

C A N A D A
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
COURT. No.: 500-11-063053-231

S U P E R I O R C O U R T
Commercial Division

**IN THE MATTER OF A PLAN OF
ARRANGEMENT OR COMPROMISE OF:**

11272420 CANADA INC.

- and -

STORNOWAY DIAMONDS (CANADA) INC.

Debtors

- and -

DELOITTE RESTRUCTURING INC.

Monitor

**FOURTEENTH REPORT TO THE COURT
SUBMITTED BY DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS MONITOR
(Companies' Creditors Arrangement Act)**

INTRODUCTION

1. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
2. On October 27, 2023, 11272420 Canada Inc. ("**1127**") and Stornoway Diamonds (Canada) Inc. (collectively "**Stornoway**", the "**Company**" or the "**Debtors**") filed an *Application for the Issuance of an Initial Order, an Amended and Restated Initial Order and Ancillary Relief* (the "**Initial Application**") under the *Companies' Creditors Arrangement Act* ("**CCAA**"), before the Superior Court of Québec (the "**Court**") seeking the appointment of Deloitte Restructuring Inc. as the CCAA monitor in these proceedings (the "**Proposed Monitor**") and various other relief measures.
3. On October 26, 2023, Deloitte, then in its capacity as Proposed Monitor, filed its first report to the Court (the "**First Report**") as part of the Debtors' CCAA Proceedings (the "**CCAA Proceedings**"). The purpose of the First Report was to provide information to the Court with respect to i) Deloitte's qualification to act as monitor; ii) the business, financial affairs and financial results of Stornoway; iii) Stornoway's creditors; iv) the proposed sale and investment solicitation process; v) key employee retention program; vi) critical suppliers; vii) charges

- sought in the proposed "First Day Initial Order" and the Proposed "Initial Order"; viii) overview of the 4-week cash flow projections; and ix) the Proposed Monitor's conclusions and recommendations.
4. On October 27, 2023, the Court granted the Initial Application and rendered the First Day Initial Order and the SISP Approval Order which provided for, *inter alia*, i) a stay of proceedings against the Debtors until and including November 6, 2023 (as extended from time to time, the "**Stay Period**"); ii) a stay of proceedings against the Directors and Officers; iii) the appointment of Deloitte Restructuring Inc. as the monitor under the CCAA ("**Deloitte**" or the "**Monitor**"); iv) authorization to pay critical suppliers; v) a General Administration Charge of \$500K, a Streamers Administration Charge on the Stream Encumbered Property, a D&O Charge of \$3.9M and a KERP Charge of \$480K; and vi) approval of the sale and investment solicitation process ("**SISP**").
 5. On November 3, 2023, the Court rendered the Restated Initial Order which provided for an extension of the Stay Period to November 13, 2023, following its initial expiry on November 6, 2023.
 6. On November 9, 2023, the Monitor filed its second report (the "**Second Report**"). The purpose of the Second Report was to provide information to the Court with respect to i) update regarding Stornoway's communications to stakeholders and operations; ii) the Monitor's activities since the First Report; iii) the SISP; iv) payments to critical suppliers; v) charges sought in the Proposed Initial Order; vi) Key Employee Retention Program; vii) environmental matters; viii) cash flow results for the 2-week period ended October 29, 2023; ix) overview of the Cash Flow Projections; and x) request for an extension of the Stay Period until January 24, 2024.
 7. On November 13, 2023, the Court rendered an Amended and Restated Initial Order. The Court also extended the Stay Period until January 25, 2024.
 8. On January 19, 2024, the Debtors filed an *Application for the Issuance of a Second Amended and Restated Initial Order and Ancillary Relief*.
 9. On January 22, 2024, the Monitor issued its third report (the "**Third Report**"). The purpose of the Third Report was to provide information to the Court with respect to i) update regarding Stornoway's communications and operations; ii) the Monitor's activities since the Second Report; iii) the SISP; iv) payments to critical suppliers; v) environmental matters; vi) cash flow results for the 10-week period ended January 7, 2024; vii) overview of the Cash Flow Projections and authorization of certain payments to unaffected creditors; viii) key employee's retention program trust; ix) extension of the Stay Period; and x) the Monitor's conclusions and recommendations.
 10. On January 24, 2024, the Court rendered a Second Amended and Restated Initial Order, which notably extended the Stay Period until March 29, 2024, and also rendered the Order Approving Certain Payments to Unaffected Creditors.
 11. On March 22, 2024, the Court rendered an Order Extending the Stay of Proceedings until April 5, 2024.
 12. On April 1, 2024, the Monitor issued its fourth report (the "**Fourth Report**"). The purpose of the Fourth Report was to provide information to the Court with respect to i) update regarding Stornoway's communications and operations; ii) the Monitor's activities since the Third Report; iii) update on the SISP; iv) payments to critical suppliers; v) environmental matters; vi) cash flow results for the 10-week period ended March 10, 2024; vii) overview of the cash flow projections; viii) key employee's retention program trust; ix) extension of the Stay Period; and x) the Monitor's conclusions and recommendations.

13. On April 4, 2024, the Court rendered a Third Amended and Restated Initial Order, which notably extended the Stay Period until October 10, 2024, and also rendered an order approving Winsome's Call Option Agreement.
14. On May 28, 2024, the Court rendered the Wage Earner Protection Program and Key Employee Retention Plan Trust Orders.
15. On August 12, 2024, the Monitor issued its fifth report (the "**Fifth Report**"). The purpose of the Fifth Report was to provide information to the Court with respect to i) update regarding Stornoway's communications and operations; ii) the Monitor's activities since the Fourth Report; iii) the Monitor's independent security review; iv) payments to critical suppliers; v) key employee's retention program Trust; vi) sale of Non-Core Assets; vii) update on Winsome's Call Option; viii) cash flow results for the 21-week period ended August 4, 2024; and ix) the Monitor's conclusions and recommendations.
16. On August 16, 2024, the Court rendered the Approval and Vesting Order to authorize the sale of certain Non-Core Assets.
17. On October 4, 2024, the Debtors filed an *Application for the Issuance of a Fourth Amended and Restated Initial Order and a Case Management Order*, as well as several *Applications to Cancel a Legal Hypothec from the Land Registry and the Public Register of Real and Immovable Mining Rights*.
18. On October 7, 2024, the Monitor issued its sixth report (the "**Sixth Report**"). The purpose of the Sixth Report was to provide information to the Court with respect to i) update regarding Stornoway's communications and operations; ii) the Monitor's activities since the Fifth Report; iii) analysis and review of registered construction legal hypothecs; iv) sale of Non-Core Assets; v) update on Winsome's Call Option; vi) cash flow results for the 29-week period ended September 29, 2024; vii) overview of the cash flow projections; viii) extension of the Stay Period; and ix) the Monitor's conclusions and recommendations.
19. On October 8, 2024, the Court rendered a Fourth Amended and Restated Initial Order, which notably extended the Stay Period until January 24, 2025.
20. On January 15, 2025, the Monitor issued its seventh report (the "**Seventh Report**"). The purpose of the Seventh Report was to provide information to the Court with respect to i) update regarding Stornoway's communications and operations; ii) the Monitor's activities since the Sixth Report; iii) update on construction legal hypothecs; iv) update on Winsome's Call Option; v) cash flow results for the 14-week period ended January 5, 2025; vi) overview of the cash flow projections; vii) extension of the Stay Period; and viii) the Monitor's conclusions and recommendations.
21. On January 17, 2025, the Court rendered an Order Extending the Stay of Proceedings, which notably extended the Stay Period until and including February 28, 2025.
22. On February 21, 2025, the Monitor issued its eighth report (the "**Eighth Report**"). The purpose of the Eighth Report was to provide information to the Court with respect to i) update regarding Stornoway's communications and operations; ii) the Monitor's activities since the Seventh Report; iii) update on construction legal hypothecs; iv) the sale of certain Non-Core Assets; v) update on Winsome's Call Option; vi) cash flow results for the 5-week period ended February 9, 2025; vii) overview of the cash flow projections; viii) extension of the Stay Period; and ix) the Monitor's conclusions and recommendations.
23. On February 24, 2025, the Court rendered a Second Amended and Restated Call Option Agreement which notably approved the extension of Winsome's Call Option Agreement until August 31, 2025. The Court also rendered an Order Extending the Stay of Proceedings thereby extending the Stay Period until and including September 30, 2025.

24. On April 11, 2025, the Debtors filed an *Application for the Issuance of Approval and Vesting Orders*.
25. On April 15, 2025, the Monitor issued its ninth report (the "**Ninth Report**"). The purpose of the Ninth Report was to provide information to the Court with respect to i) update regarding Stornoway's communications and operations; ii) the Monitor's activities since the Eighth Report; iii) update on construction legal hypothecs; vi) cash flow results for the 5-week period ended March 23, 2025; v) the sale of certain Non-Core Assets; and, vi) the Monitor's conclusions and recommendations.
26. On April 17, 2025, the Court rendered the Approval and Vesting Order for the Mobile Camps Transaction and Non-Core Equipment Transaction.
27. On June 6, 2025, the Debtors filed an *Application for the Issuance of an Approval and Vesting Order, a Liquidation Order and Ancillary Relief*.
28. On June 7, 2025, the Monitor issued its tenth report (the "**Tenth Report**"). The purpose of the Tenth Report was to provide information to the Court with respect to i) update regarding Stornoway's communications and operations; ii) the Monitor's activities since the Ninth Report; iii) update on construction legal hypothecs; vi) cash flow results for the 15-week period ended May 25, 2025; v) cash flow projections until October 5, 2025; vi) Key Employee Retention Plan ("**KERP**"); vii) the sale of certain Non-Core Assets; viii) liquidation of the Remaining Non-Core Assets with TCL Asset Group Inc. ("**TCL**"); and, ix) the Monitor's conclusions and recommendations.
29. On June 10, 2025, the Court rendered the Approval and Vesting Order for the spare parts transaction, the Liquidation Order to authorize TCL to conduct the sales of the Remaining Non-Core Assets and the Key Employee Retention Plan Trust Order.
30. On September 24, 2025, the Monitor issued its eleventh report (the "**Eleventh Report**"). The purpose of the Eleventh Report was to provide information to the Court with respect to i) update regarding Stornoway's communications and operations; ii) the Monitor's activities since the Tenth Report; iii) liquidation of the Remaining Non-Core Assets with TCL; iv) Update on the Winsome Call Option; v) Environmental matters in respect of the Renard Mine Site; vi) Expanding the powers of the Monitor; vii) Releases in favour of the D&Os (as defined below); viii) Cash flow results for the 30-week period ended September 7, 2025; ix) Cash flow projections until January 25, 2026; x) Extension of the Stay Period; and, xi) The Monitor's conclusions and recommendations.
31. On September 29, 2025, the Court rendered the Release Order in respect of the directors and officers of the Debtors ("**D&Os**" or the "**Released Parties**") and the Fifth Amended and Restated Initial Order ("**Fifth ARIO**").
32. On October 15, 2025, the Court rendered the Judgment on the Debtors' Application for the Enforcement of a Contractual Right to a Break Fee, which orders Winsome to pay the break fee as agreed in the Second Amended and Restated Call Option Agreement (the "**SARCOA**").
33. On January 23, 2026, the Court rendered an Order Extending the Stay of Proceedings, which notably extended the Stay Period until and including February 3, 2026.
34. On January 30, 2026, the Monitor issued its twelfth report (the "**Twelfth Report**"). The purpose of the Twelfth Report was to provide information to the Court with respect to i) update regarding Stornoway's communications and operations; ii) the Monitor's activities since the Eleventh Report; iii) the Winsome Break Fee payment (as defined herein); iv) Environmental matters in respect of the Renard Mine Site; v) Cash flow results for the 19-week period ended January 18, 2026; vi) Cash flow projections until April 5, 2026; vii) extension of the Stay Period; and, viii) the Monitor's conclusions and recommendations.

35. On February 3, 2026, the Court rendered an Order Extending the Stay of Proceedings, which notably extended the Stay Period until and including April 1, 2026.
36. On March 30, 2026, the Monitor issued its thirteenth report (the "**Thirteenth Report**"). The purpose of the Thirteenth Report was to provide information to the Court with respect to i) update regarding Stornoway's communications and operations; ii) the Monitor's activities since the Twelfth Report; iii) Decommissioning and remediation matters in respect of the Renard Mine Site; iv) Cash flow results for the 9-week period ended March 22, 2026; v) Cash flow projections until May 17, 2026; vi) the proposed extension of the Stay Period; and, vii) the Monitor's conclusions and recommendations.
37. On April 1, 2026, the Court rendered an Order Extending the Stay of Proceedings, which notably extended the Stay Period until and including May 25, 2026 (the "**Stay Order**").
38. On May 21, 2026, the Monitor filed an *Application for the Issuance of an Order Extending the Stay of Proceedings* (the "**Application**").
39. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the First Report, the Second Report, the Third Report, the Fourth Report, the Fifth Report, the Sixth Report, the Seventh Report, the Eighth Report, the Ninth Report, the Tenth Report, the Eleventh Report, the Twelfth Report, The Thirteenth Report, the Initial Application, or the Application.
40. The purpose of this fourteenth report of the Monitor (the "**Fourteenth Report**") is to provide information to the Court with respect to the following matters:
 - I. Update regarding the Debtor's operations;
 - II. The Monitor's activities since the Thirteenth Report;
 - III. Decommissioning and remediation matters in respect of the Renard Mine Site;
 - IV. Cash flow results for the 7-week period ended May 10, 2026;
 - V. Cash flow projections until August 30, 2026;
 - VI. Extension of the Stay Period; and,
 - VII. The Monitor's conclusions and recommendations, notably in respect of the Application.
41. In preparing the Fourteenth Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, Stornoway's books and records and financial information prepared by Stornoway and discussions with management ("**Management**") of Stornoway (collectively, the "**Information**"):
 - (i) The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and,
 - (ii) Some of the information referred to in this Fourteenth Report consists of forecasts and projections. An examination or review of the financial forecast and

projections, as outlined in Chartered Professional Accountants Canada Handbook, has not been performed.

42. Future oriented financial information referred to in this Fourteenth Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
43. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this Fourteenth Report concerning Stornoway and their business is based on the Information, and not independent factual determinations made by the Monitor.

I. UPDATE REGARDING THE DEBTOR'S OPERATIONS

44. Stornoway continues to operate under cold care and maintenance and continues to pay its current employees and suppliers in the normal course of business for the services rendered since the beginning of the CCAA Proceedings.
45. The Monitor understands that Stornoway has remained in compliance with the provisions of the Fifth ARIO and has acted in good faith and with due diligence.
46. The Monitor understands that there have been no environmental incidents during the reporting period. As of the date of this Fourteenth Report, the Monitor has not been made aware of any issues that would necessitate immediate action and is being appraised of the situation on a weekly basis.

II. THE MONITOR'S ACTIVITIES SINCE THE THIRTEENTH REPORT

47. Since the granting of the Stay Order on April 1, 2026, Stornoway and the Monitor have continued to communicate with and respond to inquiries of many of the Stornoway's key stakeholders to explain the current situation and the next steps relating to Stornoway's restructuring (the "**Restructuring Process**").
48. The Monitor has pursued ongoing discussions with Stornoway's secured creditors OR Royalties Inc., CDPQ Ressources Inc., TF R&S Canada Ltd., Albion Exploration Fund LLC ("**Albion**"), Washington State Investment Board (collectively, the "**Streamers**") and their respective legal advisors as well as with Diaquem Inc. ("**Diaquem**" and collectively with the Streamers, the "**Secured Creditors**") and their legal advisor, including by providing them with all requested information and documentation relating to the Restructuring Process.
49. The Monitor posted a copy of the CCAA Proceedings' materials, and the Thirteenth Report of the Monitor on the Monitor's Website which it updates on a regular and proactive basis.
50. Moreover, the Monitor has had several discussions and exchanges of information in order to:
 - a) Monitor the daily operations of Stornoway, including any operational issues encountered;
 - b) Optimize working capital and implement various cost reduction measures, such as the implementation of a cold care and maintenance;
 - c) Conduct meetings and review strategies for the sale of a portion or all Core Assets at the Renard Mine further to the receipt of several offers from potential purchasers;

- d) Continue developing a comprehensive plan, timeline and budget taking into account all activities to be undertaken from the initial preparations throughout the implementation of the Restoration Plan;
 - e) Trigger the payment of the insured amount from XL Specialty Insurance Company ("**XL Insurance**") to fund all costs and expenses in connection with the Restoration Plan, with the approval of the *Ministère des ressources naturelles et forêts* (the "**MRNF**");
 - f) Communicate with the MRNF and the *Ministère de l'environnement, de la lutte contre les changements climatiques, de la Faune et des Parcs* ("**MELCCFP**") with respect to the decommissioning and Restoration Plan with a view to obtaining the required permits to proceed with the environmental rehabilitation and restoration; and,
 - g) Assess and review the environmental consultants' progress in preparing the Restoration Plan.
51. The Monitor has continued to monitor the Company's activities with the view of reporting to the Court.

III. DECOMMISSIONING AND REMEDIATION MATTERS IN RESPECT OF THE RENARD MINE SITE

52. Further to the notice sent by Stornoway to the MRNF regarding the cessation of operations as of January 28, 2025, and considering the Termination Notice delivered by Winsome Resources Limited ("**Winsome**"), the Debtors and the Monitor, in consultation with the Secured Creditors, continued the planning of the environmental rehabilitation and restoration of the Renard Mine Site. The Secured Creditors have been kept apprised of these steps.
53. Stornoway, with the assistance of the Monitor, has engaged environmental consultants to update the rehabilitation and restoration plan (the "**Restoration Plan**") in accordance with Stornoway's environmental obligations under the *Mining Act*. The Restoration Plan includes, amongst other things, restoration of accumulation areas, revegetation of surfaces, demolition and dismantling of the buildings and equipment that have not been sold to third parties as part of the process for the monetization of the Core Assets, the related necessary workforce costs and five (5) years of site monitoring.
54. The Restoration Plan remains a work in progress and subject to review and finalization (in consultation with the Secured Creditors). Once finalized, the Restoration Plan will be submitted to the MRNF for review and approval. The environmental consultants have held meetings with Stornoway and the Monitor to present preliminary assessments of certain components of the Restoration Plan. The Monitor understands that a preliminary version of the Restoration Plan is expected to be available for review within one (1) month.
55. The Debtors and the Monitor are 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.
56. The Secured Creditors have been kept informed of all actions taken and progress made in the preparation of the Restoration Plan, and the Monitor will continue to keep them informed and consult with them regarding all developments in this respect.
57. As described further in the Thirteenth Report, the call for tenders for the dismantling of the buildings and equipment, as well as the process for the monetization of the Core Assets, were conducted in parallel and are now completed.

58. The completion of both processes allowed the Monitor to confirm the range of potential revenues and costs related to the demolition, dismantlement or monetization of the buildings and equipment, which are material assumptions incorporated into and underlying the detailed budget for the Restoration Plan.

Monetization of the Core Assets

59. Following the process for the monetization of the Core Assets, Stornoway and the Monitor received non-binding offers from certain parties. Stornoway and the Monitor are currently in discussions with these parties for the sale of all or a portion of assets at the Renard Mine. The objective of the Monitor is to pursue these discussions in the coming weeks and, if a transaction is considered satisfactory to the Monitor in consultation with the Secured Creditors, to seek approval from the Court for the transactions.
60. It is critical for the Monitor and the Secured Creditors to assess these offers holistically in order to fully understand their impact on both the timing and the economic of the site restoration work and the timing and amounts of distributions to Secured Creditors.

Selection of a proposal for the dismantling and demolition of the infrastructure at the Renard Mine

61. While the Monitor's analysis of the dismantler proposals is complete, the following conditions must be satisfied before selecting a proposal: i) the collection of the proceeds from XL Insurance guarantee amount (the "**XL Guarantee**") with the approval from the MRNF; and ii) the approval from the MELCCFP.
62. Only upon satisfaction of the three elements set out above will Stornoway and the Monitor, in consultation with the Secured Creditors, proceed to select one of the proposals submitted by Dismantlers. The execution of the proposal will ultimately be subject to the approval of the Court.
63. The Monitor is in ongoing communication with the MRNF to coordinate triggering the XL Guarantee and to ensure that said proceeds will be made available to the Monitor to carry out the mine restoration and rehabilitation work.
64. Assuming all three aforementioned conditions elements are satisfied, it is critical to secure all required permits, approvals and funding in the coming weeks to begin the work before the harsh winter conditions set in.
65. The Monitor, in collaboration with the Secured Creditors, is actively consulting and coordinating with various stakeholders and competent authorities in order to accelerate the process.

IV. CASH FLOW RESULTS FOR THE 7-WEEK PERIOD ENDED MAY 10, 2026

66. The highlights of Stornoway's financial performance for the period commencing on March 23, 2026, and ending on May 10, 2026, are presented in the cash flow results annexed as **Appendix A**.
67. The table below provides an overview of the cash balances and the cash variances of Stornoway from March 23 to May 10, 2026, excluding \$5.1M of cash held in-trust by the Monitor:

Stornoway Cash Variation	
For the Period of March 23 to May 10, 2026	
(In 000's CAD)	
Cash and Cash Equivalents - Beginning	14 710
Net Variation in Cash Balance	(1 737)
Cash and Cash Equivalents - Ending	12 972

68. The Monitor's comments on the financial performance of Stornoway during such period are the following:

- a) Compared with the projected cash flow presented to the Court in the Thirteenth Report (the "**Thirteenth Cash Flow Statement**"), Stornoway experienced a favorable variance of approximately \$20K with respect to the cash inflows. The variance is attributable to a favorable variance in recovered taxes on payables due to the timing of collection.
- b) Compared with the Thirteenth Cash Flow Statement, Stornoway experienced a favorable variance of \$1,089M (approx. 37% vs budget) in respect of the cash outflows. The variance is primarily attributable to:
 - i. Favorable variance of \$189K in payroll costs mainly caused by a lower than forecasted retention costs;
 - ii. Favorable variance of \$682K for vendor payments, which is mainly due to lower than expected CAPEX;
 - iii. Unfavorable variance of \$72K in professional fees, primarily attributable to additional work required to evaluate potential transactions and to analyze and review the environmental rehabilitation activities; and
 - iv. Favorable variance of \$290K in environmental remediation costs, which is due to the timing of invoices and work performed.
- c) In summary, compared to the Thirteenth Cash Flow Statement, Stornoway experienced a net favorable variance of approximately \$1,109M. This variance arose primarily from the lower than expected vendor payments and the timing of invoices and work performed for the environmental remediation costs.

69. It is important to note that the Monitor has not received the XL Guarantee as forecasted in the Thirteenth Cash Flow Statement. Communications between the MRNF, Diaquem, and the Monitor (in consultation with the Secured Creditors) are ongoing in this respect.

70. As of the date of this Fourteenth Report, all post-filing expenses incurred by Stornoway have been or will be paid in the normal course of business.

V. CASH FLOW PROJECTIONS UNTIL AUGUST 30, 2026

71. Stornoway, with the assistance of the Monitor, has prepared the projected cash flow statement (the "**Cash Flow Statement**") for the 16-week period commencing on May 11, 2026, and ending on August 30, 2026 (the "**Cash Flow Period**") for the purpose of projecting Stornoway's estimated liquidity needs during the Cash Flow Period. A copy of the cash flow statement is attached as **Appendix B** to this Fourteenth Report.

Stornoway Summary of the Cash Flow Statement Ending August 30, 2026 (In 000's CAD)	
Cash and Cash Equivalents - Beginning	12,972
Net Variation in Cash Balance	<u>(4,963)</u>
Cash and Cash Equivalents - Ending	<u>8,009</u>

Overview of the Projected Cash Flow Statement

72. The Cash Flow Statement has been prepared by Stornoway using probable and hypothetical assumptions set out in the notes to the Cash Flow Statement. This Cash Flow Statement could vary namely based on the upcoming decisions to be made by the Monitor, in consultation with the Secured Creditors and subject to their consent or the approval of the Court, and with other stakeholders, including the MRNF, regarding the restoration and rehabilitation of the mining site.
73. The Monitor's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to Information supplied to it by the Management.
74. Since the hypothetical assumptions do not need to be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Statement. The Monitor also reviewed the support provided by Management for the probable assumptions, and the preparation of the Cash Flow Statement.
75. Based on the Monitor's review and the foregoing qualifications and limitations, nothing has come to its attention that causes it to believe that, in all material respects:
- a) The hypothetical assumptions are not consistent with the purpose of the Cash Flow Statement;
 - b) As at the date of this Fourteenth Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of Stornoway or do not provide a reasonable basis for the Cash Flow Statement, given the hypothetical assumptions; or
 - c) The Cash Flow Statement does not reflect the probable and hypothetical assumptions.
76. Since the Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no opinion as to whether the projections in the Cash Flow Statement will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report. Neither does the Monitor express any opinion as to the performance of Stornoway's statutory obligations with regard to projected payments to be made in accordance with the Cash Flow Statement, *inter alia* the payment of wages, the government remittances and the payroll deductions to be made by Stornoway.
77. The Cash Flow Statement has been prepared solely for the purpose described in the Notes to the Cash Flow Statement presented in **Appendix B**, and readers are cautioned that the Cash Flow Statement may not be appropriate for other purposes.
78. As things currently stand, based on the Cash Flow Statement, Stornoway's total liquidities are estimated to be in the amount of \$8 million as at August 30, 2026. This projected balance does not consider payments to unaffected creditors from Stornoway's cash flow, which could

be made during the extension period or thereafter. Any such payments would be subject to the approval of the Monitor and the Court prior to being made.

Conclusion on the projected Cash Flow Statement

79. As indicated previously in this Fourteenth Report, Stornoway should have sufficient liquidity to continue to meet its obligations during the extension period.

VI. EXTENSION OF THE STAY PERIOD

80. The current Stay Period expires on May 25, 2026.

81. By the Application, the Monitor is seeking an extension of the Stay Period until August 30, 2026, in order to continue discussions on all fronts and in particular in respect of potential transactions, the Restoration Plan and related matters.

82. The extended Stay Period would allow the Monitor, in consultation with the Secured Creditors, to pursue discussion with certain parties for the purchase of a portion or all assets at the Renard Mine, to continue the efforts relating to the environmental rehabilitation of the Renard Mine, the development and finalization of the Restoration Plan, to obtain the required permits from the MRNF and MELCCFP, trigger the XL Guarantee, the continued implementation of reduced care and maintenance operations and the upcoming distributions to Secured Creditors, the whole for the benefit of all stakeholders.

83. As appears from the Cash Flow Statement, the Debtors will have sufficient liquidity to continue to operate in care and maintenance during the requested Stay Period.

84. The Monitor, with its enhanced powers, intends to continue paying the trade creditors for services rendered and goods provided in the normal course of business during the CCAA Proceedings.

85. The Monitor is of the opinion that Stornoway has acted in good faith throughout these proceedings.

VII. THE MONITOR'S CONCLUSIONS AND RECOMMENDATIONS

86. In light of the foregoing, the Monitor is of the view that:

- (i) The extension of the Stay Period to August 30, 2026, is necessary to continue the present restructuring proceedings, for the benefit of all stakeholders;
- (ii) Based on the information presently available and as explained in this Fourteenth Report, the Monitor believes the Debtors' creditors will not be materially prejudiced by the requested extension of the Stay Period; and
- (iii) The Debtors have acted, and are acting, in good faith and with due diligence, which makes the requested extension of the stay of proceedings appropriate.

87. The Monitor confirms that there have been no further material developments to report on this matter, other than what is provided for in this Fourteenth Report.

88. The Monitor respectfully submits to the Court this, its Fourteenth Report.

DATED AT MONTREAL, this 21st day of May 2026.

DELOITTE RESTRUCTURING INC.

In its capacity as Court-Appointed Monitor of Stornoway



Jean-François Nadon, CPA, CIRP, LIT
President



Vincent Roy-Turgeon, CPA, CIRP, LIT
Senior Vice President

Appendix A
Budget to actual
For the 7-week period ended May 10, 2026

**Stornoway
Budget to Actual (BTA)
For the 7-week Period Ended May 10, 2026**

Figures in 000's CAD

	Cumulative 7 weeks ended May 10, 2026				Timing vs Permanent
	Actual	Budget (Note 1)	Variance (\$) Fav (Unfav)	Variance (%)	
Receipts					
Recoverable Taxes on Payables	132	112	20 F	18%	Permanent
Total Receipts	132	112	20 F	18%	
Disbursements					
Payroll	657	846	189 F	22%	Permanent
Vendors Payment	893	1,574	682 F	43%	Permanent
Restructuring Fees	172	100	(72) U	(72)%	Timing
Environmental Remediation Costs	149	438	290 F	66%	Timing
Total Disbursements	1,869	2,959	1,089 F	37%	
Net Cash Flow	(1,737)	(2,846)	1,109	39%	
Beginning Cash (w/o Cash Held In-trust)	14,710	14,710	-	-	
Ending Cash (w/o Cash Held In-trust)	12,972	11,863	1,109 F	9%	
Cash held in-trust by the Monitor					
XL Insurance	-	21,457	(21,457) U	(100)%	Permanent
Winsome Break Fee (note 2)	2,064	2,052	12 F	1%	Permanent
Mobile Camps Transaction (note 2)	1,500	1,500	-	-	
Non-Core Assets Sales (note 2)	1,490	1,478	12 F	1%	Permanent
Albion's Share (note 3)	26	26	-	-	
Total Cash Held In-trust by the Monitor	5,080	26,513	(21,433) U	(81)%	
Ending Cash (Including Cash Held In-trust)	18,052	38,376	(20,324) U	(53)%	

Note 1: The budget is based on the 8-Week Cash Flow that was submitted to the Court on March 30, 2026.

Note 2: As of May 10, 2026, the Monitor holds \$1.5M in its trust account related to the Mobile Camps Transaction. These funds are fully reserved and will not be distributed until the dispute concerning the validity of the Construction Hypothec is resolved. The Monitor also holds approximately \$1.5M related to the sales of the Remaining Non-Core Assets and \$2.1M from the break fees, interest, and legal expenses paid by Winsome.

Note 3: Following a review of the prior distributions, it was determined that an excess amount totaling \$636K was distributed to the Streamers instead of Diaquem. All the Streamers, with the exception of Albion, have consented to have their respective shares applied against future distributions in order to rectify the excess. Albion's share, totaling \$26K, is currently being held in the Monitor's trust account.

Appendix B

Cash flow statement

For the 16-week period ending August 30, 2026

**Stornoway
Cash Flow Statement
For the 16-Week Period Ending August 30, 2026**

Figures in 000's CAD

	Week 1 Actual	Week 2 Forecast	Week 3 Forecast	Week 4 Forecast	Week 5 Forecast	Week 6 Forecast	Week 7 Forecast	Week 8 Forecast	Week 9 Forecast	Week 10 Forecast	Week 11 Forecast	Week 12 Forecast	Week 13 Forecast	Week 14 Forecast	Week 15 Forecast	Week 16 Forecast	Total Forecast
	11-May 17-May	18-May 24-May	25-May 31-May	1-Jun 7-Jun	8-Jun 14-Jun	15-Jun 21-Jun	22-Jun 28-Jun	29-Jun 5-Jul	6-Jul 12-Jul	13-Jul 19-Jul	20-Jul 26-Jul	27-Jul 2-Aug	3-Aug 9-Aug	10-Aug 16-Aug	17-Aug 23-Aug	24-Aug 30-Aug	11-May 30-Aug
Receipts																	
Recoverable Taxes on Payables	-	146	-	-	-	161	-	-	-	126	-	-	-	-	85	-	519
Total Receipts	-	146	-	-	-	161	-	-	-	126	-	-	-	-	85	-	519
Disbursements																	
Payroll	18	154	18	185	18	158	18	180	66	181	18	188	45	168	18	154	1,584
Vendors Payment	54	62	423	1,096	57	108	321	53	53	59	53	225	56	56	113	167	2,957
Restructuring Fees	-	111	-	-	-	100	-	-	-	200	-	-	-	-	200	-	611
Environmental Remediation Costs	-	80	-	-	-	-	250	-	-	-	-	-	-	-	-	-	330
Total Disbursements	72	406	441	1,281	74	365	589	233	119	441	71	413	101	225	331	320	5,481
Net Cash Flow	(72)	(259)	(441)	(1,281)	(74)	(205)	(589)	(233)	(119)	(315)	(71)	(413)	(101)	(225)	(245)	(320)	(4,963)
Beginning Cash (w/o cash held in-trust)	12,972	12,900	12,641	12,200	10,919	10,845	10,640	10,051	9,818	9,699	9,384	9,313	8,901	8,799	8,575	8,330	12,972
Ending Cash (w/o cash held in-trust)	12,900	12,641	12,200	10,919	10,845	10,640	10,051	9,818	9,699	9,384	9,313	8,901	8,799	8,575	8,330	8,009	8,009
Cash Held in-trust by the Monitor																	
Mobile Camps Transaction (note 1)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Non-Core Assets Sales (note 2)	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490
Winsome Break Fee (note 3)	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064
Albion's Share (note 4)	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26
Total Cash Held In-Trust	5,080	5,080	5,080	5,080	5,080	5,080	5,080	5,080	5,080	5,080	5,080	5,080	5,080	5,080	5,080	5,080	5,080
Ending Cash (including cash held in-trust)	17,981	17,721	17,280	15,999	15,925	15,720	15,131	14,898	14,779	14,464	14,394	13,981	13,880	13,655	13,410	13,089	13,089

Note 1: As of May 11, 2026, the Monitor holds \$1.5M related to the Mobile Camps Transaction. These funds will be fully reserved and not distributed until the dispute concerning the validity of the Construction Hypothec is resolved.

Note 2: The Non-Core Assets proceeds totaling \$1.5M have been included in Stornoway's cash. However, the Non-Core Assets proceeds could be distributed in accordance with the instructions received by the Secured Creditors and, or by the Court.

Note 3: The Break Fee, interest and legal fees from Winsome totaling \$2.1M have been included in Stornoway's cash. However, those amounts could be distributed in accordance with the instructions received by the Secured Creditors and, or by the Court.

Note 4: Albion's share, approximately \$26K, for which it has not consented to distribute to offset the excess distribution made to the Streamers instead of Diaquem, is currently held in the Monitor's trust account

NOTES TO THE CASH FLOW STATEMENT

NOTE A – PURPOSE

The purpose of these cash flow projections is to determine the liquidity requirements of Stornoway during the CCAA proceedings until August 30, 2026.

NOTE B

The Cash Flow Statement has been prepared by Stornoway using probable and hypothetical assumptions set out in the notes to the Cash Flow Statement.

The Monitor's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to Information supplied to it by Management. Since the hypothetical assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Statement. The Monitor also reviewed the support provided by Management for the probable assumptions, and the preparation and presentation of the Cash Flow Statement.

NOTE C - DEFINITIONS

(1) CASH FLOW STATEMENT:

In respect of a company, it means a statement indicating, on a weekly basis (or such other bases as is appropriate in the circumstances), the projected cash flow of the company as defined in section 2(1) of the Act based on Probable and Hypothetical Assumptions that reflect the company's planned course of action for the period covered.

(2) HYPOTHETICAL ASSUMPTIONS:

Means assumptions with respect to a set of economic conditions or courses of action that are not necessarily the most probable in the company's judgment, but are consistent with the purpose of the Cash Flow Statement.

(3) PROBABLE ASSUMPTIONS:

Means assumptions that:

- (i) The company believes reflect the most probable set of economic conditions and planned courses of action, **Suitably Supported** that are consistent with the plans of the company; and
- (ii) Provide a reasonable basis for the Cash Flow Statement.

(4) SUITABLY SUPPORTED:

Means that the Assumptions are based on either one or more of the following factors:

- (i) The past performance of the company;
- (ii) The performance of other industries/market participants engaged in similar activities as the company;
- (iii) Feasibility studies;

- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

The extent of detailed information supporting each Assumption, and an assessment as to the reasonableness of each Assumption, will vary according to circumstances and will be influenced by factors such as the significance of the Assumption and the availability and quality of the supporting information.

NOTE C - ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<u>Opening Cash Balance</u>	Based on current bank balances as at May 11, 2026.	x	
<u>Exchange Rate</u>	Exchange rate used by management is the following: US \$/Cnd \$ = 1.37	x	
<u>Forecast Cash Receipts:</u>			
Recoverable Taxes on Payables	Based on the notice of assessments received from the tax authorities and forecasted expenses	x	
<u>Forecast Cash Disbursements:</u>			
Payroll	Based on Stornoway’s historical payroll reports and forecasted payroll in a cold care and maintenance	x	
Vendors Payment	Based on Stornoway’s forecasted expense payable	x	
Restructuring Fees	Estimated professional fees to be incurred in the following weeks for the Monitor and the legal advisors		x
Environmental Remediation Costs	Based on the Management’s estimate to finalize the updated environmental remediation plan	x	

<u>Cash Held in-trust by the Monitor:</u>			
Mobile Camps Transaction	Based on the balance in the in-trust account of the Monitor	x	
Non-Core Assets Sales	Based on the balance in the in-trust account of the Monitor	x	
Winsome Break Fee	Based on the balance in the in-trust account of the Monitor	x	
Albion's Share	Based on the balance in the in-trust account of the Monitor	x	