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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

**NINTH 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, 1127420 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 employees 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 (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 ("**Third ARIO**"), which notably extended the Stay Period until October 10, 2024, and also rendered an order approving Winsome's Call Option Agreement (the "**Approval Order**").
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) 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* (the "**Application**"), as well as several *Applications to Cancel a Legal Hypothec from the Land Registry and the Public Register of Real and Immovable Mining Rights* (collectively, the "**Legal Hypothecs Applications**").
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 ("**Fourth ARIO**"), 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 approves the extension of Winsome's Call Option Agreement until August 31, 2025 (the "**Approval Order**"). The Court also rendered an Order Extending the Stay of Proceedings, which notably extended 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* (the "**Application**").
25. 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 Initial Application, or the Application.
26. The purpose of this ninth report of the Monitor (the "**Ninth Report**") is to provide information to the Court with respect to:
 - I. Update regarding the Debtor's communications and operations;
 - II. The Monitor's activities since the Eighth Report;
 - III. Update on construction legal hypothecs;
 - IV. Cash flow results for the 5-week period ended March 23, 2025;
 - V. Sale of certain non-core assets; and,
 - VI. The Monitor's conclusions and recommendations, notably in respect of the Application.
27. In preparing the Ninth 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 Ninth 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.
28. Future oriented financial information referred to in this Ninth 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.

29. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in the Ninth 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 COMMUNICATIONS AND OPERATIONS

30. Since the granting of the Order Extending the Stay of Proceedings dated February 24, 2025, Stornoway has continued to communicate with many of its main suppliers and other key stakeholders to explain the current situation and the next steps relating to Stornoway's restructuring (the "**Restructuring Process**").
31. Stornoway has pursued its ongoing discussions with its secured creditors Osisko Gold Royalties Ltd., CDPQ Ressources Inc. ("**CDPQ**"), TF R&S Canada Ltd., Washington State Investment Board, Albion Exploration Fund LLC (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.
32. Stornoway and the Monitor have had several discussions and exchanges of information in order to:
- a) Monitor the daily operations of Stornoway, including any operational issues encountered;
 - b) Monitor the diamond sales and collection of proceeds from the fifth milling campaigns;
 - c) Optimize working capital and implement various cost reduction measures, such as the implementation of a cold care and maintenance;
 - d) Dismantle the underground installation of the Renard mine;
 - e) Negotiate settlements with certain construction legal hypothec holders;
 - f) Communicate with New Gold Inc. ("**New Gold**") to negotiate and finalize the asset purchase agreements for the mobile camps ("**Mobile Camps**") and certain non-core equipment ("**Non-Core Equipment**"). The board members, the Secured Creditors, along with Caterpillar Financial Services Limited's ("**CAT Financial**") for certain non-core CAT leased equipment, have approved two (2) potential transactions for Mobile Camps and certain Non-Core Equipment, the approval of which is being sought in the context of the Application;
 - g) Provide operational and financial information to Winsome and its legal and financial advisors for the completion of its due diligence process;
 - h) Plan and initiate the environmental rehabilitation notably by signing engagements with engineering firms to proceed with the rehabilitation, as well as drafting the final restoration plan of the Renard mine; and,
 - i) Sell polished diamonds (the "**Excluded Diamonds**") to its employees, as well as certain members of the First Nations partner of Stornoway, the board of directors and the Secured Creditors, excluding those from CDPQ and Diaquem. As of the date of this report, a total of \$273K in revenue has been generated from several sales of the Excluded Diamonds. Six (6) Excluded Diamonds remain available for sale, which could generate proceeds of up to \$20K. Court approval is not required for these sales considering that each individual transaction is below the \$250,000 threshold or \$1,500,000 in the aggregate.

33. There has not been any environmental incidents during the reporting period that has not been addressed by Stornoway and communicated to the environmental authorities in the normal course of business. As of the date of this Ninth Report, the Monitor has not been made aware of any issues that would necessitate immediate action.

Milling campaigns:

34. Stornoway remained careful and vigilant in managing its liquidities. As previously reported to the Court, Stornoway focused on limiting costs by placing the Renard mine in care and maintenance during the Restructuring Process. Since the beginning of March 2024, Stornoway also extracted and processed the remaining ore and completed diamond sales to absorb a portion of the costs associated with the mine during the Winsome Call Option Period. The milling campaigns can be summarized as follows:
- a) Campaigns #1 to #4: Stornoway has completed these campaigns and collected the diamond sale proceeds;
 - b) Campaign #5: The ore extraction commenced during the week of October 3, 2024, and the milling ended on January 28, 2025. The sale of diamonds has been conducted between February 3 and 14, 2025, as well as between April 7 and 17, 2025. Stornoway collected the proceeds from the first sale occurred in February 2025 and the collection of proceeds from the second sale will occur approximately two (2) weeks after the sale; and,
 - c) The campaign #5 concludes all milling campaigns at the Renard mine. Stornoway finalized the dismantling and the closure of the underground mine, as well as initiated the environmental rehabilitation plan, resulting in a lower employee headcount and care and maintenance costs.

Other:

35. Stornoway has been proactive in responding to inquiries of different stakeholders regarding the CCAA Proceedings and the Restructuring Process.
36. Stornoway continued to operate as a going concern under cold care and maintenance and continued to pay its current employees and suppliers in the normal course of business for services rendered since the beginning of the CCAA Proceedings.
37. Stornoway, with the assistance of the Monitor, continues to explore the possibility of further reducing the costs of its operations.
38. To the Monitor's knowledge, the Debtors remained in compliance with the provisions of the Fourth ARIO since their issuance and have acted in good faith and with due diligence.

II. THE MONITOR'S ACTIVITIES SINCE THE EIGHTH REPORT

39. Since the Eighth Report, the Monitor continued to respond to inquiries received from various parties regarding the Restructuring Process and the CCAA Proceedings.
40. The Monitor posted a copy of the CCAA Proceedings' materials, the Eighth Report of the Monitor, the Order Extending the Stay of Proceedings until September 30, 2025, the Approval Order of the Second and Amended Restated Call Option Agreement and the Application on the Monitor's Website which it updates on a regular and proactive basis.

41. The Monitor assisted the Debtors in their discussions with their main suppliers and other key stakeholders. The Monitor has also participated in meetings with several stakeholders since the Eighth Report, including:
 - a) Stornoway's main secured creditors and unaffected creditors, the Streamers and Diaquem, notably to plan and initiate the environmental rehabilitation plan should Winsome does not exercise its Call Option;
 - b) CAT Financial, given the rights and security interests they hold over certain core and Non-Core Assets;
 - c) Recently laid-off employees eligible to apply for the WEPP, in order to explain the various steps of the process, the maximum amount that they could receive, and to provide support in registering their individual claim;
 - d) Holders of alleged construction legal hypothecs; and,
 - e) Certain unsecured creditors, employees and other stakeholders.
42. The Monitor assisted Stornoway in negotiating the asset purchase agreements with New Gold for the Mobile Camps and the Non-Core Equipment. Additionally, the Monitor participated in meetings to understand New Gold's plan to remove the purchased assets from the mine site, should the transactions be authorized by the Court.
43. The Monitor assisted Stornoway in planning and initiating the sale of the remaining Non-Core Assets by an auctioneer. Management and the Monitor visited the mine site with the auctioneer in order to identify the best strategy to liquidate the remaining Non-Core Assets. Stornoway and the Monitor are engaged in ongoing discussions with certain strategic buyers to directly sell certain spare parts, which are included in the Non-Core Assets.
44. More generally, the Monitor has been responding to questions and inquiries of various stakeholders regarding the CCAA Proceedings and the Restructuring Process.
45. Since the Eighth Report, the Monitor continued to work with Stornoway to monitor the Company's activities in view of reporting to the Court.
46. The Monitor is also participating in regular discussions with the Company and its board members and is being kept apprised, on a weekly basis, in respect of:
 - a) Stornoway's operations and environmental rehabilitation of the site; and,
 - b) Any other issues encountered by Stornoway.
47. The Monitor has continued a daily review of Stornoway bank accounts' receipts and disbursements. Since the Eighth Report, daily information relating to the payment of goods or services supplied to the Debtors has been presented to the Monitor by Stornoway. The Monitor received full cooperation from Management.
48. The Monitor has continued to assist Stornoway in preparing revised cash flow projections and modelling the different scenarios regarding the funding of its operations.

III. UPDATE ON CONSTRUCTION LEGAL HYPOTHECS

49. As of the date of this report, Stornoway's legal counsel came to agreements with four (4) of the five (5) Construction Hypothecs holders. Three (3) settlement and release agreements have been fully executed and one (1) agreement in-principle is in the process of being finalized.
50. The Monitor will continue to monitor the progress of the discussions and will report to the Court in due course.

IV. CASH FLOW RESULTS FOR THE 8-WEEK PERIOD ENDED APRIL 6, 2025

51. The highlights of Stornoway's financial performance for the period commencing on February 10, 2025, and ending on April 6, 2025, are presented in the cash flow results annexed as **Appendix A (Under seal)**.
52. The table below provides an overview of the cash balances and the cash variances of Stornoway from February 10 to April 6, 2025:

Stornoway Cash Variation For the Period of February 10 to April 6, 2025 (In 000's CAD)	
Cash and Cash Equivalents - Beginning	13,542
Net Variation in Cash Balance	9,076
Cash and Cash Equivalents - Ending	22,618

53. 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 Eighth Report (the "**Eighth Cash Flow Statement**"), Stornoway experienced an unfavorable variance of approximately \$344K with respect to the cash inflows. The variance is primarily attributable to:
 - i. Favorable variance of \$137K in gross diamond sales resulting from a higher than budgeted USD to CAD foreign exchange rate;
 - ii. Unfavorable variance of \$257K in brokerage fees due to an underestimation by Management;
 - iii. Unfavorable variance of \$380K in sales tax refund due to the timing of reimbursement;
 - iv. Favorable variance of \$129K in other receipts due to Stornoway's interest revenue from its bank deposits, reimbursements by other companies for the usage of its airport and sale of diamonds to employees, which were not budgeted in the Eighth Cash Flow Statement.
 - b) Compared with the Eighth Cash Flow Statement, Stornoway experienced a favorable variance of \$1,453K (approx. 17% vs budget) in respect to the cash outflows. The variance is primarily attributable to:
 - i. Favorable variance of \$431K in payroll costs mainly caused by retention bonuses and vacations which will be paid later than budgeted and over several periods;

- ii. Favorable variance of \$78K for group insurance expenses due to the timing of payments;
 - iii. Favorable variance of \$1,045K for vendors payment, which is mainly explained by a conservative estimate of the consumption of goods and services during the care and maintenance period and due to the shorter than expected underground equipment dismantling period. The variance is also partially caused by the timing of payments; and,
 - iv. Unfavorable variance of \$102K for the restructuring fees due to the timing of invoices.
- c) Compared with the Eighth Cash Flow Statement, Stornoway experienced an unfavorable variance of \$100K, mainly due to higher payments to the Streamers.
 - d) In summary, compared with the Eighth Cash Flow Statement, Stornoway experienced a net favorable variance of approximately \$1,010K.
54. As of the date of this Ninth Report, all post-filing expenses incurred by Stornoway have been or will be paid in the normal course of business.

V. SALE OF CERTAIN NON-CORE ASSETS

55. For convenience, the section of the Eighth Report concerning the sales of Non-Core Assets is reproduced below with certain adjustments to reflect the Application.

Mobile Camps sales

56. Stornoway's Mobile Camps were included in the first phase of the liquidation of the Non-Core Assets, for which Stornoway and the Monitor solicited 60 potential buyers. Stornoway, with the assistance of the Monitor, only received one (1) offer for the Mobile Camps before the bid deadline on June 28, 2024. This offer was declined by Stornoway and the Secured Creditors.
57. Considering the material estimated realization value of Stornoway's Mobile Camps, another sale process aimed specifically at those camps has been initiated by Stornoway, with the assistance of the Monitor. Potential purchasers had until October 15, 2024, to submit a bid ("**Mobile Camps Call for Tenders Bid Deadline**").
58. Certain highlights of the Mobile Camps Call for Tenders can be summarized as follows:
- a) Thirty-nine (39) potential buyers have been solicited;
 - b) Eight (8) potential buyers showed interest in purchasing the Mobile Camps; and,
 - c) One (1) offer was received prior to the Mobile Camps Call for Tenders Bid Deadline.
59. The offer received was declined by Stornoway and the Secured Creditors due to the low value compared to the estimated realization value.
60. Subsequent to the Mobile Camps Call for Tenders Bid Deadline, Stornoway and the Monitor received three (3) additional offers. A summary of the offers received for the Mobile Camps is presented in **Appendix B (Under seal)**.
61. Stornoway, with the assistance of the Monitor and the Secured Creditors reviewed New Gold's submitted offer (the "**Successful Mobile Camps Bid**") and concluded that it should be accepted.

62. The purchase price under the Successful Mobile Camps Bid is payable in cash at closing. A deposit of 10% of the purchase price has already been transferred to a trust account held by the Monitor.
63. The transaction contemplated by the Successful Mobile Camps Bid is expected to close by the end of April 2025.
64. The Monitor believes the transaction by the Successful Mobile Camps Bid (the “**Mobile Camps Transaction**”) should be approved by the Court for the following reasons:
- a) The Monitor is of the view that the processes implemented by Stornoway, with the assistance of the Monitor, to identify a potential buyer and the efforts made by Stornoway to conclude a transaction, by including the Mobile Camps in the first phase of the liquidation of the Non-Core Assets and by conducting another Call for Tenders specifically for the Mobile Camps, thoroughly canvassed the market;
 - b) Both sale processes were conducted in accordance with the terms and conditions by the Debtors and in consultation with the Monitor;
 - c) The Secured Creditors have been consulted and consented to proceed with the New Gold’s offer;
 - d) The disposal of the camps to New Gold will allow the Secured Creditors to maximize the realized value and would be more beneficial than a sale under a bankruptcy scenario;
 - e) Due to the current mining and exploration market conditions, which affect the demand for Mobile Camps, the Monitor believes it would be difficult to obtain a higher offer; and,
 - f) The Monitor, in relation to the valuation provided by the independent appraiser, deems that the mobile camps purchase price is fair and reasonable given the circumstances.
65. A Construction Hypothec purports to charge the Mobile Camps despite the fact that the Monitor considers that they constitute movable property, that is not attached to immovables. In order to allow the Mobile Camps Transaction to proceed notwithstanding the dispute regarding the validity of the Construction Hypothec, Stornoway intends to reserve all proceeds of the Mobile Camps Transaction.

Non-Core Equipment sale

66. Stornoway, with the assistance of the Monitor, held discussions with CAT Financial and certain auctioneers to analyze the potential sale strategies for the Non-Core Equipment sale.
67. Following discussions with these auctioneers to explore their services offered, it was determined that no auctioneer was willing to offer a minimum guaranteed offer due to the market conditions, the quantity and value of the Non-Core Equipment.
68. Considering that CAT Financial holds a first-ranking hypothec over certain assets listed for sale, Stornoway and the Monitor consulted CAT Financial to review the terms and conditions for the sale of those assets. Also, CAT Financial distributed the list of Non-Core Equipment in its dealer network.

69. Stornoway, with the assistance of the Monitor, conducted the Non-Core Equipment sale ("**Non-Core Equipment Call for Tender**"). Potential buyers had until December 20, 2024, at 17:00 to submit offers (the "**Non-Core Equipment Bid Deadline**").
70. Certain highlights of the Non-Core Assets sale can be summarized as follows:
- a) Twelve (12) potential buyers, including strategic buyers and auctioneers, have been solicited;
 - b) Five (5) potential buyers visited the mine site to inspect the Non-Core Equipment; and,
 - c) Six (6) potential buyers submitted offers prior to the Non-Core Equipment Bid Deadline. A total of eleven (11) offers to purchase a portion of the Non-Core Equipment were received, as two (2) potential buyers submitted multiple bids. A summary of the offers received for the Non-Core Equipment is presented in **Appendix C (Under seal)**.
71. Following discussions between the board members, the Secured Creditors, CAT Financial, Stornoway and the Monitor, it has been determined that the "en bloc" offer submitted by New Gold for certain equipment (the "**Successful Non-Core Equipment Bid**") should be accepted.
72. The Successful Non-Core Equipment Bid consists of the purchase of 43 assets marketed during the Non-Core Equipment Call for Tender (the "**Purchased Assets**").
73. The purchase price under the Successful Non-Core Equipment Bid is payable in cash at closing. A deposit of 10% of the purchase price has already been transferred to a trust account held by the Monitor.
74. The Monitor believes the transaction contemplated by the Successful Non-Core Equipment Bid (the "**Non-Core Equipment Transaction**") should be approved by the Court for the following reasons:
- a) The Monitor is of the view that the Non-Core Equipment Call for Tender conducted by Stornoway to identify a potential buyer and the efforts made by Stornoway to conclude a transaction were adequate under the circumstances. The Monitor has been assisting and supporting Stornoway in the Non-Core Equipment Call for Tender with the objective of maximizing the value of a transaction;
 - b) New Gold Equipment Offer respect the terms and conditions set forth for the Non-Core Equipment Call for Tender;
 - c) The Secured Creditors and CAT Financial have been consulted and consented to proceed with the Successful Non-Core Equipment Bid;
 - d) The disposal of those Non-Core Equipment to New Gold will allow CAT Financial and the Secured Creditors to maximize the value of the Non-Core Equipment and would be more beneficial than a sale under a bankruptcy scenario;
 - e) The Successful Non-Core Equipment Bid covers a significant number of assets, which will reduce the logistic complexities required to deal with several buyers;

- f) The value of the offer is significantly advantageous compared to the other offers, both on a group and individual lot basis; and,
- g) The Monitor, in relation to the valuation provided by the independent appraiser, deems that the asset purchase price is fair and reasonable given the circumstances.

75. Stornoway, with the assistance of the Monitor, is currently analyzing the strategic approaches to liquidate the remaining Non-Core Assets, which mainly consists of underground infrastructures, few pieces of mobile equipment and spare parts. Both in-house and auction sales strategies are being considered.

76. Stornoway and the Monitor are engaged in ongoing discussions with certain strategic buyers to directly sell certain spare parts and with an auctioneer to sale the remaining Non-Core Assets, which includes underground infrastructures, mobile equipment and certain spare parts.

VI. CONCLUSIONS AND RECOMMENDATIONS

77. In light of the foregoing, the Monitor is of the view that in respect of the Application:

- (i) Based on the information presently available and as explained in its Eighth Report, the Monitor believes the Debtors' creditors will not be materially prejudiced by the approval of the Mobile Camps Transaction and the Non-Core Equipment Transaction.

78. Accordingly, the Monitor supports the relief sought by the Debtors in the Application.

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

80. The Monitor respectfully submits to the Court this, its Ninth Report.

DATED AT MONTREAL, this 15th day of April 2025.

DELOITTE RESTRUCTURING INC.

In its capacity as Court-Appointed Monitor of Stornoway



Jean-François Nadon, CPA, CIRP, LIT
President



Benoit Clouâtre, CPA, CIRP, LIT
Senior Vice President

Appendix A
Budget to actual
(UNDER SEAL)

Appendix B
Mobile Camps Bids Summary
(UNDER SEAL)

Appendix C
Non-Core Equipment Bids Summary
(UNDER SEAL)