

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 /Applicant

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**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**))

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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 MONITOR  
RESPECTFULLY SUBMITS THE FOLLOWING:

**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.
  - k) On April 1, 2026, the Court issued an Order extending the Stay Period until May 25, 2026.
4. For the reasons set out below, the Monitor hereby seeks 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 August 30, 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 has filed

the *Fourteenth Report to the Court submitted by Deloitte Restructuring Inc.* (the **Monitor's Fourteenth Report**), which is disclosed in support hereof as **Exhibit R-2**.

## **II. FACTUAL DEVELOPMENTS SINCE APRIL 2026**

6. On January 28, 2025, subsequent to the termination of negotiations with Winsome Resources Ltd. regarding a potential transaction, the Debtors definitively ceased operations.
7. Consequently, 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 (the **Proposal(s)**).
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.
10. While the analysis of the Proposals has been completed, the following conditions must be satisfied before selecting a Proposal and commencing the work: i) the collection of the proceeds from the XL Insurance guarantee amount (the "**XL Guarantee**") with the approval from the *Ministère des ressources naturelles et forêts* ("**MRNF**"); and ii) the approval from the *Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs* ("**MELCCFP**").
11. Additionally, 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**), and will eventually be submitted to the Court for approval.
12. Moreover, discussions remain ongoing with certain potential purchasers with respect to the sale of all or a portion of SDCI's assets.
13. The Monitor intends to continue these discussions over the coming weeks and, if a transaction is deemed satisfactory to the Monitor in consultation with the Secured Creditors, to seek approval thereof from the Court.

14. The Monitor is currently assessing these offers holistically to fully understand their impact on both the timing and the economic of the site restoration work.
15. However, at this stage, the Monitor's primary focus remains the orderly closure of the Renard Mine, as well as environmental rehabilitation and restoration of the site.
16. The rehabilitation and restoration plan for the Renard Mine (the "**Restoration Plan**") remains a work in progress. Once finalized, the Restoration Plan will be submitted to the Secured Creditors and the MRNF for their review and approval.
17. The environmental consultants engaged on the matter have held several meetings with Monitor to present certain preliminary assessments of the Restoration Plan. The Monitor understands that a preliminary version of the Restoration Plan is expected to be available for review in the coming weeks.
18. The Monitor is also developing a comprehensive timeline and a detailed budget for the restoration work detailing all activities from initial preparations through to the implementation of the Restoration Plan, which will be subject to the review and consent of the Secured Creditors or approval of the Court.

### III. REQUESTED EXTENSION OF THE STAY PERIOD

19. The Monitor hereby requests an extension of the Stay Period until August 30, 2026.
20. The Extended Stay Period will, namely, allow the Monitor, in consultation with the Secured Creditors, to:
  - a) pursue discussion with certain parties for the purchase of a portion or all assets at the Renard Mine;
  - b) continue the efforts relating to the environmental rehabilitation of the Renard Mine, the development and finalization of the Restoration Plan;
  - c) obtain the required approvals from the MRNF and MELCCFP, and trigger the XL Guarantee; and
  - d) continue reduced care and maintenance operations, the whole for the benefit of all stakeholders.
21. Accordingly, the Monitor submits that the requested Stay Period extension up to and until August 30, 2026, is appropriate and necessary in the circumstances.

22. Based on the projections and assumptions which will be set out in the Monitor's Fourteenth Report, the Monitor expects to have sufficient funding and liquidity to cover anticipated expenses during the Extended Stay Period.
23. The Monitor has acted and continues to act in good faith and with diligence throughout these CCAA proceedings, and the requested extension is appropriate in the circumstances.
24. The Secured Creditors have been consulted and consent to, or otherwise do not oppose, the present Application.

#### IV. **CONCLUSION**

25. For the foregoing reasons, the Monitor respectfully submits 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.

MONTREAL, May 21, 2026

*Osler, Hoskin & Harcourt LLP*

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**OSLER, HOSKIN & HARCOURT LLP**

**Mtre. Sandra Abitan**

Direct : 514.904.5648

Email : [sabitan@osler.com](mailto:sabitan@osler.com)

**Mtre Iliia Kravtsov**

Direct: 514.904.5385

Email: [ikravtsov@osler.com](mailto:ikravtsov@osler.com)

**Mtre. Jack M. Little**

Direct: 514.904.5398

Email: [jlittle@osler.com](mailto:jlittle@osler.com)

**Attorneys for the Monitor**

1000 de La Gauchetière Street West,  
Suite 1100  
Montréal, Québec H3B 4W5  
Telephone: (514) 904-8100  
Fax: (514) 904-8101  
Email notification: [notificationosler@osler.com](mailto:notificationosler@osler.com)

Our file: 1249630

**SWORN STATEMENT OF JEAN-FRANÇOIS NADON**

I, the undersigned, Jean-François Nadon, having my professional address at 1190 Avenue des Canadiens-de-Montréal, suite 500, Montréal, Québec, H3M 0M7, in the city and judicial district of Montréal, do solemnly affirm that:

1. I am a duly authorized representative of Deloitte Restructuring Inc., acting in its capacity as court-appointed Monitor of the Debtors.
2. All the factual allegations contained in the Application are true.

**AND I HAVE SIGNED:**



Jean-François Nadon

SOLEMNLY AFFIRMED before me by  
technological means in Montréal, Québec this  
21<sup>th</sup> day of May 2026.



Suzanne Langlois  
Commissioner for Oaths  
for the Province of Québec



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**NOTICE OF PRESENTATION  
COMMERCIAL DIVISION**

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TO: **SERVICE LIST**

**PRESENTATION OF THE PROCEEDING**

**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 May 25, 2026, at 1:00 p.m. in virtual room 16.04.

**PLEASE GOVERN YOURSELF ACCORDINGLY.**

MONTREAL, May 21, 2026

*Osler, Hoskin & Harcourt LLP*

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**OSLER, HOSKIN & HARCOURT LLP**

**Mtre. Sandra Abitan**

Direct : 514.904.5648

Email : [sabitan@osler.com](mailto:sabitan@osler.com)

**Mtre Iliia Kravtsov**

Direct: 514.904.5385

Email: [ikravtsov@osler.com](mailto:ikravtsov@osler.com)

**Mtre. Jack M. Little**

Direct: 514.904.5398

Email: [jlittle@osler.com](mailto:jlittle@osler.com)

**Attorneys for the Monitor**

1000 de La Gauchetière Street West,  
Suite 1100

Montréal, Québec H3B 4W5

Telephone: (514) 904-8100

Fax: (514) 904-8101

Email notification: [notificationosler@osler.com](mailto:notificationosler@osler.com)

CANADA  
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 /Applicant

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**LIST OF EXHIBITS**

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

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**Exhibit R-1:** Proposed Stay Extension Order;

**Exhibit R-2:** Fourteenth Report of the Monitor;

Montréal, May 21, 2026

*Osler, Hoskin & Harcourt LLP*

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**OSLER, HOSKIN & HARCOURT LLP**

**Mtre Sandra Abitan**

Direct : 514.904.5648

Email : [sabitan@osler.com](mailto:sabitan@osler.com)

**Mtre Iliia Kravtsov**

Direct: 514.904.5385

Email: [ikravtsov@osler.com](mailto:ikravtsov@osler.com)

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**Mtre Jack M. Little**  
Direct: 514.904.5398  
Email: [jlittle@osler.com](mailto:jlittle@osler.com)

**Attorneys for the Monitor**

1000 de La Gauchetière Street West,  
Suite 1100  
Montréal, Québec H3B 4W5  
Telephone: (514) 904-8100  
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**SUPERIOR COURT  
(Commercial Division)  
DISTRICT OF MONTRÉAL**

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**IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS  
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**11272420 CANADA INC.**

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**Monitor/Applicant**

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

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**ORIGINAL**

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Code : BO 0323

o/f: 1249630

**Me Sandra Abitan | Me Ilia Kravtsov | Me Jack Little  
Osler, Hoskin & Harcourt LLP**

1000 De La Gauchetière Street West, Suite 1100  
Montréal, Québec H3B 4W5

[sabitan@osler.com](mailto:sabitan@osler.com), [ikravtsov@osler.com](mailto:ikravtsov@osler.com)

[jlittle@osler.com](mailto:jlittle@osler.com)

Tel: 514-904-8100 Fax: 514-904-8101

**Notification by email: Address listed above**