

Renard Diamond Mine to Be Repurposed for Lithium



Winsome Resources has signed an agreement to acquire the Renard diamond mine and its infrastructure, with plans to convert it into a processing facility for its Adina Lithium project.

Subject to approval by a Quebec Court, [Winsome](#) will pay Renard owner Stornoway Diamonds a total of CAD 52 million (\$38.5 million) in cash, shares in the company, or a combination of both, it said Wednesday. The lithium miner will have until September 30 to gain approval, with the option to extend to February 28, 2025.

Winsome will not assume any of Stornoway's financial obligations other than mine rehabilitation, it noted. Stornoway will keep any remaining diamond inventory and equipment directly associated with diamond mining. The lithium miner sees the potential to reduce its footprint by repurposing Renard's open pit and underground mines as well as its tailings storage for lithium, it explained. Renard is located about 60 kilometers south of Adina.

In November, Stornoway announced it planned to [sell](#) Renard after the weak diamond market forced it into insolvency for the second time in four years. The miner [put the deposit](#) on care and maintenance in October, laying off 425 of its 500 employees. According to court documents, Stornoway reported a net loss of CAD 13.1 million (\$9.6 million) for the nine months that ended September 30, compared to a profit of CAD 42.2 million (\$30.7 million) for the full year of 2022.

The [diamond miner](#) also faced liquidity issues in 2019. At the time, it [sold](#) the business to its major lenders after accumulating debt it attributed to “continued downward pressure” on the rough market.

When Stornoway filed for creditor protection last year, it listed assets of about CAD 287.3 million (\$209.6 million) combined. It is not clear what percentage of that figure is diamond inventory, versus property, plant equipment or other items.

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MAIN IMAGE: THE RENARD DIAMOND MINE. (STORNOWAY DIAMONDS)