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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 (CCAA INITIAL ORDER)**
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AFFIDAVIT OF KRISTAL KAYE

Sworn on April 21, 2020

I, Kristal Kaye, of Calgary, Alberta, MAKE OATH AND SAY THAT

1. I am the Chief Financial Officer of Dominion Diamond Mines ULC ("**Dominion Diamond**"), Dominion Diamond Canada ULC ("**Dominion Canada**"), and Dominion Diamond Delaware Company, LLC ("**Dominion Delaware**"), three of the applicants in these proceedings, a director of Dominion Canada, and I also hold other director and officer positions with certain other entities affiliated with Dominion Diamond, Dominion Canada, and Dominion Delaware who are not applicants in these 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.

2. Dominion Diamond and Dominion Canada, together with the other applicants in these proceedings, being Washington Diamond Investments, LLC ("**Washington Diamonds**"), Dominion Diamond Holdings, LLC ("**Dominion Holdings**"), Dominion Finco Inc. ("**Dominion Finco**"), and Dominion Delaware, are collectively referred to in this affidavit as "**Dominion**" or the "**Applicants**".

3. All references to monetary amounts in this affidavit are in United States dollars, Dominion's functional currency, unless otherwise stated.

I. OVERVIEW

4. Conducting its business as an integrated company with operations, employees, and mining corporations in several countries, and managing its primary corporate functions from its head office in Calgary, Dominion is Canada's largest independent producer of natural and responsibly mined diamonds, and one of the world's largest producers and suppliers of premium rough diamond assortments to the global market.

5. Dominion supplies rough diamonds to the global market from its operation of the Ekati Diamond Mine (in which it is operator and owns an approximate ninety (90) percent controlling interest) (the "**Ekati Mine**") and its forty (40) percent ownership interest in the Diavik Diamond Mine (the "**Diavik Mine**"), which is operated by Diavik Diamond Mines (2012) Inc. ("**DDMI**") (a subsidiary of Rio Tinto plc.).

6. Both the Ekati and Diavik Mines are operating mines located in the Northwest Territories.

7. Dominion has operated in the Northwest Territories since 1999 and is currently one of the two largest non-governmental employers in the Northwest Territories. In addition, Dominion is a large employer of both northern and northern Indigenous people, with approximately forty (40)

percent of its total of 634 Canadian employees as at April 2, 2020 (of whom only 212 are actively employed due to the circumstances discussed below) being northern residents, and approximately sixty (60) percent of northern employees being northern Indigenous peoples. In addition to its employees, Dominion engaged in 2019 approximately 425 contract workers, approximately thirty-five (35) percent of whom are northern or northern Indigenous peoples.

8. Dominion has over the years made substantial investments in the local communities that rely upon and are affected by the Ekati and Diavik Mines. In 2018 and 2019 combined, Dominion spent CDN $922 million of which amount CDN $524 million was spent with northern businesses and approximately CDN $319 million going to Indigenous businesses for goods and services. The total estimated spend with northern businesses by Dominion and its predecessor entities in connection with the Ekati and Diavik Mines since 1999 has been in excess of CDN$3 billion.

9. Dominion also has a diamond sorting facility in Mumbai, India operated by its subsidiary Dominion Diamond (India) Private Limited ("**Dominion India**") (not an applicant in these CCAA proceedings) and a sales facility in Antwerp, Belgium operated by its subsidiary Dominion Diamond Marketing N.V. ("**Dominion Belgium**") (not an applicant in these CCAA proceedings).

10. Dominion currently has in place a secured $150 million Revolving Facility (as defined below) and outstanding 7.125% senior secured second lien Notes in the outstanding principal amount of $550 million that are secured against all of Dominion's assets, as described below in further detail.

11. As further discussed below, while Dominion's operations have significant value, with revenues from diamond sales totaling approximately $527.6 million in fiscal year 2019, the company's ability to conduct its business and generate revenue and liquidity has been (a) constrained by its highly-leveraged capital structure, and (b) recently and seriously impaired by the sudden and rapidly spreading coronavirus ("**COVID-19**") pandemic and the effective shutdown of the global diamond industry.

12. COVID-19 has had a devastating impact on the global diamond mining industry. Global diamond sales saw an almost immediate slowdown when the COVID-19 related lockdown began in China and the impact has become more acute as lockdown measures have been implemented in nearly all parts of the world in which Dominion operates, including India, where the majority of the world's rough diamonds are sorted, cut and polished, Antwerp, Belgium, where the majority of the world's rough diamonds are sold through diamond tenders, and the United States, the

location of many top diamond buyers for retail sales. This situation has had an acute impact on all segments of the diamond industry as many significant mining operations have been suspended, sorting and manufacturing hubs are shut, the diamond tender network is shuttered, and retail stores are closed.

13. Amidst the global shutdown of commercial trade and travel attributable to the COVID-19 pandemic, Dominion's ability to move its rough diamond inventory from the point of extraction at the Ekati and Diavik Mines to Dominion India's sorting facilities in India for further movement for eventual sale on the world market through Dominion Belgium's sale centre in Antwerp has been effectively frozen.

14. As of the date of this affidavit, the status of Dominion's diamond inventory extracted from the Ekati and Diavik Mines is as follows:

(a) international travel restrictions are preventing diamonds with a book value of approximately $64 million owned by Dominion Diamond from being shipped from Canada to India for the purpose of sorting and transfer to Dominion Belgium for sale on the global market; with revenues from the sale of the diamonds (less applicable sorting fees and costs) being paid to Dominion Diamond;

(b) the twenty-one (21) day nationwide lockdown ordered by the Government of India on March 24, 2020 has prevented diamonds in India with a book value of approximately $14 million owned by Dominion and shipped to Dominion India for sorting prior to the imposition of travel restrictions from clearing Indian customs;

(c) the Indian lockdown has also trapped diamonds with a book value of approximately $27 transferred by Dominion Diamond to Dominion India, and diamonds with a book value of approximately $14 owned by Dominion Diamond and held at a third-party facility in India, from being shipped to Dominion Belgium for sale;

(d) the Antwerpsche Diamantkring, Antwerp's rough-diamond exchange, announced on March 13, 2020 that the city's four Diamond Bourses would shut their trading floors effective March 16, preventing Dominion Belgium from effecting the sale of diamonds with a book value of approximately $61 million owned by Dominion Belgium, the proceeds of which sales would ultimately be payable to Dominion Diamond (less applicable sorting fees and costs). Dominion Belgium's current inventory consists of saleable diamonds with a book value of approximately $49 million, polished diamonds with a book value of approximately $1 million, and two exceptional stones with a book value of approximately $4 million (552 carats) and approximately $6 million (172 carats). In addition to this inventory, Dominion Belgium is in possession of exploration samples owned by Dominion Diamond with a book value of approximately $1 million;

(e) the date on which Dominion Belgium will be able to conduct a sales tender of rough diamonds remains unknown; and

(f) even when the rough-diamond exchanges re-open, due to a variety of market factors putting negative pressure on diamond prices, the prices which Dominion Belgium is able to achieve in its diamond sales may be below what has previously been anticipated, or may not be sufficiently economic to merit sales for some period of time.

15. The total book value of diamond inventory extracted from the Ekati and Diavik Mines that is owned by Dominion Diamond, and inventory currently owned by Dominion India and Dominion Belgium the proceeds of which will be returned to Dominion Diamond upon sale, that is currently trapped in the business cycle due to COVID-19 related trade and travel restrictions is approximately $180 million.

16. In addition to the inability to realize revenue from diamonds produced at the Ekati and Diavik Mines, on March 19, 2020 Dominion Diamond was forced to suspend operations at the Ekati Mine and place the mine on care and maintenance status. This decision was made as a preventative measure in the midst of the COVID-19 pandemic given the remote location of the Ekati Mine's operations, the fact that many employees working at the mine would be returning to small northern communities, the high frequency of air travel required for employees and support staff to access the remote mine site, and Dominion's desire to collaborate with local governments in preventing risk of spread of COVID-19 in the Northwest Territories. Notwithstanding the suspension of operations at the Ekati Mine, Dominion is required to continue to incur material costs to support minimum care and maintenance operations designed to protect the health and safety of its employees, safeguard the environment, and preserve the Ekati Mine, such as pumping and treating water and heating the facility, all in compliance with its environmental permits and licensing requirements.

17. Similar to other businesses that are suffering from the devastating effects of COVID-19-related business disruptions, there is currently no timeline for when Dominion's suspension of operations at the Ekati Mine may be lifted or when the company may be able to realize on the diamonds extracted from operations at the Ekati and Diavik Mines that are currently unable to be sorted and sold in the ordinary course.

18. One of the most significant financial burdens faced by Dominion in these unprecedented circumstances which it is not able to mitigate is the requirement to satisfy monthly cash calls issued by DDMI with respect to Dominion's forty (40) percent share of the operating expenses of the Diavik Mine, which DDMI has been running notwithstanding the disruptions to the diamond industry caused by the COVID-19 trade and travel restrictions described above.

19. Dominion has made six bi-weekly cash call payments to DDMI thus far this year for the months of January (totaling CDN $22.1 million), February (totaling CDN $18.58 million) and March (totaling CDN $28.2 million) as well as a further payment with respect to the first of two cash calls for April (CDN $17 million). Without Dominion being able to generate revenues from ordinary course sales by Dominion Belgium, the DDMI cash call payments have drained Dominion's cash reserves and created a liquidity crisis for the company. Given the current situation, Dominion is unable to pay the second April cash call of CDN $16 million made by DDMI that is due on April 22, 2020 and will accordingly be in default of its Diavik JVA Payment Obligations (as described and defined below).

20. In addition, Dominion has a $20 million interest payment due on certain secured Notes (as defined below) on May 1, 2020.

21. For these reasons, while the Applicants have a valuable and viable business, they are currently insolvent and urgently require protection under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**") to maintain the status quo as they consider restructuring options for the benefit of their stakeholders.

22. Given the stability that will be provided to Dominion by a stay of proceedings and other protections afforded by the CCAA, and given a reasonable time to advance the company's restructuring efforts, as described below, Dominion's management is optimistic that the overall value of the company's business will likely be enhanced to the benefit of their stakeholders as compared to a forced liquidation scenario.

23. This affidavit is made in support of the Applicants' application for an initial order under the CCAA substantially in the form attached as schedule "A" to the Originating Application to be filed with this Court concurrently with my affidavit.

II. BUSINESS OPERATIONS

A. Overview

24. Dominion's corporate history dates to 1994 and the incorporation of Aber Diamond Corporation. Over the years Dominion's predecessor entities have gone through several name changes and amalgamations leading to the adoption of their current corporate name and structure.

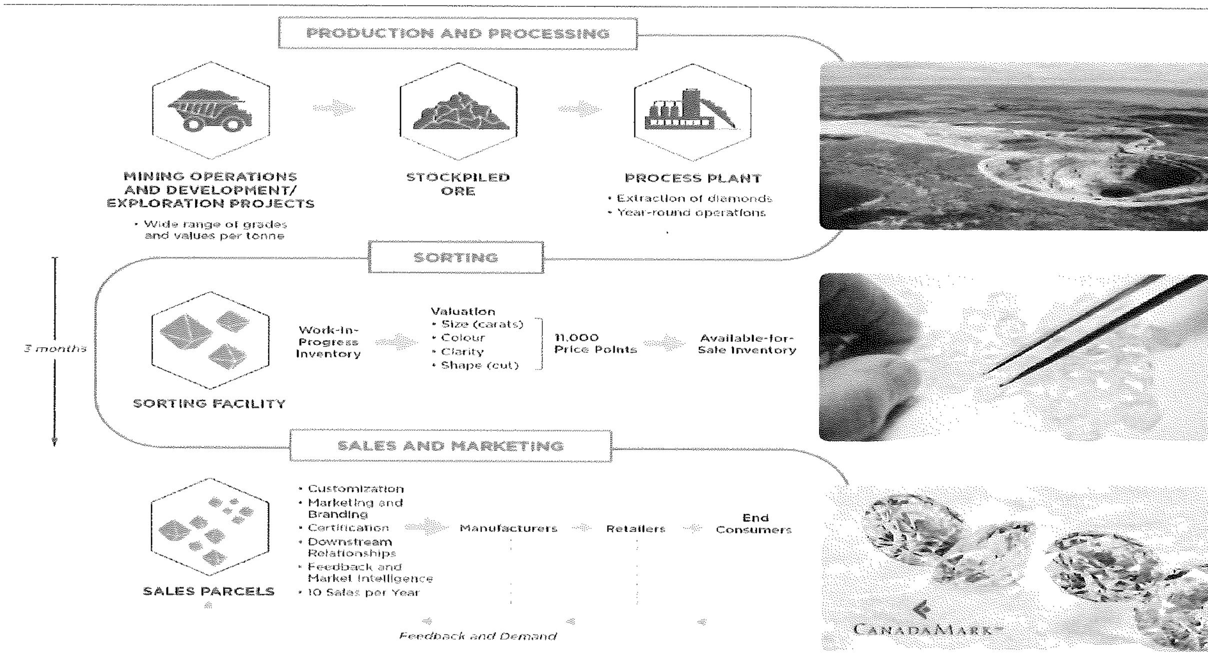
25. On July 15, 2017, Dominion Diamond Corporation ("**Dominion Corp.**"), a predecessor entity to Dominion Diamond, and The Washington Companies ("**Washington**"), a group of privately held North American mining, industrial, and transportation businesses founded by industrialist and entrepreneur Dennis R. Washington, entered into an arrangement (the "**Washington Arrangement**") under which an entity affiliated with Washington acquired all of the outstanding common shares of Dominion Corp. for $14.25 per share in cash for a total consideration of approximately $1.2 billion of which approximately $500 million was an equity investment by Washington.

26. The transactions contemplated by the Washington Arrangement were approved by Dominion Corp.'s shareholders, the Minister of Innovation, Science and Economic Development under the *Investment Canada Act*, and the Commissioner of Competition under the *Competition Act*, as required by applicable law, and were completed on November 1, 2017, after which time Dominion has operated as a private company.

B. Business Segments

27. Dominion's business operations are managed from the company's head office located on leased premises in Calgary and are structured around the three stages of the company's diamond business cycle: (a) Dominion Diamond's production and processing operations in the Northwest Territories; (b) Dominion India's sorting operations in India; and (c) Dominion Belgium's sales operations in Belgium.

28. Dominion's production and processing, sorting, and sales business cycle can be illustrated as follows:



29. The production and processing segment of Dominion's operations at the Ekati Mine consists of ore extraction and processing to separate the rough diamonds from their host kimberlite material. This process is performed continuously throughout the year at the Ekati Mine. DDMI conducts the same operations at the Diavik Mine throughout the year and delivers to Dominion its forty (40) percent share of diamond production from the Diavik Mine in rough diamonds.

30. The sorting process of Dominion's operations refers to the classification of diamonds by carat (size), colour, clarity and shape. Rough diamonds are sorted into one of 11,000 price points at Dominion India's facilities in Mumbai, India or at third-party facilities in India operated by Worldwide Diamond Sorting Pvt Ltd ("**WDS**"). For legal reasons title to the diamonds passes to Dominion India at the time of delivery by Dominion Diamond (diamonds delivered by Dominion Diamond to WDS's facilities in India are delivered on consignment with title passing to Dominion Belgium as the purchaser). Diamonds in the sorting and valuation process are part of Dominion India's work-in-progress inventory. Once sorting and valuation are substantially completed, the diamonds become available-for-sale inventory. This process takes approximately three months, resulting in a lag between production at the mine site and sales of rough diamonds. As such, the timing of the receipt of revenue from sales of rough diamonds by Dominion Diamond does not match the timing of when operational costs are incurred to produce them. In addition, due to the time required for sorting and valuation, required prior to a sale, carats transferred to available-for-

sale diamond inventory in each period will differ from the number of carats produced by the mine in that period.

31. The sales process of Dominion's operations consists of combining rough diamonds sorted by Dominion India or WDS with similar characteristics into sales parcels in Dominion Belgium's Antwerp office. In the case of diamonds sorted by Dominion India, title to the sorted rough diamonds is transferred from Dominion India to Dominion Belgium at the point of delivery. Dominion Belgium markets and sells diamond sale parcels on a contractual basis to a wide range of clients, including diamond polishers (manufacturers), traders, and integrated companies that have polishing and jewelry retailing operations. Sales are tailored to the specific needs of the client and marketplace. As there are ten (10) sales per year (plus on-line auctions of special large or exceptional stones when sufficient inventory exists to do so), the number of sales each quarter is not the same – typically two (2) sales occur in the first and third fiscal quarters, with three (3) sales in the second and fourth fiscal quarters. The carats sold in any period do not match production and will be weighted to higher or lower value diamonds depending on seasonal demand. Sales may be timed to take advantage of strength in a segment of the market or fluctuations in diamond prices.

32. Dominion Diamond's inter-company and third-party contractual arrangements for the transfer of diamonds to Dominion India, Dominion Belgium, and WDS, as summarized above, are governed by (a) a Sorting Services Agreement dated November 4, 2019 among Dominion India (the "**India Sorting Agreement**") (as amended); (b) a Sorting and Valuing Services Agreement dated January 1, 2019 among Dominion Diamond (as successor to Dominion Marketing), Dominion Belgium, and WDS (the "**WDS Agreement**"); and (c) a Rough Diamond Supply Agreement dated March 17, 2014 among Dominion Diamond (as successor to Dominion Diamond Ekati Corporation) and Dominion Belgium (the "**Belgium Supply Agreement**"). The sale of diamonds acquired by Dominion India from Dominion Diamond to which Dominion India takes title to Dominion Belgium is governed by separate commercial arrangements among those parties.

C. Current Corporate Structure

33. During the fourth quarter of 2019, a voluntary reorganization of the corporate structure of Dominion was initiated to ease the administrative burden of reporting and compliance in jurisdictions outside of Canada and across corporate entities and to generally simplify the corporate structure. As part of this reorganization, three Dutch incorporated entities were liquidated and all of their assets including shares of Dominion Diamond, Dominion Finco,

Dominion Belgium, Dominion India, and Dominion Marketing Corporation ("**Dominion Marketing**"), and any loan guarantees that were recorded in the Dutch entities, were distributed to Washington Diamonds and were contributed by Washington Diamonds to the newly incorporated Dominion Holdings.

34. The role of each entity in Dominion's current corporate structure, as set out in the organizational chart attached as **Exhibit "A"** to my affidavit, can be summarized as follows:

Entity	Role
Washington Diamond Investments, LLC (A CCAA Applicant)	A private limited liability company incorporated under the state laws of Delaware. Washington Diamond owns 100% of the shares of Dominion Holdings. Washington Diamond is a holding company, only and does not own any assets or have any employees. Washington Diamond is a co-borrower under the Credit Agreement and a guarantor under the Trust Indenture (as defined below) and, subject to certain excluded assets, has granted a security interest in all of its present and future assets in favour of each of the Administrative Agent and Trustee (as defined below).
Dominion Diamond Holdings, LLC (A CCAA Applicant)	A private limited liability company incorporated under the state laws of Delaware. Dominion Holdings owns (a) 100% of the shares of Dominion Diamond; (b) 100% of the shares of Dominion Finco; (c) 99.99% of the shares of Dominion India; and (d) 99.99% of the shares of Dominion Belgium. Dominion Holdings is a holding company only and does not own any other assets or have any employees. Dominion Holdings is a guarantor under each of the Credit Agreement and Trust Indenture and, subject to certain excluded assets, has granted a security interest in its present and future assets in favour of each of the Administrative Agent and Trustee.

Entity	Role
Dominion Finco Inc. (A CCAA Applicant)	A private company incorporated under the state laws of Delaware. Dominion Finco is a holding company that does not presently own any assets or have any employees. Dominion Finco is a guarantor under the Credit Agreement and a co-issuer under the Trust Indenture and, subject to certain excluded assets, has granted a security interest in all of its present and future assets in favour of each of the Administrative Agent and Trustee.
Dominion Diamond Mines ULC (A CCAA Applicant)	A private unlimited liability company incorporated under the laws of British Columbia. Dominion Diamond is Dominion's operating entity. It directly holds Dominion's interest in the Ekati Mine, Diavik Mine, Lac de Gras Joint Venture, and the Glowworm Lake Property (as defined below). Dominion Diamond conducts its corporate head office functions from leased premises located in Calgary and its mining operations from leased premises located in Yellowknife and at the Ekati Mine site near Lac de Gras. It employs approximately 634 individuals in Canada (of whom 212 are currently actively employed), manages Dominion's pension plans (as described below), and holds Dominion's regulatory and environmental permits and licenses for the Ekati Mine. Dominion Diamond is the borrower under the Credit Agreement and a co-issuer under the Trust Indenture and, subject to certain excluded assets, has granted a security interest in all of its present and future assets in favour of each of the Administrative Agent and Trustee.
Dominion Diamond Delaware Company LLC (A CCAA Applicant)	A private limited liability company incorporated under the state laws of Delaware. Dominion Delaware is a legacy company that does not presently own any assets or have any employees. Dominion Delaware is a guarantor under each of the Credit Agreement and Trust Indenture

Entity	Role
	and, subject to certain excluded assets, has granted a security interest in all its present and future assets in favour of each of the Administrative Agent and Trustee.
Dominion Diamond Canada ULC (A CCAA Applicant)	A private unlimited liability company incorporated under the laws of British Columbia. Dominion Canada is a holding company that does not presently own any assets or have any employees. Dominion Canada is a guarantor under each of the Credit Agreement and Trust Indenture and, subject to certain excluded assets, has granted a security interest in all of its present and future assets in favour of each of the Administrative Agent and Trustee.
Dominion Diamond Marketing Corporation (Not a CCAA Applicant)	A private company incorporated under the federal laws of Canada. Dominion Marketing holds a nominal interest in each of Dominion India (0.01%) and Dominion Belgium (0.0003%). Dominion Marketing is party to a commercial lease in Toronto that is being sublet to a party at arm's length to Dominion. The lease is guaranteed by Dominion Diamond. Dominion Marketing also owns a sorting building located on leased land in Yellowknife that had previously been utilized by Dominion but is no longer in use. The building has nominal market value. The company does not have any other assets or employees. Dominion Holdings has pledged 65% of its shares in Dominion Marketing as security for its obligations under the Credit Agreement and Trust Indenture.
Dominion Diamond (India) Private Limited (Not a CCAA Applicant)	A private company incorporated under the laws of India. Dominion India operates as a sorting center. It obtains rough diamonds from Dominion Diamond for sorting pursuant to the India Sorting Agreement. It currently has 58 employees located in India. Dominion Holdings has pledged 65% of its shares in Dominion India as security for its

Entity	Role
	obligations under the Credit Agreement and Trust Indenture. Dominion India is not a borrower, issuer or guarantor in connection with either the Credit Agreement or Trust Indenture and has not granted any security interest over any of its present and future assets in favour of either the Administrative Agent or the Trustee.
Dominion Diamond Marketing N.V. (Not a CCAA Applicant)	A private company incorporated under the laws of Belgium. Dominion Belgium sells diamonds produced from the Ekati and Diavik Mines by or on behalf of Dominion pursuant to the Belgium Supply Agreement and the WDS Sorting Agreement from its leased premises located in Antwerp. The company current has five (5) employees in Belgium. The proceeds of Dominion Belgium's diamond sales are paid to Dominion Diamond (less applicable sorting fees and costs). Dominion Holdings has pledged 65% of its shares in Dominion Belgium as security for its obligations under the Credit Agreement and Trust Indenture. Dominion Marketing is not a borrower, issuer or guarantor in connection with either the Credit Agreement or Trust Indenture and has not granted any security interest over any of its present and future assets in favour of either the Administrative Agent or the Trustee.
Dominion Diamond (Cyprus) Limited ("**Dominion Cyprus**") (Not a CCAA Applicant)	A private company incorporated under the laws of Cyprus. Dominion Cyprus is in the process of being wound up. It does not own any assets or have any employees. Dominion Cyprus is not a borrower, issuer or guarantor in connection with either the Credit Agreement or Trust Indenture.
Dominion Diamond (Luxembourg) S.a.r.l. ("**Dominion Luxembourg**") (Not a CCAA Applicant)	A private company incorporated under the laws of Luxembourg. Dominion Luxembourg has been wound up.

D. Dominion's Projects

i. Overview

35. As noted above, Dominion's operations are comprised of the mining and marketing of rough diamonds for sale to the global market.

36. Dominion's participation in the mining sector of the diamond industry is primarily through its ownership interest in the Ekati and Diavik Mines.

37. The mining operations at the Ekati and Diavik Mines are highly technical and subject to complex environmental, regulatory and other laws of the Government of Canada ("**Canada**") and the Government of the Northwest Territories ("**GNWT**").

38. While I am not an expert in the technical aspects of Dominion's operations or the complex regulatory and environmental laws and regulations that apply to them, I have set out below as part of the description of Dominion's operations a high-level description of some of the key environmental and regulatory laws, regulations, and arrangements governing the company's operations. The listing of regulatory and environmental permits and corresponding performance security requirements set out below is not intended to be exhaustive.

ii. Ekati Mine

39. Dominion acquired its interest in the Ekati Mine in 2013.

40. The Ekati Mine is located near Lac de Gras, approximately 300 km northeast of Yellowknife and 200 km south of the Arctic Circle in the Northwest Territories. The Ekati Mine consists of the "**Core Zone**", which is the primary focus of mining operations, and the adjacent "**Buffer Zone**", which is the focus of new development and exploration potential.

41. Dominion has an 88.9% participating interest in the Core Zone. The remaining interest in the Core Zone is held by 1012986 B.C. Ltd., an entity controlled by Stewart Blusson, who was involved in the original discovery of diamondiferous kimberlite at the site of the Ekati Mine.

42. Dominion owns a one hundred (100) percent interest in the Buffer Zone as of June 5, 2017. As part of an arrangement reached in June 2017, Archon Minerals Ltd. ("**Archon**"), an entity in which Mr. Blusson was at the time a significant shareholder, and 1012987 Ltd., a further entity controlled by Stewart Blusson, converted their twenty-eight (28) percent participating interest in the Buffer Zone into gross production royalty interests, Archon Minerals holding a 2.07% royalty

interest and 1012987 B.C. Ltd. holding a 0.23% royalty interest. Archon and 1012987 B.C. Ltd. amalgamated as one company under the name of Archon on March 27, 2018. As a result, Archon is entitled to a royalty interest of 2.3% of the "Computed Value" of production from the Buffer Zone, calculated as (a) total of (i) the gross proceeds of sale during the year of Buffer Zone diamonds sold to persons that are not related to Dominion Diamond and (ii) the market value of all Buffer Zone diamonds that were otherwise sold or transferred during the year to persons that were related to Dominion Diamond at the time of such sale or transfer; plus (b) the market value of any inventories of Buffer Zone diamonds as at the end of the year; minus (c) the market value of any inventories of Buffer Zone diamonds as the beginning of the year; plus (d) the amount of any proceeds received, during the year, from insurance on Buffer Zone diamonds.

43. The Ekati Mine is a remote site with strictly controlled access and security. The mine can be accessed by air year-round, and by a 425 km ice road that is typically open for approximately 8 - 10 weeks out of the year, from early February to late March. The ice road is constructed and maintained each winter through a joint venture among Dominion Diamond, DDMI, and De Beers Canada Inc. Nearly all supplies required for the mine, including fuel, lubricants, construction materials and bulk explosives, are transported to the Ekati Mine over this road. For year-round access, the Ekati Mine is equipped with an all season runway and airport facilities suitable for safely accepting small to large aircrafts. Air transport is used year round for transport of personnel to and from the site as well as light or perishable supplies, and as required for emergency freight.

44. The remoteness of the mine requires it to operate like a self-contained community, generating its own electricity and potable water, managing its own wastes including sewage and effluent treatment, maintaining emergency response and medical services, offering site-based recreation and education facilities, and providing meals and single-occupancy quarters. All of the mine workings, tailings impoundments, mine rock stockpiles, ore processing operations, shops and other service facilities/utilities including dining and accommodations are integrated within the Ekati Mine site.

45. Key infrastructure on the Ekati Mine site includes the open pits, underground mines, sample and process plants, waste rock storage and processed kimberlite storage facilities, buildings (mobile and permanent), pipelines, pump stations, electrical systems, quarry site, camp pads and lay-downs, ore storage pads, roads, culverts and bridges, airstrip, helipad, and mobile equipment.

46. Within the footprint of the Ekati Mine mining leases, Dominion Diamond holds ten (10) surface leases, which provide surface tenure for current operational infrastructure. The surface leases were issued by Canada under the *Territorial Lands Act* and *Territorial Lands Regulations* and have since April 1, 2014 been maintained by the GNWT in accordance with the terms of the devolution agreement between Canada and the GNWT.

47. Pursuant to an Environmental Agreement dated as of January 6, 1997 (the "**Ekati Environmental Agreement**"), Dominion Diamond (as successor to each of Dominion Diamond Ekati Corporation and BHP Canadian Diamonds Company) is obligated to provide financial security to GNWT for its obligations under the Ekati Environmental Agreement. Aviva Insurance Company of Canada ("**Aviva**") has posted surety bonds with the GNWT on behalf of Dominion Diamond in the aggregate amount of approximately CDN $19.9 million as this security.

48. Dominion Diamond holds eleven (11) Type A land-use permits issued by the Wek'eezhii Land and Water Board ("**WLWB**") pursuant to the *Mackenzie Valley Resource Management Act*. In order to secure the obligations under applicable land use permits, Aviva has posted surety bonds with the GNWT on behalf of Dominion Diamond in the aggregate amount of CDN $1.48 million.

49. Dominion Diamond holds one Type A water licence (the "**Type A Water License**"), which was issued by the WLWB pursuant to the *Territorial Waters Act* and was effective as of July 30, 2013 for an 8-year term, expiring on August 18, 2021, and one Type B water license (the "**Type B Water License**") which was effective as of June 13, 2017 for a 5-year term, expiring on May 28, 2022. The Type A Water License provides for use of water and impacts to water associated with the Ekati Mine. The Type B Water License grants approval for a watercourse crossing associated with the Ekati Mine.

50. The Type A Water Licence requires that Dominion Diamond provide financial security for the estimated cost of reclamation of the Ekati Mine, based on the Interim Closure and Reclamation Plan approved by the WLWB in 2011 and subsequent Closure and Reclamation Process Reports. The Type B Water License does not require financial security.

51. The amount of financial security required with respect to the Type A Water License is currently set at approximately CDN $259.5 million with additional amounts required for specific development triggers. In order to secure the obligations under the Type A Water Licence, Aviva and Zurich Insurance Company Ltd. ("**Zurich**") have posted surety bonds with the GNWT on

behalf of Dominion Diamond in the aggregate amount of approximately CDN $271 million and irrevocable letters of credit ("**LOCs**") in the aggregate amount of CDN $3.1 million.

52. In connection with the surety bonds, Dominion Diamond has entered into indemnity agreements with both Aviva and Argonaut Insurance Company ("**Argonaut**"), as co-sureties, and Zurich whereby Dominion Diamond agrees to indemnify Aviva, Argonaut and Zurich for any loss suffered by or claimed against these entities in connection with the surety bonds they have issued to the GNWT on behalf of Dominion Diamond.

53. Dominion Diamond holds two (2) authorizations pursuant to the *Canadian Navigable Waters Act*, which allow certain structures to interfere with navigation, and three (3) fisheries authorizations pursuant to the *Fisheries Act*, which permit the alteration fish habitat in specified circumstances.

54. As noted above, as a critical step taken to align its operations with the need to protect the health of Dominion's employees working at the Ekati Mine, and to support the strategies of both Canada and the GNWT aimed at reducing the spread of COVID-19, Dominion has placed the Ekati Mine on temporary care and maintenance status. This step has reduced the workforce required to travel to site to minimum levels in order to ensure the continuation of essential functions only and to protect the integrity of the operation of the Ekati Mine for eventual restart. Essential functions conducted under care and maintenance include dewatering of the mines, maintaining facility water levels, compliance with regulatory requirements including those referenced above (i.e. boiler, water quality, maintenance and similar matters), camp catering, housekeeping and janitorial service to support employees on site, site road maintenance, and delivery of freight for care and maintenance. These measures allowed for the Ekati Mine's workforce to be reduced to essential personnel only which results in a net reduction of individuals actively employed by Dominion Diamond by approximately 400 employees.

iii. Diavik Mine

55. Dominion Diamond acquired its forty (40) percent interest in the Diavik Mine pursuant to a joint venture agreement dated as of March 23, 1995 (as amended, the "**Diavik JVA**") between Dominion Diamond (as successor to Aber Resources Limited) and DDMI (as successor to Kennecott Canada ULC). DDMI is the operator of the Diavik Mine.

56. The Diavik Mine, consisting of the mine site and surrounding exploration properties, is located on a 20-kilometer island in Lac de Gras, approximately 300 km northeast of Yellowknife.

57. Like the Ekati Mine, the Diavik Mine is also a self-contained community on a remote site with strictly controlled access and security. Access to the mine is also by air year-round, and by a 425 km ice road that is typically open for approximately 8-10 weeks, from early February to late March.

58. All licenses and permits required to undertake operations at Diavik Mine are held by DDMI, as operator. All employees engaged at the Diavik Mine are the employees of DDMI.

59. Pursuant to the Diavik JVA, Dominion Diamond is obligated to contribute forty (40) percent of the costs of the Diavik Mine on an ongoing basis (the "**Diavik JVA Payment Obligations**"). If Dominion Diamond fails to pay its Diavik JVA Payment Obligations, DDMI may make such payment on behalf of Dominion Diamond (a "**Diavik JVA Cover Payment**").

60. Dominion Diamond has granted a security interest in favour of DDMI over its participating interest in the Diavik Mine, its net profit royalty with respect to the Diavik Mine, and its proportionate share of the assets of the Diavik Mine (collectively, "**Diavik JVA Assets**") as security for any and all Diavik JVA Cover Payments.

61. In support of certain reclamation obligations owing in connection with the Diavik Mine, DDMI and Dominion Diamond entered into a closure security agreement on December 13, 2019 (the "**Closure Security Agreement**"), whereby Dominion Diamond agreed to deliver one or more LOCs to DDMI as security for its proportionate share of the total closure costs of the Diavik Mine. As of March 11, 2020, Dominion Diamond has delivered six (6) LOCs issued under the Credit Agreement in the aggregate amount of CDN $105 million as security for the reclamation obligations owing by DDMI to GNWT in connection with the Closure Security Agreement and is obligated to post an additional CDN$35 million on January 1, 2021.

62. In addition to a royalty in favour of the GNWT (discussed below), production from the Diavik Mine is subject to two (2) private commercial royalties (each of which Dominion Diamond is responsible for forty (40) percent of, in accordance with its proportional interest in the Diavik JVA Assets), one in favour of Sandstorm Gold Ltd. (as successor to Repadre Capital Corporation) and one in favour of Christopher Jennings, each in the amount of 1% of the net value of the output of the Diavik Mine.

iv. Other Projects

63. Dominion Diamond has an ownership interest in a block of mineral claims and mining leases in the Lac de Gras through an unincorporated joint venture between North Arrow Minerals Inc. ("**North Arrow**") and Dominion Diamond (the "**LDG JV**"). The LDG JV encompasses a large, contiguous block consisting of one hundred and fifty-eight (158) mineral claims and thirty-two (32) mining leases, covering an area of 147,200 hectares. It is currently the subject of a multi-phased exploration program. The LDG JV is operated by Dominion Diamond. The participating interests of the parties to the LDG JV are recalculated on a quarterly basis. As of March 31, 2020, Dominion Diamond's interest in the LDG JV is 77.27% with the remaining 22.73% interest being held by North Arrow.

64. Dominion Diamond also holds one hundred and forty-nine (149) mineral leases in the Northwest Territories and Nunavut, covering an area of 132,560 hectares and bordering the eastern side of the Diavik Mine property (the "**Glowworm Lake Property**"). The Glowworm Lake Property is also subject to an exploration program.

65. The LDG JV and Glowworm Property are subject to many of the same regulatory and environmental requirements as the Ekati and Diavik Mines and Dominion has provided certain ILOCs and bonds in connection with these projects in compliance with such requirements.

E. Secured Financing Facilities and Debt Obligations

(a) Credit Agreement

66. Pursuant to a credit agreement dated as of November 1, 2017 (as amended, the "**Credit Agreement**") among Dominion Diamond (as successor to Northwest Acquisition ULC), as borrower, the lenders party thereto from time to time (the "**Credit Agreement Lenders**"), as lenders, and Credit Suisse AG, Cayman Islands Branch, as the administrative agent for the benefit of the Credit Agreement Lenders (the "**Administrative Agent**"), the Credit Agreement Lenders agreed to extend a $200 million revolving loan to Dominion Diamond on a senior secured basis (the "**Revolving Facility**"). The Credit Agreement is governed by the laws of the State of New York.

67. The Credit Agreement was amended and supplemented multiple times, including pursuant to a March 4, 2020 amendment whereby, among other things, the Revolving Facility was reduced to $150 million.

68. Revolving Facility draws totaling approximately US$70 million in cash have been received by Dominion Diamond with a further CDN$110,856,961 having been utilized for the purpose of obtaining LOCs such that the total of US$150 million available under the Revolving Facility has been fully utilized. As of April 20, 2020, the accrued interest on the portion of the Revolving Facility drawn in cash was US$178,651.64.

69. To secure Dominion Diamond's obligations under the Credit Agreement, the Applicants granted the following security to the Administrative Agent for the benefit of the Credit Agreement Lenders (the "**Credit Agreement Security**"):

(a) subject to the Diavik-Credit Agreement Subordination Agreement (as defined below), a first ranking security interest in all of the Applicants' present and future personal property pursuant to various general security agreements and trademark and copy right security agreements;

(b) a guarantee by each of Dominion Delaware, Dominion Canada, Dominion Finco, Washington Diamonds, and Dominion Holdings guaranteeing the obligations of Dominion Diamond under the Credit Agreement;

(c) Washington Diamonds granted a pledge of its shares in Dominion Holdings pursuant to a pledge agreement;

(d) Dominion Diamond granted a pledge of its shares in Dominion Delaware pursuant to a pledge agreement;

(e) Dominion Delaware granted a pledge of its shares in Dominion Canada pursuant to a pledge agreement;

(f) Dominion Holdings granted a pledge of its shares in Dominion Diamond and Dominion Finco pursuant to a pledge agreement; and

(g) Dominion Holdings granted a pledge of sixty five (65) percent of its shares in Dominion Marketing, Dominion India and Dominion Belgium pursuant to various pledge agreements.

(b) Trust Indenture

70. Pursuant to a trust indenture dated as of October 23, 2017 (as amended or supplemented, the "**Trust Indenture**") among Dominion Diamond (as successor to Northwest Acquisition ULC) and Dominion Finco, as co-issuers, and Wilmington Trust, National Association, as trustee (the "**Trustee**"), Dominion Diamond and Dominion Finco have issued 7.125% senior secured second lien notes in an initial aggregate principal amount of up to $550 million (the "**Notes**"). The Trust Indenture is governed by the laws of the State of New York.

71. The amounts owing to the note holders with respect to the Notes as of April 20, 2020, with interest, total $556,328,125.

72. To secure the obligations under the Trust Indenture, the Applicants granted the same security package as was granted in connection with the Credit Agreement which, pursuant to an Intercreditor Agreement (described below), ranks in a second lien position behind the Credit Agreement Security.

73. The "**Trust Indenture Security**" includes:

(a) subject to the Diavik-Trust Indenture Subordination Agreement (as defined below), a second ranking security interest in all of the Applicants' present and future personal property pursuant to various general security agreements and trademark and copy right security agreements;

(b) a guarantee by each of Dominion Delaware, Dominion Canada, Dominion Finco, Washington Diamonds and Dominion Holdings guaranteeing the obligations of Dominion Diamond under the Trust Indenture;

(c) Washington Diamonds granted a pledge of its shares in Dominion Holdings pursuant to a pledge agreement;

(d) Dominion Mine granted a pledge of its shares in Dominion Delaware pursuant to a pledge agreement;

(e) Dominion Delaware granted a pledge of its shares in Dominion Canada pursuant to a pledge agreement;

(f) Dominion Holdings granted a pledge of its shares in Dominion Diamond and Dominion Finco pursuant to a pledge agreement; and

(g) Dominion Holdings granted a pledge of sixty five (65) percent of its shares in Dominion Marketing, Dominion India, and Dominion Belgium pursuant to various pledge agreements.

(c) Intercreditor and Subordination Agreements

74. On November 1, 2017 Dominion Diamond (as successor to Northwest Acquisition ULC), Dominion Delaware, the Administrative Agent, in its capacity as agent for the Credit Agreement Lenders and the Trustee in its capacity as trustee for the note holders under the Trust Indenture, entered into an Intercreditor Agreement (the "**Intercreditor Agreement**") to, among other things, set out the priority of their respective security interests and enforcement rights under the Credit Agreement Security and the Trust Indenture Security. Pursuant to certain supplements, the remaining Applicants, joined and agreed to the terms of the Intercreditor Agreement.

75. Pursuant to the Intercreditor Agreement, the parties agreed that the obligations under the Credit Agreement would have priority over and be senior in all respects and prior to any lien on the shared collateral securing the obligations under the Trust Indenture.

76. On November 1, 2017, DDMI, Dominion Diamond (as successor to each of Dominion Diamond Diavik Limited Partnership and Northwest Acquisition ULC) and the Administrative Agent, entered into a subordination agreement (the "**Diavik Credit Agreement Subordination Agreement**") whereby each of the parties agreed that the security interest granted in favour of the Administrative Agent on behalf of the Credit Agreement Lenders in the Diavik JVA Assets is subordinate to the security interest granted in the Diavik JVA Assets in favour of DDMI, to secure any Diavik JVA Cover Payment owed by Dominion Diamond to DDMI under the Diavik JVA.

77. On November 1, 2017, DDMI, Dominion Diamond (as successor to each of Dominion Diamond Diavik Limited Partnership and Northwest Acquisition ULC) and the Trustee, entered into a subordination agreement (the "**Diavik Trust Indenture Subordination Agreement**") whereby each of the parties agreed, amongst other things, that the security interest granted in favour of the Trustee on behalf of the note holders under the Trust Indenture in the JVA Assets is subordinate to the security interest granted in the Diavik JVA Assets in favour of DDMI, to secure any Diavik JVA Cover Payment owed by Dominion to DDMI under the Diavik JVA.

F. Government and Indigenous Agreements

78. Dominion Diamond operates the Ekati Mine under an "**Environmental Agreement**" with Canada and the GNWT that was concluded in 1997. As a result of the 2014 devolution agreement among Canada and the GNWT, the GNWT has assumed the responsibilities and obligations of Canada under the Environmental Agreement (Canada retains some jurisdiction with respect to matters substantially within the jurisdiction of Canada under the Environmental Agreement).

79. The Environmental Agreement is binding over the Ekati Mine's life-of-mine until full and final reclamation has been completed. The Environmental Agreement provides for an Independent Environmental Monitoring Agency which operates at arm's length and independent of the parties to the Environmental Agreement as a public watchdog of the regulatory process and implementation of the Environmental Agreement. The security currently required under the Environmental Agreement is set at CDN $19.9 million, which is secured by way of an Aviva surety bond. Dominion Diamond has also provided a letter of guarantee to the GNWT in the amount of CDN $20 million under the Environmental Agreement for the Ekati Mine.

80. A "**Socio-Economic Agreement**" was concluded with the GNWT with respect to the Ekati Mine and has been in place since 1996. Pursuant to this agreement, Dominion Diamond provides financial support for long-term sustainable community development projects. Dominion Diamond also works to incorporate traditional knowledge in environmental monitoring programs through discussions with communities and on-the-land initiatives which provide direct input into these programs. These programs contribute approximately CDN $5 million annually to local communities.

81. Pursuant to the Socio-Economic Agreement, a royalty is payable to the GNWT (the "**Ekati NWT Royalty**") on production from the Ekati Mine. The Ekati NWT Royalty payable is equal to the lesser of either (i) thirteen (13) percent of the output value of the mine, or (ii) an amount calculated based on a sliding scale of royalty rates dependent upon the value of output of the mine, that can range from five (5) percent for production between CDN $10,000 and CDN $5 million to fourteen (14) percent for production over CDN $45 million. The total amount of Ekati NWT Royalty payments made to the GNWT since November 1, 2017 is approximately CDN$4.8 million.

82. In addition to the Ekati NWT Royalty, a royalty is payable by Dominion Diamond and DDMI to the GNWT, equal to the lesser of either (a) thirteen (13) percent of the output value of the mine,

or (b) an amount calculated based on a sliding scale of royalty rates dependent upon the value of output of the mine, that can range from five (5) percent for production between CDN$10,000 and CDN$5 million to fourteen (14) percent for production over CDN$45 million (the "**Diavik NWT Royalty**"). Dominion Diamond is responsible for forty (40) percent of Diavik NWT Royalty in accordance with its proportionate share in the Diavik Mine. The total amount of Diavik NWT Royalty payments made by Dominion Diamond to the GNWT since November 1, 2017 is approximately CDN$13.8 million.

83. Dominion Diamond also has private Impact Benefit Agreements ("**IBAs**") with four Indigenous groups: Tlicho, Akaitcho, North Slave Metis Alliance and the Kitikmeot Inuit Association. The IBAs operate under a policy based on mutual respect, active partnership and long-term commitment. The IBAs extend over the life-of-mine of the Ekati Mine, and provide mine-related training, employment, business development, and capacity-building opportunities to members of the four Indigenous groups.

84. In connection with the Washington Arrangement, Dominion Diamond has also provided certain undertakings (the "**Canada Undertakings**") to Canada with respect to, among other things, maintaining the Canadian independence of Dominion Diamond's business, compliance with the Socio-Economic Agreement, the Environmental Agreement, and the IBAs, and supporting trade and industrial training in the Northwest Territories. These undertakings and capital spend include a commitment to ensuring that Dominion Diamond will continue as a stand-alone Canadian business with at least eighty (80) percent of senior management positions held by Canadians, maintain a workforce comprised of at least sixty two (62) percent northern residents through the operational phase of the Ekati Mine (as required by the Socio-Economic Agreement), and provide Indigenous businesses with notice of supply opportunities and assist those businesses with obtaining financing (as required by the IBAs).

85. Dominion notified Canada's Minister of Innovation, Science, and Economic Development that its ability to fully comply with the Canada Undertakings may be adversely impacted by its decisions to (a) temporarily cease production at the Ekati Mine and instead limit operations at the Ekati Mine to care and maintenance; and (b) reduce the operations of Dominion's Calgary and Yellowknife offices. Canada acknowledged receipt of Dominion's notice and has not requested further information at this time.

E. Employees and Community Investment

86. As noted above, putting the Ekati Mine on care and maintenance status on March 19, 2020 has required Dominion Diamond to reduce its operations to essential personnel only, which has resulted in a temporary net reduction of Canadian individuals actively employed by Dominion Diamond by approximately 400 employees from 634 to 212.

87. As at April 16, 2020, Dominion Diamond employs the services of 634 individuals in Canada (of whom 212 are actively employed in Canada). The company's employees and contractors come from eleven (11) provinces and territories with greatest representation in the Northwest Territories and Alberta. Dominion's total workforce is presently comprised of: (a) 403 unionized employees (of whom 84 are actively employed); (b) 231 non-unionized employees (of whom 128 are actively employed); and 380 contractors.

88. With respect to its unionized employees, Dominion Diamond (as successor to Dominion Diamond Ekati Corporation) is party to a Collective Agreement signed 10 November, 2017 with the Public Service Alliance of Canada (as represented by its component, the Union of Northern Workers, Diamond Workers Local X3050), as amended by a Memorandum of Settlement signed June 25, 2018.

89. As of the date of my affidavit, the Applicants are current on their payroll obligations, including accrued and unpaid wages, and source deductions. The Applicants currently have an estimated liability for accrued but unpaid vacation pay of approximately CDN $3 million.

90. As a northern employer and party to the Socio-Economic Agreement with the GNWT, Dominion Diamond has a policy of maximizing the number of employees and contractors from the Northwest Territories, including local Indigenous communities. Employment of northern residents, and Indigenous residents specifically, is a priority.

91. In 2019, based on a "person year" basis, with one person equaling 2080 hours per year, Dominion Diamond has filled approximately forty-five (45) percent of permanent employee positions with northern residents, of which approximately sixty-nine (69) percent are Indigenous northerners. A further approximately thirty-five (35) percent of Dominion Diamond's contractor work force is comprised of northern residents, of which approximately forty-five (45) percent are Indigenous northerners. In terms of total workforce numbers, Dominion Diamond continues to exceed the targets set out in the Socio-Economic Agreement.

92. In addition to providing employment to northern and Indigenous residents of the Northwest Territories, Dominion Diamond supports numerous socially significant sustainable development projects, as identified by local northern communities and Indigenous groups. Dominion reports on its social development projects on an annual basis pursuant to its Socio-Economic Agreement with the GNWT. A copy of the 2019 Ekati Mine Socio-Economic Agreement Report is attached as **Exhibit "B"**.

93. Dominion Diamond's social development projects are guided by the Ekati Mine Engagement Plan, which outlines the activities that play a significant role in maintaining the company's partnerships with local communities. Pursuant to this initiative, Dominion Diamond holds regular community and IBA meetings, workshops and site visits, and include Elders and youth in Traditional Knowledge and environmental monitoring projects. Dominion Diamond's Ekati Plus initiative includes the Ekati Plus Community Development Program, the Ekati Plus Post-Secondary Scholarship Program, and the Ekati Plus School Partnership Program.

94. Through IBA payments, scholarships, and donations, Dominion Diamond contributed over $5 million in 2019 to communities in the Northwest Territories and Kugluktuk, Nunavut. An equivalent amount of payment was made by the company in 2018.

F. Pension Plans

95. Dominion Diamond sponsors various pension plans for its employees: (a) a registered defined benefit pension plan (the "**DB RPP**"); (b) a supplemental non-registered defined benefit pension plan (the "**DB SPP**"); (c) a registered defined contribution pension plan (the "**DC RPP**"); and (d) a supplemental non-registered defined contribution pension plan (the "**DC SPP**"). The DB RPP and DC RPP are both registered under the *Pension Benefits Standards Act, 1985* ("**PBSA**"); neither of the DB SPP nor the DC SPP are required to be registered under the PBSA.

96. The DB RPP covers employees in Canada who were employed by BHP Billiton Canada Inc. ("**BHP**") in its diamond business prior to June 30, 2004. As a result of a predecessor entity of Dominion Diamond's acquisition of the Ekati Mine from BHP, the DB RPP was inherited by Dominion Diamond. Pension benefits under the DB RPP are based on the length of service and highest average covered earnings. Based on a draft actuarial valuation report prepared for Dominion Diamond in accordance with International Accounting Standard 19 (*Employee Benefits*) ("**IAS 19**"), the DB RPP had a net defined benefit liability of CDN$20,351,000 as at December 31, 2019 (defined benefit obligation of CDN$111,647,000 and fair value of assets of CDN$91,296,000).

97. The DB RPP is required to be funded in accordance with the funding requirements of the PBSA and the regulations thereunder, which generally require pre-funding of benefits under the DB RPP along with amortization of funding deficits. However, on April 15, 2020, the Canadian Department of Finance announced a moratorium on solvency payment requirements for defined benefit plans through the remainder of 2020 that would otherwise apply for plans registered under the PBSA.

98. The DC RPP is a defined contribution pension plan for which fixed contributions are contributed by an employer on an ongoing basis as required by the PBSA and regulations thereunder.

99. The DB SPP and DC SPP are supplemental pension plans which are contractual “pay-as-you-go” arrangements. Based on a draft actuarial valuation report prepared for Dominion Diamond accordance with IAS 19, the net defined benefit liabilities of the DB SPP and DC SPP, as at December 31, 2019 were CDN$1,101,000 and CDN$398,000, respectively.

100. The figures presented in the Mercer Report for the DB RPP, the DB SPP and the DC SPP were estimates as of December 31, 2019, which may have changed materially given recent market volatility and interest rate changes.

III. THE NEED FOR CREDITOR PROTECTION

101. The unprecedented financial strains placed on Dominion’s business as a result of global travel and trade restrictions imposed in connection with the COVID-19 pandemic have been sudden and devastating in their reach and effects. As noted above, diamonds with a book value of approximately $180 million have been effectively trapped as the sorting facilities which analyze rough diamonds to prepare them for sale and the diamond exchanges which facilitate the sale of rough diamonds are currently closed.

102. Accordingly, while the Applicants have significant business operations and assets, the capital and constant liquidity required to conduct their operations, together with a combination of factors outside of their control, have placed them in a liquidity crisis. While Dominion has scaled back operations and reduced costs where possible, most significantly by putting the Ekati Mine on care and maintenance, it must continue basic operations at the Ekati Mine to protect the health and safety of its current employees, safeguard the environment, and preserve the Ekati Mine assets and infrastructure. In the circumstances, Dominion is unable to mitigate the substantial

costs associated with servicing its third-party debt and making payments it owes to its joint venture partner at the Diavik Mine.

103. In order to mitigate those costs which are in its control, Dominion has continued with the implementation of a cost optimization strategy that it had commenced prior to the recent COVID-19 related disruptions to its business. This strategy has involved steps taken over the course of the past two years to reduce the company's operations costs by more than $127 million since January 2018 through, among other things, optimizing employee headcount across all business areas, insourcing certain contractor functions to create synergies with existing on-site staff, improving controls over the maintenance process and replacement of parts utilized at mine sites, and reducing overall equipment hours as part of a strategy to improve mine efficiency. These strategies have had knock-on effect on other costs.

104. Dominion has also engaged Evercore Inc. ("**Evercore**") as a financial advisor to the company.

105. Evercore is a leading independent investment banking advisory and investment management firm. Evercore's investment banking business includes its advisory business, which advises corporations on mergers and acquisitions, divestitures, special committee assignments, recapitalizations, restructurings, and other strategic transactions. Evercore and its affiliates serve a diverse set of clients around the world from its offices in multiple countries. I understand that, since the beginning of 2000, Evercore's corporate advisory and restructuring advisory groups have advised on over $2.0 trillion of transactions. Its restructuring professionals provide investment banking services in financially distressed situations, including advising debtors, creditors, and other constituents in in-court and out-of-court restructurings.

106. Evercore's role with Dominion Diamond includes, but is not limited to, reviewing and analyzing the Applicants' business, operations, and financial projections, communicating with lenders, other stakeholders, and their advisors, and advising and assisting the Applicants in negotiating the terms of a comprehensive restructuring framework. In furtherance of this role, Evercore has evaluated several strategic alternatives, including potential financings, refinancing, amendments, waivers, forbearances, and debt issuances, exchanges, and purchases, as well as potential out-of-court and in-court restructuring options.

107. Notwithstanding their cost cutting efforts, and the restructuring options they are considering, the current inability to sell rough diamonds on the world market has resulted in

immediate liquidity challenges that have rendered the Applicants unable to fund the CDN$16 million cash call made by DDMI on April 15, 2020 that is due on April 22, 2020.

108. Failure by Dominion to meet the CDN $16 million Diavik JVA Payment Obligation would result in a cascade of defaults under the Diavik JVA, the Credit Agreement, and the Trust Indenture that would place substantially all of Dominion's assets in jeopardy.

109. Dominion Diamond has granted a security interest in favour of DDMI over its Diavik JVA Assets to secure any Diavik JVA Cover Payment owed by Dominion to DDMI under the Diavik JVA. If DDMI makes Diavik JVA Cover Payment, it may take steps to enforce its security against the JVA Assets.

110. If Dominion Diamond fails to meet its obligations with respect to the Diavik JVA Payment Obligations, and DDMI makes a Diavik JVA Cover Payment, such indebtedness owing to DDMI would result in an immediate default under the Credit Agreement unless an Applicant receives a capital contribution at least equal to the amount of the Diavik JVA Cover Payment.

111. Dominion is unable to meet its obligations with respect to the $20 million interest payment due on the Notes on May 1, 2020 which, if not made within a thirty (30) day cure period, would cause Dominion Diamond to be in default under the Trust Indenture and the Credit Agreement.

112. Faced with these circumstances, the Applicants require a stay of proceedings in order to maintain the status quo and obtain the breathing room required to consider strategic restructuring alternatives and pursue and implement a restructuring strategy. It is imperative for the success of any such strategy that current and potential actions against the Applicants be stayed and that their current customer and supplier contracts and arrangements are preserved.

113. With the benefit of the protection afforded by the CCAA, the Applicants will be able to maintain the value of the Applicants' assets, preserve jobs for Dominion Diamond's employees, and generally stabilize Dominion's business operations for the continued benefit of Dominion's stakeholders, including contractors, private and government partners, and the local northern communities in which Dominion operates.

114. In the absence of the imposition of a stay of proceedings and the granting of other relief afforded by the CCAA, there is the risk that Dominion's significant and complex operations at the Ekati Mine would be disrupted. The potential effects of such disruption could put at risk the well-

being of the environment surrounding the Ekati Mine and the local communities who directly or indirectly depend on the continued operation of the Ekati Mine.

115. To protect against such negative effects and to address the highly-leveraged nature of the Applicants' capital structure and associated liquidity challenges, the Applicants' current plan while under CCAA protection involves, among other things, efforts to:

(a) stabilize operations at the Ekati Mine;

(b) provide comfort to the Applicants' stakeholders of Dominion's ability to continue operating as a going concern as the Applicants continue with their restructuring efforts;

(c) manage Dominion's liquidity challenges and obtain interim financing to address its operating needs pending the implementation of the Applicants' restructuring efforts;

(d) explore potential cost-cutting measures; and

(e) undertake a sale and investment solicitation process, or other process, to maximize the value of the Applicants' business and property for the benefit of stakeholders.

116. While the Applicants are currently in a challenging financial position, they continue to benefit from a strong market reputation, an excellent track record of performance operating the Ekati Mine, and an asset base with significant value. Given a reasonable period to advance their restructuring efforts, with the protections afforded by the CCAA, the Applicants' management is optimistic that the overall value of the Applicants' business will likely be enhanced to the benefit of their stakeholders.

117. Preserving the going concern value of the Applicants' business will likely achieve a better long-term result for the Applicants' stakeholders than a forced liquidation of the Applicants' assets.

IV. RESTRUCTURING MATTERS

A. Financial Statements

118. Copies of the unaudited financial statements of Washington Diamonds for the year ended December 31, 2019 are attached as **Exhibit "C"**.

119. A copy of the audited financial statements of Dominion Holdings, prepared on a consolidated basis to comprise Dominion Diamond, Dominion Marketing, Dominion India, and Dominion Belgium, are attached as **Exhibit "D"**.

120. Copies of the unaudited financial statements of Dominion Diamond, Dominion Canada, and Dominion Delaware for the year ended December 31, 2019 are attached as **Exhibits "E" – "G"**, respectively.

121. Dominion Finco has not been an active company and does not have any financial statements. It has no assets or liabilities other than those described in this affidavit.

B. Summary of Assets and Liabilities

i. Assets

122. As at December 31, 2019, Dominion had total assets with a book value of approximately $1.38 billion, consisting of current assets with a book value of approximately $392 million and non-current assets with a book value of approximately $985 million.

123. Dominion's adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) was approximately $151.3 million in the twelve (12) and eleven (11) months ended December 31, 2019 and approximately $284.3 million in the twelve and eleven months ended December 31, 2018.

124. Dominion's total sales for the twelve (12) and eleven (11) months ended December 31, 2019 were approximately $527.6 million and approximately $689.4 million for the twelve (12) and eleven (11) months ended December 31, 2018.

125. As noted above, the book value of diamond inventory extracted from the Ekati Mine that is currently trapped in the Northwest Territories, India, or Belgium and on which Dominion can't realize profits due to COVID-19 related travel and trade restrictions is approximately $180 million.

126. Dominion India does not have material assets beyond the diamond inventory which it must transfer to Dominium Belgium for sale on behalf of Dominion Diamond. It charges sorting fees on diamonds delivered to it by Dominion Diamond to cover its expenses only. As noted above, the total book value of diamonds transferred by Dominion Diamond to Dominion India for the purpose of sorting and eventual delivery to Dominion Belgium for sale is approximately $26.5 million (with the resulting sale proceeds ultimately being payable to Dominion Diamond less applicable sorting fees and costs).

127. Dominion Belgium does not have material assets beyond the diamond inventory which it sells on behalf of Dominion Diamond. As noted above, the total book value of diamonds transferred by Dominion India to Dominion Belgium for sale is approximately $61 million (with the resulting sale proceeds being payable to Dominion Diamond less the applicable holdback and Dominion India sorting fee).

128. Washington Diamonds, Dominion Holdings, Dominion Canada, Dominion Finco, and Dominion Delaware do not have assets in the United States or Canada other than the amount of CDN$5,000 that each of Washington Diamonds, Dominion Holdings, Dominion Finco, and Dominion Delaware have paid to their legal counsel, Blake, Cassels & Graydon LLP, be held on retainer in Canada.

ii. Liabilities

129. As at December 31, 2019, Dominion had total liabilities with a book value of over approximately $1.2 billion, consisting of current liabilities with a book value of approximately $686 million and non-current liabilities of approximately $531.4 million.

130. Dominion's most urgent present liabilities are the requirement to meet the cash call of CDN$16 million made by DDMI on April 15, 2020 that is due on April 22, 2020, failing which Dominion will be in default of its Diavik JVA Payment Obligations, and the $20 million interest payment due on the Notes on May 1, 2020 which, if not made within a thirty (30) day cure period, would cause Dominion Diamond to be in default under the Trust Indenture and the Credit Agreement.

131. Dominion's substantial liabilities include (a) the secured amount of $70,178,651.64 (including interest) representing the cash portion drawn on the Revolving Facility plus a further CDN$110,856,961 of the total $150 million of the Revolving Facility that has been utilized for the

purpose of obtaining LOCs as of April 20, 2020; and (b) the secured amount of $566,328,125 (including interest) owed to the holders of the Notes as of April 20, 2020.

132. As described, and further discussed in the audited financial statements of Dominion Holdings attached as Exhibit "D", Dominion is also liable for certain performance obligations to the government of Canada and the GNWT pursuant to the various agreements and permits governing operations of the Ekati and Diavik Mines as well as the corresponding guarantees, LOCs, and surety bonds issued in connection with them by the Applicants and the sureties identified above. The ultimate quantum of these liabilities will depend on the ability of Dominion to stabilize and continue with its operations.

133. Dominion Diamond has sixteen (16) *Personal Property Security Act* (Ontario) registrations against its assets by three (3) parties, thirty-three (33) *Personal Property Security Act* (Alberta) registrations including twelve (12) land charges, against its assets by seven (7) parties, twenty-one (21) *Personal Property Security Act* (British Columbia) registrations against its assets by six (6) parties and seventeen (17) *Personal Property Security Act* (Northwest Territories) registrations against its assets by six (6) parties. These registrations are primarily in respect of (a) financed equipment and serial numbed goods, (b) the Diavik JVA Assets and (c) all the present and after-acquired personal property of Dominion Diamond. Additionally, there are two registrations under the *Garage Keepers' Lien Act* (Alberta) in favour of one (1) registrant.

134. Dominion Canada has two (2) *Personal Property Security Act* (Ontario) registrations against its assets by two (2) parties, two (2) *Personal Property Security Act* (Alberta) registrations against its assets by two (2) parties, and two (2) *Personal Property Security Act* (British Columbia) registrations against its assets by two (2) parties. These registrations are in respect of all the present and after-acquired personal property of Dominion Canada. There are no *Personal Property Security Act* registrations against Dominion Canada in the Northwest Territories.

135. Dominion Delaware has two (2) *Personal Property Security Act* (Ontario) registrations against its assets by two (2) parties. These registrations are in respect of all the present and after-acquired personal property of Dominion Delaware. There are no *Personal Property Security Act* registrations against Dominion Delaware in the Northwest Territories, British Columbia or Alberta.

136. There are no *Personal Property Security Act* registrations against Washington Diamond, Dominion Holdings or Dominion Finco in Ontario, British Columbia, Alberta or the Northwest Territories.

C. Payments During CCAA Proceedings

137. During these CCAA proceedings, the Applicants intend to make payments for goods and services supplied to Dominion Diamond post-filing as set out in the cash flow projections referred to below and as permitted by the proposed form of initial CCAA order.

138. Additionally, the Applicants seek the Court's approval to make payment of pre-filing amounts or to honor cheques issued to providers of goods and services prior to the date of filing that the Applicants, in consultation with the proposed monitor, believe are necessary to facilitate the Applicant's ongoing operations and to preserve value in these CCAA proceedings.

139. The payment of pre-filing amounts is crucial for the Applicants to maintain positive relationships with their current goods and services suppliers who are not subject to long-term contracts and who may otherwise increase prices for goods and services provided should these relationships deteriorate. In addition, the Applicants believe that the payment of these pre-filing amounts will ensure the entire business of the Applicants remains intact, which will preserve value for the benefit of the Applicants and their stakeholders.

140. The Applicants anticipate making payments with respect to pre-filing amounts to approximately twenty-eight (28) suppliers of goods and services generally falling into two categories:

(a) suppliers of goods and services that the Applicants will continue to require while the Ekati Mine remains in care and maintenance mode, including suppliers of critical camp, aviation, and logistics services, suppliers of dewatering materials and services, suppliers of critical maintenance services required to maintain buildings, equipment and plant materials during care and maintenance, and finally environmental and safety suppliers whose goods and services are required for the Applicants to meet ongoing regulatory requirements; and

(b) suppliers of goods and services that the Applicants will continue to require as they prepare to come out of care and maintenance mode, including suppliers of labour support services, inspection services, and suppliers of materials that are critical to equipment repair. Some of these suppliers may also be required during care and maintenance mode.

141. The goods and services provided by the above-mentioned categories of suppliers are by their nature critical to supporting Dominion's care and maintenance operations and thereby protecting the health and safety of its employees who remain actively employed in such operations, safeguarding the environment, and preserving the Ekati Mine in compliance with applicable environmental permits and licensing requirements.

142. The ability for the Applicants to make payments to the above-mentioned suppliers is accordingly critical and necessary to maintaining the stability for the continued operation of the Applicants' business during the CCAA proceedings and to allow the Applicants to advance their restructuring efforts for the benefit of their stakeholders.

D. Cash Management

143. Dominion manages its financial affairs an integrated basis given the interwoven nature of its business and uses a centralized system (the "**Cash Management System**") to deal with cash management, collections, disbursements, and intercompany payments and receipts. The Applicants maintain separate bank accounts in Canada with Citibank for each of Dominion Diamond and Dominion Canada as well as for their various joint ventures as described above.

144. It is anticipated that the Applicants will continue to use their existing Cash Management System and will continue to maintain the bank accounts and arrangements already in place during the CCAA proceedings. This approach will minimize any disruption to business operations as the Applicants seek to restructure. The Cash Management System includes the necessary accounting controls to enable the Applicants, the proposed monitor, and this Court to trace funds through the system and ensure that all transactions are adequately documented and readily ascertainable.

145. The Applicants seeks the authority to continue to use the existing Cash Management System and to maintain the funding and banking arrangements already in place.

E. Cash-flow Projections

146. The Applicants recently retained FTI Consulting Canada Inc. ("**FTI**") as the proposed monitor in these CCAA proceedings and to assist the Applicants with the preparation of cash-flow projections as required by the CCAA. The Applicants' management has worked with FTI to prepare the cash-flow projections attached and marked as **Exhibit "H"** hereto for the thirteen (13) week period ending July 17, 2020 (the "**Cash-flow Projections**"). Based on the Cash-flow

Projections, the Applicants should have enough cash to operate through the week ending May 22, 2020.

147. Based on my knowledge of the Applicants' financial position and the assumptions set out in the Cash-flow Projections, I believe that the Cash-flow Projections are accurate and reasonable, noting that:

(a) the hypothetical assumptions set out in the Cash-flow Projections are reasonable and consistent with the purpose of the projections described in the Cash-flow Projections. The probable assumptions are suitably supported and consistent with the Applicants' plans and provide a reasonable basis for the projections. All such assumptions are disclosed in the notes to the Cash-flow Projections;

(b) since the projections are based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material; and

(c) the projections have been prepared solely for the purpose described in the notes to the Cash-flow Projections, using the probable and hypothetical assumptions set out in the notes to the Cash-flow Projections. Consequently, readers of the Cash-flow Projections are cautioned that they may not be appropriate for other purposes.

F. The Monitor

148. Subject to court approval, FTI is prepared to act as monitor of the Applicants in these CCAA proceedings on the terms set out in the proposed Initial Order. Attached as **Exhibit "I"** to this Affidavit is a copy of the signed FTI consent to act as the Applicants' monitor. I believe that FTI is qualified and competent to act as the Applicants' monitor in these proceedings.

G. Court Ordered Charges

i. Administration Charge

149. As noted above, FTI has consented to act as monitor (in such capacity, the "**Monitor**") in these proceedings to provide supervision, monitoring and to generally assist the Applicants with their restructuring efforts, including the potential preparation of a CCAA plan to be put to their creditors pursuant to the terms of the proposed Initial Order and the statutory provisions of the CCAA.

150. The Monitor, counsel for the Monitor and the Applicants' counsel will be essential to the Applicants' restructuring efforts. They are prepared to provide or continue to provide professional services to the Applicants if they are protected by a first-ranking priority charge (the "**Administration Charge**") over the Applicants' assets.

151. The Applicants believe that an Administration Charge in the amount of CDN $3.5 million is fair and reasonable and will provide the level of appropriate protection for the payment of the Applicants' essential professional services given the size and complexity of the Applicants' business.

ii. Directors' and Officers' Charge

152. It is contemplated that the Applicants' directors and officers would be granted a second-ranking priority charge (the "**D&O Charge**") on the assets, property and undertakings of the Applicants' assets up to the maximum amount of CDN $4 million.

153. The Applicants believe that the D&O Charge is fair and reasonable in the circumstances.

154. A successful restructuring of the Applicants' business will only be possible with the continued participation of the Applicants' directors and officers. These individuals have specialized expertise and relationships with the Applicants' stakeholders that cannot be replicated or replaced.

155. The Applicants' directors and officers have the benefit of directors' and officers' liability insurance coverage which is provided as part of the executive liability coverage programme maintained by Washington for its various portfolio companies and the directors and officers of those portfolio companies (the "**D&O Coverage**"). The D&O Coverage provides for $50 million in total coverage and the current policies will expire July 1, 2020. It is comprised of a tower consisting of the following layers:

(a) Primary: Berkshire Hathaway Specialty Insurance, Policy No. 47-EMC-303906-3, limit of $15 million;

(b) First Excess: National Union Fire Insurance Company of Pittsburgh, Pa Policy No. 01-558-99-44, limit of $15 million;

(c) Second Excess: Axis Insurance Company Policy No. MSN712491/01/2019, limit of $10 million; and

(d) Third Excess: Travelers Casualty and Surety Company, Policy No. 10559533, limit of $10 million.

156. Although the D&O Coverage insures the directors and officers of the Applicants for certain claims that could be brought against them in their capacities as directors and/or officers of the Applicants, the Applicants share the D&O Coverage limits with a number of other entities within the Washington Corporations portfolio that are not listed on the organizational chart attached as Exhibit "A". The D&O Coverage could therefore be eroded by claims against these other entities and/or their directors and officers. The D&O Coverage is also subject to conventional exclusions and limitations. Accordingly, there is a potential for insufficient coverage in respect of potential director and officer liabilities incurred in connection with these CCAA proceedings. The directors and officers of the Applicants have expressed their desire for certainty with respect to their potential personal liability if they continue in their current capacities in the context of these CCAA proceedings.

157. The D&O Charge is vital to encouraging the continued participation of the directors and officers in these CCAA proceedings. The Applicants' directors and officers will provide necessary experience and stability to the Applicants' business and guide the Applicants' restructuring efforts. It is critical that a level of continuity be maintained within the Applicants to ensure focus on achieving a restructuring plan that will benefit the Applicants' stakeholders.

iii. Interim Financing

158. As noted above, the Applicants have recently engaged Evercore as a financial advisor to the company. Evercore is actively involved, or will be actively involved, in assisting the Applicants with soliciting proposals from and negotiating with key stakeholders across the Applicants' capital structure including initiating and managing any due diligence process conducted by stakeholders and potential third parties as part of the Applicants' restructuring efforts in the context of these CCAA proceedings.

159. As demonstrated in the Cash-flow Projections, the Applicants will require interim financing to pursue their restructuring efforts in the context of these CCAA proceedings and to allow payment of financial obligations, including obligations to employees and trade creditors, as well

as to allow the Applicants to properly retain both the proposed monitor and legal counsel to assist and advise the Applicants in relation to restructuring options.

160. With the assistance of Evercore, the Applicants are currently pursuing interim financing and expect to apply to this Court at a comeback hearing for approval of such arrangements (including an interim-lender's charge) once finalized.

V. CONCLUSION

161. As a result of ongoing market challenges and further reduced diamond prices associated with the current COVID-19 global pandemic, and the Applicants' overall financial position and highly-leveraged capital structure, the Applicants and their respective boards of directors have determined that the commencement of these CCAA proceedings are in the best interest of the Applicants and their respective stakeholders.

SWORN BEFORE ME at Calgary, Alberta this 21st day of April, 2020.	)	
A Commissioner for Oaths in and for the Province of Alberta	)	Kristal Kaye **KRISTAL KAYE**

Morgan Crilly
Barrister & Solicitor

TAB A

This is Exhibit "**A**" referred to in the Affidavit of **KRISTAL KAYE** sworn before me this 21 day of April, 2020.

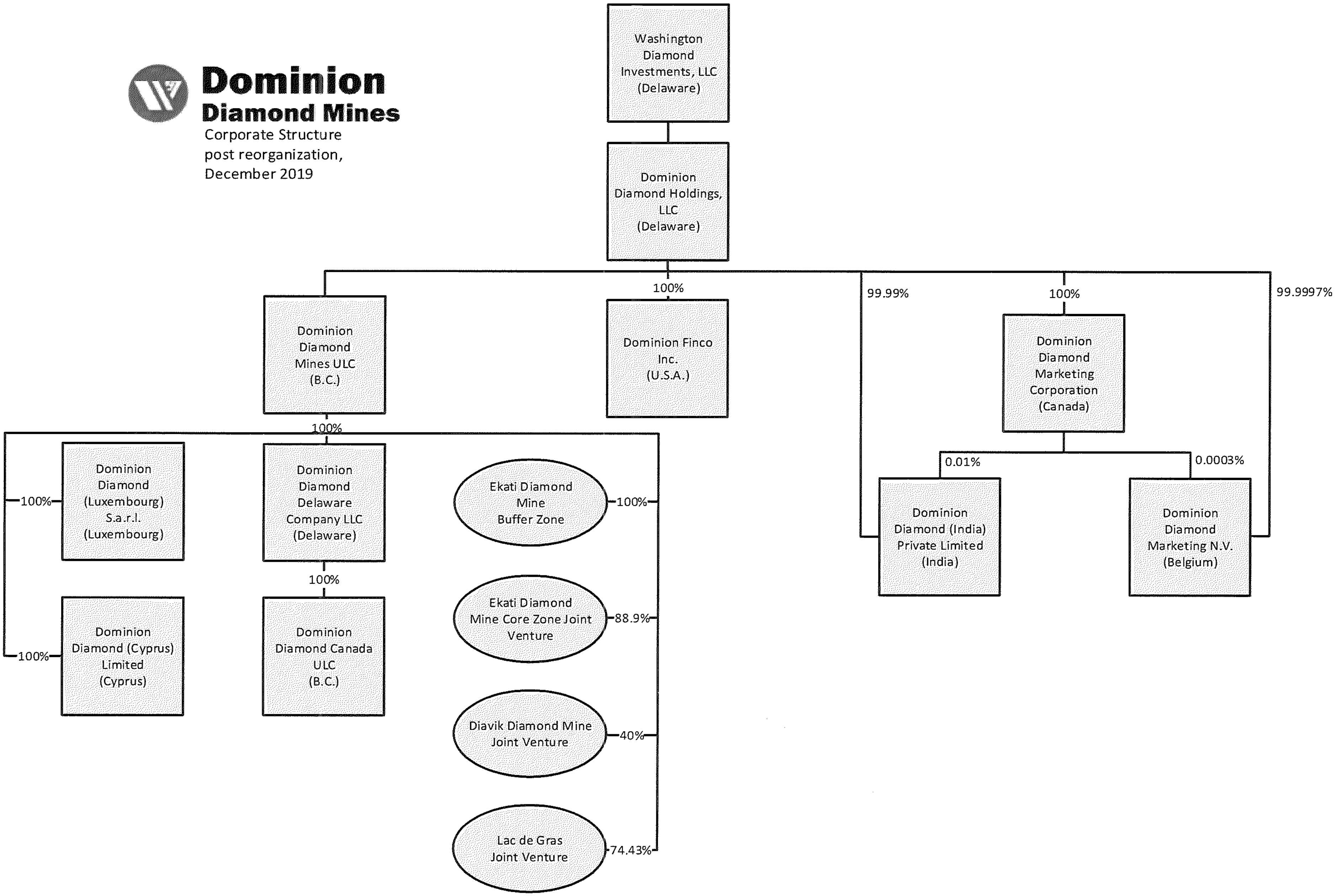
A Commissioner for Oaths in and for Alberta

Morgan Crilly
Barrister & Solicitor

Schedule A-1

DOMINION DIAMOND MINES ULC ORGANIZATIONAL CHART

Dominion Diamond Mines
Corporate Structure
post reorganization,
December 2019



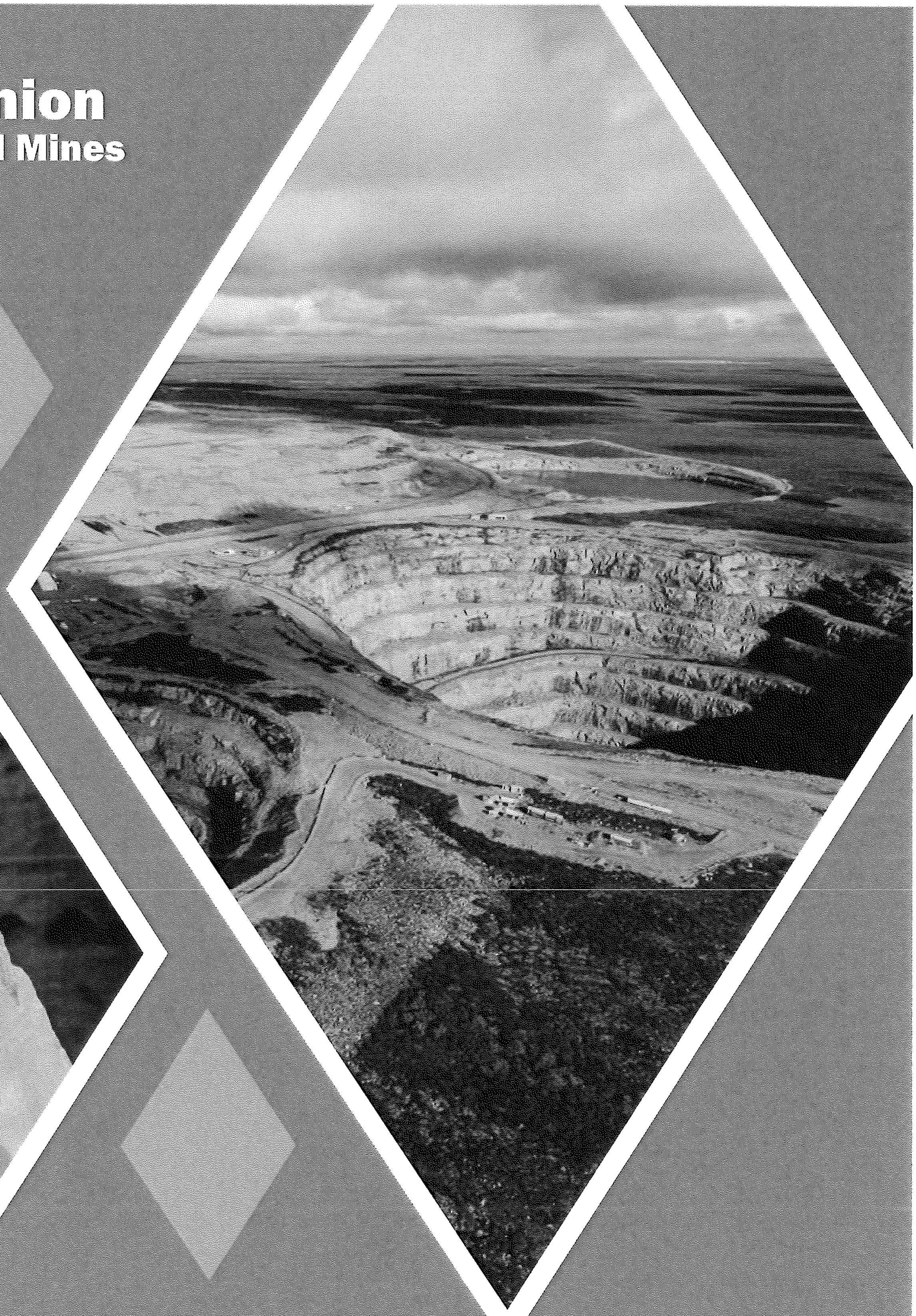
TAB B

This is Exhibit "**B**" referred to in the Affidavit of **KRISTAL KAYE** sworn before me this 21 day of April, 2020.

A Commissioner for Oaths in and for Alberta

Morgan Crilly
Barrister & Solicitor

Dominion
Diamond Mines

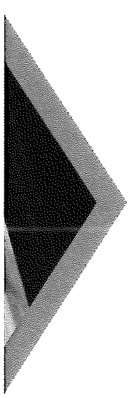


2019

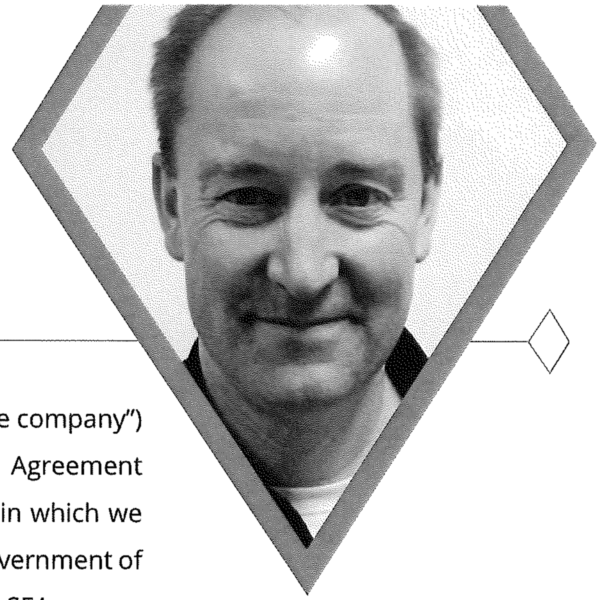
EKATI DIAMOND MINE

SOCIO-ECONOMIC AGREEMENT REPORT

CONTENTS



COO'S MESSAGE



Dominion Diamond Mines ULC ("Dominion" or "the company") is pleased to present the 2019 Socio-Economic Agreement Report (SEA Report) for the Ekati Diamond Mine, in which we describe the results of our commitments to the Government of the Northwest Territories (GNWT) as set out in the SEA.

Dominion is continuing to make a positive difference in the North through support for education, training, community development, employment and business opportunities.

2019 was a challenging, but exciting year for Dominion. By the end of the year we had updated our current Life of Mine plan, which now includes the Point Lake project with the intention to follow with the Jay pipe development. As well, Dominion has applied to continue its exploration of the Lac de Gras and Glowworn Lake regions. These projects will continue to keep the Ekati mine operating while providing ongoing opportunities for the North. As we move into 2020, we continue to work diligently towards the future of the Ekati mine.

As a privately-owned company, Dominion continues to place a high priority on relationships with stakeholders, including our employees and contractors; Impact Benefit Agreement (IBA) groups and Northern communities; the governments of the Northwest Territories and Nunavut; and our Northern business partners.

The company is proud to maintain our commitment to the land, the environment, and the communities.

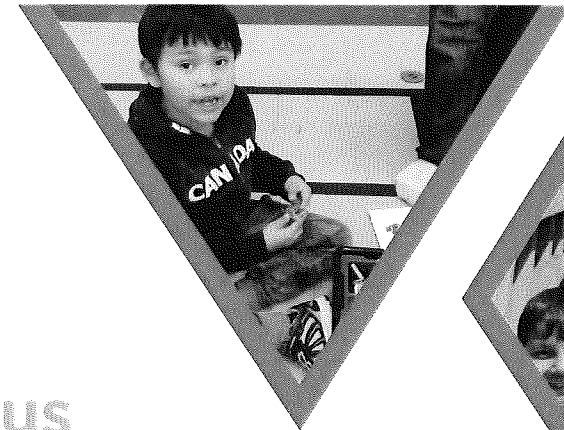
Patrick Merrin

Interim Chief Executive Officer

ABOUT THE COMPANY

Dominion is a Canadian mining company and one of the world's largest producers and suppliers of premium rough diamonds to the global market.

The company operates the Ekati Diamond Mine, in which it owns a controlling interest, and owns 40% of the Diavik Diamond Mine. Both the Ekati and Diavik Diamond Mines are located in the Northwest Territories, Lac de Gras region.



EkatiPlus

COMMUNITY DEVELOPMENT

Dominion works hard to maintain the relationships we have built over the years with the Northern communities, as well as local and territorial organizations. We are proud to partner with these groups on several exciting community development projects.

The company remains committed to working with the Ekati mine's IBA groups on various important development projects, as identified by the communities themselves.

Dominion is guided by the Ekati Mine Engagement Plan, which outlines the activities that play a significant role in maintaining our partnerships with the communities. We hold regular community and IBA meetings, workshops and site visits, and include the Elders and youth in Traditional Knowledge and environmental monitoring projects.

CONTRIBUTIONS

Through IBA payments, scholarships, and donations, Dominion contributed over **$5 million** in 2019 to communities in the Northwest Territories and Nunavut.

EKATI PLUS PROGRAMS

The company's Ekati Plus initiative includes the Ekati Plus Community Development Program, the Ekati Plus Post-Secondary Scholarship Program, and the Ekati Plus School Partnership Program.

Dominion is pleased to be able to support projects and organizations that build resilient, sustainable communities through this Ekati Plus initiative.

Below is a list of the projects that we were proud to support in 2019 under the Ekati Plus Community Development Program.

2019 COMMUNITY DEVELOPMENT PROJECTS

Aboriginal Sport Circle
- North American Indigenous Games
- UNW Social Justice Fund

Aurora – Literacy Outreach Centre

Alexis Arrowmaker School, Wekweètì

City of Yellowknife
- Bike Rodeo
- Ruth Inch Memorial Safety Week

Chief Jimmy Bruneau School, Behchoko

Canadian Championship Dog Derby

CIBC/Stanton Territorial Hospital Foundation – MUD Run
Community Government of Behchoko
- Holiday Activities

Community Government of Gamètì
- Sewing Skill Development Program
- Holiday Activities

Government of Wekweètì
- Holiday Activities

Community Government of Whatì
- Whatì Justice Program – On Land
- Sewing Program
- Youth Handgames Program
- Holiday Breakfast Program

CR Oilers – Peewee High Performance Hockey
Crush Volleyball Club
Deninu Kue First Nation
- Mission Island
- Holiday Activities

Deninu Kue First Nation/Ft. Resolution Metis Council
- Annual Dog Derby

Deninu School, Fort Resolution
Denesoline
- Pop Up Café
- Lutsel K'e Dene School Lunch Program

Elizabeth Mackenzie Elementary School, Behchoko
Fort Resolution – Deninu School
Ft. Resolution Metis Council
- Holiday Activities

Fostering Open eXpression among Youth (FOXY)
Hamlet of Kugluktuk
- Career Liaison Officer
- Reel Youth – Traditional Language video
- Sewing Program
- Youth and Elder Program
- Fast Track Program
- Holiday Programs

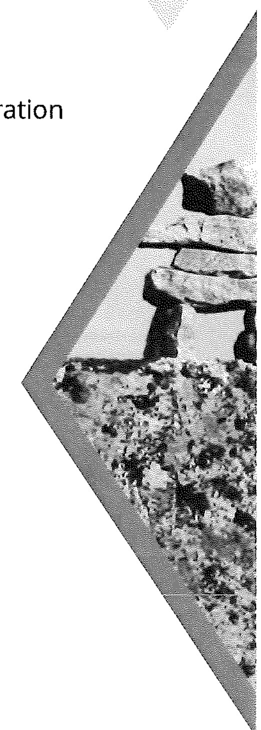
Jean Wetrade Gamètì School, Gamètì
Jimmy Hikok Ilihakvik School, Kugluktuk
K'alemi Dene School, N'dilo
Kaw Tay Whee School, Dettah
Kugluktuk High School
Łutsel K'e Dene First Nation
- Desnethche Gathering
- Summer Student Program
- Holiday Safety
- Moccasins on the Ground
- Holiday Activities

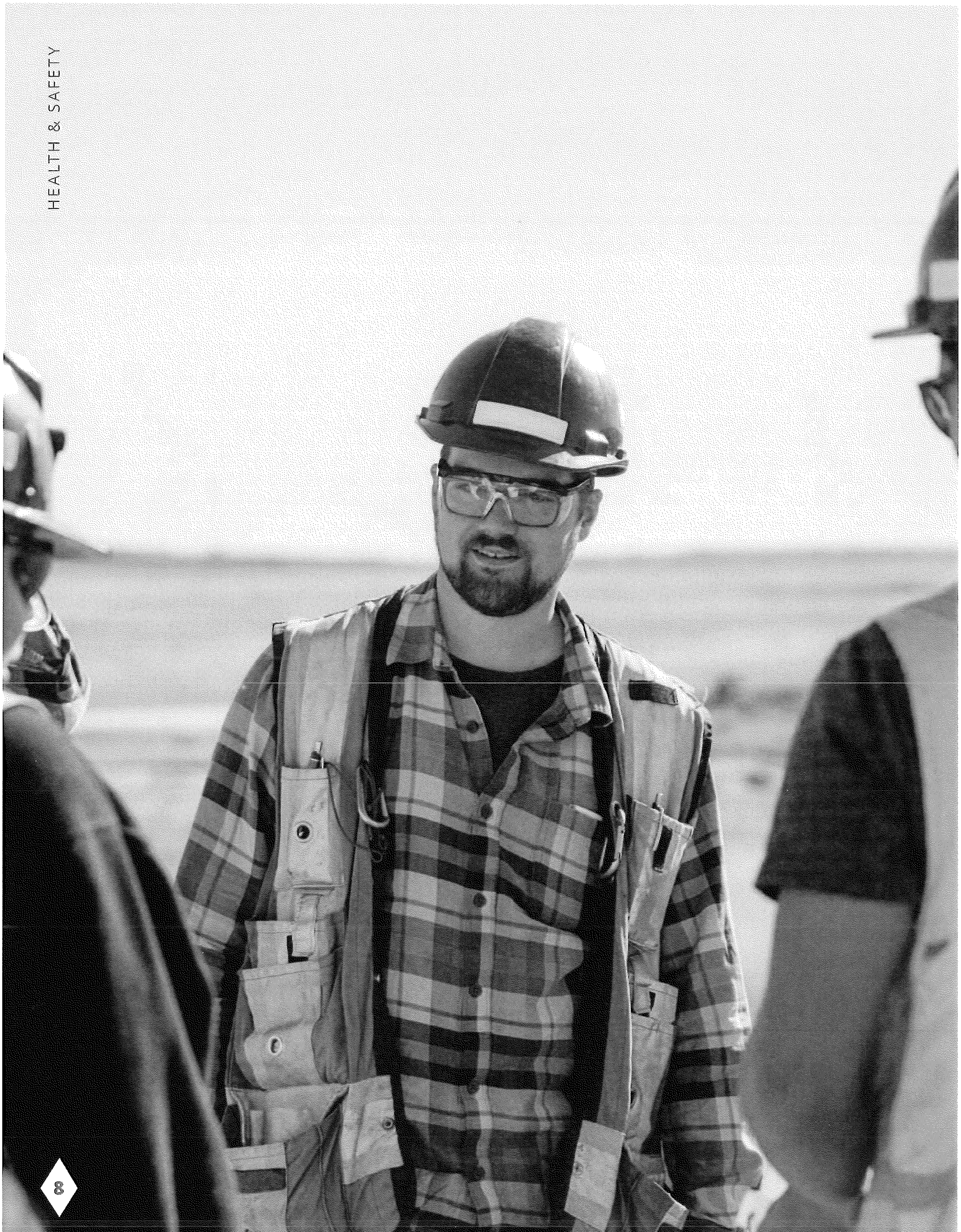
Łutsel K'e Dene School
Mezi Community School, Whatì
North Slave Métis Alliance
- National Indigenous Peoples Day Celebration
- Business Development Officer
- Holiday Funds

Northern Youth Abroad
NWT Disabilities Council
NWT Parks & Recreation – Walk to Tuk
NWT SPCA
NWT/NU Skills Canada
Salvation Army
Sir John Franklin High School – Dry Grad
Stanton Territorial Hospital Foundation
Tlicho Government
- Tlicho Youth Conference
- Boots on the Ground

Tides Canada – Northern Youth Leadership
Tides Canada - NWT On The Land Collaborative
Tree of Peace – Elders Christmas Feast
Yellowknife Community Foundation
Yellowknives Dene First Nation
- Career Development Officer
- Caribou Monitoring Program
- Dechıta Nàowo Community Cabin
- Holiday Activities
- Youth Wellness Sports Program

YK Food Bank
YK Seniors' Society
YWCA





HEALTH & SAFETY

Dominion remains committed to promote a culture of safety, responsibility, and caring. In order to encourage our workforce to think proactively, the company focuses on reporting both safety hazards and "near miss" events. Addressing these issues before they lead to injuries has had a positive impact on the safety performance at the Ekati mine.

The company also continues to use concepts from the Zero Incident Process (ZIP) program, a behavior-based safety initiative which aims to change the way people think about safety.

By giving employees the tools to take control of their thoughts and feelings, they can learn how to make safe choices both at work and at home.

WELLNESS AT SITE

At the Ekati mine, Physician Assistants provide a full range of medical services and testing for both occupational and personal health matters. Their interventions play a valuable role in keeping our workforce safe while working at the mine, which is located a significant distance from traditional healthcare facilities.

The company has a fully equipped gym at the Ekati mine, that includes a wide range of cardio equipment, weight machines, free weights, as well as a gymnasium and squash courts. Employee organized activities and various group fitness classes support an active and healthy lifestyle at the Ekati mine.

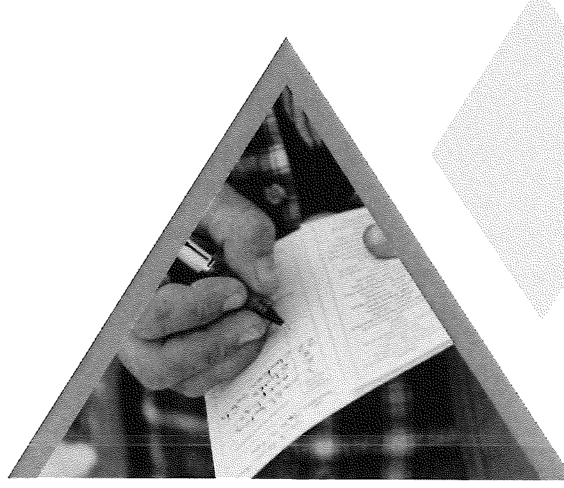
AIFR SAFETY ACHIEVEMENT

One of the ways the company measures safety achievements is through the All Injury Frequency Rate (AIFR), which includes lost-time injuries, restricted work duties, and medical treatment cases.

In 2019, Dominion achieved an AIFR of 0.77, which is higher than the previous year's AIFR of 0.52.

Although our safety achievement did not improve from 2018 to 2019, we continued to learn from hazards, near misses and incidents in order to take the necessary steps to prevent them from happening again.

We are proud of all our employees and contractors who remain committed to promoting a culture of safety and showing the courage to care for their colleagues.



ENVIRONMENT

At Dominion, we understand the importance of the Arctic tundra environment and we are committed to mining in the safest, most environmentally responsible way.

CARIBOU MANAGEMENT

The Ekati mine has comprehensive wildlife management programs in place to ensure minimal impact on caribou and other wildlife. Dominion partnered with Indigenous groups and Northern communities to develop and implement the Caribou Mitigation Plan, which has been implemented at the Ekati mine annually since 2016.

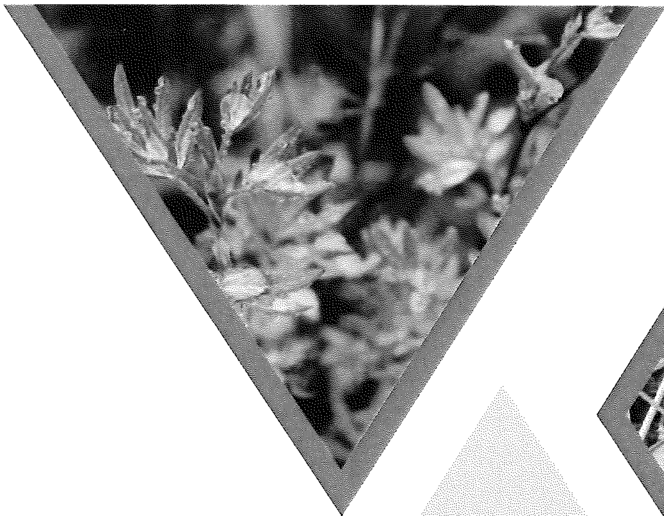
We use several methods to monitor caribou at the mines, including remote camera monitoring, behavioural surveys, road surveys, and reports from mine staff. Dominion also participates in and supports government and other stakeholders in caribou monitoring initiatives and wildlife monitoring workshops.

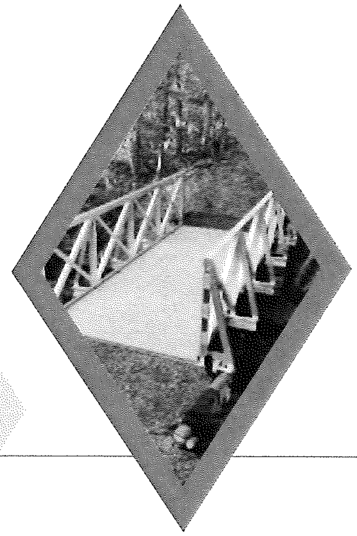
Dominion supports initiatives such as the Tłıcho Government's, Ekwò Nàxoède K'è (Boots on the Ground), Łutsël K'é Dene First Nation's 'Moccasins on the Ground', and the Yellowknifes Dene First Nation's `Dene on-the-land Caribou Monitoring" programs, which are Indigenous-driven environmental monitoring programs. These programs monitor the caribou herds, habitat, and the impacts on the caribou. The programs draw on the Traditional Knowledge of Elders and harvesters and rely on their ways of travelling and assessing the conditions on the land.

ENVIRONMENTAL PROTECTION

The Ekati mine operates under several environmental permits and agreements, including water licenses and land use permits issued by the Wek'eezhii Land and Water Board; the Environmental Agreement between the GNWT; the Government of Canada and the company; and fisheries authorizations issues by the Government of Canada.

Dominion has serval environmental programs at the mine including the Wildlife Effects Monitoring Program, the Aquatic Effects Monitoring Program, the Air Quality and Emissions Monitoring Program, and the Reclamation and Closure Program.





FISHERIES OFFSETTING IN ŁUTSEL K'E

Dominion is committed to working with affected communities to identify measures that can offset mining activities likely to result in adverse effects to fish and fish habitat. Previously, Dominion engaged with communities to identify an offsetting measure that would meet community interests and comply with the Fisheries Act.

Local knowledge indicated a decline in Northern Pike (Jackfish) compared to historical runs in Pike Creek, located near Łutsel K'e. Dominion worked with technical specialists and the community to enhance fish passage through the creek. Work included installation of a new bridge for all-terrain vehicles, remediation of streambank erosion, and clearing of obstructions and debris restricting fish passage. Dominion will conduct monitoring of the creek with community representatives in subsequent years to verify the anticipated gain in fish production.

PROTECTING THE LAKES AND STREAMS

Dominion proactively works to protect the lakes and streams downstream of the Ekati mine. Recent modelling results predicted minor exceedances of the potassium water quality benchmark. Dominion completed additional toxicity testing to verify that the potassium water quality benchmark would protect species in the lakes and streams.

We conducted longer duration toxicity tests on three species, including one non-standard test species, the fingernail clam. The test results showed there were no adverse effects observed for any of the three test species at or close to the potassium water quality benchmark concentration. The outcomes from the toxicity tests demonstrate that the water quality benchmark is appropriate.

WASTE MANAGEMENT

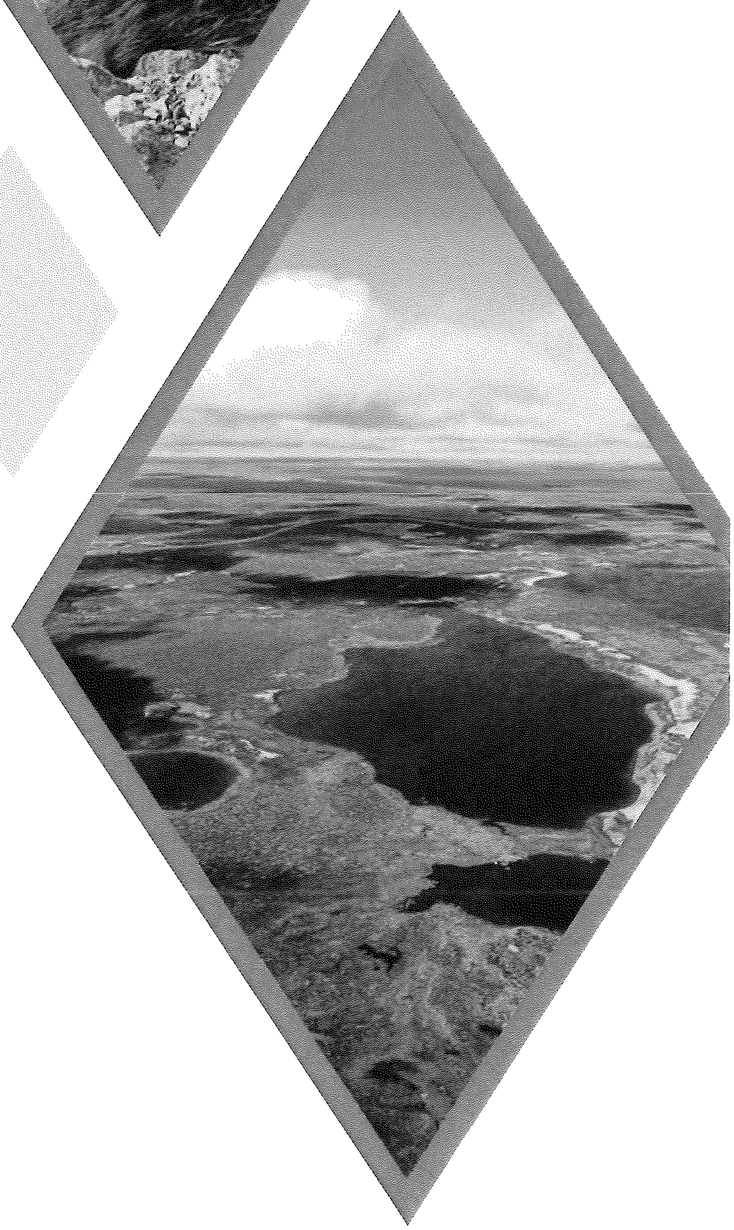
We have worked hard to transform how waste is managed at the Ekati mine to improve sustainability and limit environmental impacts.

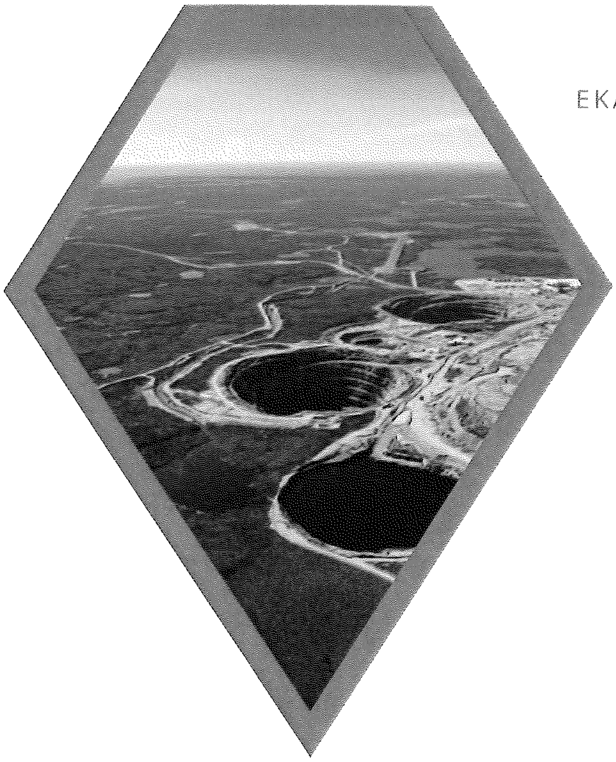
Dominion has received recognition for being the first northern mine to compost a significant portion of its waste through its award-winning industrial composting unit. Today, over half of the waste generated at the Ekati mine is composted.

RECLAMATION PROJECTS

At Dominion, we understand the importance of reclaiming the Ekati mine site so that it can be returned to a viable Northern environment at the end of operations.

The goal of reclamation is to keep the site safe for human and wildlife use. Within the Long Lake Containment Facility, Cell B has been designated as a reclamation research area. In this research area, there is some exciting work underway to research the best means of reclaiming the processed kimberlite surface through a combination of vegetation and rock that physically stabilizes the area.



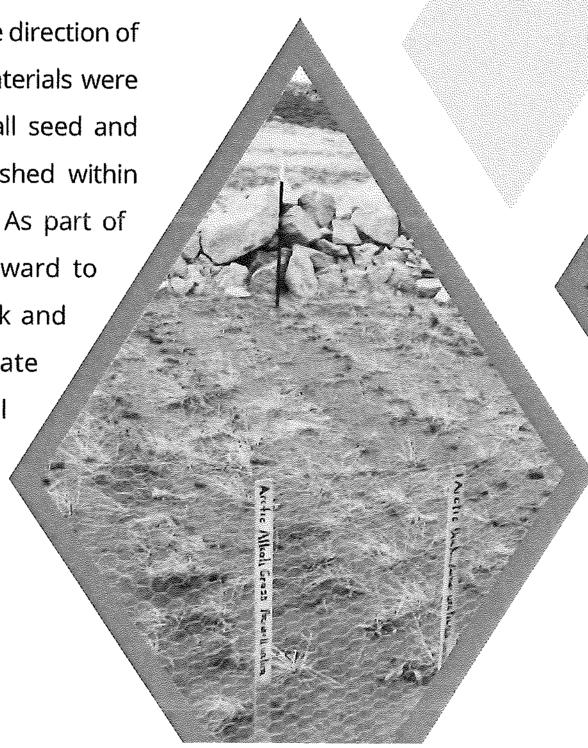


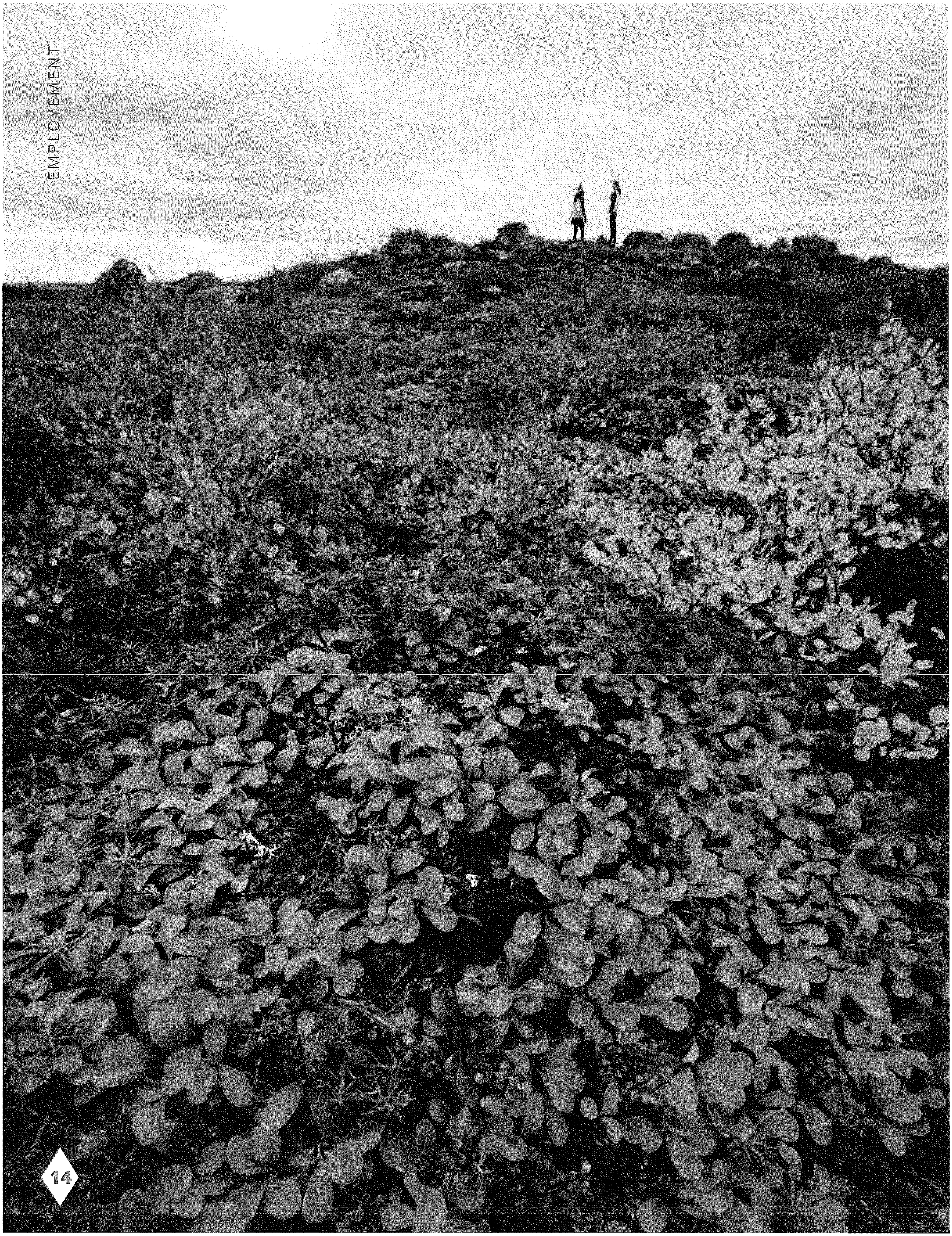
PANDA, KOALA, AND KOALA NORTH UNDERGROUND CLOSURE

Final reclamation of all the underground workings was initiated at the end of the Koala underground operations and completed on February 26, 2019. At closure, all mobile equipment and vehicles from the underground mines were removed. Pipes, cables, electrical gear and fixed equipment that was deemed salvageable by Dominion was also removed. All other equipment was left in place (e.g., mobile equipment, rock breaker and conveyor system that have been cleaned of fuels and lubricants). A detailed tagging system was utilized to confirm the draining of oils and purging of grease systems. Material and equipment that was not considered salvageable and/or would not negatively impact water quality remained in the underground rather than be hauled to the surface and buried in a landfill. Any remaining explosives inventory was removed and disposed of safely.

KUGLUKTUK TRADITIONAL KNOWLEDGE PROJECT

The shores of the Arctic Ocean surrounding the community of Kugluktuk, Nunavut provide similar substrates and challenges for colonization of plants as processed kimberlite stabilization, one of Dominion's reclamation research areas. Building on engagement efforts with community Elders, a reclamation research team from Dominion travelled to the coastal community of Kugluktuk in 2018. With the direction of local guides, collections of vegetative materials were made from varying habitats. By 2019, all seed and live plant specimens have been established within trials in the reclamation research area. As part of this program, Dominion is looking forward to continuing collaboration with Kugluktuk and other community groups to incorporate traditional knowledge into the overall Reclamation Research Program.





EMPLOYMENT

Dominion is dedicated to developing our workforce and committed to creating an environment where people can learn, grow, and take on new responsibilities.

We build capacity within our workforce by offering leadership training, apprenticeship positions, and adult education initiatives, all of which encourage employees and contractors to strive for growth and development.

Although long-term contractors are not direct employees of Dominion, they are treated as such and are therefore extended the same opportunity to participate in adult education and other programming on site.

WORKPLACE POLICIES

At Dominion, we ensure that the Ekati mine is a welcoming workplace for all employees. The company has several policies and procedures in place, which employees and contractors are expected to adhere to, including:

- Code of Ethics and Business Conduct
- Harassment and Discrimination Policy
- Whistleblower Protection Policy
- Privacy and Protection of Personal Information Policy
- Invitee Access Agreement

APPRENTICESHIPS

The Ekati mine offers apprenticeships in carpentry, millwrighting, plumbing, mobile crane operation, machining, electrical, warehousing, and instrumentation.

All apprentices are given the opportunity to work closely with the onsite adult educator, who supports their continuing education. The program also enables participation in skills competitions, which help the apprentices to develop knowledge and confidence in their abilities.

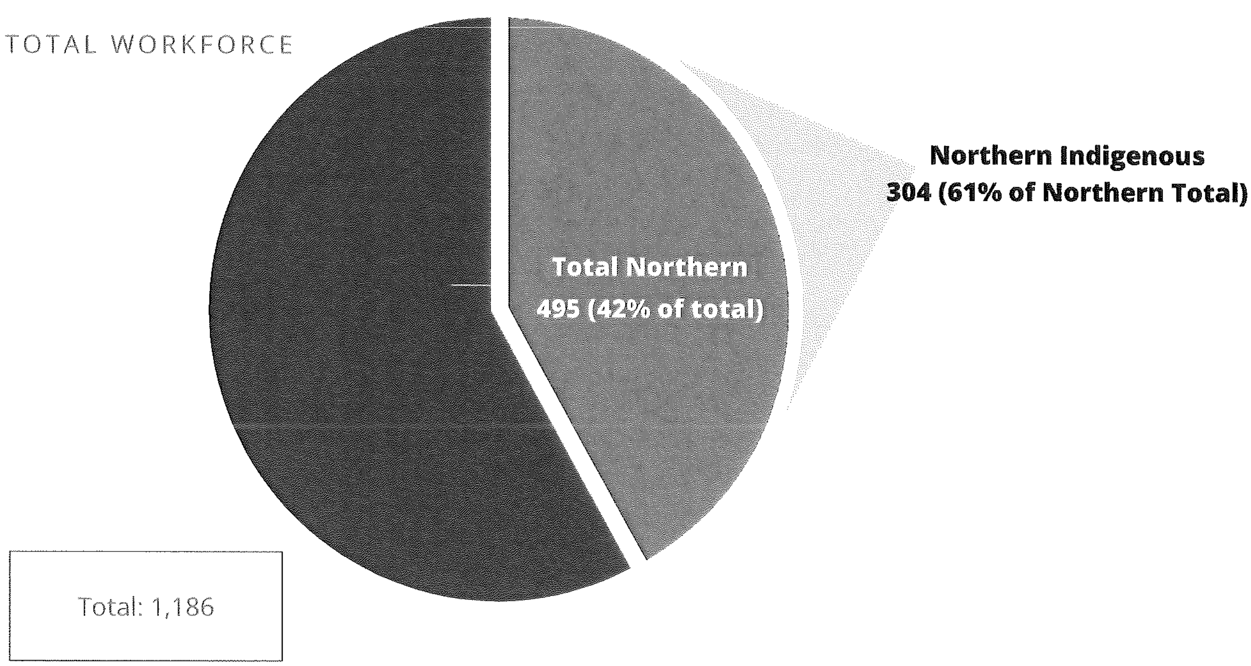
Further apprenticeships are offered by our Contractor partners and include welding, mechanics and heavy-duty technicians. In 2019, the Ekati mine had 20 individuals in the apprenticeship program, both with Dominion and our contracting companies.

In recent years, Dominion has also been focusing on encouraging more women to enter the mining industry.

EMPLOYMENT BY PRIORITY GROUP

TABLE 1: PERSON YEARS (%)		
	Employees	**Contractors**
Northern Indigenous	237	67
Northern Other	108	83
Total Northern	345	150
Other	417	274
Subtotal	762	424
Grand Total	1,186	
Northern % of Total	495 (42%)	
Indigenous % of Northern Total	304 (61%)	

*There may be variances in the total numbers due to rounding to the closest whole number after the addition of the non-rounded numbers has taken place.



EMPLOYMENT BY SKILL LEVEL

TABLE 2A: EMPLOYEES (PERSON YEARS)

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Management	2	9	11	32	43	3
Professional	0	3	3	66	69	0
Skilled	83	65	148	257	405	98
Semi-Skilled	132	26	158	58	216	151
Entry	20	5	25	4	29	22
Total	237	108	345	417	762	274

TABLE 2B: CONTRACTORS (PERSON YEARS)

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Management	1	1	2	4	6	1
Professional	0	1	1	11	12	0
Skilled	12	31	43	174	217	19
Semi-Skilled	11	28	39	69	108	12
Entry	43	22	65	16	81	49
Total	67	83	150	274	424	81

TABLE 2C: EMPLOYEES & CONTRACTORS (PERSON YEARS)

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Management	3 (23%)	10 (77%)	13 (27%)	36 (73%)	49 (100%)	4
Professional	0 (0%)	4 (100%)	4 (5%)	77 (95%)	81 (100%)	0
Skilled	95 (50%)	96 (50%)	191 (31%)	431 (69%)	622 (100%)	117
Semi-Skilled	143 (73%)	54 (27%)	197 (61%)	127 (39%)	324 (100%)	163
Entry	63 (70%)	27 (30%)	90 (82%)	20 (18%)	110 (100%)	71
Total	304 (61%)	191 (39%)	495 (42%)	691 (58%)	1,186 (100%)	355

EMPLOYMENT BY GENDER & PRIORITY GROUP

TABLE 3A: EMPLOYEES (PERSON YEARS) %

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Men	211 (89%)	88 (81%)	299 (87%)	357 (86%)	656 (86%)	241 (88%)
Women	26 (11%)	20 (19%)	46 (13%)	60 (14%)	106 (14%)	33 (12%)
Total	237 (100%)	108 (100%)	345 (100%)	417 (100%)	762 (100%)	274 (100%)

TABLE 3B: CONTRACTORS (PERSON YEARS) %

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Men	35 (52%)	74 (89%)	109 (73%)	251 (92%)	360 (85%)	40 (49%)
Women	32 (48%)	9 (11%)	41 (27%)	23 (8%)	64 (15%)	41 (51%)
Total	67 (100%)	83 (100%)	150 (100%)	274 (100%)	424 (100%)	81 (100%)

TABLE 3C: EMPLOYEES & CONTRACTORS (PERSON YEARS) %

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Men	246 (81%)	162 (85%)	408 (82%)	608 (88%)	1,016 (86%)	281 (79%)
Women	58 (19%)	29 (15%)	87 (18%)	83 (12%)	170 (14%)	74 (21%)
Total	304 (100%)	191 (100%)	495 (100%)	691 (100%)	1,186 (100%)	355 (100%)

FEMALE EMPLOYMENT (TRADITIONAL & NON-TRADITIONAL ROLES)

TABLE 4A: FEMALE EMPLOYEES (PERSON YEARS) %						
	Northern Indigenous	**Northern Other**	**Total Northern**	**Other**	**Grand Total**	**Indigenous**
Non-Traditional	19 (73%)	11 (55%)	30 (65%)	50 (83%)	80 (75%)	24
Traditional	7 (27%)	9 (45%)	16 (35%)	10 (17%)	26 (25%)	9
Total	26 (100%)	20 (100%)	46 (100%)	60 (100%)	106 (100%)	33

TABLE 4B: FEMALE CONTRACTORS (PERSON YEARS) %						
	Northern Indigenous	**Northern Other**	**Total Northern**	**Other**	**Grand Total**	**Indigenous**
Non-Traditional	1 (3%)	2 (22%)	3 (7%)	7 (30%)	10 (16%)	1
Traditional	31 (97%)	7 (78%)	38 (93%)	16 (70%)	54 (84%)	40
Total	32 (100%)	9 (100%)	41 (100%)	23 (100%)	64 (100%)	41

TABLE 4C: FEMALE EMPLOYEES & CONTRACTORS (PERSON YEARS) %						
	Northern Indigenous	**Northern Other**	**Total Northern**	**Other**	**Grand Total**	**Indigenous**
Non-Traditional	20 (34%)	13 (45%)	33 (38%)	57 (69%)	90 (53%)	25
Traditional	38 (66%)	16 (55%)	54 (62%)	26 (31%)	80 (47%)	49
Total	58 (100%)	29 (100%)	87 (100%)	83 (100%)	170 (100%)	74

FEMALE EMPLOYMENT BY SKILL LEVEL

TABLE 4D: FEMALE EMPLOYEES & CONTRACTORS (PERSON YEARS) %						
	Management	**Professional**	**Skilled**	**Semi-Skilled**	**Entry Level**	**Grand Total**
Employees	10 (9%)	20 (19%)	36 (34%)	34 (32%)	6 (6%)	106 (100%)
Contractors	0 (0%)	1 (2%)	19 (30%)	6 (9%)	38 (59%)	64 (100%)
Total	10 (6%)	21 (12%)	55 (32%)	40 (24%)	44 (26%)	170 (100%)

APPENTICESHIPS BY PRIORITY GROUP

TABLE 5A: APPRENTICESHIPS (HEADCOUNT)						
	Northern Indigenous	**Northern Other**	**Total Northern**	**Other**	**Grand Total**	**Indigenous**
Employees	2	1	3	0	3	2
Contractors	1	10	11	6	17	1
Total	3	11	14	6	20	3

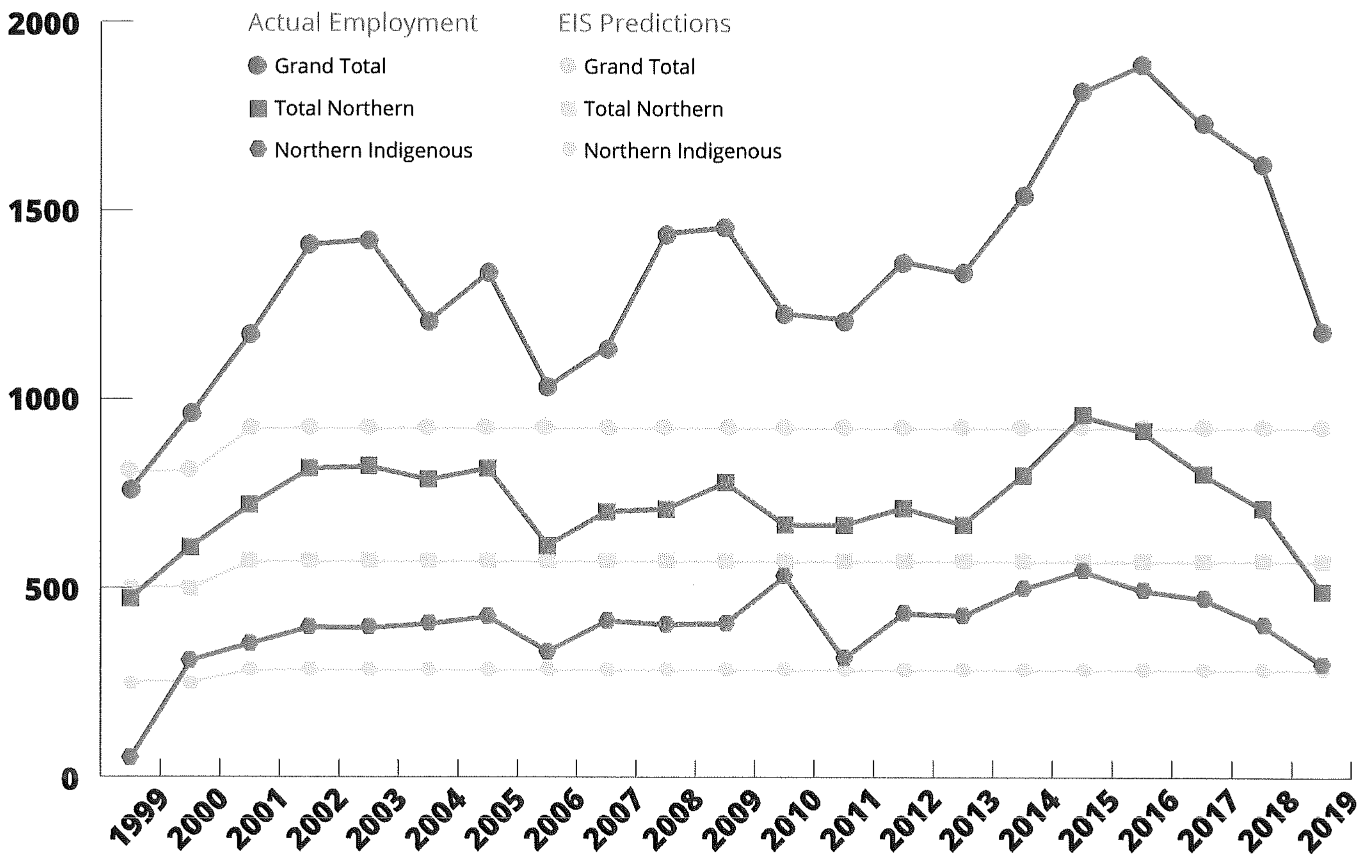
TABLE 5B: APPRENTICESHIPS (PERSON YEARS)						
	Northern Indigenous	**Northern Other**	**Total Northern**	**Other**	**Grand Total**	**Indigenous**
Employees	2	1	3	0	3	2
Contractors	1	7	8	2	10	1
Total	3	8	11	2	13	3

EMPLOYMENT BY PRIORITY GROUP

TABLE 6: EMPLOYMENT BY PRIORITY GROUP (PERSON YEARS)												
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**Total**
Northern Indigenous	442	359	321	390	380	460	500	500	478	408	304	8,379
Northern Other	433	364	351	381	326	342	462	419	329	307	191	7,572
Total Northern	875	723	670	771	706	802	962	920	807	715	495	15,950
Other	788	577	651	870	779	737	858	970	927	910	691	15,016
Grand Total	1,663	1,300	1,321	1,641	1,485	1,539	1,819	1,889	1,734	1,625	1,186	30,954
Northern % of Total	53%	56%	51%	47%	48%	52%	53%	49%	47%	44%	42%	52%
Indigenous % of Northern Total	51%	50%	48%	51%	54%	57%	52%	54%	59%	57%	61%	53%

Total column includes 1999-2019 (table only shows 2009-2019 data).

GRAPH 7: ACTUAL EMPLOYMENT COMPARED TO THE ENVIRONMENTAL IMPACT STATEMENT (EIS) EMPLOYMENT PREDICTIONS (PERSON YEARS)



TOTAL OPERATIONS & CAPITAL EMPLOYMENT BY PRIORITY GROUP

TABLE 8: HEADCOUNT (%)

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Employees	251 (67%)	122 (33%)	373 (44%)	480 (56%)	853 (100%)	290
Contractors	101 (32%)	212 (68%)	313 (25%)	920 (75%)	1,233 (100%)	121
Total	352 (51%)	334 (49%)	686 (33%)	1,400 (67%)	2,086 (100%)	411

TOTAL OPERATION & CAPITAL EMPLOYMENT BY PRIORITY GROUP & SKILL LEVEL (HEADCOUNT)

TABLE 9A: EMPLOYEES

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Management	2	11	13	44	57	3
Professional	1	3	4	80	84	1
Skilled	87	69	156	280	436	104
Semi-Skilled	134	30	165	66	230	151
Entry	27	9	36	10	46	31
Total	251	122	373	480	853	290

TABLE 9B: CONTRACTORS

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Management	1	3	4	19	23	1
Professional	0	9	9	105	114	0
Skilled	17	92	109	597	706	26
Semi-Skilled	16	61	77	164	241	19
Entry	67	47	114	35	149	75
Total	101	212	313	920	1,233	121

TABLE 9C: EMPLOYEES & CONTRACTORS (%)

	Northern Indigenous	Northern Other	Total Northern	Other	Grand Total	Indigenous
Management	3 (18%)	14 (82%)	17 (21%)	63 (79%)	80 (100%)	4
Professional	1 (8%)	12 (92%)	13 (7%)	185 (93%)	198 (100%)	1
Skilled	104 (39%)	161 (61%)	265 (23%)	877 (77%)	1,142 (100%)	130
Semi-Skilled	150 (62%)	91 (38%)	241 (51%)	230 (49%)	471 (100%)	170
Entry	94 (63%)	56 (37%)	150 (77%)	45 (23%)	195 (100%)	106
Total	352 (51%)	334 (49%)	686 (33%)	1,400 (67%)	2,086 (100%)	411

*There may be variances in the total numbers due to rounding to the closest whole number after the addition of the non-rounded numbers has taken place.

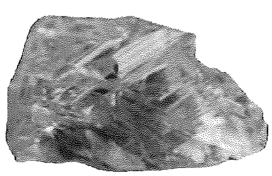
BUSINESS SPEND

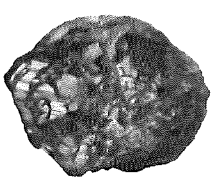
Dominion is committed to maintaining positive working relationships with Suppliers to build capacity for Northern Business and to promote economic growth.

Indigenous Businesses have secured numerous contracts at the Ekati mine, including contracts for mining services; explosives and blasting supply; catering and janitorial services; and freight management and transportation services, including air freight, passenger flights, and ground transportation.

BACKGROUND TO 2019 NUMBERS

This past year saw an overall decrease in total business spend as we worked towards transforming Dominion into a cost-effective operator. Dominion is committed to working toward a sustainable future of the Ekati mine and continues to support its Northern partners.





2019 BUSINESS SPEND SUMMARY

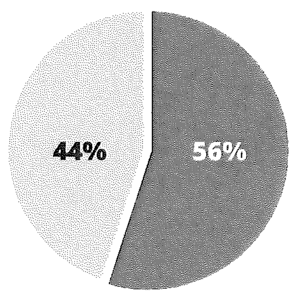
Dominion's total spend decreased from $524 million in 2018 to $398 million in 2019. Dominion spent $222 million with Northern Businesses, a decrease from the 2018 Northern Business spend of $302 million. Over $143 million, or 64% of Northern Business spend, went to Indigenous Businesses in 2019. Northern Indigenous businesses captured 36% of Dominion's total spend in 2019 compared to 34% in 2018.

*Note: Government, royalty, and donation payments that were not commercial business spend are not reflected in this report.

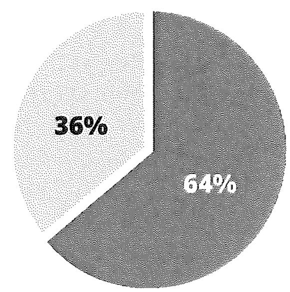
*Note: Reclassification of an Indigenous supplier resulted in a change to the Indigenous spend and Northern spend ratios between CY 16-18. The total Northern expenditure ratio was not affected by this change.Total Northern expenditure was not affected by this change.

TABLE 11: EXPENDITURES BY PRIORITY GROUP

	Expenditures	% of Total Northern	% of Total Spend
Northern Indigenous Businesses	$142,741,974	64%	36%
Other Northern Businesses	$78,934,009	36%	20%
Total Northern	$221,675,983	100%	56%
Other Businesses	$176,363,605	N/A	44%
Total Spend	**$398,039,588**		



Northern	$222 million (56%)
Other	$176 million (44%)
Total	$398 million



Northern - Indigenous	$143 million (64%)
Northern - Other	$79 million (36%)
Total	$222 million

TABLE 12: NORTHERN EXPENDITURES BY CATEGORY

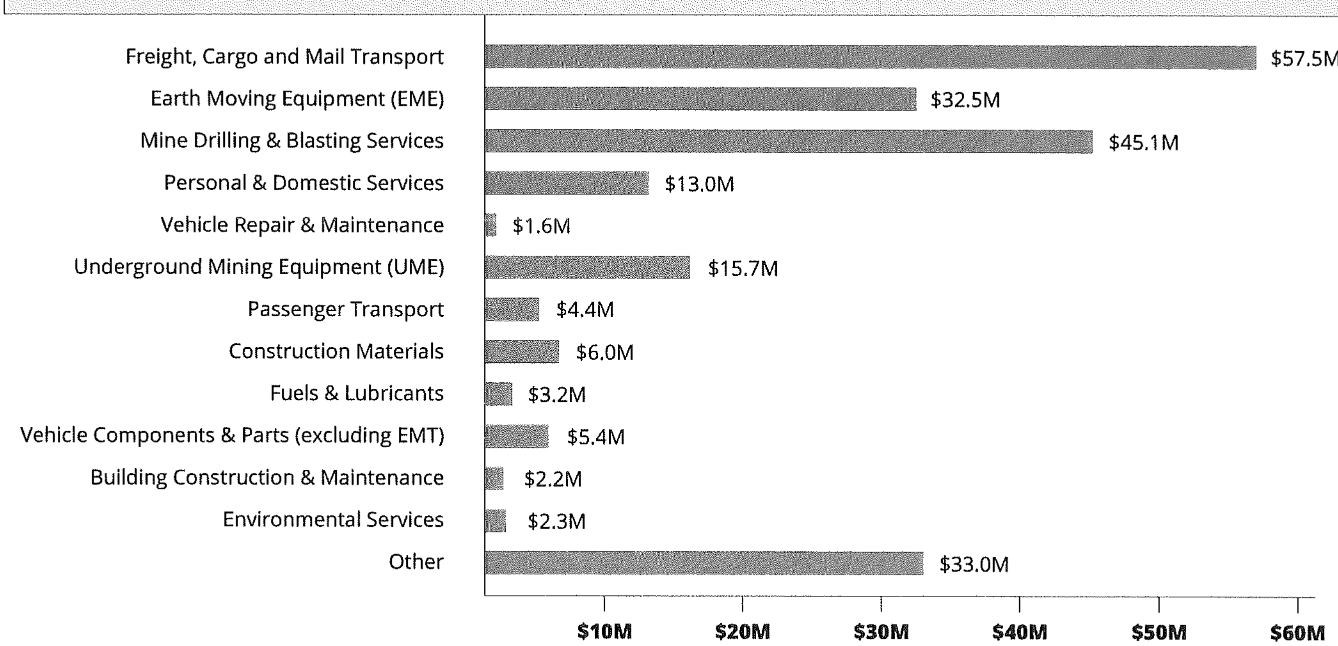


TABLE 13A: EXPENDITURES BY PRIORITY GROUP (MILLIONS OF DOLLARS)												
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**Total**
Northern Indigenous Businesses	72	71	75	108	88	79	97	157	147	176	143	2,284
Other Northern Businesses	106	101	122	157	157	197	161	179	160	126	79	3,743
Total Northern	178	172	197	265	245	276	258	336	307	302	222	6,027
Other Businesses	90	113	130	134	149	189	190	204	181	222	176	2,520
Total Spend	268	285	327	399	394	465	448	540	488	524	398	8,547

Total column includes 1999-2019 (table only shows 2009-2019 data).

TABLE 13B: EXPENDITURES BY PRIORITY GROUP (%)												
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**Total**
Norther Indigenous Businesses	27	25	23	27	22	17	22	29	30	34	36	27
Other Northern Businesses	40	35	37	39	40	42	36	33	33	24	20	44
Total Northern	66	60	60	66	62	59	58	62	63	58	56	71

Total column includes 1999-2019 (table only shows 2009-2019 data).

TABLE 14: ACTUAL SPENDING COMPARED TO THE ENVIRONMENTAL IMPACT STATEMENT SPENDING PREDICTIONS (MILLIONS OF DOLLARS)												
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**Total**
Actual Total Spend	268	285	327	399	394	465	448	540	488	524	498	8,547
Actual Northern Spend	178	172	197	265	245	276	258	336	307	302	222	6,027
Northern Percent of Total	66%	60%	60%	66%	62%	59%	58%	62%	63%	58%	55%	70%
Northern Target Percent	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
Northern Target: Calculated at 70%	188	200	229	279	276	326	314	378	342	367	283	5,983
Actual Minus Target	-9.6	-27.5	-31.9	-14.3	-30.8	-49.5	-55.6	-42.0	-34.6	-64.8	-56.6	-44.1

Northern target spend is 70% of total spend.

Total column includes 1999-2019 (table only shows 2009-2019 data).

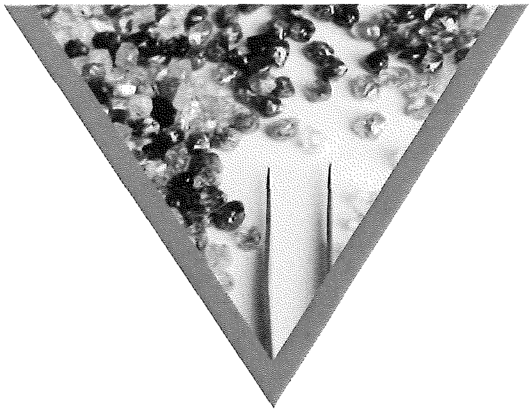
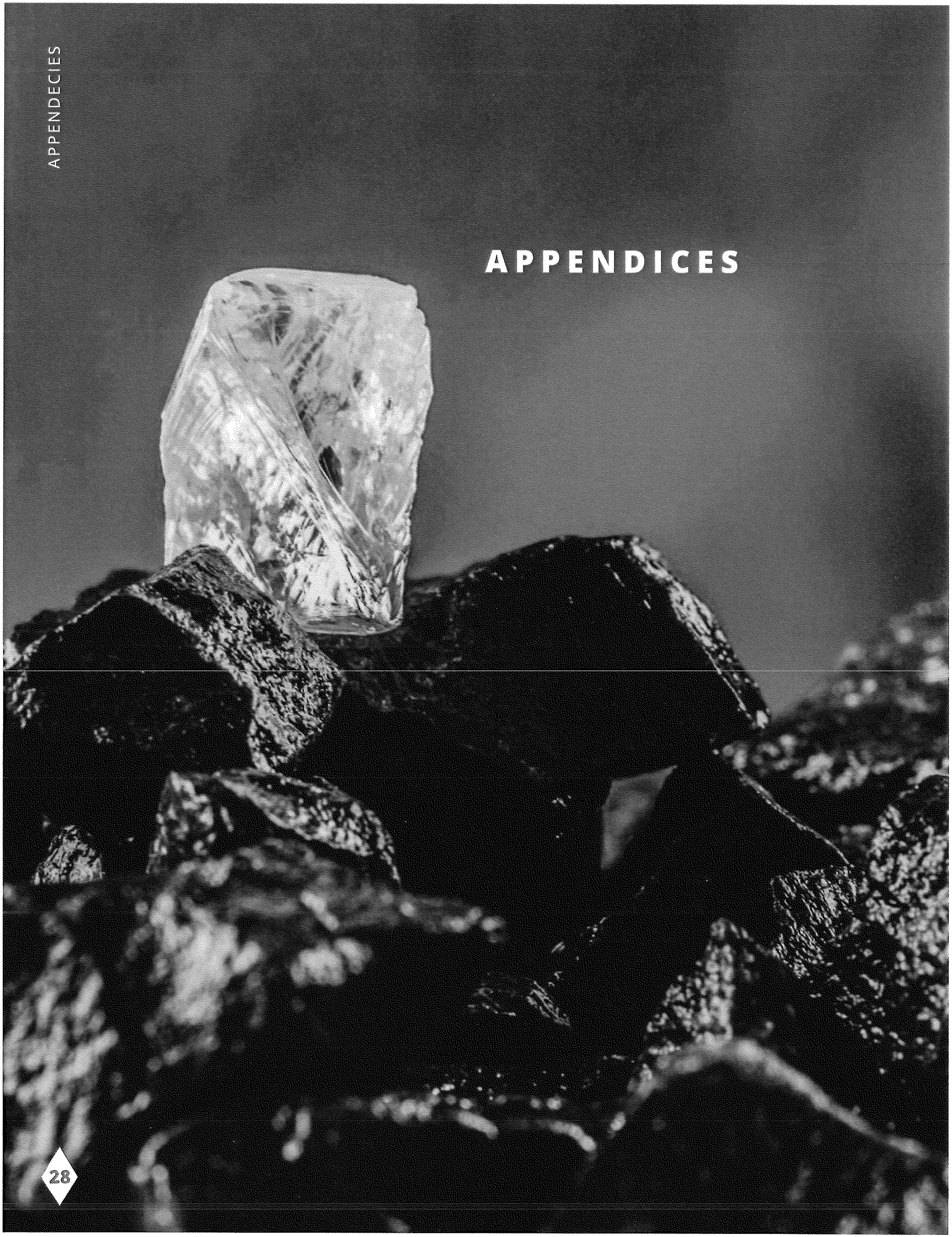
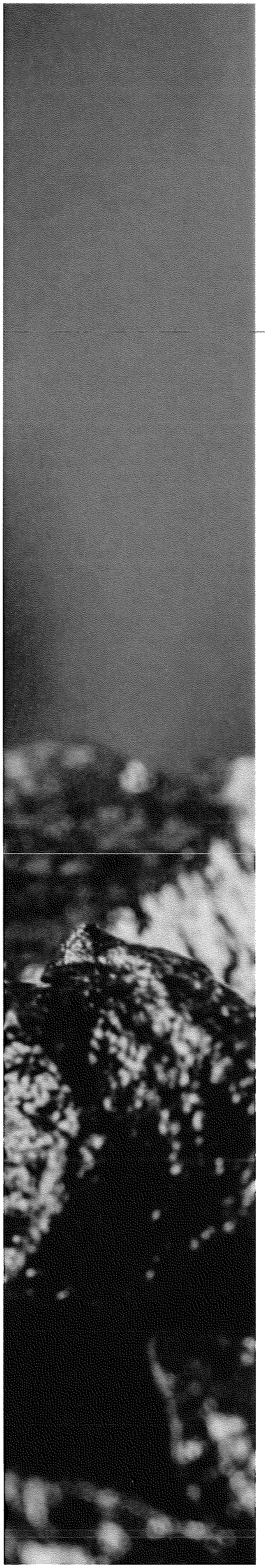


TABLE 15: SPEND BY GEOGRAPHICAL LOCATION	
Location	**Expenditure**
Fort Resolution	$55,500
Behchoko	$217,500
Fort Smith	$656,203
Hay River Reserve	$5,444,994
Yellowknife	$191,644,591
Other	$23,657,195
Total Northern	**$221,675,983**

APPENDICES





APPENDIX A: POSITION LISTINGS

FEMALE TRADITIONAL POSITIONS	
Positions	**Skill Level**
Accounts Payable Administrator	Semi-Skilled
Administrative Assistant	Semi-Skilled
Administrative Specialist	Semi-Skilled
Benefits Specialist	Skilled
Camp/Travel Service Administrator	Semi-Skilled
Communications Specialist	Semi-Skilled
Community Relations Advisor	Skilled
Document Controller & Administrative Specialist	Semi-Skilled
Health & Wellness Coordinator	Semi-Skilled
HR Officer	Skilled
LMS Administrator	Semi-Skilled
Master Data Specialist	Skilled
Office Manager	Skilled
Payroll Specialist	Skilled
SAP Master Data Administrator	Skilled
Senior Advisor, Communities	Professional
Senior Advisor, Employee Benefits	Skilled
Senior HR Officer	Professional
Senior Payroll & Benefits Analyst	Skilled
SharePoint Administrator	Skilled
Summer Student, Communications	Entry
Summer Student, Communities	Entry
Supervisor, Accounts Payable	Skilled
Travel Coordinator	Semi-Skilled

FEMALE NON-TRADITIONAL POSITIONS

Positions	Skill Level	Positions	Skill Level
Airport Technician	Skilled	Dispatcher UG	Semi-Skilled
Apprentice, Electrical	Semi-Skilled	Draw Control Technician	Skilled
Apprentice, Millwright	Semi-Skilled	Engineer, Drill & Blast	Professional
Apprentice, Parts Technician	Semi-Skilled	Engineer, Drill & Blast OP	Professional
Assist Blaser Surface	Semi-Skilled	Engineer, Electrical	Professional
Assist Maintenance	Entry	Engineer, Geotechnical OP	Professional
Assist Process Plant	Entry	Engineer, Reliability	Professional
Assist Waste Management	Entry	Env. Advisor, Fisheries & Aquatics	Professional
Assistant Team Leader, Surface Mining	Skilled	Env. Advisor, Waste	Professional
		Env. Coordinator	Skilled
Blaster	Skilled	Env. Monitor - Bird	Entry
Business Analyst	Professional	Env. Specialist	Skilled
Chief Executive Officer	Management	Env. Specialist, Compliance	Entry
Chief Financial Officer	Management	Equip. Op. Excavator Shovel	Skilled
Chief Mechanical Engineer	Management	Equip. Op. Production Loader	Semi-Skilled
Condition Monitoring Technician	Skilled	Equip. Op. Road Train	Skilled
		Equip. Op. Support	Semi-Skilled
Co-op Student, Exploration	Semi-Skilled	Equip. Op. Surface Drill	Skilled
Co-op Student, Mining Engineer	Semi-Skilled	Equip. Op. Truck	Semi-Skilled
Co-op Student, Reliability Advisor	Semi-Skilled	Equip. Op. Utility 1	Semi-Skilled
Corporate Controller	Management	Equip. Op. Utility 2	Semi-Skilled
Diamond Cleaning Specialist	Semi-Skilled	Executive VP Diamonds	Management
Diamond Nonning Specialist	Semi-Skilled	Financial Accountant	Professional
Diamond Technical Specialist	Semi-Skilled	Financial Analyst	Professional
Director Diamond Control	Management	General Counsel	Management
Director Marketing	Management	General Manager, Ekati	Management
Director Security	Management	Geologist in Training	Professional
Dispatcher Surface	Semi-Skilled		

FEMALE NON-TRADITIONAL POSITIONS

Positions	Skill Level	Positions	Skill Level
Geotechnical Engineer	Professional	JP Plumber	Skilled
Geotechnical Engineer in Training	Professional	JP Power Linesperson	Skilled
Geotechnical Engineer OP	Professional	JP Rebuild Tech	Skilled
Geotechnical Technician	Professional	JP Rebuild Technician	Skilled
Head of Electronic Security	Management	JP Scaffolder	Skilled
Head of HSECT	Management	JP Welder	Skilled
Head of Human Resources	Management	Junior Project Controls	Skilled
Head of Security	Management	Lead Surveyor	Skilled
Head of Supply Chain	Management	Lube Truck Technician	Semi-Skilled
Health & Safety Risk Support Technician	Skilled	Lubetech UG Mobile	Semi-Skilled
Heavy Equipment Technician	Skilled	Lubrication Specialist	Professional
HVAC Technician	Skilled	Maintenance Planner	Skilled
Hydrocarbon Tech I	Semi-Skilled	Manager, Finance Operations	Management
Hydrocarbon Tech II	Semi-Skilled	Manager, Financial Reporting	Management
Hygiene Advisor	Professional	Manager, Logistics & Administration	Management
Instructional Design Specialist	Professional	Manger, Treasury	Management
Inventory Analyst	Skilled	Metallurgist	Professional
Investigator	Skilled	Mine Engineer in Training	Professional
JP Boiler Operator	Skilled	Mine Geologist	Professional
JP Carpenter	Skilled	Mining Engineer	Professional
JP Crane Operator	Skilled	Mining Engineer Misery Deep	Professional
JP Electrician	Skilled	Permitting Advisor	Skilled
JP Machinist	Skilled	Physician Assistant	Professional
JP Millwright	Skilled	Platform Services Lead	Skilled
JP Overhead Door Technician	Skilled	Procurement Lead	Skilled
JP Pipfitter	Skilled	Procurement Specialist	Skilled
		Production Geologist	Professional

FEMALE NON-TRADITIONAL POSITIONS

Positions	Skill Level	Positions	Skill Level
Project Analyst	Professional	Senior Mining Engineer	Professional
Project & Cost Analyst	Professional	Senior Procurement Specialist	Skilled
Project Coordinator	Professional	Senior Project Engineer	Professional
Reliability Advisor	Professional	Senior Risk & Safety Advisor	Skilled
Resource Geologist	Professional	Senior Surveyor	Skilled
Risk & Safety Advisor	Skilled	Senior Tax Advisor	Professional
SAP Integration Lead	Management	Senior Team Leader, Processing	Professional
Security Officer	Skilled	Senior Technology Delivery Specialist	Skilled
Senior Advisor, Costing	Professional	Senior Warehouse Advisor	Skilled
Senior Advisor, Financial Planning & Analysis	Professional	Service Advisor	Skilled
Senior Advisor, Reporting	Professional	Service Delivery Coordinator	Skilled
Senior Advisor, Training & Development	Skilled	Services Coordinator	Semi-Skilled
Senior Financial Accountant	Professional	Summer Student, Environment	Entry
Senior Financial Analyst	Professional	Summer Student, Maintenance	Entry
Senior Geologist	Professional	Summer Student, Training	Entry
Senior Inventory Analyst	Professional	Supervisor, Operational Accouting	Professional
Senior Maintenance Planner	Skilled	Supervisor, Operational Reporting	Professional
Senior Manager, ERP/SAP Applications	Management	Supervisor, Reporting & Data	Professional
Senior Manager, Exporation	Management	Supervisor, Revenue & Corporate	Professional
Senior Manager, Fox Deep	Management	Supply Chain Business Analyst	Skilled
Senior Manager, IT Infrastructure	Management	Supt. Asset Management	Management
Senior Manager, Mine & Site Technical Services	Management	Supt. Communications	Management
Senior Manager, Plant & Asset Optimization	Management	Supt. Construction	Management
Senior Metallurgist	Professional	Supt. Diamond Control	Management
		Supt. Electrical Services	Management
		Supt. Environment	Management

FEMALE NON-TRADITIONAL POSITIONS

Positions	Skill Level
Supt. Exploration	Management
Supt. Health, Safety, Training & Risk	Management
Supt. Materials Management	Management
Supt. Mining	Management
Supt. Mobile Maintenance	Management
Supt. Permitting	Management
Supt. Process Plant Operations	Management
Supt. Procurement	Management
Supt. Project Controls	Management
Supt. Site Serivices & Facilities	Management
Supt. UG Operations	Management
Supt. Underground Construction Misery	Management
Surface Mining Trainee	Entry
Surveyor	Skilled
Team Leader, Env. Mine Planning	Professional
Team Leader, Drill & Blast	Professional
Team Leader, Electrical & Instrumentation	Skilled
Team Leader, Electrical Services	Skilled
Team Leader, Environmental Operations	Professional
Team Leader, Facilities	Skilled
Team Leader, Fixed Plant	Skilled
Team Leader, Geotechnical	Professional
Team Leader, Health & Safety	Professional
Team Leader, Hydrocarbons	Skilled
Team Leader, IT & Communications	Skilled
Team Leader, Maintenance	Skilled
Team Leader, Maintenance Engineering	Professional
Team Leader, Maintenance Services	Skilled
Team Leader, Mine Planning	Professional
Team Leader, Planning & Rebuilds	Professional
Team Leader, Process Plant	Skilled
Team Leader, Recovery	Skilled
Team Leader, Road Services	Skilled
Team Leader, Sample Plant	Skilled
Team Leader, Security	Skilled
Team Leader, Site Services	Skilled
Team Leader, Surface Mining	Skilled
Team Leader, Survey	Skilled
Team Leader, Training	Skilled
Team Leader, UG Services	Skilled
Team Leader, Warehouse	Skilled
Technician, Communications	Skilled
Technician, Mobile Lube	Semi-Skilled
Technician, Process Control	Skilled
Technician, Process Plant	Skilled
Technician, Tool Crib	Skilled
Technology Delivery Specialist	Skilled
Trainee Condition Monitoring	Semi-Skilled
Training Advisor	Skilled
Treasury Operations Analyst	Professional
VP, Corporate Affairs	Management

FEMALE NON-TRADITIONAL POSITIONS

Positions	**Skill Level**	**Positions**	**Skill Level**
VP, Exploration	Management	Weekly Scheduler	Professional
Warehouse Technician	Skilled	Wildlife Advisor	Skilled
Waste Management Technician	Skilled	Wildlife Technician	Semi-Skilled
Waste Water Treatment Technician	Skilled		

ABBREVIATIONS IN POSITION LISTINGS

Env.	Environmental	OP	Open Pit
Equip. Op.	Equipment Operator	Supt.	Superintendent
HR	Human Resources	UG	Underground
JP	Journeyperson	VP	Vice President

APPENDIX B: INTERPRETATIONS & DEFINITIONS

INTERPRETATIONS / GUIDANCE

EMPLOYMENT COMMITMENTS

In the SEA, the following targets are set for Northern Resident employment and Indigenous employment for the Operations Phase of the project:

- Northern Resident employment will be 62% of the total Dominion and Contractor employment
- Indigenous employment will equal at least 50% of Northern Resident employment

BUSINESS SPEND COMMITMENTS

The SEA target for Northern Business spend is 70% of the total annual value of goods and services purchased during the Operations Phase.

JOB CLASSIFICATIONS

The skills and knowledge to perform the duties o a position fall into five basic categories. The following classification and criteria are used.

Management: Characterized by high levels of responsibility, accountability and subject matter expertise. Expertise is acquired through either formal education or extensive occupational experience.

Professional: Work for the position requires a university degree (e.g. accountant, engineer, geologist).

Skilled: Work for the position requires a college or technical school diploma, certification in specialized trades (e.g. surveyor, technician, administrative assistant).

Semi-Skilled: Work for the position requires a GED and related work-experience (e.g. equipment operator).

Entry: Formerly referred to as Unskilled, this category is now called Entry to accurately define the position. Work for Entry level positions is non-specialized; GED is preferred.

NUNAVUT

The SEA was signed on October 22, 1996, prior to the division of the Northwest Territories and the creation of the Nunavat Territory. Employment and business expenditure data from the Hamlets and Kugluktuk and Cambridge Bay are also included in the report.

ROUNDING

The totals in the tables in this report may differ slightly, due to rounding to the closest whole number after the addition of the non-rounded numbers has taken place.

STANDARD CONTRACT EMPLOYER PRACTICES

Dominion requires all contract employers to support our commitments to the people of the North by preferentially hiring Northern Residents and Indigenous individuals when it is reasonably practicable.

TRADITIONAL AND NON-TRADITIONAL OCCUPATIONS FOR WOMEN

As per the SEA, Dominion is required to report the number of women working in traditional and non-traditional occupations. For the purpose of this report, a women who works outside the home in a job that is not historically categorized as a female occupation is considered to be working in a non-traditional occupation. For more accurate reporting, Dominion has also included female employment by skill level as shown in Table 4D. Classifications for traditional and non-traditional positions are reported in Appendix A.

DEFINITIONS IN THIS REPORT

Contractor: Every contractor and sub-contractor used by Dominion for the project.

Headcount: The number of individuals who have worked in connection with Dominion, irrespective of the number of hours worked.

Indigenous: A First Nations, Inuit, or Métis person who originates from the Northwest Territories (or Nunavut after 1999).

Indigenous Business: A business that is wholly owned by, or in partnership with, and Indigenous group. Indigenous Businesses have a physical presence in the Northwest Territories; Kugluktuk, Nunavut; or Cambridge Bay, Nunavut, and have self-declared themselves to be an Indigenous Business regardless of where the business is headquarters and/or whether it is untimately parented by an Indigenous Business.

North/Northern: The region covered by the Northwest Territories and Nunavut.

Northern Business: A business organization which, may be an incorporated company, unincorporated joint venture, partnership, proprietorship, or cooperative acting for the benefit of any Northern Resident in which Northern Residents shall ahve substantial management authority or in which Northern Residents shall ahve a significant working interest.

Northern Indigenous: An Indigenous person who resides in the North.

Northern Other: A Northern Resident who does not meet the definition of Indigenous as used in this report.

Northern Resident: A person who maintains a self-contained domestic establishment in the Northwest Territories (or Nunavat) other than a residence at a remote work site, and who primarily resides at that domestic establishment when not residing at a remote work site or attending an educational institution full time, and who:

I. Has continuously been a Northwest Territories (or Nunavat) resident for a period of at least six months immediately prior to being hired, or

II. Is Indigenous.

Operations Phase: That period of time commencing on the date that the first mine goes into commercial production (when diamonds in sizable quantities are recovered and offered for sale an a regular basis), within the claim block, until the permanent closure of the last mine of the project.

Person Year: For operations, one person year equals 2,080 hours per year, For contruction, one person year equals 2,736 hours per year.

Dominion
Diamond Mines

Dominion Diamond Mines ULC
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Calgary, AB T2P 1T1
Tel: +1.403.910.1933
Fax: +1.403.910.1934
www.ddmines.com

TAB C

This is Exhibit "**C**" referred to in the Affidavit
of **KRISTAL KAYE** sworn before me this
21 day of April, 2020.

A Commissioner for Oaths in and for Alberta

Morgan Crilly
Barrister & Solicitor

WDI B.V. January 1 - December 31, 2019

BALANCE SHEET	BW Reference	Legal From BW consolidated BW = SAP
Assets		
Non-current assets		
Property, plant & equipment	WDI119	-
Other non-current assets	WDI129	-
Total non-current assets		-
Current assets		
Inventory & supplies	WDI130	-
Other current assets	WDI131	-
Trade & other receivables	WDI132	-
Cash & cash equivalents	WDI133	(0)
Total current assets		-
Total Assets		-
Equity & Liabilities		
Equity		
Share capital	WDI118	-
Investment in subsidiaries	WDI1110	-
Consolidated share capital		-
Other reserves	WDI120	-
Retained earnings	WDI121	(148,376)
Net Income (loss)		148,376
Closing retained earnings		-
Contributed surplus	WDI1115	-
Accumulated other comprehensive income	WDI122	-
Total shareholders equity		-
Total equity		-
Liabilities		
Non-current liabilities		
Loans & borrowings	WDI146	-
Lease Obligation	WDI147	-
Deferred income tax liabilities	WDI153	-
Employee benefit plans	WDI148	-
Reclamation provisions	WDI149	-
Total non-current liabilities		-
Current liabilities		
Trade & other payables	WDI17	-
Inter-company payables & receivables	WDI157	-
Current portion of employee benefit plans	WDI110	-

Income taxes payable	WDI112	-
Current Portion of loans & borrowings	WDI18	-
Current Portion of Reclamation Provision	WDI111	-
Current Portion of lease obligation	WDI19	-
Total current liabilities		-
Total liabilities		-
Total equity and liabilities		-
check		-
INCOME STATEMENT		
Revenue	WDI175	-
Cost of sales	WDI178	-
Gross Margin		-
Other Income	WDI168	(33,175)
Selling and distribution expenses	WDI169	-
General & administrative expenses	WDI170	143,352
Other expenses	WDI172	36,782
Operating loss		146,959
Finance expenses	WDI161	2,810
Finance income	WDI162	-
Foreign exchange (gain) loss	WDI163	(1,394)
Net finance costs		1,417
Loss (Income) before income taxes		148,376
Current income tax expense (recovery)	WDI127	-
Deferred income tax expense (recovery)	WDI160	-
Clearing accounts		
Inter-company	WDI1112	-
Production costs	WDI192	-
Net (Income) loss		148,376

TAB D

This is Exhibit "**D**" referred to in the Affidavit
of **KRISTAL KAYE** sworn before me this
__21__ day of April, 2020.

A Commissioner for Oaths in and for Alberta

Morgan Crilly
Barrister & Solicitor

KPMG

KPMG LLP
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Calgary AB T2P 4B9
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INDEPENDENT AUDITORS' REPORT

To the Unitholder of Dominion Diamond Holdings, LLC

Opinion

We have audited the consolidated financial statements of Dominion Diamond Holdings, LLC (the "Company"), which comprise:

- the consolidated statement of financial position as at December 31, 2019
- the consolidated statement of loss for the year ended December 31, 2019
- the consolidated statement of comprehensive loss for the year ended December 31, 2019
- the consolidated statement of changes in equity for the year ended December 31, 2019
- the consolidated statement of cash flows for the year ended December 31, 2019
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2019 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our auditors' report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

March 18, 2020
Calgary, Canada

Dominion
Diamond Mines

CANADAMARK™

Dominion Diamond Holdings, LLC

Consolidated Financial Statements

For the year ended December 31, 2019

Consolidated Statement of Financial Position

(expressed in thousands of United States dollars)

	December 31, 2019	December 31, 2018
ASSETS		
Property, plant and equipment *(note 5)*	970,738	999,851
Other non-current assets *(note 6)*	11,217	14,025
Net investment in sub-lease *(note 11)*	3,015	—
Non-current assets	984,970	1,013,876
Inventory and supplies *(note 7)*	295,141	310,924
Other current assets	12,984	24,949
Trade and other receivables *(note 8)*	7,210	21,139
Cash and cash equivalents	77,064	96,633
Current assets	392,399	453,645
Total assets	1,377,369	1,467,521
EQUITY		
Share capital and share premium *(note 9)*	—	502,540
Paid-in capital *(note 9)*	502,540	—
Accumulated deficit	(366,298)	(312,458)
Accumulated other comprehensive loss	(2,693)	(1,000)
Equity attributable to owners of the Company	133,549	189,082
Non-controlling interest	26,369	25,657
Total equity	159,918	214,739
LIABILITIES		
Loans and borrowings *(note 10)*	—	524,144
Lease obligations *(note 11)*	24,255	18,272
Employee benefit plans *(note 12)*	16,879	15,353
Reclamation provisions *(note 13)*	382,891	384,967
Deferred income tax liabilities *(note 14)*	107,354	167,750
Non-current liabilities	531,379	1,110,486
Trade and other payables *(note 15)*	83,309	106,367
Current portion of loans and borrowings *(note 10)*	585,195	12,083
Current portion of lease obligations *(note 11)*	11,701	3,742
Current portion of employee benefit plans *(note 12)*	680	270
Current portion of reclamation provision *(note 13)*	3,184	8,067
Income taxes payable	2,003	11,767
Current liabilities	686,072	142,296
Total liabilities	1,217,451	1,252,782
Total equity and liabilities	1,377,369	1,467,521

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Loss

(expressed in thousands of United States dollars)

	Year ended December 31, 2019	Eleven month period ended *December 31, 2018*
Revenue *(note 16)*	527,546	689,391
Cost of sales *(note 17)*	(544,458)	(645,187)
Gross margin	(16,912)	44,204
Other income *(note 18)*	2,466	30,105
Selling and distribution expenses *(note 17)*	(10,748)	(9,021)
General and administrative expenses *(note 17)*	(27,417)	(25,440)
Impairment of goodwill and assets *(notes 5, 17)*	—	(183,136)
Other expenses *(note 17)*	(20,164)	(24,104)
Operating loss	(72,775)	(167,392)
Finance expenses *(note 19)*	(66,232)	(60,529)
Finance income	2,983	3,656
Foreign exchange (loss) gain	(2,405)	8,014
Net finance costs	(65,654)	(48,859)
Loss before income taxes	(138,429)	(216,251)
Current income tax recovery (expense) *(note 14)*	16,230	(19,214)
Deferred income tax recovery (expense) *(note 14)*	59,937	(35,048)
Income taxes	76,167	(54,262)
Loss	(62,262)	(270,513)
Net loss attributable to		
Owners of the Company	(55,190)	(254,086)
Non-controlling interest	(7,072)	(16,427)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Loss
(expressed in thousands of United States dollars)

	Year ended December 31, 2019	Eleven month period ended *December 31, 2018*
Loss	(62,262)	(270,513)
Other comprehensive loss		
Items that will not be reclassified to loss		
Re-measurement of defined benefit obligation (net of tax recovery of $0.9 million for year ended December 31, 2019 - net of tax expense of $0.4 million for the year ended December 31, 2018)	(1,990)	(751)
Total comprehensive loss	(64,252)	(271,264)
Comprehensive loss attributable to		
Owners of the Company	(56,883)	(254,792)
Non-controlling interest	(7,369)	(16,472)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity
(expressed in thousands of United States dollars)

	Year ended December 31, 2019	Eleven month period ended *December 31, 2018*
Share capital and share premium: *(note 9)*		
Balance at beginning of period	502,540	502,500
Issued during the period	—	40
Distribution to Washington Diamond Investments, LLC	(502,540)	—
Balance at end of period	—	502,540
Paid-in capital: *(note 9)*		
Balance at beginning of period	—	—
Contributions from Washington Diamond Investments, LLC during the period	502,540	—
Balance at end of period	502,540	—
Accumulated deficit:		
Balance at beginning of period	(312,458)	(58,372)
Adjustment on initial adoption of IFRS 16 *(note 2)*	1,350	—
Loss attributable to owners of the Company	(55,190)	(254,086)
Balance at end of period	(366,298)	(312,458)
Accumulated other comprehensive loss:		
Balance at beginning of period	(1,000)	(294)
Items that will not be reclassified to profit (loss)		
Re-measurement of defined benefit obligation (net of tax recovery of $0.9 million for period ended December 31, 2019 - net of tax expense $0.4 million for the period ended December 31, 2018)	(1,693)	(706)
Balance at end of period	(2,693)	(1,000)
Non-controlling interest:		
Balance at beginning of period	25,657	45,734
Loss attributed to non-controlling interest	(7,072)	(16,427)
Other comprehensive (loss) income attributable to non-controlling interest	(297)	(45)
Contribution from non-controlling interest partner	8,081	—
Distribution to non-controlling interest partner	—	(3,605)
Balance at end of period	26,369	25,657
Total equity	159,918	214,739

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

(expressed in thousands of United States dollars)

	Year ended December 31, 2019	Eleven month period ended December 31, 2018
OPERATING		
Loss	(62,262)	(270,513)
Adjustments for		
Depreciation and amortization *(note 17)*	199,255	229,484
Deferred income tax (recovery) expense	(59,937)	35,048
Current income tax (recovery) expense	(16,230)	19,214
Finance expenses	66,232	60,529
Other non-cash items	1,915	1,248
Unrealized foreign exchange loss (gain)	2,332	(4,776)
Defined benefit plan contributions *(note 12)*	(5,020)	(4,650)
Impairment losses on inventory *(note 17)*	12,779	15,423
Impairment of goodwill and assets *(note 5)*	—	183,136
Reclamation expenditures *(note 13)*	(7,446)	(2,087)
Interest paid	(46,717)	(45,001)
Income and mining taxes recovered (paid)	6,541	(34,273)
Change in non-cash operating working capital		
Accounts receivable	16,360	(8,788)
Inventory and supplies	9,168	(10,235)
Other current assets	12,023	8,827
Trade and other payables	(32,694)	(20,809)
Employee benefit plans	409	(222)
Net cash from operating activities	96,708	151,555
FINANCING		
Net increase in loans and borrowings	43,000	—
Lease payments	(10,205)	(2,071)
Distribution to non-controlling interest partner	—	(206)
Contribution from non-controlling interest partner	8,081	—
Contribution from parent	—	40
Net cash from (used in) financing activities	40,876	(2,237)
INVESTING		
Purchase of property, plant and equipment	(160,387)	(176,029)
Proceeds from sale of property, plant and equipment	862	957
Net proceeds from pre-production sales *(note 5)*	3,469	13,468
Lease incentive paid	(1,892)	—
Net cash used in investing activities	(157,948)	(161,604)
Net decrease in cash and cash equivalents	(20,364)	(12,286)
Cash and cash equivalents, beginning of period	96,633	111,077
Foreign exchange effect on cash balances	795	(2,158)
Cash and cash equivalents, end of period	77,064	96,633

The accompanying notes are an integral part of these consolidated financial statements.

Note 1: Reporting Entity

Dominion Diamond Holdings, LLC ("DDH LLC"), a limited liability company, was incorporated in Delaware on November 15, 2019 (note 23). DDH LLC's sole shareholder is Washington Diamond Investments, LLC ("WDI LLC", the "member"), a company controlled by the Washington Companies (the "Parent"). DDH LLC's registered office is located at 251 Little Falls Drive, Wilmington, Delaware.

These consolidated financial statements comprise of DDH LLC and its subsidiaries (together referred to as the "Company" – note 23). The Company conducts operations under the name 'Dominion Diamond Mines' focusing on the mining and marketing of polished and rough diamonds to the global market.

Note 2: Basis of Preparation

(a) Statement of compliance

These consolidated financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements were approved by the Board of Directors on March 18, 2020.

(b) Basis of measurement

These consolidated financial statements were prepared on a going concern basis under the historical cost method. The significant accounting policies are presented in note 25 and have been consistently applied in the period presented, except as noted in note 2 (f).

(c) Currency of presentation

These consolidated financial statements are expressed in United States dollars, which is the functional currency of the Company and each of its subsidiaries. All financial information presented in United States dollars has been rounded to the nearest thousand.

(d) Corporate reorganization

Effective November 1, 2017 and up until December 13, 2019, Washington Diamond Investments B.V. ("WDI B.V."), a Dutch resident company incorporated in the Netherlands, through its wholly owned Dutch subsidiaries Northwest Acquisitions Pledge B.V. ("Pledge B.V.") and Northwest Acquisitions Holdco B.V. ("Holdco B.V.") held 100% of ownership interest in Dominion Diamond Mines ULC, Dominion Diamond Marketing N.V., Dominion Diamond (India) Private Limited and Dominion Diamond Marketing Corporation and Dominion Finco (collectively the "Dominion Companies"). WDI B.V.'s sole shareholder was WDI LLC, a company controlled by the Washington Companies.

During the fourth quarter of 2019, a voluntary reorganization of the corporate structure was initiated to ease the administrative burden of reporting and compliance in Netherlands and to simplify the group structure. Accordingly, on December 13, 2019 , as part of the corporate reorganization, the three Dutch incorporated entities namely, WDI B.V., Pledge B.V. and Holdco B.V. were liquidated. Prior to their liquidation, the net assets including shares of the Dominion Companies, and any loan guarantees that were recorded in these Dutch entities were distributed to WDI LLC and were contributed by WDI LLC to the newly incorporated DDH LLC.

The ultimate control of Dominion Companies remained with Washington Companies before and after the reorganization. WDI LLC was the immediate parent of WDI B.V up until liquidation and is the immediate parent of DDH LLC since incorporation. The voluntary reorganization was a transaction under common control with no commercial substance and as such, there is no material impact on these consolidated financial statements, except within the Company's equity balances as disclosed in note 9.

(e) Change in fiscal year-end

Effective February 1, 2018, the Company changed its fiscal year end from January 31 to December 31 to better align the Company's financial disclosures with its peers in the mining sector and for operational and administrative efficiencies. The operating results represent the 12-months ended December 31, 2019 with comparative figures being for the 11-month transitional period from February 1, 2018 to December 31, 2018. Certain comparative figures have been reclassified to conform to the presentation adopted in the current year. Due to the shorter comparative period, the comparative amounts presented are not entirely comparable.

(f) Changes in significant accounting policies

IFRS 16 – LEASES

Effective January 1, 2019, the Company adopted the requirements of IFRS 16 *Leases* ("IFRS 16"). IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

Adoption of IFRS 16 resulted in the recognition of additional leased assets and liabilities on the statement of financial position, a decrease in lease expense and a corresponding increase in depreciation and interest expense. Cash flow from operating activities has increased under IFRS 16 as the principal portion of lease payments for substantially all leases has been recorded in financing activities in the statement of cash flows as opposed to operating activities.

The Company adopted IFRS 16 using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 was recognized as an adjustment to the opening balance of accumulated deficit at January 1, 2019, with no restatement of comparative information.

The Company's new accounting policies under IFRS 16 are set out in note 25 (h).

Transition

Previously, the Company classified certain leases as operating leases under IAS 17. At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at January 1, 2019. Right-of-use assets are measured at their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application.

The Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Company leases certain items of equipment associated with its mining operations. These leases were classified as finance leases under IAS 17. For these finance leases, the carrying amounts of the right-of-use assets and the lease liabilities at January 1, 2019 were determined to be the same as the carrying amounts of the lease assets and lease liabilities under IAS 17 immediately before that date.

(tabular amounts in thousands of United States dollars, except as otherwise noted)

Impact on financial statements

On transition to IFRS 16, the Company recognized an additional $21.4 million of right-of-use assets, $19.5 million of lease liabilities, deferred tax liabilities of $0.5 million and recognized the difference of $1.4 million (net of tax) in accumulated deficit.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at January 1, 2019.The weighted-average rate applied was 7.3%.

	January 1, 2019
Operating lease commitments at December 31, 2018	**34,540**
(Less): non-lease components not included in lease liability	(6,847)
(Less): reassessment of service agreements	(3,665)
(Less): short-term leases	(1,471)
(Less): impact of discounting using the incremental borrowing rate at January 1, 2019	(3,007)
Discounted using the incremental borrowing rate at January 1, 2019	**19,550**
Add: Finance lease liabilities recognized as at December 31, 2018	22,014
Lease liabilities recognized at January 1, 2019	41,564

Uncertainty over Income Tax Treatments

Effective January 1, 2019, the Company adopted the requirements of IFRIC 23 Uncertainty over Income Tax Treatments. IFRIC 23 interpretations provide guidance on how to value uncertain income tax positions based on the probability of whether the relevant tax authorities will accept a company's tax treatments. The adoption of IFRIC 23 had no impact on the consolidated financial statements.

(g) Standards issued but not yet effective

Definition of a Business

On October 22, 2018, the IASB issued a narrow scope amendment to IFRS 3 Business Combinations. This amendment narrowed and clarified the definition of a business, as well as permitted a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. This amendment effective on January 1, 2020 and is to be applied prospectively. The Company intends to adopt the amendment to IFRS 3 in its consolidated financial statements for the annual period beginning January 1, 2020. The adoption of the amendment to IFRS 3 is not expected to have a material impact on the consolidated financial statements.

Note 3: Use of Judgements and Estimates

In preparing these consolidated financial statements, management made judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements, as well as the reported amounts in consolidated statement of loss during the period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

a) Judgements

- Note 25 (a) (iii) – Joint arrangements: classification of a joint arrangement as joint operation;
- Note 25 (d) (ii) – Commercial production: the start date of commercial production;
- Note 25 (e) – Impairment: assessment of impairment indications;

- Note 25 (m) – Commitments and contingencies: assumptions about likelihood and magnitude of an outflow of resources; and
- Note 25 (p) – Functional currency: determination of functional currency.

b) Assumptions and estimates

- Note 25 (d) (iv) – Depreciation and amortization: ore reserve and mineral resource estimates and unit-of-production depreciation;
- Note 25 (e) – Impairment of non-financial assets: assumptions used to determine recoverable amounts;
- Note 25 (f) – Inventories: determination of net realizable value;
- Note 25 (i) – Pension benefits: key actuarial assumptions;
- Note 25 (j) – Mine rehabilitation and site restoration provision: expectation of future site closure and reclamation activities and the amount and timing of associated cash flows.; and
- Note 25 (k) – Recovery of deferred tax assets: assess the likelihood of taxable earnings.

(tabular amounts in thousands of United States dollars, except as otherwise noted)

Note 4: Segmented Information

Management reviewed various factors, including geographical locations and managerial structure. Management determined that the Company operates in three segments – Diavik Diamond Mine, Ekati Diamond Mine and Corporate. The Diavik segment consists of the Company's 40% ownership interest in the Diavik group of mining leases and the sale of rough and polished diamonds. The Ekati segment consists of the Company's ownership interest in the Ekati group of mining leases and the sale of rough and polished diamonds. The Corporate segment captures all costs not specifically related to the operations of the Diavik and Ekati Diamond Mines.

Year ended December 31, 2019	Diavik	Ekati	Corporate	Total
Sales				
Europe	228,965	298,581	—	527,546
Total sales	228,965	298,581	—	527,546
Cost of sales				
Production cost of inventories	(128,607)	(206,489)	—	(335,096)
Depreciation and amortization	(104,687)	(91,896)	—	(196,583)
Inventory impairment	(10,801)	(1,978)	—	(12,779)
Total cost of sales	(244,095)	(300,363)	—	(544,458)
Gross margin	(15,130)	(1,782)	—	(16,912)
Other income	324	1,506	636	2,466
Selling and distribution expenses	(3,878)	(3,640)	(3,230)	(10,748)
General and administrative expenses (1)	—	—	(27,417)	(27,417)
Other expenses	(443)	(15,392)	(4,329)	(20,164)
Operating loss	(19,127)	(19,308)	(34,340)	(72,775)
Finance expenses	(4,176)	(11,493)	(50,563)	(66,232)
Finance income	272	2,631	80	2,983
Foreign exchange gain (loss)	(1,353)	2,271	(3,323)	(2,405)
Segment loss before income taxes	(24,384)	(25,899)	(88,146)	(138,429)
Income tax recovery (expense)	16,557	(186)	59,796	76,167
Segmented assets as at December 31, 2019 (2)				
Canada	455,573	802,350	52,596	1,310,519
Other foreign countries	28,877	37,901	72	66,850
Total segmented assets	484,450	840,251	52,668	1,377,369
Segment liabilities as at December 31, 2019 (2)	152,982	388,822	675,647	1,217,451
Capital expenditures (3)	35,397	150,470	1,811	187,678

(1) *$2.7 million of depreciation and amortization of corporate assets are included in the general and administrative expenses.*

(2) *Upon adoption of IFRS 16 on January 1, 2019, the Company recognized $21.4 million of right-of-use assets and $19.5 million of liabilities from those lease contracts.*

(3) *Capital expenditures includes PP&E additions, right-of-use assets recognized on adoption of IFRS 16 and foreign exchange revaluation of the reclamation provision.*

(tabular amounts in thousands of United States dollars, except as otherwise noted)

For the eleven months ended December 31, 2018	Diavik	Ekati	Corporate	Total
Sales				
Europe	248,695	404,439	—	653,134
India	11,367	24,890	—	36,257
Total sales	260,062	429,329	—	689,391
Cost of sales				
Production cost of inventories	(111,962)	(293,562)	—	(405,524)
Depreciation and amortization	(97,219)	(127,021)	—	(224,240)
Inventory impairment	—	(15,423)	—	(15,423)
Total cost of sales	(209,181)	(436,006)	—	(645,187)
Gross margin	50,881	(6,677)	—	44,204
Other income	244	29,531	330	30,105
Selling and distribution expenses	(3,293)	(5,728)	—	(9,021)
General and administrative expenses (1)	—	—	(25,440)	(25,440)
Impairment of goodwill and assets	(139,867)	(43,269)	—	(183,136)
Other expenses	(1,227)	(16,496)	(6,381)	(24,104)
Operating profit (loss)	(93,262)	(42,639)	(31,491)	(167,392)
Finance expenses	(4,197)	(10,759)	(45,573)	(60,529)
Finance income	478	3,123	55	3,656
Foreign exchange (loss) gain	(15,332)	20,843	2,503	8,014
Segment profit (loss) before income taxes	(112,313)	(29,432)	(74,506)	(216,251)
Income tax recovery (expense)	399	(61,444)	6,783	(54,262)
Segmented assets as at December 31, 2018				
Canada	552,966	802,093	15,709	1,370,768
Other foreign countries	29,010	65,773	1,970	96,753
Total segmented assets	581,976	867,866	17,679	1,467,521
Segment liabilities as at December 31, 2018	167,714	451,930	633,138	1,252,782
Capital expenditures (2)	43,666	148,613	415	192,694

(1) *$3.9 million of depreciation and amortization of corporate assets are included in the general and administrative expenses and $1.3 million of depreciation and amortization included in other expenses.*

(2) *Capital expenditures includes PP&E additions and foreign exchange revaluation of the reclamation provision.*

(tabular amounts in thousands of United States dollars, except as otherwise noted)

Note 5: Property, Plant and Equipment

	Mineral properties	Equipment and leaseholds	Furniture, equipment and other	Land and building	Assets under construction	Right-of-use assets	Total
COST							
Balance as at January 1, 2019	372,508	698,272	6,084	214,622	113,739	26,259	1,431,484
Right-of-use assets recognized on adoption of IFRS 16 *(note 11)*	—	—	—	—	—	21,386	21,386
Additions [(2)]	56,230	39,393	—	6,362	40,044	3,624	145,653
Disposals	(597)	(6,888)	—	—	(46)	(1,857)	(9,388)
Net proceeds from pre-production sales	(3,469)	—	—	—	—	—	(3,469)
Foreign exchange differences [(1)]	20,639	—	—	—	—	—	20,639
Balance as at December 31, 2019	445,311	730,777	6,084	220,984	153,737	49,412	1,606,305
ACCUMULATED DEPRECIATION/AMORTIZATION							
Balance as at January 1, 2019	174,574	221,474	2,817	31,286	—	1,482	431,633
Depreciation and amortization	38,321	128,560	308	33,745	—	10,449	211,383
Disposals	(597)	(6,500)	—	—	—	(352)	(7,449)
Balance as at December 31, 2019	212,298	343,534	3,125	65,031	—	11,579	635,567
NET BOOK VALUE							
As at December 31, 2019	233,013	387,243	2,959	155,953	153,737	37,833	970,738

	Mineral properties	Equipment and leaseholds	Furniture, equipment and other	Land and building	Assets under construction	Leases	Total
COST							
Balance as at February 1, 2018	295,243	575,562	6,056	230,900	140,245	952	1,248,958
Purchase price adjustments	26,481	(20,421)	—	(7,695)	19,202	—	17,567
Additions [(2)]	101,251	148,004	28	3,346	(45,708)	25,307	232,228
Disposals	—	(13,086)	—	(1,181)	—	—	(14,267)
Net proceeds from pre-production sales	(13,468)	—	—	—	—	—	(13,468)
Foreign exchange differences [(1)]	(39,534)	—	—	—	—	—	(39,534)
Transfers and other movements	2,535	8,213	—	(10,748)	—	—	—
Balance as at December 31, 2018	372,508	698,272	6,084	214,622	113,739	26,259	1,431,484
ACCUMULATED DEPRECIATION/AMORTIZATION							
Balance as at February 1, 2018	3,233	49,378	436	9,945	—	55	63,047
Depreciation and amortization	32,640	158,423	2,381	29,755	—	1,427	224,626
Impairment of assets	143,381	13,957	—	—	—	—	157,338
Disposals	—	(13,024)	—	(354)	—	—	(13,378)
Transfers and other movements	(4,680)	12,740	—	(8,060)	—	—	—
Balance as at December 31, 2018	174,574	221,474	2,817	31,286	—	1,482	431,633
NET BOOK VALUE							
As at December 31, 2018	197,934	476,798	3,267	183,336	113,739	24,777	999,851

[(1)] *These foreign exchange differences relate to the revaluation of the reclamation provisions.*

[(2)] *Additions include cash additions, right-of-use asset additions, PP&E additions in payables, changes in estimate of reclamation provision and capitalized depreciation. During the year ended December 31, 2019 capitalized stripping costs included in mineral properties amounted to $84.7 million (period ended December 31, 2018 - $88.9 million).*

(tabular amounts in thousands of United States dollars, except as otherwise noted)

As at December 31, 2019, there were no exploration and evaluation ("E&E") assets included in mineral properties. During the year ended December 31, 2019 and period ended December 31, 2018, there were no E&E assets transferred to capitalized development.

During the period ended December 31, 2018, due to changes in estimates of mining reserves and estimated extraction costs in the Diavik and Ekati CGU's, the following impairment losses were recognized in "impairment of goodwill and assets" in statement of loss:

	Diavik	Ekati	Total
Mineral properties	*100,112*	*43,269*	143,381
Equipment and leaseholds	13,957	–	13,957
Impairment of assets	114,069	43,269	157,338
Goodwill	25,798	–	25,798
Impairment of goodwill and assets	139,867	43,269	183,136

The recoverable amounts of the Diavik and Ekati CGU's were $319.0 million and $510.5 million respectively, based on FVLCD, estimated using discounted cash flows. These fair value measurements were categorized as Level 3 fair values using a present value technique.

(i) KEY ASSUMPTIONS (DIAVIK AND EKATI SEGMENTS)

The determination of FVLCD is most sensitive to the following key assumptions:

PRODUCTION VOLUMES AND DIAMOND PRICES

In calculating the FVLCD, the production volumes incorporated into the cash flow model are based on detailed life of mine ("LOM") plans and take into account development plans for the mines agreed by management. Production volumes are dependent on a number of variables, such as the recoverable quantities, operational and capital expenditure requirements and selling prices of diamonds recovered. These production volumes are consistent with the reserves and resource volumes approved as part of the Company's process for the estimation of proven and probable reserves and resource estimates. Diamond price forecasts are based on management's estimates based on market outlook and consideration of historical prices.

DISCOUNT RATE

In calculating the FVLCD, a post-tax discount rate of 8.5% was applied to the cash flows. The discount rate reflects the current market assessments of the time value of money with appropriate adjustments made to reflect the risks specific to the CGU.

FOREIGN EXCHANGE RATE

As the Company's functional currency is the US dollar the Company is exposed to foreign exchange rate movements arising from operating costs that are primarily in Canadian dollars. The foreign exchange rates are estimated with reference to external market forecasts and updated at least annually. The rates applied in the valuation are based on observable market data including spot and forward values. A CDN to US dollar exchange rate of $0.79 was used in the cash flow analysis.

(tabular amounts in thousands of United States dollars, except as otherwise noted)

Note 6: Other Non-Current Assets

	December 31, 2019	December 31, 2018
Sample diamonds	4,015	3,759
Stockpile ore	—	2,683
Deferred financing charges	5,842	6,276
Security deposits	597	618
Other assets	763	689
Total other non-current assets	11,217	14,025

Deferred financing charges include financing costs associated with obtaining the revolving credit facility and are amortized to the statement of loss over the term of the revolving credit facility using the straight-line method.

Note 7: Inventory and Supplies

	December 31, 2019	December 31, 2018
Stockpile ore	3,992	10,728
Rough diamonds – work in progress	69,110	55,544
Rough diamonds – finished goods	54,361	84,869
Supplies inventory	167,678	159,783
Total inventory and supplies	295,141	310,924

For the year ended December 31, 2019, inventories recognized in cost of sales were $544.5 million (period ended December 31, 2018 – $645.2 million) including a $12.8 million diamond inventory write-down (period ended December 31, 2018 – $15.4 million).

Note 8: Trade and Other Receivables

	December 31, 2019	December 31, 2018
Trade receivables	916	—
Sales tax credits	5,426	14,980
Receivable from related party *(note 23)*	—	4,619
Other	868	1,540
Total trade and other receivables	7,210	21,139

Note 9: Equity

(a) Share Capital and Share Premium
Share capital as at December 31, 2018 reflects the issued share capital of WDI B.V of one hundred and three shares with a par value of EUR103 (USD$121). The proceeds from issuance of share capital that was over and above the par value of shares of $502.5 million was classified as share premium as at December 31, 2018.

As part of the reorganization on December 13, 2019, WDI B.V. was liquidated and the Dominion group of companies were transferred to a newly incorporated company DDH LLC (note 2 (d)).

(b) Paid-in capital
The capital structure of DDH LLC consists of one class of Common Units. All Common Units are identical with each other in every respect.

(tabular amounts in thousands of United States dollars, except as otherwise noted)

Paid-in Capital	Common Units	Amount ($)
Initial contribution on November 15, 2019 (1)	1,000	—
Contribution by WDI LLC of interest in subsidiaries	365,156,214	365,156
Contribution by WDI LLC	—	137,384
As at December 31, 2019	365,157,214	502,540

(1) Initial contribution from WDI LLC amounted to one hundred dollars.

The difference of $137.4 million between the adjusted carrying amount of equity interests in Dominion Companies transferred of $502.5 million less the fair value of consideration due of $365.1 million was recognized in equity as a capital contribution from WDI LLC. The adjusted carrying amount of $502.5 million represents the book value of equity interest in Dominion Companies as recorded in WDI B.V. prior to liquidation.

Note 10: Loans and Borrowings

			December 31, 2019	December 31, 2018
	Maturity	Interest rate	Carrying amount	Carrying amount
Revolving credit facility (a)	2021	LIBOR Rate +3 to 3.5%	43,000	—
Senior secured notes (b)	2022	7.125%	550,000	550,000
Promissory note			12,083	12,083
Debt issuance costs			(19,888)	(25,856)
Total loans and borrowings			585,195	536,227
Less current portion			(585,195)	(12,083)
Non-current portion			—	524,144

(a) Revolving credit facility

As at December 31, 2018 the Company had available a $200.0 million senior secured corporate revolving facility with a syndicate of commercial banks, with a four-year term expiring on November 1, 2021, which may be extended with the consent of the lenders. During 2019, the availability under the revolving facility was reduced to $150.0 million (see note 10 (c) below for further details).

The Company has drawn $43.0 million from the revolving credit facility as at December 31, 2019 (December 31, 2018 – $nil). $58.1 million of letters of credit were secured by the revolving credit facility (period ended December 31, 2018 – $56.3 million).

The revolving credit facility is guaranteed by certain subsidiaries of the Company and secured by a first-priority lien on substantially all the assets and property of the Company, subject to certain exclusions and permitted liens.

(b) Senior secured notes

The Notes have a term of five years with a maturity date of November 1, 2022. The Notes bear a coupon interest rate of 7.125% per annum, which is payable semi-annually in arrears on May 1 and November 1 of each year commencing on May 1, 2018. The Company has the option to redeem all or part of the Notes on or after November 1, 2019. The Notes are guaranteed by certain subsidiaries of the Company and are secured by a second-priority lien on substantially all the assets and property of the Company, subject to certain exclusions and permitted liens.

Under the terms of the Notes agreement, the Company is expected to comply with various affirmative and negative covenants requirements. At December 31, 2019, the Company is in compliance with all covenants associated with the Notes, however the non-current classification of the Notes was impacted due to receiving the covenant amendment to the revolving credit facility subsequent to year end (see note 10 (c) for further details).

Debt issuance costs of $32.2 million associated with the transaction were offset against the principal amount of the Notes and are amortized to the statement of loss over five years using the effective interest rate method. $6.0 million of accretion related to these costs was recognized in the year ended December 31, 2019 (period ended December 31, 2018 - $5.1 million).

(tabular amounts in thousands of United States dollars, except as otherwise noted)

(c) Debt covenant and liquidity

The syndicated revolving credit facility includes total net leverage ratio covenants used to assess the Company's financial strength. The net leverage ratio is calculated as total outstanding principal amount of third-party indebtedness, finance leases and bonds net of cash, divided by net income (loss) before interest expense (income), income taxes, and depreciation and amortization adjusted for items permitted under the credit facility agreement.

As at December 31, 2019, the total net leverage ratio was 3.73 whereby the Company is required to maintain 2.0 under the original credit facility agreement. If the Company is in default of its financial covenants and fails to exercise its right to cure or amend within the timeframe permitted by the revolving credit facility ("cure period"), the lenders may terminate the commitments and declare the loans then outstanding to be due and payable. An acceleration of payment of indebtedness under the revolving credit facility may result in an acceleration of payment of the senior secured notes unless cured.

Subsequent to December 31, 2019, management successfully renegotiated the terms of the credit facility agreement with the syndicate lenders within the required cure period. The amended net leverage ratio is 4.25 which is reduced on a quarterly basis from March 2020 onwards; and the availability under the revolving credit facility was maintained at $150.0 million. At December 31, 2019, the outstanding borrowings under the credit facility and the senior secured notes were reclassified from non-current to current liabilities due to receiving covenant amendment subsequent to year end. The Company is in compliance with the amended net leverage ratio.

Note 11: Leases

Property, plant and equipment comprises both owned and leased assets. The Company leases many assets including land and buildings, vehicles, machinery and IT equipment. Leases for which the Company is a lessee are presented below.

Right-of-use assets	**Mineral properties**	**Equipment and leaseholds**	**Furniture, equipment and other**	**Land and buildings**	**Total**
Balance as at January 1, 2019	—	23,724	—	1,053	24,777
Right of use assets recognized on initial adoption of IFRS 16 on January 1, 2019	1,410	7,886	116	11,974	21,386
Additions for the period	—	2,560	—	1,064	3,624
Disposals for the period	—	—	—	(1,505)	(1,505)
Depreciation charge for the period	(178)	(5,596)	(70)	(4,605)	(10,449)
As at December 31, 2019	1,232	28,574	46	7,981	37,833

Lease liabilities

Maturity analysis — contractual undiscounted cash flows	**December 31, 2019**
Less than one year	13,021
Two to five years	26,620
More than five years	679
Total undiscounted lease liability as at December 31, 2019	40,320
Finance expense	(4,364)
Lease liabilities included in the statement of financial position at December 31, 2019	35,956
Current	11,701
Non-current	24,255

(tabular amounts in thousands of United States dollars, except as otherwise noted)

Amounts recognized in profit or loss under IFRS 16	Year ended December 31, 2019
Depreciation of right-of-use assets	10,449
Interest on lease liabilities	2,606
Variable lease expenses not included in the measurement of lease liabilities [1]	2,073

(a) Variable lease expenses include expenses related to property taxes on office leases and equipment.

Variable lease expenses of $22.7 million relating to equipment leases that were not included in measurement of lease liabilities. These payments were capitalized to assets under construction in Property, Plant and Equipment (note 5).

Amounts recognized in profit or loss under IAS 17	Eleven month period ended December 31, 2018
Lease expense	6,924

Amounts recognized in in the statement of cashflows	Year ended December 31, 2019
Total cash outflows for leases	10,205

Net investment in sub-lease

During December 2019, the Company sub-leased an office building that was capitalized as a right-of-use asset under the category land and buildings. Consequently, a loss of $0.2 million was recognized on derecognition of the right-of-use asset pertaining to this office building.

The following table sets out a maturity analysis of lease receivables and lease inducement costs the Company incurred to sub-lease the asset, showing both the undiscounted lease payments to be received after the reporting date and lease inducement costs being amortized into income.

Net investment in sub-lease	
Maturity analysis — contractual undiscounted cash flows	**December 31, 2019**
Less than one year	373
One to two years	373
Two to three years	373
Three to four years	373
Four to five years	31
Total undiscounted payments	1,523
Unamortized lease inducement	1,697
Unearned finance income	(205)
Net Investment in sub-lease as at December 31, 2019	3,015

Note 12: Employee Benefit Plans

The employee benefit obligation reflected in the consolidated statement of financial position is as follows:

	December 31, 2019	December 31, 2018
Defined benefit plan obligation (a)	15,979	13,313
Defined contribution plan and other post-retirement plan obligation (b)	1,580	2,310
Total employee benefit plan obligation	17,559	15,623
Less current portion	(680)	(270)
Non-current portion	16,879	15,353

(tabular amounts in thousands of United States dollars, except as otherwise noted)

(a) Defined benefit pension plan

The Company contributes to defined benefit plans in Canada. Pension benefits are based on the length of service and highest average covered earnings. The plan is governed by the Retirement Advisory Committee. The defined benefit plan exposes the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market investment risk.

Defined Benefit Obligations	**December 31, 2019**	**December 31, 2018**
Defined benefit obligation at beginning of period	80,036	90,349
Service cost	3,597	3,721
Interest expense	2,755	2,726
Benefit payments	(15,679)	(5,562)
Remeasurements	12,012	(2,331)
Effect of changes in foreign exchange rates	4,089	(8,867)
Defined benefit obligation at end of period	86,810	80,036

Plan Assets	**December 31, 2019**	**December 31, 2018**
Plan assets at beginning of period	66,211	75,654
Interest income	2,321	2,343
Total employer contributions	5,025	4,650
Benefit payments	(15,679)	(5,562)
Taxes paid from plan assets	(27)	(67)
Return on plan assets, excluding imputed interest income	9,092	(3,420)
Effect of changes in foreign exchange rates	3,349	(7,387)
Plan assets at end of period	70,292	66,211

Funded Status	**December 31, 2019**	**December 31, 2018**
Accrued benefit obligation	86,810	80,036
Plan assets	70,292	66,211
Funded status – plan deficit	16,518	13,825

As at the last valuation date, on December 31, 2019, the present value of the defined benefit obligation comprised approximately $69.0 million relating to active employees, $10.6 million relating to deferred members and $7.3 million relating to retired members.

Funding Policy

The Company funds the plan in accordance with the requirements of the Canadian Pension Benefits Standards Act, 1985 and the Pension Benefits Standards Regulations and the actuarial professional standards with respect to funding such plans. Funding deficits are amortized as permitted under the Regulations. In the Company's view, this level of funding is adequate to meet current and future funding needs in light of projected economic and demographic conditions. The Company may in its absolute discretion fund in excess of the legislated minimum from time to time, but no more than the maximum contribution permitted under the Canada's Income Tax Act. The expected contribution to the plan for the next fiscal year is $3.6 million.

The asset allocation of pension assets at December 31, 2019 and 2018 was as follows:

Asset Category	**December 31, 2019**	**December 31, 2018**
Cash equivalents	1%	1%
Equity securities	25%	25%
Fixed income securities	69%	74%
Real Estate	5%	—
Total	100%	100%

(tabular amounts in thousands of United States dollars, except as otherwise noted)

Assumptions	**December 31, 2019**	**December 31, 2018**
ACCRUED BENEFIT OBLIGATION		
Discount rate	3.10%	3.70%
Rate of salary increase	2.00%	2.00%
Rate of price inflation	2.00%	2.00%
Mortality table	CPM2014Priv with CPM-B	CPM2014Priv with CPM-B
BENEFIT COSTS FOR THE YEAR		
Discount rate	3.70%	3.60%
Expected rate of salary increase	2.00%	2.00%
Rate of compensation increase	2.00%	2.00%

	Total
Defined benefit schedule for disbursements within 1 year	5,857
Defined benefit schedule for disbursements within 2-5 years	24,321
Defined benefit schedule for disbursements after five or more years	34,209

Sensitivity Analysis – Defined Benefit Obligation	Changes in assumption	Decrease in assumption	Increase in assumption
Discount rate	0.50%	92,612	81,566
Salary growth rate	0.25%	85,961	88,800
Mortality table	1 year	88,511	86,183

The above sensitivity analysis illustrates the present value of defined benefit obligation and is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

(b) Defined contribution plan and other post-retirement benefit plan

During the year ended December 31, 2019, the Company recognized $7.3 million expenses (period ended December 31, 2018 - $7.5 million) for the defined contribution plans, including the plan at DDMI.

In addition, the Diavik Joint Operation provides non-pension post-retirement benefits to retired employees. The post-retirement benefit plan liability was $0.4 million at December 31, 2019 ($0.4 million at December 31, 2018).

Note 13: Reclamation Provisions

At December 31, 2019, the estimated total undiscounted amount of the future cash flows required to settle the reclamation obligation is estimated to be CDN $660.6 million (December 31, 2018 – CDN $770.0 million). These obligations will be settled between 2020 to 2071. This amount has been discounted using credit-adjusted risk-free rates of 1.73% and 1.76% for Diavik and Ekati, respectively (December 31, 2018 – 2.07% and 2.18%, respectively) and an inflation rate of $1.35% was applied (December 31, 2018 – 2.10%).

Reclamation provisions are related to future environmental remediation and site restoration of mining site. The revision of previous estimates is based on revised expectations of reclamation activity costs, changes in estimated reclamation timelines and fluctuations in foreign exchange rates. A reconciliation of the carrying amount of asset retirement obligations at December 31, 2019 and 2018 is set out below:

Reclamation Provision	**December 31, 2019**	**December 31, 2018**
Balance at beginning of period	393,034	415,261
Revisions of previous estimates	(7,739)	(28,687)
Accretion of provision *(note 19)*	8,226	8,547
Restoration cost incurred	(7,446)	(2,087)
Balance at end of period	386,075	393,034
Less current portion	(3,184)	(8,067)
Non-current portion	382,891	384,967

(tabular amounts in thousands of United States dollars, except as otherwise noted)

Note 14: Income Taxes

(a) The income tax provision consists of the following:

	Year ended December 31, 2019	Period ended December 31, 2018
Current tax expense (recovery)		
Current period	5,125	16,709
Assessments and adjustments	(21,355)	2,505
Total current tax expense (recovery)	(16,230)	19,214
Deferred tax expense (recovery)		
Origination and reversal of temporary differences	(34,512)	(69,896)
Assessments and adjustments	(1,360)	558
Change in unrecognized deductible temporary differences	(24,065)	104,386
Total deferred tax expense (recovery)	(59,937)	35,048
Total income tax expense (recovery)	(76,167)	54,262

Movement in deferred tax balances:

	December 31, 2019	December 31, 2018
Deferred income tax assets:		
Net operating loss carryforwards	1,261	5,938
Property, plant and equipment	—	3,653
Future site restoration costs	128,892	130,140
Deferred mineral property costs	—	9,532
Other deferred income tax assets	6,112	21,674
Deferred tax assets not recognized	(107,018)	(130,140)
	29,247	40,797
Reclassification to deferred income tax liabilities	(29,247)	(40,797)
Deferred income tax assets	—	—
Deferred income tax liabilities		
Deferred mineral property costs	(47,484)	(44,003)
Property, plant and equipment	(81,410)	(149,770)
Deferred financing charges	(1,119)	(1,544)
Other deferred income tax liabilities	(6,588)	(13,230)
Deferred income tax liability	(136,601)	(208,547)
Reclassification from deferred income tax assets	29,247	40,797
Net deferred income tax liabilities	(107,354)	(167,750)

Net deferred tax liabilities:

	December 31, 2019	December 31, 2018
Balance at beginning of period	(167,750)	(133,875)
Purchase accounting adjustments	—	818
Recognized in income	59,937	(35,048)
Recognized in other comprehensive loss	948	355
Recognized in equity on adoption of IFRS 16	(489)	—
Balance at end of period	(107,354)	(167,750)

(tabular amounts in thousands of United States dollars, except as otherwise noted)

(b) Unrecognized deferred tax assets and liabilities:

Unrecognized deferred tax assets	December 31, 2019	December 31, 2018
Tax losses	—	1,438
Deductible temporary differences – Income tax	293,262	360,849
Deductible temporary differences – Royalty tax	324,509	393,030
	617,771	755,317

(c) Unrecognized deferred tax liabilities

The Company has temporary differences associated with its investments in its foreign subsidiaries. The Company has not recorded any deferred tax liabilities in respect to these temporary differences as they are not expected to reverse in the foreseeable future. The Company has net operating loss carryforwards for Canadian income tax purposes of approximately $4.2 million that are scheduled to expire in 2036.

(d) Reconciliation of effective tax rate

	Year ended December 31, 2019	Period ended December 31, 2018
Loss before income taxes	(138,429)	(216,251)
Company's domestic tax rate	—	25%
Tax using the Company's domestic tax rate	—	(54,063)
Effect of tax rates in foreign jurisdiction	—	(3,244)
Expected income tax recovery in foreign jurisdiction (at 26.5% - Canadian statutory tax rate)	(36,684)	(57,307)
Net-deductible (non-taxable) items	218	1,047
Northwest Territories mining royalty (net of income tax relief)	(1,488)	(6,680)
Earnings subject to tax different than statutory rate	834	935
Changes in unrecognized temporary differences	(24,065)	104,386
Assessments and adjustments	(22,715)	3,063
Tax effect on impairment booked to goodwill	—	6,836
Tax effect on income (loss) allocated to non-controlling interest	1,875	1,613
Tax effect on debt held by related party (note 23 (b))	5,858	—
Other	—	369
Recorded income tax expense (recovery)	(76,167)	54,262

Note 15: Trade and Other Payables

	December 31, 2019	December 31, 2018
Trade and other payables	40,992	40,643
Accrued expenses	35,730	59,193
Interest payable on Notes *(note 10 (b))*	6,587	6,531
Total trade and other payables	83,309	106,367

(tabular amounts in thousands of United States dollars, except as otherwise noted)

Note 16: Revenue

(a) Disaggregated revenue information

	Year ended December 31, 2019	Period ended December 31, 2018
Revenue streams:		
Rough diamond sales	527,258	680,840
Polished diamond sales	288	8,551
Total revenue	527,546	689,391

All revenue from rough diamond sales, and polished diamond sales is recognized at a point in time when control transfers to the customer (see note 25 (l) for further details).

Note 17: Expenses by Nature

Expenses including cost of sales, selling, general and administrative expenses, impairment of goodwill and assets and other expenses as reported in the consolidated statement of loss, has been grouped by nature of expenses as follows:

	Year ended December 31, 2019	Period ended December 31, 2018
Raw materials, consumables and spare parts	145,189	172,177
Salaries and employee benefits	102,736	125,748
Contractors and engineering services	63,344	78,437
Royalties	6,255	8,280
Operating leases *(note 11)*	—	6,924
Property tax and insurance costs	16,991	16,012
Depreciation and amortization	199,255	229,484
Transaction costs	—	2,409
Restructuring cash costs	4,603	8,854
Impairment losses on inventory	12,779	15,423
Impairment of goodwill and assets	—	183,136
Other	25,335	20,978
Exploration costs	15,552	10,005
Selling & distribution expenses	10,748	9,021
Total expenses	602,787	886,888

Restructuring costs relate primarily to severance costs associated with involuntary and voluntary workforce reduction initiatives to improve efficiencies at the Ekati mine site, Calgary and Belgium offices. These costs are included in "other expenses". As at December 31, 2019, $1.3 million of the restructuring costs were included in trade and other payables as an accrued liability (period ended December 31, 2018 – $4.1 million).

Note 18: Other Income

Other income for the year ended December 31, 2019 consists primarily of the sale of small equipment. For the period ended December 31, 2018, other income included insurance proceeds of $28.2 million relating to the open business interruption and property damage insurance claim that had been filed in connection with the process plant fire on June 23, 2016.

(tabular amounts in thousands of United States dollars, except as otherwise noted)

Note 19: Finance Expenses

	Year ended December 31, 2019	Period ended December 31, 2018
Interest	47,088	44,196
Interest on lease liabilities *(note 11)*	2,606	745
Accretion of reclamation provision *(note 13)*	8,226	8,547
Amortization of debt issuance costs	8,312	7,041
Total finance expenses	66,232	60,529

Note 20: Changes in Liabilities arising from Financing Activities

	January 1, 2019	Cash flow[2]	Non-cash changes				December 31, 2019
			Additions	Foreign exchange	Finance expenses	Other [3]	
Senior secured notes	524,144	—	—	—	5,968	(530,112)	—
Current portion of loans and borrowing	12,083	43,000	—	—	—	530,112	585,195
Lease obligations [1]	41,564	(12,704)	3,539	951	2,606	—	35,956
Total	577,791	30,296	3,539	951	8,574	—	621,151

[1] *Includes IFRS 16 lease additions of $19.5 million on January 1, 2019.*
[2] *Includes lease principal payments of $10.2 million and lease interest payments of $2.5 million.*
[3] *Reclassification of the senior secured notes from non-current liabilities – refer to note 10 (c) for further details.*

	January 1, 2018	Cash flow	Non-cash changes		December 31, 2018
			Additions	Accretion	
Senior secured notes	519,036	—	—	5,108	524,144
Current portion of loans and borrowing	12,083	—	—	—	12,083
Lease obligations [1]	1,135	(2,071)	22,950	—	22,014
Total	532,254	(2,071)	22,950	5,108	558,241

[1] *Other non-cash charges are transaction costs that are offset against the senior secured notes.*

Note 21: Diavik Joint Operation

The Company holds a 40% ownership interest in Diavik Joint Operation, which is operated by Diavik Diamond Mines (2012) Inc. ("DDMI"). DDMI is a wholly owned subsidiary of Rio Tinto PLC of London, England. The Company contributes cash to fund capital and operating costs and receives its share of produced inventory. For the period ended December 31, 2018, the current month result was included in the consolidated result to align with the Company's change in fiscal year-end decision.

Summarized below is the Company's proportionate share of operating results and financial position in the Diavik joint operation that have been included in the consolidated statements of income (loss) and the consolidated statement of financial position in the Diavik segment:

	December 31, 2019	December 31, 2018
Current assets	85,264	50,233
Non-current assets	395,523	464,886
Current liabilities	(34,674)	(32,479)
Non-current liabilities and participant's account	(446,113)	(482,640)

(tabular amounts in thousands of United States dollars, except as otherwise noted)

	Twelve months ended December 31, 2019	Twelve months ended December 31, 2018
Expenses net of interest income [1]	239,613	205,309
Cash flows used in operating activities	(169,382)	(128,106)
Cash flows provided by financing activities	203,230	166,982
Cash flows used in investing activities	(35,150)	(39,192)

[1] *The Diavik Joint Operation earns interest income only as diamond production is distributed to participants.*

Note 22: Commitments and Guarantees

At December 31, 2019, the Company had commitments that require the following minimum future payments, which are not accrued in the consolidated statement of financial position:

Contractual Obligations	Total	Less than 1 year	Year 2–3	Year 4–5	After 5 years
Participation agreements *(a)*	56,249	4,818	9,327	8,396	33,708
Environmental commitments *(b)*	11,092	559	2,734	1,189	6,610
Surface and mineral licenses	10,737	1,464	2,927	2,912	3,434
Diavik Joint Operation leases *(c)*	6,094	1,445	2,779	1,846	24
Purchase commitments	104,533	85,162	19,371	—	—
Total contractual obligations	188,705	93,448	37,138	14,343	43,776

(a) Participation agreements

Both the Diavik Joint Operation and the Ekati Diamond Mine have signed participation agreements with various aboriginal communities. Contractual obligations under these agreements amount to $56.2 million and are expected to contribute to the social, economic and cultural well-being of these communities.

(b) Environmental commitments

In addition, to meet the requirements under environmental and other agreements, the Company provided security deposits by posting letters of credit to the government for Diavik Diamond Mines; posted surety bonds, provided letters of credit and a guarantee for reclamation obligations for Ekati Diamond Mines:

		December 31, 2019
Surety bonds	CDN$	292,280
Letters of credit	CDN$	75,496
Guarantee	CDN$	20,000
Total - CDN$		387,776
Total - USD$ equivalent		298,565

(c) Diavik Joint Operation leases

These are leases entered into by DDMI as the operator of Diavik Joint Operation. These leases were not capitalized on the consolidated statement of financial position by the Company as DDMI is the sole signatory and primary obligor of these lease agreements.

(d) Contingent liabilities

In the ordinary course of business activities, the Company may be contingently liable for litigation and claims that arise due to the size, complexity and nature of the Company's operations. The outcome of such claims against the Company is not determinable at this time; however, their ultimate resolution is not expected to have a material adverse effect on the Company.

(tabular amounts in thousands of United States dollars, except as otherwise noted)

During the year ended December 31, 2019, the operator of the Diavik Diamond Mine requested pre-funding for full reclamation costs, the majority of which will be required post 2023 until the end of mine life. The Company has declined to advance the 2019 installments for a total of $38.5 million. The Company has reached an agreement with the operator pursuant to which Dominion will provide security, in the form of letters of credit, for its proportionate share of estimated reclamation and closure costs.

Subsequent to December 31, 2019, Dominion issued letters of credit in the amount of CAD$105.0 million, with an additional CAD$35.0 million in January 2021. Total letters of credit outstanding is CAD$110.9 million as of the date of issuance of these financial statements.

Note 23: Related Party Disclosure

(a) Information about parent and subsidiaries

The ultimate controlling parent of the Company is the Washington Companies. Set out below is a list of material subsidiaries of the Company:

Name of company	Effective interest	Jurisdiction of formation
Dominion Diamond Mines ULC (1)	100%	Canada
Dominion Diamond Marketing Corporation	100%	Canada
Dominion Diamond (India) Private Limited	100%	India
Dominion Diamond Marketing N.V.	100%	Belgium

(1) Diamond Mines ULC has a 40% interest in the Diavik Diamond Mine. Furthermore, Dominion Diamond Mines ULC also has an 88.9% ownership interest in the Core Zone and its 100% interest in the Buffer Zone.

(b) Related party transactions

	Year ended December 31, 2019			
	Sales to related parties	Cost Incurred	Amount owed by related party	Amount owed to related parties
Washington Corporation (1) (4)	—	5,271	—	1,500
Washington Diamond Investments Holdings LLC (4) (5)	—	—	—	72,098
Washington Liquid Investments LLC (3) (4)	—	—	—	12,083

	Period ended December 31, 2018			
	Sales to related parties	Cost Incurred	Amount owed by related party	Amount owed to related parties
Washington Corporation (1) (4)	—	7,832	—	1,000
Washington Art Investments Inc. (2) (4)	4,619	—	4,619	—
Washington Liquid Investments LLC (3) (4)	—	—	—	12,083

(1) The Company is invoiced on an annual basis for management fees payable to the Washington Companies for shared services. During the year ended December 31, 2019 management fees and cost reimbursements to the Washington Companies for shared services amounted to $5.3 million (period ended December 31, 2018 - $7.8 million) of which $1.5 million (period ended December 31, 2018 - $1.0 million) was recorded within trade and other payables (note 15).

(2) The Company made a polished diamond sale with terms representing an arm's length transaction.

(3) The Company issued a promissory note on October 31, 2017 for the interest accrued on the senior secured notes while in escrow. The promissory note is recorded within loans and borrowings and is unsecured, payable on demand and bears no interest.

(4) These entities are affiliates of the Washington Companies.

(5) $72.1 million of senior secured notes are owed to this related party (period ended December 31, 2018 - $nil).

(tabular amounts in thousands of United States dollars, except as otherwise noted)

(c) Compensation of key management personnel

Key management includes directors (executive and non-executive) and members of the Executive Committee. The compensation paid or payable to key management for employee services is shown below:

	Year ended December 31, 2019	Period ended December 31, 2018
Short-term and post-employment benefits	4,078	2,578
Severance benefits	259	289
Total	4,337	2,867

Compensation of key management personnel includes salaries and contributions to post-employment benefit plans.

Note 24: Financial Instruments and Risk Management

(a) Financial Instruments

The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position are as follows:

	December 31, 2019		December 31, 2018	
	Fair value	Carrying value	Fair value	Carrying value
Financial assets at amortized cost				
Cash and cash equivalents [1]	77,064	77,064	96,633	96,633
Trade and other receivables [1]	7,210	7,210	21,139	21,139
Total current	84,274	84,274	117,772	117,772
Financial liabilities at amortized cost				
Trade and other payables [1]	83,309	83,309	106,367	106,367
Loans and borrowings – promissory note [1]	12,083	12,083	12,083	12,083
Loans and borrowings – revolving credit facility [1]	43,000	43,000	—	—
Loans and borrowings – senior notes [2]	415,976	530,112	538,087	524,144
	554,368	668,504	656,537	642,594
Total current	554,368	668,504	118,450	118,450
Total non-current	—	—	538,087	524,144

[1] *The fair value of these financial instruments approximates their carrying value due to the short term to maturity.*
[2] *The fair value of the senior note was determined based on market quotes and underlying benchmark bond yields.*

All financial assets and liabilities are classified as Level 2 measurements. During the year ended December 31, 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

Risk Management Overview

The Company has exposure to the following risks arising from financial instruments:

- Market risk: currency and interest rate risk
- Financial risk: credit and liquidity risk

The Company's overall financial risk management program focuses on the preservation of capital and protecting current and future Company assets and cash flows by minimizing exposure to risks posed by the uncertainties and volatilities of financial markets. The Company's Board of Directors has responsibility to review and discuss significant financial risks or exposures and to assess the steps management has taken to monitor, control, report and mitigate such risks to the Company. Financial risk management is carried out by the finance department, which identifies and evaluates financial risks and establishes controls and procedures to ensure financial risks are mitigated.

(a) Currency risk management

The Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of the Company. The functional currency of the Company is the US dollar. Purchases are primarily denominated in Canadian dollars and sales and borrowings are primarily denominated in US dollars. The current risk management policy is to monitor the foreign exchange rate and purchase at spot rate before the settlement of liabilities.

Based on the Company's net exposure to Canadian dollar monetary assets and liabilities at December 31, 2019, a one-cent change in the exchange rate would have impacted pre-tax profit for the period by $0.9 million (period ended December 31, 2018 - $0.2 million).

(b) Interest rate risk management

Interest rate risk is the risk borne by an interest-bearing asset or liability as a result of fluctuations in interest rates. The Company has borrowings that incur interest at fixed and floating rates. Floating rate borrowings are comprised solely of the revolving credit facility, which bears variable interest based on LIBOR. The Company adopts a policy for short term borrowings to minimize the impact of fluctuations in interest rates.

As at December 31, 2019 the impact of a 100 basis point increase / decrease would have impacted pre-tax profit for the year by $0.3 million (period ended December 31, 2018 no financial impact).

(c) Credit risk management

Credit risk is the risk of a financial loss to the Company if a customer or counterparty in a transaction fails to meet its contractual obligation. The Company adopts a sales policy which requires receipt of cash prior to the delivery of rough diamonds to its customers and an investing policy to invest with major financial institutions. As a result, the Company's exposure to credit risk is minimal.

At December 31, 2019, the Company's maximum counterparty credit exposure consists of the carrying amount of cash and cash equivalents and accounts receivable, which approximates fair value.

(d) Liquidity and capital risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price. The Company manages its liquidity by ensuring that there are multiple sources of capital from undrawn credit facilities, cash calls from the non-controlling interest holder or the Parent to meet short-term and long-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash and cash equivalents. As noted in note 10 (c), the credit facility was amended which reduced the availability of credit facility from 2018. Management forecasts cash flows for its current and subsequent fiscal years to predict future financing requirements by delaying capital expenditures, obtain loan, alternative financing arrangement or equity injection from non-controlling interest holders or the Parent.

(tabular amounts in thousands of United States dollars, except as otherwise noted)

The following table summarizes the aggregate amount of expected remaining contractual cash flow requirements for the Company's financial liabilities based on repayment or maturity periods.

	Total	*Less than 1 year*	*Year 2–3*	*Year 4–5*	*After 5 years*
Trade and other payables (1)	83,309	83,309	—	—	—
Senior secured notes – principal amount (2)	550,000	—	550,000	—	—
Interest expense on Notes (3)	111,031	39,187	71,844	—	—
Promissory note	12,083	12,083	—	—	—

(1) Includes $6.5 million of interest payable on the Notes as of December 31, 2019.

(2) Principal amount repayment is based on obtaining the amendment to the credit facility subsequent to year end that provides a revised net leverage ratio as of December 31, 2019. The Company is in compliance with the amended net leverage ratio.

(3) This represents the coupon interest on Notes that is due and payable after December 31, 2019.

	December 31, 2019			
	Amount drawn	***Amount available***	***Letters of credit***	***Total***
Revolving credit facility	43,000	48,873	58,127	150,000

At December 31, 2019, the Company had $77.1 million of cash and cash equivalents (December 31, 2018 - $96.6 million) and $48.9 million undrawn credit facility (December 31, 2018 - $143.7 million). The Company anticipates that an alternative financing arrangement or equity injection from non-controlling interest partner or the Parent will be required in 2020.

Note 25: Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by the Company.

(a) Basis of consolidation

(i) SUBSIDIARIES

The consolidated financial statements include the accounts of DDH LLC and its subsidiaries. Subsidiaries are defined as any entities, including unincorporated entities such as partnerships, for which the Company has the power to govern their financial and operating policies to obtain benefits from their activities. The financial statements of the Company's subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. They are prepared for the same reporting period as the parent company, using consistent accounting policies. All intercompany balances, income and expenses, and unrealized gains and losses resulting from intercompany transactions are eliminated in full.

(ii) NON-CONTROLLING INTEREST ("NCI")

For partly owned subsidiaries, the net assets and net earnings attributable to minority shareholders are presented as non-controlling interests within the consolidated financial statements. NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the interest in the subsidiary that do not result in a loss of control are accounted for as equity transactions. The Company has an 88.9% controlling ownership interest in the Core Zone and minority shareholders are presented as non-controlling interests (11.1% in the Core Zone) in the consolidated financial statements.

(iii) JOINT ARRANGEMENTS

Joint arrangements represent activities where the Company has joint control established by a contractual agreement. Joint control requires unanimous consent for financial and operational decisions. A joint arrangement is either a joint operation, whereby the parties have rights to the assets and obligations for the liabilities, or a joint venture, whereby the parties have rights to the net assets.

Classification of a joint arrangement as either joint operation or joint venture requires judgment. Management's consideration include, but are not limited to, determining if the arrangement is structured through as separate vehicle and whether the legal from and contractual arrangements give the entity direct rights to the assets and obligations for the liabilities within the normal course of business. Other facts and circumstances are also assessed by management, including the entity's rights to the economic benefits of assets and its involvement and responsibility for settling liabilities associated with the arrangement.

The Company has a 40% interest in the Diavik Diamond Mine. The consolidated financial statements include the Company's proportionate share of the assets, liabilities, revenue, expenses and cash flows of the Diavik Diamond Mine.

(b) Business combination

Acquisitions of businesses are accounted for using the acquisition method whereby all identifiable assets and liabilities are recorded at their fair value as at the date of acquisition with limited exceptions. Any excess purchase price over the aggregate fair value of identifiable net assets is recorded as goodwill. Acquisition related costs are expensed as incurred and are included in the consolidated statement of loss. Estimates of future cash flows, forecast prices, interest rates and discount rates are made in determining the fair value of assets acquired and liabilities assumed. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets, liabilities, intangible assets and goodwill in the purchase price equation.

(c) Goodwill

Goodwill is identified and allocated to cash-generating units ("CGU") that are expected to benefit from the synergies of the acquisition. A CGU to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired.

When the recoverable amount of a CGU is less than the carrying amount of that CGU, the impairment loss is first allocated to reduce the carrying amount of any goodwill allocated to that CGU, and then to the other assets of that CGU pro rata on the basis of the carrying amount of each asset in the CGU. Any impairment loss for goodwill is recognized directly in the consolidated statement of loss. An impairment loss recorded on goodwill is not reversed in subsequent periods.

(d) Property, plant and equipment

(i) EXPLORATION AND EVALUATION EXPENDITURES

Exploration and evaluation activities include: acquisition of rights to explore; topographical, geological, geochemical and geophysical studies; exploratory drilling; trenching and sampling; and activities involved in evaluating the technical feasibility and commercial viability of extracting mineral resources. Exploration and evaluation costs are expensed as incurred. They are only capitalized when the Company concludes that there is evidence to support probability of generating positive economic returns in the future. A mineral resource is considered to have economic potential when it is expected that the technical feasibility and commercial viability of extracting the mineral resource can be demonstrated and the future economic benefits are probable.

In making this determination, the extent of exploration, as well as the degree of confidence in the mineral resource, is considered. Capitalized exploration and evaluation expenditures are recorded as a component of property, plant and equipment. Recognized exploration and evaluation assets will be assessed for impairment when specific facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

Once development is sanctioned, any capitalized exploration and evaluation costs are tested for impairment and reclassified to mineral property assets within property, plant and equipment. All subsequent development expenditure is capitalized, net of any proceeds from pre-production sales.

(ii) COMMENCEMENT OF COMMERCIAL PRODUCTION

There are a number of quantitative and qualitative measures the Company considers when determining if conditions exist for the transition from pre-commercial production to commencement of commercial production of an operating mine, which include:

- all major capital expenditures have been completed to bring the mine to the condition necessary for it to be capable of operating in the manner intended by management;
- mineral recoveries are at or near expected production levels; and
- the ability exists to sustain ongoing production of ore.

This list of measures is not exhaustive and management takes into account the surrounding circumstances before making any specific decision.

(iii) PP&E COST

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price and construction cost, any costs directly attributable to bringing the asset into operation including stripping costs incurred in open pit development before production commences, the initial estimate of the site restoration obligation and, borrowing costs for qualifying assets. Repair and maintenance costs are expensed as incurred. When parts of an item of property, plant and equipment have different useful lives, the parts are accounted for as separate items (major components) of property, plant and equipment.

(iv) DEPRECIATION AND AMORTIZATION

Assets under construction are not depreciated until these assets are ready for their intended use. The unit-of-production method is applied to a substantial portion of the Ekati Diamond Mine and Diavik Diamond Mine property, plant and equipment. Depending on the asset, it is based on either tonnes of material processed or carats of diamonds recovered during the period relative to the estimated proven and probable ore reserves of the ore deposit being mined, or to the total ore deposit. Other property, plant and equipment is depreciated using the straight-line method over the estimated useful lives of the related assets which are as follows:

Asset	*Estimated useful life (years)*
Buildings	10–40
Machinery and mobile equipment	3–10
Computer equipment and software	3
Furniture, fixtures and equipment	2–10
Leasehold and building improvements	Up to 20
Right-of-use assets	Lease term or life of the asset (whichever is shorter)

The estimation of mineral reserves is a subjective process. The Company estimates its mineral reserves based on information compiled by an appropriately qualified person. Forecasts are based on engineering data, projected future rates of production and the timing of future expenditures, all of which are subject to numerous uncertainties and various interpretations. The Company expects that its estimates of reserves will change to reflect updated information. Reserve estimates can be revised upward or downward based on the results of additional future drilling, testing or production levels and on diamond prices. Changes in reserve estimates may impact the carrying value of exploration and evaluation assets, mineral properties, property, plant and equipment, mine rehabilitation and site restoration provisions, recognition of deferred tax assets, and depreciation charges. Estimates and assumptions about future events and circumstances are also used to determine whether economically viable reserves exist that can lead to commercial development of an ore body.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. The impact of changes to the estimated useful lives or residual values is accounted for prospectively.

(v) STRIPPING COSTS

Mining costs associated with stripping activities in an open pit mine are expensed unless the stripping activity can be shown to represent a betterment to the mineral property, in which case the stripping costs would be capitalized and included in deferred mineral property costs within mining assets.

When the benefit from the stripping activity is realized in the current period, the stripping costs are accounted for as the cost of inventory. When the benefit is the improved access to ore in future periods, the costs are recognized as a mineral property asset – if improved access to the ore body is probable, the component of the ore body can be accurately identified, and the cost associated with improving the access can be reliably measured. If these conditions are not met, the costs are expensed to the consolidated statement of operations as incurred. After initial recognition, the stripping activity asset is depreciated on a systematic basis (unit-of-production method) over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity.

(vi) MAJOR MAINTENANCE AND REPAIRS

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets and overhaul costs. When an asset, or part of an asset that was separately depreciated, is replaced and it is probable that future economic benefits associated with the new asset will flow to the Company through an extended life, the expenditure is capitalized. The unamortized value of the existing asset or part of the existing asset that is being replaced is expensed. Where part of the existing asset was not separately considered as a component, the replacement value is used to estimate the carrying amount of the replaced asset, which is immediately written off. All other day-to-day maintenance costs are expensed as incurred.

(e) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets other than inventory and deferred taxes are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated.

IMPAIRMENT INDICATOR

Determining whether there are any indications of impairment requires significant judgment of external factors, such as customer turnover, marketing supply and demand, change in discount and foreign exchange rates, a significant decline in an asset's market value and significant changes in the technological, market, economic or legal environment that would have an adverse impact on the Company's CGU.

RECOVERABLE AMOUNT

The recoverable amount of an asset is the greater of its fair value less cost of disposal ("FVLCD") and its value in use. If the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, the asset is tested as part of a CGU, which is the smallest identifiable group of assets, liabilities and associated goodwill that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

FVLCD is estimated by using the discounted future after-tax cash flows expected to be derived from the CGU, less an estimated amount for cost to dispose. The determination of FVLCD for each CGU are considered to be Level 3 of the fair value measurements, as they are derived from valuation techniques that include inputs that are not based on observable market data. When discounting estimated future after-tax cash flows, the Company uses an after-tax discount rate which reflects the risks specific to the CGU. Estimated cash flows are based on expected future production, expected selling prices, expected operating costs and expected capital expenditures. Value in use is defined as the present value of future pre-tax cash flows expected to be derived from the use of an asset, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Expected rough diamond production levels, which comprise proven and probable reserves and an estimate of the recoverable amount of resources, are used to estimate expected future cash flows. Expected future rough diamond prices are estimated based on realized prices for rough diamonds sold during the Company's most recent sale, geological data regarding the quality of rough diamonds in reserves and resources and expected future levels of worldwide diamond production. Future operating and capital costs, including labour and fuel costs, are based on the most recently approved life of mine plan, which is reviewed and approved annually by senior management and the Board of Directors. The assessment also requires estimates and assumptions related to foreign exchange rates and discount rates, which are determined based on prevailing market conditions at the date of the assessment. Where applicable, assumptions are aligned with the Company's most recent economic analysis of mineral reserves and resources. Financial results as determined by actual events could differ from those estimated, and changes in these estimates that decrease the estimated recoverable amount of the CGU could affect the carrying amounts of assets and result in an impairment charge.

IMPAIRMENT LOSS

When the recoverable amount of a CGU is less than the carrying amount of that CGU, the impairment loss is first allocated to reduce the carrying amount of any goodwill allocated to that CGU, and then to the other assets of that CGU pro rata on the basis of the carrying amount of each asset in the CGU. Any impairment loss is recognized directly in the consolidated statement of loss. An impairment loss recorded on goodwill is not reversed in subsequent periods. Impairment losses for property, plant and equipment and intangible assets are reversed if there has been a change in the estimates used to determine an asset's recoverable amount since the last impairment loss was recognized, and it has been determined that the asset is no longer impaired or that impairment has decreased. The reversal is recognized in earnings before income taxes in the period in which the reversal occurred and is limited to the carrying value less any subsequent depreciation that would have been determined had no impairment charge been recognized in prior years.

(f) Inventory and supplies

Inventory is recorded at the lower of cost and net realizable value. Cost of rough diamond inventory, supply inventory and stockpile ore inventory are determined on a weighted average cost basis. Cost of items that are not ordinarily interchangeable, and goods and services produced and segregated for specific projects, are assigned by using a specific identification of their individual costs.

Stockpiled ore represents coarse ore that has been extracted from the mine and is stored for future processing. Stockpiled ore value is based on the costs incurred (including depreciation and amortization) in bringing the ore to the stockpile.

Net realizable value is the estimated selling price for the final product. The measurement of inventory, including the determination of its net realizable value, involves the use of estimates. The significant sources of estimation uncertainty include diamond prices, production grade and expenditure, and determining the remaining costs of completion to bring inventory into its saleable form. The Company uses historical data on prices achieved, grade and expenditure in forming its assessment.

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and short-term money market instruments (with a maturity on acquisition of less than 90 days).

(h) Leases

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset that may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

(ii) the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

(iii) the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

the Company has the right to operate the asset; or

the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

fixed payments, including in-substance fixed payments;

variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

amounts expected to be payable under a residual value guarantee; and

the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' in the statement of financial position.

(i) SHORT-TERM LEASES AND LEASES OF LOW-VALUE ASSETS

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets being those assets with a fair value of less than US$5,000 when new. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) AS A LESSOR

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

The Company has entered into a sub-lease during 2019, which has been classified as a finance lease, as the sub-lease covers the remaining term of the respective head lease. Therefore, the Company has derecognized the right-of-use asset relating to the respective head lease being sublet, recognized lease receivables equal to the net investment in the sub-lease, retained the previously recognized lease obligation in its capacity as lessee, recognized the related interest expense thereafter and recognized interest income on the sub-lease receivable in its capacity as finance lessor. In addition, the Company has capitalized the lease inducement costs it incurred in sub-leasing the asset as net investment in sub-lease, which is being amortized into income over the term of the sub-lease.

(i) Employee pension plans

The Company operates various pension plans. The plans are generally funded through payments to insurance companies or trustee-administered funds determined by periodic actuarial calculations. The Company has both defined benefit and defined contribution plans.

DEFINED CONTRIBUTION PLAN

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

DEFINED BENEFIT PLAN

The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognized immediately in income. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis including discount rate, life expectancy and expected return on plan assets. The assumptions are reviewed each year and are adjusted where necessary to reflect changes in fund experience and actuarial recommendations. Any changes in these assumptions will impact the carrying amount of the pension obligation.

(j) Provisions

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The expense relating to any provision is included in net profit or loss. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost in net profit or loss.

Significant judgments and estimates are involved in forming expectations of future site closure and reclamation activities and the amount and timing of the associated cash flows. Those expectations are formed based on existing environmental and regulatory requirements. The Ekati Diamond Mine rehabilitation and site restoration provision is prepared by management at the Ekati Diamond Mine. The Diavik Diamond Mine rehabilitation and site restoration provisions have been provided by management of the Diavik Diamond Mine and are based on internal estimates.

(k) Income taxes

Income tax expense comprises current and deferred tax and is recognized in net profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity or in other comprehensive income.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax expense is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax expense is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is probable that the related tax benefit will not be realized. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company classifies foreign exchange differences on deferred tax assets or liabilities in jurisdictions where the functional currency is different from the currency used for tax purposes as income tax expense. The unrealized foreign exchange gain or loss related to deferred income tax asset and liability is recorded as part of deferred tax expense or recovery for each year.

Judgment is required in determining whether deferred tax assets are recognized in the consolidated statement of financial position. Deferred tax assets, including those arising from unused tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted income from operations and the application of existing tax laws in each jurisdiction. To the extent that future taxable income differs significantly from estimates, the ability of the Company to realize the deferred tax assets recorded at the consolidated statement of financial position date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

(l) Revenue

The Company is principally engaged in the business of producing diamonds and earns revenue predominantly through the sale of rough diamonds. Diamond sales to customers generally include one performance obligation. Revenue from contracts with customers is recognized at a point of time when control of the diamonds is transferred to the customer and selling prices are known, generally on delivery of the diamonds. Sales are measured at the fair value of the consideration received. The Company's sales policy requires receipt of cash prior to delivery of rough diamonds to customers. The Company has generally concluded that it is the principal in its revenue contracts because it typically controls the goods or services before transferring them to the customer. There is no return policy, as all diamond sales are final.

(m) Commitments and contingencies

Provisions and liabilities for legal and other contingent matters are recognized in the period when the circumstance becomes probable that a future cash outflow resulting from past operations or events will occur and the amount of the cash outflow can be reasonably estimated. The timing of recognition and measurement of the provision requires the application of judgment to existing facts and circumstances, which can be subject to change, and the carrying amounts of provisions and liabilities are reviewed regularly and adjusted accordingly. The Company is required to both determine whether a loss is probable based on judgment and interpretation of laws and regulations and determine if the loss can be reasonably estimated. When a loss is recognized, it is charged to net income. The Company continually monitors known and potential contingent matters and makes appropriate disclosure and provisions when warranted by the circumstances present. Contingent assets are not recognized in financial statements. However, when the realization of income is virtually certain, then the related asset is recognized.

(n) Financial instruments

Financial instruments are any contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and liabilities are not offset unless there is a current legal enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

CLASSIFICATION

Financial assets are classified in one of the following categories: subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"). Financial liabilities are classified as subsequently measured at amortized cost and FVTPL. Classification of financial instruments in the Company's financial statements depends on the purpose for which the financial instruments were acquired or incurred. The classification of financial instruments is determined at initial recognition. The Company does not have financial instruments classified as FVTOCI or FVTPL.

MEASUREMENT

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at FVTPL are recognized immediately in profit or loss.

Financial instruments subsequently measured at amortized cost are measured using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period.

IMPAIRMENT

A loss allowance for expected credit losses is recognized on a financial asset that is measured at amortized cost and FVTOCI. The loss allowance for a financial asset measured at amortized cost and FVTOCI is recognized in profit or loss as an impairment gain or loss. At each reporting date, the loss allowance for a financial instrument should be measured at the amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the loss allowance should be measured at the amount equal to 12-month expected credit losses. The loss allowance should always be measured at the amount equal to lifetime expected credit losses for trade receivables not containing a significant financing component.

DERECOGNITION

A financial asset is derecognized when:

- the contractual right to the cash flows from the financial asset expire; or
- the Company transfers the contractual rights to receive the cash flows of the financial asset and transfers substantially all the risks and rewards of ownership of the financial asset.

A financial liability is derecognized when the liability is extinguished, discharged, cancelled or expires.

(o) Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described below. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: The fair value measurements are classified as Level 1 if the fair value is determined using quoted, unadjusted market prices for identical assets or liabilities.
- Level 2: The fair value measurements are classified as Level 2 when inputs other than quoted prices in Level 1 which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: The fair value measurements are classified as Level 3 when inputs require unobservable market data or use statistical techniques to derive forward curves from observable market data and unobservable inputs.

(p) Foreign currency

Functional currency is the currency of the primary economic environment in which the Company and its subsidiaries operate and is normally the currency in which the entity primarily generates and expends cash. Determination of functional currency requires judgements. Monetary assets and liabilities denominated in foreign currencies are translated to US dollars at exchange rates in effect at the statement of financial position date, and non-monetary assets and liabilities are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at rates in effect at the time of the transactions. Foreign exchange gains and losses are included in net profit or loss.

Note 26: Subsequent events

(a) Amendment to the revolving credit facility and letters of credit

Refer to Note 10 (c) and Note 22 (d).

(b) COVID-19 outbreak

Subsequent to December 31, 2019 the COVID-19 outbreak was declared a pandemic by the World Health Organization and the Province of Alberta declared a state of emergency on March 17, 2020. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. In conjunction with the Government of Canada's recommendations, travel restrictions, potential self-quarantining of the work force or other restrictions or advisories may have an adverse impact on the Company's operations and profitability. Management continues to closely monitor the recommendations from public health agencies and government authorities and is reviewing a variety of business continuity plans, including production curtailment, temporary care and maintenance at the Ekati mine, deferring capital spending and further cost optimization to reduce the risk to continuing operations.

TAB E

This is Exhibit "**E**" referred to in the Affidavit
of **KRISTAL KAYE** sworn before me this
21 day of April, 2020.

A Commissioner for Oaths in and for Alberta

Morgan Crilly
Barrister & Solicitor

Dominion Diamond Mines (consolidated)

		Legal	Topside entries					Legal	PPA	Topside entries	PPA	Total legal + PPA
			ok	ok	ok	ok	ok					
	BW Reference	From BW consolidated	Per topsides in the DDH LLC consolidation sheet	Per topsides in the DDH LLC consolidation sheet	Per topsides in the DDH LLC consolidation sheet	Per topsides in the DDH LLC consolidation sheet	Mapping inter-company transactions to appropriate FSLI	TOTAL	From BW consolidated	Per topsides in the DDH LLC consolidation sheet	TOTAL	
BALANCE SHEET		BW = SAP	Clear production costs to CoS	Employee benefits reclassification entry	Diavik late entries	Reclassify notes from long-term to current for breach of debt covenant	Inter-co. and NCI mapping consol. vs legal entity	BW + Topside entries	BW = SAP	Clear production costs to CoS and NCI reclass in PPA PC	BW + Topside entries	Total
Assets												
Non-current assets												
Property, plant & equipment	WDI119	978,026,187						978,026,187	(11,304,379)		(11,304,379)	966,721,808
Other non-current assets	WDI129	7,782,659						7,782,659	701,038		701,038	8,483,696
Investment in subsidiaries	DDC1/463000	87,133,000						87,133,000	-		-	87,133,000
Total non-current assets		1,072,941,846	-	-	-	-	-	1,072,941,846	(10,603,342)	-	(10,603,342)	1,062,338,504
Current assets												-
Inventory & supplies	WDI130	261,147,763			(2,686,281)			258,461,482	(4,112,453)		(4,112,453)	254,349,030
Other current assets	WDI131	12,703,491						12,703,491	-		-	12,703,491
Trade & other receivables (External and intercompany)	WDI132	6,355,039					22,354,621	28,709,660	-		-	28,709,660
Inter-company loans receivable		-					1,900,000	1,900,000	-		-	1,900,000
Cash & cash equivalents	WDI133	57,424,454			1,212,372			58,636,826	-		-	58,636,826
Total current assets		337,630,747	-	-	(1,473,909)	-	24,254,621	360,411,459	(4,112,453)	-	(4,112,453)	356,299,006
Total Assets		1,410,572,593	-	-	(1,473,909)	-	24,254,621	1,433,353,305	(14,715,795)	-	(14,715,795)	1,418,637,510
												-
Equity & Liabilities												-
Equity												-
Share capital	DDC1/499550 DDC1/49965	(545,730,970)					79,861,508	(465,869,462)	79,861,508	(79,861,508)	-	(465,869,462)
Retained earnings	WDI121	444,518,635					(79,861,508)	364,657,126	(130,340,982)	79,861,508	(50,479,474)	314,177,653
Net Income (loss)		79,387,236	-	-	-	-	(2,504,499)	76,882,738	(18,942,711)	2,504,499	(16,438,212)	60,444,526
Closing retained earnings		523,905,871	-	-	-	-	(82,366,007)	441,539,864	(149,283,693)	82,366,007	(66,917,686)	374,622,178
Contributed surplus	WDI1115	-						-	-		-	-
Accumulated other comprehensive income	WDI122	5,579,849						5,579,849	(13,372)		(13,372)	5,566,478
Total shareholders equity		(16,245,250)	-	-	-	-	(2,504,499)	(18,749,749)	(69,435,557)	2,504,499	(66,931,058)	(85,680,807)
Non-controlling interest	WDI125	(104,741,511)					2,504,499	(102,237,012)	82,753,226	(2,504,499)	80,248,727	(21,988,286)
Total equity		(120,986,761)	-	-	-	-	-	(120,986,761)	13,317,669	-	13,317,669	(107,669,092)
Liabilities												-
Non-current liabilities												-
Loans & borrowings	WDI146	(530,112,010)				530,112,010		-	-		-	-
Lease Obligation	WDI147	(21,944,366)						(21,944,366)	-		-	(21,944,366)
Deferred income tax liabilities	WDI153	(108,068,738)						(108,068,738)	755,350		755,350	(107,313,388)
Employee benefit plans	WDI148	(16,109,427)		(427,472)				(16,536,899)	-		-	(16,536,899)
Reclamation provisions	WDI149	(382,891,349)						(382,891,349)	-		-	(382,891,349)
Total non-current liabilities		(1,059,125,891)	-	(427,472)	-	530,112,010	-	(529,441,352)	755,350	-	755,350	(528,686,002)
Current liabilities												-
Trade & other payables	WDI17	(83,770,396)		427,472	1,473,909			(81,869,016)	473,026		473,026	(81,395,990)
Inter-company loans and payables	WDI157	(76,794,125)					(24,254,621)	(101,048,746)	169,751		169,751	(100,878,996)
Current portion of employee benefit plans	WDI110	(680,089)						(680,089)	-		-	(680,089)
Income taxes payable	WDI112	5,595						5,595	-		-	5,595
Current Portion of loans & borrowings	WDI18	(55,082,813)				(530,112,010)		(585,194,823)	-		-	(585,194,823)
Current Portion of Reclamation Provision	WDI111	(3,183,990)						(3,183,990)	-		-	(3,183,990)
Current Portion of lease obligation	WDI19	(10,954,123)						(10,954,123)	-		-	(10,954,123)
Total current liabilities		(230,459,941)	-	427,472	1,473,909	(530,112,010)	(24,254,621)	(782,925,192)	642,776	-	642,776	(782,282,416)
Total liabilities		(1,289,585,832)	-	-	1,473,909	-	(24,254,621)	(1,312,366,544)	1,398,126	-	1,398,126	(1,310,968,418)
Total equity and liabilities		(1,410,572,593)	-	-	1,473,909	-	(24,254,621)	(1,433,353,305)	14,715,795	-	14,715,795	(1,418,637,510)
check		-	-	-	-	-	-	-	-	-	-	-
												-
INCOME STATEMENT												-
Revenue	WDI175	(493,040,017)						(493,040,017)	-		-	(493,040,017)
Cost of sales	WDI178	546,574,514	(12,532)				3,894,516	550,456,498	(20,588,625)	33,784	(20,554,841)	529,901,657
Gross Margin		53,534,497	(12,532)	-	-	-	3,894,516	57,416,481	(20,588,625)	33,784	(20,554,841)	36,861,640
												-
Other Income (including intercompany)	WDI169	(2,578,381)					(19,337)	(2,597,718)	-		-	(2,597,718)
Selling and distribution expenses	WDI169	3,230,088						3,230,088	-		-	3,230,088
General & administrative expenses	WDI170	24,451,234						24,451,234	-		-	24,451,234
Other expenses	WDI172	19,927,601						19,927,601	-		-	19,927,601
Operating loss		98,565,039	(12,532)	-	-	-	3,875,179	102,427,686	(20,588,625)	33,784	(20,554,841)	81,872,845
Finance expenses	WDI161	65,742,305						65,742,305	-		-	65,742,305
Finance income (external and intercompany)	WDI162	(2,969,861)					(385,529)	(3,355,390)	-		-	(3,355,390)
Foreign exchange (gain) loss	WDI163	2,568,509						2,568,509	(473,025)		(473,025)	2,095,484
Net finance costs		65,340,952	-	-	-	-	(385,529)	64,955,423	(473,025)	-	(473,025)	64,482,399
Loss (income) before income taxes		163,905,991	(12,532)	-	-	-	3,489,650	167,383,109	(21,061,650)	33,784	(21,027,866)	146,355,243
Current income tax expense (recovery)	WDI127	(18,351,383)						(18,351,383)	251,066		251,066	(18,100,318)
Deferred income tax expense (recovery)	WDI160	(62,569,780)						(62,569,780)	1,834,089		1,834,089	(60,735,690)
Clearing accounts									-			-
Inter-company	WDI1112	3,489,650					(3,489,650)	-	-		-	-
Production costs	WDI192	(12,532)	12,532					-	33,784	(33,784)	-	-
Net (Income) loss		86,461,945	-	-	-	-	-	86,461,946	(18,942,711)	-	(18,942,711)	67,519,235
Attributable to												-
Minority Interest (loss)/income	WDI1116	(7,074,709)	-	-	-	-	(2,504,499)	(9,579,208)	-	2,504,499	2,504,499	(7,074,709)
Owners of the company		79,387,236	-	-	-	-	(2,504,499)	76,882,738	(18,942,711)	2,504,499	(16,438,212)	60,444,526
												-
Net (Income) loss		86,461,945	-	-	-	-	-	86,461,946	(18,942,711)	-	(18,942,711)	67,519,235

TAB F

This is Exhibit "**F**" referred to in the Affidavit
of **KRISTAL KAYE** sworn before me this
21 day of April, 2020.

A Commissioner for Oaths ~~in and for~~ Alberta

Morgan Crilly
Barrister & Solicitor

DDCanada ULC January 1 - December 31, 2019

		BW Reference	Legal From BW consolidated BW = SAP
BALANCE SHEET			
Assets			
Non-current assets			
	Property, plant & equipment	WDI119	-
	Other non-current assets	WDI129	-
Total non-current assets			-
Current assets			
	Inventory & supplies	WDI130	-
	Other current assets	WDI131	-
	Trade & other receivables	WDI132	-
	Cash & cash equivalents	WDI133	-
Total current assets			-
Total Assets			-
Equity & Liabilities			
Equity			
	Share capital	WDI1110	(97,777,557)
	Investment in subsidiaries		-
	Consolidated share capital		(97,777,557)
	Other reserves	WDI120	-
	Retained earnings	WDI121	-
	Net Income (loss)		-
	Closing retained earnings		-
	Contributed surplus	WDI1115	-
	Accumulated other comprehensive income	WDI122	-
Total shareholders equity			(97,777,557)
Total equity			(97,777,557)
Liabilities			
Non-current liabilities			
	Loans & borrowings	WDI146	-
	Lease Obligation	WDI147	-
	Deferred income tax liabilities	WDI153	-
	Employee benefit plans	WDI148	-
	Reclamation provisions	WDI149	-
Total non-current liabilities			-
Current liabilities			
	Trade & other payables	WDI17	-
	Inter-company payables & receivables	WDI157	97,777,557
	Current portion of employee benefit plans	WDI110	-

Income taxes payable	WDI112	-
Current Portion of loans & borrowings	WDI18	-
Current Portion of Reclamation Provision	WDI111	-
Current Portion of lease obligation	WDI19	-
Total current liabilities		97,777,557
Total liabilities		97,777,557
Total equity and liabilities		-
check		-

INCOME STATEMENT

Revenue	WDI175	-
Cost of sales	WDI178	-
Gross Margin		-
Other Income	WDI168	-
Selling and distribution expenses	WDI169	-
General & administrative expenses	WDI170	-
Other expenses	WDI172	-
Operating loss		-
Finance expenses	WDI161	-
Finance income	WDI162	-
Foreign exchange (gain) loss	WDI163	-
Net finance costs		-
Loss (Income) before income taxes		-
Current income tax expense (recovery)	WDI127	-
Deferred income tax expense (recovery)	WDI160	-
Clearing accounts		
Inter-company	WDI1112	-
Production costs	WDI192	-
Net (Income) loss		-

TAB G

This is Exhibit "**G**" referred to in the Affidavit
of **KRISTAL KAYE** sworn before me this
21 day of April, 2020.

A Commissioner for Oaths in and for Alberta

Morgan Crilly
Barrister & Solicitor

DDDelaware January 1 - December 31, 2019

	BW Reference		Legal	Topside entries	Total		PPA	Topside entries	Total	Total legal + PPA	
			From BW consolidated	Mapping inter-company transactions to appropriate FSLI	TOTAL		From BW consolidated	Mapping inter-company transactions to appropriate FSLI	TOTAL		
BALANCE SHEET			BW = SAP	Inter-co. mapping consol. vs legal entity	BW + Topside entries		BW = SAP	Inter-co. mapping consol. vs legal entity	BW + Topside entries	Total	
Assets											
Non-current assets											
Property, plant & equipment	WDI119				-		-		-	-	
Investment in subsidiaries	DDC1/463000		97,777,557		97,777,557	ok	-		-	97,777,557	ok
Total non-current assets			97,777,557	-	97,777,557		-	-	-	97,777,557	
Current assets										-	
Inventory & supplies	WDI130		-		-		-		-	-	
Other current assets	WDI131		-		-		-		-	-	
Trade & other receivables	WDI132		4		4	ok	-		-	4	ok
Cash & cash equivalents	WDI133		71,560		71,560	ok	-		-	71,560	ok
Total current assets			71,564	-	71,564		-	-	-	71,564	
Total Assets			97,849,121	-	97,849,121		-	-	-	97,849,121	
										-	
Equity & Liabilities										-	
Equity										-	
Share capital	WDI1113		(87,133,000)	87,029,615	(103,385)	ok	-	(87,029,615)	(87,029,615)	(87,133,000)	ok
Retained earnings	WDI121	DDC1/236200	(4,947,819)	(87,029,615)	(91,977,434)	ok	-	87,029,615	87,029,615	(4,947,819)	ok
Net Income (loss)			1,395		1,395	ok	-		-	1,395	ok
Closing retained earnings			(4,946,424)	(87,029,615)	(91,976,039)		-	87,029,615	87,029,615	(4,946,424)	
Total equity			(92,079,424)	-	(92,079,424)		-	-	-	(92,079,424)	
Liabilities										-	
Non-current liabilities										-	
Loans & borrowings	WDI145		-		-		-		-	-	
Lease Obligation	WDI147		-		-		-		-	-	
Deferred income tax liabilities	WDI153		-		-		-		-	-	
Employee benefit plans	WDI148		-		-		-		-	-	
Reclamation provisions	WDI149		-		-		-		-	-	
Total non-current liabilities			-	-	-		-	-	-	-	
Current liabilities										-	
Trade & other payables	WDI17		(337)		(337)	ok	-		-	(337)	ok
Inter-company payables & receivables	WDI157		(5,769,360)		(5,769,360)	ok	-		-	(5,769,360)	ok
Current portion of employee benefit plans	WDI110		-		-		-		-	-	
Income taxes payable	WDI112		-		-		-		-	-	
Current Portion of loans & borrowings	WDI18		-		-		-		-	-	
Current Portion of Reclamation Provision	WDI111		-		-		-		-	-	
Current Portion of lease obligation	WDI19		-		-		-		-	-	
Total current liabilities			(5,769,697)	-	(5,769,697)		-	-	-	(5,769,697)	
Total liabilities			(5,769,697)	-	(5,769,697)		-	-	-	(5,769,697)	
Total equity and liabilities			(97,849,121)	-	(97,849,121)		-	-	-	(97,849,121)	
check			-	-	-		-	-	-	-	
										-	
INCOME STATEMENT										-	
Revenue	WDI175		-		-		-		-	-	
Cost of sales	WDI178		-		-		-		-	-	
Gross Margin			-	-	-		-	-	-	-	
										-	
Other Income	WDI168		-		-		-		-	-	
Selling and distribution expenses	WDI169		-		-		-		-	-	
General & administrative expenses	WDI170		-	337	337		-		-	337	
Other expenses	WDI172		-		-		-		-	-	
Operating loss			-	337	337		-	-	-	337	
Finance expenses	WDI161		36		36		-		-	36	
Finance income	WDI162		-		-		-		-	-	
Foreign exchange (gain) loss	WDI163		1,021		1,021		-		-	1,021	
Net finance costs			1,058	-	1,058		-	-	-	1,058	
Loss (Income) before income taxes			1,058	337	1,395		-	-	-	1,395	
Current income tax expense (recovery)	WDI127		-		-		-		-	-	
Deferred income tax expense (recovery)	WDI160		-		-		-		-	-	
Clearing accounts										-	
Inter-company	WDI1112		-		-		-		-	-	
Production costs	WDI192		337	(337)	-		-		-	-	
Net (Income) loss			1,395	-	1,395		-	-	-	1,395	

TAB H

This is Exhibit "H" referred to in the Affidavit
of **KRISTAL KAYE** sworn before me this
21 day of April, 2020.

A Commissioner for Oaths in and for Alberta

Morgan Crilly
Barrister & Solicitor

Dominion Diamond Mines
Consolidated Cash Flow Statement
For the 13-week period ending July 17, 2020

		Initial Stay Period													
		Week 1	**Week 2**	**Week 3**	**Week 4**	**Week 5**	**Week 6**	**Week 7**	**Week 8**	**Week 9**	**Week 10**	**Week 11**	**Week 12**	**Week 13**	
(CAD000's) *Week Ending*	**Notes**	**24-Apr**	**1-May**	**8-May**	**15-May**	**22-May**	**29-May**	**5-Jun**	**12-Jun**	**19-Jun**	**26-Jun**	**3-Jul**	**10-Jul**	**17-Jul**	**Total**
Operating Receipts															
Sales	[1]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Operating Receipts		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Disbursements															
Payroll and Benefits	[2]	-	1,540	-	1,540	-	1,540	-	-	1,733	-	1,540	-	1,540	**9,433**
Consultants and Contractors	[3]	260	469	102	28	211	150	542	28	51	239	382	28	28	**2,519**
Rent	[4]	-	261	-	-	-	-	261	-	-	-	261	-	-	**782**
Equipment Leases		-	745	-	-	-	-	745	-	-	-	745	-	-	**2,234**
Underground Mining Contractor	[5]	-	441	-	-	-	-	441	-	-	-	441	-	-	**1,323**
Travel	[6]	-	156	-	-	-	-	156	-	-	-	156	15	15	**500**
Insurance	[7]	-	483	-	-	-	-	483	-	-	-	483	-	-	**1,449**
IT & Software		-	711	-	-	-	-	711	-	-	-	711	-	-	**2,133**
IBA Payments	[8]	-	-	-	-	-	-	-	-	-	-	417	-	-	**417**
Power	[9]	-	126	-	-	-	-	126	-	-	-	126	-	-	**378**
Site Maintenance & Environment	[10]	54	432	115	54	54	54	651	54	54	99	452	54	107	**2,236**
CCAA Professional Fees	[11]	1,121	281	-	5,660	-	-	140	-	2,151	-	140	-	2,151	**11,645**
Critical Vendors Accounts Payable	[12]	-	1,100	2,500	1,400	-	-	-	-	-	-	-	-	-	**5,000**
Other	[13]	40	524	35	192	28	192	400	43	177	48	526	63	183	**2,452**
Total Operating Disbursements		1,476	7,268	2,753	8,874	293	1,937	4,656	125	4,167	387	6,380	161	4,025	**42,501**
Net Change in Cash from Operations		(1,476)	(7,268)	(2,753)	(8,874)	(293)	(1,937)	(4,656)	(125)	(4,167)	(387)	(6,380)	(161)	(4,025)	**(42,501)**
Financing															
Intercompany Receipts / (Disbursements)	[14]	-	-	222	1,000	381	1,000	667	778	556	-	-	-	-	**4,603**
Interest & Bank Charges	[15]	-	(372)	-	(149)	-	(237)	-	(149)	-	-	(237)	(149)	-	**(1,293)**
Net Change in Cash from Financing		-	(372)	222	851	381	763	667	629	556	-	(237)	(149)	-	**3,309**
Net Change in Cash		(1,476)	(7,640)	(2,530)	(8,024)	88	(1,173)	(3,990)	503	(3,611)	(387)	(6,617)	(310)	(4,025)	**(39,191)**
Opening Cash		27,519	26,043	18,403	15,873	7,849	7,937	6,764	2,774	3,277	(334)	(720)	(7,337)	(7,647)	**27,519**
Ending Cash		**$ 26,043**	**$ 18,403**	**$ 15,873**	**$ 7,849**	**$ 7,937**	**$ 6,764**	**$ 2,774**	**$ 3,277**	**$ (334)**	**$ (720)**	**$ (7,337)**	**$ (7,647)**	**$ (11,672)**	**$ (11,672)**

Kristal Kaye, Chief Financial Officer
Dominion Diamond Mines

Notes:

Management has prepared this Cash Flow Statement 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 nil during the Forecast Period as COVID-19 related business disruptions have resulted in the Applicants being unable to sell diamonds in the normal course.
[2] Payroll and benefits relate to management and employees at Dominion's corporate office as well as two rotating shifts of employees that perform care and maintenance activities at the Ekati mine site.
[3] Consultants and contractors relate primarily to contract camp and catering staff and consultants.
[4] Rent includes lease costs, utilities and property taxes for the Applicants' offices in Calgary, Toronto and Yellowknife.
[5] Underground mining contractor costs relate to dewatering costs and standby fees for the contractor that operates the underground mine.
[6] Travel relates to airlines that transport employees and contractors to the Ekati mine site.
[7] Insurance relates to a premium financing arrangement for the Applicants' insurance policies.
[8] Impact and benefit agreements are assumed to remain current during the forecast period.
[9] Power includes contractors that operate the power plant at the Ekati mine.
[10] Site maintenance and environmental costs are based on Dominion's care and maintenance plan and are assumed to be consistent with current run rates.
[11] CCAA Professional fees includes the Applicants' Canadian legal counsel, United States legal counsel and financial advisor as well as the Monitor and the Monitor's legal counsel.
[12] The Initial Order authorizes the Applicants to pay certain pre-filing amounts owing to critical suppliers of up to $5.0 million, with prior approval of the Monitor.
[13] Other operating costs include miscellaneous disbursements and a contingency.
[14] Intercompany accounts relate to cash calls to the joint venture partner in respect of the Ekati Core Zone.
[15] Interest and bank fees are comprised of interest, letter of credit and standby fees in respect of the Applicants' Revolving Facility.

TAB I

This is Exhibit "I" referred to in the Affidavit of
KRISTAL KAYE sworn before me this
21 day of April, 2020.

A Commissioner for Oaths ~~in and~~ for Alberta

Morgan Crilly
Barrister & Solicitor

	CLERK'S STAMP
COURT FILE NUMBER	
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	**CONSENT TO ACT AS MONITOR**
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 File: 00180245/000013

TAKE NOTICE THAT FTI Consulting Canada Inc., hereby consents to act as Court-appointed Monitor of the Applicants, 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. pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended.

DATED at Vancouver, British Columbia and effective this 20th day of April 2020.

FTI CONSULTING CANADA INC.,

Per: ______________________________
Name: Tom Powell, Senior Managing Director