

Dominion Ready to Roll After Completing Ekati Sale



RAPAPORT... Dominion Diamond Mines has completed the sale of its Ekati mine in Canada, and has resumed operations at the site.

Arctic Canadian Diamond Company, a business owned by two of Dominion's bondholders, has acquired all of Dominion's assets, except its 40% stake in the Diavik mine, which it shares with joint-venture partner Rio Tinto, Dominion said Wednesday.

Under the terms of the agreement, Arctic will assume \$70 million of Dominion's debt and will cover a number of its liabilities. It will also provide the miner with \$85 million in working capital.

"This transaction significantly reduces our debt obligations, and provides sufficient liquidity to fund our operations, invest in future growth and allow the company to emerge with a materially stronger balance sheet," said Dominion chief financial officer Kristal Kaye.

The miner initiated a restart at Ekati in November, after closing for nearly a year due to the coronavirus pandemic. It initiated insolvency proceedings as it struggled amid heavy debt. The company returned to full operations at the deposit on January 20, and expects to recall all of its employees by February 25, it noted.

Meanwhile, Rory Moore, vice president of exploration at Dominion, will serve as interim president of the company.

“We are excited to have our employees back at work, and to have Ekati in full production again,” said Moore. “We are also very grateful to our new owners for the commitment they have demonstrated to Ekati and its stakeholders. This new partnership will bring fresh perspectives to our operations and be the driving force behind our continued growth.”

Image: The Ekati mine. (Dominion Diamond Mines)