

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

No.: 500-11-063053-231

DATE: July 3rd 2026

BY THE HONOURABLE KAREN M. ROGERS, J.S.C.

IN THE MATTER OF: THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC
1985, C C-36 OF:

STORNOWAY DIAMONDS (CANADA) INC.

and
11272420 CANADA INC.
Debtors

and
DELOITTE RESTRUCTURING INC.
Monitor/ Applicant

and
LI-FT POWER LTD
Mis-en-cause

APPROVAL ORDER

JR1825

[1] **ON READING** the Application for the Issuance of Orders Approving an Option Agreement, a Distribution and Extending the Stay Period dated June 23, 2026 (the "**Application**") of Deloitte Restructuring Inc. (the "**Monitor**") pursuant to the Companies' Creditors Arrangement Act, RSC 1985, c C-36 (the "**CCAA**"), the affidavit and the exhibits filed in support thereof, as well as the Monitor's report entitled Fifteenth

Report to the Court submitted by Deloitte Restructuring inc. in its Capacity as Monitor (the “**Monitor’s Report**”);

[2] **CONSIDERING** the notification of the Application to the Service List;

[3] **CONSIDERING** the submissions of the attorneys present at the hearing on the Application and the testimony of the witnesses heard;

[4] **CONSIDERING** the provisions of the CCAA;

[5] **CONSIDERING** the terms of the initial order rendered on October 27, 2023 as amended and restated or extended on November 3, 2023, November 13, 2023, January 24, 2024, April 4, 2024, October 8, 2024, September 29, 2025, January 23, 2026, February 3, 2026, April 1, 2026 and May 25, 2026 (as same may be further amended and restated or extended, the “**Initial Order**”);

[6] **CONSIDERING** the terms of the SISP Approval Order rendered on October 27, 2023 (the “**SISP Order**”);

[7] **CONSIDERING** that the object of the Call Option Agreement is to guarantee the mis en cause Li-Ft Power Ltd (“**Li-Ft**”) an exclusive right, to be exercised over a maximum of a two-year period, to acquire, under certain conditions, either (i) all of the issued and outstanding shares of Stornoway Diamonds (Canada) Inc. (“**Stornoway**”) and of 11272420 Canada Inc. through a reverse vesting structure, or (ii) all or substantially all assets of Stornoway through an approval and vesting order structure;

[8] **CONSIDERING** the terms of the proposed transaction will only be finalized if and when Li-Ft decides to exercise the Call Option and will at the time of such exercise be subject to Court approval;

[9] **CONSIDERING** the Monitor’s extensive involvement in this matter since the issuance of the Initial Order, the Monitor’s Report and the testimony of Jean-François Nadon on behalf of the Monitor on the matters set out therein, including the Monitor’s views and opinions as to the process leading up to the Call Option Agreement and the proposed framework and key terms of the proposed transaction with Li-Ft, should it choose to exercise its call option;

[10] **CONSIDERING** Section 36 of the CCAA;

[11] **CONSIDERING** that the Monitor’s written and verbal reports confirm the reasonableness of the process leading to the proposed Call Option Agreement and the proposed framework and key terms of the proposed transaction with Li-Ft, should it choose to exercise its call option;

[12] **CONSIDERING** that the Monitor considers the process leading to the proposed Call Option Agreement to have been fair and reasonable and recommends the approval

of the proposed framework and key terms of the proposed transaction with Li-Ft, should it choose to exercise its call option;

[13] **CONSIDERING** that the Monitor has confirmed that the Call Option Agreement and the proposed framework and key terms of the proposed transaction with Li-Ft, should it choose to exercise its call option, would be more beneficial to the creditors than a sale or disposition in a bankruptcy, especially in the context of the care and maintenance costs required to maintain Debtors' assets (including the Renard Mine), including notably its environmental insurance.

[14] **CONSIDERING** that the secured creditors have been consulted and agree with the Monitor's opinions as to the advantages of the Call Option Agreement and the proposed framework and key terms of the proposed transaction with Li-Ft, should it choose to exercise its call option;

[15] **CONSIDERING** that the proposed Call Option Agreement and the proposed framework and key terms of the proposed transaction with Li-Ft, should it choose to exercise its call option, are beneficial to the creditors and other interested parties;

[16] **CONSIDERING** that, under the circumstances, the Monitor has confirmed that it is of the view that the consideration to be received is reasonable and fair, taking into account the framework and the key terms of the proposed transaction with Li-Ft, should it choose to exercise its call option;

[17] **CONSIDERING** that given that the Streamers and Diaquem (collectively with the Streamers, the "**Secured Creditors**") either consent to or do not otherwise oppose the issuance of this Order, it is appropriate to issue an order, *inter alia*, approving the Call Option Agreement (the "**Call Option Agreement**") between the Debtors and Li-FT, a full copy of which was communicated in support of the Application, *under seal*, as Exhibit R-2A, and a redacted copy of which was communicated in support of the Application as Exhibit R-2B.

FOR THESE REASONS, THE COURT:

[18] **GRANTS** the Application;

[19] **ISSUES** an order pursuant to the CCAA (this "**Order**");

[20] **ORDERS** that all capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Initial Order.

NOTIFICATION

[21] **ORDERS** that any prior delay for the presentation of the Application is hereby abridged and validated so that the Application is properly returnable today and hereby dispenses with further service thereof.

[22] **DECLARES** that sufficient prior notice of the presentation of this Application has been given by the Monitor to interested parties.

[23] **PERMITS** service of this Order at any time and place and by any means whatsoever.

APPROVAL OF THE CALL OPTION AGREEMENT

[24] **ORDERS** and **DECLARES** that the Call Option Agreement is hereby approved, with such non-material alterations, changes, amendments, deletions or additions thereto as may be agreed to by the parties thereto, including any extension of the deadlines and option periods set forth therein, but only with the consent of the Monitor, it being understood, however, that in any event, the Debtors and the Monitor on behalf thereof shall not consent to any amendment, modification, assignment, waiver, termination or extension of the Call Option Agreement, including, without limitation, any extension of the deadlines and option periods set forth in the Call Option Agreement or amendment which may affect the recovery of the Secured Creditors or the conduct of these proceedings, without having previously obtained the prior written consent of the Streamers and of Diaquem or otherwise confirmation that they do not oppose to same.

[25] **AUTHORIZES** the Monitor, in its capacity as Court-appointed Monitor and not in its personal or corporate capacity, for and on behalf of the Debtors, to execute the Call Option Agreement.

[26] **AUTHORIZES** the Debtors, the Monitor on behalf thereof and Li-FT to perform all acts, all undertakings and all covenants, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction, renewal or undertaking stipulated in the Call Option Agreement and any other ancillary document which could be required or useful to give full and complete effect to the terms and conditions agreed upon by the Debtors, or the Monitor on behalf thereof, and Li-FT in the Call Option Agreement, in consultation with the Streamers and of Diaquem and without the need for approval by the Court unless one of the Streamers or Diaquem objects in writing after having received a notice by the Monitor.

[27] **ORDERS** and **DECLARES** that, given the consent of or non-opposition of the Streamers and of Diaquem to the execution by the Monitor, for and on behalf of the Debtors, of the Call Option Agreement, this Order shall constitute the only authorization required by the Monitor to enter into, for and on behalf of the Debtors, the Call Option

Agreement and that no further shareholder or regulatory approval, if applicable, shall be required in connection therewith.

[28] **DECLARES** that the criteria set forth in section 36 of the CCAA are met in respect of the transaction contemplated by the Call Option Agreement, notwithstanding the fact that approval of the structure of the transaction to pass title and the ancillary relevant orders will be sought upon the exercise of the option provided for therein;

[29] **ORDERS** that the Call Option Agreement shall not be rendered invalid or unenforceable and the rights and remedies of Li-FT thereunder shall not otherwise be limited or impaired in any way by (i) any changes to the economic context of the Debtors' business or variation in the value of the Debtors' assets throughout the option period contemplated in the Call Option Agreement; (ii) the Debtors' CCAA proceedings and the declarations of insolvency made in connection therewith; (iii) any application(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") or, any bankruptcy order made pursuant to such application(s); (iv) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (v) the provisions of any federal or provincial statutes; or (vi) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of security interests, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Debtors, and notwithstanding any provision to the contrary in any Agreement:

- a) the execution, delivery or performance of the Call Option Agreement shall not create or be deemed to constitute a breach by the Debtors of any Agreement to which it is a party; and
- b) Li-FT shall not have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the Monitor entering into, for and on behalf of the Debtors, the Call Option Agreement.

[30] **ORDERS** that the Signing Payment (as defined in the Application), payable under the Call Option Agreement, be remitted to the Monitor at closing of the Transaction and be treated as follows:

- a) an amount of \$11,395,000 shall be distributed to the Streamers and Diaquem, in their capacity as secured creditors of the Debtors, all in accordance with the agreements entered into between them under the *Second Amended and Restated Common Terms and Intercreditor Agreement* dated November 1, 2019, as amended from time to time, and in accordance with the payment instructions that they provided or will provide to the Monitor (the "**Distributions to the Secured Creditors**"); and
- b) an amount of \$605,000 shall be reserved by the Monitor in its trust account,

as a deemed distribution to the secured creditor determined to be entitled to such funds pursuant to an order of this Court or a settlement between all interested parties, namely Gestion Houde Inc., as holder of a disputed legal hypothec, and the Secured Creditors, in addition to an amount of \$1,500,000 already held by the Monitor in trust in the same context (the “**Deemed Distributions**”, and collectively with the Distributions to the Secured Creditors, the “**Distributions**”),

and the Monitor shall not incur any liability as a result of such Distributions.

[31] ORDERS that notwithstanding:

- a) the pendency of these CCAA proceedings;
- b) any application for a bankruptcy or receivership order now or hereafter issued pursuant to the Bankruptcy and Insolvency Act (Canada) (the “BIA”) or other applicable legislation in respect of the Debtors and any bankruptcy or receivership order issued pursuant to any such applications;
- c) any assignment in bankruptcy made in respect of the Debtors; and (d) any provisions of any federal or provincial legislation,

the Distributions shall be made free and clear of all Encumbrances (including the CCAA Charges) and shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Debtors and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

PROTECTION OF PERSONAL INFORMATION

[32] **ORDERS** that, pursuant to clause 7(3)(c) of the Canada Personal Information Protection and Electronic Documents Act and 18(6) of the Quebec Act respecting the Protection of Personal Information in the Private Sector, the Debtors, the Monitor and the SISP Agent (as defined in the Application) are hereby authorized and permitted to disclose and provide to Li-FT personal information of identifiable individuals, including employees of any of the Debtors, but only to the extent desirable or required to negotiate or attempt to complete a transaction pursuant to the Call Option Agreement (a “**Transaction**”). Li-FT shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and if it does not complete a Transaction, shall return all such information to the Debtors, the Monitor or the SISP Agent, as applicable, or, in the alternative, destroy all such information and provide confirmation of its destruction to the Debtors and the Monitor. Li-

FT shall maintain the privacy of such information and, upon closing of the Transaction, shall be entitled to use the personal information provided to it that is related to the business acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Debtors or the Monitor, or ensure that all other personal information is destroyed and provide confirmation of its destruction to the Debtors and the Monitor.

GENERAL

[33] **TAKES ACT** of the Streamers and Diaquem's respective consent or non-opposition to the execution by the Monitor, for and on behalf of the Debtors, of the Call Option Agreement and to the approval thereof by this Court, in accordance with the terms of this Order, and **ORDERS** that (i) such consent or non-opposition shall not be construed as a waiver by the Streamers or Diaquem to any of their rights under their respective contracts, agreements and arrangements entered into between the Debtors (or any of them) on the one hand, and the Streamers or Diaquem (or any of them) on the other hand, and that (ii) nothing in this order shall amend or otherwise affect paragraph 30 of the Initial Order, whereby this Court ordered and declared, inter alia, that the Streamers and Diaquem shall remain and be treated, at all times, as unaffected creditors in this proceedings.

[34] **DECLARES** that this Order and any proceeding or affidavit leading to this Order, shall not, in and of themselves, constitute a default or failure to comply by the Debtors under any statute, regulation, licence, permit, contract, permission, covenant, agreement, undertaking or other written document or requirement subject to paragraph [23] of this Order.

[35] **ORDERS** that the Debtors and the Monitor may from time to time apply to this Court for advice and directions in connection with the discharge of their respective powers and duties under the SISP (as defined in the SISP Order) or any matter related to the SISP or the implementation of the transactions contemplated in the Call Option Agreement.

[36] **ORDERS** that Exhibit R-2A be filed and kept under seal in the Court record in order to preserve its confidentiality;

[37] **ORDERS** that no person shall have access to Exhibit R-2A when consulting the Court record, except with prior authorization of the Court or pursuant to any order lifting the confidentiality measures applicable to that exhibit.

[38] **REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body in Canada, the United States of America or elsewhere, to give effect to this Order and to assist the Debtors, the Monitor and their respective agents in carrying

out the terms of this Order. All Courts, tribunals, regulatory and administrative bodies are hereby requested to make such orders and to provide such assistance to the Debtors and the Monitor as may be necessary or desirable to give effect to this Order.

[39] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

[40] **ORDERS** the provisional execution of this Order notwithstanding any appeal.

KAREN M. ROGERS, J.S.C.

Hearing date: July 2nd 2026