

C A N A D A
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT

Nº: 500-11-063053-231

Commercial Division
(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act,
R.S.C., c. C-36)

**IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED:**

STORNOWAY DIAMONDS (CANADA) INC.

-and-

11272420 CANADA INC.

Debtors

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**APPLICATION FOR THE ISSUANCE OF
AN ORDER EXTENDING THE STAY OF PROCEEDINGS**
(*Companies' Creditors Arrangement Act*, R.S.C. (1985), ch. C-36, Sections 9, 10, 11,
11.02, 11.03 (hereinafter the **CCAA**))

**TO THE HONOURABLE KAREN M. ROGERS, J.S.C., OR ONE OF THE
HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN THE
COMMERCIAL DIVISION FOR THE DISTRICT OF MONTRÉAL, THE DEBTORS
RESPECTFULLY SUBMIT:**

I. INTRODUCTION

1. On October 27, 2023, this Court granted Stornoway Diamonds (Canada) Inc.'s (**SDCI**) and 11272420 Canada Inc.'s (**1127**, collectively with SDCI the **Debtors**) *Application for the Issuance of an Initial Order, an Amended Restated Initial Order and Ancillary Relief*, and notably issued an Initial Order under the CCAA, valid until November 3, 2023 (the **Initial Order** and the **Stay Period**).
2. Pursuant to the Initial Order, Deloitte Restructuring Inc. (the **Monitor**) was appointed as Monitor to the Debtors.

3. On November 3, 2023, the Court issued a Restated Initial Order, thereby extending the Stay Period until November 13, 2023.
4. On November 13, 2023, the Court issued an Amended and Restated Initial Order, notably extending the Stay Period until January 25, 2024.
5. On January 24, 2024, the Court issued a Second Amended and Restated Initial Order, notably extending the Stay Period until March 31, 2024.
6. On April 4, 2024, the Court issued a Third Amended and Restated Initial Order, notably extending the Stay Period until October 10, 2024, and also issued an Approval Order approving a Call Option Agreement entered into between Winsome Resources Ltd. and the Debtors (the **Call Option Agreement**).
7. The Call Option Agreement, as approved by the Court, provides for the Debtors' right to sell, transfer or otherwise dispose of certain equipment (the **Non-Core Assets**), namely to allow the Debtors to monetize such assets.
8. On October 4, 2024, the Honourable Karen M. Rogers, J.S.C., issued a Fourth Amended and Restated Initial Order, notably extending the Stay Period until January 24, 2025.
9. For the reasons set out below, the Debtors hereby seek the issuance of an order extending the stay of proceedings substantially in the form of the draft order communicated herewith as **Exhibit R-1** providing for an extension of the stay period until **February 28, 2025** (the **Extended Stay Period**).

II. EXTENSION OF THE STAY PERIOD

10. The Debtors, in consultation with the Monitor, have been soliciting offers regarding certain of the Non-Core Assets of the Debtors, and are working to finalize negotiations on certain contemplated sale and purchase agreements.
11. The Debtors are currently consulting the Secured Creditors in respect of same and intend to order seek approval of the contemplated agreements by the Court, by the end of February 2025.
12. In this context, the Debtors request an extension of the Stay Period until February 28, 2025, namely to allow for the presentation of an application seeking the approval of the agreements of purchase and sale (the **Approval Application**),

which application will be heard by the Court during the Extended Stay Period, namely during the week of February 24, 2025.

13. As such, the requested extension of the Stay Period for the sole purpose of allowing for the presentation of the Approval Application to be filed is necessary in the circumstances, it being understood that upon the filing and presentation of the Approval Application, the Debtors shall present, and the Monitor shall report, more fully on the contemplated agreement and the subsequent extension of the Stay Period that will also be requested at that time.
14. The Debtors have acted and continue to act in good faith and with due diligence, and it is respectfully submitted that issuing the sought order is necessary and appropriate in the circumstances of this case and is in the best interest of the Debtors and all their stakeholders.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

GRANT the present *Application for the Issuance of an Order Extending the Stay of Proceedings*;

RENDER an Order Extending the Stay of Proceedings substantially in the form of the draft order communicated herewith as Exhibit R-1;

THE WHOLE without costs, save and except in case of contestation.

Montréal, January 15, 2025



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Me Charlotte Dion

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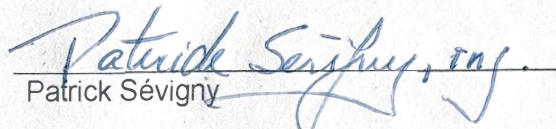
guillaume.michaud@nortonrosefulbright.com,

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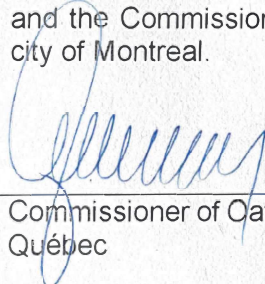
AFFIDAVIT

I, the undersigned, Patrick Sévigny, President and Chief Executive Officer, duly authorized director of the Debtors, having my professional domicile at 1 Place Ville Marie, suite 2500, province of Québec, H3B 1R1, solemnly declare that all the facts alleged in the present *Application for the Issuance of an Order Extending the Stay of Proceedings* are true.

AND I HAVE SIGNED


Patrick Sévigny

SOLEMNLY DECLARED before me by technological means, this January 15, 2025. The Affiant is in the city of Candiac and the Commissioner of Oaths is in the city of Montreal.





Commissioner of Oaths for the Province of Québec

NOTICE OF PRESENTATION

TO: The Service List

TAKE NOTICE that the present *Application for the Issuance of an Order Extending the Stay of Proceedings* (the **Application**) will be presented for adjudication before the Honourable Justice Karen M. Rogers of the Superior Court of Québec in the Montréal Courthouse located at 1, Notre-Dame Street East, Montréal, Québec, on **January 17, 2025**, at a time and courtroom to be confirmed.

Please note that unless an objection with respect to the order sought pursuant to the Application is communicated to the undersigned by email prior to **January 16, 2025 at 5:00 p.m.**, the Court may proceed with the issuance of said order without a hearing on January 17, 2025.

DO GOVERN YOURSELF ACCORDINGLY.

Montréal, January 15, 2025



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C A N A D A
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT

Nº: 500-11-063053-231

Commercial Division
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c. C-36, as amended)

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CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED:**

STORNOWAY DIAMONDS (CANADA) INC.

-and-

11272420 CANADA INC.

Debtors

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**LIST OF EXHIBITS
IN SUPPORT OF THE APPLICATION FOR THE ISSUANCE OF AN ORDER
EXTENDING THE STAY OF PROCEEDINGS**

Exhibit R-1: Proposed Order Extending the Stay of Proceedings.

Montréal, January 15, 2025

Norton Rose Fulbright Canada

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**SUPERIOR COURT
Commercial Division**
(Sitting as a court designated pursuant to the *Companies'*
Creditors Arrangement Act, R.S.C., c. C-36, as amended)
DISTRICT OF MONTREAL

**IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
c. C-36, AS AMENDED:
STORNOWAY DIAMONDS (CANADA) INC.
11272420 CANADA INC.**

Debtors / Applicants

-&-

DELOITTE RESTRUCTURING INC.

Proposed Monitor

**APPLICATION FOR THE ISSUANCE OF AN
ORDER EXTENDING THE STAY OF
PROCEEDINGS, AFFIDAVIT, NOTICE OF
PRESENTATION AND LIST OF EXHIBITS**

ORIGINAL

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