

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**

**FIFTEENTH 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.
38. On May 21, 2026, the Monitor filed an Application for the Issuance of an Order Extending the Stay of Proceedings.
39. On May 21, 2026, the Monitor issued its fourteenth report (the "**Fourteenth Report**"). The purpose of the Fourteenth Report was to provide information to the Court with respect to i) update regarding Stornoway'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) the extension of the Stay Period; and, vii) the Monitor's conclusions and recommendations.
40. On May 25, 2026, the Court rendered an Order Extending the Stay of Proceedings, which notably extended the Stay Period until and including August 30, 2026 (the "**Stay Order**").
41. On June 23, 2026, the Monitor filed an *Application for the Issuance of an Order Approving an Option Agreement and a Distribution* (the "**Application**").
42. 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 Fourteenth Report, the Initial Application, or the Application.
43. The purpose of this Fifteenth Report of the Monitor (the "**Fifteenth Report**") is to provide information to the Court with respect to the following matters:
  - I. Update regarding the Debtors' operations;
  - II. The Monitor's activities since the Fourteenth Report;
  - III. LIFT Call Option Agreement and the Proposed Distribution (each as defined herein);
  - IV. Decommissioning and remediation matters in respect of the Renard Mine Site;
  - V. Cash flow results for the 5-week period ended June 14, 2026; and,
  - VI. The Monitor's conclusions and recommendations, notably in respect of the Application.
44. In preparing the Fifteenth 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 Fifteenth 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.
45. Future oriented financial information referred to in this Fifteenth 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.
  46. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this Fifteenth Report concerning Stornoway and its business is based on the Information, and not independent factual determinations made by the Monitor.

#### **I. UPDATE REGARDING THE DEBTORS' OPERATIONS**

47. 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.
48. 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.
49. The Monitor understands that there have been no environmental incidents during the reporting period. As of the date of this Fifteenth Report, the Monitor has not been made aware of any issues that would necessitate immediate action and is being apprised of the situation on a weekly basis.

#### **II. THE MONITOR'S ACTIVITIES SINCE THE FOURTEENTH REPORT**

50. Since the granting of the Stay Order on May 25, 2026, Stornoway and the Monitor have continued to communicate with and respond to inquiries of many of Stornoway's key stakeholders to explain the current situation and the next steps relating to Stornoway's restructuring (the "**Restructuring Process**").
51. 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.
52. The Monitor posted a copy of the CCAA Proceedings' materials and the Fourteenth Report of the Monitor on the Monitor's Website which it updates on a regular and proactive basis.

53. 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 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 (as defined below);
  - e) 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;
  - f) Assess and review the environmental consultants' progress in preparing the Restoration Plan; and
  - g) Negotiated and secured the renewal of insurance coverage for Stornoway's assets.
54. The Monitor has continued to monitor the Company's activities with the view of reporting to the Court.

### **III. LIFT CALL OPTION AGREEMENT**

55. As further described in the Fourteenth Report and the Application, as part of the process for the monetization of the Core Assets, Stornoway and the Monitor received non-binding offers from certain parties. Stornoway and the Monitor pursued discussions with these parties over the past weeks and identified a transaction considered satisfactory to the Monitor and the Secured Creditors.
56. It was critical for the Monitor and the Secured Creditors to assess these offers holistically in order to fully understand their impact on the revitalization of the site, the timing and the economic impacts of the site restoration work and the timing and amounts of any distributions to Secured Creditors.
57. On June 3, 2026, Li-FT Power Ltd. ("**LIFT**") re-submitted a modified non-binding going-concern proposal to the Monitor with the goal of entering into a definitive call option agreement in short order.
58. During the following weeks, Stornoway and the Monitor, in consultation with the Secured Creditors, continued discussions and negotiations with LIFT with a view to finalizing an agreement.
59. On June 23, 2026, further to extensive negotiations of a term sheet between the Monitor, in consultation with the Secured Creditors and LIFT, that led to an agreement in principle subject to definitive documentation, the Monitor, on behalf of the Debtors, and LIFT executed a Call Option Agreement (the "**LIFT Call Option Agreement**").

60. With the Application, the Monitor is seeking the approval of the LIFT Call Option Agreement, filed under seal as Exhibit R-2A, which provides for, *inter alia*, the key terms and conditions set out below.
61. In consideration for the payment of a cash consideration in the amount of \$12 million (the "**Signing Payment**"), LIFT would acquire the right to an exclusive call option (the "**LIFT Call Option**") to acquire, either (i) the Renard Mine and all of its associated assets and infrastructure held by the Debtors as at the date of the LIFT Call Option Agreement, excluding cash and cash equivalents (collectively, the "**Assets**"), together with all environmental, rehabilitation, closure and reclamation liabilities and obligations associated with the Assets (the "**Environmental Obligations**"), pursuant to a Court approved "approval and vesting order"; or (ii) all of the shares of Stornoway Diamonds (Canada) Inc. or 1127, which indirectly owns all of the Assets pursuant to a Court approved "reverse vesting order" (the "**Proposed Transaction**").
62. The initial call option period would commence on the date of execution of the LIFT Call Option Agreement and expire two (2) years after such date (the "**LIFT Call Option Period**"). If requested by LIFT, the parties agree to negotiate in good faith a potential extension of the LIFT Call Option Period for an additional period of twelve (12) months.
63. Stornoway and the Monitor are required to obtain the authorization from the MRNF to postpone the commencement of the rehabilitation and restoration work of the Renard Mine within three (3) months following the issuance by the Court of an order approving the LIFT Call Option Agreement (the "**Release Conditions**").
64. The consideration payable by LIFT under the LIFT Call Option Agreement, prior to the exercise of its LIFT Call Option, is composed of the following: (i) the payment of the Signing Payment to the Monitor for distribution to the Secured Creditors, as further detailed below, upon the satisfaction of the Release Conditions; and (ii) throughout the LIFT Call Option Period, LIFT will make annual deposits of an amount sufficient to cover the estimated annual costs associated with the care and maintenance of the Assets, including 50% of all restructuring costs incurred during the LIFT Call Option Period, being approximately \$18 million per year.
65. Should LIFT elect to exercise the LIFT Call Option, it shall pay the option exercise price and assume the Environmental Obligations associated with the Assets, for the benefit of all of the Debtors' stakeholders.
66. During the LIFT Call Option Period, Stornoway and the Monitor shall cease all solicitation efforts in respect of Stornoway and the Assets, namely the Call for Tenders and Monetization of Core Assets process.

*Approval of the LIFT Call Option Agreement*

67. The Monitor is of the opinion that the Court should approve the LIFT Call Option Agreement for the following reasons:
  - a) For the past three years, Stornoway and the Monitor have been actively seeking a transaction that would allow the Assets to be repurposed on site and avoid a dismantling of the Renard Mine;
  - b) The Monitor is of the opinion that since the Initial Order, the worldwide market has been adequately and thoroughly canvassed and solicited regarding the sale or investment opportunity available under the SISF, and all the other additional efforts that were carried out after the termination of the Winsome Call Option Agreement on July 28<sup>th</sup>, 2025. The LIFT Call Option Agreement represents the best available alternative for the potential monetization of the Assets in the current circumstances;

- c) Should LIFT elect to exercise the LIFT Call Option, it allows for the Renard Mine to be potentially repurposed by LIFT, which could lead to the retention of certain employees and contribute to regional development; and,
  - d) Moreover, should LIFT elect to exercise its LIFT Call Option, it will assume the Debtors' Environmental Obligations associated with the Assets, for the benefit of all of the Debtors' stakeholders.
68. Should LIFT elect to exercise the LIFT Call Option, the resulting Proposed Transaction will then be submitted to the Court for approval, in accordance with the terms of the CCAA and of the LIFT Call Option Agreement. At that stage, the Court would consider the structure, documentation and orders sought in respect of the Proposed Transaction.
69. Although the LIFT Call Option Agreement and the acquisition of the right to the LIFT Call Option provided therein do not, in and of themselves, constitute a transaction involving an outright sale of assets within the meaning of section 36 of the CCAA, the LIFT Call Option Agreement does provide for, through the exercise of the LIFT Call Option, an eventual disposition of assets outside of the ordinary course of business in the form of the Proposed Transaction.
70. The Monitor submits that the criteria set out in section 36 of the CCAA are met at this stage in respect of the Proposed Transaction contemplated by the LIFT Call Option Agreement, notwithstanding the fact that approval of same will only be sought upon the exercise of the LIFT Call Option provided for therein.
71. The Secured Creditors have been consulted in the context of discussions with LIFT, and support or do not oppose the LIFT Call Option Agreement.
72. In light of the foregoing, the Company and the Monitor submit that it is appropriate and reasonable for this Court to approve the LIFT Call Option Agreement.

*Proposed Distribution to the Secured Creditors*

73. As previously reported to the Court, the Debtors' indebtedness towards the Streamers and Diaquem are secured by hypothecs on the universality of all of the Debtors' property, movable and immovable, personal and real, corporeal and incorporeal, tangible and intangible, present and future, of whatever nature and wherever situated.
74. Independent Counsel for the Monitor has reviewed the Secured Creditors' security and has confirmed the validity and opposability of same.
75. As of March 31, 2024, the Debtors' indebtedness towards the Streamers and Diaquem was \$123.1 million and \$170.8 million, respectively. Since then, distributions to the Streamers and Diaquem have been limited to approximately \$8.0 million from the milling campaigns and \$2.2 million from the sale of Non-Core Assets, as previously authorized by the Court.
76. As mentioned above, the LIFT Call Option Agreement provides for the distribution of the Signing Payment to the Secured Creditors upon the satisfaction of the Release Conditions. The distribution of the Signing Payment is a condition to the Secured Creditors' support or non-opposition of the LIFT Call Option Agreement.
77. In light of the foregoing, the Monitor respectfully requests that the Court approve the distribution of the Signing Payment to the Secured Creditors (net of an amount of \$605K to 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 \$1.5 million already held by

the Monitor in trust in the same context) immediately upon satisfaction of the Release Conditions, in partial repayment of the amounts owing to the Secured Creditors (the "Proposed Distribution").

78. An amount of \$605,000 will be kept in trust by the Monitor, in addition to an amount of \$1.5 million already held in reserve by the Monitor since the closing of the Mobile Camps Transaction. These funds will be deemed distributed yet fully reserved, and will not be released until the Court decides on the validity of the construction hypothec registered by Gestion Houde Inc. (the "Houde Hypothec"), which in the view of the Monitor is invalid. The funds are being reserved by the Monitor without any admission whatsoever as to the validity of the Houde Hypothec.
79. Should other amounts be payable to other holders of legal hypothecs as a result of out-of-court settlement(s) prior to or after the closing of the Proposed Transaction in the event that the LIFT Call Option Agreement is exercised, or determined to be payable pursuant to a Court order after the closing of the Proposed Transaction in the event that the LIFT Call Option Agreement is exercised, such amounts would be paid out of the Debtors' available cash. The foregoing does not constitute an admission by the Monitor of the validity of the legal hypothecs, or their entitlements to any of the Debtors' funds.
80. No creditor will be prejudiced by the proposed distribution given the Secured Creditors' first ranking security and the amounts owing to them.
81. The Secured Creditors have been consulted and support, or otherwise do not oppose, the Application.

#### **IV. DECOMMISSIONING AND REMEDIATION MATTERS IN RESPECT OF THE RENARD MINE SITE**

82. 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, given the high uncertainty relating to the repurposing of the site, 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.
83. 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*.
84. 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 in the coming weeks.
85. Although it may become unnecessary to complete the Restoration Plan, Stornoway and the Monitor are of the opinion that preliminary versions of the Restoration Plan should still be completed given that, in the event LIFT does not exercise the LIFT Call Option, Stornoway could be in a position to rapidly reactivate the execution of the Restoration Plan.
86. 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.

87. 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, was completed. Should the LIFT Call Option Agreement be approved by the Court, the monetization of the Core Assets and the dismantling of the buildings and equipment will be put on hold during the LIFT Call Option Period.

**V. CASH FLOW RESULTS FOR THE 6-WEEK PERIOD ENDED JUNE 14, 2026**

88. The highlights of Stornoway’s financial performance for the period commencing on May 10, 2026, and ending on June 14, 2026, are presented in the cash flow results annexed as **Appendix A**.

89. The table below provides an overview of the cash balances and the cash variances of Stornoway from May 10 to June 14, 2026, excluding \$5.1M of cash held in-trust by the Monitor:

<b>Stornoway Cash Variation For the Period of May 10 to June 14, 2026 (In 000's CAD)</b>	
Cash and Cash Equivalents - Beginning	12 972
Net Variation in Cash Balance	(892)
<b>Cash and Cash Equivalents - Ending</b>	<b><u>12 079</u></b>

90. 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 Fourteenth Report (the “**Fourteenth Cash Flow Statement**”), Stornoway experienced an unfavorable variance of approximately \$146K with respect to the cash inflows. The variance is attributable to an unfavorable variance in recovered taxes on payables due to the timing of collection.
- b) Compared with the Fourteenth Cash Flow Statement, Stornoway experienced a favorable variance of \$1.382M (approx. 61% vs budget) in respect of the cash outflows. The variance is primarily attributable to:
  - i. Favorable variance of \$95K in payroll costs, mainly resulting from the receipt of a reimbursement for previously overpaid employee group insurance premiums;
  - ii. Favorable variance of \$1.499M for vendor payments, mainly attributable to lower-than-expected insurance costs. The cash flow forecast assumed that the annual insurance premium would be paid as a lump-sum payment in May 2026, consistent with historical practice. However, pending greater certainty regarding the outcome of the LIFT Call Option Agreement, the insurance coverage was renewed on a monthly basis, resulting in lower cash disbursements during the period.
  - iii. Unfavorable variance of \$171K in professional fees, primarily attributable to additional work required to evaluate the potential transactions and negotiate the LIFT Call Option Agreement, as well as to analyze and review the environmental rehabilitation activities; and
  - iv. Unfavorable variance of \$41K in environmental remediation costs, which is due to the timing of invoices and work performed.

- c) In summary, compared to the Fourteenth Cash Flow Statement, Stornoway experienced a net favorable variance of approximately \$1.235M. This variance arose primarily from the lower-than-expected vendor payment.

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

## **VI. THE MONITOR'S CONCLUSIONS AND RECOMMENDATIONS**

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

- (i) The approval of the LIFT Call Option Agreement is reasonable in the circumstances and recommends its approval by the Court;
- (ii) Based on the information presently available and as explained in this Fifteenth Report, the Monitor believes the Debtors' creditors will not be materially prejudiced by the approval of the LIFT Call Option Agreement and the Proposed Distribution to the Secured Creditors that is a condition of same; 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.

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

94. The Monitor respectfully submits to the Court this, its Fifteenth Report.

DATED AT MONTREAL, this 26<sup>th</sup> day of June 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 5-week period ended June 14, 2026**

**Stornoway  
Budget to Actual (BTA)  
For the 5-week Period Ended June 14, 2026**

Figures in 000's CAD

	Cumulative 5 weeks ended June 14, 2026				Timing vs Permanent
	Actual	Budget (Note 1)	Variance (\$) Fav (Unfav)	Variance (%)	
<b>Receipts</b>					
Recoverable Taxes on Payables	-	146	(146) U	(100)%	Timing
<b>Total Receipts</b>	<b>-</b>	<b>146</b>	<b>(146) U</b>	<b>(100)%</b>	
<b>Disbursements</b>					
Payroll	297	392	95 F	24%	Permanent
Vendors Payment	193	1 692	1 499 F	89%	Timing
Restructuring Fees	281	111	(171) U	(155)%	Permanent
Environmental Remediation Costs	121	80	(41) U	(51)%	Timing
<b>Total Disbursements</b>	<b>892</b>	<b>2 274</b>	<b>1 382 F</b>	<b>61%</b>	
<b>Net Cash Flow</b>	<b>(892)</b>	<b>(2 127)</b>	<b>1 235</b>	<b>58%</b>	
Beginning Cash (w/o Cash Held In-trust)	12 972	12 972	-	-	
<b>Ending Cash (w/o Cash Held In-trust)</b>	<b>12 079</b>	<b>10 845</b>	<b>1 235 F</b>	<b>11%</b>	
<b>Cash held in-trust by the Monitor</b>					
Winsome Break Fee (note 2)	2 064	2 064	-	-	
Mobile Camps Transaction (note 2)	1 500	1 500	-	-	
Non-Core Assets Sales (note 2)	1 490	1 490	-	-	
Albion's Share (note 3)	26	26	-	-	
<b>Total Cash Held In-trust by the Monitor</b>	<b>5 080</b>	<b>5 080</b>	<b>-</b>	<b>-</b>	
<b>Ending Cash (Including Cash Held In-trust)</b>	<b>17 160</b>	<b>15 925</b>	<b>1 235 F</b>	<b>8%</b>	

Note 1: The budget is based on the 16-Week Cash Flow that was submitted to the Court on May 21, 2026.

Note 2: As of June 14, 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.