|ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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 OR ARRANGEMENT OF CRYSTALLEX INTERNATIONAL CORPORATION

FORTY-FIRST REPORT OF THE MONITOR

May 18, 2023

INTRODUCTION

1. This Court granted Crystallex International Corporation ("**Crystallex**" or the "**Applicant**") protection under the *Companies' Creditors Arrangement Act (Canada)* (the "**CCAA**") pursuant to the Initial Order of Justice Newbould dated December 23, 2011 (the "**Initial Order**"). Also pursuant to the Initial Order, this Court appointed Ernst & Young Inc. as the monitor (the "**Monitor**") of the Applicant and granted a stay of proceedings, which was most recently extended to November 18, 2023.

2. On the same date as the Initial Order, Crystallex also commenced a proceeding before the United States Bankruptcy Court in the District of Delaware (the "**Delaware Bankruptcy Court**") pursuant to Chapter 15 of the United States Bankruptcy Code to obtain an order recognizing this CCAA proceeding as the foreign main proceeding and providing a stay of proceedings in the United States (the "**Chapter 15 Proceedings**"). On January 20, 2012, the Delaware Bankruptcy Court granted an order approving the recognition of the CCAA proceeding as a foreign main proceeding and giving full force and effect in the United States to the Initial Order, including any extensions or amendments authorized under the CCAA proceeding.

3. To provide the necessary financing for its CCAA proceeding and to pursue its arbitration claim against the Bolivarian Republic of Venezuela ("**Venezuela**") in relation to certain mine sites that it alleged were expropriated, Crystallex obtained debtor-in-possession financing ("**CCAA Financing**") from Luxembourg Investment Company 31 S.à.r.l. (successor to Tenor Special

Situation I. LP.) ("**Tenor**" or the "**DIP Lender**"). This Court granted an Order dated April 16, 2012 approving the CCAA Financing ("**CCAA Financing Order**"). The current outstanding principal owed to the DIP Lender is $75,733,333. The Applicant and the DIP Lender have advised the Monitor that the balance of the CCAA Financing was approximately $164 million as at September 30, 2021.

4. On April 4, 2016, an arbitral tribunal constituted under the auspices of the Additional Facility of the International Center for Settlement of Investment Disputes granted an award (the "**Award**") in favour of the Applicant. The Award against Venezuela includes:

   a) US$1.202 billion in damages;
   b) interest accrued at 6-month average U.S. dollar LIBOR plus 1%, compounded annually, from April 13, 2008 to the date of the Final Award Order; and
   c) post judgment interest from the date of the Final Award Order.

5. Pursuant to the stay extension order dated December 12, 2022 (the "**December 2022 Stay Extension Order**"), the Applicant or the Monitor is directed to provide to the Court and stakeholders regular public reporting with respect to the Applicant's then-current cash balance and the DIP balance as well as its then-current cash flow variance for the prior six-month period and the cash flow forecast for the upcoming six-month period. Such reporting is required to be provided no less frequently than every six months.

PURPOSE

6. The Monitor is filing this forty-first report (the "**Forty-First Report**") pursuant to the December 2022 Stay Extension Order to provide the Court and the stakeholders of Crystallex an update on:

   a) the Applicant's cash balance and the DIP balance as of April 30, 2023;
   b) the Applicant's actual receipts and disbursements for the period from October 1, 2022 to March 31, 2023; and
   c) the Applicant's cash flow projection from April 1, 2023 to September 30, 2023.

7. In preparing this Forty-First Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by Crystallex, and discussions with and information from management of the Applicant ("**Management**") (collectively, the "**Information**").

8. The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

9. Capitalized terms not defined in this Forty-First Report are as defined in previous reports of the Monitor. Unless otherwise stated, all monetary amounts contained herein are expressed in U.S. Dollars.

THE APPLICANT'S LIQUIDITY POSITION AND CASH FLOW PROJECTION

10. In accordance with the December 2022 Stay Extension Order, the Monitor reports as follows:

    a) the balance of the Applicant's cash and cash equivalent as at April 30, 2023 was approximately $78.2 million; and
    b) the Monitor is advised by the Applicant and the DIP Lender that the Applicant's outstanding principal and interest owed to the DIP Lender was approximately $191.8 million as at April 30, 2023.

11. Attached as **Appendix "A"** is a summary of the Applicant's actual receipts and disbursements for the period from October 1, 2022 to March 31, 2023 compared to the cash flow projection included in the Fortieth Report. The balance of the Applicant's cash and cash equivalents as at March 31, 2023 was approximately $78.8 million, which was $7.7 million higher than forecast. The favourable variance is primarily due to lower than forecast Arbitration and CCAA costs.

12. Attached as **Appendix "B"** to this Forty-First Report is an updated cash flow projection for the period from April 1, 2023 to September 30, 2023 (the "**Cash Flow Projection**").

13. The Cash Flow Projection represents the estimates of Management of the projected cash flow during the period from April 1, 2023 to September 30, 2023 (the "**Period**"). The Cash Flow Projection has been prepared by Management using the probable and hypothetical assumptions

set out in the notes to the Cash Flow Projection (the "**Probable and Hypothetical Assumptions**" or the "**Assumptions**").

14. The Cash Flow Projection contains Management's Assumption that the Applicant will not receive any payments from Venezuela during the Period. In addition, Management assumes that the Applicant will not make any payments in respect of the DIP Credit Agreement even if the DIP Credit Agreement matures during the Period. The Applicant projects that it will have the ability to sustain its operations through the Proposed Stay Period to advance all necessary strategic initiatives related to asset preservation and enforcement strategies in connection with the Award.

15. The Monitor has reviewed the Cash Flow Projection to the standard required of a Court-appointed Monitor stipulated by section 23(1) (b) of the CCAA.

16. Pursuant to this standard, the Monitor's review of the Cash Flow Projection consisted of inquiries, analytical procedures and discussions related to information supplied to it by certain key members of Management and employees and legal counsel of the Applicant. Since the Hypothetical Assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Projection. The Monitor also reviewed the support provided by Management for the Probable Assumptions and the preparation and presentation of the Cash Flow Projection.

17. Based on this review, nothing has come to the Monitor's attention that causes it to believe, in all material respects, that:

    a) the Probable and Hypothetical Assumptions are inconsistent with the purpose of the Cash Flow Projection;
    b) as at the date of this Report, the Probable Assumptions are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the Cash Flow Projection, given the Hypothetical Assumptions; or
    c) the Cash Flow Projection does not reflect the Probable and Hypothetical Assumptions.

18. The Cash Flow Projection has been prepared by Management solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

All of which is respectfully submitted this 18th day of May 2023.

ERNST & YOUNG INC.
In its capacity as Court-appointed Monitor of
Crystallex International Corporation

Per:

Brian M. Denega
Senior Vice President

Appendix A

Crystallex International Corporation ("Crystallex")
Variance Statement
October 1, 2022 to March 31, 2023
US $000

	Actual	*Forecast*	*Variance*	Notes
Opening Cash Balance	**81,361**	**81,361**	**-**	
Receipts				
Venezuela and Other Receipts	**1,718**	**-**	**1,718**	1
Total Receipts	**1,718**	**-**	**1,718**	
Disbursements				
General Corporate Expenses	**(1,332)**	**(1,447)**	**115**	
Arbitration and CCAA Costs	**(2,973)**	**(8,863)**	**5,890**	2
Total Disbursements	**(4,305)**	**(10,310)**	**6,006**	
Net Cash Flow	**(2,587)**	**(10,310)**	**7,723**	
Ending Cash Balance	**78,774**	**71,050**	**7,723**	

**** Certain numbers in the Variance Statement are rounded.***
Unaudited- see accompanying notes.

1. The favourable variance in Venezuela and Other Receipts is mainly due to interest earned on Crystallex's term deposits and securities as well as HST refunds that are held at Canadian schedule 1 banks during the period from October 1, 2022, to March 31, 2023.
2. The favourable variance in Arbitration and CCAA costs is mainly due to lower-than-expected US and Canadian professional fees incurred.

Appendix B

Crystallex International Corporation ("Crystallex")
Cash Flow Projection
April 1, 2023 to September 30, 2023

US $000		***Forecast***
		April 1, 2023 - September 30, 2023
Opening Cash Balance	1	78,774
Receipts		
Venezuela and Other Receipts		-
Total Receipts	2	-
Disbursements		
General Corporate Expenses	3	(1,119)
Arbitration and CCAA Costs	4	(8,687)
Total Disbursements		(9,806)
Net Cash Flow		(9,806)
Ending Cash Balance		68,968

** Certain numbers in the Cash Flow Projection are rounded.*
Unaudited- see accompanying notes.

This Cash Flow Projection has been prepared by Management solely for the purpose of determining the ability of Crystallex International Corporation ("Crystallex" or the "Applicant") to fund its business activities as set out herein. The Cash Flow Projection represents Management's reasonable estimates at present. This is not a projection or forecast as contemplated in the Chartered Professional Accountants Canada Handbook. The actual timing and amount of the receipts and disbursements may fluctuate from the estimates shown herein and these fluctuations may be material. Readers are cautioned that the Cash Flow Projection may not be appropriate for their purposes.

Capitalized terms not defined in the notes to the Cash Flow Projection are defined in the reports of the Monitor. The Cash Flow Projection is presented for the period from April 1, 2023 to September 30, 2023 (the "Period") and represents Management's estimate of the projected financial results from operations during that time on a cash, not accrual, basis. The Cash Flow Projection is presented in thousands of U.S. Dollars.

Actual disbursements will reflect the foreign exchange rate in effect on the date of the transaction.

1. The Opening Cash Balance includes Crystallex's cash on hand net of outstanding cheques as at April 1, 2023.

2. Venezuela and Other Receipts represent settlement receipts from Venezuela, interest earned, tax refunds and foreign exchange gains and losses.

3. General Corporate Expenses represent the Applicant's payroll and benefits, general office expenses and insurance payments.

4. Arbitration and CCAA Costs relate to the legal services for pursuing and enforcing the Applicant's Award against Venezuela. In addition, Arbitration and CCAA Costs also relate to professional fees of the Applicant's tax accountant, the Monitor and counsel to the Monitor, the Applicant and the DIP Lender. [redacted]