

# Ekati mine operations might resume in Q4

*But that depends on outcome of debt restructuring process*

by Blair McBride

Northern News Services

Dominion Diamond Mines is aiming to resume production at the Ekati mine in the fourth quarter of 2020.

Operations were suspended at the Ekati mine in March as a preventive move amid the Covid-19 pandemic.

"We hope to reopen Ekati as soon as possible, but there are several factors to consider as we look at restarting operations," said Dominion spokesperson Rebecca Hurl, on June 29.

Those factors include "meaningful" resumption of global diamond sales and Dominion's ability to safely recall its workers during the pandemic.

Another factor is how the sale of the mine's assets plays out. While another subsidiary of The Washington Companies – owner of Dominion Diamond Mines – has expressed interest in purchasing Ekati's assets and an Alberta court has granted approval, it wasn't clear yet if it will be the successful buyer as the bidding is also subject to a court-mandated process.

"We have now commenced

the sales process and are working with our bankers, along with the court-appointed monitor, to identify and evaluate competing offers for the company. Whether Dominion remains under The Washington Companies' ownership or is sold to a competing bidder, the process approved in court will enable us to pursue a bright and stable future for the company," Hurl said.

The possibility of restarting production at Ekati depends on the outcome of Dominion's restructuring process, and also on sales in the diamond market, which have dropped significantly since the Covid-19 pandemic spread, according to data from independent diamond analyst Paul Zimmisky.

The diamond market in the third and fourth quarters of 2020 will be a significant factor for Ekati, said Zimmisky.

"I think diamond prices could edge higher towards the end of the year given the significant tapering of global production in recent months due to the pandemic," he said. "Of course, consumer demand will need to support this, which will depend



NNSL file photo

**Ekati mine could be operational** again by the fourth quarter of 2020 but there are a number of hurdles for Dominion Diamonds to clear first.

on the pace of recovery of the global economy, which will in part depend on whether there is a second wave of the virus that results in a subsequent second global lockdown or the wide availability of an approved vaccine."

Zimmisky also thinks the court wants the Ekati mine to resume operations "given the significant implica-

tion of the mine on employment and tax revenue in the region."

The approval for the asset sale process was granted on June 19 in the Court of Queen's Bench of Alberta in Calgary, according to the court filing.

The assets would be sold for US \$126.1 million and Hurl said the sales process will conclude by the end of

October.

In addition to the asset sale, the court also approved near-term financing and bidding procedures for the solicitation of competing offers, said Hurl.

The court's approval comes two months after Dominion announced it had filed for creditor protection.

## PASSPORT PHOTOS

### Hours

Monday - Friday 8:30 am - 4:30 pm



*Following Covid Protocol*

**yellowknifer**  
Serving Yellowknifers since 1972

Call us at 873-4031  
5108-50th Street



Blair McBride/NNSL photo

### RETURN OF THE MUSKOX

Elon Muskox retook his place in Somba K'e Civic Plaza last Friday after his green "fur" underwent its annual replanting in the spring.