



SE263255

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT
OF ARCTIC CANADIAN DIAMOND COMPANY LTD., AND BURGUNDY
DIAMONDS (CANADA) LIMITED

PETITIONERS

PETITION TO THE COURT

ON NOTICE TO: The Government of the Northwest Territories, Zurich Insurance Company Ltd., Aviva Insurance Company of Canada, Argonaut Insurance Company, Canada Enterprise Emergency Funding Corporation, and the 2L Group (as defined below)

The address of the registry is: 800 Smithe St, Vancouver, BC V6Z 2E1

The Petitioners estimate that the hearing of the Petition will take 2 hours.

This matter is not an application for judicial review.

This proceeding is brought by the Petitioners for the relief set out in Part 1 below.

If you intend to respond to this petition, you or your lawyer must

- (a) file a Response to Petition in Form 67 in the above-named Registry of this Court within the time for Response to Petition described below, and
- (b) serve on the Petitioners
 - (i) 2 copies of the filed Response to Petition, and
 - (ii) 2 copies of each filed Affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the Response to Petition within the time for response.

Time for Response To Petition

A Response to Petition must be filed and served on the Petitioners,

- (a) if you were served with the Petition anywhere in Canada, within 21 days after service,
- (b) if you were served with the Petition anywhere in the United States of America, within 35 days after that service,
- (c) if you were served with the Petition anywhere else, within 49 days after that service, or
- (d) if the time for response has been set by order of the court, within that time.

(1)	The ADDRESS FOR SERVICE of the Petitioners is: Blake, Cassels & Graydon LLP Barristers and Solicitors 1133 Melville Street Suite 3500, The Stack Vancouver, BC V6E 4E5 Attention: Peter L. Rubin / Peter Bychawski / Claire Hildebrand / Encina Roh
	E-mail address for service of the Petitioners: vancouver.service@blakes.com and peter.rubin@blakes.com / peter.bychawski@blakes.com/ claire.hildebrand@blakes.com / encina.roh@blakes.com
(2)	The name and office address of the Petitioners' lawyer is: Blake, Cassels & Graydon LLP Barristers and Solicitors 1133 Melville Street Suite 3500, The Stack Vancouver, BC V6E 4E5 Attention: Peter L. Rubin / Peter Bychawski / Claire Hildebrand / Encina Roh

CLAIM OF THE PETITIONERS

PART 1: ORDER SOUGHT

1. Arctic Canadian Diamond Company Ltd. ("**ACDC**") and Burgundy Diamonds (Canada) Ltd. ("**BDC**", and together with ACDC, the "**Applicants**") seek an initial order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**") substantially in the form attached as **Schedule "A"** hereto, which shall (among other things):

- (a) declare that the Applicants are companies to which the CCAA applies;
- (b) appoint FTI Consulting Canada Inc. ("**FTI**") as an officer of this Court to monitor the property, business and financial affairs of the Applicants (in such capacity, the "**Monitor**");
- (c) stay all proceedings against the Applicants and their directors and officers;
- (d) grant the following charges over the assets, properties, and undertakings of the Applicants as security for the obligations of the Applicants to the beneficiaries of such charges, in each case as set out in the Initial Order, and have the following relative priorities among such charges:
 - (i) first, an "**Administration Charge**" as security for the respective fees and disbursements incurred by the Monitor, counsel to the Monitor, and counsel to the Applicants at the standard rates and charges of the Monitor and such counsel, both before and after the making of the Initial Order, which are related to the Applicants' restructuring; and
 - (ii) second, a "**D&O Charge**" as security for the Applicants' obligation pursuant to the Initial Order to indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of these proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct;
- (e) grant a "non-applicant" stay of proceedings with respect to Burgundy Diamond Mines Ltd. ("**Burgundy**"); and
- (f) grant such further and other relief as this Court deems just.

PART 2 : FACTUAL BASIS

Capitalized Terms

2. Capitalized terms used but not otherwise defined in this Petition have the meanings given to them in Affidavit #1 of Brent Mierau, made April 30, 2026 (the “**Mierau Affidavit**”).

Overview

3. The facts in support of the Applicants’ petition for relief under the CCAA are set out in detail in the Mierau Affidavit and are summarized briefly below.

4. ACDC and BDC operate as part of the “**Burgundy Group**”, a global group of companies focused on the mining, production and sale of diamonds.

5. ACDC, the operating entity of the Burgundy Group, is Canada’s largest independent producer of natural and responsibly mined diamonds. ACDC owns and operates the Ekati Mine in the Northwest Territories, which is Canada’s first surface and underground diamond mine and has been in operation since 1998.

6. In its capacity as owner of the Ekati Mine, ACDC is one of the largest employers in the Northwest Territories. As of December 31, 2024, prior to layoffs associated with ACDC’s financial distress that is the subject of this Petition, ACDC employed the services of more than 1,000 individuals. A significant proportion of ACDC’s employees are Indigenous people and Northern residents and the Ekati Mine acts as a cornerstone of economic development in the Northwest Territories.

7. ACDC’s operation of the Ekati Mine is also a source of significant revenue for the Northwest Territories. In 2024, the total amount invested by ACDC in connection with the operation of the Ekati Mine was approximately CDN \$430 million. Almost 70% of this amount (approximately CDN \$290 million) was spent with northern Indigenous-run or northern-based businesses.

8. Unfortunately, challenging economic conditions in the global diamond market have placed ACDC’s operation of the Ekati Mine in financial distress. Since Burgundy acquired the Ekati Mine in 2023, diamond prices have dropped significantly. The factors impacting diamond prices include the emergence of lab-grown alternatives, decline in purchases from China, and

tariff-related impacts. The sudden impact of these adverse global market trends, coupled with the costs and operational requirements for diamond mining in Canada's North, have threatened the viability of ACDC's operations at the Ekati Mine (and have also been recognized as a threat to the larger diamond industry in Canada).

9. As described in greater detail below and in the Mierau Affidavit, ACDC has made significant efforts, in consultation with ACDC's lenders, surety bond providers, governmental agencies, and others, to preserve the economic viability of the Ekati Mine. In particular, in 2025, ACDC sought and obtained a loan facility of up to a total amount of CDN \$175 million through Canada's Large Enterprise Tariff Loan facility (the "**LETL Facility**") in an effort to address its ongoing liquidity challenges.

10. Despite these concerted efforts, ACDC remains in a financially distressed position and is not able to meet its ongoing obligations. ACDC's cash reserves are depleted and absent near-term funding, ACDC cannot meet its payroll and other obligations, including its secured debt and significant trade and supply payables. If ACDC cannot stabilize its operations, it will not be able to meet its ongoing financial obligations that are necessary to sustain the current operations at the Ekati Mine, including payments to employees, contractors, and suppliers. Failure to make these payments will inevitably jeopardize the ongoing operations at the Ekati Mine, to the detriment of ACDC's stakeholders.

11. While it is currently insolvent and requires protection under the CCAA, ACDC remains in possession of a viable business. Given the stability that will be provided to the Applicants by a stay of proceedings, the other protections afforded by the CCAA, and having a reasonable time to advance the Applicants' restructuring efforts, as described below, ACDC's management is of the view that the overall value of ACDC's business could be enhanced to the benefit of its stakeholders as compared to a forced liquidation scenario.

Corporate Structure of the Burgundy Group

12. ACDC and BDC operate as part of the Burgundy Group. The Burgundy Group is a group of entities owned and operated by Burgundy, the parent company, which is a publicly traded company listed on the Australian Stock Exchange.

13. In summary, the organizational structure of the Burgundy Group can be described as follows:

Entity	Role
Burgundy Diamond Mines Ltd. (" Burgundy ") (Non-Applicant Stay Party)	A publicly traded company incorporated under the laws of Australia and parent company of the Burgundy Group. Burgundy previously operated a commercial diamond cutting facility in Perth, Australia that received certain rough diamonds. These diamond cutting operations were discontinued in 2025.
Arctic Canadian Diamond Company Ltd. (" ACDC ") (a CCAA Applicant)	A company incorporated under the laws of British Columbia. This is the entity that owns and operates the Ekati Mine. ACDC's business operations are, to a significant degree, managed from ACDC's office located in Calgary.
Burgundy Diamonds (Canada) Limited (" BDC ") (a CCAA Applicant)	A company incorporated under the laws of British Columbia. This entity owns the Burgundy Group's 40% interest as a joint venture participant in the Naujaat Project Joint Venture in Nunavut (the " Naujaat JV "). The Naujaat JV is operated by North Arrow Minerals Inc., who owns the other 60% interest. The property subject to the Naujaat JV is presently not under active development.
Arctic Canadian Diamond Marketing N.V. (" ACDM ") (not a CCAA applicant)	A company formerly incorporated under the laws of Belgium. ACDM was liquidated on December 30, 2025. ACDM was the sales office for the Burgundy Group and conducts marketing and sales for all diamonds mined at the Ekati Mine.
BDM Del Peru S.A.C. (not a CCAA applicant)	A company incorporated under the laws of Peru. This entity was created for the purpose of participating in a joint venture with a local Peruvian company but does not presently have any material assets or operations.
Burgundy Diamonds SARL (not a CCAA applicant)	A corporation incorporated under the laws of France. This entity does not have any material assets or operations and has been in liquidation since 2023.

The Ekati Mine and its Operations

14. The Ekati Mine is located in the Northwest Territories near Lac de Gras, approximately 300 km northeast of Yellowknife and 200 km south of the Arctic Circle. Despite its location in the Canadian sub-arctic, the Ekati Mine operates year-round.

15. The Ekati Mine is a remote site with strictly controlled access and security. The mine can be accessed by air year-round, and by a 425 km ice road that is typically open for approximately 8 to 10 weeks out of the year, from early February to late March. The remoteness of the mine requires it to operate like a self-contained community, generating its own electricity and potable water, managing its own wastes including sewage and effluent treatment, maintaining emergency response and medical services, offering site-based recreation and education facilities, and providing meals and single-occupancy quarters. All of the mine workings, tailings impoundments, mine rock stockpiles, ore processing operations, shops and other service facilities/utilities including dining and accommodations are integrated within the Ekati Mine site.

16. The mining operations at the Ekati Mine are highly technical and subject to complex environmental, regulatory and other laws of the Government of Canada and the Government of the Northwest Territories (the "GNWT"). In particular and as discussed in greater detail below, ACDC has significant obligations related to the future reclamation of the Ekati Mine (collectively, the "**Reclamation Obligations**"). Mining legislation in the Northwest Territories and Canada requires ACDC to provide security with the GNWT for the total estimated closure cost of the Ekati Mine.

Socio-Economic Impact of the Ekati Mine

17. The Ekati Mine has been a cornerstone of economic development in the Northwest Territories, delivering sustained benefits in terms of employment opportunities, Indigenous partnerships, regional investment, and long-term community engagement across more than 25 years of operation. ACDC is a successor to historical Impact Benefit Agreements ("**IBAs**") with five Indigenous governments and is also a party to a Socio-Economic Agreement with GNWT.

18. As a northern employer, ACDC has a policy of maximizing the number of employees and contractors from the Northwest Territories, including local Indigenous communities. For example, in 2025, ACDC filled approximately 30% of employee positions with northern

residents. A further approximately 20% of ACDC's contractor workforce was comprised of northern residents.

19. In 2024, funds spent with respect to the Ekati Mine totaled approximately CDN \$430 million, with northern Indigenous businesses accounting for approximately 50% of the total spent, with almost 70% of this amount spent being on northern businesses generally. While 2025 spending was lower than previous years at CDN \$241 million, the focus remained on the northern economy with over 50% spent on Indigenous-run businesses and 74% of all spending on northern businesses.

20. Further, through IBA payments, scholarships, community sponsorships, and donations, ACDC and the Burgundy Group contributed approximately CDN \$5.1 million in 2024 to communities across the North.

Strain on the Diamond Industry and Impact On ACDC

21. Despite the efforts made by ACDC and the Burgundy Group to improve the outlook for the Ekati Mine, which are discussed in greater detail below and in the Mierau Affidavit, a global depression in diamond prices has had a significant and negative impact on the profitability of the Ekati Mine and other diamond mines operating in the Northwest Territories.

22. Since the end of 2024, diamond prices have dropped by 50%. This current depression in the global diamond market is caused by several factors, including increased global tariffs by the United States government, a decrease in Chinese consumption of diamonds due to a reduction in national spending, the emergence of lab-grown alternatives, oversupply from two of the largest diamond producers, and a decrease in diamond jewelry sales.

23. These challenges facing the global diamond market are in addition to the existing asymmetry between the distressed state of the diamond industry and the regulatory requirements currently in place for diamond operations in Canada's Northwest Territories, including the terms for the posting of security for future reclamation obligations.

Efforts to Enhance the Financial Viability of the Ekati Mine

24. In light of the financial challenges facing the Ekati Mine and the Canadian diamond industry more broadly, ACDC and the Burgundy Group have made significant efforts, in

consultation with ACDC's lenders, surety bond providers, governmental agencies, and others to improve the economic viability of the Ekati Mine. These efforts, which are described in greater detail in the Mierau Affidavit, include the following:

- (a) LETL Facility: In December 2025, ACDC obtained CDN \$115 million in funding in the form of a Large Enterprise Tariff Loan (or "LETL"), a program managed by Canada Enterprise Emergency Funding Corporation ("CEEFC"), which provides financial support to large Canadian enterprises impacted by actual and potential tariffs and countermeasures. The LETL Facility was increased to CDN \$175 million in March 2026.
- (b) Trade Creditor Debt Reduction: ACDC has also taken significant steps to reach agreement with its trade creditors to reduce and defer the amount of trade debt owing to help with its long-term viability. ACDC has negotiated and executed approximately 150 settlement agreements with its trade creditors. These settlement agreements have resulted in approximately CDN \$18 million of ACDC's debt being forgiven (provided that ACDC meets the terms of such settlement agreements), which accounts for approximately 20% of ACDC's trade creditor debt.
- (c) Operational Efficiencies: ACDC and the Burgundy Group have implemented a number of measures in an effort to improve the efficiency of the existing mine sites at the Ekati Mine to reduce costs and increase revenue.
- (d) Surety and Government Engagement: ACDC has also been in active consultation with its surety-bond providers, the GNWT, the federal government, and Indigenous nations, with a view to improving the Ekati Mine's financial viability.

25. While these have been significant and important measures that have made a material improvement to the financial outlook for the Ekati Mine, factors beyond ACDC's control have continued to place significant financial strain on the Ekati Mine's operations, which have now come to a critical point and necessitate a filing under the CCAA.

Key Stakeholders and Liabilities

26. As of December 31, 2025, the Burgundy Group had total liabilities with a book value of approximately US \$482 million, consisting of current liabilities with a book value of approximately US \$98 million and non-current liabilities of approximately US \$384 million.

27. ACDC's key stakeholders include the following:

- (a) CEEFC: CEEFC provided funding of CDN \$175 million to ACDC in the form of the LETL Facility, with respect to which CEEFC holds first-ranking security.
- (b) 2L Group: ACDC's second ranking lenders are a group of noteholders referred to as the "**2L Group**". The 2L Group is currently owed approximately US \$78 million.
- (c) The GNWT: Mining legislation requires ACDC to provide significant security for the estimated closure cost of the Ekati Mine. These Reclamation Obligations are secured by (a) bonds provided by third-party sureties in favour of the GNWT; and (b) cash collateralization paid directly to governmental entities and sureties, including through restricted cash and lines of credit. As of December 31, 2025, the estimated total undiscounted amount of the future cash flows required to settle the Reclamation Obligations is estimated to be CDN \$427.9 million.
- (d) Surety Bond Providers: ACDC has two primary groups of surety bonds in place to secure its Reclamation Obligations. These are a "**Primary Bond**" that has been posted with the GNWT of an approximate value of CDN \$184 million and a second "**Point Lake Bond**", also in favour of the GNWT with an approximate value of CDN \$13.5 million.
- (e) Trade Creditors: ACDC currently has approximately CDN \$63 million owing to its trade creditors (as reduced by the settlement agreements entered into with these trade creditors), excluding property tax amounts and amounts owing under the IBAs.

- (f) Employees: As of March 31, 2026, ACDC has approximately 340 employees, with an additional approximately 35 employees on long term leave or temporary layoff, and employs the services of approximately 200 contractors.

The Need for Creditor Protection and the Applicants' Restructuring Plan

28. Notwithstanding the Applicants' efforts to date, including obtaining the LETL Facility, and the importance of the Ekati Mine to the socio-economic health of the Northwest Territories, current circumstances, including a depressed diamond market, increases in global tariffs, the burden of ACDC's secured debt, trade debt, and the Reclamation Obligations, have placed ACDC in financial distress.

29. In the absence of the imposition of a stay of proceedings, and the granting of other relief afforded by the CCAA, there are material risks to the current operations at the Ekati Mine, which will in turn jeopardize ACDC's ability to ensure continued operations at the Ekati Mine, employment of its current employees, safeguard the environment, and preserve the Ekati Mine assets and infrastructure.

30. To protect against such negative effects and to address ACDC's current liquidity challenges, ACDC's current plan while under CCAA protection involves, among other things, efforts to:

- (a) stabilize the current financial situation and obtain interim financing;
- (b) provide comfort to ACDC's stakeholders of its ability to resume operations as a going concern if longer term funding is obtained;
- (c) explore potential further cost-cutting measures;
- (d) implement a sale and investment solicitation process to solicit offers for the purchase of, or investment in, the Ekati Mine; and
- (e) continue to work with its stakeholders to determine the best outcome in the circumstances.

31. While ACDC is currently in a challenging financial position, ACDC and the Burgundy Group continue to benefit from a strong market reputation and a significant asset base. The

Applicants' management believe that taking steps to preserve the going-concern value of the Applicants' assets and the Ekati Mine under the protection of the CCAA as restructuring options are pursued will likely achieve a better long-term result for the Applicants' stakeholders than a forced liquidation of the Applicants' assets.

PART 3: LEGAL BASIS

Applicable Legislation

32. The Applicants rely on the:

- (a) *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
- (b) *Supreme Court Civil Rules*, BC Reg 168/2009 (the "**Rules**"); and
- (c) inherent jurisdiction of this Honourable Court;

33. The Applicants further rely upon such other legal bases as counsel may advise and this Honourable Court may allow.

The Remedial Purpose of the CCAA

34. The CCAA is remedial legislation, affording Canadian courts with broad jurisdiction to approve and implement restructuring arrangements:

The legislation is remedial in the purest sense in that it provides a means whereby the devastating social and economic effects of bankruptcy or creditor initiated termination of ongoing business operations can be avoided while a court-supervised attempt to reorganize the financial affairs of the debtor company is made.

Century Services Inc. v. Canada (Attorney General),
2010 SCC 60 at para. 59.

35. The Applicants submit that the granting of the Initial Order furthers the objective of the CCAA.

36. With the benefit of the protection afforded by the CCAA, the Applicants will be able to generally stabilize their business operations for the continued benefit of their stakeholders, including employees, contractors, private and government partners, and the local northern

communities in which they operate, as they continue to consider and pursue restructuring options for the benefit of their stakeholders.

37. In the absence of the granting of the relief sought by the Applicants, including the imposition of a stay of proceedings, there is the risk that the Applicants' operations would be disrupted. The potential effects of such disruption could put at risk the well-being of the environment surrounding ACDC's operations at the Ekati Mine, and the local communities who directly or indirectly depend on its continued operations.

The CCAA Applies to the Applicants

38. The CCAA applies in respect of a "debtor company" or "affiliated debtor companies" where the total amount of claims against the debtor or its affiliates exceeds 5 million dollars. The term "debtor company" is defined in section 2 of the CCAA to include any company that is "insolvent."

CCAA, ss. 2(1) and 3(1).

39. The Applicants are British Columbia companies incorporated under the *Business Corporations Act*, S.B.C. 2002, c. 57, thus are each "companies" within the meaning of the CCAA. Burgundy is the parent company to both ACDC and BDC, meaning these entities are "affiliated debtor companies" for the purpose of the CCAA.

CCAA, s. 2(1) (definition of "company").

40. The claims against the Applicants exceed the CCAA's statutory \$5 million threshold.

CCAA, ss. 2(1) and 3(1)-(2); *In the Matter of a Plan of Compromise or Arrangement of Sandvine Corporation et al.*, 2024 ONSC 6199 at paras. 23-27.

The Applicants are Insolvent

41. Although the term "insolvent" is not defined in the CCAA, Canadian courts have applied the BIA definition of "insolvent person" for the purposes of assessing entitlement to apply for relief under the CCAA, which term includes persons who are for any reason unable to meet their obligations as they generally become due. Courts have interpreted this test expansively to

include a company that “is reasonably expected to run out of liquidity within reasonable proximity of time as compared with the time reasonably required to implement a restructuring”.

Re Stelco Inc., 2004 CarswellOnt 1211 at paras. 21-22, 26 and 28, [2004] OJ No 1257 (Ont Sup Ct), leave to appeal to Ont CA refused, 2004 CarswellOnt 2936, leave to appeal to SCC refused, 2004 CarswellOnt 5200.

42. ACDC is unable to meet its financial obligations with respect to the Ekati Mine generally as they become due, including the day-to-day costs of operating the Ekati Mine. These include payments to its employees, trade creditors, and suppliers, as well as ongoing financial obligations to its other key stakeholders. A stay of proceedings under the CCAA is required to prevent any further deterioration of ACDC’s business and the value of the Ekati Mine.

The Applicants Have Satisfied the Statutory Filing Requirements

43. Section 10(2) of the CCAA provides that an initial application under the CCAA must be accompanied by:

- (a) a statement indicating, on a weekly basis, the projected cash flow of the debtor company;
- (b) a report containing the prescribed representations of the debtor company regarding the preparation of the cash-flow statement; and
- (c) copies of all financial statements, audited or unaudited, prepared during the year before the application or, if no such statements were prepared in that year, a copy of the most recent such statement.

44. Each of these conditions has been satisfied, as set out in further detail in the Mierau Affidavit and the Pre-Filing Report of FTI, as proposed monitor.

The Requested Stay of Proceedings is Appropriate

45. Section 11.02(1) of the CCAA provides that a court may, on an initial application in respect of a debtor company, make an order on any terms that it may impose, effective for the period that the court considers necessary, which period may not be more than 10 days, among other things, restraining, until otherwise ordered by the court, further proceedings in any action,

suit or proceeding against the company; and prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

46. A stay order under section 11.02(1) is the first step in all CCAA proceedings as it maintains the *status quo* while the debtor company consults with its creditors and stakeholders, allowing breathing room for reorganization. A stay of proceedings is the “central tool” by which this Court maintains the status quo for a debtor company, allowing it the necessary time, flexibility, and “breathing room” to carry out a supervised restructuring or organized sale process while continuing its ongoing operations.

Re JTI-Macdonald Corp., 2019 ONSC 1625 at para. 12; *Re Stelco Inc.*, 2005 CarswellOnt 1188 at para. 36; *Canada v. Canada North Group Inc.*, 2021 SCC 30 at para. 19 [**Canada North**]; 1057863 B.C. Ltd. (*Re*), 2022 BCSC 876 at paras. 31, 35 [**105**].

47. Consistent with the purpose of the CCAA, a stay of proceedings facilitates the ongoing operations of the debtor company’s business to preserve its value and prevents any creditor from gaining an unfair advantage over other creditors.

48. In the circumstances, ACDC requires a stay of proceedings to obtain the breathing room required to consider strategic alternatives and pursue and implement a restructuring strategy. It is imperative for the success of any such strategy that current and potential actions against ACDC be stayed, and that ACDC’s current supplier and customer contracts and arrangements are preserved.

49. With the benefit of the protection afforded by the CCAA, ACDC will be able to avoid a potentially sudden abandonment of the Ekati Mine, continue steps to protect the environment, maintain the value of ACDC’s assets, and generally stabilize its business operations for the continued benefit of ACDC’s stakeholders, including contractors, private and government partners, and the local northern communities in which ACDC operates.

50. In the absence of the imposition of a stay of proceedings and the granting of other relief afforded by the CCAA, there is the risk that ACDC’s ongoing significant and complex operations at the Ekati Mine would be disrupted, to the prejudice of the Applicants’ stakeholders. The potential effects of such disruption would have significant economic impacts for ACDC and the

Burgundy Group, and could put at risk the operation of the Ekati Mine, ACDC's ability to meet its obligations to its key stakeholders, employees, contractors, suppliers and others, the well-being of the environment surrounding the Ekati Mine, and the local communities who directly or indirectly depend on the continued operation of the Ekati Mine.

A Stay of Proceedings Should Be Extended to Burgundy

51. A CCAA court has broad jurisdiction under the CCAA to make any order that it considers appropriate in the circumstances, subject only to the restrictions set out in the CCAA.

CCAA, s. 11; 105 at paras. 47- 48, citing *Canada North*.

52. There is ample authority to confirm that a CCAA court may impose a stay of proceedings with respect to third-party non-applicants, including foreign entities, where to do so would further the objectives of the CCAA. Factors to be considered include whether the business of the non-filing affiliate is significantly intertwined with that of the debtors and whether extending the stay would help maintain stability during the CCAA process.

Miniso International Hong Kong Limited v Migu Investments Inc., 2019 BCSC 1234 at paras. 56-62; *MPX International Corporation (Re)*, 2022 ONSC 4348 at paras. 13, 52-54; *The Cannabist Company Holdings Inc. et al*, 2026 ONSC 1849 at paras. 31-33; *Chalice Brands Ltd (Re)*., 2023 ONSC 3174, at para. 35; *Hudson's Bay Company (Re)*, 2025 ONSC 1530 at para. 47.

53. The Applicants are seeking an order that will extend the stay of proceedings to Burgundy, which is the ultimate parent company of the Burgundy Group that includes the Applicants.

54. The Burgundy Group operates as an integrated business. If a stay is not extended to Burgundy, it would have a negative impact on the Applicants' ability to restructure, potentially jeopardizing the success of their restructuring and the continuation of the Ekati Mine as a going concern in circumstances where longer term funding is available.

55. The operations of Burgundy are critical to the ongoing viability of ACDC. Burgundy performs a central operational role in the Burgundy Group (and with respect to ACDC's

business) and owns all the shares of ACDC. Its business and operations are fully intertwined with those of the ACDC.

56. Further, as a party to key security agreements involving ACDC, Burgundy is highly integrated with and indispensable to the business of ACDC. Burgundy is an indemnitor of the Primary Bond and the Point Lake Bond and a guarantor of the LETL Facility.

57. Extending the stay to Burgundy will prevent uncoordinated realization and enforcement attempts, which would be counterproductive to the maximization and protection of value for Applicants' stakeholders and would consume key personnel and ACDC's already limited resources. If a stay is not extended to Burgundy, the purpose of the Applicants' restructuring and their ability to maximize value for stakeholders under the CCAA would be undermined.

The Applicants Should be Authorized to Make Pre-Filing Payments to Suppliers

58. CCAA courts have repeatedly exercised their jurisdiction to grant CCAA applicants the authority to make payments of pre-filing amounts to their suppliers.

Hudson's Bay at para. 114; *Cannabist* at para. 37.

59. In granting this authority, the courts have considered a number of factors, including:
- (a) whether the goods and services are integral to the business of the applicant;
 - (b) the applicant's dependency on the uninterrupted supply of the goods or services;
 - (c) the fact that no payments will be made without the consent of the Monitor; and
 - (d) the effect on the debtors' operations and ability to restructure if it could not make such payments.

Hudson's Bay at para. 114.

60. The goods and services provided to ACDC that allow the Ekati Mine to operate are by their nature critical to ACDC's ongoing operations. To that end, the payment of pre-filing amounts may be crucial for ACDC to maintain ongoing operations at the Ekati Mine and preserve the value of the Ekati Mine, to the benefit of ACDC and its stakeholders. It will also permit ACDC to maintain positive relationships with their current goods and services suppliers

who are not subject to long-term contracts and who may otherwise increase prices for goods and services provided should these relationships deteriorate.

61. As set out in the proposed Initial Order, any pre-filing payments to trade creditors will only be made with the consent of the Monitor.

An Administration Charge is Appropriate

62. Section 11.52 of the CCAA expressly provides the Court with the power to grant a charge in respect of professional fees and disbursements (commonly referred to as the "Administration Charge"). In determining whether to grant an administration charge, Canadian courts have considered several factors including:

- (a) the size and the complexity of the business being restructured;
- (b) the proposed role of the beneficiaries of the charge;
- (c) whether there is an unwarranted duplication of roles;
- (d) whether the quantum of the proposed charge appears to be fair and reasonable;
- (e) the position of the secured creditors likely to be affected by the charge; and
- (f) the position of the monitor.

CCAA, s. 11.52; Walter Energy Canada Holdings, Inc. (Re), 2016 BCSC 107 at para. 42.

63. Courts have recognized that, unless professional advisor fees are protected with the benefit of a charge over the assets of a debtor company, the objectives of the CCAA would be frustrated because professionals would be unlikely to risk offering their services without any assurance of ultimately being paid. Specifically, any failure to provide protection for professional fees will "result in the overwhelming likelihood that the CCAA proceedings would come to an abrupt halt, followed, in all likelihood, by bankruptcy proceedings".

Re Timminco Ltd., 2012 ONSC 506 at para. 66.

64. The Applicants require the specialized expertise, knowledge, and continuing participation of the proposed beneficiaries of the Administration Charge to complete the

restructuring, and the Administration Charge is necessary to ensure their continued assistance and participation in these proceedings. There will be no duplication of the roles of the beneficiaries of the Administration Charge. Each of these professionals will have a unique and distinct focus in the restructuring, and their joint efforts will produce a better result overall.

65. The Applicants believe that an Administration Charge in the amount of CDN \$1 million is fair and reasonable and will provide the level of appropriate protection for the payment of the Applicants' essential professional services given the size and complexity of their business. However, the Applicants are only requesting at this time an Administration Charge of CDN \$500,000. The Applicants intend to seek an increase of the authorized amount to the full \$1 million at the comeback hearing.

66. The proposed Monitor has reviewed the underlying assumptions upon which the Applicants have based the quantum of the proposed Administration Charge, the anticipated complexity of these CCAA proceedings, and the services to be provided by the beneficiaries of the Administration Charge, and is of the view that the proposed quantum of the Administration Charge is reasonable and appropriate in the circumstances.

The D&O Charge is Appropriate

67. Pursuant to section 11.51 of the CCAA, a court may make an order declaring that all or part of the property of the debtor company is subject to a security or charge — in an amount that the court considers appropriate — in favour of any director or officer of the company to indemnify the director or officer against obligations and liabilities (including in particular statutory liabilities related to taxes, employee obligations, etc.) that they may incur as a director or officer of the company after the commencement of proceedings under the CCAA.

CCAA, s. 11.51.

68. It is contemplated that the Applicants' directors and officers would ultimately be granted a D&O Charge on the assets, property and undertakings of the Applicants, up to the maximum amount of CDN \$5 million. At this time, the Applicants are only seeking a D&O Charge of \$2.75 million (based on the estimated payroll amount for the first two weeks of the anticipated CCAA filing). The Applicants intend to seek an increase of the D&O Charge to the full amount of \$5 million at the comeback hearing.

69. The D&O Charge is vital to encouraging the continued participation of the Applicants' directors and officers in these CCAA proceedings. The Applicants' directors and officers will provide necessary experience and stability to the Applicants' business and guide the Applicants' restructuring efforts. It is critical that a level of continuity be maintained within the Applicants to ensure focus on achieving a restructuring plan that will benefit the Applicants' stakeholders.

70. Consistent with both the statutory requirements and the British Columbia Model CCAA Initial Order, the D&O Charge is not intended to duplicate coverage already in place under the Applicants' existing directors' and officers' liability insurance policies, but rather, to supplement such coverage if any claim is not insured under those policies.

71. The proposed Monitor has reviewed the underlying assumptions upon which the Applicants have based the estimate of the potential liability in respect of directors' and officers' statutory obligations and is of the view that the D&O Charge is reasonable in relation to the quantum and estimated potential liability and appropriate in the circumstances.

The Monitor

72. Section 11.7 of the CCAA provides that the court shall appoint a person to monitor the business and affairs of a debtor company granted relief under the CCAA.

73. Section 11.7 of the CCAA provides restrictions on who may be appointed as a monitor.

74. FTI has acted as a financial advisor to ACDC and is informed and knowledgeable about ACDC, its assets, and its financial challenges. FTI is a licensed trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act* and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA.

The Form of the Initial Order is Appropriate in the Circumstances

75. In accordance with this Court's Practice Direction-47, the form of proposed Initial Order is based upon this Court's form of Model CCAA Initial Order and pursuant to section 11.02(1) of the CCAA seeks only such relief as is necessary in the circumstances.

76. The relief sought in the Initial Order is appropriate in the circumstances and within this Court's jurisdiction to grant pursuant to, among other provisions of the CCAA, section 11 as being appropriate in the circumstances.

Notice

77. Rule 8-5(6) of the *Rules* provides that “[t]he court may make an order without notice in the case of urgency.” Section 11 of the CCAA further provides that:

...if an application is made under this Act in respect of a debtor Petitioner, the court, on the application of any person interested in the matter, may, subject to the restrictions set out in this Act, on notice to any other person or without notice as it may see fit, make any order that it considers appropriate in the circumstances.

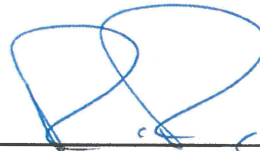
78. The Initial Order is being sought on notice only to CEEFC, GNWT, the surety providers with respect to the Primary Bond, and the 2L Group.

79. The limited notice being provided with respect to this Petition is necessitated by the urgency of the Applicants’ need for the relief sought in the Petition and the fact that provision of advance notice of the Applicants’ intention to seek CCAA protection is impractical in the circumstances.

PART 4: MATERIALS TO BE RELIED ON

- 80. Affidavit #1 of Brent Mierau, affirmed April 30, 2026;
- 81. Affidavit #1 of Jennifer Alambre, affirmed April 29, 2026;
- 82. Pre-filing Report of the Proposed Monitor dated May 1, 2026; and
- 83. such further and other materials as counsel may advise and this Court may allow.

Date: May 1, 2026



Signature of lawyer for Applicants
Peter L. Rubin / Peter Bychawski /
Claire Hildebrand

To be completed by the court only:

Order made

in the terms requested in paragraphs of Part 1 of this petition

with the following variations and additional terms:

.....
.....
.....

Date:[dd/mmm/yyyy].....

Signature of Judge Associate Judge

Schedule "A" to Petition

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT
OF ARCTIC CANADIAN DIAMOND COMPANY LTD., AND BURGUNDY
DIAMONDS (CANADA) LIMITED

PETITIONERS

INITIAL ORDER

BEFORE THE HONOURABLE JUSTICE P.)
WALKER) May 1, 2026

ON THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 1st day of May, 2026 (the "**Order Date**"); AND ON HEARING Peter L. Rubin, Peter Bychawski and Encina Roh, counsel for the Petitioners and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed, including the First Affidavit of Brent Mierau sworn April 30, 2026 and the consent of FTI Consulting Canada Inc. ("**FTI**") to act as Monitor; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the "**CCAA**"), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

JURISDICTION

1. Each of the Petitioners is a company to which the CCAA applies.

SUBSEQUENT HEARING DATE

2. The hearing of the Petitioners' application for an extension of the Stay Period (as defined in paragraph 14 of this Order) and for any ancillary relief shall be held at the Courthouse at 800 Smithe Street, Vancouver, British Columbia at _____ a.m., on the _____ day of May, 2026 or such other date as this Court may order.

PLAN OF ARRANGEMENT

3. The Petitioners shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. Subject to this Order and any further Order of this Court, the Petitioners shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), and continue to carry on their business (the "**Business**") in the ordinary course and in a manner consistent with the preservation of the Business and the Property. The Petitioners shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as the Petitioners deem reasonably necessary or desirable in the ordinary course of business or for carrying out the terms of this Order.

5. The Petitioners shall be entitled, but not required, to pay the following expenses whether incurred prior to, on, or after the Order Date:

- (a) all outstanding wages, salaries, employee and pension benefits (including long and short term disability payments), vacation pay and expenses (but excluding severance pay) payable before or after the Order Date, in each case incurred in the ordinary course of business, consistent with the relevant compensation policies and arrangements existing at the time incurred, or with the consent of the Monitor (collectively "**Wages**");

- (b) the fees and disbursements of any Assistants retained or employed by the Petitioners which are related to the Petitioners' restructuring, at their standard rates and charges, including payment of the fees and disbursements of legal counsel retained by the Petitioners, whenever and wherever incurred, in respect of:
 - (i) these proceedings or any other similar proceedings in other jurisdictions in which the Petitioners or any subsidiaries or affiliated companies of the Petitioners are domiciled;
 - (ii) any litigation in which the Petitioners are named as a party or is otherwise involved, whether commenced before or after the Order Date; and
 - (iii) any related corporate matters;
- (c) with the consent of the Monitor, amounts owing for goods or services actually supplied to the Petitioners prior to the date of this Order by third party suppliers up to a maximum amount of \$1,000,000, if, in the opinion of the Monitor:
 - (i) the supplier or service provider is critical to the Business and ongoing operations of the Petitioners and the payment is required to ensure ongoing supply;
 - (ii) making such payment will preserve, protect or enhance the value of the Property or the Business; or
 - (iii) making such payment is required to address any environmental concerns; and
- (d) with the consent of the Monitor, amounts owing by the Petitioners under any impact benefit agreements in place with respect to the Business or the Property.

6. Except as otherwise provided herein, the Petitioners shall be entitled to pay all expenses reasonably incurred by the Petitioners in carrying on the Business in the ordinary course following the Order Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably incurred and which are necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services, provided that any capital expenditure exceeding \$250,000 shall be approved by the Monitor;
 - (b) all obligations incurred by the Petitioners after the Order Date, including without limitation, with respect to goods and services actually supplied to the Petitioners following the Order Date (including those under purchase orders outstanding at the Order Date but excluding any interest on the Petitioners' obligations incurred prior to the Order Date); and
 - (c) fees and disbursements of the kind referred to in paragraph 5(b) which may be incurred after the Order Date.
7. The Petitioners are authorized to remit, in accordance with legal requirements, or pay:
- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from Wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes or any such claims which are to be paid pursuant to Section 6(3) of the CCAA;
 - (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Petitioners in connection with the sale of goods and services by the Petitioners, but only where such Sales Taxes accrue or are collected after the Order Date, or where such Sales Taxes accrued or were collected prior to the Order Date but not required to be remitted until on or after the Order Date; and
 - (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal property taxes, municipal business taxes or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors.

8. Until such time as a real property lease is disclaimed in accordance with the CCAA, the Petitioners shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated between the Petitioners and the landlord from time to time ("**Rent**"), for the period commencing from and including the Order Date, twice-monthly in equal payments on the first and fifteenth day of the month in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including Order Date shall also be paid.

9. Except as specifically permitted herein, the Petitioners are hereby directed, until further Order of this Court:

- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Petitioners to any of their creditors as of the Order Date except as authorized by this Order;
- (b) to make no payments in respect of any financing leases which create security interests;
- (c) to grant no security interests, trust, mortgages, liens, charges or encumbrances upon or in respect of any of the Property, nor become guarantors or sureties, nor otherwise become liable in any manner with respect to any other person or entity except as authorized by this Order;
- (d) to not grant credit except in the ordinary course of the Business, and then only to their customers for goods and services actually supplied to those customers, provided such customers agree that there is no right of set-off in respect of amounts owing for such goods and services against any debt owing by the Petitioners to such customers as of the Order Date; and
- (e) to not incur liabilities except in the ordinary course of Business.

RESTRUCTURING

10. Subject to such requirements as are imposed by the CCAA, the Petitioners shall have the right to:

- (a) permanently or temporarily cease, downsize or shut down all or any part of their Business or operations and commence marketing efforts in respect of any of their redundant or non-material assets and to dispose of redundant or non-material assets not exceeding \$500,000 in any one transaction or \$2,000,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and
- (c) pursue all avenues of refinancing for their Business or Property, in whole or part;

all of the foregoing to permit the Petitioners to proceed with an orderly restructuring of the Business (the "**Restructuring**").

11. The Petitioners shall provide each of the relevant landlords with notice of the Petitioners' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Petitioners' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors who claim a security interest in the fixtures, such landlord and the Petitioners, or by further Order of this Court upon application by the Petitioners, the landlord or the applicable secured creditors on at least two (2) clear days' notice to the other parties. If the Petitioners disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any dispute concerning such fixtures (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Petitioners' claim to the fixtures in dispute.

12. If a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then: (a) during the period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours on giving the Petitioners and the Monitor 24 hours' prior written notice; and (b) at the effective time of the disclaimer, the landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims the landlord may have against the Petitioners, or any other rights the landlord might have, in respect of such lease or leased premises and the landlord shall be entitled to notify the Petitioners of the basis on which it is taking possession and gain possession of and

re-lease such leased premises to any third party or parties on such terms as the landlord considers advisable, provided that nothing herein shall relieve the landlord of its obligation to mitigate any damages claimed in connection therewith.

13. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronics Documents Act*, S.C. 2000, c. 5 and Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any regulations promulgated under authority of either Act or any equivalent enactments of the Northwest Territories, as applicable (the "**Relevant Enactment**"), the Petitioners, in the course of these proceedings, is permitted to, and hereby shall, disclose personal information of identifiable individuals in their possession or control to stakeholders, their advisors, prospective investors, financiers, buyers or strategic partners (collectively, "**Third Parties**"), but only to the extent desirable or required to negotiate and complete the Restructuring or to prepare and implement the Plan or transactions for that purpose; provided that the Third Parties to whom such personal information is disclosed enter into confidentiality agreements with the Petitioners binding them in the same manner and to the same extent with respect to the collection, use and disclosure of that information as if they were an organization as defined under the Relevant Enactment, and limiting the use of such information to the extent desirable or required to negotiate or complete the Restructuring or to prepare and implement the Plan or transactions for that purpose, and attorning to the jurisdiction of this Court for the purposes of that agreement. Upon the completion of the use of personal information for the limited purposes set out herein, the Third Parties shall return the personal information to the Petitioners or destroy it. If the Third Parties acquire personal information as part of the Restructuring or the preparation and implementation of the Plan or transactions in furtherance thereof, such Third Parties may, subject to this paragraph and any Relevant Enactment, continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Petitioners.

STAY OF PROCEEDINGS, RIGHTS AND REMEDIES

14. Until and including May 11, 2026, or such later date as this Court may order (the "**Stay Period**"), no action, suit or proceeding in any court or tribunal (each, a "**Proceeding**") against or in respect of the Petitioners or the Monitor, or affecting the Business or the Property, shall be commenced or continued except with the written consent of the Petitioners and the Monitor or with leave of this Court, and any and all Proceedings currently under way against or in respect

of the Petitioners or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

15. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Petitioners or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Petitioners and the Monitor or leave of this Court.

16. Nothing in this Order, including paragraphs 14 and 15, shall: (i) empower the Petitioners to carry on any business which the Petitioners are not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a mortgage, charge or security interest (subject to the provisions of Section 39 of the CCAA relating to the priority of statutory Crown securities); or (iv) prevent the registration or filing of a lien or claim for lien or the commencement of a Proceeding to protect lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the Petitioners.

STAY IN RESPECT OF THE NON-APPLICANT STAY PARTY

17. During the Stay Period, no Person shall (a) commence any Proceeding or enforcement process, (b) terminate, repudiate, make any demand, accelerate, alter, amend, declare in default, exercise any options, rights or remedies, or (c) discontinue, fail to honour, alter, interfere with or cease to perform any obligation, pursuant to or in respect of any agreement, lease, sublease, license or permit with respect to Burgundy Diamond Mines Ltd. (the "**Non-Applicant Stay Party**") as a party, borrower, principal obligor, indemnitor, or guarantor, by reason of:

- (a) any of the Petitioners being insolvent or having made an application to this Court under the CCAA or the granting of this Order;
- (b) any failure of the Petitioners to meet their financial obligations;
- (c) any of the Petitioners being party to these proceedings or taking any steps related thereto;

- (d) the Non-Applicant Stay Party being insolvent or having become subject to insolvency proceedings;
- (e) the stay granted pursuant to this paragraph 17; and
- (f) any default or cross-default arising from the matters set out in foregoing subparagraphs (a) to (e),

except with the written consent of the Petitioners and the Monitor, or with leave of this Court.

NO INTERFERENCE WITH RIGHTS

18. During the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Petitioners, except with the written consent of the Petitioners and the Monitor or leave of this Court.

CONTINUATION OF SERVICES

19. During the Stay Period, all Persons having oral or written agreements with the Petitioners or mandates under an enactment for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Petitioners, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by the Petitioners, and that the Petitioners shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Order Date are paid by the Petitioners in accordance with normal payment practices of the Petitioners or such other practices as may be agreed upon by the supplier or service provider and the Petitioners and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. Notwithstanding any provision in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Order Date, nor shall any Person be under any obligation to advance or re-advance any monies or otherwise extend any credit to the Petitioners on or after the Order Date. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against the directors or officers of the Petitioners with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Petitioners whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Petitioners, if one is filed, is sanctioned by this Court or is refused by the creditors of the Petitioners or this Court. Nothing in this Order, including in this paragraph, shall prevent the commencement of a Proceeding to preserve any claim against a director or officer of the Petitioners that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such Proceeding except for service of the initiating documentation on the applicable director or officer.

DIRECTORS AND OFFICERS INDEMNIFICATION AND CHARGE

22. The Petitioners shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Petitioners after the commencement of the within proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

23. The directors and officers of the Petitioners shall be entitled to the benefit of and are hereby granted a charge (the "**D&O Charge**") on the Property, which charge shall not exceed an aggregate amount of \$2,750,000, as security for the indemnity provided in paragraph 22 of this Order. The D&O Charge shall have the priority set out in paragraphs 34 and 36 herein.

24. Notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the D&O Charge, and (b) the Petitioners' directors and officers shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 22 of this Order.

APPOINTMENT OF MONITOR

25. FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Petitioners with the powers and obligations set out in the CCAA or set forth herein, and that the Petitioners and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Petitioners pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

26. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Petitioners' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Petitioners in their preparation of the Petitioners' cash flow statements;
- (d) advise the Petitioners in their development of the Plan and any amendments to the Plan;
- (e) assist the Petitioners, to the extent required by the Petitioners, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of

the Petitioners, to the extent that is necessary to adequately assess the Petitioners' business and financial affairs or to perform its duties arising under this Order;

- (g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (h) perform such other duties as are required by this Order or by this Court from time to time.

27. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

28. Nothing herein contained shall require or allow the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Fisheries Act*, the *British Columbia Environmental Management Act*, the *British Columbia Fish Protection Act* and regulations thereunder, or any equivalent enactments of the Northwest Territories (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. For greater certainty, the Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

29. The Monitor shall provide any creditor of the Petitioners with information provided by the Petitioners in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Petitioners is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Petitioners may agree.

30. In addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or willful misconduct on its part. Nothing in this Order shall derogate from the rights and protections afforded to the Monitor by the CCAA or any applicable legislation.

ADMINISTRATION CHARGE

31. The Monitor, counsel to the Monitor, and counsel to the Petitioners shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Petitioners as part of the cost of these proceedings. The Petitioners are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor and counsel to the Petitioners on a periodic basis and, in addition, the Petitioners are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Petitioners, retainers in the amounts of \$50,000, \$50,000, and \$100,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

32. The Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the British Columbia Supreme Court who may determine the manner in which such accounts are to be passed, including by hearing the matter on a summary basis or referring the matter to a Registrar of this Court.

33. The Monitor, counsel to the Monitor, and counsel to the Petitioners shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$500,000, as security for their respective fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order which are related to the

Petitioners' restructuring. The Administration Charge shall have the priority set out in paragraphs 34 and 36 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

34. The priorities of the Administration Charge and the D&O Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$500,000); and

Second – D&O Charge (to the maximum amount of \$2,750,000).

35. Any security documentation evidencing, or the filing, registration or perfection of, the Administration Charge and the D&O Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Charges coming into existence, notwithstanding any failure to file, register or perfect any such Charges.

36. Each of the Charges shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**"), in favour of any Person, save and except for (a) those claims contemplated by section 11.8(8) of the CCAA; and (b) any Person who is a "secured creditor" as defined in the CCAA that has not been served with the Petition for this Order.

37. The Petitioners shall be entitled, on a subsequent application on notice to those Persons likely to be affected thereby, to seek priority of the Charges ahead of any Encumbrances over which the Charges have not obtained priority.

38. Except as otherwise expressly provided herein, or as may be approved by this Court, the Petitioners shall not grant or suffer to exist any Encumbrances over any Property that rank in priority to, or *pari passu* with the Charges, unless the Petitioners obtain the prior written consent of the Monitor and the beneficiaries of the Administration Charge and the D&O Charge.

39. The Administration Charge and the D&O Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Petitioners; and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Petitioners of any Agreement to which they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Petitioners pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

40. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Petitioners' interest in such real property leases.

SERVICE AND NOTICE

41. The Monitor shall (i) without delay, publish in *The Northern Miner* a notice containing the information prescribed under the CCAA, (ii) within five days after Order Date, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Petitioners of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the

estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

42. The Petitioners and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission (including by e-mail) to the Petitioners' creditors or other interested parties at their respective addresses as last shown on the records of the Petitioners and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

43. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the "**Service List**") to be maintained by the Monitor. The Monitor shall post and maintain an up to date form of the Service List on its website at: <https://cfcanada.fticonsulting.com/ACDC/> (the "**Website**").

44. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on its Website.

45. Notwithstanding paragraphs 42 and 44 of this Order, service of the Petition, the Notice of Hearing of Petition, any affidavits filed in support of the Petition and this Order shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c. C-50, and regulations thereto, in respect of the Federal Crown, and the *Crown Proceeding Act*, R.S.B.C. 1996, c. 89, in respect of the British Columbia Crown.

GENERAL

46. The Petitioners or the Monitor may from time to time apply to this Court for directions in the discharge of their powers and duties hereunder.

47. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Petitioners, the Business or the Property.

48. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State Court or administrative body in the United States of America, to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioners and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Petitioners and the Monitor and their respective agents in carrying out the terms of this Order.

49. Each of the Petitioners and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada, including acting as a foreign representative of the Petitioners to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1330, as amended.

50. The Petitioners may (subject to the provisions of the CCAA and the BIA) at any time file a voluntary assignment in bankruptcy or a proposal pursuant to the commercial reorganization provisions of the BIA if and when the Petitioners determine that such a filing is appropriate.

51. The Petitioners are hereby at liberty to apply for such further interim or interlocutory relief as they deem advisable within the time limited for Persons to file and serve Responses to the Petition.

52. Leave is hereby granted to hear any application in these proceedings on two (2) clear days' notice after delivery to all parties on the Service List of such Notice of Application and all affidavits in support, subject to the Court in its discretion further abridging or extending the time for service.

53. Any interested party (other than the Petitioners and the Monitor) that wishes to amend or vary this Order shall bring a motion before this Court on May _____, 2026 (the "**Comeback Hearing**"), and any such interested party shall give not less than two (2) business days' notice to the Service List and any other Person(s) likely to be affected by the relief sought by such party in advance of the Comeback Hearing.

54. Endorsement of this Order by counsel appearing on this application, other than counsel for the Petitioners, is hereby dispensed with.

55. This Order and all of its provisions are effective as of 12:01 a.m. local Vancouver time on the Order Date.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of Peter L. Rubin
Lawyer to the Petitioners

BY THE COURT

REGISTRAR

Schedule "A"**List of Counsel**

COUNSEL	PARTY
David Bish	Canada Enterprise Emergency Funding Corporation
Marc Wasserman, Martino Calvaruso, and Stephen Fulford	Polen Capital Credit, LLC, Brigade Capital Management, LP, and Western Asset Management Company, LLC
Christian Garton	Government of the Northwest Territories
Kevin Barr	Zurich Insurance Company Ltd. (Canadian Branch), Aviva Insurance Company of Canada, and Argonaut Insurance Company
Lisa Hiebert	FTI Consulting Canada Inc.