

# Dominion Diamond Mines Obtains Initial Order of Protection Under Companies' Creditors Arrangement Act (CCAA)

23.04.2020 | [Business Wire](#)

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

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

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

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

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

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

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

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

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

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

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

#### About Dominion Diamond Mines

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

For more information, please visit [www.ddmines.com](http://www.ddmines.com) and Dominion's private investor portal, or contact [investor@ddcorp.ca](mailto:investor@ddcorp.ca).

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/349398--Dominion-Diamond-Mines-Obtains-Initial-Order-of-Protection-Under-Companiesund039-Creditors-Arrangement-Ac>

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