, without modification to such bid, as a Backup Bidder (as defined below), in the event the Successful Bidder fails to close; *provided, however*, that, the Stalking Horse Bidder shall not be required to serve as Backup Bidder, except to the extent the Stalking Horse Bidder or its affiliates elect to submit an overbid in the Auction.

23. The Applicants with the consent of the Monitor may waive strict compliance with any one or more of the requirements specified above and deem any such non-compliant Binding Offer to be a Phase 2 Qualified Bid.

Selection of Successful Bid

24. The SISP Advisor, in consultation with the Monitor and the Applicants, may, following the receipt of any Binding Offer, seek clarification with respect to any of the terms or conditions of such Binding Offer and/or request and negotiate one or more amendments to such Binding Offer prior to determining if the Binding Offer should be considered a Phase 2 Qualified Bid.

25. The Applicants with the consent of the Monitor, will (a) review and evaluate each Phase 2 Qualified Bid and (b) identify the highest or otherwise best bid (the "**Successful Bid**", and the Phase 2 Qualified Bidder making such Successful Bid, the "**Successful Bidder**") pursuant to the paragraphs below. Any Successful Bid shall be subject to approval by the Court.

26. In the event there is at least one Phase 2 Qualified Bid in addition to the Stalking Horse Bid (provided that the Stalking Horse Bidder has waived or confirmed any financing condition contained in the Stalking Horse Bid has been waived or satisfied), the Applicants shall identify the Successful Bid through an Auction (as defined below).

27. ***Auction***: In the event that an Auction (the "**Auction**") is required in accordance with the terms of this SISP, it shall be conducted in accordance with the procedures set forth in this paragraph.

(a) The Auction shall commence at a time to be designated by the Applicants on August 10, 2020, at the Calgary offices of Blakes, Cassels, and Graydon LLP or such other place and time as determined by the Applicants and continue thereafter until completed, subject to such adjournments as the Applicants may consider appropriate; *provided* that if circumstances do not permit the Auction to be held in person, the Applicants shall work in good faith with the parties entitled to attend the Auction to arrange for the Auction to be held via videoconference, teleconference, or such other reasonable means as the Applicants deem appropriate. The Applicants reserve the right to cancel or postpone the Auction.

(b) The identity of each Phase 2 Qualified Bidder participating in the Auction will be disclosed, on a confidential basis, to each other Phase 2 Qualified Bidder participating in the Auction.

(c) Except as otherwise permitted in the Applicants' discretion, only the Applicants, the SISP Advisor, the Monitor, the Agent and the Phase 2 Qualified Bidders, and, in each case, their respective professionals shall be entitled to attend the Auction. Only a Phase 2 Qualified Bidder is eligible to participate in the Auction.

(d) Phase 2 Qualified Bidders shall appear at the Auction, or through a duly authorized representative.

(e) Except as otherwise set forth herein, the Applicants may waive and/or employ and announce at the Auction additional rules, including rules to facilitate the participation of parties participating in an Aggregated Bid, that are reasonable under the circumstances for conducting the Auction provided that such rules are (i) not inconsistent with the Second Amended Initial Order, the SISP, the DIP, the CCAA, or any order of the Court entered in connection with these CCAA Proceedings, (ii) disclosed to each Phase 2 Qualified Bidder, and (iii) designed, in the Applicants' business judgment, to result in the highest and otherwise best offer.

(f) The Applicants will arrange for the actual bidding at the Auction to be transcribed or recorded. Each Phase 2 Qualified Bidder participating in the Auction shall designate a single individual to be its spokesperson during the Auction.

(g) Each Phase 2 Qualified Bidder participating in the Auction must confirm on the record, at the commencement of the Auction and again at the conclusion of the Auction, that it has not engaged in any collusion with the Applicants or any other person, without the express written consent of the Applicants, regarding the SISP, that has not been disclosed to all other Phase 2 Qualified Bidders.

(h) Prior to the Auction, the Applicants shall identify the highest and best of the Phase 2 Qualified Bids received and such Phase 2 Qualified Bid shall constitute the opening bid for the purposes of the Auction (the "**Opening Bid**"). Subsequent bidding will continue in minimum increments valued at not less than US$1 million cash in excess of the Opening Bid or in such amounts as to be determined by the Applicants, with the consent of the Monitor, prior to, and announced at, the

Auction. For the purposes of facilitating bidding the Applicants may ascribe a monetary value to non-cash considerations, including by way of example, to different levels of conditionality to closing. Each Phase 2 Qualified Bidder (other than the Stalking Horse Bidder) shall provide evidence of its financial wherewithal and ability to consummate the transaction at the increased purchase price, if so requested by the Applicants. Further, in the event that an Aggregated Bid qualifies to participate in the Auction, modifications to the bidding requirements may be made by the Applicants to facilitate bidding by the participants in the Aggregated Bid.

(i) All Phase 2 Qualified Bidders shall have the right to, at any time, request that the Applicants announce, subject to any potential new bids, the then-current highest and best bid and, to the extent requested by any Phase 2 Qualified Bidder, use reasonable efforts to clarify any and all questions such Phase 2 Qualified Bidder may have regarding the Applicants' announcement of the then-current highest and best bid.

(j) Each participating Phase 2 Qualified Bidder shall be given reasonable opportunity to submit an overbid at the Auction to any then-existing overbids. The Auction shall continue until the bidding has concluded and there is one remaining Phase 2 Qualified Bidder that the Applicants determine has submitted the highest and otherwise best Phase 2 Qualified Bid of the Auction. At such time and upon the conclusion of the bidding, the Auction shall be closed and the final remaining Phase 2 Qualified Bidder shall be the Successful Bidder.

(k) Upon selection of a Successful Bidder, the Applicants shall require the Successful Bidder to deliver as soon as practicable an executed transaction document, which reflects its bid and any other modifications submitted and agreed to during the Auction, prior to the filing of the application material for the hearing to consider the Approval Motion (as defined below).

(l) The Applicants shall not consider any bids submitted after the conclusion of the Auction.

28. The Applicants shall have selected the final Successful Bid and the Backup Bid by no later than August 14, 2020 and the definitive documentation in respect of the Successful Bid must be finalized and executed no later than August 18, 2020, which definitive documentation shall be conditional only upon the receipt of the Approval Order and the express conditions set out therein and shall provide that the Successful Bidder shall use all reasonable efforts to close the proposed transaction by no later than the Target Closing Date, or such longer period as shall be agreed to by the Applicants with the consent of the Monitor and the Successful Bidder. In any event, the Successful Bid must be closed by no later than the Outside Date. The Applicants shall not extend or otherwise vary the Outside Date except with the written consent of the Monitor and the Agent.

29. Notwithstanding anything in the SISP to the contrary, if an Auction is conducted, the Phase 2 Qualified Bidder with the next highest or otherwise best Phase 2 Qualified Bid at the

Auction, as determined by the Applicants, will be designated as the backup bidder (the "**Backup Bidder**"); *provided* that the Stalking Horse Bidder shall not be a Backup Bidder, unless it elects to provide an overbid in the Auction. The Backup Bidder shall be required to keep its initial Phase 2 Qualified Bid (or if the Backup Bidder submitted one or more overbids at the Auction, the Backup Bidder's final overbid) (the "**Backup Bid**") open until the earlier of (A) two business days after the date of closing of the Successful Bid; and (B) the Outside Date.

Approval of Successful Bid

30. The Applicants shall apply to the Court (the "**Approval Motion**") for an order approving the Successful Bid and the Backup Bid (as applicable) and vesting title to any purchased Property in the name of the Successful Bidder or the Backup Bidder (as applicable) (the "**Approval Order**"). The Approval Motion will be held on a date to be scheduled by the Applicants and confirmed by the Court upon application by the Applicants, who shall use their best efforts to schedule the Approval Motion on or before August 31, 2020, subject to Court availability. The Approval Motion may be adjourned or rescheduled by the Applicants without further notice, by an announcement of the adjourned date at the Approval Motion or in a notice to the Service List prior to the Approval Motion. The Applicants shall consult with the Successful Bidder and the Backup Bidder regarding the application material to be filed by the Applicants for the Approval Motion, which material shall be acceptable to the Successful Bidder, acting reasonably.

31. All Phase 2 Qualified Bids (other than the Successful Bid) shall be deemed rejected on and as of the date of the closing of the Successful Bid.

Deposits

32. The Deposit(s):

    (a) shall, upon receipt from the Phase 2 Qualified Bidder(s), be retained by the Monitor and deposited in a trust account;

    (b) received from the Successful Bidder shall:

        (i) be applied to the purchase price to be paid by the applicable Successful Bidder whose Successful Bid is the subject of the Approval Order, upon closing of the approved transaction;

        (ii) shall otherwise be held and refundable in accordance with the terms of the definitive documentation in respect of any Successful Bid, provided that all such documentation shall provide that the Deposit shall be retained by the Applicants and forfeited by the Successful Bidder, if the Successful Bid fails to close by the Outside Date, and such failure is attributable directly to any failure or omission of the Successful Bidder to fulfil its obligations under the terms of the Successful Bid;

(c) received from the Backup Bidder, unless it is subsequently selected as the Successful Bidder, shall be fully refunded, to the Back-Up Bidder on or before the earlier of (i) two (2) Business Days after the date of the closing to the Successful Bid; or (ii) October 31, 2020;

(d) received from the Phase 2 Qualified Bidder(s) that are not the Successful Bidder or the Back-Up Bidder shall be fully refunded, to the Phase 2 Qualified Bidder(s) that paid the Deposit(s) as soon as practical following the selection of the Successful Bidder and in any event no later than September 30, 2020.

33. Notwithstanding anything to the contrary herein, the Stalking Horse Bidder shall not be required to fund a Deposit.

"As is, Where is"

34. Any sale (or sales) of the Property will be on an "as is, where is" basis except for representations and warranties that are customarily provided in purchase agreements for a company subject to CCAA proceedings and any such representations and warranties provided for in the definitive documents shall not survive closing.

Free Of Any And All Claims And Interests

35. In the event of a sale, to the extent permitted by law, all of the rights, title and interests of the Applicants in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon and there against (collectively, the "**Claims and Interests**") pursuant to section 36(6) of the CCAA, such Claims and Interests to attach to the net proceeds of the sale of such Property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant transaction documents with a Successful Bidder.

Credit Bidding

36. The Washington Interim Lender shall be entitled to credit bid any outstanding DIP advances made by it as part of the closing of the Stalking Horse Bid, provided that any DIP advances made by the First Lien Interim Lenders are paid in cash by the Washington Interim Lender at closing.

37. Except as provided in paragraph 36 above, the Washington Interim Lender shall not be entitled to credit bit any outstanding DIP advances in connection with any transaction contemplated by the SISP without the consent of the Agent (such consent not to be unreasonably withheld).

38. Any other party holding a valid, enforceable, and properly perfected security interest in the Property, including the Agent on behalf of the First Lien Lenders under the Existing Credit Agreement, or any lender party thereto, may, subject in all respects to such party's compliance with the SISP and the terms thereof, credit bid the amount of debt secured by

such lien as part of any transaction contemplated by the SISP; *provided, however*, that such transaction shall also provide for the indefeasible and irrevocable repayment in full in cash on the date of closing of any such transaction of any and all obligations secured by a security interest that is senior to the security interest held by the party submitting such credit bid (it being understood and agreed that, (a) with respect to the Property the Interim Lender holds a super-priority security interest, senior to all other security interests in the Property, except as expressly set forth in the DIP Term Sheet and with respect to the court-ordered charges created in favour of the Interim Lender under the Second Amended and Restated Initial Order, and (b) any obligations of the Applicants with respect to any cover payments made pursuant to, or reclamation obligations associated with, the Diavik Interest must be indefeasibly and irrevocably repaid in full in cash on the date of closing of any such transaction) to the extent any credit bid pertains to the Diavik Interest. Any credit bid by the Agent under the Existing Credit Agreement, or any lender party thereto shall provide for the indefensible and irrevocable repayment in full in cash on the date of closing of any such transaction of all Interim Financing Obligations (as defined in the DIP), including those Interim Financing Obligations attributable to October Advances (as defined in the DIP)

Confidentiality

39. For greater certainty other than as shall be required in connection with any Auction or Approval Motion, neither the Applicants, the Monitor, the SISP Advisor will share (i) the identity of any Potential Bidder, or Phase 1 Qualified Bidder (other than the Stalking Horse Bidder), or (ii) the terms of any bid, LOI, Phase 1 Qualified Bid, Sale Proposal, Investment Proposal or Phase 2 Qualified Bid (other than the Stalking Horse Bid), with any other bidder (including, without limitation, the Stalking Horse Bidder) without the express written consent of such party (including by way of e-mail).

Further Orders

40. At any time during the SISP, the Applicants or the Monitor may apply to the Court for advice and directions with respect to any aspect of this SISP including, but not limited to, the continuation of the SISP or with respect to the discharge of its powers and duties hereunder.

Appendix "A"

TO THE SISP ADVISOR:

Evercore
55 East 52nd Street, 42nd floor
New York, NY 10055

Attention: John Startin

Phone: 212-453-5577
E-Mail: John.Startin@evercore.com

WITH A COPY TO:

Attention: Andrew Frame

Phone: 212-823-6443
E-Mail: Andrew.Frame@evercore.com

WITH A COPY TO:

Attention: Nicholas Salzman

Phone: 646-259-7783
E-Mail: Nicholas.Salzman@evercore.com

TO THE MONITOR:

FTI Consulting Canada Inc.
520 5th Ave SW
Calgary AB T2P 3R7

Attention: Deryck Helkaa

Phone: 403-454-6031
E-Mail: deryck.helkaa@fticonsulting.com

WITH A COPY TO:

Bennett Jones LLP
4500 Bankers Hall East
855 - 2nd Street SW
Calgary AB T2P 4K7

Attention: Chris Simard

Phone: 403-298-4485
Email: simardc@bennettjones.com

This is Exhibit "D" referred to in the Affidavit of John Startin 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

Execution Copy

INTERIM FINANCING TERM SHEET

Dominion Diamond Mines ULC

Dated as of May 21, 2020

WHEREAS the Borrower has requested that the Interim Lenders provide financing to the Borrower during the pendency of the Borrower's proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") commenced before the Court of Queen's Bench of Alberta (the "**Court**") pursuant to an initial order granted on April 22, 2020 (the "**Initial Order**") and in accordance with the terms and conditions set out herein;

AND WHEREAS, the Interim Lenders have agreed to provide financing in order to fund certain obligations of the Credit Parties in order for the Credit Parties to pursue and implement a Permitted Restructuring Transaction pursuant to and in accordance with the SISP;

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

1.	**BORROWER:**	Dominion Diamond Mines ULC, an unlimited liability company formed under the laws of British Columbia (the "**Borrower**").
2.	**INTERIM LENDERS**	Those lenders identified on Schedule "**F**" hereto (the "**Interim Lenders**"). Schedule "**F**" may be amended from time to time with the consent of Washington Diamond in its sole and absolute discretion; it being understood and agreed that each Existing Credit Facility Lender as of the date of this Term Sheet is acceptable to Washington Diamond in its sole and absolute discretion; *provided, however*, that, at no time, shall the Commitment (as defined herein) held by the Existing Credit Facility Lenders (or any party other than Washington Diamond) exceed 34% of total Commitments. The amount of total funding Commitments (the "**Commitments**") of each Interim Lender, and such Interim Lender's proportion of the total Commitments are identified on Schedule F hereto. All obligations of the Interim Lenders hereunder and in connection with the Interim Facility are several, and not joint or joint and several. If any Interim Lender is a Defaulting Lender, or if any Interim Lender is a Non-Consenting Lender, then Washington Diamond may, at its sole expense and effort, upon notice to such Interim Lender, require such Interim Lender to assign and delegate, without recourse, all its interests, rights and obligations under this Term Sheet to Washington Diamond (if Washington Diamond accepts such assignment) or another Interim Lender acceptable to Washington Diamond in its sole and absolute discretion (if such Interim Lender accepts such assignment), provided that such Defaulting Lender or Non-Consenting Lender shall have received, in connection with such assignment, payment of an amount equal to the outstanding Interim Financing Obligations payable to it hereunder from the assignee (to the extent of outstanding principal and accrued interest) or the Borrower (in the case of all other outstanding Interim Financing Obligations owing to such Defaulting Lender or Non-Consenting Lender). Upon any such assignment, Schedule "**F**" shall be deemed to be amended as required

to reflect such assignment.

3. **GUARANTORS:** Each party that guarantees (collectively, the "**Guarantors**", and together with the Borrower, the "**Credit Parties**") the obligations of the Credit Parties under this Term Sheet (the "**Interim Financing Obligations**"), which parties are set forth on Schedule D hereof.

The Credit Parties subject to the CCAA Proceedings are sometimes collectively referred to herein as the "**CCAA Applicants**".

4. **DEFINED TERMS:** Unless otherwise defined herein, capitalized words and phrases used in this Term Sheet have the meanings given thereto in Schedule "**A**".

5. **INTERIM FACILITY; DRAWDOWNS:** A senior secured, superpriority, debtor-in-possession, interim, non-revolving credit facility (the "**Interim Facility**") up to a maximum principal amount of US$60 million (as such amount may be reduced from time to time pursuant to the terms hereof, the "**Facility Amount**"), subject to the terms and conditions contained herein.

The Interim Facility shall be made available to the Borrower by way of up to six (6) advances (each an, "**Advance**") which, in the aggregate, shall not exceed the Facility Amount. The timing for each Advance shall be determined based on the funding needs of the Borrower as set forth in the DIP Budget and as such draw amounts are agreed to by the Required Interim Lenders and the Credit Parties. Each Advance (other than the final Advance) shall be in a principal amount of not less than US$2,000,000.

Each Advance shall be deposited by the applicable Interim Lenders into the Operating Account within two (2) Business Days of the date on which the Borrower delivers to the Interim Lenders an Advance request certificate in the form of Schedule "**B**" (an "**Advance Request Certificate**"), provided that, in the determination of the Interim Lenders, the Advance Conditions are satisfied as of the date on which such Advance Request Certificate is delivered and remain satisfied on the date of such Advance. Each Interim Lender's obligations are several and not joint or joint and several.

With respect to Advances to be used to make Permitted Payments on account of obligations that accrue prior to September 30, 2020 (the "**Phase 1 and Phase 2 Advances**"), each Interim Lender shall fund solely its pro rata share of each Phase 1 and Phase 2 Advance based on such Interim Lender's share of the total Commitments in respect of Phase 1 and Phase 2 Advances set out in Part I of Schedule "**F**". With respect to Advances to be used to make Permitted Payments on account of obligations that accrue on or after October 1, 2020 through the Outside Date ("**October Advances**"), Washington Diamond, in its capacity as Interim Lender, shall fund any such Advances.

The Advance Request Certificate shall certify that (i) all representations and warranties of the Credit Parties contained in this Term Sheet remain true and correct in all material respects both before and after giving effect to the use of such proceeds and (ii) no Default or Event of Default then exists and

is continuing or would result therefrom.

Each Advance Request Certificate shall be deemed to be acceptable and shall be honoured by the Interim Lenders unless the Required Interim Lenders have objected thereto in writing, providing reasons for the objection, by no later than 1:00 p.m. Eastern Time on the second Business Day following the delivery of such Advance Request Certificate. A copy of each Advance Request Certificate shall be concurrently provided to Interim Lenders and the Monitor.

6. **PURPOSE AND PERMITTED PAYMENTS:**

The Credit Parties shall use proceeds of the Interim Facility solely for the following purposes and in the following order, in each case in accordance with the DIP Budget and for the purpose of advancing and implementing a Permitted Restructuring Transaction pursuant to and in accordance with the SISP:

(a) to pay the reasonable and documented legal and financial advisory fees and expenses of (i) the Credit Parties, subject to the DIP Budget (ii) the Monitor (i.e. the Monitor's fees and those of its legal counsel), subject to the DIP Budget, (iii) the Interim Lenders, subject to the DIP Budget and (iv) the Existing Credit Facility Lenders, subject to the DIP Budget, in each case pursuant to the terms hereof, it being acknowledged by the Credit Parties and the Interim Lenders that those fees and expenses incurred to the date hereof and those provided for in the DIP Budget as of the date hereof are reasonable;

(b) to pay the interest, fees and other amounts owing to the Interim Lenders under this Term Sheet;

(c) to pay any interest accruing under the Existing Credit Facility in the ordinary course; and

(d) to fund, in accordance with the DIP Budget, the Credit Parties' operating expenditures during the Restructuring Proceedings in pursuit of a Permitted Restructuring Transaction pursuant to and in accordance with the SISP, including the working capital and other general corporate funding requirements of the Credit Parties during such period (the amounts set forth in these subsections (a) through (d), collectively, the "**Permitted Payments**").

For greater certainty, the Credit Parties may not use the proceeds of the Interim Facility to pay any obligations of the Credit Parties arising or relating to the period prior to the Filing Date without the prior written consent of (x) the Required Interim Lenders in their sole and absolute discretion and (y) the Existing Credit Facility Agent (such consent not to be unreasonably withheld) unless the payment of such pre-Filing Date obligations are specifically identified in the approved DIP Budget and authorized pursuant to the Amended Initial Order or any subsequent Court Order.

7. **ADVANCE CONDITIONS**

The Interim Lenders' agreement to make the Facility Amount available to the Borrower and to advance any Advance to the Borrower is subject to the satisfaction, as determined by the Required Interim Lenders, of each of the following conditions precedent (collectively, the "**Advance Conditions**"), each of which is for the benefit of the Interim Lenders and may be waived by the Required Interim Lenders in their sole and absolute discretion:

(a) The Initial Order shall have remained in effect until the issuance of the Amended Initial Order;

(b) The Credit Parties shall have executed and delivered this Term Sheet, the Guarantee and such other Credit Documents as the Required Interim Lenders may reasonably request.

(c) The Credit Parties' cash management system shall continue in the manner approved by the Initial Order, unless otherwise consented to by (x) the Required Interim Lenders and (y) the Existing Credit Facility Agent in each case in their reasonable discretion.

(d) The Court shall have issued an amended and restated version of the Initial Order or a further amended and restated version of the Initial Order (as it may be amended, the "**Amended Initial Order**") in form and substance acceptable to the Required Interim Lenders, in their reasonable discretion; *provided, however*, the (x) Required Interim Lenders, in their sole and absolute discretion and (y) Existing Credit Facility Agent (acting reasonably) must be satisfied with any provision of the Amended Initial Order (or any subsequent Court Order) relating to the Interim Facility, the SISP or the Stalking Horse Transaction. The Amended Initial Order shall, without limitation, (i) approve this Term Sheet (subject only to such modifications as may be acceptable to the Supermajority Interim Lenders and the Existing Credit Facility Agent in their sole and absolute discretion), (ii) authorize the Borrower to borrow up to the Facility Amount under the Interim Facility, (iii) grant the Interim Lenders a priority charge (the "**Interim Lenders' Charge**") on the CCAA Applicants' Collateral as security for all Interim Financing Obligations, which Interim Lenders' Charge shall have priority over all Liens on the CCAA Applicants' Collateral other than as set forth in Section 11 hereof, and (iv) approve the SISP on terms acceptable to the (x) Required Interim Lenders, in their sole and absolute discretion and (y) Existing Credit Facility Agent (acting reasonably).

(e) The Credit Parties shall be acting in accordance with the SISP.

(f) The Amended Initial Order and the Recognition Order, if applicable, shall not have been stayed, vacated or otherwise amended, restated or modified in respect of any amendment, relating to the Interim Facility, the SISP, the Stalking Horse Transaction or any other matter that affects the Interim Lenders, without the written consent of the (x) Required Interim Lenders, in

their sole and absolute discretion and (y) Existing Credit Facility Agent (such consent not to be unreasonably withheld).

(g) There shall be no Liens ranking (a) in priority to the Interim Lenders' Charge over the CCAA Applicants' Collateral other than the Permitted Priority Liens or (b) *pari passu* with the Interim Lenders' Charge over the CCAA Applicants' Collateral other than the SISP Advisor Charge.

(h) No Default or Event of Default shall have occurred or will occur as a result of the requested Advance.

(i) The Borrower shall have delivered an Advance Request Certificate in respect of such Advance.

(j) The applicable Credit Parties shall have executed an Asset Purchase Agreement with an entity managed by an affiliate of Washington Diamond with respect to the Stalking Horse Transaction, *provided* that this condition shall not apply to the initial Advance if such initial Advance is an amount less than or equal to US$10,000,000.

8. **COSTS AND EXPENSES**

The Borrower shall reimburse the Interim Lenders and the Existing Credit Facility Agent for all reasonable fees and expenses incurred (including reasonable and documented legal, financial advisory and professional fees and expenses on a full indemnity basis) (the "**Interim Lender Expenses**") by the Interim Lenders or any of their affiliates and the Existing Credit Facility Agent in connection with the negotiation, development, and implementation of Interim Facility (including the administration of the Interim Facility). The Interim Lender Expenses shall form part of the Interim Financing Obligations secured by the Interim Lenders' Charge.

All accrued and unpaid Interim Lender Expenses as at the date of any Advance shall be paid in full through deduction from such Advance. All accrued and unpaid Interim Lender Expenses incurred prior to the first Advance (including those incurred prior to the Filing Date) shall be paid in full through deduction from the first Advance.

9. **INTERIM FACILITY SECURITY:**

All Interim Financing Obligations shall be secured by the Interim Lenders' Charge. The Required Interim Lenders may, in their reasonable discretion (i) require the execution, filing or recording of any mortgages, security agreements, pledge agreements, control agreements, financing statements or other documents or instruments, or (ii) take possession or control of any Collateral of the Credit Parties, to the extent it is necessary to do so, to obtain and/or perfect its senior secured, superpriority Lien on such Collateral.

10. **INTER-COMPANY ADVANCES:**

No intercompany advances may be made unless provided for in the DIP Budget or consented to by the Required Interim Lenders, in their sole and absolute discretion.

11. **PERMITTED LIENS AND PRIORITY:** All of the Credit Parties' Collateral and the property of the Credit Parties' subsidiaries will be free and clear of all Liens except for Permitted Liens. Except as set forth below, the Interim Lenders' Liens and the Interim Lenders' Charge shall have priority over all Liens on the CCAA Applicants' Collateral.

(a) The Permitted Priority Liens shall be senior to any Liens of the Interim Lenders or the Existing Credit Facility Agent in any of the Collateral.

(b) The Liens of the Existing Credit Facility Agent in the Interim Facility Priority Collateral to secure the Funded First Lien Facility Obligations shall be senior to the Liens of the Interim Lenders in the Interim Facility Priority Collateral to secure any October Advances (and related interest).

(c) The Liens of the Interim Lenders in the Interim Facility Priority Collateral to secure any October Advances (and related interest), shall be senior to any Liens of the Existing Credit Facility Agent to secure the First Lien Facility LC Obligations.

12. **MONITOR:** The monitor in the CCAA Proceedings shall remain FTI Consulting Canada, Inc. (the "**Monitor**").

13. **REPAYMENT:** The Interim Facility and the Interim Financing Obligations shall be due and repayable in full on the earlier of: (i) the occurrence of any Event of Default which is continuing and has not been cured; (ii) the completion of a Restructuring Transaction; (iii) the conversion of the CCAA Proceedings into a proceeding under the *Bankruptcy and Insolvency Act* (Canada); (iv) the closing of a Successful Bid (as defined in the SISP); (v) the sale of all or substantially all of the CCAA Applicants' collateral; and (vi) the Outside Date (the earliest of such dates being the "**Maturity Date**"). The Maturity Date may be extended from time to time at the request of the Borrower and with the prior written consent of each Interim Lender for such period and on such terms and conditions as each Interim Lender may agree in its sole and absolute discretion.

Without the consent of each Interim Lender in its sole and absolute discretion, no Court Order sanctioning a Plan shall discharge or otherwise affect in any way the Interim Financing Obligations, other than after the permanent and indefeasible payment in cash to the Interim Lenders of all Interim Financing Obligations on or before the date such Plan is implemented.

14. **DIP BUDGET AND VARIANCE REPORTING:** Attached hereto as Schedule "**C**" is a copy of the agreed summary DIP Budget (excluding the supporting documentation provided to the Interim Lenders in connection therewith) as in effect on the date hereof (the "**Initial DIP Budget**"), which the Interim Lenders acknowledge and agree is in form and substance satisfactory to the Interim Lenders and the Existing Credit Facility Agent. Such DIP Budget shall be the DIP Budget referenced in this Term Sheet unless and until such time as a revised DIP Budget has

been approved by the Required Interim Lenders and the Existing Credit Facility Agent in accordance with this Section 14.

(A) At the written request of the Required Interim Lenders (including by email), (B) at the election of the Borrower, or (C) upon a material change, or a material change reasonably anticipated by the Borrower, to any item set forth in the DIP Budget, the Borrower shall update and propose a revised 13-week DIP Budget to the Interim Lenders and the Existing Credit Facility Agent (the "**Updated DIP Budget**"). The Required Interim Lenders may make such request up to once every two weeks, and if such request is made, the Borrower shall submit the Updated Budget no later than five (5) Business Days following receipt of the request. Such Updated DIP Budget shall have been reviewed and approved by the Monitor, prior to submission to the Interim Lenders. If (a) the Required Interim Lenders, in their sole and absolute discretion, or (b) the Existing Credit Facility Agent, in its reasonable discretion, determine that the Updated DIP Budget is not acceptable, they shall, within three (3) Business Days of receipt thereof, provide written notice to the Borrower and the Monitor stating that the Updated DIP Budget is not acceptable and setting out the reasons why such Updated DIP Budget is not acceptable, and until the Borrower has delivered a revised Updated DIP Budget acceptable to (a) the Required Interim Lenders in their sole and absolute discretion, and (b) the Existing Credit Facility Agent, in its reasonable discretion, the prior DIP Budget shall remain in effect.

At any time, the Updated DIP Budget is accepted by the Required Interim Lenders and the Existing Credit Facility Agent, such Updated Budget shall be the DIP Budget for the purpose of this Term Sheet.

On or before 3:00 p.m. Eastern Time on the Friday of every second week, (provided that such day is a Business Day and, if not, on the next Business Day) the Borrower shall deliver to the Monitor, the Interim Lenders, the Existing Credit Facility Agent, and their legal and financial advisors a variance calculation (the "**Variance Report**") setting forth actual receipts and disbursements for the preceding two weeks (each a "**Testing Period**") as against the then-current DIP Budget, and setting forth all the variances, on a line-item and aggregate basis in comparison to the amounts set forth in respect thereof for such Testing Period in the DIP Budget; each such Variance Report to be promptly discussed with the Interim Lenders, the Existing Credit Facility Agent, and their legal and financial advisors, if so requested. Each Variance Report shall include reasonably detailed explanations for any material variances during the relevant Testing Period.

15. **EVIDENCE OF INDEBTEDNESS:** The Interim Lenders' accounts and records constitute, in the absence of manifest error, *prima facie* evidence of the indebtedness of the Borrower to the Interim Lenders pursuant to the Interim Facility. Each Interim Lender may, from time to time, require the Borrower to execute and deliver promissory notes evidencing the Borrower's liability hereunder to each such Interim Lender.

16. **PREPAYMENTS:** Provided the Monitor (i) is satisfied that the Credit Parties have sufficient cash reserves to satisfy (a) amounts secured by any Permitted Priority Liens (other than those Permitted Priority Liens identified in subsections (vi) and (vii) of the definition of "Permitted Priority Liens") senior to the Interim Lenders' Charge, and (b) obligations set forth in the DIP Budget that the Credit Parties have incurred from and after the Filing Date for which payment has not been made (collectively, the "**Priority Payables Reserve**") and (ii) provides its consent, the Borrower may prepay any amounts outstanding under the Interim Facility at any time prior to the Maturity Date. Any amount repaid may not be reborrowed and shall be paid to the Interim Lenders on a pro rata basis. In the event that less than all of the Interim Facility Obligations are repaid using the proceeds of any debt obligations that are secured in whole or in part by Liens in the Collateral, such Liens shall be junior in all respects to the Liens in the Collateral held by the Interim Lenders to secure any remaining Interim Facility Obligations (including those related to any October Advances).

17. **INTEREST RATE:** Interest shall be payable on the aggregate outstanding amount of the Facility Amount that has been advanced to the Borrower from the date of the funding thereof at a rate equal to 5.25% *per annum*, compounded monthly and payable monthly in arrears in cash on the last Business Day of each month, with the first such payment being made on May 31, 2020. Upon the occurrence and during the continuation of an Event of Default, all overdue amounts shall bear interest at the applicable interest rate plus 2% *per annum* payable on demand in arrears in cash. All interest shall be computed on the basis of a 360-day year of twelve 30-day months, provided that, whenever any interest is calculated on the basis of a period of time other than a calendar year, the annual rate of interest to which each rate of interest determined pursuant to such calculation is equivalent for the purposes of the *Interest Act* (Canada) is such rate as so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days used in the basis for such determination.

No structuring or transaction fee shall be payable to the Interim Lenders as part of the Interim Facility.

The parties shall comply with the following provisions to ensure that the receipt by the Interim Lenders of any payments under this Term Sheet does not result in a breach of section 347 of the *Criminal Code* (Canada):

(a) If any provision of this Term Sheet would obligate the Credit Parties to make any payment to the Interim Lenders of an amount that constitutes "interest", as such term is defined in the *Criminal Code* (Canada) and referred to in this section as "**Criminal Code Interest**", during any one-year period after the date of the funding of the Facility Amount in an amount or calculated at a rate which would result in the receipt by the Interim Lenders of Criminal Code Interest at a criminal rate (as defined in the *Criminal Code* (Canada) and referred to in this section as a "**Criminal Rate**"), then, notwithstanding such provision, that amount or rate during

such one-year period shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not result in the receipt by the Interim Lenders during such one-year period of Criminal Code Interest at a Criminal Rate, and the adjustment shall be effected, to the extent necessary, as follows:

(i) *first*, by reducing the amount or rate of interest required to be paid to the Interim Lenders during such one-year period; and

(ii) *thereafter*, by reducing any other amounts (other than costs and expenses) (if any) required to be paid to the Interim Lenders during such one-year period which would constitute Criminal Code Interest.

(b) Any amount or rate of Criminal Code Interest referred to in this section shall be calculated and determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term that any portion of the Interim Facility remains outstanding on the assumption that any charges, fees or expenses that constitute Criminal Code Interest shall be *pro-rated* over the period commencing on the date of the advance of the Facility Amount and ending on the relevant Maturity Date (as may be extended by the Interim Lenders from time to time under this Term Sheet) and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Interim Lenders shall be conclusive for the purposes of such calculation and determination.

18. **CURRENCY:** Unless otherwise stated, all monetary denominations shall be in lawful currency of the United States of America and all payments made by the Credit Parties under this Term Sheet shall be in United States dollars. If any payment is received by the Interim Lenders hereunder in a currency other than United States dollars, or, if for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder in any currency (the "**Original Currency**") into another currency (the "**Other Currency**"), the parties hereby agree, to the fullest extent permitted by Applicable Law, that the rate of exchange used shall be the rate at which the Interim Lenders are able to purchase the Original Currency with the Other Currency after any premium and costs of exchange on the Business Day preceding that on which such payment is made or final judgment is given.

19. **MANDATORY REPAYMENTS:** Unless otherwise consented to in writing by (x) Required Interim Lenders and (y) Existing Credit Facility Agent (such consent not to be unreasonably withheld), the Interim Facility shall, subject to retention of the Priority Payables Reserve, be promptly repaid and the Facility Amount shall be permanently reduced upon a sale, realization or disposition of or with respect to any assets or property of the Credit Parties or any of their subsidiaries (including obsolete, excess or worn-out Collateral) (a) out of the ordinary course of business, including any sale or disposition of working capital assets, equipment, machinery and other operating or fixed

assets and realizations of accounts receivable or (b) inventory, including diamond inventory (whether in or out of the ordinary course of business), in each case in an amount equal to the net cash proceeds of such sale, realization or disposition (for greater certainty, net of transaction fees (including, without limitation, shipping expenses and commissions payable in connection with such sale, realization or disposition) and applicable taxes in respect thereof). Any amount repaid may not be reborrowed and shall be paid to the Interim Lenders on a pro rata basis.

20. **REPS AND WARRANTIES:** Each of the Credit Parties on a joint and several basis, represents and warrants to the Interim Lenders, upon which the Interim Lenders are relying in entering into this Term Sheet and the other Credit Documents, that:

(a) The transactions contemplated by this Term Sheet and the other Credit Documents, upon the granting of the Amended Initial Order:

(i) are within the powers of such Credit Party;

(ii) have been duly executed and delivered by or on behalf of such Credit Party;

(iii) constitute legal, valid and binding obligations of the Credit Parties, enforceable against the Credit Parties in accordance with their terms;

(iv) do not require any material authorization from, the consent or approval of, registration or filing with, or any other action by, any governmental authority or any third party; and

(v) will not violate the charter documents, articles by-laws or other constating documents of such Credit Party or any Applicable Law relating to such Credit Party;

(b) The business operations of the Credit Parties have been and will continue to be conducted in material compliance with all laws of each jurisdiction in which the business has been or is carried out;

(c) The Credit Parties own their assets and undertaking free and clear of all Liens other than Permitted Liens;

(d) Each Credit Party has been duly formed and is validly existing under the law of its jurisdiction of incorporation;

(e) All Material Contracts are in full force and effect and are valid, binding and enforceable in accordance with their terms and no Credit Party has any knowledge of any material default that has occurred and is continuing thereunder (other than those defaults arising as a result of the commencement of the Restructuring Proceedings) or are not otherwise stayed by the Amended Initial Order and no proceedings have been commenced or threatened to revoke or amend any Material Contracts;

(f) The Credit Parties are not aware of any introduction, amendment, repeal or replacement of any law or regulation, not related to the COVID 19 pandemic, being made or proposed which could reasonably be expected to have a material adverse effect on the Credit Parties or their respective businesses;

(g) There are no agreements of any kind between any Credit Party and any other third party or any holder of debt or equity securities of any Credit Party with respect to any Restructuring Transaction (i) as at the date hereof except for (A) this Term Sheet, (B) the agreement in respect of the Stalking Horse Transaction as of the date hereof, (C) any non-disclosure agreement entered into in connection with or in furtherance of a potential Restructuring Transaction, and (ii) as at any subsequent date, except for (A) any agreement effecting a Replacement Stalking Horse Bid, and (B) any agreement effecting a Successful Bid (other than the Stalking Horse Transaction) each as defined in the SISP and disclosed to the Interim Lenders;

(h) No Default or Event of Default has occurred and is continuing;

(i) No Credit Party is required to be registered as an "investment company" under the Investment Company Act of 1940 of the United States;

(j) No part of the proceeds of the Interim Facility will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that results in a violation of the provisions of Regulation U and Regulation X of the Board of Governors of the Federal Reserve System of the United States; and

(k) The Credit Parties have disclosed to the Interim Lenders the following with respect to the diamond inventory held by the Credit Parties and/or their subsidiaries (a) the amount and value of such inventory; (b) the location of such inventory; and (c) the amount of insurance coverage for all such inventory, in each case presented in a manner and with detail consistent with the Credit Parties' ordinary course internal accounting practices. The Credit Parties shall maintain at all times the insurance coverage disclosed to the Interim Lenders.

21. **AFFIRMATIVE COVENANTS:** Each Credit Party agrees to do, or cause to be done, with respect to itself and each of its subsidiaries, the following:

(a) (i) Allow representatives or advisors of the Required Interim Lenders and the Existing Credit Facility Agent reasonable access to the books, records, financial information and electronic data rooms of or maintained by the Credit Parties, and (ii) cause management, the financial advisor and/or legal counsel of each Credit Party to cooperate with reasonable requests for information by the Required Interim Lenders and the Existing Credit Facility Agent and their

legal and financial advisors, in each case subject to solicitor-client privilege, all Court Orders and applicable privacy laws, in connection with matters reasonably related to the Interim Facility, the Restructuring Proceedings or compliance of the Credit Parties with their obligations pursuant to this Term Sheet;

(b) Deliver to the Required Interim Lenders and the Existing Credit Facility Agent the reporting and other information from time to time reasonably requested by it and as set out in this Term Sheet including, without limitation, the Variance Reports at the times set out herein;

(c) Use the proceeds of the Interim Facility only in accordance with the restrictions set out in this Term Sheet and pursuant to the DIP Budget and the CCAA Orders;

(d) Comply with the provisions of (i) the Amended Initial Order, the SISP and all other orders of the Court entered in connection with the CCAA Proceedings (each a "**CCAA Order**") and (ii) to the extent applicable, the Recognition Order and all other orders of the Bankruptcy Court entered in connection with the Chapter 15 Proceedings (each a "**Bankruptcy Court Order**");

(e) Preserve, renew and keep in full force its corporate existence;

(f) Conduct its business in accordance with and otherwise comply with the DIP Budget, subject to the Permitted Variance;

(g) Promptly notify the Interim Lenders and the Existing Credit Facility Agent of the occurrence of any Default or Event of Default or any event or circumstance that may materially affect the DIP Budget, including any material change in its contractual arrangements or relationships with third parties;

(h) Comply, in all material respects, with Applicable Law, except to the extent not required to do so pursuant to any Court Order;

(i) Provide the Required Interim Lenders, the Existing Credit Facility Agent and their respective counsel draft copies of all motions, applications, proposed Court Orders and other materials or documents that any of Credit Parties intend to file in the Restructuring Proceedings at least three (3) Business Days prior to any such filing or, where it is not practically possible to do so within such time, as soon as possible and in any event not less than one (1) day prior to the date on which such motion, application, proposed order or other materials or documents are served on the service list in respect of the applicable Restructuring Proceeding; *provided* that motion materials and similar pleadings that affect the Interim Lenders, the Stalking Horse Transaction or the SISP shall be reasonably satisfactory to the Required Interim Lenders and the

Existing Credit Facility Agent;

(j) Take all actions necessary or available to defend the Court Orders that affect the Interim Lenders, the Stalking Horse Transaction, the Collateral or the SISP from any appeal, reversal, modifications, amendment, stay or vacating, unless expressly agreed to in writing in advance by the Required Interim Lenders and the Existing Credit Facility Agent in their reasonable discretion;

(k) Promptly provide notice to the Required Interim Lenders, the Existing Credit Facility Agent and their respective counsel, and keep them otherwise apprised, of any material developments in respect of any Material Contract, and of any material notices, orders, decisions, letters, or other documents, materials, information or correspondence received from any regulatory authority having jurisdiction over the Credit Parties in respect of such Material Contract (other than in each case, routine or administrative materials or correspondence);

(l) Provide the Required Interim Lenders, the Existing Credit Facility Agent and their respective counsel with draft copies of all material letters, submissions, notices, or other materials or correspondence that any of the Credit Parties intend to file with or submit to any regulatory authority having jurisdiction over the Credit Parties relating to any Material Contract (other than in each case, routine or administrative materials or correspondence), at least three (3) Business Days prior to such submission or filing or, where it is not practically possible to do so within such time, as soon as possible;

(m) Execute and deliver, or cause each Credit Party (as applicable) to execute and deliver, loan and collateral security documentation (including any guarantees in respect of the Interim Financing Obligations) including, without limitation, such security agreements, financing statements, discharges, opinions or other documents and information, in form and substance satisfactory to the (x) Required Interim Lenders and their counsel and (y) Existing Credit Facility Agent and its counsel;

(n) Complete all necessary Lien and other searches (other than in the Mining Recorder's Office, Department of Industry, Tourism and Investment of the Government of the Northwest Territories for such time as the same cannot be completed during the COVID-19 pandemic) against the Credit Parties, together with all registrations, filings and recordings wherever the Required Interim Lenders deem appropriate, to satisfy (x) Required Interim Lenders and their counsel and (y) Existing Credit Facility Agent and its counsel that there are no Liens affecting the Credit Parties' Collateral except Permitted Liens;

(o) At all times maintain adequate insurance coverage of such kind and in such amounts and against such risks as is customary for the

business of the Credit Parties with financially sound and reputable insurers in coverage and scope acceptable to the Required Interim Lenders and cause Washington Diamond to be listed as the loss payee or additional insured (as applicable) on such insurance policies;

(p) Pay all Interim Lender Expenses and expenses of the Existing Credit Facility Agent in accordance with the DIP Budget;

(q) Promptly upon becoming aware thereof, provide details of the following to the Required Interim Lenders and the Existing Credit Facility Agent:

(i) any pending, or threatened claims, potential claims, litigation, actions, suits, arbitrations, other proceedings or notices received in respect of same, against any Credit Party, by or before any court, tribunal, Governmental Authority or regulatory body, which are not stayed by the Amended Initial Order and would be reasonably likely to result, individually or in the aggregate, in a judgment in excess of CDN$500,000, and

(ii) any existing (or threatened in writing) default or dispute with respect to any of the Material Contracts which are not stayed by the Amended Initial Order;

(r) Strictly comply with the terms of the SISP;

(s) Deliver the Budgets and Variance Reports required under Section 14;

(t) In the event that any creditor of any Credit Party or its affiliates or any other party commences or pursues litigation or claims against any Credit Party or any affiliate of any Credit Party in the United States or against property of the Credit Party or its affiliates located in the United States, which the Credit Parties reasonably determine, in consultation with the Required Interim Lenders and the Existing Credit Facility Agent, is not likely to be stayed in the CCAA Proceedings, the applicable Credit Party, in consultation with the Required Interim Lenders and the Existing Credit Facility Agent, shall initiate, or shall cause its affiliate to initiate, proceedings under Chapter 15 of the Bankruptcy Code (the "**Chapter 15 Proceedings**") in the U.S. Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**"). The Credit Parties shall pursue a final order (the "**Recognition Order**") recognizing the CCAA Proceedings as foreign main proceedings pursuant to the Bankruptcy Code, approving, authorizing and granting the full availability of the Facility Amount and the priority of the Interim Lenders' Charge on the terms of this Term Sheet, and containing such other relief as the Credit Parties, in consultation with the Required Interim Lenders and the Existing Credit Facility Agent, determine is necessary, which Recognition Order shall be in form and substance satisfactory to the Required Interim Lenders and the Existing Credit Facility Agent in their reasonable discretion;

(u) Take all actions necessary or available to defend the subsidiaries of the Credit Parties and their property from any and all material pending and threatened litigation or claims; and

22. **NEGATIVE COVENANTS:** The Credit Parties covenant and agree not to do, or cause not to be done, with respect to itself and each of its subsidiaries, the following, other than with the prior written consent of the Required Interim Lenders and the Existing Credit Facility Agent to the extent express consent of the Existing Credit Facility Agent is required below:

(a) Transfer, lease or otherwise dispose of all or any part of their property, assets or undertaking outside of the ordinary course of business, except for the disposition of obsolete or worn out equipment or assets consistent with past practice, or assets of nominal value and in accordance with the Amended Initial Order and this Term Sheet;

(b) Make any payment, including, without limitation, any payment of principal, interest or fees, in respect of pre-filing indebtedness, or in respect of any other pre-filing liabilities, including payments with respect to pre-filing trade or unsecured liabilities of the Credit Parties, other than in accordance with the Amended Initial Order or any subsequent Court Order and the DIP Budget provided that the Credit Parties shall pay the Interim Lender Expenses pursuant to the

terms of this Term Sheet.

(c) (i) Create or permit to exist any indebtedness other than (A) the indebtedness existing as of the date of this Term Sheet, (B) the Interim Financing Obligations, (C) post-filing trade payables or other unsecured obligations incurred in the ordinary course of business on or following the Filing Date in accordance with the DIP Budget and the Amended Initial Order, and (D) any obligations (including cash call or reclamation obligations) under any Joint Venture to which any Credit Party is party (ii) make or give any financial assurances, in the form of bonds, letter of credit, financial guarantees or otherwise to any Person or Governmental Authority other than with the prior written consent of (x) the Required Interim Lenders and (y) the Existing Credit Facility Agent, in each case in their sole and absolute discretion;

(d) Make (i) any distribution, dividend, return of capital or other distribution in respect of equity securities (in cash, securities or other property or otherwise); or (ii) a retirement, redemption, purchase or repayment or other acquisition of equity securities or indebtedness (including any payment of principal, interest, fees or any other payments thereon) other than with the prior written consent of (x) the Required Interim Lenders and (y) the Existing Credit Facility Agent, in each case in their sole and absolute discretion;

(e) Make any investments or acquisitions of any kind, direct or indirect, in any business or otherwise other than in accordance with the DIP Budget other than with the prior written consent of the (x) Required Interim Lenders in their sole and absolute discretion and (y) Existing Credit Facility Agent in its reasonable discretion;

(f) Pay, incur any obligation to pay, or establish any retainer with respect to the fees, expenses or disbursements of a legal, financial or other advisor of any party, other than (i) the Monitor and its legal counsel, and (ii) the respective legal, financial and other advisors of the Credit Parties, the Interim Lenders and the Existing Credit Facility Agent, in each case engaged as of the date hereof, unless such fees, expenses or disbursements, as applicable, are reviewed and confirmed in advance by the (x) Required Interim Lenders and (y) Existing Credit Facility Agent in its reasonable discretion;

(g) Create or permit to exist any Liens on any of its properties or assets other than the Permitted Liens;

(h) Challenge or fail to support the Liens and claims of the Interim Lenders;

(i) Create or establish any employee retention plan or similar benefit plan for any employees of any of the Credit Parties, except as

reflected in the approved DIP Budget;

(j) Make any payments or expenditures (including capital expenditures) other than in accordance with the DIP Budget, subject to the Permitted Variance;

(k) Terminate any Material Contract or amend any Material Contract in any material manner except with the prior consent of the Required Interim Lenders acting reasonably;

(l) Seek to obtain, or consent to or fail to oppose a motion brought by any other Person for, approval by the Court or the Bankruptcy Court of any Restructuring Transaction other than a Permitted Restructuring Transaction without the prior written consent of the (x) Required Interim Lenders and (y) Existing Credit Facility Agent, in each case in their sole and absolute discretion;

(m) Amalgamate, consolidate with or merge into or sell all or substantially all of their assets to another entity, or change their corporate or capital structure (including their organizational documents) or enter into any agreement committing to such actions except pursuant to (i) a Permitted Restructuring Transaction, or (ii) a Restructuring Transaction other than a Permitted Restructuring Transaction with the prior written consent of the (x) Required Interim Lenders and (y) Existing Credit Facility Agent, in each case in their sole and absolute discretion;

(n) Make an announcement in respect of, enter into any agreement or letter of intent with respect to, or attempt to consummate, or support an attempt to consummate by another party, any transaction or agreement outside the ordinary course of business except for a Permitted Restructuring Transaction;

(o) Enter into, extend, renew, waive or otherwise modify in any respect the terms of any existing operational arrangement without the prior approval of the Monitor, provided that, where this Term Sheet otherwise contains express provisions or restrictions with respect to particular operational arrangements or categories of operational arrangements, such express provisions or restrictions shall apply;

(p) Seek, obtain, support, make or permit to be made any Court Order or any change, amendment or modification to any Court Order in respect of any amendment relating to the Interim Facility, the SISP or any other matter that affects the Interim Lenders, except with the prior written consent of the (x) Required Interim Lenders and (y) Existing Credit Facility Agent, in each case in their sole and absolute discretion or as contemplated by the SISP;

(q) Enter into any settlement agreement or agree to any settlement arrangements with any Governmental Authority or regulatory authority in connection with any material litigation, arbitration,

other investigations, proceedings or disputes or other similar proceedings which are threatened or pending against any one of them without the prior written consent of the (x) Required Interim Lenders and (y) Existing Credit Facility Agent (such consent not to be unreasonably withheld), or make any payments or repayments to customers outside the ordinary course of business, other than those set out in the DIP Budget;

(r) Without the approval of the Court or the prior written consent of the (x) Required Interim Lenders and (y) Existing Credit Facility Agent, in each case in their sole and absolute discretion, cease to carry on their business or any material activities as currently being conducted or modify or alter in any material manner the nature and type of their operations or business;

(s) Seek, or consent to the appointment of, a receiver or licensed insolvency trustee or any similar official in any jurisdiction; or

(t) Use, whether directly or indirectly, and whether immediately, incidentally or ultimately, any proceeds of the Interim Facility for any purpose that results in a violation of the provisions of Regulation U of the Board of Governors of the Federal Reserve System of the United States.

23. **EVENTS OF DEFAULT:** The occurrence of any one or more of the following events shall constitute an event of default (each an "**Event of Default**") under this Term Sheet:

(a) Failure of the Borrower to pay principal, interest or other amounts when due pursuant to this Term Sheet or any other Credit Documents;

(b) Failure of any Credit Party to perform or comply with any term, condition, covenant or obligation pursuant to this Term Sheet or any other Credit Document and such failure remains unremedied for more than three (3) Business Days, *provided that*, where another provision in this Section 23 provides for a shorter or no cure period in respect of a particular Event of Default, such other provision shall apply;

(c) Any representation or warranty by a Credit Party made or deemed to be made in this Term Sheet or any other Credit Document is or proves to be incorrect or misleading in any material respect as of the date made or deemed to be made;

(d) Issuance of any Court Order (i) dismissing the Restructuring Proceedings or lifting the stay of proceedings therein to permit the enforcement of any security against any Credit Party or their Collateral, the appointment of a receiver, interim receiver or similar official, an assignment in bankruptcy, or the making of a bankruptcy order or receivership order against or in respect of any Credit Party, in each case which order is not stayed pending appeal

thereof, and other than in respect of a non-material asset not required for the operations of any Credit Party's business and which is subject to a Permitted Priority Lien; (ii) granting any other Lien in respect of the CCAA Applicants' Collateral that is in priority to or *pari passu* with the Interim Lenders' Charge other than as permitted pursuant to this Term Sheet, (iii) modifying this Term Sheet or any other Credit Document without the prior written consent of the Interim Lenders and the Existing Credit Facility Agent in their sole and absolute discretion; (iv) commencing any proceedings in respect of the Credit Parties pursuant to Chapter 7 or Chapter 11 of the Bankruptcy Code; (v) approving a Restructuring Transaction, other than a Permitted Restructuring Transaction, that has not been previously consented to in writing by the Interim Lenders and the Existing Credit Facility Agent, (vi) staying, reversing, vacating or otherwise modifying any Court Order relating to the Interim Facility, the SISP or any other matter that affects the Interim Lenders without the prior written consent of the (x) Supermajority Interim Lenders and (y) Existing Credit Facility Agent, in each case in their sole and absolute discretion (except as contemplated by the SISP itself) or (vii) limiting or conditioning the right of the Interim Lenders to credit bid pursuant to Section 32 hereof;

(e) Unless consented to in writing by the (x) Required Interim Lenders and (y) Existing Credit Facility Agent, the expiry without further extension of the stay of proceedings provided for in the Amended Initial Order;

(f) (i) a Variance Report or Updated DIP Budget is not delivered when due under this Term Sheet or (ii) in respect of any Testing Period, there shall exist a variance in excess of the Permitted Variance for the period for which the Variance Report is prepared;

(g) Unless consented thereto in writing by (x) Required Interim Lenders and (y) Existing Credit Facility Agent (such consent not to be unreasonably withheld), the filing by any of the Credit Parties of any motion or proceeding that (i) is not consistent with any provision of this Term Sheet, the Credit Documents, the Amended Initial Order, the Recognition Order (if applicable), or the SISP, as applicable, (ii) could otherwise be expected to have a material adverse effect on the interests of the Interim Lenders, (iii) seeks to continue the CCAA Proceedings under the jurisdiction of a court other than the Court, (iv) seeks to dismiss or convert the Chapter 15 Proceedings (if any), or (v) seeks to initiate any restructuring or insolvency proceedings other than the Restructuring Proceedings in any court or jurisdiction;

(h) Any proceeding, motion or application shall be commenced or filed by any Credit Party, or if commenced by another party, supported, remain unopposed or otherwise consented to by any Credit Party, seeking approval of any Restructuring Transaction other than a

Permitted Restructuring Transaction without the prior written consent of the (x) Required Interim Lenders and (y) Existing Credit Facility Agent;

(i) The making by any Credit Party of a payment of any kind that is not permitted by this Term Sheet or the Credit Documents or is not in accordance with the DIP Budget, subject to the Permitted Variance;

(j) Except as stayed by order of the Court or the Bankruptcy Court or consented to by the Required Interim Lenders, a default under, revocation or cancellation of, any Material Contract;

(k) The denial or repudiation by any Credit Party of the legality, validity, binding nature or enforceability of this Term Sheet or any other Credit Documents;

(l) Except as stayed by order of the Court, the entry of one or more final judgements, writs of execution, garnishment or attachment representing a claim in excess of CDN$500,000 in the aggregate, against any Collateral, any Credit Party or any Credit Party's subsidiaries or such subsidiaries' property that is not released, bonded, satisfied, discharged, vacated, stayed or accepted for payment by an insurer within 30 days after their entry, commencement or levy;

(m) The Credit Parties or their affiliates (including any joint ventures in which the Credit Parties or their affiliates hold an interest) resuming mining operations without the consent of Washington Diamond in its sole and absolute discretion; *provided* that no Event of Default shall be deemed to have occurred based on a continuation of operations at the Diavik mine;

(n) The Credit Parties or their affiliates resume sales of diamond inventory to third parties; *provided, however*, that no Event of Default will be deemed to have occurred by virtue of a sale of diamond inventory from one Credit Party or an affiliate of a Credit Party to any other Credit Party or an affiliate of a Credit Party; *provided, further, however*, that no Event of Default shall be deemed to have occurred in the event that the Credit Parties or their affiliates undertake any sales of diamond inventory with the prior written consent of Washington Diamond, such consent not to be unreasonably withheld;

(o) Any Milestone set forth on **Schedule E** hereof shall not be satisfied; or

(p) The use of any proceeds of the Interim Facility to fund any obligations (including cash call or reclamation obligations) under any Joint Venture to which any Credit Party is party, without the prior written consent of the (x) Required Interim Lenders and

(y) Existing Credit Facility Agent, in each case in their sole and absolute discretion.

24. **REMEDIES:** Upon the occurrence of an Event of Default, and subject to the Court Orders, Washington Diamond may, and at the direction of the Required Interim Lenders shall, on behalf of itself and each of the Interim Lenders, in its sole and absolute discretion, elect to terminate the commitments hereunder and declare the Interim Financing Obligations to be immediately due and payable and refuse to permit further Advances. In addition, upon the occurrence of an Event of Default, Washington Diamond may, on behalf of itself and each of the Interim Lenders, in its sole and absolute discretion, subject to the Court Orders including any notice provision contained therein:

(a) apply to a court for the appointment of a receiver, an interim receiver or a receiver and manager over the CCAA Applicants or their Collateral, or for the appointment of a trustee in bankruptcy of the Borrower or any of the other Credit Parties;

(b) set-off or combine any amounts then owing by any Interim Lender to any Credit Party against the obligations of any of the Credit Parties to any Interim Lender hereunder;

(c) exercise the powers and rights of a secured party under the Personal Property Security Act (Alberta), or any federal, provincial, territorial or state legislation of similar effect; and

(d) exercise all such other rights and remedies under this Term Sheet, the Court Orders and Applicable Law.

In the event that, following the exercise of remedies set forth in this Section 24, Washington Diamond holds any Collateral constituting diamonds, for a period of 60 days (the "**Initial Holding Period**"), Washington Diamond shall hold such diamonds for the benefit of itself, the other Interim Lenders, the Existing Credit Facility Lenders and the Existing Credit Facility Agent. At all times during and after the Initial Holding Period, (i) Washington Diamond shall have the right, but not the obligation, to purchase (x) from the remaining Interim Lenders, upon at least five (5) days prior written notice from Washington Diamond to the remaining Interim Lenders (which purchase may be made in the sole and absolute discretion of Washington Diamond), all Interim Financing Obligations held by such remaining Interim Lenders, and (y) from the Existing Credit Facility Lenders, upon at least five (5) days written notice from Washington Diamond to the Existing Credit Facility Agent (which purchase may be made in the sole and absolute discretion of Washington Diamond), all Obligations (as defined in the Existing Credit Agreement) and all Liens securing such Obligations held by such Existing Credit Facility Lenders (the right described in this subparagraph (ii), the "**Washington Diamond Call Right**"), and (ii) the Existing Credit Facility Lenders shall, upon at least five (5) days prior written notice from the Existing Credit Facility Lenders to Washington Diamond (which purchase may be made in the sole and absolute discretion

of the Existing Credit Facility Lenders), have the right, but not the obligation, to purchase from Washington Diamond all (but not less than all) Interim Financing Obligations held by Washington Diamond (the right described in this subparagraph (ii), the "**Existing Lender Call Right**"). The Existing Credit Facility Lenders shall be prohibited from providing a notice triggering the Existing Lender Call Right if, at the time of such notice, Washington Diamond has provided a notice triggering the Washington Diamond Call Right. Washington Diamond shall be prohibited from providing a notice triggering the Washington Diamond Call Right if, at the time of such notice, the Existing Credit Facility Lenders have provided a notice triggering the Existing Lender Call Right.

In addition, upon the expiration of the Initial Holding Period and at any time thereafter, the Existing Credit Facility Lenders shall be required to, upon at least five (5) days written notice from Washington Diamond to the Existing Credit Facility Agent (which request may be made in the sole and absolute discretion of Washington Diamond), purchase from Washington Diamond all (but not less than all) Interim Financing Obligations held by Washington Diamond at par *plus* any interest, fees, and expenses incurring during and after the Initial Holding Period (the obligation of the Existing Credit Facility Lenders set forth in this paragraph, the "**Existing Lender Put Obligation**"). Washington Diamond or the Existing Lenders (as applicable) shall close any transactions related to the Washington Diamond Call Right, the Existing Lender Call Right, or the Existing Lender Put Obligation as promptly as possible, but in no event later than 10 days following the issuance of the notice triggering such right or obligation.

In addition, upon the expiration of the Initial Holding Period and at any time thereafter, provided that Washington Diamond has not provided a notice triggering the Existing Lender Put Obligation, Washington Diamond shall be permitted to liquidate the diamond inventory, with the proceeds being distributed in priority as among the Interim Facility Lender and the Existing Credit Facility Lenders in accordance with the Lien priority provisions hereof. Five (5) days prior to any sale of the diamond inventory set forth in this paragraph, Washington Diamond shall issue a written notice to the Existing Credit Facility Lenders of the proposed sale, during which notice period, the Existing Credit Facility Lenders will be permitted to exercise the Existing Lender Call Right. In the event that the Existing Lender Call Right is not exercised during this five (5) day notice period, such Existing Lender Call Right shall be deemed to have been irrevocably waived.

25. **RIGHT OF REPURCHASE**

In the event that the purchase agreement governing the Stalking Horse Transaction is terminated, the Existing Credit Facility Lenders shall have the right, but not the obligation, to purchase from the Interim Lenders, upon at least five (5) days prior written notice from the Existing Credit Facility Lenders to Washington Diamond (which request may be made in the sole and absolute discretion of the Existing Credit Facility Lenders) either:

(a) all outstanding Interim Facility Obligations (including, for the avoidance of doubt, any accrued and unpaid interest, expenses and

fees as of the date of such purchase); or

(b) a portion of the Advances made by the Interim Lenders, together with a ratable portion of accrued and unpaid interest, expenses and fees associated with such Advances (such purchase, a "**Partial Purchase**").

In the Event of a Partial Purchase, any remaining Interim Facility Obligations shall be senior in priority in all respects relative to any financing used to facilitate such Partial Purchase.

26. **INDEMNITY AND RELEASE:** The Credit Parties agree, on a joint and several basis, to indemnify and hold harmless each of the Interim Lenders and their respective directors, officers, employees, agents, attorneys, counsel and advisors (all such persons and entities being referred to hereafter as "**Indemnified Persons**") from and against any and all actions, suits, proceedings, claims, losses, damages, liabilities or expenses of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against any Indemnified Person (collectively, "**Claims**") as a result of or arising out of or in any way related to the Interim Facility or this Term Sheet and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim; *provided, however*, the Borrower and other Credit Parties shall not be obligated to indemnify pursuant to this paragraph any Indemnified Person against any loss, claim, damage, expense or liability (x) to the extent it resulted from the gross negligence, wilful misconduct or bad faith of the applicable Indemnified Person as finally determined by a court of competent jurisdiction, or (y) to the extent arising from any dispute solely among Indemnified Persons other than any Claims arising out of any act or omission on the part of the Borrower or the other Credit Parties. None of the Interim Lenders, the Indemnified Persons, nor the Credit Parties shall be responsible or liable to any other person for consequential or punitive damages.

Notwithstanding anything to the contrary herein, the indemnities granted under this Term Sheet shall survive any termination of the Interim Facility.

27. **TAXES:** All payments by the Borrower and any other Credit Parties under this Term Sheet to the Interim Lenders, including any payments required to be made from and after the exercise of any remedies available to the Interim Lenders upon an Event of Default, shall be made free and clear of, and without reduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any Governmental Authority country or any political subdivision of any country (collectively "**Taxes**"); provided, however, that if any Taxes are required by Applicable Law to be withheld ("**Withholding Taxes**") from any amount payable to any Interim Lender under this Term Sheet, the amount so payable to such Interim Lender shall be increased by an amount necessary

to yield to such Interim Lender on a net basis after payment of all Withholding Taxes, the amount payable under this Term Sheet at the rate or in the amount specified herein and the Borrower shall provide evidence satisfactory to such Interim Lender that the Taxes have been so withheld and remitted.

If the Credit Parties pay an additional amount to an Interim Lender to account for any deduction or withholding, such Interim Lender shall, at the sole cost and expense of the Credit Parties, reasonably cooperate with the applicable Credit Parties to obtain a refund of the amounts so withheld and paid to the Interim Lender. Any refund of an additional amount so received by such Interim Lender, without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund which such Interim Lender determines in its sole discretion will leave it, after such payment, in no better or worse position than it would have been if no additional amounts had been paid to it), net of all out of pocket expenses of such Interim Lender, shall be paid over by such Interim Lender to the applicable Credit Parties promptly. If reasonably requested by the Credit Parties, such Interim Lender shall apply to the relevant Governmental Authority to obtain a waiver from such withholding requirement, and such Interim Lender shall reasonably cooperate, at the sole cost and expense of the Credit Parties, with the applicable Credit Parties and assist such Credit Parties to minimize the amount of deductions or withholdings required. The Credit Parties, upon the request of such Interim Lender, shall repay any portion of the amount repaid by such Interim Lender pursuant to this Section 27 (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such Interim Lender is required to repay such portion of the refund to such Governmental Authority. This Section 27 shall not be construed to require any of the Interim Lenders to make available its tax returns (or any other information relating to its Taxes that it deems confidential) to any Credit Party or any other Person. The Interim Lenders shall not by virtue of anything in this Term Sheet or any other Credit Document be under any obligation to arrange its tax affairs in any particular manner so as to claim any refund on behalf of the Credit Parties.

28. **FURTHER ASSURANCES:** The Credit Parties shall, at their expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the Required Interim Lenders may reasonably request for the purpose of giving effect to this Term Sheet.

29. **ENTIRE AGREEMENT; CONFLICT:** This Term Sheet, including the schedules hereto and any other Credit Documents delivered in connection with this Term Sheet, constitute the entire agreement between the parties relating to the subject matter hereof.

30. **AMENDMENTS, WAIVERS, ETC.:** No waiver or delay on the part of the Interim Lenders in exercising any right or privilege hereunder will operate as a waiver hereof or thereof unless made in writing (including by e-mail) by the Required Interim Lenders, the Supermajority Interim Lenders, Washington Diamond, the Existing Credit Facility Agent, or each Interim Lender (as applicable) and delivered in

accordance with the terms of this Term Sheet, and then such waiver shall be effective only in the specific instance and for the specific purpose given.

31. **ASSIGNMENT:** Subject to the consent of Washington Diamond (not to unreasonably withheld), any Interim Lender may assign this Term Sheet and its rights and obligations hereunder, in whole or in part, to any affiliate of an Interim Lender in its discretion (subject in all cases to (i) providing the Monitor and the other Interim Lenders with reasonable evidence that such assignee has the financial capacity to fulfill the obligations of such Interim Lender hereunder, and (ii) the assignee providing notice to the Credit Parties to confirm such assignment). Neither this Term Sheet nor any right or obligation hereunder may be assigned by any Credit Party.

32. **CREDIT BIDDING**: In any sale of any Credit Party's Collateral, Washington Diamond, on behalf of itself and each of the other Interim Lenders shall be permitted, in its sole and absolute discretion, to credit bid up to the full amount of the then outstanding Interim Financing Obligations; *provided* that, prior to making any such credit bid, Washington Diamond shall obtain the prior consent of the Existing Credit Facility Agent, such consent not to be unreasonably withheld; *provided further* that such consent shall not be required for any credit bid submitted by any affiliate of Washington Diamond in connection with the Stalking Horse Transaction or any substantially similar transaction, subject to the repayment in full in cash of any Advances (plus accrued interest, expenses, and fees) held by Interim Lenders other than Washington Diamond and its affiliates.

33. **SEVERABILITY:** Any provision in this Term Sheet which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

34. **NO THIRD PARTY BENEFICIARY:** No person, other than the Credit Parties, the Interim Lenders and the Indemnified Persons, is entitled to rely upon this Term Sheet and the parties expressly agree that this Term Sheet does not confer rights upon any other party.

35. **COUNTERPARTS AND SIGNATURES:** This Term Sheet may be executed in any number of counterparts and by electronic transmission including "pdf email", each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

36. **NOTICES:** Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent email to the such Person at its address set out on its signature page hereof, with a copy to counsel. Any such notice, request or other communication hereunder shall be concurrently sent to the Monitor and its counsel.

Any such notice shall be deemed to be given and received when received, unless received after 5:00 p.m. Eastern Time or on a day other than a

Business Day, in which case the notice shall be deemed to be received the next Business Day.

37. **ENGLISH LANGUAGE:** The parties hereto confirm that this Term Sheet and all related documents have been drawn up in the English language at their request. *Les parties aux présentes confirment que le présent acte et tous les documents y relatifs furent rédigés en anglais à leur demande.*

38. **GOVERNING LAW AND JURISDICTION:** This Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the federal laws of Canada applicable therein. Without prejudice to the ability of the Interim Lender to enforce this Term Sheet in any other proper jurisdiction, the Credit Parties irrevocably submit and attorn to the non-exclusive jurisdiction of the Court.

39. **JOINT & SEVERAL:** The obligations of the Credit Parties hereunder are joint and several.

40. **CONSENTS AND APPROVALS** No Interim Lender shall have any liability to any other Interim Lender or any other person by virtue of making, providing, or taking or not making, providing, or taking any consent, acceptance, waiver, modification, agreement, determination, election, permission, or action hereunder, or by taking or not taking any other action permitted or contemplated hereby (including, without limitation, any consent, acceptance, waiver, modification, agreement, determination, election, permission, or action taken or not taken in connection with the enforcement by the Interim Lenders of any remedies against the Collateral or the Credit Parties hereunder).

41. **SUPPORT OF TRANSACTION** By executing this Term Sheet, each Interim Lender, each Existing Credit Facility Lender, and the Existing Credit Facility Agent agree that it will:

(a) Cooperate with each other Interim Lender, Existing Credit Facility Lender and the Existing Credit Facility Agent with respect to the SISP, the Stalking Horse Transaction or the implementation thereof, and to use commercially reasonable efforts to pursue and support implementation of the same;

(b) Not vote for, consent to, support or participate in the formulation of any other restructuring, exchange, or settlement of any of the indebtedness of or claims against the Applicants, any transaction other than the Stalking Horse Transaction (except as provided for in the SISP) involving the Applicants, any of their assets or stock, or any plan of arrangement, reorganization or liquidation under any bankruptcy, insolvency or similar laws;

(c) Not directly or indirectly seek, solicit, support, formulate entertain, encourage or engage in any inquiries, or discussions, or enter into any agreements relating to, any transaction other than the Stalking Horse Transaction (except as provided for in the SISP) and/or any restructuring, plan of arrangement or reorganization, receivership, proposal or offer of dissolution, winding up, liquidation,

reorganization, merger, transaction, sale, assignment for the benefit of creditors, or restructuring in any manner of any of the Applicants (or any of their assets, liabilities or equity interests;

(d) Not object to the Interim Facility, the SISP, the Stalking Horse Transaction or the implementation thereof or initiate any legal proceedings, that are inconsistent with, or that would delay, prevent, frustrate or impede the approval or consummation of, the Interim Facility, the SISP, the Stalking Horse Transaction or any transactions related thereto, or take any other action that is barred by this Term Sheet; and

(e) Not solicit, encourage, or direct any Person to undertake any action set forth in subparagraphs (b) through (d) above.

IN WITNESS HEREOF, the parties hereby execute this Term Sheet as at the date first above mentioned.

Washington Diamond Lending, LLC

Address:
Attention:
Email:

Per: _____
Name: Lawrence R. Simkins
Title: President
I have authority to bind the LLC.

Dominion Diamond Mines ULC

Address:
Attention:
Email:

Per: _____
Name:
Title:
I have authority to bind the corporation.

IN WITNESS HEREOF, the parties hereby execute this Term Sheet as at the date first above mentioned.

Washington Diamond Lending, LLC

Address:
Attention:
Email:

Per: _____
Name:
Title:
I have authority to bind the LLC.

Dominion Diamond Mines ULC

Address:
Attention:
Email:

Per: _____
Name:
Title:
I have authority to bind the corporation.

Credit Suisse AG, Cayman Islands Branch, as Existing Credit Facility Agent and Lender

Address:
Eleven Madison Avenue
New York, NY 10010-3629
Attention: Didier Siffer
Email: didier.siffer@credit-suisse.com

Per: _____
Name: Didier Siffer
Title: Managing Director

-and-

_____
Name: Megan Kane
Title: Managing Director

We have authority to bind the entity.

Washington Diamond Investments, LLC

Address:
Attention:
Email:

Per: _____
Name: Joseph M. Racicot
Title: Secretary
I have authority to bind the LLC.

Dominion Diamond Holdings, LLC

Address:
Attention:
Email:

Per: _____
Name: Joseph M. Racicot
Title: Secretary
I have authority to bind the LLC.

Dominion Finco Inc.

Address:
Attention:
Email:

Per: _____
Name: Joseph M. Racicot
Title: Secretary
I have authority to bind the LLC.

Dominion Diamond Delaware Company LLC

Address:
Attention:
Email:

Per: _____
Name: Kristal Kaye
Title:
I have authority to bind the LLC.

Dominion Diamond Canada ULC

Address:
Attention:
Email:

Per: _____
Name: Kristal Kaye
Title:
I have authority to bind the LLC.

Washington Diamond Investments, LLC

Address:
Attention:
Email:

Per: _____
Name: Joseph M. Racicot
Title:
I have authority to bind the LLC.

Dominion Diamond Holdings, LLC

Address:
Attention:
Email:

Per: _____
Name: Joseph M. Racicot
Title:
I have authority to bind the LLC.

Dominion Finco Inc.

Address:
Attention:
Email:

Per: _____
Name: Joseph M. Racicot
Title:
I have authority to bind the LLC.

Dominion Diamond Delaware Company LLC

Address:
Attention:
Email:

Per: Kristal Kaye
Name: Kristal Kaye
Title: Chief Financial Officer
I have authority to bind the LLC.

Dominion Diamond Canada ULC

Address:
Attention:
Email:

Per: Kristal Kaye
Name: Kristal Kaye
Title: Chief Financial Officer
I have authority to bind the LLC.

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SCHEDULE "A"
DEFINED TERMS

"**Advance**" means an amount of the Interim Facility advanced to the Borrower pursuant to the terms hereof from time to time.

"**Administration Charge**" means a priority charge over the CCAA Applicants' Collateral granted by the Court pursuant to the Initial Order in an aggregate amount not to exceed CDN$3,500,00 to secure the fees and expenses of (i) the legal and financial advisors of the Credit Parties, (ii) the Monitor and its counsel, in connection with the CCAA Proceedings; and (iii) the monthly fees owing to the SISP Advisor under its engagement letter with the Applicants, but no other fees or expenses provided for therein.

"**Advance Conditions**" has the meaning given thereto in Section 7.

"**Advance Request Certificate**" has the meaning given thereto in Section 5.

"**Amended Initial Order**" has the meaning given thereto in Section 7(d).

"**Applicable Law**" means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations and all applicable official directives, orders, judgments and decrees of any Governmental Authority having the force of law.

"**Bankruptcy Code**" means title 11 of the *United States Code*.

"**Bankruptcy Court**" has the meaning given thereto in Section 21(t).

"**Bankruptcy Court Order**" has the meaning given thereto in Section 21(d).

"**Borrower**" has the meanings given thereto in Section 1.

"**Business Day**" means any day other than a Saturday, Sunday or any other day on which banks in Calgary, Alberta are not open for business.

"**CCAA**" has the meaning given thereto in the Recitals.

"**CCAA Proceedings**" has the meaning given thereto in the Recitals.

"**Claims**" has the meaning given thereto in Section 26.

"**Collateral**" means, in respect of a Person, all current or future assets, businesses, undertakings and properties of such Person, real and personal, tangible or intangible, including all proceeds thereof, other than Excluded Assets.

"**Court**" has the meaning given thereto in the Recitals.

"**Court Order**" means any CCAA Order or Bankruptcy Court Order and "**Court Orders**" means, collectively, all such orders.

"**Credit Documents**" means this Term Sheet, the Guarantee delivered by the Guarantors, and any other document delivered in connection with or relating to this Term Sheet from time to time.

"**Credit Parties**" means the Borrower and the Guarantors, collectively.

"**Criminal Code Interest**" has meaning given thereto in Section 17(a).

"**Criminal Rate**" has meaning given thereto in Section 17(a).

"**Default**" means an event or circumstance which, after the giving of notice or the passage of time, or both, will result in an Event of Default.

"**Defaulting Lender**" means any Interim Lender other than Washington Diamond that (a) has failed to fund any portion of the Advances required to be funded by it hereunder within two Business Days of the date required to be funded by it hereunder unless such failure has been cured, (b) has been determined by a court of competent jurisdiction or regulator to be insolvent or is unable to meet its obligations or admits in writing it is unable to pay its debts as they generally become due, (c) is the subject of a bankruptcy or insolvency proceeding, (d) is subject to or is seeking the appointment of an administrator, regulator, conservator, liquidator, receiver, trustee, custodian or other similar official over any material portion of its assets or business, or (e) fails to confirm in writing that it will comply with its obligations hereunder after written request from the Borrower, or an Interim Lender who provides notice in writing, or makes a public statement to the effect, that it does not intend to comply with its funding obligations hereunder.

"**Diavik Collateral**" means (a) the assets owned by the Diavik Joint Venture, (b) the Borrower's interest in the Diavik Joint Venture, and (c) the diamond inventory produced at the Diavik mine and not held by the Credit Parties or their direct or indirect affiliates as of the commencement of these CCAA Cases, and in each case, including all proceeds thereof.

"**Diavik JV Priority Liens**" means any Liens arising under Section 9.4 of the Diavik Joint Venture Agreement.

"**DIP Budget**" means the weekly financial projections prepared by the Credit Parties covering the period commencing on the week ended April 24, 2020, and ending on the week ending October 30, 2020, on a weekly basis, which shall be in form and substance acceptable to the Required Interim Lenders in their sole and absolute discretion and the Existing Credit Facility Agent in its reasonable discretion, which financial projections may be amended from time to time in accordance with Section 14. For greater certainty, for purposes of this Term Sheet, the DIP Budget shall include all supporting documentation provided in respect thereof to the Required Interim Lenders and the Existing Credit Facility Agent .

"**Directors' Charge**" means a priority charge over the CCAA Applicants' Collateral granted by the Court pursuant to the Initial Order in favour of the directors and officers of the CCAA Applicants, in an amount not to exceed CDN$4,000,000.

"**Event of Default**" has the meaning given thereto in Section 23.

"**Excluded Assets**" means voting equity interests in Dominion Diamond (India) Private Limited in excess of 65% of the aggregate voting equity interests of Dominion Diamond (India) Private Limited.

"**Existing Credit Agreement**" means the Revolving Credit Agreement dated as of November 1, 2017 by and among Dominion Diamond Mines ULC, as borrower, Washington Diamond Investments, LLC, a Delaware limited liability company, Credit Suisse AG, Cayman Islands Branch, as the administrative agent and collateral agent, and each of the other parties and lenders party thereto, as amended, restated, supplemented or otherwise modified from time to time.

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"**Existing Credit Facility**" means the facility governed by the Existing Credit Agreement.

"**Existing Credit Facility Agent**" means Credit Suisse AG, Cayman Islands Branch, as the administrative agent and collateral agent, under the Existing Credit Agreement.

"**Existing Credit Facility Lenders**" means those lenders under the Existing Credit Agreement.

"**Facility Amount**" has the meaning given thereto in Section 5.

"**Filing Date**" means the date of commencement of the CCAA Proceedings.

"**First Lien Facility LC Obligations**" means those Obligations (as defined in the Existing Credit Agreement) related to or arising from LC Exposure (as defined in the Existing Credit Agreement).

"**Funded First Lien Facility Obligations**" means those Obligations (as defined in the Existing Credit Agreement) related to or arising from Loans (as defined in the Existing Credit Agreement).

"**Governmental Authority**" means any federal, provincial, state, municipal, local or other government, governmental or public department, commission, board, bureau, agency or instrumentality, domestic or foreign and any subdivision, agent, commission, board or authority of any of the foregoing.

"**Guarantee**" means a guarantee of the Interim Financing Obligations made by each of the Guarantors in favour of the Interim Lenders, in form and substance satisfactory to the Required Interim Lenders.

"**Guarantors**" has the meaning given thereto in Section 3.

"**Indemnified Persons**" has the meaning given thereto in Section 26.

"**Initial DIP Budget**" has the meaning given thereto in Section 14.

"**Initial Order**" has the meaning given thereto in the Recitals.

"**Interim Facility**" has the meaning given thereto in Section 5.

"**Interim Facility Priority Collateral**" means all Collateral other than the Diavik Collateral.

"**Interim Financing Obligations**" means, collectively, all obligations owing by the Credit Parties pursuant to this Term Sheet and the other Credit Documents, including, without limitation, all principal, interest, fees, costs, expenses, disbursements and Interim Lender Expenses.

"**Interim Lenders**" has the meaning given thereto in Section 2.

"**Interim Lenders' Charge**" has the meaning given thereto in Section 7.

"**Interim Lender Expenses**" has the meaning given thereto in Section 8.

"**KERP Charge**" means the means a priority charge over the CCAA Applicants' Collateral granted by the Court pursuant to the Amended Initial Order to secure the obligations of the CCAA Applicants to certain key employees pursuant to the terms of a key employee retention plan in an amount not to exceed CDN$600,000, in the aggregate.

"**Liens**" means (a) all liens, hypothecs, charges, mortgages, deeds of trusts, trusts, deemed trusts (statutory or otherwise), constructive trusts, encumbrances, security interests, and statutory preferences of every kind and nature whatsoever, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset, and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"**Material Contract**" means any contract, licence or agreement: (i) to which any Credit Party is a party or is bound; (ii) which is material to, or necessary in, the operation of the business of any Credit Party; and (iii) which a Credit Party cannot within a commercially reasonable timeframe replace by an alternative and comparable contract with comparable commercial terms.

"**Maturity Date**" has the meaning given thereto in Section 13.

"**Monitor**" has the meaning given thereto in Section 12.

"**Non-Consenting Lender**" means any Interim Lender other than Washington Diamond that has not provided its consent, acceptance, waiver or agreement (including in connection with any proposed amendment or modification to this Term Sheet) where requested to do so by the Borrower or Washington Diamond if such consent, acceptance, waiver or agreement (i) requires the consent of the Supermajority Interim Lenders, and (ii) Interim Lenders whose Commitments at the relevant time aggregate at least 65% of the total Commitments have consented to such consent, acceptance, waiver or agreement.

"**Operating Account**" means a bank account of the Borrower designated by the Borrower to receive Advances.

"**Original Currency**" has the meaning given thereto in Section 18.

"**Other Currency**" has the meaning given thereto in Section 18.

"**Outside Date**" means October 31, 2020.

"**Permitted Liens**" means (i) the Interim Lenders' Charge; (ii) any charges created under the Amended Initial Order or other Court Order subsequent in priority to the Interim Lenders' Charge and approved in writing by the Required Interim Lenders and the Existing Credit Facility Agent in their reasonable discretion; (iii) validly perfected Liens existing prior to the date hereof; (iv) inchoate statutory Liens arising after the Filing Date in respect of any accounts payable arising after the Filing Date in the ordinary course of business, subject to the obligation to pay all such amounts as and when due; (v) the Permitted Priority Liens; and (vi) the SISP Advisor Charge.

"**Permitted Priority Liens**" means (i) the Administration Charge; (ii) the Directors Charge; (iii) the KERP Charge; (iv) any amounts payable by a Credit Party for wages, vacation pay, employee deductions, sales tax, excise tax, tax payable pursuant to Part IX of the *Excise Tax Act* (Canada) (net of input credits), income tax and workers compensation claims, in each case solely to the extent such amounts are given priority by Applicable Law and only to the extent that the priority of such amounts has not been subordinated to the Interim Lenders' Charge granted by the Court; (v) any charges created under the Amended Initial Order related to the break fee with respect to the Stalking Horse Transaction; (vi) subject to any order of the CCAA Court and solely to the extent set forth in the Rio Subordination Agreement, the Diavik JV Priority Liens; *provided* that the Diavik JV Priority Liens shall constitute Permitted Priority Liens solely with respect to the Diavik Collateral and solely to the extent that they constitute Liens over the Diavik Collateral or portions thereof; and (vii) solely with respect to the Diavik Collateral, the Liens

of the Existing Credit Facility Agent to secure the Obligations under the Existing Credit Facility Agreement; *provided further* that, for the avoidance of doubt, Permitted Priority Liens shall not include any Liens securing any Credit Party's obligations under (a) the Existing Credit Agreement, (b) the indenture governing the 7.125% Senior Secured Second Lien Secured Notes due 2022 issued by certain of the Credit Parties, as amended, restated, supplemented or otherwise modified from time to time, and (c) any joint venture agreements, as amended, restated, supplemented or otherwise modified from time to time, to which any of the Credit Parties are party.

"**Permitted Restructuring Transaction**" means:

(i) the Stalking Horse Transaction;

(ii) a transaction that (a) provides for the repayment in full in cash of all Interim Financing Obligations outstanding at the time of closing of such Restructuring Transaction and (b) otherwise constitutes a "Successful Bid" as defined in and in accordance with the SISP; or

(iii) a transaction for the Non-Diavik Assets (as defined in the SISP) that (a) provides for repayment in full in cash of all Interim Financing Obligations; (b) otherwise constitutes a "Successful Bid" as defined in and in accordance with the SISP; and (c) maintains all liens and other rights held by the Agent on behalf of the First Lien Lenders securing all obligations under the Existing Credit Facility, to the Diavik Interest including, but not limited to, all diamond production from the Diavik Interest (but excluding in all respects those diamonds (and/or proceeds thereof) delivered to any of the CCAA Applicants or their direct or indirect controlled affiliates prior to the commencement of the CCAA), including the proceeds thereof.

"**Permitted Variance**" means an adverse variance of not more than 20% relative to the aggregate "Total Operating Disbursements" line item in the applicable DIP Budget; *provided, however*, that if any adverse variance is reversing a prior positive variance, such adverse timing variance shall not be counted towards the 20% variance threshold.

"**Person**" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"**Plan**" means any plan of compromise, arrangement, reorganization or similar arrangement filed pursuant to the CCAA, the Bankruptcy Code, or any other statute in any jurisdiction, in respect of any of the Credit Parties.

"**Recognition Order**" has the meaning given thereto in Section 21(t).

"**Required Interim Lenders**" means those Interim Lenders holding a majority of the Commitments and any outstanding Advances held by all Interim Lenders; *provided* that Required Interim Lenders must in all cases include Washington Diamond.

"**Restructuring Proceedings**" means, collectively, the CCAA Proceedings and the Chapter 15 Proceedings.

"**Restructuring Transaction**" means any restructuring, financing, refinancing, recapitalization, sale, liquidation, workout, Plan or other material transaction of, or in respect of, all or any of the Credit Parties or their respective assets and liabilities and includes, without limitation, the Stalking Horse Transaction.

"**Rio Subordination Agreement**" means that certain subordination agreement between, among others, Diavik Diamond Mines (2012) Inc. and the Existing Credit Facility Agent dated November 1, 2017.

"**SISP**" means a Sales and Investment Solicitation Process authorized pursuant to the Amended Initial Order (or other Order of the Court, as the case may be), as amended, but only to the extent such amendment is consented to by the Stalking Horse Bidder.

"**SISP Advisor**" means Evercore Group LLC.

"**SISP Advisor Charge**" means a priority charge over the CCAA Applicants' Collateral granted by the Court pursuant to the Amended Initial Order to secure the Borrowers' obligations to the SISP Advisor under the engagement letter between the SISP Advisor and the Borrower.

"**Stalking Horse Transaction**" means the transaction in respect of certain assets and property of the Credit Parties contemplated by the Letter of Intent signed by Washington Diamond Investments Holdings II, LLC, Washington Diamond Investments, LLC, Dominion Diamond Holdings, LLC and the Borrower and dated May 21, 2020.

"**Supermajority Interim Lenders**" means those Interim Lenders holding at least 68% of the Commitments and outstanding Advances held by all Interim Lenders; *provided* that Supermajority Interim Lenders must in all cases include Washington Diamond.

"**Taxes**" has the meaning given thereto in Section 27.

"**Testing Period**" has the meaning given thereto in Section 14.

"**Updated DIP Budget**" has the meaning given thereto in Section 14.

"**Variance Report**" has the meaning given thereto in Section 14.

"**Washington Diamond**" means Washington Diamond Lending, LLC, a Delaware limited liability company.

"**Withholding Taxes**" has the meaning given thereto in Section 27.

SCHEDULE "B"
FORM OF ADVANCE CONFIRMATION CERTIFICATE

TO: The Interim Lenders

FROM: Dominion Diamond Mines ULC

DATE: ●, 2020

1. This certificate is delivered to you, as Interim Lenders, in connection with a request for an Advance pursuant to the Term Sheet made as of May 21, 2020 between the Borrower and the Interim Lenders, as amended, supplemented, restated or replaced from time to time (the "**Term Sheet**"). All defined terms used, but not otherwise defined in this certificate shall have the respective meanings set forth in the Term Sheet, unless the context requires otherwise.

2. The Borrower hereby requests an Advance as follows in respect of the week commencing on ●, 2020:

Aggregate amount of Advance: US$●

3. All of the representations and warranties of the Credit Parties set forth in the Term Sheet are true and accurate in all material respects as at the date hereof, as though made on and as of the date hereof.

4. All of the covenants of the Credit Parties contained in the Term Sheet and all other terms and conditions contained in the Term Sheet to be complied with by the Credit Parties, not properly waived in writing by the Interim Lenders, have been fully complied with.

7. No Default or Event of Default has occurred nor will any such event occur as a result of the Advance hereby requested.

DOMINION DIAMOND MINES ULC

Per: _____
Name:
Title:

I have authority to bind the corporation.

SCHEDULE "C"
DIP BUDGET

Dominion Diamond Mines **WORK IN PROGRESS**
Consolidated Cash Flow Statement
For the 28-week period ending October 30, 2020

(CAD000's)	Group	Week Ends	Notes	Initial Stay Period Week 1 24-Apr	Week 2 1-May	Week 3 8-May	Week 4 15-May	Week 5 22-May	Week 6 29-May	Week 7 5-Jun	Week 8 12-Jun	Week 9 19-Jun	Week 10 26-Jun	Week 11 3-Jul	Week 12 10-Jul	Week 13 17-Jul	Week 14 24-Jul	Week 15 31-Jul	Week 16 7-Aug	Week 17 14-Aug	Week 18 21-Aug	Week 19 28-Aug	Week 20 4-Sep	Week 21 11-Sep	Week 22 18-Sep	Week 23 25-Sep	Week 24 2-Oct	Week 25 9-Oct	Week 26 16-Oct	Week 27 23-Oct	Week 28 30-Oct	Total
Operating Receipts																															
Sales			[1]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Operating Receipts				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Disbursements																															
Payroll and Benefits			[2]	-	400	1,569	-	1,540	-	1,540	-	-	1,733	-	1,540	-	1,496	-	1,565	-	1,465	-	1,465	-	-	1,465	-	1,465	-	1,465	1,914	**20,507**
Consultants and Contractors			[3]	25	85	73	371	51	524	405	382	75	257	406	28	51	18	112	510	41	47	41	894	18	41	91	478	18	41	90	90	**4,857**
Rent			[4]	-	98	-	-	-	55	156	-	-	-	156	-	-	-	-	152	-	-	-	152	-	-	-	152	-	-	-	-	**922**
Equipment Leases				-	-	572	-	-	173	745	-	-	-	745	-	-	-	-	745	-	-	-	745	-	-	-	745	-	-	-	-	**4,469**
Underground Mining Costs			[5]	-	-	-	-	441	-	441	-	-	-	441	-	-	-	-	441	-	-	-	441	-	-	-	441	-	-	-	-	**2,646**
Travel			[6]	-	-	-	12	-	136	344	-	-	-	136	15	15	15	15	172	35	44	15	172	15	15	54	153	15	15	27	27	**1,271**
Insurance			[7]	-	-	-	-	2,452	-	483	-	-	76	483	12	-	-	-	483	-	-	-	483	-	-	-	483	-	-	-	-	**4,957**
IT & Software				-	-	73	413	-	-	711	-	106	66	711	53	-	-	139	433	139	-	139	433	139	-	139	433	139	-	69	69	**4,405**
IBA Payments			[8]	-	-	-	-	-	-	-	-	-	-	517	-	-	-	-	458	-	-	-	-	458	-	55	-	458	-	27	27	**1,899**
Power			[9]	-	-	-	-	-	126	126	-	-	-	126	-	-	-	-	126	-	-	-	126	-	-	-	126	-	-	-	-	**756**
Site Maintenance & Environme			[10]	-	-	-	-	62	54	653	432	62	99	432	62	111	149	89	474	89	46	35	419	35	54	35	419	35	53	17	17	**3,921**
CCAA Professional Fees			[11]	-	-	370	214	3,999	4,243	1,370	465	681	1,606	390	566	1,766	250	674	250	1,756	250	674	250	1,401	605	390	676	250	2,146	250	13,145	**38,123**
Critical Vendors Accounts Payt			[12]				1,574			1,166	1,166	1,159																				**5,000**
Net Taxes (incl GST, Fuel tax,					(2,122)		1,757			365																						**0**
Other			[13]	-	-	-	-	141	42	1,373	67	551	1,215	395	126	50	163	610	530	15	192	15	526	15	1,686	278	199	15	2,241	139	139	**11,074**
Total Operating Disbursements				25	(1,539)	2,686	4,291	7,751	5,376	9,669	2,904	2,625	5,053	4,878	2,469	1,984	2,075	1,940	6,238	2,055	2,036	919	5,706	2,080	2,400	2,506	4,305	2,395	4,497	2,085	15,429	**104,807**
Startup Disbursements																															
Winter road construction																													1,001		**1,001**
Diesel purchases / freight																															**-**
Ramp-up costs																												4,900			**4,900**
Total Startup Disbursements				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,900	1,001	-	**5,901**
Net Change in Cash from Operations				(25)	1,539	(2,686)	(4,291)	(7,751)	(5,376)	(9,669)	(2,904)	(2,625)	(5,053)	(4,878)	(2,469)	(1,984)	(2,075)	(1,940)	(6,238)	(2,055)	(2,036)	(919)	(5,706)	(2,080)	(2,400)	(2,506)	(4,305)	(2,395)	(4,497)	(3,086)	(15,429)	**(110,708)**
Financing																															
Intercompany Receipts / (Disb			[14]	-	-	(158)	(66)	(1)	(1)	715	(1)	-	1,000	(110)	-	-	(9)	888	(3,802)	(15)	(9)	(9)	(635)	-	1,666	(9)	(830)	-	2,222	(9)	(9)	**871**
Interest & Bank Charges			[15]	-	(276)	(70)	(195)	-	(237)	-	(153)	-	-	(1,248)	(153)	-	-	-	(237)	(153)	-	-	(237)	(153)	-	-	(1,248)	(153)	-	-	(686)	**(5,197)**
DIP Facility Interest				-	-	-	-	-	(26)	-	-	-	(66)	-	-	-	-	(127)	-	-	-	(188)	-	-	-	(250)	-	-	-	-	(324)	**(981)**
Government Support Program				-	-	-	-	-	1,860	-	850	-	-	-	-	680	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**3,330**
DIP Facility Draw								14,000						14,040					14,040				14,040						14,040		**85,200**
Net Change in Cash from Financing				-	(276)	(228)	(261)	14,999	1,536	715	697	-	934	12,682	(153)	680	(9)	761	10,001	(168)	(9)	(189)	13,168	(153)	1,666	(259)	(2,077)	13,887	2,222	14,040	(1,010)	**83,224**
Net Change in Cash				(25)	1,264	(2,884)	(4,552)	7,249	(3,840)	(8,954)	(2,208)	(2,625)	(4,119)	7,805	(2,622)	(1,304)	(2,075)	(1,178)	3,763	(2,223)	(2,037)	(1,108)	7,461	(2,233)	(734)	(2,756)	(6,383)	11,493	(7,175)	10,954	(16,438)	**(27,485)**
Opening Cash				27,510	27,494	28,758	25,873	21,321	28,570	24,730	15,776	13,568	10,943	6,824	14,629	12,007	10,703	8,628	7,450	11,213	8,990	6,954	5,846	13,307	11,074	10,340	7,584	1,201	12,694	5,519	16,473	**27,519**
Ending Cash				$ 27,494	$ 28,758	$ 25,873	$ 21,321	$ 28,570	$ 24,730	$ 15,776	$ 13,568	$ 10,943	$ 6,824	$ 14,629	$ 12,007	$ 10,703	$ 8,628	$ 7,450	$ 11,213	$ 8,990	$ 6,954	$ 5,846	$ 13,307	$ 11,074	$ 10,340	$ 7,584	$ 1,201	$ 12,694	$ 5,519	$ 16,473	$ 34	$ 34	

Notes:
Evercore has prepared this Cash Flow Statement with input from Management solely for the purposes of determining the liquidity requirements of the Company during the CCAA Proceedings
The Cash Flow Statement is based on the probable and hypothetical assumptions detailed below. Actual results will likely vary from performance projected and such variations may be material.

[1] Receipts are assumed to be
[2] Payroll and benefits relate to
[3] Consultants and contractors
[4] Rent includes lease costs,
[5] Underground mining
[6] Travel relates to airlines that
[7] Insurance relates to a
[8] Impact and benefit
[9] Power includes contractors
[10] Site maintenance and
[11] CCAA Professional fees
[12] The Initial Order authorizes
[13] Other operating costs
[14] Intercompany accounts
[15] Interest and bank fees are

Memo - DIP financing assumptions
Wind-down estate

Memo - DIP financing assumptions
Interest
Fees
Facility Size - US$000
Exchange rate
Facility Size - C$000 85,200
Target min liquidity before draw
Number of Draws
First Draw
Draw size 14,040

DIP Balance

Open	-	-	-	-	-	-	15,000	15,000	15,000	15,000	15,000	15,000	15,000	29,040	29,040	29,040	29,040	29,040	29,040	43,080	43,080	43,080	43,080	57,120	57,120	57,120	57,120	57,120	71,160	71,160	85,200
Draw	-	-	-	-	-	-	15,000	-	-	-	-	-	14,040	-	-	-	-	-	14,040	-	-	-	14,040	-	-	-	-	-	14,040	-	-
Closing	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 29,040	$ 29,040	$ 29,040	$ 29,040	$ 29,040	$ 29,040	$ 43,080	$ 43,080	$ 43,080	$ 43,080	$ 57,120	$ 57,120	$ 57,120	$ 57,120	$ 57,120	$ 71,160	$ 71,160	$ 85,200	$ 85,200	
Undrawn Amount	$ 85,200	$ 85,200	$ 85,200	$ 85,200	$ 85,200	$ 70,200	$ 70,200	$ 70,200	$ 70,200	$ 70,200	$ 70,200	$ 70,200	$ 56,160	$ 56,160	$ 56,160	$ 56,160	$ 56,160	$ 56,160	$ 42,120	$ 42,120	$ 42,120	$ 42,120	$ 28,080	$ 28,080	$ 28,080	$ 28,080	$ 28,080	$ 14,040	$ 14,040	$ -	$ -	
Interest						$	26					$	66					$	127				$	188				$	250			$	324	**981**

	Week 1 24-Apr	Week 2 1-May	Week 3 8-May	Week 4 15-May	Week 5 22-May	Week 6 29-May	Week 7 5-Jun	Week 8 12-Jun	Week 9 19-Jun	Week 10 26-Jun	Week 11 3-Jul	Week 12 10-Jul	Week 13 17-Jul	Week 14 24-Jul	Week 15 31-Jul	Week 16 7-Aug	Week 17 14-Aug	Week 18 21-Aug	Week 19 28-Aug	Week 20 4-Sep	Week 21 11-Sep	Week 22 18-Sep	Week 23 25-Sep	Week 24 2-Oct	Week 25 9-Oct	Week 26 16-Oct	Week 27 23-Oct	Week 28 30-Oct	
[2] Employee Payroll, Benefits & Source Deductions																													
Payroll		400	1,569		1,540		1,540			1,540		1,540		1,479		1,465		1,465		1,465			1,465		1,465		1,465	1,527	19,927
Retention Bonus										193																		387	580
	-	**400**	**1,569**	-	**1,540**	-	**1,540**	-	-	**1,733**	-	**1,540**	-	**1,479**	-	**1,465**	-	**1,465**	-	**1,465**	-	-	**1,465**	-	**1,465**	-	**1,465**	**1,914**	**20,507**
[3] Consultants or Contractors																													
Camp and Catering					42		409	256			309					309				299				299					
Freight				143	18	18	18	36	36	36	36	18	18			18	18		18	18	18	18	18						
Tires						122		122		122						122				122				122					
Exploration Standing Charges							12				12			12		12				12									
552 Polishing								71																					
Washington G&A										89					89														
Exco Consultants (incl. Brendan Bell)		70			23		23	23	23		23		23		23		23		23			23							
Audit				45		64	90	110															73						
Tax, Legal and other professional consultants			45		10	10		20	10	10	20	10	10	6		48		41		43				41					
HR Consultants							6		6		6							6						16					
Other	25	15	28	139																									
	25	**85**	**73**	**371**	**51**	**524**	**405**	**382**	**75**	**257**	**406**	**28**	**51**	**18**	**112**	**510**	**41**	**47**	**41**	**494**	**18**	**41**	**91**	**478**	**18**	**41**	**90**	**90**	**4,857**
[4] Rent																													
Calgary and Yellowknife		98				58	156				156					152				152				152					922
	-	**98**	-	-	-	**58**	**156**	-	-	-	**156**	-	-	-	-	**152**	-	-	-	**152**	-	-	-	**152**	-	-	-	-	**922**
Equipment Leases																													
Mining Equipment Leases			572				391				391					391				391				391					2,530
Yellowknife Fuel Tanks						173	353				353					353				353				353					1,939
	-	-	**572**	-	-	**173**	**745**	-	-	-	**745**	-	-	-	-	**745**	-	-	-	**745**	-	-	-	**745**	-	-	-	-	**4,469**
[5] Underground Mining Costs																													
Underground Mining Costs					441		441				441					441				441				441					2,646
	-	-	-	-	**441**	-	**441**	-	-	-	**441**	-	-	-	-	**441**	-	-	-	**441**	-	-	-	**441**	-	-	-	-	**2,646**
[6] Travel																													
To and From Site				12		156	144				156					156				156				153					935
Executive travel once routes open up												15	15	15	15	15	15	15	15	15	15	15	15		15	15	15	15	248
Community																		27					38				11	11	88
	-	-	-	**12**	-	**156**	**144**	-	-	-	**156**	**15**	**15**	**15**	**15**	**172**	**15**	**43**	**15**	**172**	**15**	**15**	**54**	**153**	**15**	**15**	**27**	**27**	**1,271**
[7] Insurance																													
CAFO Insurance Premium Finance (Property)					395		407				407	12				407				407				407					2,444
Corporate					2,059		76			76	76					76				76				76					2,514
	-	-	-	-	**2,454**	-	**483**	-	-	**76**	**483**	**12**	-	-	-	**483**	-	-	-	**483**	-	-	-	**483**	-	-	-	-	**4,957**
IT & Software																													
Ekati Site Infrastructure							315				315					315				315				315					1,575
Washington IT Services				327			118		106		118					118				118				118					1,025
Software Licenses			73				139			66	139				69		69		69		69		69		69		35	35	903
IT Service Providers				86			139				139	53			69		69		69		69		69		69		35	35	901
IT AP																													0
	-	-	**73**	**413**	-	-	**711**	-	**106**	**66**	**711**	**53**	-	-	**139**	**433**	**139**	-	**139**	**433**	**139**	-	**139**	**433**	**139**	-	**69**	**69**	**4,405**
[8] IBA Payments																													
Heritage Funds and Traditional Knowledge											417					458					458		55		458		27	27	1,899
	-	-	-	-	-	-	-	-	-	-	**417**	-	-	-	-	**458**	-	-	-	-	**458**	-	**55**	-	**458**	-	**27**	**27**	**1,899**
[9] Power																													
Contract labour for on site powerhouse						126	126				126					126				126				126					756
	-	-	-	-	-	**126**	**126**	-	-	-	**126**	-	-	-	-	**126**	-	-	-	**126**	-	-	-	**126**	-	-	-	-	**756**
[10] Site Maintenance & Environment																													
Site Vehicle Maintenance					21	21	21	21	21	21	21	21	21	34	34	34	34	13	13	13	13	13	13	13	13	13	17	17	478
Site Maintenance					34	34	34	34	34	34	34	34	34	55	55	55	55	21	21	21	21	21	21	21	21	21			714
Environmental Licenses and Land Leases							157			45			57	60				5					19			18			361
Environmental Management							440	378			397					385				385				385					2,369
Environmental AP																													0
	-	-	-	-	54	54	651	432	54	99	452	54	111	149	89	474	89	40	35	419	35	53	35	419	35	53	17	17	3,921
[11] CCAA Professional Fees																													
Evercore						3,509	140	281	281		140				140								140			140		9,230	14,143
Blake, Cassels & Graydon LLP			370	214	229	229	229	229	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	500	250	500	7,000
McDermott Will & Emery LLP							351			351		140	351				351				351					351		175	2,421

FTI Consulting Canada Inc	-	-	-	-	-	-	400	-	-	400	-	150	400	-	-	-	400	-	-	-	400	-	-	-	-	400	-	200	2,750
Bennett Jones LLP	-	-	-	-	-	-	250	-	-	250	-	50	250	-	-	-	250	-	-	-	250	-	-	-	-	250	-	125	1,675
TWC	-	-	-	-	1,775	-	-	-	-	355	-	-	-	-	284	-	-	-	284	-	-	-	-	426	-	-	-	2,840	5,964
1L	-	-	-	-	1,065	355	-	-	355	-	-	-	355	-	-	-	355	-	-	-	-	355	-	-	-	355	-	-	3,195
Non-Company Side Advisors TBU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Other	-	-	-	-	-	350	-	-	350	-	-	-	150	-	-	-	150	-	-	-	150	-	-	-	-	150	-	75	975
	-	**-**	**370**	**214**	**3,069**	**4,243**	**1,370**	**865**	**681**	**1,606**	**390**	**590**	**1,756**	**250**	**674**	**250**	**1,756**	**250**	**674**	**250**	**1,401**	**605**	**390**	**676**	**250**	**2,146**	**250**	**13,145**	**38,123**
Critical Vendors																													
DET'ON CHO SUMMIT AVIATION LP				440																									440
KITNUNA BBE EXPEDITING LTD.				675																									675
TLI CHO DOMCO INC				409																									
Other							3,159	1,159	1,159																				
	-	**-**	**-**	**1,524**	**-**	**-**	**1,159**	**1,159**	**1,159**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,115**
Net Taxes (incl GST, Fuel tax, carbon tax)																													
GST		(2,122)		612			365																						(1,146)
Fuel and Carbon Taxes				1,146																									1,146
	-	**(2,122)**	**-**	**1,757**	**-**	**-**	**365**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
[13] Other																													
Various Other	-	-	-	-	19	19	39	35	38	38	38	19	19	10	9	13	9	38	9	10	9	11	123	36	9	11	58	58	652
Contingency	-	-	-	-	123	23	529	42	513	178	358	158	31	153	13	518	6	164	6	516	6	8	155	163	6	8	81	83	3,821
Other Contingency	-	-	-	-	-	-	825	-	-	1,000	-	-	-	-	889	-	-	-	-	-	-	1,667	-	-	-	2,222	-	-	6,602
	-	**-**	**-**	**-**	**141**	**42**	**1,373**	**67**	**551**	**1,215**	**395**	**176**	**50**	**163**	**910**	**530**	**15**	**192**	**15**	**526**	**15**	**1,686**	**278**	**199**	**15**	**2,241**	**139**	**139**	**11,074**
Government Programs																													
Estimated Support Received	-	-	-	-	-	1,800	-	850	-	-	-	-	680	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,330
	-	**-**	**-**	**-**	**-**	**1,800**	**-**	**850**	**-**	**-**	**-**	**-**	**680**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,330**
Intercompany Receipts / (Disbursements)																													
DDMC			(158)	(66)	(1)	(1)	(110)	(1)	-	-	(110)	-	-	(0)	(0)	(110)	(15)	(0)	(0)	(110)	-	(0)	(0)	(105)	-	(0)	(0)	(0)	(789)
Core Zone JV partner cash calls	0	0	0	0	0	0	825	0	0	1,000	0	0	0	0	889	0	0	0	0	0	0	1,667	0	0	0	2,222	0	0	6,602
DDMNV (Belgium)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(3,692)	0	0	0	(281)	0	0	0	(284)	0	0	0	0	(4,217)
DDIPL (India)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(284)	0	0	0	(440)	0	0	0	0	(724)
	-	**-**	**(158)**	**(66)**	**(1)**	**(1)**	**715**	**(1)**	**-**	**1,000**	**(110)**	**-**	**-**	**(0)**	**888**	**(3,802)**	**(15)**	**(0)**	**(0)**	**(635)**	**-**	**1,666**	**(0)**	**(830)**	**-**	**2,222**	**(0)**	**(0)**	**871**
Interest & Bank Charges																													
Interest		(226)		(138)	-	(237)	-	(149)	-	-	(237)	(149)	-	-	-	(237)	(149)	-	-	(237)	(149)	-	-	(237)	(149)	-	-	(349)	(2,643)
Bank Charges		(50)		(50)				(4)				(4)					(4)				(4)				(4)				(118)
LC Fees			(70)	(7)							(1,010)													(1,010)			(337)	(2,435)
	-	**(276)**	**(70)**	**(195)**	**-**	**(237)**	**-**	**(153)**	**-**	**-**	**(1,248)**	**(153)**	**-**	**-**	**-**	**(237)**	**(153)**	**-**	**-**	**(237)**	**(153)**	**-**	**-**	**(1,248)**	**(153)**	**-**	**-**	**(686)**	**(5,197)**

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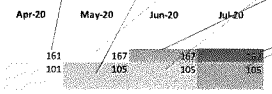
	Week 1 24-Apr	Week 2 1-May	Week 3 8-May	Week 4 15-May	Week 5 22-May	Week 6 29-May	Week 7 5-Jun	Week 8 12-Jun	Week 9 19-Jun	Week 10 26-Jun	Week 11 3-Jul	Week 12 10-Jul	Week 13 17-Jul	Week 14 24-Jul	Week 15 31-Jul	Week 16 7-Aug	Week 17 14-Aug	Week 18 21-Aug	Week 19 28-Aug	Week 20 4-Sep	Week 21 11-Sep	Week 22 18-Sep	Week 23 25-Sep	Week 24 2-Oct	Week 25 9-Oct	Week 26 16-Oct	Week 27 23-Oct	Week 28 30-Oct	Total
Previous	(1,476)	(7,640)	(2,753)	(2,025)	4,610	(865)	(6,346)	221	(2,284)	(2,689)	9,112	(1,999)	(2,038)	(1,796)	(865)	(10,034)	11,125	(1,848)	(931)	7,650	(3,002)	(484)	(2,656)	(5,322)	11,662	(7,675)	(2,898)	(3,357)	(26,605)
Update	(25)	1,264	(2,884)	(4,552)	7,249	(3,840)	(8,954)	(2,208)	(2,625)	(4,119)	7,805	(2,622)	(1,304)	(2,075)	(1,178)	3,763	(2,223)	(2,037)	(1,108)	7,461	(2,233)	(734)	(2,756)	(6,383)	11,493	(7,175)	10,954	(16,438)	(27,485)
	(1,451)	(8,904)	132	2,527	(2,639)	2,974	2,608	2,429	341	1,429	1,307	623	(735)	279	313	(13,797)	13,348	189	177	189	(769)	250	100	1,060	170	(500)	(13,851)	13,081	880
Cumulative Change	(1,451)	(10,354)	(10,223)	(7,696)	(10,335)	(7,360)	(4,752)	(2,323)	(1,982)	(553)	754	1,377	642	921	1,234	(12,562)	786	974	1,151	1,340	570	820	920	1,981	2,151	1,651	(12,201)	880	1,760

		Week 1 24-Apr	Week 2 1-May	Week 3 8-May	Week 4 15-May	Week 5 22-May	Week 6 29-May	Week 7 5-Jun	Week 8 12-Jun	Week 9 19-Jun	Week 10 26-Jun	Week 11 3-Jul	Week 12 10-Jul	Week 13 17-Jul	Week 14 24-Jul	Week 15 31-Jul	Week 16 7-Aug	Week 17 14-Aug	Week 18 21-Aug	Week 19 28-Aug	Week 20 4-Sep	Week 21 11-Sep	Week 22 18-Sep	Week 23 25-Sep	Week 24 2-Oct	Week 25 9-Oct	Week 26 16-Oct	Week 27 23-Oct	Week 28 30-Oct	Total
Interest	CAD		(372)		(149)		(237)		(149)			(737)	(149)				(237)	(149)			(237)	(149)			(237)	(149)			(349)	
	USD		(262)		(105)		(167)		(105)			(167)	(105)					(105)			(367)	(105)			(167)	(105)			(246)	

-Standby fee	US$'000s	last day of quarter	
-interest on bank loan	US$'000s	last day of month	
$43M	US$'000s		
$27M	US$'000s		
Fees and Interest Rate			
Revolver interet rate	4.650%	Euroloan- floating rate	



			Week 1 24-Apr	Week 2 1-May	Week 3 8-May	Week 4 15-May	Week 5 22-May	Week 6 29-May	Week 7 5-Jun	Week 8 12-Jun	Week 9 19-Jun	Week 10 26-Jun	Week 11 3-Jul	Week 12 10-Jul	Week 13 17-Jul	Week 14 24-Jul	Week 15 31-Jul	Week 16 7-Aug	Week 17 14-Aug	Week 18 21-Aug	Week 19 28-Aug	Week 20 4-Sep	Week 21 11-Sep	Week 22 18-Sep	Week 23 25-Sep	Week 24 2-Oct	Week 25 9-Oct	Week 26 16-Oct	Week 27 23-Oct	Week 28 30-Oct	Total
LC Fees	Actually paid quarterly	USD 000's											712													712				237	1,660
		CAD 000's	0	0	0	0	0	0	0	0	0	0	1,010	0	0	0	0	0	0	0	0	0	0	0	0	1,010	0	0	0	337	2,358

	LC Value (CAD 000's)	LC Value (USD 000's)
Scotia	5,857	4,125
Credit Suisse	110,857	78,068
	116,714	82,193

Fees and Interest Rate	
LC Fronting Fee (BNS)	0.400%
LC Particpation Fees (CS)	3.500%
LC Fronting Fee (CS)	0.125%

[redacted]

SCHEDULE "D"
GUARANTORS

Washington Diamond Investments, LLC

Dominion Diamond Holdings, LLC

Dominion Finco Inc.

Dominion Diamond Delaware Company LLC

Dominion Diamond Canada ULC

SCHEDULE "E"
MILESTONES

1. The Court shall have held a hearing to consider the Amended Initial Order, which shall seek approval of the DIP and the SISP (including the Stalking Horse Transaction and the bid protections in respect thereof) no later than May 29, 2020.

2. The Amended Initial Order, which shall have approved the DIP and the SISP (including the Stalking Horse Transaction and the bid protections in respect thereof) shall have been entered no later than May 29, 2020.

3. The Credit Parties shall have complied with the various deadlines established under the SISP, which are incorporated herein by reference.

4. A Permitted Restructuring Transaction shall have closed no later than October 31, 2020.

Notwithstanding the above, a specific Milestone may be (a) extended or waived with the express prior written consent of the Credit Parties and the Required Interim Lenders (except for the Milestone set forth in Item 4 above, which shall also require the consent of the Existing Credit Facility Agent, not to be unreasonably withheld) or (b) extended to the extent necessary to accommodate the Court's calendar.

SCHEDULE "F"
COMMITMENTS

PART I.

COMMITMENTS IN RESPECT OF PHASE 1 AND PHASE 2 ADVANCES

	Interim Lender	Commitments	Share of Total Commitments in Respect of Phase 1 and Phase 2 Advances
1.	Washington Diamond Lending, LLC	$55,000,000	100%

PART II.

COMMITMENTS IN RESPECT OF OCTOBER ADVANCES

	Interim Lender	Commitments	Share of Total Commitments
1.	Washington Diamond Lending, LLC	$5,000,000	100%

This is Exhibit "E" referred to in the Affidavit of John Startin 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

Evercore Engagement Letter - Evercore Engagement Letter

April 22, 2020

Dominion Diamond Mines ULC
Attention: Kristal Kaye, Chief Financial Officer
900 – 606 4 Street SW
Calgary, Alberta, Canada

Ms. Kaye,

We refer to the engagement letter (the "Agreement") dated April 8, 2020, between Dominion Diamond Mines ULC (together with any direct or indirect subsidiaries, the "Company") and Evercore Group L.L.C. ("Evercore"). The Company and Evercore hereby agree that the Agreement shall be amended and restated as set forth herein.

This engagement letter (this "Agreement") is to formalize the arrangement between Evercore and the Company regarding the retention of Evercore by the Company as a financial advisor for the purposes set forth herein.

Assignment Scope:

The Company hereby retains Evercore as its financial advisor to provide the Company with general investment banking advice and to advise it in connection with any Restructuring, Financing, Liability Management Transaction and/or Sale (each defined below and a "Transaction" hereunder) on the terms and conditions set forth herein.

As used in this Agreement, the term "Restructuring" shall mean, collectively, any restructuring, reorganization, recapitalization, and/or refinancing, including, but not limited to, a Restructuring pursuant to a bankruptcy, insolvency or creditor arrangement proceeding (an "Insolvency Proceeding") under the Companies' Creditors Arrangement Act (Canada) (the "CCAA"), the Business Corporations Act (British Columbia), the Bankruptcy and Insolvency Act (Canada) (the "BIA"), 11 U.S.C. §101 et. Seq., as from time to time amended, and any other current or future Canadian or U.S. federal statute or regulation that may be applicable to a Restructuring (11 U.S.C. §101 et. seq. and those other statutes and regulations are referred to herein generically as the "Bankruptcy Code")), including without limitation, cancellation, forgiveness, satisfaction, retirement, purchase and/or a material modification or amendment to the terms of the Company's outstanding indebtedness (including bank debt, bond debt, preferred stock, and other on and off balance sheet indebtedness), trade claims, leases (both on and off balance sheet), litigation-related claims and obligations, unfunded pension and retiree medical liabilities, lease obligations, partnership interests and other liabilities (collectively, the "Existing Obligations") including pursuant to a sale, repurchase or an exchange transaction, a Plan (as defined below) or a solicitation of consents, waivers, acceptances or authorizations.

As used in this agreement, the term "Financing" shall mean (i) a private issuance, sale or placement of newly issued or treasury equity, equity-linked or debt securities, instruments or obligations of the Company with one or more lenders and/or investors or security holders (each

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Evercore Engagement Letter - Evercore Engagement Letter

such lender or investor, an "Investor"), including any "debtor-in-possession financing" or "exit financing" which is available to the Company to fund operations from the effective date of the Restructuring, or a rights offering or any loan or other financing or obligation, except to the extent issued to existing Investors of the Company in exchange for their existing securities, or (ii) any material increase, amendment, and/or modification to the terms of the Company's Revolving Credit Agreement, dated as of November 1, 2017 (as modified, amended and supplemented from time to time, the "RCF") or any private issuance or placement of a replacement revolving credit facility, in each case, in connection with the Restructuring. For the avoidance of doubt, a "Financing" does not include project financing which may be required by the Company in order to fund the development of pipes at the Company's projects which are not currently in production.

As used in this Agreement, the term "Liability Management Transaction" shall mean any exchange offer, consent solicitation, conversion, and/or other similar liability management transaction, in each case in one or a series of transactions, regardless of the form or structure thereof.

As used in this agreement, the term "Sale" shall mean whether or not in one transaction, or a series of related transactions, (a) the disposition to one or more third parties pursuant to the CCAA or Bankruptcy Code of all or a portion of the issued and outstanding equity securities or any other issued and outstanding securities of the Company by the existing security holders of the Company; or (b) an acquisition, merger, consolidation, or other business combination pursuant to the CCAA or Bankruptcy Code, of which all or a portion of the business, assets or existing equity or securities of the Company are, directly or indirectly, sold or transferred to, or combined with, another company (other than an ordinary course intra-company transaction); (c) a sale pursuant to the CCAA or Section 363 of the Bankruptcy Code or (d) an acquisition, merger, consolidation, or sale pursuant to the CCAA or Bankruptcy Code, or other business combination pursuant to a successful "credit bid" of any securities by existing securities holders.

Description of Services:

1. Evercore agrees, in consideration of the compensation provided in Section 2 below, to perform the following services, to the extent it deems such services necessary, appropriate and feasible:

    a. Reviewing and analyzing the Company's business, operations and financial projections;

    b. Advising and assisting the Company in implementing a Restructuring, Financing, Liability Management Transaction and/or Sale if the Company determines to undertake such a Transaction;

    c. Advising the Company on tactics and strategies for negotiating with various stakeholders and assisting in the negotiations at the direction of the Company;

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Evercore Engagement Letter - Evercore Engagement Letter

d. Providing financial advice in developing and implementing a Restructuring, which would include:

   i. Assisting the Company in developing a restructuring plan or plan of reorganization, including a plan of reorganization pursuant to the CCAA, BIA, CBCA or Bankruptcy Code (any such plans are referred to generically herein as the "Plan");

   ii. Advising the Company on tactics and strategies for, and assisting with, negotiating with various stakeholders regarding the Plan;

   iii. Providing testimony, including affidavits, as necessary, with respect to matters on which Evercore has been engaged to advise the Company in any proceedings under the CCAA, BIA, CBCA or Bankruptcy Code that are pending before a court (generically referred to herein as the "Bankruptcy Court") exercising jurisdiction over the Company as a debtor; and,

   iv. Providing the Company with other financial restructuring advice as Evercore and the Company may deem appropriate.

e. If the Company pursues a Financing, including an "exit financing" which is available to the Company to fund operations from the effective date of a Restructuring, assisting the Company in:

   i. Structuring and effecting a Financing;

   ii. Identifying potential Investors and, at the Company's request, contacting such Investors; and,

   iii. Assisting with the Company in negotiating with potential Investors.

   It is understood that nothing contained herein shall constitute an express or implied commitment by Evercore to act in any capacity or to underwrite, place or purchase any financing or securities, which commitment, if any, shall be set forth in a separate underwriting placement or other appropriate agreement relating to a Financing.

f. If the Company pursues a Sale, assisting the Company in:

   i. Structuring and effecting a Sale;

   ii. Identifying interested parties and/or potential acquirors and, at the Company's request, contacting such interested parties and/or potential acquirors; and,

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Evercore Engagement Letter - Evercore Engagement Letter

iii. Advising and assisting the Company in connection with negotiations with potential interested parties and/or acquirors and aiding in the consummation of a Sale transaction.

In rendering its services to the Company hereunder, Evercore is not assuming any responsibility for the Company's underlying business decision to pursue or not to pursue any business strategy or to effect or not to effect any Restructuring, Financing, Liability Management Transaction and/or Sale or other transaction.

Evercore shall not have any obligation or responsibility to provide accounting, audit, "crisis management" or business consultant services to the Company, and shall have no responsibility for design or implementation of operating, organizational, administrative, cash management or liquidity improvements; nor shall Evercore be responsible for providing any tax, legal or other specialist advice. The Company confirms that it will rely on its own counsel, accountants and similar expert advisors for legal, accounting, tax and other similar advice.

Fees:

2. As compensation for the services rendered by Evercore hereunder, the Company agrees to pay Evercore the following fees in cash as and when set forth below:

   a. A monthly fee (a "Monthly Fee") of $200,000 with the first Monthly Fee payable on execution of this Agreement (if not previously paid) and on the first day of each month commencing May 1, 2020; provided, however, that 50% of all Monthly Fees paid in June 2020 and thereafter shall be credited (one time only and without duplication) against any Restructuring Fee or Financing Fee (each defined below) that becomes payable hereunder or is negotiated under paragraph 6 hereof

   b. A fee (a "Restructuring Fee"), payable upon the consummation of any Restructuring or Sale of $6,500,000; provided however that:

      i. 50% of any incremental amount above the Minimum Financing Fee (as defined below) paid pursuant to paragraph 2.d will be credited against the Restructuring Fee.

   c. A fee (a "Liability Management Transaction Fee"), payable upon the closing of any Liability Management Transaction equal to 1.125% of the aggregate principal amount of the Company's debt exchanged in connection with any such Transaction.

      i. A fee (a "Liability Management Incentive Fee"), payable upon closing of any Liability Management Transaction equal to 1.375% of any discount captured as part of any exchange Transaction.

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Evercore Engagement Letter - Evercore Engagement Letter

ii. Notwithstanding the foregoing, any debt that is exchanged by The Washington Companies and its affiliates shall not count towards the calculation of any Liability Management Transaction Fee.

Notwithstanding the foregoing, in the event the Company determines to pursue a Liability Management Transaction pursuant to Section 3(a)(9) of the Securities Act of 1933 (as amended "Section 3(a)(9)"), the foregoing fee and scope of services shall be renegotiated by the Company and Evercore to comply with Section 3(a)(9) with the intention that such restructured fee will be as equivalent as possible under the circumstances.

d. A fee (a "Financing Fee"), payable upon consummation of any Financing and incremental to any Restructuring Fee (subject to paragraph 2.b.1) or Liability Management Transaction Fee as set forth in the table below:

Financing	As a Percentage of Financing Gross Proceeds
Senior DIP Financing	1.100%
Indebtedness Secured by a First Lien, including exit financing	1.116%
Indebtedness Secured by a Second Lien, Junior DIP, Unsecured and/or Subordinated	2.0%
Equity or Equity-linked Securities/Obligations	3.6%

The minimum Financing Fee ("Minimum Financing Fee") payable is $2,500,000. The Minimum Financing Fee shall be paid at the time of the first Financing consummated by the Company; to the extent the Minimum Financing Fee exceeds the product of the applicable percentage in the table above multiplied by the gross proceeds of such first Financing, any such overage shall be credited against any Financing Fee payable with respect to additional Financings consummated by the Company.

For the avoidance of doubt, any debtor-in-possession financing offered to the Company ("DIP Financing"), shall be included in the calculation of the total Financing Gross Proceeds; provided, however, that any DIP facility that converts into an exit facility shall be deemed as only one Financing transaction.

Notwithstanding the foregoing, any Financing Fee due and payable on account of amounts funded by The Washington Companies shall be capped at $2,000,000 and shall be fully credited against any Restructuring or Liability Management Transaction Fee.

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e. In addition to any fees that may be payable to Evercore and, regardless of whether any transaction occurs, the Company shall promptly reimburse to Evercore (a) all documented reasonable out-of-pocket expenses (including travel and lodging, data processing and communications charges, courier services and other appropriate third-party expenditures) and (b) other documented reasonable fees and third-party expenses, including expenses of outside counsel, if any; provided that such expenses (other than the fees and expenses of Evercore's counsel) shall not exceed $50,000 in the aggregate without the consent of the Company (which consent shall not be unreasonably withheld). Evercore shall not seek reimbursement of expenses related to the retention of its own legal counsel unless Evercore shall have received the prior consent of the Company for such retention (which consent shall not be unreasonably withheld). Nothing in this paragraph shall in any way affect or limit the obligations of the Company as set forth under paragraph 14 or Schedule I.

f. If Evercore provides services to the Company for which a fee is not provided herein, the Company agrees to enter into good faith negotiations regarding a fee for such services.

g. All amounts referenced hereunder reflect United States currency and shall be paid promptly in cash after such amounts accrue hereunder and are invoiced to the Company.

h. All fees, expenses and any other amounts payable to Evercore or any other Indemnified Person (as defined below) under the terms of this Agreement and the Indemnification Agreement (as defined below) shall be paid free and clear of any withholding, deduction or charge for withholding taxes or deductions, goods and services tax, value added tax or other applicable or similar taxes. If the Company is required to apply any deduction, withholding or charge with respect to such fees, expenses or other amounts on account of any tax of any nature, then the Company will pay such additional amount to Evercore or any other Indemnified Person as will be required to ensure that the net amount received by Evercore or such other Indemnified Person is equal to the fees, expenses or other amounts it would have received in the absence of such deduction, withholding or charge. All or part of the foregoing may be subject to federal Goods and Services Tax, Harmonized Sales Tax, or other taxes ("GST/HST"). Where such tax is applicable, an additional amount equal to the amount of tax owing thereon will be charged to and payable by the Company. Evercore shall provide its GST/HST registration number to the Company upon execution of this Agreement.

In addition, the Company and Evercore acknowledge and agree that more than one fee may be payable to Evercore under subparagraphs 2(b), 2(c), 2(d), and/or 2(f) hereof in connection with any single Transaction or a series of Transactions, it being understood and agreed that if more than one fee becomes so payable to Evercore in connection with a series of Transactions, each

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such fee shall be paid to Evercore upon completion of such Transaction, subject to the provisions for crediting set forth above.

Retention in Bankruptcy Code Proceedings:

3. In the event of the commencement of Chapter 11 proceedings, the Company agrees that it will use commercially reasonable efforts to obtain prompt authorization from the Bankruptcy Court to retain Evercore on the terms and conditions set forth in this Agreement-including the Indemnification Agreement (as defined below), under the provisions of 11 U.S.C. §§ 327 and 328 subject to the standard of review provided in Section 328(a), and not subject to the standard of review under 11 U.S.C. § 330 or any other standard of review. Subject to being so retained, Evercore agrees that during the pendency of any such proceedings, it shall continue to perform its obligations under this Agreement and that it shall file interim and final applications for allowance of the fees and expenses payable to it under the terms of this Agreement pursuant to the applicable Federal Rules of Bankruptcy Procedure, and the local rules and orders of the Bankruptcy Court. The Company shall supply Evercore with a draft of the application and proposed retention order authorizing Evercore's retention sufficiently in advance of the filing of such application and proposed order to enable Evercore and its counsel to review and comment thereon. Evercore shall be under no obligation to provide any services under this agreement in the event that the Company becomes a debtor under the Bankruptcy Code unless Evercore's retention under the terms of this Agreement is approved under Section 328(a) by final order of the Bankruptcy Court, not subject to appeal, which order is acceptable to Evercore. In so agreeing to seek Evercore's retention under Section 328(a), the Company acknowledges that it believes that Evercore's general restructuring experience and expertise, its knowledge of the capital markets and its merger and acquisition capabilities will inure to the benefit of the Company in pursuing any Restructuring and/or Financing, that the value to the Company of Evercore's services hereunder derives in substantial part from that expertise and experience and that, accordingly, the structure and amount of the contingent fees are reasonable under the standard set forth in Section 328(a), regardless of the number of hours to be expended by Evercore's professionals in the performance of the services to be provided hereunder. No fee payable to any other person, by the Company or any other party, shall reduce or otherwise affect any fee payable hereunder to Evercore.

Retention in Insolvency Proceedings:

4. If an Insolvency Proceeding is commenced pursuant to the CCAA or BIA, or such other legal proceeding applicable under Canadian law, with respect to a Restructuring, the Company shall use its commercially reasonable efforts, supported by Evercore, to promptly apply to the Bankruptcy Court for the approval of (a) this Agreement (including, without limitation, the retention of Evercore as financial advisor to the Company for such Restructuring and/or any of the terms of such engagement, the payment of Evercore's fees and expenses and the provision of indemnification to Evercore); (b) a first-ranking super-priority charge, ranking in priority over the pre-filing claim of any secured creditor of the Company, on all of its property, in an amount reasonably appropriate, in respect of the "Monthly Fee" and all of Evercore's disbursements and expenses payable under this Agreement (which charge shall

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form part of the CCAA Administration Charge); and (c) a super-priority charge ranking in priority over the pre-filing claim of any secured creditor of the Company, on all of its property to secure the Restructuring Fee, Liability Management Transaction Fee, Liability Management Incentive Fee, Financing Fee and Minimum Financing Fee ranking after the CCAA Administrative Charge and the director and officer's charge. The Company shall supply Evercore and its counsel with a draft of any such application for approval of Evercore's retention as financial advisor and/or any of the terms of such retention sufficiently in advance of the filing of such application and proposed order to enable Evercore and its counsel to review and comment thereon. Evercore shall be under no obligation to provide any services under this agreement in the event that the Company becomes subject to an Insolvency Proceeding unless Evercore's retention under the terms of this Agreement is approved by final order of the Bankruptcy Court, not subject to appeal, which order is acceptable to Evercore. No fee payable to any other person, by the Company or any other party, shall reduce or otherwise affect any fee payable hereunder to Evercore. The Company acknowledges and agrees that Evercore's general restructuring experience and expertise, its knowledge of the capital markets and its merger and acquisition capabilities will inure to the benefit of the Company in pursuing any Restructuring and/or Financing, that the value to the Company of Evercore's services hereunder derives in substantial part from that expertise and experience and that, accordingly, were important factors in determining the amount of the various fees set forth herein, and that the ultimate benefit to the Company of Evercore's services hereunder could not be measured merely by reference to the number of hours to be expended by Evercore's professionals in the performance of such services.

Other:

5. Evercore's engagement hereunder is premised on the assumption that the Company will make available to Evercore all information and data that Evercore reasonably deems appropriate in connection with its activities on the Company's behalf and will not omit or withhold any material information. The Company represents and warrants to Evercore that any information heretofore or hereafter furnished to Evercore, taken as a whole, is and will be true and correct in all material respects, in light of the circumstances made. The Company recognizes and consents to the fact that (a) Evercore will use and rely on the accuracy and completeness of public reports and other information provided by others, including information provided by the Company, other parties and their respective officers, employees, auditors, attorneys or other agents in performing the services contemplated by this Agreement, and (b) Evercore does not assume responsibility for, and may rely without independent verification upon, the accuracy and completeness of any such information.

6. Evercore's engagement hereunder may be terminated by the Company or Evercore at any time upon written notice and without liability or continuing obligation to the Company or Evercore; provided, however that, if Evercore's engagement hereunder is terminated by the Company other than for Cause (as defined below), Evercore shall remain entitled to any fees accrued pursuant to Section 2 but not yet paid prior to such termination or expiration, as the case may be, and to reimbursement of expenses incurred prior to such termination or expiration, as the case may be, and Evercore shall remain entitled to full payment of all fees contemplated by Section 2 hereof in respect to any Restructuring, Financing, Liability

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Management Transaction and/or Sale announced or occurring during the period from the date hereof until 12 months following the signing of this agreement. For purposes of this Agreement, "Cause" shall mean the gross negligence, bad faith or willful misconduct of Evercore in performing its services hereunder.

7. Nothing in this Agreement, expressed or implied, is intended to confer or does confer on any person or entity other than the parties hereto or their respective successors and assigns, and to the extent expressly set forth in accordance with the indemnification agreement ("Indemnification Agreement") attached to this Agreement as Schedule I, the Indemnified Persons (as defined in the Indemnification Agreement), any rights or remedies under or by reason of this Agreement or as a result of the services to be rendered by Evercore hereunder. The Company acknowledges that Evercore is not acting as an agent of the Company or in a fiduciary capacity with respect to the Company and that Evercore is not assuming any duties or obligations other than those expressly set forth in this Agreement. Nothing contained herein shall be construed as creating, or be deemed to create, the relationship of employer and employee between the parties, nor any agency, joint venture or partnership. Evercore shall at all times be and be deemed to be an independent contractor. Nothing herein is intended to create or shall be construed as creating a fiduciary relationship between Evercore and the Company or its Board of Directors. No party to this Agreement nor its employees or agents shall have any authority to act for or to bind the other party in any way or to sign the name of the other party or to represent that that the other party is in any way responsible for the acts or omissions of such party.

8. As part of the compensation payable to Evercore hereunder, the Company agrees to indemnify Evercore and certain related persons in accordance with the Indemnification Agreement. The provisions of the Indemnification Agreement are an integral part of this Agreement, and the terms thereof are incorporated by reference herein. The provisions of the Indemnification Agreement shall survive any termination or completion of Evercore's engagement hereunder.

9. The Company agrees that it is solely responsible for any decision regarding a Transaction, regardless of the advice provided by Evercore with respect to such a Transaction. The Company acknowledges that the Company's appointment of Evercore pursuant to this Agreement is not intended to achieve or guarantee the closing of a Transaction and that Evercore is not in a position to guarantee the achievement or closing of a Transaction.

10. The Company recognizes that Evercore has been engaged only by the Company and that the Company's engagement of Evercore is not deemed to be on behalf of and is not intended to confer rights on any shareholder, partner or other owner of the Company, any creditor, lender or any other person not a party hereto or any of its affiliates or their respective directors, officers, members, agents, employees or representatives. Unless otherwise expressly agreed, no one, other than senior management or the Board of Directors of the Company, is authorized to rely upon the Company's engagement of Evercore or any statements, advice, opinions or conduct by Evercore. Without limiting the foregoing, any advice, written or oral, rendered to the Company's Board of Directors or senior management in the course of the Company's engagement of Evercore are solely for the purpose of assisting senior

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management or the Board of Directors of the Company, as the case may be, in evaluating the Restructuring, Financing, Liability Management Transaction and/or Sale or other Transaction and does not constitute a recommendation to any stakeholder of the Company that such stakeholder might or should take in connection with a Transaction. Any advice, written or oral, rendered by Evercore may not be disclosed publicly or made available to third parties without the prior written consent of Evercore.

11. In order to coordinate Evercore's efforts on behalf of the Company during the period of Evercore's engagement hereunder, the Company will promptly inform Evercore of any discussions, negotiations, or inquiries regarding a potential Transaction, including any material discussions or inquiries related thereto that have occurred during the six month period prior to the date of this Agreement.

12. This Agreement (including the Indemnification Agreement) between Evercore and the Company, embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. If any provision of this Agreement is determined to be invalid or unenforceable in any respect, such determination will not affect this Agreement in any other respect, which will remain in full force and effect. This Agreement may not be amended or modified except in writing signed by each of the parties.

13. In the event that, as a result of or in connection with Evercore's engagement for the Company, Evercore becomes involved in any legal proceeding or investigation or is required by government regulation, subpoena or other legal process to produce documents, or to make its current or former personnel available as witnesses at deposition or trial, the Company will reimburse Evercore for the reasonable and documented fees and expenses of one counsel (in addition to local counsel, if necessary) incurred in responding to such a request. Nothing in this paragraph shall affect in any way the Company's obligations pursuant to the separate Indemnification Agreement attached hereto.

14. The Company agrees that Evercore shall have the right to place advertisements in financial and other newspapers and journals at its own expense, following public announcement of the consummation of a Transaction, describing its services to the Company in connection therewith, subject to the prior consent of the Company, not to be unreasonably withheld.

15. The Company acknowledges that Evercore, in the ordinary course, may have received information and may receive information from third parties which could be relevant to this engagement but is nevertheless subject to a contractual, equitable or statutory obligation of confidentiality, and that Evercore is under no obligation hereby to disclose any such information or include such information in its analysis or advice provided to the Company. In addition, Evercore or one or more of its affiliates may in the past have had, and may currently or in the future have, investment banking, investment management, financial advisory or other relationships with the Company and its affiliates, potential parties to a Transaction and their affiliates or persons that are competitors, customers or suppliers of (or have other relationships with) the Company or its affiliates or potential parties to a Transaction or their affiliates, and from which conflicting interests or duties may arise.

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Nothing contained herein shall limit or preclude Evercore or any of its affiliates from carrying on (i) any business with or from providing any financial or non-financial services to any party whatsoever, including, without limitation, any competitor, supplier or customer of the Company, or any other party which may have interests different from or adverse to the Company or (ii) its business as currently conducted or as such business may be conducted in the future; provided that, during the term of this Agreement, Evercore shall not be engaged to provide investment banking financial advisory services to any party other than the Company in connection with a Transaction without the prior written consent of the Company. The Company also acknowledges that Evercore and its affiliates engage in a wide range of activities for their own accounts and the accounts of customers, including corporate finance, mergers and acquisitions, equity sales, trading and research, private equity, asset management and related activities. In the ordinary course of such businesses, Evercore and its affiliates may at any time, directly or indirectly, hold long or short positions and may trade or otherwise effect transactions for their own accounts or the accounts of customers, in debt or equity securities, senior loans and/or derivative products relating to the Company or its affiliates, potential parties to a Transaction and their affiliates or persons that are competitors, customers or suppliers of the Company.

16. Evercore may, in the performance of its services hereunder, delegate the performance of all or certain services as it may select to any of its affiliated entities; provided that no such delegation by Evercore shall in any respect affect the terms hereof, and Evercore shall be responsible for any acts or omissions by any of its affiliated entities in the performance of any services delegated to such entity.

17. The Company agrees to provide and procure all corporate, financial, identification and other information regarding the Company and control persons and/or beneficial owners, as Evercore may require to satisfy its obligations as a U.S. financial institution under the USA PATRIOT Act and Financial Crimes Enforcement Network regulations.

18. For the convenience of the parties hereto, any number of counterparts of this Agreement may be executed by the parties hereto, each of which shall be an original instrument and all of which taken together shall constitute one and the same Agreement. Delivery of a signed counterpart of this Agreement by facsimile or electronic transmission shall constitute valid sufficient delivery thereof.

19. Except as provided herein, the parties hereby irrevocably consent to the exclusive jurisdiction of any New York State or United States federal court sitting in the Borough of Manhattan of the City of New York over any action or proceeding arising out of or relating to this Agreement, and the parties hereby irrevocably agree that all claims in respect of such action or proceeding may be heard in such New York State or federal court. The parties irrevocably agree to waive all rights to trial by jury in any such action or proceeding and irrevocably consent to the service of any and all process in any such action or proceeding by the mailing of copies of such process to each party at its address set forth above. The parties agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. The Agreement and any claim related directly or indirectly to this Agreement shall be governed

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by and construed in accordance with the laws of the State of New York (without regard to conflicts of law principles). The parties further waive any objection to venue in the State of New York and any objection to any action or proceeding in such state on the basis of forum non conveniens.

20. Evercore agrees that material non-public information of the Company made available to Evercore by the Company in connection with Evercore's engagement hereunder (the "Confidential Information") shall not be used by Evercore other than in connection with rendering services hereunder and will be treated as confidential; provided that such Confidential Information may be disclosed (a) to Evercore's affiliates, partners, employees, agents, advisors and representatives ("Representatives") in connection with its engagement hereunder who shall be informed of the confidential nature of the information and that such information is subject to a confidentiality agreement, (b) to any person with the consent of the Company or (c) as may be required by law or regulatory authority or judicial process. The term "Confidential Information" does not include any information: (i) that was already in the possession of Evercore or any of its Representatives, or that was available to Evercore or any of its Representatives on a non-confidential basis, prior to the time of disclosure to Evercore or such Representatives; (ii) obtained by Evercore or any of its Representatives from a third person which is not known to Evercore or such Representatives to be subject to any prohibition against disclosure; (iii) which was or is independently developed by Evercore or any of its Representatives without reference to any Confidential Information and without violating any confidentiality obligations under this paragraph; or (iv) which was or becomes generally available to the public through no violation by Evercore of this paragraph. Evercore's obligations under this paragraph will remain in effect for a period of three years from the date of this Agreement.

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If the foregoing correctly sets forth the understanding and agreement between Evercore and the Company, please so indicate in the space provided below, whereupon this letter shall constitute a binding agreement as of the date hereof.

Very truly yours,

Evercore Group L.L.C.

By: _____
Stephen Goldstein
Senior Managing Director

Agreed to and Accepted as of the Date
April 22, 2020:

Dominion Diamond Mines ULC

By: _____
Brendan Bell
Director

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Schedule I

Indemnification Agreement

April 22, 2020

Attention: Kristal Kaye, Chief Financial Officer
900 – 606 4 Street SW
Calgary, Alberta, Canada

Ms. Kaye,

In connection with the engagement of Evercore Group L.L.C. ("Evercore") to render financial advisory services to Dominion Diamond Mines ULC (the "Company") pursuant to the engagement letter, dated April 22, 2020, the Company and Evercore are entering into this Indemnification Agreement (this "Agreement"). It is understood and agreed that in the event that Evercore or any of its members, partners, officers, directors, advisors, representatives, employees, agents, affiliates or controlling persons, if any (each of the foregoing, including Evercore, an "Indemnified Person"), become involved in any capacity in any claim, action, proceeding or investigation brought or threatened by or against any person, including the Company's stockholders, related to, arising out of or in connection with Evercore's engagement, Evercore's performance of any service in connection therewith or any transaction contemplated thereby, the Company will promptly reimburse each such Indemnified Person for its reasonable and documented legal (but not more than one counsel except to the extent that local counsel is required in addition to such one counsel) and other out-of-pocket expenses (including the reasonable cost of any investigation and preparation) as and when they are incurred in connection therewith and presented to the Company for payment. The Company will indemnify and hold harmless each Indemnified Person from and against any losses, claims, damages, liabilities or expense to which any Indemnified Person may become subject under any applicable federal or state law, or otherwise, related to, arising out of or in connection with Evercore's engagement, Evercore's performance of any service in connection therewith or any transaction contemplated thereby, whether or not any pending or threatened claim, action, proceeding or investigation giving rise to such losses, claims, damages, liabilities or expense is initiated or brought by or on the Company's behalf and whether or not in connection with any claim, action, proceeding or investigation in which the Company or an Indemnified Person is a party, except to the extent that any such loss, claim, damage, liability or expense is found by a court of competent jurisdiction in a judgment which has become final in that it is no longer subject to appeal or review to have resulted primarily from such Indemnified Person's gross negligence, bad faith or willful misconduct. The Company also agrees that no Indemnified Person shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company or its security holders or creditors related to, arising out of or in connection with Evercore's engagement, Evercore's performance of any service in connection therewith or any transaction contemplated thereby, except to the extent that any loss, claim, damage, liability or expense is found by a court of competent jurisdiction in a judgment which has become final in that it is no longer subject to appeal or review to have resulted primarily from an Indemnified Person's gross negligence, bad faith or willful misconduct. Each Indemnified Person shall promptly remit to the Company any

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amounts paid to such Indemnified Person under this Agreement in respect of losses, claims, damages, liabilities or expense if such Indemnified Person was not entitled to indemnification therefor due to such Indemnified Person's gross negligence, bad faith or willful misconduct. If multiple claims are brought against Evercore in an arbitration related to, arising out of or in connection with Evercore's engagement, Evercore's performance of any service in connection therewith or any transaction contemplated thereby, with respect to at least one of which such claims indemnification is permitted under applicable law, the Company agrees that any arbitration award shall be conclusively deemed to be based on the claims as to which indemnification is permitted and provided for hereunder, except to the extent the arbitration award expressly states that the award, or any portion thereof, is based solely on a claim as to which indemnification is not available.

If for any reason the foregoing indemnification is unavailable to an Indemnified Person or insufficient to hold it harmless, then the Company shall contribute to the loss, claim, damage, liability or expense for which such indemnification is unavailable or insufficient in such proportion as is appropriate to reflect the relative benefits received, or sought to be received, by the Company and its security holders on the one hand and the party entitled to contribution on the other hand in the matters contemplated by Evercore's engagement as well as the relative fault of the Company and such party with respect to such loss, claim, damage, liability or expense and any other relevant equitable considerations. The Company agrees that for the purposes hereof the relative benefits received, or sought to be received, by the Company and its security holders and Evercore shall be deemed to be in the same proportion as (i) the aggregate consideration paid or contemplated to be paid or received or contemplated to be received by the Company or its security holders, as the case may be, pursuant to a transaction contemplated by the engagement (whether or not consummated) for which Evercore has been engaged to perform financial advisory services bears to (ii) the fees paid or payable to Evercore in connection with such engagement; provided, however, that, to the extent permitted by applicable law, in no event shall Evercore or any other Indemnified Person be required to contribute an aggregate amount in excess of the aggregate fees actually paid to Evercore for such financial advisory services. The Company and Evercore agree that it would not be just and equitable if contribution hereunder were determined by pro rata allocation or by any other method that does not take into account the equitable considerations referred to herein. The Company's reimbursement, indemnity and contribution obligations under this Agreement shall be in addition to any liability which the Company may otherwise have, shall not be limited by any rights Evercore or any other Indemnified Person may otherwise have and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company, Evercore, and any other Indemnified Persons.

If any claim, action, proceeding or investigation shall be brought, threatened or asserted against an Indemnified Person in respect of which indemnity may be sought against the Company, Evercore shall promptly notify the Company in writing, and the Company shall be entitled, at its expense, and upon delivery of written notice to Evercore, to assume the defense thereof with counsel reasonably satisfactory to Evercore. Such Indemnified Person shall have the right to employ separate counsel in any such claim, action, proceeding or investigation and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such

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Indemnified Person unless (i) the Company has agreed in writing to pay such fees and expenses, (ii) the Company has failed to assume the defense, pursue the defense diligently or to employ counsel in a timely manner or (iii) in such action, claim, suit, proceeding or investigation there is, in the reasonable belief of such Indemnified Person, a conflict of interest or a conflict on any material issue between the Company's position and the position of the Indemnified Person. It is understood, however, that in the situation in which an Indemnified Person is entitled to retain separate counsel pursuant to the preceding sentence, the Company shall, in connection with any one such claim, action, proceeding, investigation or separate but substantially similar or related claims, actions, proceedings or investigations in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of only one separate firm of attorneys at any time for all such Indemnified Persons (unless in the reasonable belief of such Indemnified Persons, there is a conflict of interest or a conflict on any material issue between the positions of such Indemnified Persons), which firm shall be designated in writing by Evercore. The Company shall not be liable for any settlement or compromise of any claim, action, proceeding or investigation (or for any related losses, claims, damages, liabilities or expenses) if such settlement or compromise is effected without the Company's prior written consent (which will not be unreasonably withheld).

The Company agrees that, without Evercore's prior written consent, it will not settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action, proceeding or investigation in respect of which indemnification or contribution is reasonably likely to be sought hereunder (whether or not Evercore or any other Indemnified Person is an actual or potential party to such claim, action, proceeding or investigation), unless such settlement, compromise or consent includes an unconditional release from the settling, compromising or consenting party of each Indemnified Person from all liability arising out of such claim, action, proceeding or investigation. No waiver, amendment or other modification of this Agreement shall be effective unless in writing and signed by each party to be bound thereby.

For the convenience of the parties hereto, any number of counterparts of this Agreement may be executed by the parties hereto, each of which shall be an original instrument and all of which taken together shall constitute one and the same Agreement. Delivery of a signed counterpart of this Agreement by facsimile transmission shall constitute valid sufficient delivery thereof.

This Agreement and any claim related directly or indirectly to this Agreement shall be governed by and construed in accordance with the laws of the State of New York (without regard to conflicts of law principles). No such claim shall be commenced, prosecuted or continued in any forum other than the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York. Evercore and the Company (on its own behalf and, to the extent permitted by applicable law, on behalf of its stockholders and creditors) waive all right to trial by jury in any claim, action, proceeding or counterclaim (whether based upon contract, tort or otherwise) related to or arising out of or in connection with this Agreement.

Each party has all necessary corporate or limited liability company, as applicable, power and authority to enter into this Agreement. All corporate or limited liability company, as applicable, action has been taken by each party necessary for the authorization, execution, delivery of, and

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the performance of all obligations of each of the parties under the Agreement, and each signatory below is duly authorized to sign this Agreement on behalf of the party it represents.

This Agreement shall remain in effect indefinitely, notwithstanding any termination of Evercore's engagement.

Very truly yours,

Evercore Group L.L.C.

By: _____
Stephen Goldstein
Senior Managing Director

Agreed to and Accepted as of the Date
April 22, 2020:

Dominion Diamond Mines ULC

By: _____
Brendan Bell
Director

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APPENDIX A

Certificate of Commissioning by Videoconference

I, Morgan Crilly Commissioner of Oaths in and for Alberta, took the affidavit of John Startin 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