

C A N A D A
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT

N°: 500-11-063053-231

Commercial Division
(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act,
R.S.C., c. C-36, as amended)

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

STORNOWAY DIAMONDS (CANADA) INC.

-and-

11272420 CANADA INC.

Debtors

-and-

DELOITTE RESTRUCTURING INC.

Monitor

**APPLICATION FOR THE ISSUANCE OF
AN ORDER EXTENDING THE STAY OF PROCEEDINGS**
(*Companies' Creditors Arrangement Act*, R.S.C. (1985), ch. C-36, Sections 9, 10, 11,
11.02, 11.03 (hereinafter the **CCAA**))

**TO THE HONOURABLE KAREN M. ROGERS, J.S.C., OR ONE OF THE
HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN THE
COMMERCIAL DIVISION FOR THE DISTRICT OF MONTRÉAL, THE DEBTORS
RESPECTFULLY SUBMIT:**

I. INTRODUCTION

1. On October 27, 2023, this Court granted Stornoway Diamonds (Canada) Inc.'s (**SDCI**) and 11272420 Canada Inc.'s (**1127**, collectively with SDCI the **Debtors**) *Application for the Issuance of an Initial Order, an Amended Restated Initial Order and Ancillary Relief* (the **Initial Application**), and issued an Initial Order under the CCAA, valid until November 3, 2023 (the **Initial Order** and the **Stay Period**), as well as a Sale and Investment Solicitation Process Approval Order (the **SISP Order**) with respect to the implementation of a solicitation process (the **SISP**).

2. Pursuant to the Initial Order, Deloitte Restructuring Inc. (the **Monitor**) was appointed as Monitor to the Debtors.
3. On November 3, 2023, the Court issued a Restated Initial Order, thereby extending the Stay Period until November 13, 2023.
4. On November 13, 2023, the Honourable Karen M. Rogers, J.S.C., issued an Amended and Restated Initial Order (the **First ARIO**), notably extending the Stay Period until January 25, 2024.
5. On January 24, 2024, the Honourable Karen M. Rogers, J.S.C., issued an Second Amended and Restated Initial Order (the **Second ARIO**), notably extending the Stay Period until March 31, 2024.
6. The same day, the Honourable Karen M. Rogers, J.S.C., issued an order confirming the approval of certain payments owed and payable to unaffected creditors.
7. For the reasons set out below, the Debtors hereby seek the issuance of an order extending the stay of proceedings substantially in the form of the draft order communicated herewith as **Exhibit R-1** providing for an extension of the stay period until **April 4, 2024** (the **Extended Stay Period**).

II. EXTENSION OF THE STAY PERIOD

8. On March 11, 2024, Deloitte Corporate Finance Inc., acting as SISP Agent¹, issued a letter to a Phase 2 Qualified Bidder to confirm that its Binding Offer had been selected as the Successful Bid (the **Successful Bid Letter**).
9. Since the issuance of the Successful Bid Letter, the Debtors and the Successful Bidder, with the collaboration of the Monitor and the SISP Agent, have been working on preparing and finalizing the definitive documentation in order to submit the contemplated agreement to the Court for approval, and are currently consulting the Secured Creditors in that respect, the whole with a view to finalize such documents by March 22, 2024 in accordance with the SISP Procedures.
10. In that context, the Debtors request an extension of the Stay Period until April 5, 2024, namely to allow for the presentation of an application seeking the

¹ All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Procedures for the Sale and Investment Solicitation Process, has approved by the SISP Order.

approval of the agreement in respect of the Successful Bid (the **Approval Application**), which application will be heard by the Court during the Extended Stay Period, on April 4, 2024.

11. As such, the requested extension of the Stay Period for the sole purpose of allowing for the presentation of the Approval Application to be filed is necessary in the circumstances, it being understood that upon the filing and presentation of the Approval Application, the Debtors shall present, and the Monitor shall report, more fully on the contemplated agreement and the subsequent extension of the Stay Period that will also be requested at that time.
12. The Debtors have acted and continue to act in good faith and with due diligence, and it is respectfully submitted that issuing the sought order is necessary and appropriate in the circumstances of this case and is in the best interest of the Debtors and all their stakeholders.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

GRANT the present *Application for the Issuance of an Order Extending the Stay of Proceedings*;

RENDER an Order Extending the Stay of Proceedings substantially in the form of the draft order communicated herewith as Exhibit R-1;

THE WHOLE without costs, save and except in case of contestation.

Montréal, March 19, 2024

Norton Rose Fulbright Canada LLP

NORTON ROSE FULBRIGHT CANADA LLP

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Me Guillaume Michaud

Me Charlotte Dion

Attorneys of the Applicants

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AFFIDAVIT

I, the undersigned, Patrick Sévigny, President and Chief Executive Officer, duly authorized director of the Debtors, having my professional domicile at 1111 Blvd. Saint-Charles W., Suite 400, Longueuil, province of Québec, J4K 5G4, solemnly declare that all the facts alleged in the present *Application for the Issuance of an Order Extending the Stay of Proceedings* are true.

AND I HAVE SIGNED


Patrick Sévigny

SOLEMNLY DECLARED before me by technological means, this March 19, 2024. The Affiant is in the city of Longueuil and the Commissioner of Oaths is in the city of Varennes.





Commissioner of Oaths for the Province of Québec

NOTICE OF PRESENTATION

TO: The Service List

TAKE NOTICE that the present *Application for the Issuance of an Order Extending the Stay of Proceedings* (the **Application**) will be presented for adjudication before the Honourable Justice Karen M. Rogers of the Superior Court of Québec in the Montréal Courthouse located at 1, Notre-Dame Street East, Montréal, Québec, on **March 22, 2024**, at a time and courtroom to be confirmed.

Please note that unless an objection with respect to the order sought pursuant to the Application is communicated to the undersigned by email prior to **March 21, 2024 at 5:00 p.m.**, the Court may proceed with the issuance of said order without a hearing on March 22, 2024, as per paragraph 59 of the Second Amended and Restated Initial Order.

DO GOVERN YOURSELF ACCORDINGLY.

Montréal, March 19, 2024

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CANADA
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Debtors

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DELOITTE RESTRUCTURING INC.

Monitor

**LIST OF EXHIBITS
IN SUPPORT OF THE APPLICATION FOR THE ISSUANCE OF AN ORDER
EXTENDING THE STAY OF PROCEEDINGS**

Exhibit R-1: Proposed Order Extending the Stay of Proceedings.

Montréal, March 19, 2024

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Cc: Luc Morin; Guillaume Michaud; Noah Zucker; Arad Mojtahedi (he/him); Charlotte Dion (elle/she)
Objet: NOTIFICATION / In the matter of the Companies' Creditors Arrangement Act, RSC 1985, c C-36, as Amended of Stornoway Diamonds (Canada) inc. & al. - 500-11-063053-231
Pièces jointes: Service List - January 31 2024(CAN_DMS_1001837446.15).pdf; 2024-03-19 - Application for the Issuance of an Order Extending the Stay of Proceedings(CAN_DMS_1004212638.1).pdf; R-1 - Draft Order Extending the Stay of Proceedings(CAN_DMS_1004212949.1).pdf

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**NOTIFICATION PAR COURRIEL / NOTIFICATION BY EMAIL
 (Articles 133 et/and 134 C.p.c. / C.C.P.)**

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Objet : NOTIFICATION / In the matter of the Companies' Creditors Arrangement Act, RSC 1985, c C-36, as Amended of Stornoway Diamonds (Canada) inc. & al. - 500-11-063053-231

NO.: 500-11-063053-231

**SUPERIOR COURT
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11272420 CANADA INC.**

Debtors / Applicants

-&-

DELOITTE RESTRUCTURING INC.

Proposed Monitor

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

ORIGINAL

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