

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

N°: 500-11-063053-231

SUPERIOR COURT
(Commercial Division)

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, 11, 11.02
and 11.03 (hereinafter, the **CCAA**))

TO THE HONOURABLE KAREN M. ROGERS, S.C.J., 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**, and collectively with SDCI, the **Debtors**) *Application for the Issuance of an Initial Order, an Amended and 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. Since then, this Court extended the Stay Period on numerous occasions, namely:

- a) On November 3, 2023, the Court issued a Restated Initial Order, thereby extending the Stay Period until November 13, 2023.
 - b) On November 13, 2023, the Court issued an Amended and Restated Initial Order, notably extending the Stay Period until January 25, 2024.
 - c) On January 24, 2024, the Court issued a Second Amended and Restated Initial Order, notably extending the Stay Period until March 31, 2024.
 - d) On April 4, 2024, the Court issued a Third Amended and Restated Initial Order, notably extending the Stay Period until October 10, 2024.
 - e) On October 4, 2024, the Court issued a Fourth Amended and Restated Initial Order, notably extending the Stay Period until January 24, 2025.
 - f) On January 17, 2025, the Court issued an Order extending the Stay Period until February 28, 2025.
 - g) On February 24, 2025, the Court issued an Order extending the Stay Period until September 30, 2025.
 - h) On September 29, 2025, the Court issued a Fifth Amended and Restated Initial Order, notably extending the Stay Period until January 23, 2026, and granting additional powers to the Monitor, including those required to act in lieu of the Debtors.
 - i) On January 23, 2026, the Court issued an Order extending the Stay Period until February 3, 2026.
 - j) On February 3, 2026, the Court issued an Order extending the Stay Period until April 1, 2026.
4. For the reasons set out below, the Debtors hereby seek the issuance of an order extending the Stay Period (the **Proposed Stay Extension Order**) substantially in the form of the draft order communicated herewith as **Exhibit R-1**, providing for an extension of the Stay Period to and inclusive of May 15, 2026 (the **Extended Stay Period**).

5. In support of this *Application for the Issuance of an Order Extending the Stay of Proceedings* (this **Application**) and the relief sought herein, the Monitor will separately notify and file its *Thirteenth Report to the Court submitted by Deloitte Restructuring Inc.* (the **Monitor's Thirteenth Report**) as **Exhibit R-2**.

II. **FACTUAL DEVELOPMENTS SINCE JANUARY 2026**

A. **The Environmental Remediation Efforts of the Debtors**

6. On January 28, 2025, subsequent to the termination of negotiations with Winsome Resources Ltd. concerning a potential a transaction, the Debtors definitively ceased operations.
7. In this context, the Debtors, in consultation with the Monitor, launched a call for tender process to solicit offers from qualified dismantlers with respect to the demolition work at the Renard Mine (the **Call for Tenders**).
8. In response to the Call for Tenders, four binding proposals were submitted to the Debtors and the Monitor (each, a **Proposal** and together, the **Proposals**).
9. The Debtors and the Monitor reviewed the Proposals, and sought the necessary clarifications, as applicable. Following such review, the Monitor provided all four dismantlers the opportunity to submit a revised and final Proposal before February 24, 2026. The Debtors and the Monitor are currently reviewing said revised Proposals.
10. The selection of the Proposal will be made in consultation with OR Royalties Inc., CDPQ Resources Inc., TF R&S Canada Ltd., Washington State Investment Board, Albion Exploration Fund LLC (collectively, the **Streamers**) and Diaquem Inc. (**Diaquem**, and collectively with the Streamers, the **Secured Creditors**).
11. Moreover, discussions remain ongoing with certain potential purchasers with respect to the sale of all or a portion of SDCI's assets. However, a going-concern restructuring or transaction is highly unlikely at this stage.
12. Therefore, the Debtors' and Monitor's primary focus remains the orderly closure of the Renard Mine, as well as environmental rehabilitation and restoration of the site.
13. The commencement and carrying out of the environmental rehabilitation and restoration of the site remains subject to certain discussions with the *Ministère des Ressources naturelles et des Forêts (MRNF)*, the *Ministère de l'Environnement*,

de la Lutte contre les changements climatiques, de la Faune et des Parcs (MELCCFP), and XL Insurance Company (**XL**). The current state of these discussions is briefly summarized as follows:

- a) On February 25, 2026, the Debtors and the Monitor received a letter from the MRNF requesting the commencement of the restoration of the Renard Mine at the beginning of 2027, and that the end-of-life restoration plan of the Debtors (the **Restoration Plan**) be adjusted to reflect same, as indicated in the letter from the MRNF attached herewith as **Exhibit R-3**.
 - b) SDCI and the Monitor are also required to seek the approval of the MELCCFP prior to commencing work under the Restoration Plan. The MELCCFP's decision will be rendered in consultation with the *Comité d'examen des répercussions sur l'environnement et le milieu social* (the **COMEX**). A meeting was held on March 27, 2026, between the Debtors, the Monitor and representatives of the Cree Nation Government, including a former COMEX representative, to present and discuss the plans developed for the decommissioning, demolition, and environmental rehabilitation of the Renard Mine.
 - c) Prior to incurring any obligation with respect to any restoration and rehabilitation work, including as part of a contractual agreement with a dismantler pursuant to the selection of the Proposal, the Debtors and the Monitor will be requesting XL's written confirmation that the amounts payable under the XL Guarantee be remitted to the Monitor, *in trust*, for the purposes of funding all costs and expenses related to the Restoration Plan.
14. As of the date of this Application, coordination with the MRNF, the MELCCFP and XL remains ongoing.

III. REQUESTED EXTENSION OF THE STAY PERIOD

15. The Debtors hereby request an extension of the Stay Period until May 15, 2026.
16. The Debtors respectfully submit that the Extended Stay Period is necessary in the circumstances to provide sufficient time to:
 - a) continue discussions with the Secured Creditors and the MRNF as well as other stakeholders regarding the closure of the Renard Mine and the related environmental rehabilitation and restoration obligations and potential social impacts, including on the Cree communities;

- b) secure the funds from the XL Guarantee prior to commencing the environmental rehabilitation and restoration of the Renard Mine and to incurring any contractual obligation in connection therewith;
 - c) select the Proposal, in consultation with, and subject to ongoing discussions with the Secured Creditors and the MRNF;
 - d) pursue further analysis and discussions pertaining to potential distribution(s) to creditors, if any; and
 - e) commence the dismantling activities at the Renard Mine, in accordance with the MRNF's requirement that the commencement of the restoration work begin by no later than early 2027 (Exhibit R-3), the whole subject to obtaining the required consents, or authorization from the Court.
17. The Secured Creditors have been consulted and consent to, or otherwise do not oppose, the present Application. The Monitor also supports the relief sought herein by the Debtors, as appears from the Monitor's Thirteenth Report.

IV. OTHER RELIEF SOUGHT

A. Execution Notwithstanding Appeal

18. Considering the nature of this Application, and the importance for the Debtors to expeditiously obtain an extension of the Stay Period, the Debtors respectfully submit that the Proposed Stay Extension Order should be rendered executory notwithstanding appeal.

V. CONCLUSION

19. For the foregoing reasons, the Debtors respectfully submit that it is reasonable, necessary and appropriate in the circumstances that the relief sought herein be granted.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

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

ISSUE a Stay Extension Order substantially in the form of the proposed order communicated herewith as Exhibit R-1;

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

Montréal, March 30, 2026

Norton Rose Fulbright Canada LLP

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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 2700, Montréal, 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 March 30, 2026. The Affiant is in the city of Sainte-Barbe and the Commissioner of Oaths is in the city of Châteauguay.



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* 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 **April 1, 2026, at 9:30 a.m. in room 16.11.**

16.11	<p><u>Rejoindre la réunion Microsoft Teams</u> +1 581-319-2194 Canada, Québec (Numéro payant) (833) 450-1741 Canada (Numéro gratuit) ID de conférence : 681 190 887# Numéros locaux Réinitialiser le code confidentiel En savoir plus sur Teams Options de réunion Rejoindre à l'aide d'un dispositif de vidéoconférence teams@teams.justice.gouv.qc.ca ID de la conférence VTC : 1120490432 Autres instructions relatives à la numérotation VTC</p>
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DO GOVERN YOURSELF ACCORDINGLY.

Montréal, March 30, 2026



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

SUPERIOR COURT

N°: 500-11-063053-231

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

**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

LIST OF EXHIBITS

(In support of the *Application for the Issuance of an Order Extending the Stay of Proceedings*)

Exhibit R-1: Proposed Stay Extension Order;

Exhibit R-2: Thirteenth Report of the Monitor;

Exhibit R-3: Letter from the MRNF to the Debtors and the Monitor dated February 25, 2026.

Montréal, March 30, 2026

Norton Rose Fulbright Canada LLP

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EXTENDING THE STAY OF PROCEEDINGS**

ORIGINAL

BO-0042 # 1001271938

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