ARCTIC CANADIAN DIAMOND COMPANY LTD.

Arctic Canadian Diamond Company Ltd.

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Notification

DOMINION DIAMOND MINES SELLS EKATI MINE TO ARCTIC CANADIAN DIAMOND COMPANY LTD.

CALGARY, AB – February 3, 2021 – Dominion Diamond Mines ULC ("Dominion" or the "Company") announced today that it has completed the previously announced sale of the Ekati Mine and associated assets to Arctic Canadian Diamond Company Ltd. ("Arctic"), a company formed and owned by funds and accounts managed by DDJ Capital Management, Brigade Capital Management, LP and Western Asset Management Company, LLC. The Alberta Court of Queen's Bench (the "Court") approved the sale pursuant to an order issued on December 11, 2020.

Arctic has acquired substantially all of Dominion's assets, excluding Dominion's interest in the joint venture agreement and liabilities relating to the Diavik Diamond Mine, in consideration for the assumption of various liabilities owing to Dominion's creditors, employees, suppliers and surety bond holders, including assuming US$70 million of Dominion's outstanding indebtedness under its existing revolving credit agreement and the reclamation obligations of the Ekati mine. In addition, Arctic will receive a new US$85 million fully funded working capital facility ranking behind the first lien lenders. "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 Ms. Kristal Kaye, Chief Financial Officer.

In March 2020, the Company made the decision to suspend operations at the Ekati mine to safeguard its employees and Northern communities from the threat of COVID-19. As a result, the Ekati mine was put on care and maintenance and a minimal crew remained at site to maintain the mine during this period. The Company initiated a 10-week phased restart in November 2020 and returned to full operations on January 20, 2021. It is anticipated that the full recall of employees back to work will be completed no later than February 25, 2021.

"We are excited to have our employees back at work and to have Ekati in full production again," said Mr. Rory Moore, Interim President. "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."

"We would like to thank our employees, suppliers, customers, the Northern communities and the Government of the Northwest Territories for their continued support over the past year. We understand this has been a difficult period, yet everyone's dedication and loyalty to the Ekati mine has been truly appreciated," said Ms. Kaye.

As previously announced, on April 22, 2020, Dominion filed for insolvency protection under the Companies' Creditors Arrangement Act ("CCAA") and obtained an order from the Court granting Dominion protection under the CCAA pursuant to an order from the Court.

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Copies of the applicable Court orders and other Court materials and information related to the Company's CCAA proceedings are available on the website maintained by FTI, which has been appointed by the Court as Dominion's Monitor to oversee the CCAA proceedings: cfcanada.fticonsulting.com/Dominion.

About Arctic Canadian Diamond Company Ltd. (formerly Dominion Diamond Mines)
Arctic Canadian Diamond Company Ltd. 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. The company also holds a controlling interest in the Lac de Gras Diamond Project. The Ekati Diamond Mine, and the Lac de Gras Diamond Project are located in Canada's Northwest Territories. In addition to its mining and exploration operations, Arctic Canadian Diamond Company Ltd. has offices in Canada and Belgium.

For more information, please visit www.ddmines.com and the Company's private investor portal, or contact investor@ddcorp.ca.

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