

No. S-263255
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 A PLAN OF COMPROMISE AND ARRANGEMENT OF
ARTIC CANADIAN DIAMOND COMPANY LTD. AND
BURGUNDY DIAMONDS (CANADA) LIMITED**

PETITIONERS

FIRST REPORT OF THE MONITOR

May 8, 2026

FIRST REPORT OF THE MONITOR

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INTRODUCTION

1. On May 1, 2026, Arctic Canadian Diamond Company Ltd. (“**ACDC**”) and Burgundy Diamonds (Canada) Limited (“**BDC**”, and together with ACDC, the “**Applicants**”) were granted an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) in the Supreme Court of British Columbia Action No. S-263255, Vancouver Registry (the “**CCAA Proceedings**”).
2. The Initial Order provides for, among other things:
 - a. a stay of proceedings against the Applicants and their parent company, Burgundy Diamond Mines Ltd. (the “**Parent**”), as a non-applicant stay party, until May 11, 2026 (the “**Stay of Proceedings**”);
 - b. the appointment of FTI Consulting Canada Inc. as Monitor in the CCAA Proceedings (the “**Monitor**”); and
 - c. certain priority charges against the property of the Applicants (the “**Court-Ordered Charges**”).
3. On May 8, 2026, the Applicants delivered a notice of application returnable May 11, 2026, for the following:
 - a. an amended and restated initial order (the “**ARIO**”), among other things:
 - i. extending the Stay of Proceedings until July 26, 2026 (the “**Stay Extension**”);
 - ii. approving an interim financing facility (the “**Interim Financing**”) to be advanced by Canada Enterprise Emergency Funding Corporation (“**CEEFC**” or the “**Interim Lender**”) pursuant to a term sheet (the

“**Interim Financing Term Sheet**”) in an amount not to exceed \$60 million and granting the Interim Lender a priority charge securing the Interim Financing (the “**Interim Lender’s Charge**”);

- iii. revising the amounts and priorities of the Court-Ordered Charges; and
- b. an order (the “**SISP Order**”) approving a sale and investment solicitation process (the “**SISP**”), a copy of which is attached as Appendix “**A**”.

PURPOSE

- 4. The purpose of this report is to provide this Honourable Court and the Applicants’ stakeholders with information with respect to the following:
 - a. the activities of the Monitor since the granting of the Initial Order;
 - b. the terms of the Interim Financing;
 - c. the components and timelines of the proposed SISP;
 - d. the proposed amounts and relative priorities of the Court-Ordered Charges;
 - e. a cash flow statement (the “**Second Cash Flow Statement**”) for the 27-week period ending November 6, 2026 (the “**Forecast Period**”) as well as the key assumptions on which the Second Cash Flow Statement is based;
 - f. the Applicants’ application for the Stay Extension; and
 - g. the Monitor’s conclusions and recommendations.

TERMS OF REFERENCE

5. In preparing this report, the Monitor has relied upon certain information (the “**Information**”) including the Applicants’ unaudited financial information, books and records and discussions with senior management (“**Management**”).
6. Except as described in this report, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
7. The Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
8. Future oriented financial information reported to be relied on in preparing this report is based on Management’s assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
9. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

ACTIVITIES OF THE MONITOR

10. Up to and including the date of this First Report, the Monitor’s activities have included, among other things, the following:
 - a. retaining Fasken Martineau DuMoulin LLP to act as legal counsel to the Monitor;
 - b. engaging in ongoing discussions with the Applicants and their legal counsel regarding the Applicants’ business and financial affairs;

- c. reviewing drafts of the SISP and the Interim Financing Term Sheet;
- d. reviewing various cash flow statements and financial projections prepared by Management;
- e. assisting Management with communications with vendors, suppliers and other stakeholders;
- f. preparing and issuing notices required under the CCAA and Initial Order, including the following:
 - i. mailing notices to creditors as referenced in paragraph 41 of the Initial Order;
 - ii. arranging for a notice to creditors to be published in the next available edition of the Northern Miner;
 - iii. issuing Form 1 and Form 2 notices to the Office of the Superintendent of Bankruptcy in the prescribed forms as required under section 23(1)(f) of the CCAA; and
- g. responding to creditor inquiries; and
- h. preparing this First Report.

INTERIM FINANCING

11. As reflected in the Second Cash Flow Statement, the Applicants are unable to pay current operating costs and ongoing restructuring expenses without a significant cash injection in the coming weeks. Accordingly, the Applicants have arranged the Interim Financing to preserve their assets and fund the operations through the duration of the SISP. The

Interim Financing Term Sheet (without schedules) is attached as Appendix “**B**” to this report.

12. While the Applicants have considered soliciting interim financing from alternative parties, CEEFC is the senior secured lender and is the most logical party to provide the required financing on the available timeline.

13. The key commercial terms of the proposed Interim Financing are as follows:

- a. ACDC, as Borrower, will borrow from the Interim Lender up to a maximum of \$60.0 million;
- b. BDC and the Parent are named guarantors of the proposed Interim Financing;
- c. unless accelerated by an Event of Default (as defined in the Interim Financing Term Sheet), the Interim Financing shall be paid in full in cash on the date which is the earliest of:
 - i. the closing of one or more sale transactions for all or substantially all of the assets of the Borrower approved by an order of the Court pursuant to the SISP; and
 - ii. November 6, 2026;
- d. the Interim Financing will be made available in the following tranches:
 - i. the first tranche in an aggregate amount of up to \$10,000,000 shall be available by way of bi-weekly advances commencing on the date of the issuance of the SISP Order; and
 - ii. the second tranche (“**Tranche 2**”) in an aggregate amount of up to \$50,000,000 shall be available by way of bi-weekly advances

commencing on the date of the commencement of Phase 2 of the SISP (as described in the SISP Order). Tranche 2 is subject to the Interim Lender being satisfied, in its sole and absolute discretion, with the bids received during Phase 1 of the SISP (as further set out in the SISP);

- e. interest shall accrue on the Interim Financing at a rate equal to 14.5% per annum and shall be added to the principal amount owing on the last business day of each month;
- f. all obligations in connection with the Interim Financing shall be secured by the Interim Lender's Charge against the property of the Applicants, subordinate only to the Administration Charge and a priority D&O Charge in the maximum amount of \$2.5 million;
- g. the Borrower shall pay an upfront fee of \$150,000 upon Court approval of the Interim Financing and an extension fee of \$750,000 concurrent with the initial advance under Tranche 2;
- h. the Borrower shall pay all out-of-pocket expenses, including all legal expenses and financial advisory and similar expenses, incurred by the Interim Lender in connection with these CCAA Proceedings;
- i. the Borrower shall keep the Interim Lender apprised of its cash flow requirements and provide, among other things, a comparison of the actual cash flow results from the immediately preceding one week period on a cumulative rolling basis as against the corresponding one week period in the DIP Agreement Cash Flow Projection (as defined in the Interim Financing Term Sheet). The Borrower must not exceed a negative variance:
 - i. equal to or in excess of 10% of total receipts;
 - ii. equal to or in excess of 10% of total disbursements; or

iii. of net cash flow from operations and non-operating activities before advances that exceeds \$3 million, in each case on a cumulative basis and tested weekly against cash flow projections approved by the Interim Lender; and

j. the Interim Financing is conditional upon, among other things, the granting of the ARIO and the Interim Lender's Charge.

14. The Monitor has considered the Applicants' application for approval of the Interim Financing and Interim Lender's Charge and has the following comments:

- a. the Applicants are in urgent need of funding to support their operations, preserve their assets, undertake the SISF and fund the restructuring costs associated with the CCAA Proceedings;
- b. absent interim financing, the Applicants will be unable to fund any of the above noted costs which would result in a deterioration of the value of their operations and business;
- c. the Interim Financing is structured in two tranches to permit ACDC and the Monitor to complete Phase 1 of the SISF and review any bids received following the LOI Deadline of July 10, 2026 prior to accessing Tranche 2;
- d. the Interim Financing is required to allow ACDC to maintain environmental and regulatory compliance for the Ekati Mine;
- e. the Interim Financing will provide sufficient liquidity for the Applicants to pursue their restructuring initiatives as set out in the First Affidavit of Brent Mierau made April 30, 2026 and the Second Affidavit of Brent Mierau made May 8, 2026; and
- f. the interest and fees payable to the Interim Lender under the Interim Financing are within the range of market comparable transactions for debtor-in-possession

interim financings in recent CCAA Proceedings. While the rates and fees are on the higher end of the range, they are reasonable in the circumstances, due to the nature of the assets, risk profile and status of operations.

15. Overall, it is the Monitor's view that the Interim Financing is necessary to fund the Applicants' operations and restructuring costs in the near term and will enhance the Applicants' prospects of achieving a successful restructuring, including by, as noted above, supporting operations over the forecast period and through the proposed SISP.

SALE AND INVESTMENT SOLICIATION PROCESS

16. One of the primary objectives of the CCAA Proceedings is to undertake the SISP in order to identify potential purchasers of, or investors in, ACDC's interest in the Ekati Mine. Accordingly, the Applicants are seeking the SISP Order to approve the SISP and carry out the SISP procedures described therein.

17. The key components of the SISP are as follows:

- a. the SISP is intended to solicit interest in all or substantially all the assets, undertakings and properties of ACDC (collectively, the "**Property**"), including without limitation the interests of ACDC in the Ekati Mine located in the Northwest Territories;
- b. the Monitor, with the assistance of ACDC and in consultation with CEEFC, will oversee the SISP;
- c. the Monitor, with the assistance of ACDC, will prepare a list of potential bidders (the "**Known Potential Bidders**") who may have an interest in a transaction involving the Property or ACDC;
- d. the Monitor, with the assistance of ACDC, will prepare a process summary (the "**Teaser Letter**") outlining the opportunity to potential bidders;

- e. ACDC will prepare a draft form of confidentiality agreement (the “**Confidentiality Agreement**”) in form and substance satisfactory to the Monitor;
- f. any Known Potential Bidder or other person wishing to submit a bid who:
 - i. executes a Confidentiality Agreement in form and substance satisfactory to the Monitor;
 - ii. in the judgment of the Monitor, in consultation with ACDC and CEEFC, appears to have a bona fide interest in submitting a bid; and
 - iii. in the judgment of the Monitor, in consultation with ACDC and CEEFC, appears to have the financial capabilities and the technical, managerial, and operational expertise and capabilities to make a viable bid, shall be deemed to be a potential bidder (each such person so deemed, a “**Potential Bidder**”);
- g. the Monitor, in consultation with and with the assistance of ACDC, shall provide Potential Bidders with access to an electronic data room that will contain information that, in the Monitor’s reasonable business judgment, will allow Potential Bidders to evaluate their interest in submitting a bid;
- h. Phase 1 of the SISF requires the Potential Bidder to submit a bid by delivering a non-binding letter of intent (“**LOI**”) to the Monitor by no later than 5:00 p.m. PT on July 10, 2026 (the “**LOI Deadline**”);
- i. following the LOI Deadline, the Monitor, in consultation with ACDC and CEEFC, shall determine which LOIs satisfy the SISF criteria (a “**Qualified LOI**”) and the applicable Potential Bidders shall be deemed a “**Qualified Bidder**” and invited to participate in Phase 2 of the SISF;

- j. Qualified Bidders will be permitted to perform additional due diligence including meetings with Management and on-site inspections;
- k. Qualified Bidders may submit a bid (a “**Final Bid**”) to the Monitor on or before 5:00 p.m. PT on September 25, 2026 (the “**Final Bid Deadline**”);
- l. the Monitor, in consultation with ACDC and CEEFC, will review all Final Bids to determine the highest and best Final Bid (the “**Winning Bid**”), considering, among other things, the purchase price and net value, levels of conditionality and timeline to closing of any bid;
- m. Following the Final Bid Deadline, the Monitor, in consultation with ACDC and CEEFC, will have the option to:
 - i. continue negotiations with the Qualified Bidders to improve their bid terms;
 - ii. declare a bid as the Winning Bid, subject to the consent of CEEFC; or
 - iii. undertake a further process (such as a sealed bid, auction or other process) to assess any Final Bids;
- n. the target transaction closing is to occur no later than November 6, 2026.

18. For ease of reference, the key dates under the SISP are summarized as follows:

Event	Date
SISP Order	May 11, 2026
Distribute Teaser Letter	Within 5 days of the issuance of the SISP Order
Access to Electronic Data Room	Commencing May 15, 2026
LOI Deadline	July 10, 2026

Final Bid Deadline	September 25, 2026
Final Agreement Deadline	October 9, 2026
Court Approval	October 23, 2026
Outside Closing Date	November 6, 2026

19. The Monitor’s comments on the SISP are as follows:

- a. the SISP procedures were developed with input from the Monitor, which has experience in marketing assets of similar size and nature;
- b. the timeframes to solicit purchasers or investors in the business are reasonable and appropriate in the circumstances including the funding requirements of the operations of the mine. It is the view of the Monitor that the SISP provides adequate time for any party that may wish to submit a bid to perform appropriate due diligence; and
- c. the SISP is a fair and transparent marketing process designed to identify the highest and best offers for ACDC’s assets and to maximize recoveries for the stakeholders of ACDC.

20. Overall, it is the Monitor’s view that the SISP terms and timelines are reasonable in the circumstances and afford the Applicants with an opportunity to achieve a successful restructuring transaction with respect to the Ekati Mine.

COURT-ORDERED CHARGES

21. The Initial Order provides for certain Court-ordered charges that rank in priority to all other charges and security interests against the Applicants. The Court-Ordered Charges provided for in the Initial Order are summarized as follows:

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

Second – the D&O Charge (to the maximum amount of \$2.75 million).

22. The Applicants are seeking to add the Interim Lender’s Charge and increase the amounts of the other Court-Ordered Charges, as summarized below.

Administration Charge

23. The Initial Order provided for an Administration Charge to secure the fees and disbursements incurred by counsel to the Applicants, the Monitor, and the Monitor's counsel in connection with services rendered to the Applicants before and after the commencement of the CCAA Proceedings related to the Applicants’ restructuring. The proposed ARIO provides for an increase in the Administration Charge from \$500,000 to \$1.0 million.
24. The Monitor has reviewed the assumptions used by Management in determining the proposed increase to the Administration Charge and notes that the quantum is approximately consistent with an anticipated two months of professional fees for the applicable professional firms.
25. The Monitor is of the view that the proposed quantum of the Administration Charge is reasonable and appropriate in the circumstances. As described in the Pre-filing Report of the Proposed Monitor dated May 1, 2026 (the “**Pre-filing Report**”), the Monitor remains of the view that it is appropriate for the beneficiaries to be afforded the Administration Charge to ensure the Applicants have access to necessary and integral services to conduct these CCAA Proceedings.

D&O Charge

26. The Initial Order provides for the D&O Charge over the property of the Applicants in the maximum amount of \$2.75 million in favour of the directors and officers as security for the indemnity contained in the Initial Order in respect of specified obligations and liabilities that the directors and officers may incur after the commencement of the CCAA Proceedings. The proposed ARIO provides for the existing D&O charge to be replaced by:

- a. a charge in the maximum amount of \$2.5 million, which ranks subordinate to the Administration Charge and in priority to the Interim Lender's Charge (the "**Priority D&O Charge**"); and
- b. a charge in the maximum amount of \$2.5 million, which ranks subordinate to the Interim Lender's Charge (the "**Subordinate D&O Charge**").

27. The proposed total revised charge amount was determined by the Applicants, in consultation with the Monitor, based on the approximate monthly payroll and benefits costs of the Applicants.

28. The Monitor is advised by the Applicants that the Director and Officer beneficiaries have consented to the revised amounts and priorities of the charge.

29. The Monitor has considered the existing insurance coverage and risk profile of the Applicants and is of the view that the amended quantum of the D&O Charge is reasonable and appropriate in the circumstances. As described in the Pre-filing Report, the Monitor continues to believe that the support of the Applicants' directors and officers will be beneficial to the Applicants' efforts to preserve value and maximize recoveries to stakeholders in the CCAA Proceedings.

Interim Lender's Charge

30. The ARIO provides for the Interim Lender's Charge in favour of the Interim Lender in an amount not to exceed \$60 million plus applicable fee and interest and to rank subordinate

only to the Administration Charge and the Priority D&O Charge in the maximum amount of \$2.5 million.

31. The Monitor has considered the terms and the need for the proposed Interim Financing and understands that the Interim Lender is not prepared to advance funds without the benefit of the Interim Lender's Charge. Without the funds from the Interim Financing, the Applicants would be unable to undertake an organized restructuring in these CCAA Proceedings, which would be to the detriment of all stakeholders. Accordingly, the Monitor is of the view that the Applicants' request for the Interim Lender's Charge is reasonable and appropriate in the circumstances.

Summary of Charges

32. For ease of reference, the proposed Court-ordered charges and relative priorities as provided for in the ARIO are summarized as follows:

First – the Administration Charge (to the maximum amount of \$1.0 million);

Second – the Priority D&O Charge (to the maximum amount of \$2.5 million);

Third – the Interim Lender's Charge (to a maximum amount of \$60.0 million;
and

Fourth – the Subordinate D&O Charge (to a maximum amount of \$2.5 million).

SECOND CASH FLOW STATEMENT

33. The Applicants have prepared the Second Cash Flow Statement to set out the liquidity requirements of the Applicants for the 27-week period ending November 6, 2026. A copy of the Second Cash Flow Statement is attached as Appendix "C".
34. The Second Cash Flow Statement is summarized in the following table:

Second Cash Flow Statement	
27-Week Period Ending November 6, 2026	Week 1-27
(\$000s)	Total
Operating Receipts	
Diamond Sales	\$ 77,054
GST Refunds	2,259
Total Operating Receipts	79,313
Operating Disbursements	
Payroll and Benefits	(39,317)
Procon (Labour & Equipment)	(16,157)
Flights	(2,300)
Freight and Transportation	(2,565)
Site Services and Consumables	(3,240)
Repair and Maintenance - Equipment	(18,900)
Labour (other than Procon)	(810)
Explosives	(1,539)
Fire Suppression	(420)
Repair and Maintenance - Vehicles	(595)
Insurance and Banking	(2,472)
Utilities	(1,350)
Software	(1,350)
Health & Safety	(1,350)
GNWT Mineral Leases	(903)
Selling and Distribution	(762)
Other Professional Fees	(245)
Other Operating Expenses	(8,950)
Contingency	(6,950)
Total Operating Disbursements	(110,175)
Net Change in Cash from Operations	(30,861)
Non-Operating Receipts and Disbursements	
Capex	(19,443)
Capex - Fox Underground	(7,666)
Restructuring Professional Fees	(3,805)
Private Royalties	(47)
Others	(9,100)
Net Change in Cash from Non-Operating Activities	(40,060)
Financing	
Interim Financing	57,000
Net Change in Cash from Financing	57,000
Net Change in Cash	(13,922)
Opening Cash	14,997
Ending Cash	\$ 1,075

35. The Second Cash Flow Statement is based on the following key assumptions:

- a. operating receipts relate primarily to ongoing diamond sales resulting from production and are assumed to be collected under normal course trade settlement terms;
- b. operating disbursements are summarized as follows:
 - i. payroll and benefits for the Applicants relates primarily to corporate and mine site employees;
 - ii. payments to Procon Mining & Tunnelling Ltd. relate to contracted miners and supply of certain equipment for underground mining;
 - iii. flights relate to the transportation of staff to and from the mine site;
 - iv. freight and transportation relates primarily to the shipment of supplies to the mine site;
 - v. repair and maintenance costs relate to scheduled servicing of equipment and vehicles to keep the mining fleet operational along with a contingency for unforeseen urgent repairs; and
 - vi. the remaining operating costs generally relate to ordinary course payments for consumables, insurance, selling and distribution activities and general operating costs;
- c. capital expenditures relate primarily to the construction of a wash plant and the development costs associated with the underground mine. The majority of these planned expenditures have been deferred beyond the Forecast Period. Included in capital expenditures is repair costs associated with the commissioning of dual-powered road trains required to transport ore and waste rock;
- d. restructuring professional fees are forecast to be approximately \$3.8 million during the Forecast Period and include the fees and disbursements for the

Applicants' legal counsel, the Monitor, the Monitor's legal counsel, the Interim Lender's counsel and the Interim Lender's financial advisor for the first two months of the CCAA Proceedings;

- e. other disbursements relate primarily to surety bond and Impact Benefit Agreement payments scheduled to occur during the Forecast Period; and
- f. the Applicants' are forecasting to require interim financing of approximately \$27.7 million during the period of the Stay Extension and approximately \$57.0 million during the Forecast Period before applicable fees and interest.

STAY EXTENSION

36. The length of the proposed Stay Extension is intended to permit ACDC and the Monitor to complete Phase 1 of the SISP and review any bids received following the LOI Deadline of July 10, 2026.

37. The Monitor's comments with respect to the Applicants' application for the Stay Extension are as follows:

- a. the Second Cash Flow Statement forecasts that the Interim Financing will allow the Applicants to meet their liquidity requirements during the term of the proposed Stay Extension;
- b. the Applicants require the Stay Extension in order to continue operations, preserve their assets and conduct the SISP;
- c. certain key stakeholders including CEEFC are supportive of the Stay Extension;
- d. there will be no material prejudice to the Applicants' creditors and other stakeholders as a result of the Stay Extension;

- e. the Applicants are acting in good faith and with due diligence; and
- f. the Applicants' overall prospects of effecting a viable restructuring will be enhanced by the Stay Extension.

CONCLUSIONS AND RECOMMENDATIONS

38. Based on the forgoing, the Monitor respectfully recommends that this Honourable Court grant the following orders:

- a. the ARIO; and
- b. the SISP Order.

All of which is respectfully submitted this 8th day of May 2026.

FTI Consulting Canada Inc.
In its capacity as Monitor of the Applicants



Deryck Helkaa
Senior Managing Director



Tom Powell
Senior Managing Director

Appendix A

Sale and Investment Solicitation Process

Schedule "B" to SISP Order

ARCTIC CANADIAN DIAMOND COMPANY LTD.

CCAA SALES AND INVESTMENT SOLICITATION PROCESS

INTRODUCTION

1. Arctic Canadian Diamond Company Ltd. ("**ACDC**" or the "**Company**") obtained protection under the Companies' Creditors Arrangement Act (the "**CCAA**") pursuant to an Order (the "**Initial Order**") issued by the Supreme Court of British Columbia (the "**Court**") on May 1, 2026. Pursuant to the Initial Order, FTI Consulting Canada Inc. was appointed as monitor of the Company (the "**Monitor**"). All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Initial Order.
2. On May 11, 2026, the Court issued an Order (the "**SISP Order**") which, among other things, approved this Sales and Investment Solicitation Process (the "**SISP**") with respect to the Company and all the assets, undertakings and properties of the Company (collectively, the "**Property**"), including without limitation the interests of the Company in the Ekati Mine located in the Northwest Territories. The objective of the SISP is to maximize the recovery to the stakeholders of the Company.
3. This SISP describes the way the Monitor, with the assistance of the Company, and in consultation with Canada Enterprise Emergency Funding Corporation ("**CEEFC**") (as the senior secured lender and the interim lender to the Company), will advance this SISP and how interested parties may gain access to due diligence materials concerning the Company and the Property, how bids involving the Property or Company, or any part or parts thereof, will be submitted and dealt with, and how required Court approval will be sought in respect of any transaction or transactions involving the Property or Company.

SUPERVISION AND CONDUCT OF THE SISP

4. The Monitor, with the assistance of the Company and in consultation with CEEFC, will oversee the conduct of the SISP.
5. The Monitor may engage such other consultants, agents or experts and such other persons from time to time as may be reasonably necessary to assist the Monitor in carrying out this SISP.
6. This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between the Monitor, the Company and any Potential Bidder, or Qualified Bidder (each as defined below) or any other party, other than as specifically set forth in a definitive agreement that may be signed with the Company. Further, the Company reserves the right not to enter into such definitive agreement.
7. Without limiting the preceding paragraph, the Monitor and the Company shall not have any liability whatsoever to any person or party, including without limitation any bidder, Potential Bidder, Qualified Bidder, the Successful Bidder (as defined below), or any other creditor or other stakeholder of the Company, for any act or omission related to the process contemplated by this SISP, except to the extent such act or omission is the result of such party's gross negligence or willful misconduct.

8. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction involving the Property or the Company.
9. The Monitor and the Company and any of their agents, estates, advisors, and professionals are not responsible for, and will have no liability with respect to, any information provided to or obtained by any Potential Bidder in connection with the Company or its Property.
10. In consultation with the Company and CEEFC, and subject to the terms of the DIP Term Sheet dated May 8, 2026 as between ACDC, as borrower, CEEFC, as lender, and Burgundy Diamond Mines Limited, as guarantor (the "**DIP Term Sheet**"), and the consent and consultation rights of CEEFC set out herein, the Monitor shall have the right to modify the terms of this SISP, including the requirements, criteria and timelines set out herein if, in the Monitor's reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP. Notwithstanding the foregoing, the Monitor shall not modify the LOI Deadline or the Outside Closing Date without the prior written consent of CEEFC.

CONFIDENTIALITY AND ACCESS TO INFORMATION

11. Subject to paragraph 12 herein, participants and prospective participants under this SISP process, and all other persons, shall not be entitled to receive any information that is not made generally available to all participants, including the details of any confidential discussions or correspondence between the Monitor, the Company, and such participants, except to the extent that the Monitor seeks to combine portion bids into a single bid. For greater certainty, the Monitor reserves the right to keep all information relating to this SISP process confidential from all persons if, in the view of the Monitor, such confidentiality is required to protect the integrity of this SISP process.
12. Notwithstanding the foregoing paragraph, the Monitor shall be entitled to share with—and where the Company is required pursuant to the DIP Term Sheet, shall share with—CEEFC all information received by the Monitor and the Company with respect to the SISP, which information shall be kept confidential by CEEFC. In addition, should the Monitor determine, in its reasonable business judgment, that to do so would advance the objectives of the SISP, the Monitor shall also be entitled to share all information received by the Monitor and the Company with respect to the SISP with the Government of the Northwest Territories (the "**GNWT**"), to the extent and on terms determined by the Monitor, which information shall be kept confidential by the GNWT.
13. All discussions regarding this SISP process shall be directed through the Monitor. Under no circumstances should any participants and prospective participants be in contact with one another in respect of this SISP process without the prior written consent of the Monitor.
14. The Monitor, the Company and CEEFC, and, to the extent applicable, GNWT shall keep confidential all information concerning Potential Bidders, LOIs, Qualified Bidders, Final Bids, Qualified Final Bids, Winning Bid, Successful Bidder, the Backup Bidder, and the Final Agreement (each as defined below), except for: (i) disclosure on a confidential

basis to their advisors; (ii) CEEFC's disclosure on a confidential basis to Canada Development Investment Corporation and to His Majesty in Right of Canada, any Crown corporation, and any department, Minister, office or agency of a provincial government or the Government of Canada, including the Auditor General, and as otherwise permitted by the DIP Term Sheet; and (iii) disclosure as the Monitor may deem appropriate and consent to in advance and in writing to further the SISP or in furtherance of a transaction.

15. To the extent that any Potential Bidders wish to engage, discuss, or communicate with any party with an existing contractual relationship with the Company in relation to this SISP or the business or assets of the Company, such Potential Bidders may only do so after advising the Monitor and the Company and obtaining the Monitor's prior written consent. In considering any specific request, the Monitor shall impose such restrictions, if any, or participation by the Monitor, as the Monitor deems appropriate.

TIMELINE

16. The following table sets out the target dates under the SISP:

PHASE	TARGET DATES
SISP Order	May 11, 2026
Distribute Teaser Letter	Within 5 days of the issuance of the SISP Order
Access to Electronic Data Room	Commencing May 15, 2026
LOI Deadline	July 10, 2026
Final Bid Deadline	September 25, 2026
Final Agreement Deadline	October 9, 2026
Court Approval	October 23, 2026
Outside Closing Date	November 6, 2026

PHASE 1 OF THE SISP PROCESS

A. Initial Solicitation of Interest

17. The Monitor, with the assistance of the Company, will prepare a list of potential bidders (the "**Known Potential Bidders**") who may have an interest in a transaction involving the Property or the Company. Such list will include parties who, in the Monitor's reasonable judgment, may be interested in acquiring all or substantially all of the Company's Property, pursuant to either: (a) an asset purchase transaction (an "**Asset Bid**"); or (b) some other investment, restructuring, recapitalization or other form of

reorganization of the business, property or affairs of the Company, including but not limited to the debt, share, or capital structure of the Company (a **"Restructuring Bid"**).

18. The Monitor, with the assistance of the Company, will prepare an initial marketing or offering summary (a **"Teaser Letter"**) within 5 days of the issuance of the SISP Order and distribute it to the Known Potential Bidders together with any additional marketing materials the Monitor considers appropriate, and the Company will prepare a draft form of confidentiality agreement, in a form satisfactory to the Monitor (the **"Confidentiality Agreement"**).
19. The Monitor, with the assistance of the Company, shall cause a notice regarding the SISP, the Teaser Letter, and any other relevant information regarding the SISP process that the Monitor, in consultation with the Company, considers appropriate, to be published on the Monitor's website and in publications as may be considered appropriate by the Monitor.
20. Any Known Potential Bidder or other person wishing to submit an Asset Bid and/or a Restructuring Bid who: (a) executes a Confidentiality Agreement in form and substance satisfactory to the Monitor; (b) in the judgment of the Monitor, in consultation with the Company and CEEFC, appears to have a bona fide interest in submitting an Asset Bid and/or Restructuring Bid; and (c) in the judgment of the Monitor, in consultation with the Company and CEEFC, appears to have the financial capabilities and the technical, managerial, and operational expertise and capabilities to make a viable Asset Bid or Restructuring Bid, shall be deemed to be a potential bidder (each such person so deemed, a **"Potential Bidder"**).

B. Initial Due Diligence

21. The Monitor, in consultation with and with the assistance of the Company, may prepare such marketing or other materials in addition to the Teaser Letter as they deem appropriate describing the opportunity to make an Asset Bid or a Restructuring Bid for distribution to Known Potential Bidders and/or Potential Bidders.
22. The Monitor, in consultation with and with the assistance of the Company, shall provide Potential Bidders with access to an electronic data room that will contain information in the possession or control of the Monitor and the Company that in the Monitor's reasonable business judgment will allow Potential Bidders to evaluate their interest in submitting an Asset Bid or a Restructuring Bid.
23. For greater certainty, Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and the Company in connection with their participation in the SISP and any transaction they may enter into with the Company.

C. Qualified LOI Process

24. Any Potential Bidder who wishes to submit an Asset Bid or a Restructuring Bid must deliver a written, non-binding letter of intent in respect of the Property or the Company (each, an **"LOI"**) to the Monitor in the manner and at the address specified in **Schedule "A"** hereto so as to be received by the Monitor not later than 5:00 p.m. (Pacific Time)

on **July 10, 2026** (the “**LOI Deadline**”). An LOI shall be a qualified LOI (each, a “**Qualified LOI**”), provided that it contains:

- (a) an acknowledgment of receipt of a copy of this SISP, the SISP Order, and agreement to accept and be bound by the provisions contained therein;
- (b) a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder, and full disclosure of the direct and indirect owners of the Potential Bidder and their principals;
- (c) an indication of whether the Potential Bidder wishes to tender: (i) an Asset Bid; (ii) a Restructuring Bid; or (iii) both;
- (d) a specific indication of the anticipated sources of capital for such Potential Bidder and information regarding the Potential Bidder’s financial, managerial, operational, technical, and other capabilities to consummate an Asset Bid or a Restructuring Bid, as applicable, and such additional information as may be requested by the Monitor;
- (e) in the case of an Asset Bid, it identifies:
 - (i) the indicative purchase price in Canadian dollars and anticipated cash proceeds at closing;
 - (ii) a description of any material obligations and liabilities to be assumed;
 - (iii) any of the Property expected to be excluded, and/or any additional assets desired to be included in the transaction;
 - (iv) the structure and financing of the transaction including, but not limited to, the sources of financing to fund the acquisition, preliminary evidence of the availability of such financing or such other form of financial disclosure and credit-quality support or enhancement that will allow the Monitor, in consultation with the Company and CEEFC, to make a reasonable business or professional judgment as to the Potential Bidder’s financial or other capabilities to consummate the transaction and to perform all obligations to be assumed in such transaction and the steps necessary and associated timing to obtain financing and any related contingencies, as applicable;
 - (v) any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
 - (vi) any conditions to closing that the Potential Bidder may wish to impose; and
 - (vii) any other terms or conditions of the Asset Bid that the Potential Bidder believes are material to the transaction;

- (f) in the case of a Restructuring Bid, it identifies:
- (i) an outline of the type of transaction or structure of the bid including with respect to any proposed restructuring, recapitalization, or other form of reorganization of the business, property, or affairs of the Company, including but not limited to the debt, share, or capital structure of the Company, as applicable;
 - (ii) the aggregate amount of the equity and debt investment, including any material obligations and liabilities to be assumed by the Potential Bidder, to be made in the Company, if applicable;
 - (iii) the underlying assumptions regarding the pro forma capital structure (including the form and amount of anticipated equity and/or debt levels, debt service fees, interest or dividend rates, amortization, voting rights, or other protective provisions (as applicable), redemption, prepayment or repayment attributes and any other material attributes of the investment);
 - (iv) the consideration to be allocated to the stakeholders including claims of any secured or unsecured creditors of the Company;
 - (v) the financing of the transaction including, but not limited to, the sources of financing to fund the acquisition, preliminary evidence of the availability of such financing or such other form of financial disclosure and credit-quality support or enhancement that will allow the Monitor, in consultation with the Company and CEEFC, to make a reasonable business or professional judgment as to the Potential Bidder's financial or other capabilities to consummate the transaction and to perform all obligations to be assumed in such transaction and the steps necessary and associated timing to obtain financing and any related contingencies, as applicable;
 - (vi) any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction, the anticipated time frame and any anticipated impediments for obtaining such approvals;
 - (vii) any conditions to closing that the Potential Bidder may wish to impose; and
 - (viii) any other terms or conditions of the Restructuring Bid that the Potential Bidder believes are material to the transaction; and
- (g) such other information reasonably requested by the Monitor, in consultation with the Company.
25. The Monitor and the Company shall retain full discretion and authority to discuss any LOIs received, and their terms, with the applicable Potential Bidders.
26. Following the LOI Deadline, the Monitor, in consultation with the Company and CEEFC, will assess the Qualified LOIs. If it is determined by the Monitor, in consultation with the

Company and CEEFC, that a Potential Bidder that has submitted a Qualified LOI: (a) has a bona fide interest in consummating an Asset Bid or a Restructuring Bid, as applicable; and (b) has the financial, managerial, operational, technical, and other capabilities to consummate an Asset Bid or a Restructuring Bid, as applicable, then such Potential Bidder will be deemed a **"Qualified Bidder"**, provided that the Monitor may, in its reasonable business judgment, following consultation with the Company and CEEFC, limit the number of Qualified Bidders (and thereby eliminate some or all Potential Bidders who have submitted Qualified LOIs from this SISP) taking into account the factors identified in paragraph 36 of this SISP.

27. The Monitor, in consultation with the Company and CEEFC, may waive compliance with any one or more of the requirements specified above (other than the consultation rights of CEEFC in paragraph 26) and deem non-compliant Potential Bidders to be Qualified Bidders.

PHASE 2 OF THE SISP PROCESS

A. Due Diligence

28. The Monitor, in consultation with and with the assistance of the Company, will, in the Monitor's reasonable business judgment and subject to competitive and other business considerations, afford each Qualified Bidder such access to additional due diligence materials and information relating to the Property and the Company as the Monitor deems appropriate. Due diligence access may include management presentations, on-site inspections, engagement with certain key stakeholders, and other matters which a Qualified Bidder may reasonably request and as to which the Monitor, in its reasonable business judgment and after consulting with the Company, may agree. For avoidance of doubt, and without limiting the terms of applicable Confidentiality Agreements, selected due diligence materials may be withheld from certain Qualified Bidders if the Monitor, in consultation with the Company, determines such information to represent proprietary or sensitive competitive information.
29. All Qualified Bidders will be provided with a form of draft asset purchase agreement (the **"Draft APA"**) that will serve as the basis for the submission of a Final Bid that is an Asset Bid.

B. Final Bid Process

30. Any Qualified Bidder may submit an Asset Bid or a Restructuring Bid (each, a **"Final Bid"**) to the Monitor at the address specified in **Schedule "A"** hereto on or before 5:00 p.m. (Pacific Time) on **September 25, 2026** (the **"Final Bid Deadline"**).
31. A Final Bid submitted as an Asset Bid shall be a **"Qualified Asset Bid"** if:
- (a) it includes a duly authorized and executed purchase and sale agreement specifying all consideration payable, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Bidder with all exhibits and schedules thereto, together with a blackline to the Draft APA provided to all Qualified Bidders;

- (b) it includes a letter stating that the Asset Bid is irrevocable until the earlier of: (i) the approval by the Court; and (ii) thirty-five (35) days following the Final Bid Deadline, provided, however, that if such Asset Bid is selected as a Winning Bid or a Backup Bid, it shall remain irrevocable until the closing of the Winning Bid or the Backup Bid, as the case may be;
- (c) it does not include any request or entitlement to any break fee, expense reimbursement or similar type of payment;
- (d) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence of ability to consummate the proposed transaction that will allow the Monitor, in consultation with the Company and CEEFC, to make a determination as to the Qualified Bidder's (and its direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Qualified Asset Bid;
- (e) it includes an acknowledgement and representation that the bidder: (i) has had an opportunity to conduct any and all required due diligence prior to making its Asset Bid; (ii) has relied solely on its own independent review, investigation and inspection of any documents, the assets to be acquired and the liabilities to be assumed; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guarantees whatsoever, whether express or implied, except as expressly stated in the purchase and sale agreement; and (iv) unless prior written consent of the Monitor has been obtained, has not coordinated its Final Bid or any aspect of its participation in this SISP with any Potential Bidder, Qualified Bidder, or any party with an existing contractual relationship with the Company, has kept and will continue to keep its Final Bid confidential, and has not entered into any agreement or arrangement with any Potential Bidder, Qualified Bidder, or any party with an existing contractual relationship with the Company which has affected or may, directly or indirectly, affect the bidder's Final Bid or the Final Bid of any other bidder and/or the SISP process generally;
- (f) it fully discloses the identity of each person that is bidding or otherwise that will be sponsoring or participating in the Asset Bid, including the identification of the bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- (g) it provides for closing of the proposed transaction by no later than **November 6, 2026** (the "**Outside Closing Date**");
- (h) it is accompanied by a non-refundable deposit (the "**Deposit**") in the form of a wire transfer (to a trust account specified by the Monitor), in an amount equal to five percent (5%) of the total value of all cash and non-cash consideration to be paid in respect of the Asset Bid, to be held and dealt with in accordance with this SISP;
- (i) it contains other information reasonably requested by the Monitor; and
- (j) it is received by no later than the applicable Final Bid Deadline.

32. A Final Bid submitted as a Restructuring Bid shall be a “**Qualified Restructuring Bid**” if:
- (a) it includes definitive documentation, duly authorized, and executed by the Qualified Bidder, setting out the terms and conditions of the proposed transaction, including the aggregate amount of the proposed equity and debt investment, assumption of debt, if any, and details regarding the proposed equity and debt structure of the Company following completion of the proposed transaction;
 - (b) it includes a letter stating that the Restructuring Bid is irrevocable until the earlier of: (i) the approval by the Court; and (ii) thirty-five (35) days following the applicable Final Bid Deadline, provided, however, that if such Restructuring Bid is selected as a Winning Bid or a Backup Bid, it shall remain irrevocable until the closing of the Winning Bid or the Backup Bid, as the case may be;
 - (c) it does not include any request or entitlement to any break fee, expense reimbursement or similar type of payment;
 - (d) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence of ability to consummate the proposed transaction that will allow the Monitor, in consultation with the Company and CEEFC, to make a determination as to the Qualified Bidder’s (and its direct and indirect owners and their principals) financial and other capabilities to consummate the transaction contemplated by the Restructuring Bid;
 - (e) it includes an acknowledgement and representation that the bidder: (i) has had an opportunity to conduct any and all required due diligence prior to making its Restructuring Bid; (ii) has relied solely on its own independent review, investigation and inspection of any documents, the assets to be acquired and the liabilities to be assumed; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guarantees whatsoever, whether express or implied, except as expressly stated in the definitive documentation; and (iv) unless prior written consent of the Monitor has been obtained, has not coordinated its Final Bid or any aspect of its participation in this SISP with any Potential Bidder, Qualified Bidder, or any party with an existing contractual relationship with the Company, has kept and will continue to keep its Final Bid confidential, and has not entered into any agreement or arrangement with any Potential Bidder, Qualified Bidder, or any party with an existing contractual relationship with the Company which has affected or may, directly or indirectly, affect the bidder’s Final Bid or the Final Bid of any other bidder and/or the SISP process generally.
 - (f) it fully discloses the identity of each entity that is bidding or otherwise that will be sponsoring or participating in the Restructuring Bid, including the identification of the Qualified Bidder’s direct and indirect owners and their principals, and the complete terms of any such participation;
 - (g) it provides for closing of the proposed transaction by no later than the Outside Closing Date (being **November 6, 2026**);

- (h) it is accompanied by a non-refundable Deposit in the form of a wire transfer (payable to a trust account specified by the Monitor) in an amount equal to five percent (5%) of the total value of all cash and non-cash consideration to be paid or provided pursuant to the Restructuring Bid, to be held and dealt with in accordance with this SISP;
 - (i) it contains other information reasonably requested by the Monitor; and
 - (j) it is received by no later than the applicable Final Bid Deadline.
33. All Qualified Asset Bids and Qualified Restructuring Bids shall constitute "**Qualified Final Bids**".
34. The Monitor, in consultation with the Company and CEEFC, may waive compliance with any one or more of the requirements specified above and deem non-compliant Final Bids to be Qualified Final Bids.

C. Selection of Winning Bid

35. In reviewing the Qualified Final Bids and before determining a Winning Bid or Backup Bid, the Monitor and the Company shall retain full discretion and authority to discuss the bids received, and their terms, with the applicable Qualified Bidders.
36. The Monitor shall review all Qualified Final Bids, in consultation with the Company and CEEFC, to determine the highest or otherwise best Asset Bid or Restructuring Bid. Evaluation criteria will include, but are not limited to, matters such as: (a) the purchase price or net value being provided by such bid; (b) the conditionality of any bid; (c) the firm, irrevocable commitment for any required financing; (d) the timeline to closing of any bid; (e) the identity, circumstances and ability of the proponents of the Qualified Final Bids to successfully complete the transaction; (f) the costs associated with the bid and its consummation; (g) the terms of the proposed transaction documents; and (h) the overall transaction certainty of any bid.
37. The Monitor shall, in consultation with the Company and subject to the consent of CEEFC, identify the highest or otherwise best Qualified Final Bid received for the Property, or part or parts thereof, as applicable (each, a "**Winning Bid**") and the next highest or otherwise best Qualified Final Bid received for the Property, or part or parts thereof, as applicable (each, a "**Backup Bid**"). A person or persons who make a Winning Bid shall be a "**Successful Bidder**" and a person or persons who make a Backup Bid shall be a "**Backup Bidder**".
38. As part of the assessment of Qualified Final Bids, the Monitor, in consultation with the Company and CEEFC, shall have the discretion to determine the process and timing to be followed in selecting the highest and best bid including, but not limited to, whether proceeding to negotiate with any Qualified Bidder to improve the terms of their Qualified Final Bid or to undertake a further process to assess any Qualified Final Bids (such as a sealed bid, auction, or other process, to be conducted in accordance with procedures determined by the Monitor).

39. The Monitor shall notify a Successful Bidder, if any, a Backup Bidder, if any, and any other bidders of their respective status as soon as reasonably practicable in the circumstances.
40. The Monitor will notify a Backup Bidder, if any, that their bid is a successful Backup Bid and the Backup Bid shall remain open and capable of acceptance by the Monitor until the earlier of: (a) the consummation of the transaction contemplated by a Winning Bid; and (b) the date that is 30 days after the applicable Final Agreement Deadline (as defined below) (the "**Backup Bid Release Date**"). For greater certainty, the Monitor shall be entitled to continue to hold the Deposit in respect of a Backup Bid until the Backup Bid Release Date.
41. Following selection of a Successful Bidder, if any, the Company may, but shall have no obligation to, enter into an agreement or agreements with a Successful Bidder (a "**Final Agreement**"). Any Final Agreement entered into with a Successful Bidder shall be executed on or before **October 9, 2026** (the "**Final Agreement Deadline**").
42. The Company, in consultation with the Monitor and CEEFC, has the right not to accept any Qualified Final Bid. The Company, in consultation with the Monitor and CEEFC, further has the right to deal with one or more Qualified Bidders to the exclusion of other persons, to accept a Qualified Final Bid or Qualified Final Bids for some or all of the Property, to accept multiple Qualified Final Bids and enter into multiple Final Agreements.

"AS IS, WHERE IS" BASIS

43. Any transaction involving the Property or the Company will be subject only to such representations, warranties, covenants, or indemnities as are expressly included in a Final Agreement, but will otherwise be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Monitor or the Company, or any of their agents, estates, advisors, professionals or otherwise, and in the event of a sale, all of the right, title and interest of the Company in and to the Property to be acquired will be, subject to the Court granting approval and any other required orders in the form contemplated by the relevant transaction, sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests therein and thereon, except those assumed pursuant to a Final Agreement.

COURT APPROVAL

44. If the Company enters into a Final Agreement in respect of a Winning Bid, a Backup Bid, or any other bid, the Company shall apply for an order from the Court approving the transaction contemplated by that bid and any necessary or appropriately related relief required to consummate the transaction contemplated by that bid. Court approval shall be a condition precedent to the consummation of any transaction or transactions contemplated by a Final Agreement. The Company may also: (a) concurrently obtain relief approving the transaction contemplated by a Backup Bid and any necessary related relief required to consummate the transaction contemplated by a Backup Bid; and (b) if deemed necessary or advisable, seek approval of or other relief in respect of the Winning Bid and/or Backup Bid from the courts or governmental bodies in other relevant jurisdictions.

DEPOSITS

45. All Deposits paid pursuant to this SISP shall be held in trust by the Monitor in a non-interest-bearing account. The Monitor shall hold Deposits paid by each Winning Bidder and Backup Bidder in accordance with the terms of the Final Agreement with the Successful Bidder and the Backup Bidder, or as may be ordered by the Court.
46. If a Deposit is paid pursuant to this SISP, and the Monitor elects not to proceed to negotiate and settle the terms and conditions of a definitive agreement with the person that paid such Deposit, the Monitor shall return the Deposit to that person.
47. If: (a) a Qualified Bidder breaches any of its obligations under its Qualified Final Bid, any Final Agreement or the terms of this SISP (including the Confidentiality Agreement); or (b) a Qualified Bidder breaches its obligations under the terms of this SISP (including the Confidentiality Agreement) or under the terms of its Qualified Final Bid if required by the Monitor to complete such transaction contemplated by its Qualified Final Bid, then, in each case, such Qualified Bidder's Deposit will be forfeited as liquidated damages and not as a penalty.

TERMINATION OF THE SISP

48. The Monitor, in consultation with the Company and CEEFC, may terminate the SISP if the Monitor determines that it is not in the best interest of the Company and its stakeholders to continue with this SISP process, including based on the nature or value of one or more bids received from Potential Bidders or Qualified Bidders on or before the LOI Deadline or the Final Bid Deadline, as applicable.

MISCELLANEOUS

49. Unless otherwise indicated herein, any event that occurs on a day that is not a business day shall be deemed to occur on the next business day.
50. Each Qualified Bidder, upon being declared as such under the SISP, shall be deemed to have irrevocably and unconditionally attorned and submitted to the jurisdiction of the Court in respect of any action, proceeding or dispute in relation to the conduct or any aspect of the SISP.
51. At any time during the SISP process, the Monitor or the Company may apply to the Court for advice and directions with respect to the discharge of its obligations and duties herein.

SCHEDULE "A" TO SISP

Address for Deliveries

Any delivery made to the Monitor pursuant to this SISP shall be made to:

FTI Consulting Canada Inc.
701 W Georgia St #1450,
Vancouver, British Columbia V7Y 1B6

Attention: Tom Powell / Longmai Yan

Email: tom.powell@fticonsulting.com / longmai.yan@fticonsulting.com

Deliveries pursuant to this SISP by email shall be deemed to be received when sent. In all other instances, deliveries made pursuant to this SISP shall be deemed to be received when delivered to the address as identified above.

Appendix B

Interim Financing Term Sheet

DIP TERM SHEET

Dated as of May 11, 2026

WHEREAS the Borrower (as defined below) has requested, and the DIP Lender (as defined below) has agreed to provide, funding in order to fund certain obligations of the Borrower in the context of a proceeding in respect of the Borrower and the Guarantors under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**", and such proceeding, the "**Proceeding**") before the Supreme Court of British Columbia (the "**Court**") in accordance with the terms set out herein;

NOW THEREFORE the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

- 1. BORROWER:** Arctic Canadian Diamond Company Ltd. (the "**Borrower**").

The Borrower owns and operates the diamond mine located approximately 310 kilometers from Yellowknife in the Northwest Territories, Canada (the "**Ekati Diamond Mine**")
- 2. GUARANTORS:** Burgundy Diamond Mines Limited (the "**Parent**") and Burgundy Diamonds (Canada) Limited ("**Burgundy Canada**" and together with the Parent, the "**Guarantors**")
- 3. DIP LENDER:** Canada Enterprise Emergency Funding Corporation (the "**DIP Lender**").
- 4. PURPOSE:** As set out in Section 16(c) below.
- 5. DIP FACILITY AND MAXIMUM AMOUNT**

A non-revolving, multi-draw secured credit facility (the "**DIP Facility**") in the aggregate principal amount of \$60,000,000 Canadian Dollars (the "**Maximum Amount**") in various Tranches (as defined below). For certainty, any interest or fees that are capitalized and added to the principal amount owing hereunder as may be contemplated by the terms hereof shall not constitute part of the Maximum Amount, and the Borrower is and shall be permitted to borrow up to the Maximum Amount without taking into account any such capitalized amounts, subject to the terms and conditions hereof.

Each advance under the DIP Facility (each a "**DIP Advance**") made in accordance with the terms hereof shall be deposited in the Borrower's bank account with Canadian Imperial Bank of Commerce (the particulars of which are set out below) or such other bank account(s) with a financial institution approved in advance by the DIP Lender (the "**Borrower's Account**") and withdrawn by the Borrower in accordance with the terms hereof. If requested by the DIP Lender at any time, the Borrower shall obtain a deposit account control agreement in favour of the DIP Lender in respect of the Borrower's Account in form and substance satisfactory to the DIP Lender in its sole discretion.

Borrower's Account

Account No. 9519815 with Canadian Imperial Bank of Commerce.
- 6. REPAYMENT:** The aggregate principal amount owing under the DIP Facility, all accrued and unpaid interest, and all unpaid fees and expenses incurred by the DIP Lender as provided herein in connection with the DIP Facility and the Proceeding, including for certainty all professional fees incurred by the DIP Lender in

connection therewith (collectively, the “**DIP Obligations**”) shall be repaid in full on the earliest to occur of: (i) the occurrence of any Event of Default hereunder; (ii) the closing of one or more sale transactions for all or substantially all of the assets of the Borrower approved by an order of the Court pursuant to the SISP (as defined below); and (iii) November 20, 2026 (the “**Maturity Date**”). The Maturity Date may be extended at the request of the Borrower, following consultation with FTI Consulting Canada Inc., in its capacity as court-appointed monitor (the “**Monitor**”) in the Proceeding, and with the prior written consent of the DIP Lender, in its sole and absolute discretion, for such period and on such terms and conditions as the Borrower and the DIP Lender may agree.

The commitment in respect of the DIP Facility shall expire on the Maturity Date and all DIP Obligations shall be repaid in full on the Maturity Date, without the DIP Lender being required to make demand upon the Borrower or to give notice that the DIP Facility has expired and/or that the DIP Obligations are due and payable.

All payments received by the DIP Lender shall be applied first to any fees and expenses due hereunder, then to accrued and unpaid interest and then, after all such fees, expenses and interest are brought current, to the principal amount outstanding hereunder.

7. CASH FLOW PROJECTIONS:

The Borrower has provided to the DIP Lender the cash flow projections attached as Schedule “A” hereto, which are in form and substance satisfactory to the DIP Lender and which will be filed by the Borrower with the Court, reflecting the projected cash requirements of the Borrower for the period from May 8, 2026 to November 6, 2026 (the “**Cash Flow Projection**”).

The Borrower shall keep the DIP Lender apprised of its cash flow requirements by providing by no later than 5:00pm (Toronto time) on the Monday of each week: (i) to the extent applicable, an updated cash flow projection for the same period as the Cash Flow Projection, such updated cash flow projection to be in a form consistent with the Cash Flow Projection (a “**Proposed Amended Cash Flow Projection**”); and (ii) on a weekly basis, (x) actual cash flow results from the immediately preceding one week period, and (y) a comparison of the actual cash flow results from the immediately preceding one week period on a cumulative rolling basis as against the corresponding one week period in the DIP Agreement Cash Flow Projection (as defined below) (collectively, the “**Weekly Cash Flow Reports**”). For greater certainty, the variance testing contemplated by clause (ii)(y) above shall be calculated on a cumulative basis, such that no Event of Default shall arise solely as a result of any variance in any individual week, provided that the cumulative actual cash flow results over the applicable cumulative period do not deviate from the DIP Agreement Cash Flow Projection for such period by more than the permitted variance threshold set out herein.

Any Proposed Amended Cash Flow Projection shall require the approval of the DIP Lender, which approval may be withheld in the DIP Lender’s sole and absolute discretion. At any given time, the cash flow projection in force and effect (whether the Cash Flow Projection or any subsequent Proposed Amended Cash Flow Projection approved by the DIP Lender) shall be the “DIP Agreement Cash Flow Projection”.

For greater certainty: (a) the DIP Lender shall not be required to initiate any DIP Advances pursuant to a Proposed Amended Cash Flow Projection, nor is

the Borrower entitled to utilize any DIP Advance to make payments set out in a Proposed Amended Cash Flow Projection, unless and until it has been approved by the DIP Lender and become effective in accordance with this Section 7; and (b) the Borrower shall under no circumstance be entitled at any time to exceed the Maximum Amount or the amount of any of the Tranches (as defined below).

**8. AVAILABILITY
UNDER DIP FACILITY:**

The DIP Facility is made available in the following tranches (collectively, the “**Tranches**” and each a “**Tranche**”) and on the following dates, in each case, subject to satisfaction of the applicable conditions precedent in Sections 9 and 10, as applicable:

1. the first tranche (“**Tranche 1**”) in an aggregate amount of up to \$10,000,000 shall be available by way of bi-weekly advances commencing on the date of the issuance of the SISP Order; and
2. the second tranche (“**Tranche 2**”) in an aggregate amount of up to \$50,000,000 shall be available by way of bi-weekly advances commencing on the date commencement of Phase 2 of the SISP (as described in the SISP Order);

provided that, (i) each advance under each Tranche shall be in an amount not greater than the amount required for the two week period following the date of such advance as demonstrated in the DIP Agreement Cash Flow Projection applicable to such two week period (the “**Bi-Weekly Cash Requirement**”) (for certainty, taking into account any cumulative variances in the Weekly Cash Flow Reports) and (ii) the DIP Lender, in its sole and absolute discretion, may modify the date of availability of any advance under the Tranches in order to align with the cash requirements of the Borrower as set out in the DIP Agreement Cash Flow Projection.

For greater certainty, the availability under Tranche 2 shall be subject to the DIP Lender being satisfied, in its sole and absolute discretion, with the bids received during Phase 1 of the SISP (as further set out in the SISP).

DIP Advances shall be in the minimum principal amount of \$500,000 and in increments of \$100,000 thereafter and are to be funded within three (3) Business Days (as hereinafter defined) following delivery of the Drawdown Certificate (as hereinafter defined) for the related DIP Advance in accordance with paragraph 9(c) below, unless within two (2) Business Days of delivery of such Drawdown Certificate the DIP Lender delivers to the Borrower and the Monitor, a notice of non-consent to such DIP Advance as a result of (i) one or more of the conditions precedent not being met, (ii) the amount of the requested DIP Advance being in excess of the applicable Bi-Weekly Cash Requirement, or (iii) the occurrence of an Event of Default that is continuing and such notice shall include reasonable details outlining any such unsatisfied condition precedent or Event of Default. The DIP Lender may also consent to the making of a DIP Advance prior to the second (2nd) Business Day following delivery of the Drawdown Certificate by providing its written consent to same to the Borrower and the Monitor.

For the purposes of this DIP Term Sheet, “**Business Day**” means a day on which banks are generally open for business in Toronto, Ontario, Yellowknife, Northwest Territories and Calgary, Alberta.

The proceeds of each DIP Advance shall be applied by the Borrower solely in accordance with the DIP Agreement Cash Flow Projection or as may otherwise be agreed to in writing by the DIP Lender, in its sole and absolute discretion, from time to time.

Notwithstanding anything to the contrary herein, the Borrower shall be prohibited from using the proceeds of any DIP Advance to pay: (i) any expenses that are not of a type of expense that is contained in the DIP Agreement Cash Flow Projection (and for certainty including the exceptions contained therein), and (ii) professional fees of the Borrower or any other person to contest, challenge or in any way oppose (or support any other person in contesting, challenging or opposing) the DIP Lender with respect to the terms of or any matter contemplated herein.

9. CONDITIONS PRECEDENT TO THE INITIAL DIP ADVANCE

The following conditions precedent shall be satisfied, or waived in writing by the DIP Lender, in its sole and absolute discretion, prior to the initial DIP Advance hereunder:

- (a) the court shall have issued an initial order in the Proceeding in the form set out in Schedule "B" attached hereto, (the "IO") on or before May 1, 2026;
- (b) the Court shall have issued an amended and restated IO in form and content satisfactory to the DIP Lender, in its sole and absolute discretion, (the "ARIO") on or before May 11, 2026 that, among other things, authorizes and approves this DIP Term Sheet and the DIP Facility on the terms and conditions hereof and the DIP Charge securing the principal amount of \$60,000,000 and the other DIP Obligations not constituting the principal amount thereof with the priority contemplated herein; and such ARIO shall have been obtained pursuant to notices and otherwise in a manner satisfactory to the DIP Lender, in its sole and absolute discretion;
- (c) commensurate with the ARIO, the Court shall have issued an order (the "SISP Order") approving a sales and investment solicitation process (the "SISP") relating to the sale of all or substantially all of the assets of the Borrower and the Guarantors, which SISP Order shall be in form and substance satisfactory to the DIP Lender, in its sole and absolute discretion;
- (d) the Borrower and the Guarantors shall be in full compliance with all the terms of the IO, the ARIO, and the SISP Order;
- (e) the initial DIP Advance shall be in an amount not greater than the amount set out in the DIP Agreement Cash Flow Projection and the Bi-Weekly Cash Requirement for the two week period following the initial DIP Advance (which for certainty shall not be greater than the maximum amount of Tranche 1) and shall be subject to the terms and conditions hereof;
- (f) delivery to the DIP Lender of a drawdown certificate (a "**Drawdown Certificate**"), in substantially the form set out in Schedule "C" attached hereto, executed by an officer on behalf of the Borrower, certifying, *inter alia*, that the proceeds of the DIP Advance requested thereby will be applied solely in accordance with the DIP Agreement Cash Flow Projection and Section 4 of the DIP Term Sheet, and that no Default

or Event of Default (each as hereinafter defined) has occurred or is continuing, nor will any such event occur as a result of the initial DIP Advance;

- (g) there is no Default or Event of Default that has occurred and is continuing, nor will any such event occur as a result of the initial DIP Advance;
- (h) no Material Adverse Event shall have occurred after the issuance of the IO;
- (i) each of the representations and warranties made in this DIP Term Sheet shall be true and correct in all material respects as of the date made or deemed made (unless any representation and warranty is qualified by materiality, in which case it shall be true and correct in all respects as of the date made or deemed made);
- (j) there are no pending motions for leave to appeal, appeals, injunctions or other legal impediments relating to the IO, ARIO, or SISP Order, or the DIP Facility, or pending litigation seeking to restrain, vary or prohibit the operation of all or any part of this DIP Term Sheet;
- (k) the DIP Lender has received, as and when required hereunder, all information to which it is entitled hereunder (including, without limitation, the information and cash flow projections required pursuant to Section 7 herein);
- (l) there shall be no liens ranking in priority to the DIP Charge except as expressly permitted by this DIP Term Sheet;
- (m) no creditor of the Borrower or the Guarantors has taken any steps to seize, enforce or otherwise withdraw on any funds of the Borrower or the Guarantors held in their respective bank accounts;
- (n) the Borrower and the Guarantors shall have paid all statutory liens, trust and other government claims arising after the commencement of the Proceeding (but for greater certainty, not including any such claims in existence at the time of the commencement of the Proceeding) including, without limitation, source deductions, except, in each case, for any such amounts that are not yet due and payable or which are in dispute, in which case appropriate reserves have been made; and
- (o) such other guarantees and security documents from the Borrower and the Guarantors as may be reasonably requested by the DIP Lender from time to time.

10. CONDITIONS PRECEDENT TO SUBSEQUENT DIP ADVANCES

The following conditions precedent shall be satisfied, or waived in writing by the DIP Lender, in its sole and absolute discretion, prior to each subsequent DIP Advance hereunder, including, without limitation, all amounts pursuant to Tranche 2, unless otherwise stated below:

- (a) each DIP Advance together with all previous DIP Advances must be no greater in the aggregate than the Maximum Amount and shall be subject to the terms and conditions hereof;
- (b) delivery to the DIP Lender, with a copy to the Monitor, of a Drawdown Certificate, executed by an officer on behalf of the Borrower, certifying, *inter alia*, that the proceeds of the DIP Advance requested thereby will be applied solely in accordance with the DIP Agreement Cash Flow Projection and Section 4 of the DIP Term Sheet, that the amount of the requested DIP Advance is not greater than the applicable Bi-Weekly Cash Requirement and that the Borrower is in compliance with the Court Orders and that no Default or Event of Default has occurred or is continuing, nor will any such event occur as a result of such DIP Advance;
- (c) none of the IO, the ARIIO, the SISP Order or any other Court Order in the Proceeding shall have been vacated, stayed or otherwise caused to become ineffective or amended in a manner prejudicial to the DIP Lender, in its sole and absolute discretion;
- (d) there are no pending motions for leave to appeal, appeals, or injunctions relating to the IO, the ARIIO, the SISP Order, any other Court Order or the DIP Facility, or pending litigation seeking to restrain, vary or prohibit the operation of all or any part of this DIP Term Sheet;
- (e) the Borrower and the Guarantors shall be in full compliance with all of the terms of the ARIIO, the SISP Order, and all other orders of the Court in the Proceeding;
- (f) no order shall have been made in the Proceeding that may, in the sole and absolute discretion of the DIP Lender, be adverse to the interests of the DIP Lender or inconsistent with the terms of this DIP Term Sheet;
- (g) there is no Default or Event of Default that has occurred and is continuing, nor will any such event occur as a result of the DIP Advance;
- (h) no Material Adverse Event shall have occurred after the issuance of the IO;
- (i) each of the representations and warranties made in this DIP Term Sheet shall be true and correct in all material respects as of the date made or deemed made (unless any representation and warranty is qualified by materiality, in which case it shall be true and correct in all respects as of the date made or deemed made);
- (j) the DIP Lender has received, as and when required hereunder, all information to which it is entitled hereunder (including, without limitation, the information and cash flow projections required pursuant to Section 7 herein);

- (k) there shall be no liens ranking in priority to the DIP Charge except as expressly permitted in this DIP Term Sheet;
- (l) the Borrower shall have paid all statutory liens, trust and other government claims arising after the commencement of the Proceeding (but for greater certainty, not including any such claims in existence at the time of the commencement of the Proceeding) including, without limitation, source deductions, except, in each case, for any such amounts that are not yet due and payable or which are in dispute, in which case appropriate reserves have been made;
- (m) the Borrower shall at all times have diligently and in good faith implemented and conducted the SISP in accordance with the SISP Order and provided to the DIP Lender frequent, complete and accurate information regarding all activities, developments and other matters relating to the SISP; and
- (n) such other guarantees and security documents from the Borrower and the Guarantors as may be reasonably requested by the DIP Lender from time to time.

Notwithstanding the foregoing or any other provisions of this DIP Term Sheet, to the extent that an emergency cash need arises in the Borrower's business that is not contemplated in the DIP Agreement Cash Flow Projection, the Borrower may request a DIP Advance from the DIP Lender by providing written particulars relating to such emergency cash need to the DIP Lender and the Monitor, which DIP Advance shall only be permitted with the prior written consent of the DIP Lender delivered to the Borrower and the Monitor, in its sole and absolute discretion, and provided further that in no case shall the Maximum Amount be exceeded.

11. VOLUNTARY PREPAYMENTS:

The Borrower may prepay the DIP Obligations at any time prior to the Maturity Date without premium or penalty, and any amounts so prepaid may not be re-borrowed by the Borrower hereunder.

12. INTEREST RATE:

The outstanding principal amount of all DIP Advances shall bear interest at a rate per annum equal to 14.5% (the "**Interest Rate**"), and upon the occurrence and during the continuance of an Event of Default, the Interest Rate shall be increased by an additional 2% per annum, calculated and payable monthly in arrears on the last Business Day of each calendar month.

The Borrower shall pay interest on the DIP Advances by adding such accrued interest to the principal amount of the DIP Obligations on the last Business Day of each calendar month. Amounts representing the interest payable hereunder that are added to the principal amount of the DIP Obligations shall thereafter constitute principal and bear interest in accordance with this Section 12.

Interest on each DIP Advance shall accrue daily from and after the date of advance of such DIP Advance to the Borrower to, but excluding, the date of repayment, as well as before and after maturity, demand and default and before and after judgment, and shall be calculated and compounded on a daily basis on the principal amount of such DIP Advance and any overdue interest

remaining unpaid from time to time and on the basis of the actual number of days elapsed in a year of 365 days.

For the purposes of the *Interest Act* (Canada), the annual rates of interest referred to in this DIP Term Sheet calculated in accordance with the foregoing provisions of this DIP Term Sheet, are equivalent to the rates so calculated multiplied by the actual number of days in a calendar year and divided by 365.

If any provision of this DIP Term Sheet or any ancillary document in connection with this DIP Term Sheet would obligate the Borrower to make any payment of interest or other amount payable to the DIP Lender in an amount or calculated at a rate which would be prohibited by law or would result in receipt by the DIP Lender of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)) then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in receipt by the DIP Lender of interest at a criminal rate and any such amounts actually paid by the Borrower in excess of the adjusted amount shall be forthwith refunded to the Borrower.

13. DIP SECURITY:

All obligations of the Borrower and the Guarantors under or in connection with the DIP Facility and this DIP Term Sheet shall be secured by a Court-ordered charge (the "**DIP Charge**") over all present and after-acquired property, assets and undertakings of the Borrower and the Guarantors (including for greater certainty and without limitation, insurance proceeds, those assets set forth on the financial statements of the Borrower and the Guarantors (if applicable)), including all proceeds therefrom and all causes of action of the Borrower (collectively, the "**Collateral**"). For certainty, the Borrower's Account shall be subject to the DIP Charge.

The DIP Charge shall be a priority charge which shall rank ahead of any and all liens, charges, security interests, claims and encumbrances of any kind whatsoever in and against the Collateral including, without limitation, the liens securing the Existing Secured Debt (as hereinafter defined) subject only to: (a) an administration charge (the "**Administration Charge**") in the maximum amount of (i) \$500,000 as of the date of the IO, and (ii) \$1,000,000 as of the date of the ARIO, to secure payment of the reasonable fees, expenses and disbursements of: (A) the Borrower's counsel; and (B) the Monitor and its counsel; and (b) a directors' and officers' charge in the maximum amount of (i) \$2,750,000 as of the date of the IO, and (ii) \$2,500,000 as of the date of the ARIO in favour of the directors and officers of the Borrower (the "**Priority D&O Charge**").

In addition to the Priority D&O Charge, a further directors' and officers' charge in the maximum amount of \$2,500,000 (the "**Subordinate D&O Charge**") and together with the Priority D&O Charge, the "**D&O Charges**", and the D&O Charges, together with the DIP Charge and the Administration Charge, the "**Charges**") shall be sought in the ARIO, which shall rank subordinate in priority to the DIP Charge. For greater certainty the granting of the Subordinate D&O Charge shall not be in contravention of this DIP Term Sheet.

"**Existing Secured Debt**" means (i) the debt owing as at May 8, 2026, in the aggregate principal amount of approximately \$175,000,000 (which for certainty, includes amounts outstanding under term loan facilities), plus interest, fees, costs and expenses payable in addition to such aggregate principal amount, under the amended and restated agreement dated as of

March 4, 2026 among the Borrower, as borrower, Canada Enterprise Emergency Funding Corporation, as lender (“**CEEFC**”) and Canada Enterprise Emergency Funding Corporation, as administrative agent and Australian security trustee (the “**Senior Agent**”) (the “**Existing CEEFC Debt**”), or (ii) the debt owing as at March 31, 2026, in the aggregate principal amount of approximately USD\$78,000,000 (which for certainty, includes amounts outstanding under term credit facilities), plus interest, fees, costs and expenses payable in addition to such aggregate principal amount, under the second lien credit agreement dated as of February 3, 2021 among the Borrower, as borrower, Alter Domus (US) LLC, as administrative agent and collateral agent (the “**2L Agent**”) and the lenders party thereto from time to time (the “**2L Lenders**”), as amended by amendment no. 1 dated as of December 13, 2022, as further amended by waiver and amendment no. 2 dated as of June 30, 2023, as further amended by amendment no. 3 dated as of October 9, 2025 and as further amended by amendment no. 4 dated as of December 17, 2025. The Senior Agent, CEEFC, the 2L Agent and the 2L Lenders are collectively referred to herein as the “**Existing Secured Creditors**”.

“**Existing Unsecured Debt**” means the debt owing as at April 30, 2026, in the aggregate principal amount of approximately \$96,900,000 (which for certainty, includes amounts outstanding under trade creditor arrangements), plus interest, fees, costs and expenses payable in addition to such aggregate principal amount, in connection with certain trade creditor arrangements of the Borrower with the trade creditors outlined in Exhibit A attached hereto.

Each of the Borrower and the Guarantors hereby acknowledge, confirm and agree that, as of the date hereof, and notwithstanding the entering into of this DIP Term Sheet and the Charges,

- (a) the entering into of the DIP Term Sheet does not limit or diminish in any manner its obligations under the existing guarantees and security documents granted by the Borrower and the Guarantors in favour of the Existing Secured Creditors;
- (b) the existing guarantees granted by the Guarantors in favour of the Existing Secured Creditors (i) continue in full force and effect and have not been amended, terminated, discharged or released, (ii) guarantee the indebtedness, liabilities and obligations of the Borrower to the Existing Secured Creditors in connection with the Existing Secured Debt in accordance with the terms of the existing guarantees, (iii) constitute a legal, valid and binding obligation of the Guarantors in accordance with its terms, subject to applicable bankruptcy and insolvency laws and laws affecting the enforcement of creditors’ rights generally and to general principles of equity and (iv) is hereby ratified and confirmed;
- (c) the existing security documents granted by the Borrower and the Guarantors in favour of the Existing Secured Creditors (i) continue in full force and effect in accordance with their terms, (ii) continue to constitute a legal, valid and binding obligation of the Borrower and the Guarantors, enforceable against the Borrower and the Guarantors in accordance with their terms (subject to and except to the extent such enforceability may be limited by applicable bankruptcy, insolvency,

reorganization or similar laws affecting creditors' rights generally and by principles of equity), and (iii) are hereby ratified and confirmed; and

- (d) the existing security documents granted by the Borrower and the Guarantors in favour of the Existing Secured Creditors continue to secure the payment and performance of the obligations under the Existing Secured Debt in accordance with their terms and all security interests created by the existing security documents given in favour of the Existing Secured Creditors by the Borrower and the Guarantors shall continue to charge and create a security interest in the property of the Borrower and the Guarantors described in the existing security documents as being subject to such security interest.

14. MANDATORY REPAYMENTS:

The proceeds of any debt or equity issuance by the Borrower or the Guarantors that occurs from and after the date hereof, and the proceeds of Collateral (for greater certainty, net of reasonable costs and closing adjustments, as applicable), including, without limitation, arising from: (a) any sale of Collateral out of the ordinary course of business (including for greater certainty, any sale of all or substantially all of the Collateral, in accordance with the SISP or otherwise); or (b) insurance proceeds in respect of any damage, loss or destruction of the Collateral (collectively, the "**Net Proceeds**") shall be paid:

- i. first, to satisfy the Administration Charge in the manner and order set out in the applicable Court Order;
- ii. second, to satisfy the Priority D&O Charge in the manner and order set out in the applicable Court Order;
- iii. third, to satisfy the DIP Obligations;
- iv. fourth, to satisfy the Subordinate D&O Charge in the manner and order set out in the applicable Court Order;
- v. fifth, to satisfy other secured indebtedness and liabilities of the Borrower and the Parent including under the Existing Secured Debt in accordance with the terms of an intercreditor agreement dated as of December 17, 2025 among, *inter alios*, the Senior Agent, the Borrower, the Parent, the Surety Bond Providers (as defined therein), the 2L Agent, Alter Domus (US) LLC, as agent for the ACDC Lender and the Zurich Insurance Company Ltd. and Aviva Canada Inc. (the "**Surety Lenders**"), Arctic Canadian Diamond Holding, LLC (the "**ACDC Lender**"), and the Surety Lenders as may be ordered by the Court;
- vi. sixth, to satisfy other unsecured indebtedness and liabilities of the Borrower and the Guarantors including under the Existing Unsecured Debt; and
- vii. seventh, to the Borrower or such other persons as are entitled thereto in accordance with applicable law;

At the end of Phase 1 and Phase 2 of the SISP (each as set out in the SISP), the Borrower shall make a mandatory prepayment of the DIP Obligations to the DIP Lender in an amount equal to all cash of the Borrower that is in excess

of 110% of the cash requirements of the Borrower as detailed in the DIP Agreement Cash Flow Projection for the following 12 weeks (the "**Excess Cash Flow Prepayment Amount**").

The Maximum Amount shall be permanently reduced in an amount equal to the Net Proceeds and the Excess Cash Flow Prepayment Amount, as applicable, so paid to the DIP Lender. For greater certainty, any mandatory repayments shall not be subject to any premium or penalty.

15. REPRESENTATIONS AND WARRANTIES:

Each of the Borrower and the Guarantors represent and warrant to the DIP Lender, upon which the DIP Lender relies in entering into this DIP Term Sheet, that:

- (a) each of the Borrower and the Guarantors is a corporation duly incorporated and validly existing under the laws of its governing jurisdiction and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business (including the ownership and operation of the Ekati Diamond Mine) makes such qualification necessary, except where the failure to have such qualification, license or registration would not constitute a Material Adverse Event. For the purpose of this DIP Term Sheet, "**Material Adverse Event**" means one or more events or occurrences occurring (i) prior to the issuance of the IO and not previously disclosed to the DIP Lender and (ii) after the issuance of the IO which individually or collectively could have a material adverse effect (a "**Material Adverse Effect**") on: (i) the operations, financial condition, business or assets (including the Ekati Diamond Mine) of the Borrower or the Guarantors; (ii) the ability of the Borrower or the Guarantors to comply with their respective obligations hereunder or under any Court Order; or (iii) the interests of the DIP Lender or its ability to be fully repaid the DIP Obligations in accordance with the terms hereof;
- (b) each of the Borrower and the Guarantors has all requisite corporate or other power and authority to: (i) carry on its business (including owning and operating the Ekati Diamond Mine); (ii) own property, borrow monies and enter into agreements therefor; and (iii) subject to the entry of the IO, ARIO and SISP Order, execute and enter into the DIP Term Sheet and observe and perform the terms and provisions thereof;
- (c) the execution and delivery of this DIP Term Sheet by the Borrower and the Guarantors and the performance by the Borrower and the Guarantors of their obligations hereunder has been duly authorized by all necessary corporate or other action and any actions required under applicable laws. Except as has been obtained and is in full force and effect, and subject to the entry of the IO, ARIO and SISP Order, no registration, declaration, consent, waiver or authorization of, or filing with or notice to, any governmental body is required to be obtained in connection with the performance by the Borrower and the Guarantors of their obligations under this DIP Term Sheet;
- (d) this DIP Term Sheet has been duly executed and delivered by the Borrower and the Guarantors and constitutes a legal, valid and binding obligation of the Borrower and the Guarantors, enforceable against it in accordance with its terms, subject only to any limitation

under applicable laws relating to (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally; (ii) the fact that specific performance and injunctive relief may only be given at the discretion of the courts; and (iii) the equitable or statutory powers of the courts to stay proceedings before them and to stay the execution of judgments;

- (e) the execution and delivery of this DIP Term Sheet by the Borrower and the Guarantors and the performance by the Borrower and the Guarantors of their obligations hereunder and compliance with the terms, conditions and provisions hereof, will not conflict with or result in a breach in any material respect of any of the terms, conditions or provisions of: (i) its constituting documents (including any shareholders' agreements) or by-laws or the equivalent documents in the Guarantors' applicable jurisdiction; (ii) any applicable laws; (iii) except as stayed pursuant to the Proceeding by the terms of any Court Order, any contractual restriction binding on or affecting it or its material properties; or (iv) any material judgment, injunction, determination or award which is binding on it;
- (f) each of the Borrower and the Guarantors is in compliance with all applicable laws of each jurisdiction in which its business has been or is being carried on, non-compliance with which would reasonably be expected to have a Material Adverse Effect;
- (g) there are no actions, suits or proceedings pending, taken or, to the Borrower's knowledge, threatened, before or by any governmental body or by any elected or appointed public official or private person in Canada or elsewhere, whether or not having the force of law, which would reasonably be expected to have a Material Adverse Effect and which will have not been stayed pursuant to the IO and the ARIO, as applicable;
- (h) the DIP Agreement Cash Flow Projection includes a provision for payment of all projected obligations of any kind whatsoever reasonably anticipated by the Borrower on the date hereof that, if not paid, could result in statutory liens ranking in priority to the DIP Charge;
- (i) each of the Borrower and the Guarantors has good and marketable title to all of the Collateral free from any title defects or irregularities that do not, individually or in the aggregate, materially affect the operation of the business of the Borrower and the Guarantors taken as a whole;
- (j) each of the Borrower and the Guarantors has filed all material tax returns that are required to be filed and has in all material respects paid all taxes, interest and penalties, if any, which have become due pursuant to such returns or pursuant to any assessment received by it, except any such assessment that is being contested in good faith by proper legal proceedings. Without limiting the foregoing, all employee source deductions (including in respect of income taxes, employment insurance and Canada Pension Plan) payroll taxes and workers' compensation dues are currently paid and up to date, subject to normal course accruals;

- (k) except as set out on Schedule "D" attached hereto, there are no actions, suits or proceedings (including any tax-related matter) by or before any arbitrator or governmental authority or by any other person pending against or threatened against or affecting the Borrower or the Guarantors that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect that will not have been stayed pursuant to the IO;
- (l) each of the Borrower and the Guarantors maintain insurance policies and coverage that: (i) is sufficient for compliance with any applicable law and all material agreements to which it is a party; and (ii) provide adequate insurance coverage in at least such amounts and against at least such risks as are usually insured against in the same general area by persons engaged in the same or similar business to the assets and operations of the Borrower and the Guarantors;
- (m) all factual information provided by or on behalf of the Borrower and the Guarantors to the DIP Lender for the purposes of or in connection with this DIP Term Sheet or any transaction contemplated herein, is true and accurate in all material respects on the date as of which such information is dated or certified and remains true in all material respects as of the date provided and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided. With respect to any projections, future business plans or forward looking financial statements, the Borrower is not guaranteeing in giving this representation and warranty that the actual future results will be as forecast or projected (but, for greater certainty, the DIP Lender has all of its rights hereunder in the event that such actual future results are not as forecast or projected, including, without limitation, as provided for in Section 19(g) herein); and
- (n) as of the date hereof, except set out on Schedule "E" hereto, neither the Borrower nor the Guarantors administers any pension plans and does not have any outstanding payment obligations in respect of special payments or amortization payments, including without limitation, in respect of pension plans, payments related to post-retirement benefits, solvency deficiencies or wind-up shortfalls in relation to any pension plan;
- (o) the full corporate organizational chart of the Guarantors, the Borrower and their subsidiaries is attached hereto as Schedule "F";
- (p) the Borrower maintains each surety bond outlined in Schedule "G" attached hereto in the amounts secured thereby;
- (q) the Material Contracts and Material Licenses listed in Schedule "H" attached hereto are all of the Material Contracts and Material Licenses that are in existence as of the date hereof. Other than any payment defaults or breaches relating to the issuance of the IO, the Borrower, the Guarantors and each of their respective subsidiaries is in compliance in all material respects with all Material Contracts and Material Licenses;

For the purpose of this DIP Term Sheet, "**Material Contract**" means, collectively, each contract and agreement entered into by the Borrower and the Guarantors which (a) is listed on Schedule "H" attached hereto; (b) if not complied with or terminated, could reasonably be expected to have a Material Adverse Effect, or (c) is necessary for the business of the Borrower or the Guarantors and not replaceable in the commercial marketplace on substantially equivalent terms.

"**Material Licenses**" means, collectively, each license, permit or approval issued by any governmental authority, or any applicable stock exchange or securities commission, to the Borrower or the Guarantors, the breach, default or loss of which could reasonably be expected to result in a Material Adverse Effect.

- (r) (i) except as disclosed in Schedule "I" attached hereto (a) neither the Borrower, the Guarantors or any of their subsidiaries is subject to any civil or criminal proceeding relating to Requirements of Environmental Laws and is not aware of any investigation or threatened proceeding or investigation, which if adversely determined, could reasonably be expected to have a Material Adverse Effect, (b) the Borrower, the Guarantors and each of their subsidiaries has all Material Licenses, registrations and other authorizations required by the Requirements of Environmental Laws for the operation of its business and the properties which it owns, leases or otherwise occupies, (c) the Borrower, the Guarantors and each of their subsidiaries currently operates its business and its owned and leasehold real property in compliance in all material respects with all applicable Requirements of Environmental Laws, (d) no Hazardous Substances are stored or disposed of by the Borrower, the Guarantors or any of their subsidiaries or otherwise used by the Borrower, the Guarantors or any of their subsidiaries in material violation of any applicable material Requirements of Environmental Laws (including, without limitation, that there has been no release of Hazardous Substances by the Borrower, the Guarantors or any of their subsidiaries at, on or under any real property now or previously owned or, to the knowledge of the Borrower, leased by the Borrower, the Guarantors or any of their subsidiaries), (e) to the knowledge of the Borrower (i) all underground storage tanks now or previously located on any real property owned or leased by the Borrower, the Guarantors or any of their subsidiaries have been operated, maintained and decommissioned or closed, as applicable, in compliance with applicable Requirements of Environmental Law; and (ii) no real property or groundwater in, on or under any property now or previously owned or leased by the Borrower, the Guarantors or any of their subsidiaries is or has been during the Borrower, the Guarantors or such subsidiary's ownership or occupation of such property contaminated by any Hazardous Substance, except for any contamination that could not reasonably be expected to give rise to material liability under Requirements of Environmental Laws nor, to the best of its knowledge, is any such property named in any list of hazardous waste or contaminated sites maintained under the Requirements of Environmental Law;

For the purpose of this DIP Term Sheet, "**Requirements of Environmental Laws**" means all applicable requirements of the common law or of statutes, regulations, by-laws, ordinances, treaties,

judgments and decrees, and (to the extent that they have the force of law) rules, policies, guidelines, orders, approvals, notices, permits and directives of any applicable federal, territorial, provincial, state, regional, municipal or local judicial, regulatory or administrative agency, board or other governmental authority in any jurisdiction in which the Borrower or the Guarantors has operations or assets relating to environmental or occupational health and safety matters (as they relate to exposure to a Hazardous Substance) and the assets and undertaking of the Borrower or the Guarantors and the intended uses thereof in connection with such matters, including but not limited to, all such requirements relating to: (a) the protection, preservation or remediation of the natural environment (the air, land, surface water or groundwater); (b) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation; (c) consumer, occupational or public safety and health (as they relate to exposure to a Hazardous Substance); and (d) Hazardous Substances or conditions (matters that are prohibited, controlled or otherwise regulated, such as contaminants, pollutants, toxic substances, dangerous goods, wastes, hazardous wastes, liquid industrial wastes, hazardous materials, petroleum and other materials such as urea formaldehyde and polyurethane foam insulation, asbestos or asbestos-containing materials, polychlorinated biphenyls ("PCBs") or PCB contaminated fluids or equipment, lead based paint, explosives, radioactive substances, petroleum and associated products, above ground and underground storage tanks or surface impoundments).

"Hazardous Substance" means any substance, product, waste, pollutant, material, chemical, contaminant, dangerous goods, constituent, ray, odour or other material listed, regulated, or addressed under any Requirements of Environmental Law, including, without limitation, asbestos, petroleum, and polychlorinated biphenyls.

- (s) all claim maintenance fees, mining patents, taxes, fees and other amounts have been paid when due and payable and all other actions have been taken and all other obligations as are required to maintain the Ekati Diamond Mine as needed for the business of the Borrower have been complied with, other than any payables or actions which have been stayed pursuant to the IO or the ARIO, as applicable; and
- (t) there are no claims (i) pending by any group representing Indigenous Group involving the Ekati Diamond Mine, the Borrower or the Guarantors or (ii) threatened in writing against the Borrower, the Guarantors or the Ekati Diamond Mine by such group. Neither the Borrower nor the Guarantors is aware of any opposition by Indigenous Groups to, or threats to oppose, the development, construction, operation or closure of the Ekati Diamond Mine or any other aspect of their business. Other than as set out in Schedule "J" attached hereto, neither the Borrower or the Guarantors has entered into any agreements, understandings or commitments, including any impact and benefit agreements, with any Indigenous Group with respect to the Ekati Diamond Mine;

For the purpose of this DIP Term Sheet, **"Indigenous Group"** means any Indian or Indian Band (as those terms are defined in the *Indian Act* (Canada)) or community identifying as Indigenous, Inuit, Métis or

Aboriginal or any group asserting or otherwise claiming an Aboriginal or treaty right, including Aboriginal title, and any person or group with a legal and valid right to represent the foregoing.

16. AFFIRMATIVE COVENANTS:

Each of the Borrower and the Guarantors (as applicable) covenants and agrees to do the following until such time as the DIP Obligations are repaid in full:

- (a) keep the DIP Lender apprised on a timely basis of all material activities and developments with respect to the Collateral, the business and affairs of the Borrower and the Guarantors and the Proceeding;
- (b) perform its obligations hereunder and under any other contract or agreement with the DIP Lender or any of its affiliates as and when required and in the manner required, other than any payment obligations owing to CEEFC pursuant to the Existing CEEFC Debt;
- (c) use the proceeds of the DIP Facility (at all times solely in accordance with the terms hereof and the DIP Agreement Cash Flow Projection) only for the limited purpose of facilitating the Proceeding, including the SISP and for the purpose of funding: (i) transaction costs and expenses incurred by the DIP Lender in connection with the DIP Facility; (ii) reasonable professional fees and expenses incurred by the Borrower and the Monitor in respect of the DIP Facility and the Proceeding in accordance with the terms of the DIP Facility; and (iii) all professional fees and expenses (including, without limitation, fees and expenses of legal and financial advisors) incurred by the DIP Lender in its capacities both as DIP Lender and an Existing Creditor in respect of its Existing Secured Debt;
- (d) comply with the provisions of all court orders made in connection with the Proceeding (collectively, the "**Court Orders**" and each a "**Court Order**");
- (e) preserve, renew and keep in full force the Borrower's and the Guarantors' corporate or other existence and all material licenses, permits, approvals, etc. required in respect of their respective business, properties, assets or any activities or operations carried out therein;
- (f) operate its business in compliance with all applicable material Requirements of Environmental Laws and operate all property owned, leased or otherwise occupied by it with a view to ensuring that no material obligation, including any clean-up or remedial obligation, arises in respect of the Borrower and the Guarantors under any Requirements of Environmental Law. It will promptly notify the DIP Lender, to the extent not disclosed as of the date hereof, upon (i) learning of the existence of Hazardous Substances located on, above or below the surface of any land which it owns, leases, operates, occupies or controls (except those being stored, used or otherwise handled in compliance with applicable Requirements of Environmental Laws in all material respects), or contained in the soil or water constituting such land and (ii) the occurrence of any release, spill, leak, emission, discharge, leaching, dumping or disposal of Hazardous Substances that has occurred on or from such land that is

reportable under applicable law and which, in either case, is likely to result in material liability under Requirements of Environmental Law;

- (g) maintain the insurance in existence as of the date hereof with respect to the Collateral;
- (h) conduct its activities in accordance with the DIP Agreement Cash Flow Projection;
- (i) promptly notify the DIP Lender and the Monitor of the occurrence of any Event of Default, or of any event or circumstance (a "**Default**") that may, with the passage of time or the giving of notice, constitute an Event of Default;
- (j) promptly notify the DIP Lender and the Monitor of the commencement of, or receipt of notice of intention to commence, any action, suit, investigation, litigation or proceeding before any court, governmental department, board, bureau, agency or similar body affecting the Borrower or the Guarantors;
- (k) promptly after the same is available, but in no event later than the day that is two (2) Business Days prior to the date on which the same is to be served, provide drafts and final copies to the DIP Lender of all pleadings, motion records, application records, judicial information, financial information and other documents filed or to be filed by or on behalf of the Borrower in the Proceeding, and consult with the DIP Lender with respect to any and all materials;
- (l) subject to the CCAA and the Court Orders, comply in all material respects with all applicable laws, rules and regulations applicable to its business, including, without limitation, health and safety, and environmental laws;
- (m) except where a stay of proceedings or Court Order otherwise applies, pay when due all statutory liens, trust and other Crown claims including employee source deductions, GST, HST, PST, employer health tax, and workplace safety and insurance premiums, but only with respect to: (i) payments that rank in priority to the DIP Charge; or (ii) payments that are otherwise authorized pursuant to the ARIO and this DIP Term Sheet;
- (n) treat as unaffected the DIP Obligations in any plan of compromise or arrangement, proposal or any other restructuring whatsoever;
- (o) at all times be and remain subject to the Proceeding until the DIP Obligations are irrevocably and unconditionally repaid in full, with no further right to DIP Advances;
- (p) ensure that all motion records, pleadings, application records, orders and other documents (the "**Court Documents**") filed, proposed, sought, served, and obtained by the Borrower or in respect of which the Borrower consents or does not object, in or in connection with the Proceeding shall be in form and substance satisfactory to the DIP Lender, in its sole and absolute discretion, and provide to the DIP Lender copies of such Court Documents as soon as practicable prior

to any filing or service in the Proceeding, but in no event later than the day that is two (2) Business Days prior to the date on which the same is to be served;

- (q) subject to the CCAA and the Court Orders, grant the DIP Lender and its professional advisors reasonable access to the Collateral and their business, properties, and books and records; and
- (r) conduct the SISP strictly in accordance with its terms (including milestones and timelines) and strictly comply with the SISP Order.

17. NEGATIVE COVENANTS:

Each of the Borrower and the Guarantors (as applicable) covenants and agrees not to do the following or permit any subsidiary to do the following while any DIP Obligations remain outstanding, other than with the prior written consent of the DIP Lender, in its sole and absolute discretion, or pursuant to an Order of the Court:

- (a) transfer, lease or otherwise dispose of all or any part of its property, assets or undertaking except strictly in the ordinary course of their businesses;
- (b) make any payment of principal or interest in respect of any indebtedness outstanding prior to the commencement of the Proceeding including, without limitation, the Existing Secured Debt, (collectively, the “Existing Indebtedness”) other than as may be expressly permitted or required herein;
- (c) create or permit to exist indebtedness for borrowed money other than: (i) Existing Indebtedness; (ii) debt contemplated by this DIP Facility; and (iii) post-filing trade credit obtained in the ordinary course of business, in accordance with the DIP Agreement Cash Flow Projection;
- (d) permit any new liens to exist on any Collateral other than (i) the DIP Charge, (ii) the Administration Charge, (iii) the D&O Charges, and (iv) any liens permitted pursuant to section 16 of the IO (as may be amended or restated, including pursuant to the ARIO and the equivalent provision thereunder);
- (e) either: (i) change its name, amalgamate, consolidate with or merge into, or enter into any similar transaction with any other entity; or (ii) make any changes to its organizational documents that could be adverse to the DIP Lender;
- (f) other than as permitted by the terms of this DIP Term Sheet, make any acquisitions, investments or loans to any person or guarantee the obligations of any person, other than those in existence as of the date hereof and previously disclosed to the DIP Lender in writing;
- (g) enter into any transaction with any affiliate, related or non-arms length person;
- (h) amend, replace, terminate (other than by lapse of its term), or waive any provision of any Material Contract to which it is a party in any manner which is adverse in any way to the interest of the Borrower or

the Guarantors that is party thereto or to the interests of the DIP Lender;

- (i) pay any dividends, distributions or advances to shareholders of the Borrower or the Guarantors, repay any intercompany indebtedness or any management bonus or similar payments, except with respect to management bonuses or similar payments only to the extent expressly provided for in the DIP Agreement Cash Flow Projection;
- (j) hold or use any bank accounts other than as set out on Schedule "K" attached hereto or otherwise agreed to by the DIP Lender in writing;
- (k) engage in new businesses;
- (l) change its fiscal year or accounting practices;
- (m) issue any equity;
- (n) take any action (or in any way support the taking of any action by another person) that has, or may have, a material adverse impact on the rights and interests of the DIP Lender, including, without limitation, any action in furtherance of challenging the validity, enforceability or amount of the obligations owing in respect of the DIP Facility; and
- (o) commence, continue or seek any stakeholder or court approval for any sale, restructuring transaction or plan without the prior written consent of the DIP Lender in its sole and absolute discretion.

**18. INDEMNITY AND
RELEASE:**

The Borrower and the Guarantors agree to indemnify and hold harmless the DIP Lender and each of its directors, officers, employees, agents, attorneys, advisors and affiliates (all such persons and entities being referred to hereafter as "**Indemnified Persons**") from and against any and all actions, suits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against or involve any Indemnified Person as a result of or arising out of or in any way related to or resulting from the Proceeding, this DIP Term Sheet or any advance made hereunder, and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding (including, without limitation, any inquiry or investigation) or claim (whether or not any Indemnified Person is a party to any action or proceeding out of which any such expenses arise); provided, however, the Borrower and the Guarantors shall not be obligated to indemnify pursuant to this paragraph any Indemnified Person against any loss, claim, damage, expense or liability to the extent it resulted from the gross negligence or willful misconduct of such Indemnified Person as finally determined by a court of competent jurisdiction.

The indemnities granted under this DIP Term Sheet shall survive any termination of the DIP Facility.

Neither the Borrower nor the Guarantors shall contest, challenge or in any way oppose (or support any other person in contesting, challenging or opposing) the validity and enforceability of the DIP Obligations or any loan, security or other documents relating thereto. The Borrower and the Guarantors further covenants to, and does hereby, release the DIP Lender in its capacity as lender hereunder and its respective predecessors, successors, agents, advisors, representatives and assigns of and from all claims and liabilities relating to any act or omission prior to the date of this DIP Term Sheet.

**19. EVENTS OF
DEFAULT:**

The occurrence of any one or more of the following events, without the prior written consent of the DIP Lender, in its sole and absolute discretion, shall constitute an event of default ("**Event of Default**") under this DIP Term Sheet:

- (a) the issuance of an order terminating the Proceeding or lifting the stay in the Proceeding to permit the enforcement of any security against the Borrower or the Guarantors, or any of the Collateral, or the appointment of a receiver and manager, receiver, interim receiver or similar official or the making of a bankruptcy order against the Borrower or the Guarantors, or any of the Collateral, or the termination of the Proceeding or the stay of proceedings provided therein in any respect;
- (b) the issuance of an order granting a lien of equal or superior status to that of the DIP Charge, other than the Administration Charge and the Priority D&O Charge;
- (c) the issuance of any Court Order: (i) staying, reversing, vacating or otherwise modifying the DIP Charge, the IO, the ARIO, or the SISP Order; or (ii) that adversely impacts or could reasonably be expected to adversely impact the rights and interests of the DIP Lender in connection with the Collateral or under this DIP Term Sheet or the IO, the ARIO or the SISP Order, as determined by the DIP Lender, in its

sole and absolute discretion; provided, however, that any such order that provides for payment in full forthwith of all of the obligations of the Borrower and the Guarantors under the DIP Facility shall not constitute an Event of Default;

- (d) failure of the Borrower or the Guarantors to pay any principal, interest, fees or any other amounts, in each case when due and owing hereunder;
- (e) if the IO is not issued by the Court on May 1, 2026 or either the ARIO or the SISP Order is not issued by the Court on or before May 11, 2026;
- (f) if the requirements and timelines of the SISP are not strictly complied with including, without limitation, requirements to: (i) commence the SISP on or before May 11, 2026; (ii) receive non-binding expressions of interests by no later than July 10, 2026; (iii) receive definitive binding and unconditional offers by no later than October 9, 2026; (iv) select and obtain Court approval for a winning offer by no later than October 23, 2026; and (v) complete the transaction contemplated by the Court-approved winning offer on or before November 6, 2026;
- (g) if: (i) any Proposed Amended Cash Flow Projection that is not otherwise consented to by the DIP Lender in accordance with Section 7 indicates either that: (A) a Negative Variance has occurred or will occur; or (B) the Borrower would require additional funding above the Maximum Amount to meet its obligations at any time during the period of the DIP Agreement Cash Flow Projection; or (ii) any Weekly Cash Flow Report required to be delivered in accordance with Section 7 hereof indicates that a Negative Variance has occurred. A "Negative Variance" in respect of the DIP Agreement Cash Flow Projection, on the one hand, and any Proposed Amended Cash Flow Projection or Weekly Cash Flow Report, on the other hand, means any negative variance: (i) equal to or in excess of 10% of total receipts; (ii) equal to or in excess of 10% of total disbursements; or (iii) of net cash flow from operations and non-operating activities before DIP Advances that exceeds \$3 million, in each case tested on a cumulatively basis;
- (h) any representation or warranty made by the Borrower or the Guarantors herein or in any Drawdown Certificate delivered by the Borrower or the Guarantors to the DIP Lender shall be incorrect or misleading in any material respect as of the date made or deemed made;
- (i) a court order is made (whether in the Proceeding, or otherwise), a liability arises or an event occurs, including any change in the business, assets, or conditions, financial or otherwise, of the Borrower or the Guarantors, that has or that could reasonably be expected to have a Material Adverse Effect;
- (j) any material breach of any Court Order upon receipt by the Borrower or the Guarantors of notice from the DIP Lender of such breach by the Borrower or the Guarantors;
- (k) failure of the Borrower or the Guarantors to perform or comply with any other term or covenant under this DIP Term Sheet and such

default shall continue unremedied for a period of five (5) Business Days after the earlier of (i) delivery of notice given by the DIP Lender to the Borrower, with a copy to the Monitor, or (ii) the Borrower's knowledge of such failure to perform or comply;

- (l) any change of control of the Borrower or the Guarantors; or
- (m) the seeking or support by the Borrower or the Guarantors, or the issuance, of any court order (in the Proceeding or otherwise) that is, in the sole and absolute discretion of the DIP Lender, adverse to the interests of the DIP Lender or otherwise not in form and substance satisfactory to the DIP Lender.

20. REMEDIES:

Upon the occurrence and during the continuance of an Event of Default, whether or not there is availability under the DIP Facility, (a) without any notice to the Borrower, the Borrower shall have no right to receive any additional DIP Advances or other accommodation of credit from the DIP Lender except in the sole and absolute discretion of the DIP Lender; and (b) the DIP Lender may immediately terminate the DIP Facility and demand immediate payment of all DIP Obligations by providing such a notice and demand to the Borrower, with a copy to the Monitor. With the leave of the Court sought on not less than five (5) Business Days' notice to the Borrower and the Monitor after the occurrence and during the continuance of an Event of Default, the DIP Lender shall have the right to enforce the DIP Charge and to exercise all other rights and remedies in respect of the DIP Obligations and the DIP Charge, including the right to realize on all Collateral and to apply to the Court for the appointment of a Court-appointed receiver (subject to the application of a portion of the proceeds of realization to Administration Charge, as applicable). No failure or delay by the DIP Lender in exercising any of its rights hereunder or at law shall be deemed a waiver of any kind, and the DIP Lender shall be entitled to exercise such rights in accordance with this DIP Term Sheet at any time.

21. FEES:

The Borrower shall pay to the DIP Lender (i) an upfront fee (the "**Upfront Fee**") in an amount equal to \$150,000, and (ii) an extension fee (the "**Extension Fee**") in an amount equal to \$750,000. The Upfront Fee shall be earned and payable upon execution and delivery of this DIP Term Sheet to the DIP Lender and approval of this DIP Term Sheet by the Court, whether in the IO, ARIQ, or otherwise. The Extension Fee shall be earned and payable concurrent with the initial DIP Advance under Tranche 2. The Upfront Fee and Extension Fee, once earned and payable, shall be non-refundable under all circumstances and shall be paid by adding the amount of such fee to the principal amount of DIP Obligations on the closing date of this DIP Term Sheet. Amounts representing the Upfront Fee and the Extension Fee that are added to the principal amount of the DIP Obligations shall thereafter constitute principal and bear interest in accordance with Section 12.

22. LEGAL FEES:

The Borrower shall pay by wire transfer, within three (3) Business Days of receipt of a summary invoice, all out-of-pocket expenses, including all legal expenses on a solicitor-client basis and all financial advisory and similar expenses, incurred by the DIP Lender in connection with the Proceeding, this DIP Term Sheet and the DIP Facility, and by the DIP Lender and any affiliate thereof in respect of its Existing Secured Debt, in each case including all those expenses with respect to any enforcement of: (i) the terms hereof; (ii) the DIP Charge; or (iii) the Existing Secured Debt (the "**Expenses**") and whether incurred prior to or subsequent to the date of the IO.

Subject to Court approval of this DIP Term Sheet, all Expenses shall be non-refundable under all circumstances.

23. DIP LENDER APPROVALS:

Any consent, approval, instruction or other expression of the DIP Lender to be delivered in writing may be delivered by any written instrument, including by way of email, by the DIP Lender pursuant to the terms hereof.

24. TAXES:

All payments by the Borrower and the Guarantors under this DIP Term Sheet to the DIP Lender, including any payments required to be made from and after the exercise of any remedies available to the DIP Lender upon an Event of Default, shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any country or any political subdivision of any country (collectively, "**Taxes**"), unless required by applicable law. If any applicable law requires the deduction or withholding of any Taxes from or in respect of any such payment, then (i) the applicable payor shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant governmental authority in accordance with applicable law, and (ii) in the case of Taxes (other than Excluded Taxes) the sum payable by the applicable payor shall be increased as necessary so that after all such deductions or withholdings for such Taxes have been made (including such deductions and withholdings for such Taxes applicable to additional sums payable under this Section 24) the DIP Lender receives an amount equal to the sum it would have received had no such deduction or withholding for such Taxes been made. For purposes of this Section 24, "**Excluded Taxes**" means (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, and (b) any applicable Canadian withholding Taxes arising as a result of (i) the DIP Lender not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada) ("**ITA**")) with the Borrower at the time of making such payment, (ii) the DIP Lender being a "specified non-resident shareholder" (as defined in subsection 18(5) of the ITA) of the Borrower or not dealing at arm's length (for the purposes of the ITA) with a "specified shareholder" (as defined in subsection 18(5) of the ITA) of the Borrower, or (iii) the Borrower being a "specified entity" (as defined in subsection 18.4(1) of the ITA) in respect of the DIP Lender, except, in the case of (i) through (iii), (x) where the non-arm's length relationship, (y) where the DIP Lender being a "specified non-resident shareholder" of the Borrower or not dealing at arm's length with a "specified shareholder" of the Borrower, or (z) where the Borrower being a "specified entity" in respect of the DIP Lender, as applicable, arises in connection with or as a result of the DIP Lender having become a party to, executed, delivered, received payments under, performed its obligations under, received or perfected a security interest under, or enforced any rights under, any loan document.

25. FURTHER ASSURANCES:

The Borrower and the Guarantors shall, at their sole cost and expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents and things as the DIP Lender may reasonably request for the purpose of giving effect to this DIP Term Sheet. Without limiting the foregoing, the Borrower and the Guarantors agree that if so requested by the DIP Lender, acting reasonably, it shall promptly execute and deliver to the DIP Lender any general security agreement or other security documents securing its obligations to the DIP Lender hereunder in forms reasonable and customary for debtor in possession financings, provided

however that the execution of any such security document shall not be a condition precedent to funding the Maximum Amount or DIP Advances hereunder.

26. ENTIRE AGREEMENT; CONFLICT:

This DIP Term Sheet, including the schedules attached hereto, constitutes the entire agreement between the parties relating to the subject matter hereof.

27. AMENDMENTS, WAIVERS, ETC.:

No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder will operate as a waiver hereof or thereof unless made in writing and delivered in accordance with the terms of this DIP Term Sheet. Any amendment to the terms of this DIP Term Sheet shall be made in writing and signed by the parties hereto.

28. ASSIGNMENT:

The DIP Lender may assign this DIP Term Sheet and its rights and obligations hereunder, in whole or in part, to any party acceptable to the DIP Lender, in its sole and absolute discretion, provided that the Monitor is satisfied that such assignee has the financial capacity to act as DIP Lender.

Neither this DIP Term Sheet nor any right and obligation hereunder may be assigned by the Borrower or the Guarantors.

29. SEVERABILITY:

Any provision in this DIP Term Sheet that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

30. COUNTERPARTS AND SIGNATURES:

This DIP Term Sheet may be executed in any number of counterparts and by electronic transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this DIP Term Sheet by signing any counterpart of it.

31. NOTICES:

Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the attention of the person as set forth below:

(a) In the case of the Borrower or the Guarantors:

Arctic Canadian Diamond Company Ltd.
900-606 4th Street SW
Calgary, Alberta T2P 1T1

Attention: Brent Mierau
Email: brent.mierau@burgundydiamonds.com

With a copy to:

Blake, Cassels & Graydon LLP
1133 Melville Street, Suite 3500
Vancouver, British Columbia V6E 4E5

Attention: Peter Rubin and Samantha Rossman
Email: peter.rubin@blakes.com / samantha.rossman@blakes.com

And with a copy to the Monitor:

FTI Consulting Canada Inc.
701 W Georgia Street, Suite 1450
Vancouver, British Columbia V7Y 1B6

Attention: Mike Clark and Tom Powell
Email: mike.clark@fticonsulting.com and
tom.powell@fticonsulting.com

And with a copy to the Monitor's Counsel:

Fasken Martineau DuMoulin LLP

550 Burrard Street, Suite 2900
Vancouver, British Columbia V6C 0B3

Attention: Lisa Hiebert
Email: lhiebert@fasken.com

(b) In the case of the DIP Lender:

Canada Enterprise Emergency Funding Corporation
161 Bay Street, Suite 4540
Toronto, Ontario M5J 2S1

Attention: President and Chief Executive Officer
Email: notices@ceefc-cfuec.ca

With a copy to:

Torys LLP
79 Wellington Street East
Suite 3000
Toronto, ON M5K 1N2

Attention: David Bish / Amanda Balasubramanian
Email: dbish@torys.com / abalasubramanian@torys.com

Any such notice shall be deemed to be given and received, when received, unless received after 5:00 EST or on a day other than a Business Day, in which case the notice shall be deemed to be received the next Business Day.

**32. GOVERNING LAW
AND JURISDICTION:**

This DIP Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

**33. CURRENCY AND
JUDGMENT CURRENCY:**

Unless otherwise specified herein, all dollar amounts are in the lawful currency of Canada. The Borrower shall pay to the DIP Lender all payments on account of principal and interest hereunder in lawful money of Canada.

If in the recovery by the DIP Lender of any amount owing by the Borrower or the Guarantors hereunder in any currency, judgment can only be obtained in another currency and because of changes in the exchange rate of such currencies between the date of judgment and payment in full of the amount of such judgment, the amount received by the DIP Lender is less than the recovery provided for under the judgment, the Borrower and the Guarantors shall immediately pay any such shortfall to the DIP Lender and such shortfall can be claimed by the DIP Lender against the Borrower and the Guarantors as an alternative or additional cause of action.

IN WITNESS HEREOF, the parties hereby execute this DIP Term Sheet as at the date first above mentioned.

BORROWER:

ARCTIC CANADIAN DIAMOND COMPANY LTD.

By: _____

Name:

Title:

By: _____

Name:

Title:

GUARANTORS:

Executed by **BURGUNDY DIAMOND MINES LIMITED** in accordance with section 127 of the *Corporations Act 2001* (Cth) by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

BURGUNDY DIAMONDS (CANADA) LIMITED

By: _____

Name:

Title:

By: _____

Name:

Title:

DIP LENDER:

**CANADA ENTERPRISE EMERGENCY
FUNDING CORPORATION**

By: _____

Name:

Title:

Appendix C

Second Cash Flow Statement

Arctic Canadian Diamond Company Ltd. and Burgundy Diamonds (Canada) Limited
 Second Cash Flow Statement
 For the 27-week period ending November 6, 2026

Week Ending (CAD in thousands)	Phase 1 Completed >>																	
	Week 1 8-May-26 Forecast	Week 2 15-May-26 Forecast	Week 3 22-May-26 Forecast	Week 4 29-May-26 Forecast	Week 5 5-Jun-26 Forecast	Week 6 12-Jun-26 Forecast	Week 7 19-Jun-26 Forecast	Week 8 26-Jun-26 Forecast	Week 9 3-Jul-26 Forecast	Week 10 10-Jul-26 Forecast	Week 11 17-Jul-26 Forecast	Week 12 24-Jul-26 Forecast	Week 13 31-Jul-26 Forecast	Week 14 7-Aug-26 Forecast	Week 15 14-Aug-26 Forecast	Week 16 21-Aug-26 Forecast	Week 17 28-Aug-26 Forecast	
Operating Receipts																		
Diamond Sales	[1]	\$ -	\$ -	\$ 11,461	\$ 7,641	\$ -	\$ 2,472	\$ 5,347	\$ 2,466	\$ -	\$ -	\$ -	\$ 8,315	\$ 5,543	\$ -	\$ -	\$ -	
GST Refunds					627				327								327	
Total Operating Receipts			11,461	8,267		2,472	5,347	2,793				327	8,315	5,543			327	
Operating Disbursements																		
Payroll and Benefits	[2]	(1,400)	(1,332)	(1,400)	(1,332)	(1,400)	(1,332)	(1,400)	(1,332)	-	(1,573)	(1,380)	(4,767)	(1,380)	(1,573)	(1,380)	(1,573)	(1,380)
Procon (Labour & Equipment)	[3]	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)
Flights		(480)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)
Freight and Transportation	[4]	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)
Site Services and Consumables	[5]	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)
Repair and Maintenance - Equipment	[6]	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)
Labour (other than Procon)		(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)
Explosives		(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)
Fire Suppression		-	-	(70)	-	-	-	-	(70)	-	-	-	-	(70)	-	-	-	(70)
Repair and Maintenance - Vehicles		(85)	-	-	-	(85)	-	-	-	-	-	(85)	-	-	(85)	-	-	-
Insurance and Banking		-	(424)	-	-	-	(6)	-	-	-	-	(825)	-	-	-	(406)	-	-
Utilities		(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)
Software		(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)
Health & Safety		(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)
GNWT Mineral Leases		-	-	(903)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Selling and Distribution		-	-	(222)	-	-	-	-	(201)	-	-	-	-	-	-	-	-	(122)
Other Professional Fees		-	-	-	-	-	-	-	-	(100)	-	-	-	-	-	-	-	-
Other Operating Expenses	[7]	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(425)	(425)	(425)	(425)	(425)	(425)	(425)	(425)	(425)
Contingency	[8]	(450)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)
Total Operating Disbursements		(4,465)	(4,126)	(4,965)	(3,702)	(3,855)	(3,708)	(3,770)	(3,974)	(2,370)	(4,253)	(4,700)	(7,262)	(3,945)	(4,153)	(4,281)	(4,068)	(4,067)
Net Change in Cash from Operations		(4,465)	(4,126)	6,496	4,565	(3,855)	(1,236)	1,577	(1,181)	(2,370)	(4,253)	(4,700)	(6,936)	4,369	1,390	(4,281)	(4,068)	(3,741)
Non-Operating Receipts and Disbursements																		
Capex	[9]	(615)	(617)	(2,213)	(41)	(300)	(181)	-	-	(26)	-	(4,564)	(584)	-	(3,463)	(2,050)	(1,373)	(1,213)
Capex - Fox Underground	[10]	(125)	(30)	-	(25)	(30)	(100)	-	(25)	-	(657)	(50)	(25)	(550)	(180)	(110)	(385)	-
Restructuring Professional Fees	[11]	-	(750)	-	-	-	(600)	-	-	-	(600)	-	-	-	-	(600)	-	-
Private Royalties		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	[12]	-	(700)	(4,561)	(339)	-	-	-	(700)	-	-	(700)	-	(12)	-	-	-	-
Net Change in Cash from Non-Operating Activities		(740)	(2,097)	(6,774)	(405)	(330)	(881)	(700)	(25)	(26)	(600)	(5,921)	(634)	(25)	(4,025)	(2,930)	(2,083)	(1,598)
Financing																		
Interim Financing	[13]	-	-	-	-	2,000	-	200	2,400	4,900	10,600	7,600	-	-	3,500	6,100	5,400	-
Net Change in Cash from Financing						2,000		200	2,400	4,900	10,600	7,600			3,500	6,100	5,400	
Net Change in Cash		(5,206)	(6,224)	(278)	4,160	(4,185)	(117)	877	(1,006)	4	47	(21)	30	4,344	(2,635)	(3,711)	(51)	62
Opening Cash		14,997	9,791	3,567	3,290	7,450	3,264	3,148	4,024	3,018	3,021	3,068	3,047	3,077	7,422	4,787	1,075	1,024
Ending Cash		\$ 9,791	\$ 3,567	\$ 3,290	\$ 7,450	\$ 3,264	\$ 3,148	\$ 4,024	\$ 3,018	\$ 3,021	\$ 3,068	\$ 3,047	\$ 3,077	\$ 7,422	\$ 4,787	\$ 1,075	\$ 1,024	\$ 1,086
Opening Interim Financing Balance		-	-	150	150	151	151	2,151	2,151	2,351	4,770	9,670	21,020	28,620	28,798	28,798	32,298	38,398
Fees		-	150	-	-	-	-	-	-	-	-	750	-	-	-	-	-	-
Advances		-	-	-	-	2,000	-	200	2,400	4,900	10,600	7,600	-	-	3,500	6,100	5,400	-
Interest Applied to Interim Financing		-	-	1	-	-	-	-	19	-	-	-	178	-	-	-	-	-
Ending Interim Financing Balance		\$ -	\$ 150	\$ 150	\$ 151	\$ 2,151	\$ 2,151	\$ 2,351	\$ 4,770	\$ 9,670	\$ 21,020	\$ 28,620	\$ 28,798	\$ 28,798	\$ 32,298	\$ 38,398	\$ 43,798	

Arctic Canadian Diamond Company Ltd. and Burgundy Diamonds (Canada) Limited
 Second Cash Flow Statement
 For the 27-week period ending November 6, 2026

Week Ending (CAD in thousands)	Phase 2 Completed >>											
	Week 18 4-Sep-26 Forecast	Week 19 11-Sep-26 Forecast	Week 20 18-Sep-26 Forecast	Week 21 25-Sep-26 Forecast	Week 22 2-Oct-26 Forecast	Week 23 9-Oct-26 Forecast	Week 24 16-Oct-26 Forecast	Week 25 23-Oct-26 Forecast	Week 26 30-Oct-26 Forecast	Week 27 6-Nov-26 Forecast	Week 1-27 6-Nov-26 Total	
Operating Receipts												
Diamond Sales	[1]	\$ -	\$ -	\$ 13,155	\$ 8,770	\$ -	\$ 7,131	\$ 4,754	\$ -	\$ -	\$ -	\$ 77,054
GST Refunds					327				327			2,259
Total Operating Receipts				13,155	9,097		7,131	4,754	327			79,313
Operating Disbursements												
Payroll and Benefits	[2]	(1,573)	(1,380)	-	(1,573)	(1,380)	(1,573)	(1,380)	(1,573)	(1,380)	(1,573)	(39,317)
Procon (Labour & Equipment)	[3]	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(598)	(16,157)
Flights		(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(70)	(2,300)
Freight and Transportation	[4]	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(2,565)
Site Services and Consumables	[5]	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(3,240)
Repair and Maintenance - Equipment	[6]	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(18,900)
Labour (other than Procon)		(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(810)
Explosives		(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(1,539)
Fire Suppression		-	-	-	(70)	-	-	-	(70)	-	-	(420)
Repair and Maintenance - Vehicles		-	(85)	-	-	-	(85)	-	-	-	(85)	(595)
Insurance and Banking		-	(406)	-	-	-	-	(406)	-	-	-	(2,472)
Utilities		(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(1,350)
Software		(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(1,350)
Health & Safety		(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(1,350)
GNWT Mineral Leases		-	-	-	-	-	-	-	-	-	-	(903)
Selling and Distribution		-	-	-	-	-	(217)	-	-	-	-	(762)
Other Professional Fees		(145)	-	-	-	-	-	-	-	-	-	(245)
Other Operating Expenses	[7]	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(150)	(8,950)
Contingency	[8]	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(6,950)
Total Operating Disbursements		(4,088)	(4,241)	(2,370)	(4,013)	(3,750)	(4,245)	(4,156)	(4,013)	(3,750)	(3,878)	(110,175)
Net Change in Cash from Operations		(4,088)	(4,241)	10,785	5,083	(3,750)	2,885	598	(3,687)	(3,750)	(3,878)	(30,861)
Non-Operating Receipts and Disbursements												
Capex	[9]	(700)	(900)	(453)	(100)	(50)	-	-	-	-	-	(19,443)
Capex - Fox Underground	[10]	(1,708)	(855)	(25)	(150)	(1,255)	(105)	(25)	-	(1,251)	-	(7,666)
Restructuring Professional Fees	[11]	(55)	-	(600)	-	-	-	(600)	-	-	-	(3,805)
Private Royalties		(12)	-	-	-	(12)	-	-	-	-	(12)	(47)
Others	[12]	-	(700)	-	-	-	-	(700)	-	-	-	(8,100)
Net Change in Cash from Non-Operating Activities		(2,475)	(2,455)	(1,078)	(250)	(1,316)	(105)	(1,325)	-	-	(1,263)	(40,060)
Financing												
Interim Financing	[13]	6,500	6,700	-	-	-	-	-	-	-	1,100	57,000
Net Change in Cash from Financing		6,500	6,700	-	-	-	-	-	-	-	1,100	57,000
Net Change in Cash		(63)	4	9,707	4,833	(5,067)	2,780	(727)	(3,687)	(3,750)	(4,041)	(13,922)
Opening Cash		1,086	1,023	1,027	10,734	15,567	10,500	13,281	12,553	8,866	5,116	14,997
Ending Cash		\$ 1,023	\$ 1,027	\$ 10,734	\$ 15,567	\$ 10,500	\$ 13,281	\$ 12,553	\$ 8,866	\$ 5,116	\$ 1,075	\$ 1,075
Opening Interim Financing Balance		43,798	50,777	57,477	57,477	57,477	58,098	58,098	58,098	58,098	58,744	-
Fees		-	-	-	-	-	-	-	-	-	-	900
Advances		6,500	6,700	-	-	-	-	-	-	-	1,100	57,000
Interest Applied to Interim Financing		479	-	-	-	621	-	-	-	646	-	1,944
Ending Interim Financing Balance		\$ 50,777	\$ 57,477	\$ 57,477	\$ 57,477	\$ 58,098	\$ 58,098	\$ 58,098	\$ 58,098	\$ 58,744	\$ 59,844	\$ 59,844

Management has prepared this Cash Flow Statement solely for the purposes of determining the liquidity requirements of Arctic Canadian Diamond Company Ltd. and Burgundy Diamonds (Canada) Limited during the CCAA Proceedings. The Cash Flow Statement is based on the probable and hypothetical assumptions detailed below. Actual results will likely vary from performance projected and such variations may be material.

Notes:

- [1] Diamond sales reflect the proceeds resulting from ongoing production.
- [2] Payroll includes payroll and source deductions for corporate employees and workers at the Ekati Mine.
- [3] Procon provides contracted miners and supplies certain equipment for underground mining.
- [4] Freight and Transportation primarily relates to the shipment of supplies to the mine site.
- [5] Site services and consumables include general operational service costs as well as materials used in mining and processing.
- [6] Repair and maintenance costs relate to scheduled servicing of equipment and vehicles to keep the mining fleet operational along with a contingency for unforeseen urgent repairs.
- [7] Other operating expenses capture the remaining site level costs necessary to support mining operations.
- [8] Contingency relates to unforeseen expenses and disbursements during the CCAA Proceedings.
- [9] Capex relates primarily to the construction of the wash plant, with the majority of costs deferred beyond the Forecast Period. Capex also includes repair costs associated with the dual powered road trains used to haul ore and waste rock.
- [10] Capex - Fox Underground relates to development costs of the underground mine.
- [11] Restructuring Professional Fees represents retainers and fees of Company counsel, the Monitor, the Monitor's counsel, the Interim Lender's counsel and the Interim Lender's financial advisor during the CCAA Proceedings.
- [12] Others represents surety bond premium and IBA payments.
- [13] The Applicants' are forecasting to require interim financing of approximately \$59.8 million during the 27 week period ending November 6, 2026.