



This is the 1st Affidavit of Xiao Peng Cui
in this case and was made on September 8, 2023

No. **S E 236 214**
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

1392752 B.C. LTD.

PETITIONER

AND:

SKEENA SAWMILLS LTD.
SKEENA BIOENERGY LTD.
ROC HOLDINGS LTD.

RESPONDENTS

AFFIDAVIT

I, Xiao Peng Cui, businessman, of 1518 – 1030 West Georgia Street, Vancouver in the Province of British Columbia, SWEAR THAT:

1. I am a Director and an authorized signing authority for the Petitioner, and as such have personal knowledge of the matters herein deposed to. I am authorized to make this Affidavit on behalf of the Petitioner.
2. I have read the Petition to the Court (the “**Petition**”) herein, and say that the matters and facts therein set out are true.
3. I know of no fact which would constitute a defence to the whole or part of the relief claimed in the Petition herein.
4. For the purpose of this Affidavit, I adopt the definitions as set out in the Petition, unless otherwise defined herein.

5. I have reviewed the attached documents referenced in the Petition:
- (a) true copies of the January 2023 Demands, defined in Paragraph 8, are attached collectively hereto as **Exhibit "A"**;
 - (b) a true copy of the Forbearance Agreement, defined in Paragraph 10, is attached hereto as **Exhibit "B"**;
 - (c) true copies of the Promissory Notes, defined in Paragraph 11, are attached collectively hereto as **Exhibit "C"**;
 - (d) a true copy of the Guarantee, defined in Paragraph 13, is attached hereto as **Exhibit "D"**;
 - (e) a true copy of the Mortgage, defined in Paragraph 14(a), is attached hereto as **Exhibit "E"**;
 - (f) a true copy of the Assignment, defined in Paragraph 14(b), is attached hereto as **Exhibit "F"**;
 - (g) true copies of the GSAs, defined in Paragraph 14(c), are attached collectively hereto as **Exhibit "G"**;
 - (h) true copies of the September 2023 Demands, defined in Paragraph 34, are attached collectively hereto **Exhibit "H"**;
 - (i) true copies of the Waivers, defined in Paragraph 35, are attached collectively here to as **Exhibit "I"**;
6. Attached hereto are true copies of the following additional documents referenced in the Petition:
- (a) a true copy of the title search print of the Lands is attached hereto as **Exhibit "J"**;
 - (b) true copies of the Personal Property Registry Searches for the Skeena Entities are attached collectively hereto as **Exhibit "K"**;

- (c) a true copy of the correspondence between Pacific Northern Gas and Bioenergy, dated September 1, 2023, is attached hereto as **Exhibit “L”**;
- (d) a true copy of the Notice of Civil Claim against Sawmills in the Supreme Court of British Columbia, Terrace Registry, filed by Timber Baron on August 1, 2023, is attached hereto as **Exhibit “M”**;
- (e) a true copy of the Garnishing Order Before Judgment against Sawmills as defendant and Trans-Pacific Trading Ltd., as garnishee, dated August 3, 2023, is attached hereto as **Exhibit “N”**;
- (f) a true copy of the Notice of Civil Claim against Sawmills in the Supreme Court of British Columbia, Vancouver Registry, filed by Canzus Consulting Ltd. on September 1, 2023, is attached hereto as **Exhibit “O”**;
- (g) a true copy of the consent to act as receiver from Alvarez & Marsal Canada Inc. is attached hereto as **Exhibit “P”**.

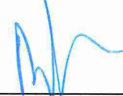
SWORN BEFORE ME at the City of
Vancouver, in the Province of British
Columbia, this 8th day of September, 2023.

A Commissioner for taking Affidavits for
British Columbia.

XIAO PENG CUI

BRYAN C. GIBBONS
Barrister & Solicitor
1600 - 925 WEST GEORGIA ST.
VANCOUVER, B.C. V6C 3L2
(604) 685-3456

This is Exhibit "A" referred to in the affidavit of Xiao Peng Cui made before me at Vancouver, B.C., on September 8, 2023.



A Commissioner for taking Affidavits within British Columbia.

January 26, 2023

DELIVERED – STRICTLY CONFIDENTIAL

SKEENA SAWMILLS LTD.
1518 – 1030 West Georgia Street,
Vancouver, B.C. V6E 2Y3

Jack Yong
D: 604.631.9163
F: 604.669.9216
jyong@lawsonlundell.com

Dear Sirs and Mesdames:

Re: Your outstanding indebtedness to 1392752 B.C. Ltd. (the “Lender”) payable on demand

We are the solicitors for the Lender with respect to the above-captioned matter.

We are instructed that you are indebted to the Lender in the principal amount of \$109,118,000 (the “Indebtedness”).

On behalf of our client, we hereby make formal demand upon you for payment of the Indebtedness, plus legal costs to the date of payment.

This letter is to advise you that unless payment of the Indebtedness, plus legal costs, is made into this office by certified cheque or bank draft payable to Lawson Lundell LLP, in trust, on or before February 5, 2023, legal proceedings will be commenced against you without further notice.

All inquiries and payments should be directed to the attention of the writer to ensure that due credit is given immediately to your account.

Yours very truly,

LAWSON LUNDELL LLP



Jack Yong*
JMY/jgg

cc: Client

* Law Corporation

January 26, 2023

Jack Yong
D: 604.631.9163
F: 604.669.9216
jyong@lawsonlundell.com

DELIVERED – STRICTLY CONFIDENTIAL

SKEENA BIOENERGY LTD.
1518 – 1030 West Georgia Street,
Vancouver, B.C. V6E 2Y3

Dear Sirs and Mesdames:

Re: Your outstanding indebtedness to 1392752 B.C. Ltd. (the “Lender”) payable on demand

We are the solicitors for the Lender with respect to the above-captioned matter.

We are instructed that you are indebted to the Lender in the principal amount of \$15,592,000 (the “**Indebtedness**”).

On behalf of our client, we hereby make formal demand upon you for payment of the Indebtedness, plus legal costs to the date of payment.

This letter is to advise you that unless payment of the Indebtedness, plus legal costs, is made into this office by certified cheque or bank draft payable to Lawson Lundell LLP, in trust, on or before February 5, 2023, legal proceedings will be commenced against you without further notice.

All inquiries and payments should be directed to the attention of the writer to ensure that due credit is given immediately to your account.

Yours very truly,

LAWSON LUNDELL LLP



Jack Yong*
JMY/jgg

cc: Client

* Law Corporation

January 26, 2023

Jack Yong
D: 604.631.9163
F: 604.669.9216
jyong@lawsonlundell.com

DELIVERED – STRICTLY CONFIDENTIAL

ROC HOLDINGS LTD.
1518 – 1030 West Georgia Street,
Vancouver, B.C. V6E 2Y3

Dear Sirs and Mesdames:

Re: Your outstanding indebtedness to 1392752 B.C. Ltd. (the “Lender”) payable on demand

We are the solicitors for the Lender with respect to the above-captioned matter.

We are instructed that you are indebted to the Lender in the principal amount of \$10,886,000 (the “**Indebtedness**”).

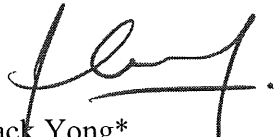
On behalf of our client, we hereby make formal demand upon you for payment of the Indebtedness, plus legal costs to the date of payment.

This letter is to advise you that unless payment of the Indebtedness, plus legal costs, is made into this office by certified cheque or bank draft payable to Lawson Lundell LLP, in trust, on or before February 5, 2023, legal proceedings will be commenced against you without further notice.

All inquiries and payments should be directed to the attention of the writer to ensure that due credit is given immediately to your account.

Yours very truly,

LAWSON LUNDELL LLP



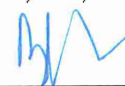
Jack Yong*
JMY/jgg

cc: Client

* Law Corporation

FORBEARANCE AGREEMENT

This is Exhibit "B" referred to in the affidavit of Xiao Peng Cui made before me at Vancouver, B.C., on September 8, 2023.



A Commissioner for taking Affidavits within British Columbia.

THIS AGREEMENT is dated effective as of January 31st 2023

BETWEEN:

1392752 B.C. LTD., a company incorporated under the laws of British Columbia with an address at 1600 - 925 West Georgia Street, Vancouver, BC V6C 3L2

(the "Lender")

AND:

ROC HOLDINGS LTD., a company incorporated under the laws of British Columbia with an address at 1518 - 1030 West Georgia Street, Vancouver, BC V6E 2Y3

("ROC")

AND:

SKEENA SAWMILLS LTD., a company incorporated under the laws of British Columbia with an address at 1518 - 1030 West Georgia Street, Vancouver, BC V6E 2Y3

("Sawmills")

AND:

SKEENA BIOENERGY LTD., a company incorporated under the laws of British Columbia with an address at 1518 - 1030 West Georgia Street, Vancouver, BC V6E 2Y3

("Bioenergy")

AND:

BRIGHT FUTURE INTERNATIONAL TRADING LTD., a company incorporated under the laws of British Columbia with an address at 1518 - 1030 West Georgia Street, Vancouver, BC V6E 2Y3

("Bright Future", and together with ROC, Skeena and Bioenergy, the "Borrowers" and each a "Borrower")

WHEREAS:

- A. The Borrowers are affiliates of one another. Each Borrower is indebted to the Lender for certain loans, each payable on demand, in the following principal amounts as at the date

of this Agreement (collectively, the “**Indebtedness**”), as evidenced by certain promissory notes (the “**Notes**”):

Borrower:	Principal Amount:
ROC	\$10,886,000
Sawmills	\$109,118,000
Bioenergy	\$15,592,000
Bright Future	\$83,000
Total:	\$135,679,000

- B. The Lender has several concerns regarding the Borrowers, including debt load, operating losses and cash flow deficits. By letters dated Jan. 26, 2023 (collectively, the “**Demand Letter**”), the Lender has made formal demand upon the Borrowers for payment of the Indebtedness in full.
- C. The Borrowers have requested that the Lender forbear from taking steps to recover the Indebtedness, all on the terms and conditions set out in this Agreement, in order to provide the Borrowers with a further reasonable period of time to address the Borrowers’ financial difficulties and to repay the Indebtedness in full.
- D. The Lender is willing to forbear from taking immediate steps to recover the Indebtedness, and to continue making advances to cover the Borrowers’ working capital needs, on the condition that the Borrowers provide security for the Indebtedness and all advances subsequent to the date of this Agreement as further described in this Agreement, and on the other terms and conditions set forth below.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement (the receipt and sufficiency of which are acknowledged by the parties hereto), the parties covenant and agree with each other as follows:

1. Definitions

- 1.1 “**Agreement**” means this forbearance agreement, including any and all schedules, as it may be amended or restated in accordance with the terms hereof.
- 1.2 “**Borrower**” is defined in the recitals above.
- 1.3 “**Business Day**” means any day which is not a Saturday, Sunday or statutory holiday in British Columbia, Canada.
- 1.4 “**Communication**” has the meaning ascribed to it in Section 11.10.
- 1.5 “**Consultant**” has the meaning ascribed to it in Section 4.1.

- 1.6 “**Demand Letter**” is defined in the recitals above.
- 1.7 “**Effective Date**” means the date first set out in this Agreement.
- 1.8 “**Event of Default**” has the meaning ascribed to it in Section 8.1.
- 1.9 “**Indebtedness**” is defined in the recitals above.
- 1.10 “**Lender**” is defined in the description of the parties at the beginning of this Agreement.
- 1.11 “**Notes**” is defined in the recitals above.

2. **Forbearance**

- 2.1 Subject to the execution and delivery to the Lender of this Agreement and all additional security contemplated herein by the Borrowers, the Lender agrees that, provided no further Event of Default occurs, it will not take steps to recover the Indebtedness until after the date that is **three months after the Effective Date** (the “**Forbearance Period**”), or such later date as may be agreed to by the Lender in writing and in its sole discretion.
- 2.2 Each Borrower acknowledges and agrees that the Forbearance Period is reasonable in the circumstances.
- 2.3 Notwithstanding that the Borrowers’ obligations set out in this Agreement may contemplate financial and other obligations beyond the Forbearance Period, nothing in this Agreement shall be deemed to extend the Forbearance Period beyond the date set out in Section 2.1, or such later date that the Lender may agree to in writing.

3. **Confirmation of Indebtedness**

- 3.1 Each Borrower acknowledges and agrees that the recitals to this Agreement are incorporated into and form an integral part of this Agreement and are true and accurate in every respect.
- 3.2 Each Borrower acknowledges and agrees that, except as set out herein, the Lender is not under any obligation whatsoever to provide further loans to any Borrower.
- 3.3 Each Borrower acknowledges and agrees that the Indebtedness is due and owing to the Lender, and hereby waives any rights which it may have as at the date of this Agreement to claim any abatement or offset of the amounts, whether arising by way of defence or counterclaim.
- 3.4 The confirmations and acknowledgements herein by the Borrowers in relation to the Indebtedness constitute acknowledgement of their liability for the Indebtedness as contemplated by the British Columbia *Limitation Act*.

4. **Consultant Engagement**

- 4.1 The Borrowers will retain a reputable and qualified restructuring consulting firm acceptable to the Lender (the “**Consultant**”) to review, among other things, the business

and financial position of the Borrowers, including their business prospects and financial projections, the Lender's security position, and to assist the Borrowers to develop a plan to address their financial difficulties together with any other matters which the Lender may from time to time in its sole discretion require, which may include financial monitoring of the Borrowers.

4.2 Each Borrower agrees with the Lender in furtherance of the Consultant's duties:

- (a) to permit complete and unrestricted access to its premises and personnel to the Consultant during normal business hours and to provide the Consultant with any information which it may reasonably request pursuant to its appointment provided that the Consultant will not interfere with normal business operations;
- (b) to direct its employees to cooperate fully with the appointment herein and in making disclosure to the Consultant;
- (c) if required, to direct its external accountants to cooperate fully with the appointment herein in making disclosure to the Consultant including providing any information and documents reasonably requested by the Consultant;
- (d) to permit the Consultant to make copies of any reports, documents or records as it deems necessary and that the Consultant shall be entitled to provide the Lender and its solicitors with copies of all reports and information arising out of or obtained pursuant to its appointment;
- (e) to indemnify and save harmless the Consultant and the Lender from any liability which the Consultant may incur in the course of acting as consultant under the terms of its engagement with the Lender and this Agreement, save and except any willful misconduct or gross negligence;
- (f) If the Lender deems it necessary or advisable to exercise any or all of the remedies available to it under the Security, the Borrowers agree that the appointment of the Consultant in accordance with this Agreement shall not be grounds for their objecting to the appointment of the Consultant as agent for the Lender or receiver or receiver-manager or interim receiver or trustee or monitor of the Borrowers in the event of any enforcement of the Security; and
- (g) None of the Borrowers will at any time have or prosecute any claim or commence action against the Consultant or the Lender, or defend any action by the Lender to enforce the Security arising from or based, directly or indirectly, upon the Consultant's engagement herein and its recommendations to the Lender.

4.3 The Borrowers covenant and agree that:

- (a) the Consultant will not have any control over any Borrower's operations or affairs, will assume no decision-making responsibility or have any management capacity, nor will it be conducting an audit;

- (b) the Consultant will not be entitled to approve or execute agreements for or on behalf of any Borrower;
- (c) the Consultant will not be held responsible for any decisions or activities of any Borrower; and
- (d) the Consultant's standard hourly fees and expenses are for the account of the Borrowers. The Lender may pay these fees and expenses and add same to the Indebtedness as the Lender sees fit. These fees and expenses, when added to the Indebtedness, shall be secured by the Security.

5. **The Borrowers' Financial and Non-Financial Obligations**

- 5.1 **Prepayment.** The Borrowers may prepay all or any portion of the outstanding Indebtedness at any time without the Lender's prior written consent.
- 5.2 **Manner of Payment.** The Borrowers agree to make payments under this Agreement in full without set-off or counterclaim and without any deduction for taxes unless prohibited by law. All payments to be made by the Borrowers to the Lender under this Agreement will be in Canadian funds paid by wire transfer, certified cheque or direct deposit of immediately available funds to an account as the Lender may direct in writing.
- 5.3 **Additional Security for the Indebtedness.** Concurrently with execution and delivery of this Agreement, in consideration of the Lender's forbearance and willingness to grant further advances, the Borrowers now deliver fully executed copies of the following (collectively, the "**Security**"):
- (a) an unlimited joint and several guarantee granted by each Borrower as guarantor, pursuant to which each Borrower guarantees to the Lender payment of all indebtedness of each Borrower to the Lender;
 - (b) a registrable mortgage securing all indebtedness of the Borrowers to the Lender, which mortgage includes the terms of an assignment of rents, granted by ROC in favour of the Lender mortgaging and charging those lands and premises set out in Schedule "A" attached hereto (the "**Lands**");
 - (c) a general assignment of leases and rents made by ROC in favour of the Lender in respect of the Lands; and
 - (d) a general security agreement granted by each Borrower in favour of the Lender, charging all of each Borrower's present and after-acquired personal property;
- together with any other security documents, corporate resolutions, certificates, opinions and any further ancillary documentation as the Lender may reasonably require.
- 5.4 The Borrowers acknowledge having reviewed and being familiar with the Security and that the Security is in full force and effect and is valid and enforceable in accordance with its terms.

- 5.5 The Borrowers acknowledge and agree that whatever interest, claim, or right that any of them may have in and to any of the undertakings, properties, and assets charged by the Security shall be postponed, subordinated, and subject to the rights of the Lender under the Security.

6. Additional Obligations of the Borrower

- 6.1 Each Borrower covenants and agrees that it will not seek any relief under the *Companies Creditors Arrangement Act*, *Bankruptcy & Insolvency Act*, the *B.C. Personal Property Security Act*, the *B.C. Law and Equity Act*, or under any statute of similar nature in any other jurisdiction without the prior written consent of the Lender.
- 6.2 Each Borrower agrees that it will pay all fees, costs and disbursements incurred by or on behalf of the Lender in connection with the negotiation, preparation and execution of this Agreement, any Security and any documents delivered pursuant to or in connection with this Agreement, including without limitation all fees and disbursements paid to its lawyers (on the basis of complete indemnification on a solicitor and its own client basis) in connection with advising the Lender in relation to the Notes, the Indebtedness, the Security, and this Agreement, and all matters incidental or relating thereto, including enforcement and realization, and all such fees, costs and disbursements, whether past, present, or future, shall be added to the Indebtedness, and when so added, those fees and disbursements shall be secured by the Security.

7. Releases, Indemnities and Waivers

- 7.1 The Borrowers hereby release and forever discharge the Lender, and its successors and assigns of and from any and all manner of actions, causes of actions, suits, contracts, claims, demands, damages, costs, and expenses of any nature or kind whatsoever, whether known or unknown, suspected or unsuspected, or whether at law or in equity, which the Borrowers, or any of them, ever had or now have or which they or their administrators, officers, agents, successors, and assigns hereafter can, shall or may have or by reason of any cause, matter or thing whatsoever existing up to the present time and relating to the Notes, the Indebtedness, the Security, this Agreement or the Lender's actions, errors or omissions with regard thereto.
- 7.2 The Borrowers will jointly and severally indemnify and hold the Lender harmless from and against any losses, liabilities, damages, costs and expenses arising directly or indirectly out of or resulting from any Event of Default or any breach by any of the Borrowers of: (a) a representation or warranty made by any Borrower in or pursuant to this Agreement; or (b) any of the covenants made by any Borrower in or pursuant to this Agreement.
- 7.3 The Borrowers hereby waive against the Lender, and its successors and assigns any defense which they, or any of them, may have existing up to the present time to any action brought by the Lender to collect the Indebtedness, whether by counterclaim or defense, by reason of any cause, matter, error, omission, neglect, or thing caused or done, whether direct or indirect, by the Lender, its executors, administrators, officers, agents, successors, and assigns existing as at the date of this Agreement and relating to or arising

from the Notes, the Indebtedness, the Security, this Agreement or the Lender's actions, errors or omissions with regard thereto.

8. Events of Default and Remedies

- 8.1 Each of the following, unless waived by the Lender in writing, shall be an event of default under this Agreement (each an **"Event of Default"**):
- (a) Except as expressly provided in this Agreement, any Borrower is in default of any other provision of this Agreement, the Notes or the Security.
 - (b) Any encumbrancer or creditor of a Borrower takes possession of, or commences proceedings previously unknown to the Lender or takes steps to realize upon, any property or asset of a Borrower including a distress, execution, garnishing order, foreclosure, forfeiture, registration of builders' lien, or other charge, or any similar process levied or enforced there against and any such event is not cured within 5 days of notice thereof having been given by the Lender.
 - (c) An order of a competent court or an event analogous thereto is made or any effective resolution is passed with a view to the bankruptcy, composition proceedings, restructuring, liquidation, dissolution or winding up of any Borrower without the prior written consent of the Lender, or the Borrower consents to the institution or filing of any petition or proceedings with respect thereto without the prior written consent of the Lender.
 - (d) Any application is made or proceeding commenced with respect to any Borrower seeking reorganization, readjustment, rearrangement, restructuring, composition or similar relief under any applicable Canadian or other law, or if a step is taken or proceeding is instituted for the winding-up, liquidation, or dissolution of any Borrower or seeking an order adjudging it insolvent or seeking the appointment of a trustee, receiver, receiver/manager, liquidator, or similar person over any part of any Borrower's property without the prior written consent of the Lender.
 - (e) Any of the Borrowers become bankrupt.
 - (f) Any of the Borrowers' assets is subject to distress or seizure, or a judgment or order is enforced or becomes enforceable against any of their assets.
 - (g) Except as provided herein, any Borrower admits in writing its inability to pay its lawful debts as they mature or makes a general assignment for the benefit of its creditors.
 - (h) Any of the Borrowers' representations or warranties in this Agreement, the Notes or the Security is untrue in any material respect.
 - (i) Any Borrower ceases or threatens to cease to carry on its business or disposes or threatens to dispose of a substantial part of its business, properties, or assets or the same are seized or appropriated for any reason.

- (j) Any shares in any Borrower are issued or transferred such that, in the reasonable opinion of the Lender, the effective control of such Borrower has changed.
 - (k) During the Forbearance Period, the Lender discovers any material fact, which, in the sole and absolute judgment of the Lender, impairs the financial condition of any Borrower, the validity of the Security, or the value of the undertaking, property, and assets charged by the Security.
- 8.2 The Borrowers acknowledge and agree that, upon the occurrence of an Event of Default under this Agreement or upon expiry of the Forbearance Period, or any extension thereof agreed to by the Lender in writing, the Lender shall have the immediate right to terminate the remainder of the Forbearance Period (or said extension), if any, and issue or re-issue formal demand for payment in full followed by enforcement of the Security in the event of non-payment.
- 8.3 In the event that the Lender commences proceedings to enforce some or all of the Security, either at the expiry of the Forbearance Period or after the Forbearance Period has been terminated at the Lender's election, the Borrowers irrevocably consent to the appointment of a receiver or receiver/manager over any or all of the Borrowers' assets and undertakings charged by the Security, with power of sale in favour of such receiver or receiver/manager. The Borrowers further acknowledge and agree that the Lender may rely upon this Agreement as evidence of the irrevocable consent in any such court application.

9. Representations and Warranties of the Borrowers

- 9.1 **Representations and Warranties.** Each Borrower represents and warrants in favour of the Lender as follows:
- (a) **Corporate Existence and Power.** Each Borrower is duly incorporated and validly existing under the laws of British Columbia, Canada, and has all requisite corporate power and authority to enter into and perform its obligations under this Agreement and carry out the transactions contemplated hereunder.
 - (b) **Corporate Authorization and Binding Agreement.** This Agreement and the performance by it of its obligations hereunder have been duly authorized by all necessary corporate actions on the part of the Borrowers. This Agreement, when executed, constitutes valid and binding obligations of the Borrowers, as applicable, in accordance with its terms.
 - (c) **No Conflict.** Each Borrower's entry into this Agreement and the performance of or compliance with its terms will not: (i) violate its constituting documents; or (ii) violate any agreement to which it is a party, and will not give any person any right to terminate or cancel any agreement or any right enjoyed by it.
 - (d) **No Litigation.** There is no action, suit, proceeding or investigation pending or, to any Borrower's knowledge, threatened against it or affecting it or its property at law or in equity or before or by any federal, provincial or municipal department,

commission, board, bureau, agency or other body which place in question the validity or enforceability of this Agreement or any document delivered pursuant to this Agreement or in connection with this Agreement.

- (e) **No Insolvency Proceedings.** None of the Borrowers is bankrupt or proceeding with a winding-up, whether voluntary or involuntary.
- (f) **Taxation.** Except to the extent known by the Lender as at the date of this Agreement, all taxes for which the Borrowers are liable have been duly paid (insofar as such taxation ought to have been paid) and/or adequate provisions and accruals have been accounted for. All necessary tax returns and other information in respect of any and all taxes which ought to have been given have been properly and duly submitted by the Borrowers to the competent governmental entity and are not the subject of any dispute, nor do the Borrowers have knowledge of a reasonable basis for any such dispute.
- (g) **Guarantees.** The Borrowers have not issued guarantees or similar commitments for obligations of their shareholders, directors, officers or employees which are still in force and effect as of the date of this Agreement. The Borrowers have not issued guarantees or similar commitments for obligations of any other third parties which are still in force and effect as of the date of this Agreement.

9.2 **Representations and Warranties Continuously Given.** All representations and warranties of the Borrowers contained in this Agreement are deemed to be given continuously until the Indebtedness is repaid in full.

10. Covenants and Agreements

10.1 The Borrowers covenant to the Lender that, as and from the Effective Date and for so long as any amount is outstanding from the Borrowers to the Lender hereunder, the Borrowers shall:

- (a) **Representations and Warranties:** do all such acts and things necessary to ensure that all of the representations and warranties of the Borrowers remain true and correct;
- (b) **Event of Default:** promptly inform the Lender about any event which constitutes or will, by giving notice or lapse of time, constitute an Event of Default; and
- (c) **Laws and Regulations:** procure that each Borrower and its respective business at all times comply with all applicable laws and regulations, and without undue delay, notify the Lender of any material, actual, threatened or alleged breach of laws and regulations applicable to it.

11. General

11.1 **Full Force and Effect.** Except as set out herein, all other terms of the Notes will remain in full force and effect.

- 11.2 **Time.** Time shall be of the essence of this Agreement.
- 11.3 **Joint and Several.** Each Borrower hereby acknowledges that its obligations under this Agreement shall be joint and several, and all references to "Borrowers" and "Borrower" herein shall refer to any or all of them, as the context requires.
- 11.4 **Currency.** All references to dollars and the "\$" sign refer to Canadian currency, and all amounts to be advanced, paid, tendered or calculated under this Agreement are to be advanced, paid, tendered or calculated in Canadian currency.
- 11.5 **Entire Agreement.** This Agreement, together with the Notes, the Security and any agreement or instrument delivered pursuant to this Agreement, constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, term sheets, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no representations, warranties or other agreements between the parties, express or implied, in connection with the subject matter of this Agreement except as specifically set out in this Agreement, the Notes, the Security or any agreement or instrument delivered pursuant to this Agreement, the Notes or the Security. No party has been induced to enter into this Agreement in reliance on, and there will be no liability assessed, either in tort or contract, with respect to, any warranty, representation, opinion, advice or assertion of fact, except to the extent it has been reduced to writing and included as a term in this Agreement or any agreement or instrument delivered pursuant to this Agreement.
- 11.6 **Paramountcy.** In the event of a conflict or inconsistency between this Agreement and any other agreement with the Lender concerning or related to the Indebtedness, including without limitation the Notes or the Security, the provisions of this Agreement will prevail to the extent of such conflict or inconsistency.
- 11.7 **Amendment.** Except as provided herein, no alteration, amendment or modification of this Agreement or any provision of this Agreement shall be valid and binding upon the parties hereto unless such alteration, amendment or modification is in writing executed by the parties.
- 11.8 **Waiver.** No waiver or delay on the part of the Lender in exercising any right or privilege hereunder and no waiver as to any Event of Default hereunder shall operate as a waiver thereof unless made in writing and signed by the Lender. No written waiver shall preclude the further or other exercise by the Lender of any right, power or privilege hereunder or extend to or apply to any further Event of Default.
- 11.9 **Further Assurances.** The parties hereto shall execute and deliver all such further documents and instruments and do all such acts and things as any party may reasonably require in order to carry out the full intent and meaning of this Agreement.
- 11.10 **Notice.** Any demand, notice or other communication (each a "**Communication**") to be made or given hereunder shall be in writing and, in order to be effectively given, shall be made or given by personal delivery or by prepaid registered mail to the address of the

respective party set forth on the first page of this Agreement, with a copy of all Communications made or given to the Lender to be provided to:

Lawson Lundell LLP
Suite 1600 – 925 West Georgia Street
Vancouver, B.C. V6C 3L2

Attention: Jack Yong
Email: jyong@lawsonlundell.com

and a copy of all Communications made or given to the Borrowers to be provided to:

c/o Wen Liu, Barrister & Solicitor.
4184 Dollar Road.
North Vancouver, B.C. V7G 1A6
Attention: Wen Liu
Email: wen@wenlaw.ca

Either party may from time to time notify the other party hereto in accordance with this Section 11.10 of any change of address which thereafter, until changed by like notice, shall be the address of such party for all purposes under this Agreement. Any Communication made or given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof. Any Communication made or given by prepaid registered mail shall be conclusively deemed to have been given on the fifth Business Day after which it is mailed.

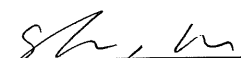
- 11.11 **Governing Law.** This Agreement shall be subject to, governed by, and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.
- 11.12 **Severability.** In the event any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement shall not in any way be affected or impaired thereby, and any such invalid, illegal or unenforceable provision shall be deemed to be severable.
- 11.13 **Binding and Enurement.** This Agreement shall be binding upon and shall enure to the benefit of the Borrowers and the Lender and their respective heirs, executors, administrators, estate trustees, trustees, personal or legal representatives, successors and permitted assigns.
- 11.14 **Counterparts.** This Agreement may be executed and delivered by the parties in one or more counterparts, each of which will be an original, and each of which may be delivered by facsimile, e-mail or other functionally equivalent electronic means of transmission, and those counterparts will together constitute one and the same instrument.

[Signature page follows]

EACH of the parties hereto have caused this Agreement to be executed as of the date first set forth above.

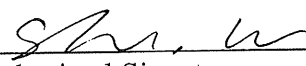
Lender:

1392752 B.C. LTD.

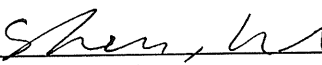
Per: 
Authorized Signatory

Borrowers:

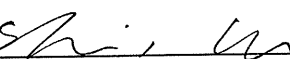
ROC HOLDINGS LTD.

Per: 
Authorized Signatory

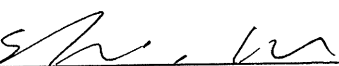
SKEENA SAWMILLS LTD.

Per: 
Authorized Signatory

SKEENA BIOENERGY LTD.

Per: 
Authorized Signatory

**BRIGHT FUTURE INTERNATIONAL
TRADING LTD.**

Per: 
Authorized Signatory

SCHEDULE "A"

LANDS

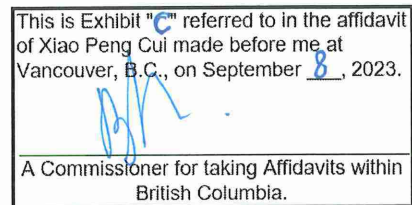
Civic Address:	Parcel Identifier:	Legal Description:
5330 Highway 16 W Terrace, B.C.	011-691-051	Lot B District Lot 616 Range 5 Coast District Plan 3986
	011-691-042	Lot A District Lot 616 Range 5 Coast District Plan 3986, Except Plan PRP47978
5402 Highway 16 W Terrace, B.C.	030-631-700	Lot A District Lots 616 and 1745 Range 5 Coast District Plan EPP78423
76 Kalum Lake Road Terrace, B.C.	011-768-398	Lot 3 District Lot 616 Range 5 Coast District Plan 3700
863 Kalum Lake Road Terrace, B.C.	009-426-833	District Lot 1398 Range 5 Coast District Except Plan 11735

PROMISSORY NOTE

TO: 1392752 B.C. LTD. (the "Lender")

FROM: SKEENA SAWMILLS LTD. (the "Borrower")

DATE: January 31, 2023

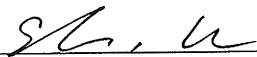


1. **Principal.** For good and valuable consideration, the Borrower acknowledges itself indebted and unconditionally promises to pay to, or to the order of, the Lender, ON DEMAND, the applicable principal amount outstanding under this promissory note, in lawful currency of Canada, as recorded from time to time by the Lender in the column headed "Principal Amount Balance" (the "**Principal Amount**") on the record attached as a Schedule hereto (the "**Grid**").
2. **Interest.** The Principal Amount will bear interest at a rate of 5% per annum, compounded monthly. Such interest will be calculated and due and payable monthly on the first of each month. Interest will apply both before and after default and judgment. Each payment under this promissory note will be applied first in payment of interest and the balance, if any, will be applied in reduction of the Principal Amount.
3. **Prepayment.** The Borrower may prepay any portion of the balance outstanding under this promissory note without the Lender's prior written consent.
4. **Indemnity.** The Borrower will indemnify and save harmless the Lender from and against all costs and expenses incurred by the Lender in connection with the Lender's exercise of its rights and remedies under this promissory note, including without limitation, its legal fees on a solicitor and own client basis.
5. **No Offset.** All payments by Borrower will be made without abatement, set-off or counter-claim.
6. **Amendment and Waiver.** No amendment, modification or waiver of any provision of this promissory note is in any event effective unless it is in writing and signed by the Lender, and then the amendment, modification or waiver is effective only in the specific instance and for the specific purpose for which it is given. The extension of time for payment of all or any portion of the Principal Amount, or the failure of the Lender to enforce any of its rights or remedies hereunder will not release the Borrower and will not constitute a waiver of any of the rights of the Lender to enforce its rights or remedies hereunder.
7. **Severability.** Any provision of this promissory note which is or becomes prohibited or unenforceable in any relevant jurisdiction will not invalidate or impair the remaining provisions hereof which shall be deemed severable from such prohibited or unenforceable provisions, and any such prohibition or unenforceability in any such jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.
8. **Assignment and Enurement.** This promissory note will enure to the benefit of the Lender, its successors and assigns, and will be binding on the Borrower and the Borrower's

successors and permitted assigns. This promissory note is not assignable by the Borrower without the prior written consent of the Lender. This promissory note is a negotiable instrument and may be assigned, hypothecated or pledged by the Lender without consent of the Borrower.

9. **Applicable Law.** This promissory note will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.
10. **Time.** Time will in all respects be of the essence of this promissory note.
11. **Waiver of Benefits.** The Borrower hereby waives demand, presentment for payment, notice of non-payment, protest and notice of protest of this promissory note.

SKEENA SAWMILLS LTD.

Per: 
Authorized Signatory

PROMISSORY NOTE

TO: 1392752 B.C. LTD. (the "Lender")

FROM: SKEENA SAWMILLS LTD. (the "Borrower")

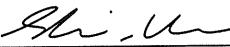
DATE: __May 1 ____, 2023

1. **Principal.** For good and valuable consideration, the Borrower acknowledges itself indebted and unconditionally promises to pay to, or to the order of, the Lender, ON DEMAND, the applicable principal amount outstanding under this promissory note, in lawful currency of Canada, as recorded from time to time by the Lender in the column headed "Principal Amount Balance" (the "**Principal Amount**") on the record attached as a Schedule hereto (the "**Grid**").
2. **Interest.** The Principal Amount will bear interest at a rate of 8% per annum, compounded monthly. Such interest will be calculated and due and payable monthly on the first of each month. Interest will apply both before and after default and judgment. Each payment under this promissory note will be applied first in payment of interest and the balance, if any, will be applied in reduction of the Principal Amount.
3. **Prepayment.** The Borrower may prepay any portion of the balance outstanding under this promissory note without the Lender's prior written consent.
4. **Indemnity.** The Borrower will indemnify and save harmless the Lender from and against all costs and expenses incurred by the Lender in connection with the Lender's exercise of its rights and remedies under this promissory note, including without limitation, its legal fees on a solicitor and own client basis.
5. **No Offset.** All payments by Borrower will be made without abatement, set-off or counter-claim.
6. **Amendment and Waiver.** No amendment, modification or waiver of any provision of this promissory note is in any event effective unless it is in writing and signed by the Lender, and then the amendment, modification or waiver is effective only in the specific instance and for the specific purpose for which it is given. The extension of time for payment of all or any portion of the Principal Amount, or the failure of the Lender to enforce any of its rights or remedies hereunder will not release the Borrower and will not constitute a waiver of any of the rights of the Lender to enforce its rights or remedies hereunder.
7. **Severability.** Any provision of this promissory note which is or becomes prohibited or unenforceable in any relevant jurisdiction will not invalidate or impair the remaining provisions hereof which shall be deemed severable from such prohibited or unenforceable provisions, and any such prohibition or unenforceability in any such jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.
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SKEENA SAWMILLS LTD.

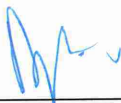
Per: 
Authorized Signatory

SCHEDULE
to
GRID PROMISSORY NOTE

Date of Advance or Repayment	Beginning Principal Amount (\$CAD)	Amount of Advance or (Repayment) (\$CAD)	Principal Amount Balance (\$CAD)	Signature of Lender Making Notation in respect of Repayment
May 8, 2023	\$0.00	\$ 240,000.00	\$ 240,000.00	
May 12, 2023	\$ 240,000.00	\$ 20,000.00	\$ 260,000.00	
May 16, 2023	\$ 260,000.00	\$ 450,000.00	\$ 710,000.00	
May 17, 2023	\$ 710,000.00	\$ 550,000.00	\$ 1,260,000.00	
May 19, 2023	\$ 1,260,000.00	\$ 25,000.00	\$ 1,285,000.00	
May 19, 2023	\$ 1,285,000.00	<i>SW</i> \$ (12,500.00)	\$ 1,272,500.00	
May 24, 2023	\$ 1,272,500.00	\$ 120,000.00	\$ 1,392,500.00	
May 25, 2023	\$ 1,392,500.00	\$ 136,280.00	\$ 1,528,780.00	
May 29, 2023	\$ 1,528,780.00	\$ 250,000.00	\$ 1,778,780.00	
June 1, 2023	\$ 1,778,780.00	<i>SW</i> \$ (12,500.00)	\$ 1,766,280.00	
June 5, 2023	\$ 1,766,280.00	\$ 147,774.00	\$ 1,914,054.00	
June 7, 2023	\$ 1,914,054.00	\$ 648,736.00	\$ 2,562,790.00	
June 12, 2023	\$ 2,562,790.00	\$ 1,002,450.00	\$ 3,565,240.00	
June 16, 2023	\$ 3,565,240.00	<i>SW</i> \$ (12,500.00)	\$ 3,552,740.00	
June 19, 2023	\$ 3,552,740.00	\$ 132,060.00	\$ 3,684,800.00	
June 22, 2023	\$ 3,684,800.00	\$ 552,720.00	\$ 4,237,520.00	
July 4, 2023	\$ 4,237,520.00	\$ 700,000.00	\$ 4,937,520.00	
July 7, 2023	\$ 4,937,520.00	<i>SW</i> \$ (12,500.00)	\$ 4,925,020.00	
July 10, 2023	\$ 4,925,020.00	\$ 357,127.00	\$ 5,282,147.00	
July 10, 2023	\$ 5,282,147.00	\$ 358,668.00	\$ 5,640,815.00	

Date of Advance or Repayment	Beginning Principal Amount (\$CAD)	Amount of Advance or (Repayment) (\$CAD)	Principal Amount Balance (\$CAD)	Signature of Lender Making Notation in respect of Repayment
July 14, 2023	\$ 5,640,815.00	<i>sw</i> \$ (12,500.00)	\$ 5,628,315.00	
July 21, 2023	\$ 5,628,315.00	\$ 578,791.00	\$ 6,207,106.00	
July 28, 2023	\$ 6,207,106.00	<i>sw</i> \$ (12,500.00)	\$ 6,194,606.00	
August 15, 2023	\$ 6,194,606.00	<i>sw</i> \$ (12,500.00)	\$ 6,182,106.00	

This is Exhibit "D" referred to in the affidavit
of Xiao Peng Cui made before me at
Vancouver, B.C., on September 8, 2023.



A Commissioner for taking Affidavits within
British Columbia.

GUARANTEE

THIS GUARANTEE (the "Agreement") is made as of the 31st day of January, 2023
(the "Effective Date")

BY:

ROC HOLDINGS LTD., a company incorporated under the laws of British Columbia with an address at Suite 1518, 1030 West Georgia Street, Vancouver, BC V6E 2Y3

("ROC")

SKEENA SAWMILLS LTD., a company incorporated under the laws of British Columbia with an address at Suite 1518, 1030 West Georgia Street, Vancouver, BC V6E 2Y3

("Sawmills")

SKEENA BIOENERGY LTD., a company incorporated under the laws of British Columbia with an address at Suite 1518, 1030 West Georgia Street, Vancouver, BC V6E 2Y3

("Bioenergy")

BRIGHT FUTURE INTERNATIONAL TRADING LTD., a company incorporated under the laws of British Columbia with an address at Suite 1518, 1030 West Georgia Street, Vancouver, BC V6E 2Y3

("Bright Future", and together with ROC, Sawmills and Bioenergy, the "Guarantors")

IN FAVOUR OF:

1392752 B.C. LTD., a company incorporated under the laws of British Columbia with an address at Suite 1600, 925 West Georgia Street, Vancouver, BC V6C 3L2

(the "Creditor")

WHEREAS:

- A. ROC, Sawmills, Bioenergy and Bright Future (each a "**Debtor**", and collectively, the "**Debtors**"), each of whom are affiliates of one another, are indebted to the Creditor in an aggregate principal amount of \$135,679,000, as evidenced by certain promissory notes granted by the Debtors for the principal amounts noted in the table below (the "**Promissory Notes**"):

Debtor:	Principal Amount:
ROC	\$10,886,000
Sawmills	\$109,118,000
Bioenergy	\$15,592,000
Bright Future	\$83,000
Total:	\$135,679,000

- B. The Creditor may, but is not obligated to, grant additional advances to any one or more of the Debtors.
- C. Each Debtor has benefited, directly or indirectly, from the loans advanced by the Creditor the indebtedness of which is evidenced by the Promissory Notes, and is expected to benefit, directly or indirectly, from any additional loans advanced by the Creditor.
- D. To secure all present and future indebtedness and obligations of each Debtor to the Creditor, each Debtor has agreed to grant the security set out in Schedule "A" attached hereto (collectively, the "**Security Documents**"), and to guarantee the debt and obligations of each other Debtor on the terms and conditions set forth below.

NOW THEREFORE, in consideration of the Creditor continuing to deal with the Debtors, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Guarantors hereby agree with the Creditor as follows:

- 1. Guarantee.** Each Guarantor hereby jointly and severally and unconditionally guarantees to the Creditor and its successors and assigns, forthwith upon demand, prompt and complete payment and performance of all indebtedness, liabilities, and obligations of each Debtor (other than itself) to the Creditor, present or future, direct or indirect, absolute or contingent, matured or not, now or at any time and from time to time hereafter due or owing to the Creditor from or by one or more of the Debtors, whether as principal or surety, and whether incurred by a Debtor alone or jointly with any other person or persons, including all indebtedness under the Promissory Notes and the Security Documents or otherwise, together with all interest, fees, costs, charges and expenses (including legal fees on a solicitor and its own client basis) incurred by the Creditor, the receiver, receiver-manager or agent of any Debtor, or the agent of the Creditor in the perfection and enforcement of this Guarantee and of any security held by the Creditor in respect of such indebtedness, obligations, liabilities, expenses and interest, including the Security Documents (collectively, the "**Obligations**").
- 2. Indemnity.** In addition to the guarantee provided in Section 1, and as a separate and distinct obligation, the Guarantors hereby agree to jointly and severally indemnify and save harmless the Creditor from and against all direct and indirect claims, demands, losses, damages, liabilities, charges, obligations, payments and expenses of any nature or

kind, howsoever or whenever arising, which the Creditor may suffer or incur in any way relating to or arising from the failure of any Debtor to pay and satisfy the Obligations.

3. **Guarantors Liable as Principals.** The Guarantors shall be liable to the Creditor as principal debtors and not as surety only, and will not plead or assert to the contrary in any action taken by the Creditor in enforcing this Agreement.
4. **Continuing Guarantee.** Subject to Section 5, this Agreement is a continuing guarantee and indemnity and shall secure the Obligations and any ultimate balance thereof, notwithstanding that the Debtors may from time to time satisfy the Obligations in whole or in part and thereafter incur further Obligations. This Agreement shall continue in full force and effect regardless of whether any Guarantor or any other party responsible for the payment of the Obligations or any portion thereof shall cease to be so liable for any reason whatsoever, including without limitation by reason of prescription, operation of law or release by the Creditor.
5. **Termination.** If the Obligations have been indefeasibly performed or paid in full in cash or in such other manner agreed to in writing by the Creditor and if all obligations of the Creditor in connection with the Obligations have been terminated, then the Creditor shall execute and deliver written acknowledgment of termination of this Agreement.
6. **Guarantee Absolute.** Subject to Section 5, the liability of the Guarantors hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or otherwise affected by anything done, suffered or permitted by the Creditor in connection with the Debtors, the Obligations or any security held by or granted to the Creditor to secure payment or performance of the Obligations. Without limiting the generality of the foregoing, the obligations and liabilities of the Guarantors hereunder shall be absolute and unconditional and shall not be released, discharged, limited or otherwise affected by:
 - (a) any lack of validity or enforceability of any agreement between the Creditor and the Debtors, or any of them, including, without limitation, the Promissory Notes, the Security Documents, and any other agreement or instrument relating thereto including the Obligations and any security granted therefor, including any bar to recovery under any statute of limitations;
 - (b) any change in the name, objects, business, assets, capital, constating documents ownership or control of any Debtor;
 - (c) any lack or limitation of power, incapacity or disability of any directors or agents of any Debtor, or any Debtor not being a legal or suable entity, or any irregularity, defect or lack of formality in the obtaining of credit by any Debtor;
 - (d) any change in the name of a Guarantor;
 - (e) any reorganization (whether by way of reconstruction, consolidation, amalgamation, merger, transfer, sale, lease or otherwise) of any Debtor or its business;

- (f) the dissolution, winding-up, liquidation or other distribution of the assets of any Debtor, whether voluntary or otherwise;
- (g) any bankruptcy, insolvency or similar proceedings, including any stay of or moratorium on proceedings, any action or omission of the Creditor in connection with any such proceedings, or any effect of any such proceedings on the Creditor;
- (h) the loss of or failure to obtain, register, perfect or maintain any security held by the Creditor, whether occasioned through the Creditor's failure or neglect or otherwise;
- (i) the valuation by the Creditor of any of its security, which shall not be considered as a purchase of such security, or as payment on account of the Obligations;
- (j) the failure or neglect of the Creditor to demand payment of the Obligations from any Debtor or any other party, or the failure or neglect of the Creditor to enforce all or any of the Creditor's security;
- (k) any right or alleged right of set-off, counterclaim, appropriation or application or any claim or demand that any Debtor or the Guarantors may have or may allege to have against the Creditor or any other person;
- (l) any dealings described in Section 7 hereof; or
- (m) any other circumstances which might otherwise constitute a legal or equitable defence available to, or complete or partial discharge of, any Debtor in respect of the Obligations or of the Guarantors in respect of this Agreement.

7. Dealings with the Debtors and Others. Without releasing, discharging, limiting or otherwise affecting in whole or in part the obligations of the Guarantors under this Agreement, and without notice to or the consent of the Guarantors, the Creditor may from time to time:

- (a) waive compliance with any terms and conditions applicable to the Obligations in whole or in part;
- (b) receive repayments in respect of the Obligations;
- (c) grant time, renewals, extensions, indulgences, releases and discharges to any Debtor;
- (d) take or refrain from taking guarantees from other parties or security from any Debtor or any other party, or from registering or perfecting any security;
- (e) release, discharge, compromise, realize, enforce or otherwise deal with or do any act or thing in respect of any and all security given by any Debtor, any Guarantor or any other party, with or without consideration;

- (f) accept compromises or arrangements from any Debtor, any Guarantor or any other party;
- (g) exercise any right or remedy which it may have against any Debtor, any Guarantor or any other party or with respect to any security;
- (h) apply all monies at any time received from any Debtor, any Guarantor or other party or from the proceeds of any security upon such part of the Obligations as the Creditor may see fit, or change any such application in whole or in part from time to time as the Creditor may see fit, notwithstanding any direction which may be given to the Creditor regarding application of such monies by any Debtor, any Guarantor or any other party; and
- (i) otherwise deal with, or waive or modify its right to deal with, any Debtor, any Guarantor or any other party and all security held by the Creditor, as the Creditor may see fit in its absolute discretion.

Any amount which is not recoverable hereunder from the Guarantors as guarantors shall be recoverable from the Guarantors as principal debtors. Accordingly, the Guarantors shall not be discharged nor shall the liability of the Guarantors be affected by any act, thing, omission or means whatsoever which would have resulted in the discharge or release of the liability of the Guarantors under this Agreement if the Guarantors had not been liable as principal debtors.

8. **No Obligation to Exercise Other Remedies.** The Creditor shall not be obliged to demand payment from or exhaust its recourse against any Debtor, guarantors of any Debtor or other parties or enforce any security held in respect of the Obligations or take any other action or legal proceeding before being entitled to payment from the Guarantors under this Agreement. The Guarantors hereby waive all benefits of discussion and division.
9. **Payment Immediately After Demand.** The Guarantors' liability to make a payment under this Agreement shall arise immediately after demand for payment has been made in writing by the Creditor on the Guarantors.
10. **Certificate as to Amount.** A certificate of the Creditor specifying the outstanding amount of the Obligations shall be accepted by the Guarantors as conclusive evidence that the said amount is so due, in the absence of manifest error.
11. **Waiver.** The Creditor shall not, by any act, delay, omission or otherwise, be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and executed by the Creditor. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by the Creditor of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which the Creditor would otherwise have on any future occasion, whether similar in kind or otherwise.

12. **Representations and Warranties.** Each of the Guarantors represents and warrants to the Creditor as follows, and acknowledges that the Creditor is relying upon the said representations and warranties as a basis for continuing to deal with the Debtors:
- (a) the Guarantors have all necessary capacity to enter into and perform all of their obligations contemplated by this Agreement; and
 - (b) all necessary consents and approvals of any third party that are required in connection with the execution and delivery to the Creditor of this Agreement, and the compliance with the terms, provisions and conditions hereof, have been obtained and no further consents or approvals are necessary under any agreement or instrument to which the Guarantors are a party or by which the property and assets or the Guarantors may be bound or affected.
13. **Disclosure.** The Guarantors waive any duty on the part of the Creditor to disclose to the Guarantors any facts relating to the Debtors, or other guarantors of the Obligations which the Creditor may now or hereafter know, regardless of whether the Creditor has reason to believe any such facts materially increase the risk beyond that which the Guarantors intend to assume, it being understood and agreed that the Guarantors are fully responsible for being and keeping fully informed.
14. **Assignment.** The Guarantors shall not be entitled to assign or transfer this Agreement or any of the Guarantors' rights, duties or obligations hereunder without the prior written consent of the Creditor.
15. **Revival of Indebtedness and Liability.** If at any time all or any part of any payment previously applied by the Creditor to any portion of the Obligations is rescinded or returned by the Creditor for any reason whatsoever, whether voluntarily or involuntarily (including, without limitation, arising from or in connection with the insolvency, bankruptcy or reorganization of any Debtor or the Guarantors, or any of them, or any allegation that the Creditor received a payment in the nature of a preference), then to the extent that such payment is rescinded or returned such portion of the Obligations shall be deemed to have continued in existence notwithstanding such application by the Creditor, and this Agreement shall continue to be effective or be reinstated, as the case may be, as to such portion of the Obligations as though such payment to the Creditor had not been made.
16. **Assignment and Postponement of Amounts Due to the Guarantors.**
- (a) Payment of all present and future debts and liabilities of the Debtors, or any of them, to any or all of the Guarantors (the "**Postponed Indebtedness**") is hereby postponed to payment of the Obligations. For greater certainty, the Guarantors shall not receive any payments of principal, interest or any other amounts in respect of the Postponed Indebtedness until the Obligations have been paid and satisfied in full or unless otherwise consented to by the Creditor in writing. If any portion of the Postponed Indebtedness is paid in contravention of this Agreement, it shall be held by the Guarantors in trust for the Creditor and shall be immediately paid to the Creditor. As security for the obligations of the

Guarantors to the Creditor under this Agreement, the Guarantors assign to the Creditor the Postponed Indebtedness.

- (b) In the event of any insolvency, bankruptcy or other proceeding involving the liquidation, arrangement, compromise, reorganization or other relief with respect to any Debtor or its debts, the Guarantors will, upon the request of the Creditor, make and present a proof of claim or commence such other proceedings against such Debtor on account of the Postponed Indebtedness as may be reasonably necessary to establish the Guarantors' entitlement to payment of any Postponed Indebtedness. Such proof of claim or other proceeding must be made or commenced prior to the earlier of (i) the day which is 30 days after notice requesting such action is delivered by or on behalf of the Creditor to the Guarantors and (ii) the day which is 10 days preceding the date when such proof of claim or other proceeding is required by applicable law to be made or commenced. Such proof of claim or other proceeding must be in form and substance acceptable to the Creditor.
 - (c) If the Guarantors fail to make and file such proof of claim or commence such other proceeding in accordance with this Section, the Creditor is irrevocably authorized, empowered and directed and appointed the true and lawful attorney of the Guarantors (but are not obliged): (i) to make and present for and on behalf of the Guarantors proofs of claims or other such proceedings against a Debtor on account of the Postponed Indebtedness, (ii) to demand, sue for, receive and collect any and all dividends or other payments or disbursements made in respect of the Postponed Indebtedness in whatever form the same may be paid or issued and to apply the same on account of the Obligations, and (iii) to demand, sue for, collect and receive each such payment and distribution and give acquittance therefor and to file claims and take such other actions, in their own name or in the name of the Guarantors or otherwise, as the Creditor may deem necessary or advisable to enforce their rights under this Agreement.
 - (d) The Guarantors will execute all subordinations, postponements, assignments and other agreements as the Creditor may reasonably request to more effectively subordinate and postpone the Postponed Indebtedness to the payment and performance of the Obligations.
17. **Subrogation, etc.** Until this Agreement has been terminated in accordance with Section 5, the Guarantors shall not exercise any rights that they may have by reason of performance by them of their liabilities under this Agreement:
- (a) to be indemnified by the Debtors or any of them;
 - (b) to claim contribution from any other guarantor of the Obligations; or
 - (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Creditor under any document entered into in connection with the Obligations.

18. **Expenses.** The Guarantors shall pay forthwith upon demand to the Creditor all expenses, including the reasonable fees, disbursements and other charges of their counsel (on a solicitor and his own client basis), experts or agents which the Creditor may incur in connection with the failure of the Guarantors to perform or observe any of the provisions hereof.
19. **Interest.** All amounts payable by the Guarantors under this Agreement shall bear interest at the rate or rates of interest payable by the Debtors in respect of the Obligations.
20. **Additional and Separate Security.** This Agreement is in addition to and not in substitution for any other security now or hereafter held by the Creditor in respect of the Debtors, the Obligations or the collateral securing the Obligations and any other present and future rights or remedies which the Creditor might have in respect thereof.
21. **Set-Off.** To the fullest extent permitted by law, the Guarantors shall make all payments under this Agreement without regard to any defence, counter-claim or right of set-off available to them.
22. **Entire Agreement.** This Agreement constitutes the entire agreement between the Guarantors and the Creditor relating to the subject matter hereof, and supersedes all prior agreements, representations, warranties, understandings, conditions or collateral agreements, whether oral or written, express or implied, with respect to the subject matter hereof. For greater certainty, the Promissory Notes and the Security Documents shall continue in full force and effect in accordance with its terms despite reference to the Obligations therein.
23. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
24. **Notice.** Any demand, notice, direction or other communication to be made or given hereunder shall be in writing and shall be provided to each party by registered mail or courier at the addresses set out in this Agreement, or as otherwise agreed to in writing by the parties from time to time.
25. **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each such provision shall be interpreted in such a manner as to render them valid, legal and enforceable to the greatest extent permitted by applicable law. Each provision of this Agreement is declared to be separate, severable and distinct.
26. **Joint and Several.** Each Guarantor hereby acknowledges that its obligations under this Agreement shall be joint and several, and all references to the "Guarantors" and "Guarantor" herein shall refer to any or all of them, as the context requires.
27. **Number, Gender and Persons.** Unless the context otherwise requires, words importing the singular in number only shall include the plural and *vice versa*, words importing the use of gender shall include the masculine, feminine and neuter genders and words

importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities.

28. **Time.** Time shall be of the essence of this Agreement.
29. **Further Assurances.** The Guarantors shall forthwith, at their own expense and from time to time, do or file, or cause to be done or filed, all such things and shall execute and deliver all such documents, agreements, certificates and instruments reasonably requested by the Creditor or its counsel as may be necessary to complete the transactions contemplated by this Agreement and carry out its provisions and intention.
30. **Successors and Assigns.** This Agreement shall enure to the benefit of the Creditor and its successors and assigns, and shall be binding upon the Guarantors and their legal representatives, heirs, executors, administrators, successors and permitted assigns.
31. **Copy of Agreement.** Each Guarantor acknowledges receipt of a fully executed copy of this Agreement.
32. **Counterparts and Electronic Delivery.** This Agreement may be executed by the parties in any number of counterparts, each of which, when delivered, either in original or facsimile or electronic form, shall be deemed to be an original and all of which together shall constitute one and the same instrument.

[signature page follows]

IN WITNESS WHEREOF, each Guarantor has executed this Guarantee as of the first date written above.

ROC HOLDINGS LTD.

Per: Shi, W
Authorized Signatory

SKEENA BIOENERGY LTD.

Per: Shi, W
Authorized Signatory

SKEENA SAWMILLS LTD.

Per: Shi, W
Authorized Signatory

**BRIGHT FUTURE INTERNATIONAL
TRADING LTD.**

Per: Shi, W
Authorized Signatory

SCHEDULE "A"**SECURITY DOCUMENTS**

1. a mortgage securing all indebtedness which includes the terms of an assignment of rents, granted by ROC in favour of the Creditor mortgaging and charging those lands and premises set out in Schedule "B" attached hereto (the "**Lands**");
2. a general assignment of leases and rents made by ROC in favour of the Creditor in respect of the Lands;
3. a general security agreement granted by each Debtor in favour of the Creditor, charging all of its personal and after-acquired personal property; and
4. such further security as may be required by the Creditor and granted by a Debtor from time to time in connection with the Obligations.

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SCHEDULE "B"**LANDS**

Civic Address:	Parcel Identifier:	Legal Description:
5330 Highway 16 W Terrace, B.C.	011-691-051	Lot B District Lot 616 Range 5 Coast District Plan 3986
	011-691-042	Lot A District Lot 616 Range 5 Coast District Plan 3986, Except Plan PRP47978
5402 Highway 16 W Terrace, B.C.	030-631-700	Lot A District Lots 616 and 1745 Range 5 Coast District Plan EPP78423
76 Kalum Lake Road Terrace, B.C.	011-768-398	Lot 3 District Lot 616 Range 5 Coast District Plan 3700
863 Kalum Lake Road Terrace, B.C.	009-426-833	District Lot 1398 Range 5 Coast District Except Plan 11735



This is Exhibit "E" referred to in the affidavit of Xiao Peng Cui made before me at Vancouver, B.C., on September 8, 2023.

A Commissioner for taking Affidavits within British Columbia.

1. Application

Liyan Wu (Alice Chen)
Lawson Lundell LLP
1600 - 925 West Georgia Street
Vancouver BC V6C 3L2
604.685.3456

File No. 110360-168504

2. Description of Land

PID/Plan Number	Legal Description
011-691-051	LOT B DISTRICT LOT 616 RANGE 5 COAST DISTRICT PLAN 3986
011-691-042	LOT A DISTRICT LOT 616 RANGE 5 COAST DISTRICT PLAN 3986, EXCEPT PLAN PRP47978
030-631-700	LOT A DISTRICT LOTS 616 AND 1745 RANGE 5 COAST DISTRICT PLAN EPP78423
011-768-398	LOT 3 DISTRICT LOT 616 RANGE 5 COAST DISTRICT PLAN 3700
009-426-833	DISTRICT LOT 1398 RANGE 5 COAST DISTRICT EXCEPT PLAN 11735

3. Borrower(s) (Mortgagor(s))

ROC HOLDINGS LTD.
 1518 - 1030 WEST GEORGIA STREET
 VANCOUVER BC V6E 2Y3

BC0876163

4. Lender(s) (Mortgagee(s))

1392752 B.C. LTD.
 1600 - 925 WEST GEORGIA STREET
 VANCOUVER BC V6C 3L2

BC1392752

5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
Unlimited. This mortgage is granted to secure "Indebtedness" as defined in Item 6 of Section A of the Express Mortgage Terms	25% or such lesser amount as agreed to by the Mortgagor and Mortgagee from time to time	N/A
Interest Calculation Period	Payment Dates	First Payment Date
Monthly, not in advance	On Demand	On Demand
Amount of each periodic payment	Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is	Last Payment Date
On Demand	N/A % per annum	On Demand
Assignment of Rents which the applicant wants registered?	Place of payment	Balance Due Date
Yes	Postal Address in Item 4	On Demand
If yes, page and paragraph number: Page 13, Paragraphs E.1 to E.7		



6. Mortgage contains floating charge on land?

No

7. Mortgage secures a current or running account?

Yes

8. Interest Mortgaged

Fee Simple

9. Mortgage Terms

Part 2 of this mortgage consists of:

(c) Express Mortgage Terms (annexed to this mortgage as Part 2)

10. Additional or Modified Terms

11. Prior Encumbrances Permitted by Lender

N/A

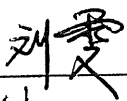
12. Execution(s)

This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Witnessing Officer Signature

Execution Date

Borrower / Party Signature(s)

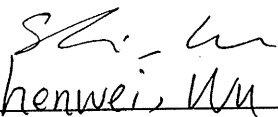

WEN LIU
Barrister & Solicitor
4184 Dollar Rd.
North Vancouver
BC V7G 1A6

YYYY-MM-DD

2023-01-31

ROC Holdings Ltd.

By their Authorized Signatory


Shenwei, Wu
Name:

Name:

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

Electronic Signature

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

Part 2 – Express Mortgage Terms

A. DEFINITIONS

In this Mortgage the following terms shall have the following meanings:

1. **“Applicable Rate”** means the interest rate set out in item 5 of Part 1 of this Mortgage, or such other rate or rates of interest as the Mortgagor and the Mortgagee may agree upon, and, if that interest rate is stated to be a rate above the Prime Rate, means the rate per annum equal to the aggregate of the Interest Margin and the Prime Rate in effect from time to time, and such rate shall change automatically, without notice to the Mortgagor, on each date that the Prime Rate is changed by the Mortgagee.
2. **“Controlling Entity”** means any corporation or other entity which on the date of the Mortgage beneficially owned, directly or indirectly, shares, other securities or other equity interests issued by the Mortgagor, the Customer or a Guarantor which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by the Mortgagor, the Customer or such Guarantor.
3. **“Customer”** means the person or persons, if any, whose present and future indebtedness, liabilities or obligations to the Mortgagee from time to time is or are guaranteed by the Mortgagor and the heirs, personal representatives, successors and assigns of the Customer.
4. **“Default”** means any default referred to in section G.
5. **“Guarantor”** means any person who guaranteed payment of all or any Indebtedness.
6. **“Indebtedness”** means all present and future indebtedness and liability now or hereafter owing by the Mortgagor to the Mortgagee, whether direct or indirect, absolute or contingent, whether incurred by the Mortgagor alone or jointly with any other debtor or debtors, whether as principal or guarantor, wherever and however incurred, including without limitation all advances on current or running account, future advances and re-advances, interest, guarantee liabilities, letter of credit indemnity liabilities, bankers acceptance indemnity liabilities, and all fees, costs and expenses now or hereafter owing by the Mortgagor to the Mortgagee, whether or not referred to or otherwise contained in this Mortgage.
7. **“Insolvency Proceeding”** means a proceeding commenced under the *Companies’ Creditors Arrangement Act*, the *Bankruptcy and Insolvency Act* or any other similar statute.
8. **“Interest Margin”**, if applicable, means the percentage rate above the Prime Rate set out in item 5 of Part 1 of this Mortgage.
9. **“Lease”** means a lease, offer to lease or other similar agreement of or with respect to the Mortgaged Land in favour of, or held by the Mortgagor as tenant and referred to in the

Mortgage, as such lease, offer to lease or other similar agreement is amended or replaced from time to time.

10. **"Mortgage"** means the Form B mortgage (as amended from time to time) comprising Part 1 to which these Express Mortgage Terms are attached as Part 2 and form an integral part (including all Schedules thereto), and any such mortgage registered electronically or otherwise.
11. **"Mortgaged Land"** means the real property described in item 2 of Part 1 of this Mortgage, all appurtenances thereto and all estates and interests therein, and includes all buildings, plant, machinery, crops, erections and improvements, fixed or otherwise, present or future, built, grown, placed or put thereon including all fences, heating equipment, plumbing equipment, antennae, radiators, mirrors, air-conditioning equipment, ventilating equipment, fire alarm and protective systems, lighting and lighting fixtures, hay racks, barn fixtures, milking machine equipment, water tanks, pumps and windmills, water bowls and pipes, feed boxes, litter carriers and tracks, mobile homes affixed to the real property, furnaces, boilers, oil burners, stokers, water heating equipment, cooking and refrigeration equipment, window blinds, floor coverings, storm windows, storm doors, window screens, door screens, shutters and awnings, all apparatus and equipment appurtenant thereto, and all other fixtures and accessions of any kind or nature.
12. **"Mortgagee"** means the mortgagee referred to in item 4 of Part 1 of this Mortgage and its successors and assigns.
13. **"Mortgagor"** means the person or persons identified as the mortgagor in item 3 of Part 1 of this Mortgage and his, her, its or their respective heirs, executors, administrators, personal representatives, successors and assigns.
14. **"Other Encumbrances"** means all statutory liens, construction liens, mechanics' liens, builders' liens, other liens, executions, mortgages, charges, and other encumbrances which charge or otherwise affect or could affect the Mortgaged Land but excludes this Mortgage.
15. **"Permitted Prior Mortgage"** means a mortgage or charge of the Mortgaged Land which ranks in priority to this Mortgage and which the Mortgagee has approved in writing.
16. **"Prime Rate"** means the fluctuating annual rate of interest determined by The Toronto-Dominion Bank from time to time as the reference rate it will use to determine rates of interest payable by borrowers from The Toronto-Dominion Bank of Canadian dollar loans made in Canada and designated by The Toronto-Dominion Bank as its prime rate.
17. **"Receiver"** means a receiver, receiver and manager or other similar person.
18. **"Schedule"** means a schedule to this Mortgage.
19. **"Taxes"** means all taxes, rates and assessments, municipal, provincial, federal or otherwise, with respect to the Mortgaged Land.

B. OPERATION OF THIS MORTGAGE

1. *Charge of Mortgaged Land.* In consideration of one or more advances made or to be made or other credit extended by the Mortgagee to the Mortgagor, or to the Customer (the receipt and sufficiency of which is acknowledged by the Mortgagor), the Mortgagor hereby mortgages and charges the Mortgaged Land to and in favour of the Mortgagee as security for payment to the Mortgagee of all Indebtedness and as security for the observance and performance by the Mortgagor of all other obligations of the Mortgagor pursuant to or in respect of this Mortgage.

2. *Proviso for Redemption.* This Mortgage will be void upon:

- (a) payment to the Mortgagee on demand of the principal amount of the Indebtedness up to the maximum amount set out in item 5 of Part 1 of this Mortgage;
- (b) payment to the Mortgagee on demand of interest, both before and after maturity and before and after judgment, on the principal amount of the Indebtedness outstanding from time to time, up to the said maximum amount;
- (c) payment of all costs, expenses and other moneys to which the Mortgagee is entitled by virtue of this Mortgage as and when such moneys become due and payable;
- (d) payment of Taxes; and
- (e) observance and performance of all agreements, provisos and conditions herein contained.

Subject to the foregoing proviso for redemption, the Mortgagor releases to the Mortgagee all the Mortgagor's claims upon the Mortgaged Land.

3. *Continuing Security.* This Mortgage shall be continuing security in favour of the Mortgagee for the payment of all Indebtedness, notwithstanding at any time and from time to time there is:

- (a) any change in the nature, state or form of any account between the Mortgagor or the Customer and the Mortgagee;
- (b) any new advance by the Mortgagee to the Mortgagor or the Customer, whether by way of loan, discount, the drawing of a cheque against an account of the Mortgagor or the Customer or otherwise;
- (c) any discount or acceptance by the Mortgagee from or for the Mortgagor or the Customer of any note, bill of exchange or other negotiable instrument or commercial paper;
- (d) any credit of any amount to any account of the Mortgagor or the Customer by reason of deposit of moneys or otherwise; or

- (e) any renewal, replacement, substitution or alteration of any note, bill of exchange or other negotiable instrument or other commercial paper from time to time held by the Mortgagee or any reduction, satisfaction, payment, release or discharge thereof or of any other security therefor.

Nothing herein shall prejudice any of the Mortgagee's rights pursuant to or in respect of any note, bill of exchange, other agreement or other security now or hereafter held by the Mortgagee.

4. *Divided Parts of Mortgaged Land.* Every part of the Mortgaged Land into which the Mortgaged Land may hereafter be divided by a plan of subdivision shall continue to be charged with payment of all Indebtedness but the Mortgagee may discharge any part or parts of the Mortgaged Land with or without sufficient consideration and without releasing the Mortgagor from this Mortgage and no person shall have any right to require the Indebtedness to be apportioned between or among such parts.

5. *Consolidation of Mortgages.* To the extent permitted by law, the doctrine of consolidation shall apply to this Mortgage.

C. **COVENANTS, REPRESENTATIONS AND WARRANTIES**
OF MORTGAGOR

1. *Payment of Principal and Interest.* The Mortgagor shall pay to the Mortgagee when due all Indebtedness without deduction or set-off of any kind as follows:

- (a) The principal amount of the Indebtedness shall be paid on demand;
- (b) Interest shall be payable by the Mortgagor on each part of the Indebtedness (including interest on overdue interest) at the Applicable Rate which applies to such part of the Indebtedness. Interest shall accrue on each part of the Indebtedness from the date such part is incurred to the date such part is paid to the Mortgagee in full. Interest shall be calculated and payable monthly not in advance on the last day of each month unless otherwise agreed by the Mortgagor and the Mortgagee in writing. Whenever there is more than one Applicable Rate, unless otherwise agreed by the Mortgagee in writing, the Applicable Rate shall be the higher or highest of such Applicable Rates.
- (c) If the Mortgagor fails to pay the Indebtedness, or any part thereof, including interest, when due, the Mortgagor will pay to the Mortgagee compound interest thereon at the Applicable Rate as well after as before maturity to be computed with rests on the last day of each month.
- (d) Any portion of the Indebtedness which by its terms is payable on demand may be prepaid at any time without notice, bonus or penalty. The Mortgagor may not prepay any other portion of the Indebtedness unless the Mortgagee agrees in writing to permit such prepayment.
- (e) All interest payable in respect of the Indebtedness shall be calculated using the nominal rate method and not the effective rate method, and the deemed reinvestment principle shall not apply to such calculations.

- (f) All amounts received by the Mortgagee with respect to Indebtedness before a Default shall, unless otherwise specified by the Mortgagee in writing, be applied firstly to reduce compound interest, secondly to reduce interest (other than compound interest), thirdly to reduce principal and fourthly to reduce any other Indebtedness. Any and all amounts received by the Mortgagee after a Default (including any and all amounts received from any security held by the Mortgagee) shall be applied by the Mortgagee in the manner determined by the Mortgagee in its sole discretion.

2. *Observance and Performance of Other Obligations.* The Mortgagor shall duly and punctually observe and perform all the Mortgagor's existing and future obligations pursuant to this Mortgage and all the Mortgagor's existing and future obligations pursuant to any and all other existing and future agreements between the Mortgagor and the Mortgagee.

3. *Payment of Taxes.* The Mortgagor shall promptly pay all Taxes as they become due and, within one month after the date fixed for the payment of the last installment of Taxes in each year, shall deliver to the Mortgagee a receipted tax bill showing payment in full of all such Taxes payable during such year. If the Mortgagor fails to pay any Taxes as they become due, the Mortgagee may, at its option, pay the whole or any part of such Taxes. The amounts so paid by the Mortgagee shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by this Mortgage.

4. *Good Title and Free From Encumbrances.* The Mortgagor represents and warrants to the Mortgagee that the Mortgagor is the legal and beneficial owner of, and has good, absolute and indefeasible title and estate in fee simple to the Mortgaged Land (or the leasehold interest therein if section D applies), free of any Other Encumbrances except any Permitted Prior Mortgage and except any public utilities easements or similar easements or restrictive covenants that do not impair the value, marketability or use of the Mortgaged Land or were approved by the Mortgagee in writing, and free of any reservations, limitations, provisos or conditions whatsoever except those contained in the original grant thereof, if any, from the Crown; the Mortgagor has good right, full power and lawful and absolute authority to mortgage and charge the Mortgaged Land (or, if section D applies, its leasehold interest therein) to the Mortgagee in accordance with the provisions of this Mortgage; the Mortgagor has not done, omitted or permitted anything whereby the Mortgaged Land or the Mortgagor's estate, right, title or interest therein is or may be alienated, encumbered, liened, charged, mortgaged, impeached or affected except for the delivery of any Permitted Prior Mortgage. The Mortgagor shall keep the Mortgaged Land (or, if section D applies, the Mortgagor's leasehold interest therein) free and clear of and from all Other Encumbrances (other than any Permitted Prior Mortgage) including any arrears secured by any statutory liens or arrears of Taxes.

5. *Insurance.* The Mortgagor shall maintain, in form, substance and amount and with insurers satisfactory to the Mortgagee, all insurance required by the Mortgagee from time to time with respect to the Mortgaged Land (including boiler, property, public liability, rental, environmental and business interruption insurance and insurance covering all crops grown on the Mortgaged Land insuring such crops against damage by hail and against perils covered by all-risk crop insurance). The Mortgagor shall deliver to the Mortgagee, from time to time at the Mortgagee's request, certificates of insurance and certified copies of such insurance policies showing all loss payable to the Mortgagee as first mortgagee (subject to the interests of the holder of any Permitted Prior Mortgage) and loss payee and containing a mortgage clause satisfactory to the Mortgagee. As additional and separate security for payment of all Indebtedness, the Mortgagor hereby assigns to the Mortgagee all the Mortgagor's present and future interests in and to all such present and future insurance policies and all proceeds therefrom. The Mortgagor shall not repair any damage using proceeds of any insurance without the Mortgagee's prior written consent and the Mortgagee may, at its discretion, apply any and all insurance proceeds to reduce Indebtedness. If the Mortgagor fails to maintain insurance required by the Mortgagee, the Mortgagee may arrange insurance with respect to the Mortgaged Land, the Mortgagor shall pay to the Mortgagee, on demand by the Mortgagee, all amounts paid by the Mortgagee to effect such insurance and the Mortgagor shall pay interest thereon at the Applicable Rate; and all such amounts owing by the Mortgagor shall be part of the Indebtedness and secured by this Mortgage. The Mortgagor shall, forthwith on the occurrence of any loss or damage, furnish at the Mortgagor's own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies. Any insurance monies received may, at the option of the Mortgagee, to the extent permitted by law, be applied to rebuild or repair the premises on the Mortgaged Land or be paid to the Mortgagor or any other person appearing by the registered title to be or to have been the owner of the Mortgaged Land, or be applied to pay Indebtedness whether or not then due, despite any law, equity or statute to the contrary. The Mortgagor, to the extent permitted by law, hereby waives any statutory or other right it may have to require any insurance proceeds to be applied in any particular manner.

6. *Payment of Other Encumbrances.* The Mortgagor shall promptly pay when due all amounts now or hereafter owing pursuant to or with respect to any Other Encumbrances and shall deliver to the Mortgagee, at the Mortgagee's request, evidence showing payment in full of all such amounts. If the Mortgagor fails to pay any Other Encumbrances when due, the Mortgagee may, at its option, pay the whole or any part of any present or future Other Encumbrances. The amounts so paid shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by this Mortgage. In the event the Mortgagee pays any Other Encumbrance, it shall be entitled to all the equities, rights and securities of the person or persons so paid and to obtain an assignment of such Other Encumbrance so paid and of any right to payment and is hereby authorized to retain any discharge thereof without registration for so long as it may think fit to do so.

7. *Payment of Expenses.* The Mortgagor shall, on demand by the Mortgagee, pay all costs, charges, expenses (including legal fees as between a solicitor and his or her own client), commissions and fees which may be incurred by the Mortgagee in negotiating any credit or credits secured by this Mortgage, investigating the title to the Mortgaged Land, preparing and registering this Mortgage and other documents, administering any credit or credits extended by the Mortgagee to the Mortgagor or the Customer, inspecting the Mortgaged Land, collecting any

Indebtedness, taking any proceeding in connection with or to collect any Indebtedness, taking and maintaining possession of the Mortgaged Land, maintaining and repairing the Mortgaged Land, and taking any other enforcement proceedings. The Mortgagor shall deliver to the Mortgagee, at the Mortgagee's request, evidence showing payment in full of all such amounts. If the Mortgagor fails to pay any such amounts as they become due, the Mortgagee may, at its option, pay any such amounts and the amounts so paid by the Mortgagee shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by this Mortgage.

8. *Compliance with Laws.* The Mortgagor represents and warrants to the Mortgagee that, as at the date of this Mortgage, the Mortgagor has complied with, and the Mortgagor agrees that it shall comply with all laws, by-laws and regulations affecting the Mortgaged Land and all orders and decisions of any governmental authority, governmental agency or court having jurisdiction affecting the Mortgaged Land (including all such laws, by-laws, regulations, orders and decisions relating to the environment or to residential or other property, including those relating to the amount of rent charged by the Mortgagor with respect to any part of the Mortgaged Land). The Mortgagor shall, at the Mortgagor's expense, promptly and in good and workmanlike manner make all improvements, alterations, clean-ups and repairs and effect any change in use that may be required from time to time to so comply.

9. *Maintain in Good Repair and Avoid Waste.* The Mortgagor represents and warrants to the Mortgagee that, as at the date of this Mortgage, all buildings, erections, equipment, machinery and improvements on the Mortgaged Land are in good condition and repair. The Mortgagor shall maintain all buildings, erections, equipment, machinery and improvements on the Mortgaged Land in good condition and repair to the satisfaction of the Mortgagee shall not permit waste to be committed or suffered on the Mortgaged Land or any part thereof. The Mortgagee or its agent shall be entitled, from time to time, to enter on the Mortgaged Land to inspect the Mortgaged Land and to undertake any tests (including intrusive environmental tests) required by the Mortgagee. If the Mortgagor neglects to keep the Mortgaged Land or any buildings, erections, equipment, machinery or improvements on the Mortgaged Land in good condition and repair or commits or permits any act of waste on the Mortgaged Land (as to which the Mortgagee shall be the sole judge), or fails to comply with section C.8, the Mortgagee or its agent may enter upon the Mortgaged Land and make such repairs and undertake such work and take such action as the Mortgagee deems necessary. All costs of such inspection, testing, repairs, work and action shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by this Mortgage.

10. *Environmental Representation and Indemnity.* The Mortgagor represents and warrants to the Mortgagee that there has not occurred, after the date the Mortgagor acquired an interest in the Mortgaged Land, any spill, leak, contamination or other material environmental problem affecting the Mortgaged Land or any part thereof (other than any such spill, leak, contamination or other environmental problem which has been remedied). The Mortgagor shall indemnify and save harmless the Mortgagee and any Receiver of the Mortgaged Land from any and all expenses and damages incurred or suffered by the Mortgagee or such Receiver as a result, or in respect of any spill, leak, contamination or other environmental problem affecting the Mortgaged Land or any part thereof. This indemnity shall survive the payment of all Indebtedness and the satisfaction, discharge or enforcement of this Mortgage or any other security.

11. *No Alterations or Change in Use.* The Mortgagor shall not, without the prior written consent of the Mortgagee, make, or permit to be made, any alterations or additions to the Mortgaged Land or any building thereon or change the Mortgagor's use of the Mortgaged Land or any building thereon and the Mortgagor shall not allow the Mortgaged Land to be unoccupied or unused.
12. *No Unapproved Charge or Encumbrance by Mortgagor.* The Mortgagor shall not, without the Mortgagee's prior written consent, mortgage, charge, lien or encumber the Mortgaged Land or any part thereof or any interest therein or permit any Other Encumbrance to remain thereon except for any Permitted Prior Mortgage and a charge for current Taxes which are not then due.
13. *Expropriation.* If the Mortgaged Land or any part thereof is condemned or expropriated to an extent which, in the Mortgagee's sole discretion, materially affects the Mortgagee's security, all Indebtedness shall, at the option of the Mortgagee, be deemed to have become due and payable on the day before such condemnation or expropriation, and interest shall continue to accrue thereon, at the Applicable Rate, until the Mortgagee has been paid all Indebtedness. The Mortgagor shall pay to the Mortgagee from any condemnation or expropriation proceeds the full amount thereof, to be applied by the Mortgagee to reduce Indebtedness.
14. *Power of Attorney.* The Mortgagor hereby irrevocably appoints the Mortgagee or any Receiver appointed by the Mortgagee under or pursuant to this Mortgage or by any order of a Court of competent jurisdiction, as the Mortgagor's attorney for all purposes to take any and all action deemed appropriate by the Mortgagee or such Receiver after the occurrence of a Default.
15. *Further Assurances.* The Mortgagor shall (and shall cause each person having or claiming to have an estate, right, title or interest in or to the Mortgaged Land to) at any time and from time to time, at the Mortgagee's request, do, execute and deliver or cause to be made, executed and delivered to the Mortgagee such further and other reasonable acts, deeds, conveyances, charges and assurances as may be required by the Mortgagee to fully and effectually carry out the intention and meaning of this Mortgage and the provisions included in this Mortgage and the reasonable cost of such further assurances shall be part of the Indebtedness and secured by this Mortgage.
16. *Delivery of Information.* The Mortgagor shall deliver to the Mortgagee, promptly at the Mortgagee's request, all financial statements and other information as the Mortgagee may request from time to time with respect to the Mortgagor, the Customer, a Guarantor and the Mortgaged Land.
17. *No Litigation or Other Proceedings.* The Mortgagor represents and warrants that, as at the date of this Mortgage, there is no application, litigation, proceeding or investigation outstanding or, to the Mortgagor's knowledge, pending or threatened, against the Mortgagor, the Customer or any Guarantor or with respect to the Mortgaged Land or any part thereof including any application, litigation, proceeding or investigation in respect of residential or other property by-laws or regulations of which the Mortgagee is not aware as at the date of execution of this Mortgage by the Mortgagor. The Mortgagor shall notify the Mortgagee in writing of any such application, litigation, proceeding or investigation commenced after the date of this Mortgage, promptly after such commencement.

18. *Mortgagor a Canadian Resident.* The Mortgagor represents and warrants that, as at the date of this Mortgage, it is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada) and agrees that the Mortgagor shall not, without the Mortgagee's prior written consent, become a non-resident of Canada.

19. *Good Management of Mortgaged Land.* The Mortgagor shall at all times cause the Mortgaged Land to be managed in a commercially reasonable manner by the Mortgagor or by a property manager satisfactory to the Mortgagee, acting reasonably.

D. MORTGAGE OF LEASEHOLD INTEREST

If the Mortgagor is not the owner of the Mortgaged Land in fee simple but is the owner of a leasehold interest in the Mortgaged Land as tenant, or as an assignee or successor of a tenant, pursuant to a Lease, the following provisions shall apply:

1. *Representations and Warranties.* The Mortgagor represents and warrants to the Mortgagee that, as at the date of this Mortgage:

- (a) The Lease is a good, valid and subsisting lease and has not been surrendered, forfeited or terminated or, except as specified in this Mortgage, amended, and the rents, covenants and provisions therein reserved and contained have been duly paid, performed and observed by the Mortgagor up to the date of this Mortgage.
- (b) The Mortgagor has good right and full, lawful and absolute authority to charge, mortgage, demise and sublet the Mortgaged Land in accordance with this Mortgage and any consent thereto required of the applicable landlord has been obtained.

2. *Covenants Relating to Lease.* The Mortgagor agrees with the Mortgagee as follows:

- (a) The Mortgagor shall at all times fully perform and comply with all the obligations of the Mortgagor under or with respect to the Lease, or imposed on, assumed by or agreed to by the Mortgagor pursuant to any Other Encumbrances and, if the Mortgagor fails to do so, the Mortgagee may (but shall not be obliged to) take any action the Mortgagee deems necessary or desirable to prevent or to cure any default by the Mortgagor in the performance of or compliance with any such obligations. Upon receipt by the Mortgagee from the landlord, any prior mortgagee or encumbrancer, any claimant of any of the Other Encumbrances or any other person of any written notice of default, the Mortgagee may rely thereon and take any action to cure such default even though the existence of such default or the nature thereof may be questioned or denied by or on behalf of the Mortgagor and the Mortgagee shall have the absolute and immediate right to enter in and upon the Mortgaged Land or any part thereof to such extent and as often as the Mortgagee, in its sole discretion deems necessary or desirable, in order to prevent or to cure any such default. The Mortgagee may pay and expend such amounts as the Mortgagee in its sole discretion deems necessary for any such purpose, and the amounts so paid shall be payable by the Mortgagor to the Mortgagee on demand by the Mortgagee with interest thereon at the Applicable Rate, and shall be a part of the Indebtedness and be secured by this Mortgage.

- (b) If this Mortgage is outstanding at the expiration of the term of the Lease and the Mortgagor refuses or neglects to exercise the Mortgagor's right, if any, to renew the Lease or refuses to pay any fees, costs, charges or expenses payable upon any such renewal, the Mortgagee may effect such renewal in the name of the Mortgagor or otherwise, and every such new or renewed Lease shall remain and be mortgaged and charged pursuant to this Mortgage in accordance with this Mortgage.
 - (c) From and after the execution and delivery of this Mortgage, the Mortgagor shall stand possessed of the Mortgaged Land for the remainder of the Lease in trust for the Mortgagee, and shall assign and dispose thereof as the Mortgagee may direct, but subject to the Mortgagor's right of redemption under this Mortgage. The Mortgagor hereby irrevocably appoints the Mortgagee as the Mortgagor's attorney for and on behalf of the Mortgagor to assign the Lease and convey the leasehold interest in the Mortgaged Land and the reversion thereof as the Mortgagee shall at any time direct after the occurrence of a Default and, in particular, upon any sale made by the Mortgagee under any power of sale contained in this Mortgage or granted by statute to assign the Lease and convey the Mortgagor's leasehold interest in the Mortgaged Land and the reversion to a purchaser. The Mortgagee may at any time remove the Mortgagor or any other person from being a trustee of the Lease under the above declaration of trust and appoint a new trustee or trustees.
 - (d) The Mortgagor shall not surrender, terminate, amend or modify the Lease or agree to do so without the prior written consent of the Mortgagee, which the Mortgagee may withhold in its absolute discretion. No release or forbearance of any of the Mortgagor's obligations under the Lease or under any Other Encumbrance shall release the Mortgagor from any of the Mortgagor's obligations under this Mortgage.
 - (e) Unless the Mortgagee expressly consents in writing, the title in fee simple to the Mortgaged Land and the leasehold estate shall not merge but shall always remain separate and distinct, notwithstanding the union of said estates by purchase or otherwise.
3. *Last Day of Term Excepted.* Despite any other provision of this Mortgage, the last day of the term of the Lease or any renewal thereof or any agreement therefor now held or hereafter acquired by the Mortgagor shall be excepted out of this Mortgage, charge and demise contained in this Mortgage.
4. *Charge by way of Sublease.* Despite any other provision of this Mortgage, the Mortgagor mortgages and charges, by way of sublease, the Mortgagor's leasehold interest in the Mortgaged Land pursuant to the Lease (including any right of renewal and any right to purchase the Mortgaged Land or any part thereof as set out in the Lease), the mortgages and charges contained in this Mortgage shall be by way of sublease and the Mortgagee shall not have any obligation or liability to the landlord or any other person pursuant to or in respect of the Lease.

5. *Leasehold Interests.* Wherever any reference is made in this Mortgage to any right of the Mortgagee to sell, transfer, assign, lease, sublease, alienate or otherwise deal with the Mortgaged Land, such reference shall be deemed to relate to the existing and future rights and interests of the Mortgagor in the Mortgaged Land pursuant to the Lease.

E. ASSIGNMENT OF LEASES AND RENTS

If the Mortgagor or any predecessor of the Mortgagor, as lessor, grants or has granted any lease, offer to lease, tenancy agreement or other similar agreement of all or any part of the Mortgaged Land as landlord, the following provisions shall apply:

1. *Assignment.* As additional and separate security for payment of all Indebtedness, the Mortgagor hereby assigns, transfers and sets over to the Mortgagee, all the Mortgagor's rights and interests in all existing and future leases, tenancy agreements, offers to lease and other similar agreements with respect to all or part of the Mortgaged Land, and all rents, incomes, profits and other amounts now or hereafter arising from or out of all or part of the Mortgaged Land or any building, improvement, fixture or part thereof forming part of the Mortgaged Land.

2. *Separate Assignments.* The assignment of each of the foregoing and of each of the rents, incomes, profits and other amounts by the Mortgagor to the Mortgagee pursuant to section E.1 shall be deemed to be a separate assignment so that the Mortgagee in its discretion may exercise its rights in respect of any or all of such leases, offers to lease, tenancy agreements or other similar agreements or the rents, incomes, profits or other amounts paid or payable thereunder.

3. *Collection by Mortgagor before Default.* Until there occurs a Default, the Mortgagor may collect, retain and apply all rents, incomes, profits and other amounts and deal with all leases, offers to lease, tenancy agreements and other similar agreements from time to time in accordance with sound business practice.

4. *No Liability of Mortgagee and Indemnity by Mortgagor.* Nothing herein shall obligate the Mortgagee to assume or perform (and nothing herein shall impose on the Mortgagee) any liability or obligation of the Mortgagor to any tenant or other person pursuant to or in respect of any lease, offer to lease, tenancy agreement, other similar agreement or otherwise and the Mortgagor hereby indemnifies and saves harmless the Mortgagee from any and all claims with respect thereto, provided that the Mortgagee may, at its sole option, assume or perform any such obligations as it considers necessary or desirable.

5. *Re-assignment.* The Mortgagee may, at any time without further request or agreement by the Mortgagor, reassign to the Mortgagor, or the Mortgagor's heirs, administrators, successors or assigns, any or all of the collateral referred to in section E.1.

6. *Application by Mortgagee.* The Mortgagee's obligations with respect to any amount collected by the Mortgagee shall be discharged by the application of such amount to reduce Indebtedness.

7. *Not Mortgagee in Possession.* Nothing contained herein shall have the effect of making the Mortgagee a mortgagee in possession of the Mortgaged Land.

F. **CONDOMINIUM OR STRATA TITLE DEVELOPMENT PROVISIONS**

If the Mortgaged Land is or includes one or more condominium units or strata title units, the following provisions shall apply:

1. *Compliance with Requirements.* The Mortgagor shall observe and perform each of the covenants and provisions required to be observed and performed pursuant to this Mortgage, all applicable statutes governing or affecting condominiums or strata title developments, and the declaration, description, by-laws and rules, as amended from time to time, of the applicable condominium corporation or strata corporation.
2. *Common Expense Payments.* The Mortgagor shall pay promptly when due any and all unpaid condominium or strata development fees, common expenses, common element expenses, assessments, levies, instalments, payments or any other amounts due to the applicable condominium corporation or strata corporation or any agent thereof by the Mortgagor and, at the Mortgagee's request, deliver to the Mortgagee evidence of the payment thereof.
3. *Right of Mortgagee to Pay.* If the Mortgagor does not pay when due any condominium or strata development fees, common expenses or other amounts referred to in section F.2, the Mortgagee may (but shall not be obliged to) pay such amounts, the Mortgagor shall forthwith pay such amounts to the Mortgagee with interest thereon at the Applicable Rate, and all such amounts owing by the Mortgagor to the Mortgagee shall be a part of the Indebtedness and secured by this Mortgage.
4. *Voting by Mortgagee.* The Mortgagor hereby irrevocably authorizes the Mortgagee to exercise the rights of the Mortgagor as an owner of the Mortgaged Land to vote or to consent in all matters relating to the affairs of the condominium corporation or strata corporation or arising under applicable law or the declaration or by-laws of the condominium or strata corporation, provided that:
 - (a) in any case where the Mortgagee is entitled to receive and does receive notice of a meeting of owners, the Mortgagee may notify the condominium or strata corporation and the Mortgagor of its intention to exercise the right of the owner to vote or to consent at such meeting at least two days before the date specified in the notice for the meeting, failing which the Mortgagor may exercise such right to vote or consent at such meeting;
 - (b) the Mortgagee shall not, by virtue of the giving to the Mortgagee of the right to vote or consent, be under any obligation to vote or consent or to protect the interests of the Mortgagor, and the Mortgagee shall not be responsible for any exercise or failure to exercise the right to vote or consent; and
 - (c) nothing herein contained, including the exercise by the Mortgagee of the right to vote or consent, shall constitute the Mortgagee a mortgagee in possession.

G. DEFAULT

The Mortgagor shall be in default of this Mortgage and a Default shall occur pursuant to this Mortgage if:

- (a) there is a default in payment of the Indebtedness, or any part thereof, when due;
- (b) the Mortgagor, the Customer or a Guarantor fails to comply with any of its obligations pursuant to or in respect of this Mortgage or any existing or future note, instrument or agreement delivered by the Mortgagor, the Customer or a Guarantor (or any of them) to the Mortgagee;
- (c) the Mortgagor fails to comply with any obligation of the Mortgagor pursuant to or in respect of any Permitted Prior Mortgage or any Other Encumbrance;
- (d) any representation or warranty made by the Mortgagor, the Customer or a Guarantor in this Mortgage, any agreement between the Mortgagor, the Customer and the Guarantors (or any of them) and the Mortgagee, or any loan or credit application made in connection with any Indebtedness was untrue when made;
- (e) a Receiver is appointed of any asset of the Mortgagor, the Customer or a Guarantor;
- (f) any construction lien, mechanics' lien or builders' lien is registered against all or any part of the Mortgaged Land and is not discharged within seven days after a request by the Mortgagee that such lien be discharged;
- (g) all or any part of the Mortgaged Land is condemned or expropriated;
- (h) the Mortgagor, the Customer or a Guarantor becomes bankrupt;
- (i) a petition in bankruptcy is filed against the Mortgagor, the Customer or a Guarantor;
- (j) the Mortgagor, the Customer or a Guarantor makes a proposal in bankruptcy or files a notice of intention to make a proposal in bankruptcy;
- (k) the Mortgagor, the Customer or a Guarantor makes an application as a debtor in any Insolvency Proceeding or any other person makes an application against the Mortgagor, the Customer or a Guarantor in any Insolvency Proceeding without the prior written consent of the Mortgagee;
- (l) the Mortgagor sells, transfers or disposes of in any other manner the Mortgaged Land, any part thereof or any interest therein (unless the Mortgagee has approved in writing such sale, transfer or other disposition);
- (m) an execution, judgment or order of execution is filed or made against the Mortgaged Land or any part thereof and remains unsatisfied for a period of ten days;

- (n) the Mortgagor fails to pay when due any amount owing by the Mortgagor to the applicable condominium corporation or strata corporation or any agent thereof;
- (o) the Mortgagor, the Customer or a Guarantor is not an individual and a change in control of the Mortgagor, the Customer or such Guarantor occurs without the prior written consent of the Mortgagee; for the purposes hereof, a change in control of the Mortgagor, the Customer or a Guarantor shall be deemed to occur if there occurs one or more sales, transfers or other dispositions of the beneficial ownership existing on the date of this Mortgage in the aggregate of:
 - (i) shares, other securities or other equity interests issued by the Mortgagor, the Customer or such Guarantor which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by the Mortgagor, the Customer or such Guarantor; or
 - (ii) shares, other securities or equity interests issued by any Controlling Entity which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by such Controlling Entity.

H. REMEDIES OF MORTGAGEE

1. *Acceleration and Termination of Obligation to Extend Credit.* Without prejudice to any right of the Mortgagee to demand at any time payment by the Mortgagor of any and all Indebtedness, upon the occurrence of a Default all Indebtedness (or any part thereof determined by the Mortgagee) shall, at the Mortgagee's option, forthwith become due and payable, this Mortgage shall become enforceable and the Mortgagee shall not be obligated to extend any further credit to the Mortgagor or the Customer.
2. *Right of Entry.* Upon the occurrence of a Default, the Mortgagee may, at any time or times without the concurrence of any person, enter upon, take and maintain possession of the Mortgaged Land, inspect, complete the construction of, repair or maintain any buildings or other improvements thereon, lease, collect the rents, profits and other amounts derived from the Mortgaged Land and manage the Mortgaged Land as the Mortgagee may deem fit without hindrance or interruption by the Mortgagor or any other person, and all reasonable costs, charges and expenses, including legal fees on a solicitor and his or her own client basis, and disbursements, commissions and allowances for the time and services of any employees of the Mortgagee or any agent of the Mortgagee or other persons appointed for any such purpose shall be forthwith payable by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by this Mortgage. Upon the occurrence of a Default, the Mortgagee may also enforce its security against all crops growing on the Mortgaged Land, the Mortgagee may, at any time or times without the concurrence of any person, enter upon the Mortgaged Land for the purpose of cutting, harvesting and removing such crops and for otherwise farming and working the Mortgaged Land, the Mortgagee may bring on the Mortgaged Land all machines, equipment and instruments necessary for such purposes, and the Mortgagee may use all improvements and equipment located on the Mortgaged Land to carry out any of such activities.

3. *Sale, Lease or Foreclosure.* Upon the occurrence of a Default, the Mortgagee may do any one or more of the following:

- (a) apply to a court for an order that the interest of the Mortgagor in and to the Mortgaged Land be sold or leased on terms approved by the court;
- (b) apply to a court to foreclose the interest of the Mortgagor in and to the Mortgaged Land;
- (c) without notice, sell the interest of the Mortgagor in and to the Mortgaged Land or any part thereof by public auction or private sale for such price as can reasonably be obtained therefor, and on such terms as to credit and otherwise, and with such conditions of sale and stipulations as to title or evidence of title or otherwise as the Mortgagee shall in its discretion deem proper; and in the event of any sale on credit or for part cash and part credit, the Mortgagee shall not be accountable for or charged with any moneys until actually received; and the Mortgagee may rescind or vary any contract of sale and may buy in and resell the interest of the Mortgagor in and to the Mortgaged Land or any part thereof without being answerable for loss occasioned thereby; and no purchaser shall be bound to inquire into the legality, regularity or propriety of any sale or be affected by notice of any irregularity or impropriety; and no lack of default, lack of notice or other requirement, and no irregularity or impropriety of any kind shall invalidate any sale; and the Mortgagee may take sale proceedings hereunder, notwithstanding that other mortgage proceedings have been taken or are then pending; and for the purposes of this paragraph the Mortgagor hereby appoints the Mortgagee as its irrevocable attorney to exercise the aforesaid powers and to execute and do all deeds, documents and things as may be necessary in the circumstances; and
- (d) in respect of any property to which the *Personal Property Security Act* applies, exercise the remedies of a secured party under the *Personal Property Security Act*.

4. *Sale or Lease.* The following shall apply with respect to any sale or lease by the Mortgagee, its agent or any Receiver of all or part of the Mortgaged Land after the occurrence of a Default:

- (a) no purchaser or lessee shall be bound to enquire into the legality, regularity or propriety of any sale or lease or be affected by notice of any irregularity or impropriety and no lack of default or lack of notice or other requirement or any irregularity or impropriety of any kind shall invalidate any sale or lease;
- (b) the Mortgagee may sell or lease all or part of the Mortgaged Land without entering into actual possession of the Mortgaged Land and, when it desires to take possession, it may break locks and bolts and while in possession shall only be accountable for moneys actually received by it;

- (c) the Mortgagor hereby appoints the Mortgagee as the Mortgagor's true and lawful attorney and agent to make application under any statute for consent to sever, sell or lease part or parts of the Mortgaged Land and to do all things and execute all documents to effectually complete any such severance, sale or lease;
- (d) the Mortgagee may lease or take sale proceedings notwithstanding that other mortgage proceedings have been taken or are then pending;
- (e) the Mortgagee shall not be responsible for any loss which may arise by reason of any such leasing or sale of the Mortgaged Land unless such loss is caused by the Mortgagee's willful misconduct; and
- (f) no sale, leasing or other dealing by the Mortgagee with the Mortgaged Land or any part thereof shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person liable for payment of any Indebtedness.

5. *Judgments and Non-Merger.* The taking of a judgment or judgments with respect to any of the covenants contained herein, in this Mortgage or otherwise shall not operate as a merger of any such covenants or affect the Mortgagee's right to receive interest under this Mortgage and each such judgment may provide, at the option of the Mortgagee, that interest thereon shall be computed and payable until such judgment has been fully paid and satisfied.

6. *Separate Remedies.* All remedies of the Mortgagee may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights of the Mortgagee however created.

7. *Application of Proceeds and Mortgagor's Liability for Deficiency.* All amounts received by the Mortgagee or any Receiver pursuant to any enforcement of this Mortgage may be held by the Mortgagee as security for the Indebtedness or applied to reduce Indebtedness in such manner as may be determined by the Mortgagee and the Mortgagee may at any time apply or change any such appropriation of such payments to such part or parts of the Indebtedness as the Mortgagee may determine in its sole discretion. The Mortgagor shall be and remain liable to the Mortgagee for any deficiency. Any surplus amounts realized after payment of all Indebtedness shall be paid in accordance with applicable law.

8. *Mortgagor's Insolvency Proceedings.* The Mortgagor acknowledges that the Mortgaged Land is of such a unique nature that, if the Mortgagor seeks to reorganize or restructure its affairs pursuant to any Insolvency Proceeding, the Mortgagee would not have a sufficient commonality of interest with any other creditor or creditors of the Mortgagor such that the Mortgagee would be required to vote on any plan, reorganization, arrangement, compromise or other transaction in a class with any other creditor or creditors of the Mortgagor and, in that regard, the Mortgagor agrees that the Mortgagee shall be placed in its own exclusive class of creditors for voting purposes. The Mortgagor further agrees that:

- (a) it will give the Mortgagee not less than 10 days written notice prior to the commencement of any Insolvency Proceeding with respect to the Mortgagor;

- (b) in no circumstance will the Mortgagor seek an order which stays any right of the Mortgagee or, to the extent permitted by law, permit any right of the Mortgagee to be stayed, in any Insolvency Proceeding and, if any Court-ordered or automatic stay is imposed on the Mortgagee, the Mortgagor hereby consents to an order lifting such stay as against the Mortgagee;
- (c) if an Insolvency Proceeding is commenced with respect to the Mortgagor, the Mortgagor will consent to an order directing that all rents or other revenues generated or received from or in respect of the Mortgaged Land be deposited to a segregated trust account under the sole control of the Mortgagee and that same shall not result in the Mortgagee's being a mortgagee in possession of, or in control or management of the Mortgaged Land or result in the acceleration of payment of any Indebtedness unless such acceleration is required by the Mortgagee in writing; and
- (d) it shall not, without the Mortgagee's prior written consent, propose or permit the sale or transfer of the Mortgaged Land or any part thereof, in or as part of any Insolvency Proceeding, for a net sale price less than the amount required to pay in full all Indebtedness outstanding as at the date of payment of such net sale proceeds to the Mortgagee.

I. APPOINTMENT OF A RECEIVER

1. *Appointment.* Upon the occurrence of a Default, in addition to any other remedies available to the Mortgagee, the Mortgagee may by instrument in writing appoint a Receiver of all or any part of the Mortgaged Land and all rents, incomes, profits and other amounts now or hereafter arising therefrom. The Mortgagee may also apply to any court of competent jurisdiction for the appointment of a Receiver.

2. *Powers of Receiver.* Any Receiver appointed by the Mortgagee shall, to the extent permitted by law, have the following powers:

- (a) to enter upon, take possession of, use, and occupy the Mortgaged Land or any part thereof;
- (b) to collect all rents, incomes, profits and other amounts in respect of the Mortgaged Land and to carry on the business of the Mortgagor on the Mortgaged Land;
- (c) to borrow money required for the maintenance, preservation or protection of the Mortgaged Land or for carrying on the business of the Mortgagor and, in the discretion of the Receiver, to charge the Mortgaged Land in priority to this Mortgage as security for the principal amounts so borrowed, interest thereon and costs related thereto;
- (d) to sell, lease, or otherwise dispose of the Mortgaged Land or any part thereof on such terms and conditions and in such manner as the Receiver shall determine in its sole discretion, and to effect such sale by conveying in the name and on behalf of the Mortgagor or otherwise;

- (e) to demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession of the Mortgaged Land, and to give valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the rents, accounts receivable or any other obligation of any person to the Mortgagor;
 - (f) to exercise any rights or remedies which could have been exercised by the Mortgagee against the Mortgagor or the Mortgaged Land or with respect thereto; and
 - (g) to execute all documents required to effect any of the foregoing.
3. *Identity of Receiver and Removal.* Any Receiver so appointed by the Mortgagee may be any person or persons satisfactory to the Mortgagee, and the Mortgagee may remove any Receiver so appointed and appoint another or others instead.
4. *Receiver as Agent of Mortgagor.* Any Receiver appointed by the Mortgagee shall be deemed to be agent of the Mortgagor unless the Mortgagee expressly specifies in writing that the Receiver shall be agent of the Mortgagee. The Mortgagor agrees to ratify and confirm all actions of the Receiver acting as agent for the Mortgagor and to release and indemnify the Receiver in respect of all such actions.
5. *Receivership Expenses.* The Mortgagor shall pay to the Receiver, forthwith on demand by the Mortgagee or the Receiver, the amount of all reasonable fees, disbursements and other expenses incurred by the Receiver in the exercise of its powers hereunder, with interest thereon at the Applicable Rate from the date on which such sums are incurred. All such sums, together with interest thereon at the Applicable Rate, shall be part of the Indebtedness and secured by this Mortgage.
6. *No Enquiries Required.* No persons dealing with the Receiver or its agents, upon any sale or other dealing with the Mortgaged Land, shall be concerned to inquire as to their powers or as to the application of any money paid to them, such sale or dealing shall be deemed as regards such person to be within the powers hereby conferred and to be valid and effectual.

J. GUARANTOR

1. *Guarantor's Covenants.* In consideration of the sum of One (\$1.00) Dollar now paid by the Mortgagee to the Guarantor, receipt of which is hereby acknowledged, and in consideration of one or more advances made or to be made or other credit extended by the Mortgagee to the Mortgagor or to the Customer, the Guarantor does hereby covenant, promise and agree with the Mortgagee, its successors and assigns as follows:

- (a) the Guarantor shall pay, or cause to be paid, the Indebtedness and all other monies hereby secured, and its liability therefor shall be unlimited;
- (b) the Guarantor hereby adopts and agrees with the Mortgagee to perform and observe each and every covenant and proviso agreed to be performed and observed by the Mortgagor;

- (c) the Guarantor further covenants and agrees with the Mortgagee that the Guarantor's liability hereunder shall not be affected by any partial release of this Mortgage or the release or partial release of any or all collateral or other securities (if any) held by the Mortgagee, or by the Mortgagee releasing any person, firm or corporation under any covenant or liability under or with respect to this Mortgage, or by the extension of time for payment, or by any indulgence or waiver given by the Mortgagee with respect to this Mortgage, or the taking of any note or other obligation for the payment of the Indebtedness, or by the Mortgagee taking or failing to take any security whatsoever for such payment or by any act whatsoever of the Mortgagee, done with or without notice to the Guarantor;
- (d) the Mortgagee shall not be bound to exhaust its recourse against the Mortgagor or other parties or other security it may hold before being entitled to payment from the Guarantor of the amounts hereby secured; and
- (e) if two or more persons comprise the Guarantor, all covenants and liabilities entered into or imposed upon the Guarantor shall be deemed to be joint and several obligations of each of such persons.

K. MISCELLANEOUS

1. *Records of Mortgagee.* The records of the Mortgagee disclosing the amount of an extension of credit by the Mortgagee to the Mortgagor or the Customer, the repayment of any principal amount of Indebtedness, the amount of accrued and unpaid interest owing by the Mortgagor or the Customer and the amount of other Indebtedness (or any part thereof) at any time outstanding, shall constitute conclusive evidence thereof in the absence of mathematical error.
2. *Revolving Line of Credit.* The Mortgagee may make advances and re-advances or otherwise extend credit to the Mortgagor or the Customer, from time to time up to a total outstanding principal amount not exceeding the principal amount referred to in item 5 of Part 1 of this Mortgage. Any portion of the Indebtedness may be advanced or re-advanced by the Mortgagee or other credit may be extended by the Mortgagee in one or more sums at any future time or times and the amount of all such advances, re-advances or other credits when so made or extended shall be secured by this Mortgage and be payable by the Mortgagor with interest thereon at the Applicable Rate and this Mortgage shall be deemed to be taken as security for the ultimate balance of the monies hereby secured, provided that none of the execution or registration of this Mortgage or the advance in part of any monies or extension of any other credit by the Mortgagee shall obligate the Mortgagee to advance any unadvanced portion thereof or to extend any other credit. This Mortgage shall not be void or cease to operate because the Indebtedness secured hereby has at any time or times been paid in full.
3. *Assignment and Syndication.* The Mortgagee shall be entitled from time to time, both before and after a Default, without notice to, or the consent of the Mortgagor, the Customer or any Guarantor:
 - (a) to sell or assign all or part of the Indebtedness and the Mortgagee's interests in this Mortgage and any other security and agreements held by the Mortgagee; and

- (b) to syndicate all or part of the Indebtedness, this Mortgage and any other security and agreements held by the Mortgagee and to grant participations therein.

To facilitate the foregoing, the Mortgagee may provide each prospective purchaser, assignee, syndicated lender or participant and their respective advisers with financial and other information concerning the Indebtedness, the Mortgagor, the Mortgaged Land, the Customer, any Guarantor, any other collateral or any other matter.

4. *General Indemnity by Mortgagor.* The Mortgagor hereby agrees, on demand by the Mortgagee, to indemnify and hold harmless the Mortgagee and its officers, directors, employees and agents from and against any and all claims, expenses, liabilities, losses and damages that may be asserted against or incurred by any of such indemnified persons arising out of, or in connection with this Mortgage, any Indebtedness or any claim, investigation, proceeding or litigation relating to any of the foregoing, regardless of whether any such indemnified person is a party thereto (including any and all breakage costs reasonably incurred by the Mortgagee in respect of any breach by the Mortgagor of any of its obligations under this Mortgage) and to reimburse each such indemnified person, on demand by the Mortgagee, for any and all reasonable legal and other expenses incurred in investigating, pursuing or defending any of the foregoing or otherwise in connection with any of the foregoing; provided that the foregoing indemnity shall not, as to any indemnified person, apply to any claim, expense, liability, loss or damage or related expense to the extent they are found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the wilful misconduct or gross negligence of such indemnified person.
5. *Effect of Sale.* No sale, conveyance, transfer or other dealing by the Mortgagor with the Mortgaged Land or any part thereof or any approval of the Mortgagee relating thereto shall in any way change or affect the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person or persons liable for payment of the Indebtedness or any part thereof.
6. *Dealings with the Mortgagor and Others.* The Mortgagee may grant time, renewals, extensions, indulgences, releases and discharges to, may take security from and give the same and any and all existing security up to, may abstain from taking security from or from perfecting security of, may accept compositions from, may amend this Mortgage, and may otherwise deal with the Mortgagor, the Customer and all other persons (including any principal debtor, any guarantor or any owner of the Mortgaged Land) and security as the Mortgagee may see fit without prejudicing any rights of the Mortgagee under this Mortgage.
7. *Amendments to Mortgage.* The Mortgagor and the Mortgagee may from time to time amend this Mortgage (including to increase the interest rate specified by this Mortgage) by an amendment agreement between the Mortgagor and the Mortgagee, whether or not such amendment agreement (or notice thereof) is registered. This provision shall constitute notice of such amendments and this Mortgage shall secure payment of all Indebtedness (including all interest and other Indebtedness arising or resulting from such amendments) and retain its priority with respect thereto over any mortgage, charge or other instrument registered subsequent to this Mortgage.
8. *Waiver.* No waiver, condonation or excusing by the Mortgagee of any default, breach or other non-performance by the Mortgagor at any time or times in respect of any provision of

this Mortgage (including any Default) shall operate as a waiver by the Mortgagee of any subsequent or other default, breach or non-performance or prejudice or affect in any way the rights of the Mortgagee in respect of any such subsequent or other default, breach or non-performance.

9. *Discharge of Mortgage.* If the Mortgagor pays to the Mortgagee all Indebtedness and the Mortgagee is not then obligated to extend any credit to the Mortgagor, the Mortgagor or the Customer may request from the Mortgagee a discharge of this Mortgage and, upon delivery by the Mortgagee to the Mortgagor of a discharge of this Mortgage, this Mortgage shall terminate and cease to operate; provided that this Mortgage shall not terminate or cease to operate while any Indebtedness remains unpaid or while the Mortgagee is obligated to extend any credit to the Mortgagor or the Customer only because, at any prior time or times, all Indebtedness had been paid in full. The Mortgagee shall not be obligated to deliver any partial discharge of this Mortgage.

10. *No Obligation to Advance.* Nothing herein and nothing contained in this Mortgage shall obligate the Mortgagee to loan any amount to the Mortgagor or to extend any other credit to the Mortgagor or any other person.

11. *Appointment of Attorney Irrevocable.* Each appointment by the Mortgagor of an attorney in this Mortgage is coupled with an interest and may not be revoked.

12. *Other Security.* This Mortgage is in addition to and not in substitution for any other security at any time held by the Mortgagee as security for payment of all or any part of the Indebtedness, and the Mortgagee may, at its option, pursue its remedies thereunder or under this Mortgage concurrently or successively. Any judgment or recovery under this Mortgage or under any other security held by the Mortgagee as security for payment of Indebtedness shall not affect the right of the Mortgagee to enforce or realize on this Mortgage or any other such security.

13. *Financing Statement.* To the extent permitted by law, the Mortgagor hereby waives its right to receive from the Mortgagee a copy of any financing statement, financing change statement, verification statement or other similar statement filed by or received by the Mortgagee or any agent of the Mortgagee.

14. *Notice.* Except as otherwise herein provided, any notice, demand or other communication to the Mortgagor referred to herein or in this Mortgage may be forwarded to the Mortgagor by personal delivery or mailed by prepaid ordinary or registered mail to the Mortgagor at the Mortgagor's last known address as shown on the Mortgagee's records. The Mortgagor shall be deemed to have received the same on the date of delivery, if personally delivered, or on the fourth day after the same is mailed by prepaid ordinary mail or registered mail, if mailed, even if the Mortgagor does not actually receive it.

15. *Different Currencies.* The payment of any part of the Indebtedness shall be made by the Mortgagor in the same currency as the currency in which such part of the Indebtedness is then denominated and all interest and fees shall be paid by the Mortgagor in the same currency as the currency in which that part of the Indebtedness to which they relate is denominated.

16. *Judgment Currency.* If in the recovery by the Mortgagee of any Indebtedness 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 recovery under the judgment differs from the receipt by the Mortgagee of the full amount of such Indebtedness, the Mortgagor shall pay any such deficiency to the Mortgagee, such deficiency may be claimed by the Mortgagee against the Mortgagor as an alternative or additional cause of action and any surplus received by the Mortgagee shall be repaid to the Mortgagor.

17. *Foreign Exchange Rate Determinations.* Whenever any provision of this Mortgage requires or permits the determination of the rate of exchange between any currencies, such rate of exchange shall be determined by the Mortgagee based on its normal practice as at the date of such determination.

18. *Governing Law.* This Mortgage shall be governed by the laws of British Columbia.

19. *Time of Essence.* Time shall be of the essence of this Mortgage.

20. *Severability.* If any provision of this Mortgage is found by a court of competent jurisdiction to be illegal, invalid or unenforceable, such provision shall not apply and this Mortgage shall remain in full force and effect without such provision.

21. *Interpretation.* Whenever the context so requires, words in the singular shall include the plural, words in the plural shall include the singular and words importing any gender shall include the other genders. Whenever used in this Mortgage or any Schedule, the words "including" and "includes" shall mean "including, without limitation" and "includes, without limitation", respectively, and the word "person" shall include an individual, corporation, partnership, government, government agency and any other entity.

22. *Titles.* Titles used in this Mortgage or any Schedule are inserted for convenience of reference only and shall not affect or modify the interpretation or construction of any provision of this Mortgage or any Schedule.

23. *Joint and Several Obligations.* If there is more than one Mortgagor, all Mortgagors shall be jointly and severally liable for all obligations of the Mortgagors pursuant to this Mortgage.

24. *Equivalent Rate Information.* Attached as Schedule "A" is a summary of various annual rates of interest calculated half-yearly not in advance equivalent to the corresponding annual rates calculated monthly not in advance. The rate of interest chargeable, calculated half-yearly not in advance, equivalent to each Applicable Rate, is shown by Schedule "A".

25. *Successors and Assigns.* All rights and powers of the Mortgagee shall enure to the benefit of and be exercisable by the Mortgagee and the Mortgagee's successors and assigns. All covenants, obligations and liabilities entered into or imposed on the Mortgagor shall be binding on the Mortgagor and the Mortgagor's heirs, executors, administrators, personal representatives, successors and assigns.

SCHEDULE "A"

The interest rates set out in Column B are the annual interest rates calculated half-yearly not in advance which are equivalent to the corresponding annual interest rates calculated monthly not in advance, set out in Column A.

COLUMN A	COLUMN B	COLUMN A	COLUMN B
Interest rate calculated monthly not in advance	Interest rate calculated half-yearly not in advance	Interest rate calculated monthly not in advance	Interest rate calculated half-yearly not in advance
3.0000%	3.0188%	11.6250%	11.9102%
3.1250%	3.1454%	11.7500%	12.0414%
3.2500%	3.2721%	11.8750%	12.1727%
3.3750%	3.3988%	12.0000%	12.3040%
3.5000%	3.5256%	12.1250%	12.4354%
3.6250%	3.6525%	12.2500%	12.5669%
3.7500%	3.7794%	12.3750%	12.6985%
3.8750%	3.9064%	12.5000%	12.8301%
4.0000%	4.0335%	12.6250%	12.9618%
4.1250%	4.1606%	12.7500%	13.0935%
4.2500%	4.2878%	12.8750%	13.2253%
4.3750%	4.4151%	13.0000%	13.3572%
4.5000%	4.5424%	13.1250%	13.4892%
4.6250%	4.6698%	13.2500%	13.6212%
4.7500%	4.7973%	13.3750%	13.7533%
4.8750%	4.9248%	13.5000%	13.8854%
5.0000%	5.0524%	13.6250%	14.0177%
5.1250%	5.1800%	13.7500%	14.1499%
5.2500%	5.3078%	13.8750%	14.2823%
5.3750%	5.4355%	14.0000%	14.4147%
5.5000%	5.5634%	14.1250%	14.5472%
5.6250%	5.6913%	14.2500%	14.6798%
5.7500%	5.8193%	14.3750%	14.8124%
5.8750%	5.9474%	14.5000%	14.9451%
6.0000%	6.0755%	14.6250%	15.0779%
6.1250%	6.2037%	14.7500%	15.2108%
6.2500%	6.3319%	14.8750%	13.3437%
6.3750%	6.4603%	15.0000%	15.4766%
6.5000%	6.5887%	15.1250%	15.6097%
6.6250%	6.7171%	15.2500%	15.7428%
6.7500%	6.8456%	15.3750%	15.8760%
6.8750%	6.9742%	15.5000%	16.0092%
7.0000%	7.1029%	15.6250%	16.1425%
7.1250%	7.2316%	15.7500%	16.2759%
7.2500%	7.3604%	15.8750%	16.4094%
7.3750%	7.4892%	16.0000%	16.5429%
7.5000%	7.6182%	16.1250%	16.6765%
7.6250%	7.7472%	16.2500%	16.8102%
7.7500%	7.8762%	16.3750%	16.9439%
7.8750%	8.0053%	16.5000%	17.0777%
8.0000%	8.1345%	16.6250%	17.2116%
8.1250%	8.2638%	16.7500%	17.3455%
8.2500%	8.3931%	16.8750%	17.4795%
8.3750%	8.5225%	17.0000%	17.6136%
8.5000%	8.6519%	17.1250%	17.7444%
8.6250%	8.7815%	17.2500%	17.8819%
8.7500%	8.9111%	17.3750%	18.0162%
8.8750%	9.0407%	17.5000%	18.1506%
9.0000%	9.1704%	17.6250%	18.2850%
9.1250%	9.3002%	17.7500%	18.4195%
9.2500%	9.4301%	17.8750%	18.5540%

9.3750%	9.5600%	18.0000%	18.6887%
9.5000%	9.6900%	18.1250%	18.8233%
9.6250%	9.8201%	18.2500%	18.9581%
9.7500%	9.9502%	18.3750%	19.0929%
9.8750%	10.0804%	18.5000%	19.2278%
10.0000%	10.2107%	18.6250%	19.3628%
10.1250%	10.3410%	18.7500%	19.4979%
10.2500%	10.4714%	18.8750%	19.6330%
10.3750%	10.6019%	19.0000%	19.7682%
10.5000%	10.7324%	19.1250%	19.9034%
10.6250%	10.8630%	19.2500%	20.0387%
10.7500%	10.9937%	19.3750%	20.1741%
10.8750%	11.1244%	19.5000%	20.3096%
11.0000%	11.2552%	19.6250%	20.4451%
11.1250%	11.3861%	19.7500%	20.5807%
11.2500%	11.5170%	19.8750%	20.7163%
11.3750%	11.6480%	20.0000%	20.8521%
11.5000%	11.7791%		

This is Exhibit " F " referred to in the affidavit of Xiao Peng Cui made before me at Vancouver, B.C., on September 8, 2023.



A Commissioner for taking Affidavits within
British Columbia.

GENERAL ASSIGNMENT OF LEASES AND RENTS

THIS INDENTURE is dated this 31st day of January, 2023,

BETWEEN:

ROC HOLDINGS LTD., a corporation
incorporated under the laws of the Province of
British Columbia and having an address at Suite
1518, 1030 West Georgia Street, Vancouver, BC
V6E 2Y3

(the "**Borrower**")

AND

1392752 B.C. LTD., a corporation incorporated
under the laws of the Province of British Columbia
and having an office at Suite 1600, 925 West
Georgia, Vancouver, BC V6C 3L2

(the "**Lender**")

WHEREAS

- A. By, among other things, a mortgage (the "**Mortgage**") dated for reference January 31st, 2023, the Borrower granted, mortgaged and charged to the Lender its interests in the lands and premises described therein, including those described in **Schedule "A"** annexed hereto (the said lands and premises together with the buildings, improvements and fixtures situate thereon being hereinafter referred to collectively, as the "**Premises**") to secure the payment to the Lender of the principal of, interest on and all other moneys which may become owing on or pursuant to the Mortgage.
- B. As security for the due performance by the Borrower of all the covenants contained in the Mortgage, the Borrower has agreed to assign, transfer and set over unto Lender all right, title and interest of the Borrower in any and all leases or agreements to lease (the "**Leases**"), now or hereafter existing, of any and all portions of the Premises, including the leases set forth in **Schedule "B"** hereto, and all rents, charges and other monies (the "**Rents**") now due and payable or hereafter to become due and payable under the Leases.

NOW THIS INDENTURE WITNESSETH that in consideration of the premises and other good and valuable consideration each of the Borrowers represents, covenants and agrees with Lender as follows:

1. **Assignment.** The Borrower hereby irrevocably assigns, transfers and sets over unto

Lender, subject to no prior claim or assignment, the Leases and the Rents and all benefits and advantages to be derived therefrom, including any guarantees given to the Borrower in respect of the Leases and Rents, to hold and receive the same unto Lender, its successors and assigns, with full power and authority to demand, collect, sue for, recover, receive receipts for the Rents and to enforce payment of the same in the name of the Borrower.

2. **Where Borrower not in Default.** Until the Borrower defaults under the covenants, terms and conditions contained in this Indenture or an event of default occurs under the Mortgage, the Borrower may demand, receive, collect and enjoy the Rents only as the same fall due and payable and not in advance, but nothing shall permit or authorize the Borrower to collect or receive Rents contrary to the covenants contained herein.

3. **Remedies.** The Borrower, in the event of a default hereunder or under the Mortgage, hereby authorizes Lender, at its option and in addition to any other rights it may have hereunder or under any other agreement or at common law or in equity, to deliver to any or all of the tenants, licencees or occupiers of the Premises notices to pay all Rents to Lender and to collect such Rents and, in addition, enter upon the Premises by its officers, agents or employees for the purpose of collecting the Rents and/or operating and maintaining the Premises. The Borrower hereby authorizes Lender generally to perform all such acts, including any acts by way of enforcement of the covenants and exercise of the rights contained in the Leases or otherwise, as may in the opinion of Lender be necessary or desirable for the proper operation and maintenance of the Premises, which acts may be performed in the name of the Borrower or in the name of Lender as in the absolute discretion of Lender may seem proper or advisable. Lender shall, after deduction of all collection charges and all expenses, which Lender in its absolute discretion shall deem advisable to pay for the proper operation and maintenance of the Premises, credit the remainder of the moneys which it may receive in connection with the Premises on account of any amount or amounts due to Lender from the Borrower in such manner as Lender shall in its sole discretion determine. Notwithstanding anything herein, Lender shall be liable to account only for such monies as shall actually come into its hands.

4. **Liability of Lender.** In the exercise of the powers herein granted to Lender, no liability shall be asserted or enforced against Lender, all such liability being hereby expressly waived and released by the Borrower. Lender shall not be obligated to perform or discharge any obligation, duty or liability under the Leases, or under or by reason of this assignment, and the Borrower shall and does hereby agree to indemnify Lender for and to hold it harmless of and from any and all liability, loss or damage which it may or might incur under the Leases or under or by reason of this assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of agreements contained in the Leases. Should Lender incur any such liability, loss or damage under the Leases or by reason of this assignment, or the defence of any such claims or demands, the amount thereof, including costs, expenses and all legal fees and disbursements, shall be secured hereby, and the Borrower shall reimburse Lender therefore immediately upon demand.

5. **Receipts by Lender.** The Borrower hereby agrees that all receipts given by Lender to any lessee under the Leases on account of any Rents paid to Lender in accordance with the

terms of this Indenture shall constitute a good and valid discharge therefor to each lessee.

6. **Not Mortgagee in Possession.** Nothing herein contained shall be deemed to have the effect of making Lender responsible for the collection of the Rents or any part thereof for the performance of any covenants, terms or conditions either by the lessor or any lessee contained in the Leases and Lender shall not by virtue of this Indenture be deemed a mortgagee in possession of the Premises.
7. **Perform Covenants of Landlord.** The Borrower shall at all times perform all of the lessor's covenants and obligations contained in the Leases and any failure on the part of the Borrower thereunder shall constitute a default hereunder and shall be deemed to be default under the Mortgage. If so requested by Lender, the Borrower will enforce the Leases and all remedies available to the Borrower against the lessees, in case of default under the Leases, or any of them, by the lessees.
8. **Valid Leases.** The Borrower hereby covenants with Lender notwithstanding any act of the Borrower that the leases contained in Schedule "B" hereto are true and complete copies thereof, and are good, valid and subsisting leases and that the Borrower now has good right, full power and absolute authority to assign each such lease according to the true intent and meaning of this Indenture.
9. **No Prepayment of Rents.** The Borrower will not accept payment from any lessee in advance and will not cause payment to be made in advance on its direction for a period longer than provided in the respective lease and breach of this covenant shall be deemed to be default under the Mortgage.
10. **Covenants.** The Borrower shall not without the written approval of Lender first had and obtained:
 - (a) do or omit to do any act having the effect of terminating, cancelling or accepting the surrender of the Leases or any of them;
 - (b) amend, alter or vary the terms and conditions of the Leases or any of them;
 - (c) waive, reduce or abate any of its rights or remedies under the Leases or the obligations of any other parties thereunder or in respect thereof;
 - (d) permit any material default or breach of covenant by any lessee under the Leases; and
 - (e) enter into any Leases for any part of the Premises that are not bona fide leases with lessees with whom the Borrower deal at arm's length. The terms of any future leases must be approved by Lender prior to execution (such consent not to be unreasonably withheld or delayed) and shall be at rental rates and terms consistent with comparable space in the area of the Premises.
11. **Waiver of Covenants.** Lender may waive any default or breach of covenant and shall

not be bound to serve any notice upon any lessee under the Leases upon the happening of any default or breach of covenant, but any such waiver shall not extend to any subsequent default or breach of covenant.

12. **Further Assurances.** The Borrower covenants and agrees from time to time and at all times hereafter at the request of Lender to execute and deliver at the expense of the Borrower such further assurances for better and more perfectly assigning to Lender any Leases whether presently existing or hereafter created and the Rents payable thereunder in the manner aforesaid as Lender may require and to execute, deliver and register, at the expense of the Borrower, all such documents as may be required to preserve, perfect and protect the security constituted hereby including all such renewals as may be required by relevant legislation, including the *Personal Property Security Act*.

13. **Re-assignment.** The assignment, transfer and setting over herein provided shall not be revoked or rescinded by any variation of the terms of the Mortgage or any extension of time for payment or otherwise but shall remain in full force and effect until the Borrower shall have performed all of its obligations under the Mortgage. A discharge of the Mortgage executed by Lender shall operate as a re-assignment of the Leases and Rents without the need for any further conveyance, but Lender shall, at the request and at the expense of the Borrower, execute and deliver a full re-assignment to the Borrower of the Leases and Rents and its all right, title and interest therein.

14. **Binding Effect and Governing Law.** This Indenture shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. This Indenture shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

15. **Counterpart.** This Indenture may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Indenture. Delivery of an executed counterpart of this Indenture by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Indenture. Any party delivering an executed counterpart of this Indenture by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Indenture but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Indenture.

[Signature Page Follows]

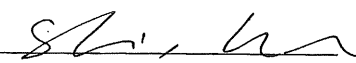
SCHEDULE "A"
DESCRIPTION OF PROPERTY

Parcel Identifier	Legal Description
011-691-051	Lot B District Lot 616 Range 5 Coast District Plan 3986
011-691-042	Lot A District Lot 616 Range 5 Coast District Plan 3986, Except Plan PRP47978
030-631-700	Lot A District Lots 616 and 1745 Range 5 Coast District Plan EPP78423
011-768-398	Lot 3 District Lot 616 Range 5 Coast District Plan 3700
009-426-833	District Lot 1398 Range 5 Coast District Except Plan 1173

SCHEDULE "B"
LEASES

IN WITNESS WHEREOF the Borrower has duly executed this Indenture as of the date first noted above.

ROC HOLDINGS LTD.

Per: 
Authorized Signatory

This is Exhibit "C" referred to in the affidavit of Xiao Peng Cui made before me at Vancouver, B.C., on September 8, 2023.



A Commissioner for taking Affidavits within
British Columbia.

GENERAL SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "**Agreement**") made as of this 31st day of January, 202³.

FROM:

SKEENA SAWMILLS LTD., a British Columbia company having an address at 1518, 1030 West Georgia Street, Vancouver, BC V6E 2Y3

(the "**Debtor**")

TO:

1392752 B.C. LTD., a British Columbia company having an address at 1600, 925 West Georgia Street, Vancouver, BC V6C 3L2

(the "**Secured Party**")

FOR VALUE RECEIVED, the Debtor covenants, agrees, warrants, represents, acknowledges and confirms to and with the Secured Party and creates and grants the mortgages, charges, transfers, assignments and security interests as follows:

1. SECURITY INTEREST

As security for the payment and performance of the Obligations (as defined in paragraph 3), the Debtor, subject to the exceptions set out in paragraph 2, does:

- 1.1 Grant to the Secured Party a security interest in, and mortgages, charges, transfers and assigns absolutely, all of the Debtor's present and after-acquired personal property, and all personal property in which the Debtor has rights, of whatever nature or kind and wherever situate, including, without limitation, all of the following now owned or in future owned or acquired by or on behalf of the Debtor:

- (a) all goods, including:
 - (i) all inventory of whatever kind and wherever situate, including, without limitation logs, lumber, wood fibre, wood chips, biofuel material (such as sawdust, shavings and hog fuel), goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in progress, finished goods, returned goods, repossessed goods, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (collectively the "**Inventory**");

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- (ii) all equipment of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, fixtures, furniture, furnishings, chattels, motor vehicles, vessels and other tangible personal property of whatever nature or kind (collectively the **"Equipment"**);
 - (b) all book accounts and book debts and generally all accounts, debts, dues, claims, choses in action and demands of every nature and kind however arising or secured including letters of credit and advices of credit, which are now due, owing or accruing, or growing due to, or owned by, or which may in future become due, owing or accruing, or growing due to, or owned by the Debtor (collectively, the **"Accounts"**);
 - (c) all contractual rights, insurance claims, licences, goodwill, patents, trademarks, trade names, copyrights and other industrial or intellectual property of the Debtor or in which the Debtor has an interest, all other choses in action of the Debtor of every kind which now are, or which may in future be, due or owing to or owned by the Debtor, and all other intangible property of the Debtor which is not Accounts, Chattel Paper, Instruments, Documents of Title, Securities or Money;
 - (d) all Money;
 - (e) all property described in any schedule now or at any time in future annexed to this Agreement or agreed to form part of this Agreement;
 - (f) the undertaking of the Debtor;
 - (g) all Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles and Securities now owned or in future owned or acquired by or on behalf of the Debtor (including those returned to or repossessed by the Debtor) and all other goods of the Debtor that are not Equipment, Inventory or Accounts;
 - (h) all proceeds, renewals and accretions, and substitutions of any of the foregoing; and
 - (i) all deeds, documents, writings, papers, books of account and other books and electronically recorded data relating to any of the foregoing or by which any of the foregoing is or may in future be secured, evidenced, acknowledged or made payable.
- 1.2 Charge as and by way of a floating charge to and in favour of the Secured Party, and grant to the Secured Party a security interest, mortgage and charge in and to:
- (a) all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real, immovable and leasehold property and all interests therein, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plant and other fixtures (collectively, the **"Real Property"**); and

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- (b) all property, assets and undertakings of the Debtor, both present and future, of whatever nature or kind and wherever situate, and all Proceeds thereof and therefrom,

other than any of its property, assets and undertakings otherwise validly and effectively subject to the charges and security interests in favour of the Secured Party created under paragraph 1.1 of this Agreement. This charge attaches immediately upon the Debtor acquiring any rights in any of that property.

- 1.3 Mortgage and charge as and by way of a fixed and specific charge to and in favour of the Secured Party, and assign and transfer to the Secured Party and grant to the Secured Party, by way of mortgage, charge, assignment and transfer, a security interest in all of the Debtor's right, title and interest, both present and future, in and to all of its presently owned or held and after acquired or held property which:

- (a) is or in future becomes a fixture, or
- (b) constitutes a licence, quota, permit or other similar right or benefit, or crops.

- 1.4 The mortgages, charges, assignments, transfers and security interests created or granted under paragraphs 1.1, 1.2 and 1.3 of this Agreement are collectively called the "**Security Interest**", and all property, assets, interests and undertakings (including Proceeds) subject to the Security Interest or otherwise charged or secured by this Agreement or expressed to be charged, assigned or transferred, or secured by any instruments supplemental to this Agreement or in implementation of this Agreement are collectively called the "**Collateral**".

2. EXCEPTIONS AND DEFINITIONS

The Security Interest granted by this Agreement shall not extend or apply to and the Collateral shall not extend to the last day of the term of any lease or agreement to lease real property, but upon the enforcement of the Security Interest the Debtor shall stand possessed of such last day in trust to assign and dispose thereof as the Secured Party shall direct.

The terms "**Chattel Paper**", "**Document of Title**", "**Equipment**", "**Consumer Goods**", "**Instrument**", "**Intangible**", "**Security**", "**Proceeds**", "**Inventory**", "**Accessions**", "**Money**", "**financing statement**", "**financing change statement**" and "**verification statement**" shall, unless otherwise defined in this Agreement or otherwise required by the context, be interpreted according to their respective meanings as set out in the British Columbia *Personal Property Security Act*, as amended.

Any reference in this Agreement to "**Collateral**" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof". The Collateral shall not include consumer goods of the Debtor.

The term "**Proceeds**", whenever used and interpreted as above, shall by way of example include trade-ins, equipment, cash, bank accounts, notes, chattel paper, goods, contract rights, accounts

and any other personal property or obligation received when such collateral or proceeds are sold, exchanged, collected, or otherwise disposed of. The term "**licence**" means any licence or similar right at any time owned or held by the Debtor including without limitation a "**licence**" as defined in the Act, and the meaning of the term "**crops**" whenever used in this Agreement includes but is not limited to "**crops**" as defined in the Act.

3. OBLIGATIONS SECURED

This Agreement and the Security Interest are in addition to and not in substitution for any other security interest now or in future held by the Secured Party from the Debtor or from any other person and shall be general and continuing security for the payment of all indebtedness and liability of the Debtor to the Secured Party (including interest thereon), present or future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wherever and however incurred, and any ultimate balance thereof, including all advances on current or running account and all future advances and re-advances, and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and whether the Debtor be bound alone or with another or others, and whether as principal or surety, and for the performance and satisfaction of all obligations of the Debtor to the Secured Party, whether or not contained in this Agreement, and whether the Debtor be bound alone or with another or others (all of which indebtedness, liability and obligations are collectively the "**Obligations**").

4. PROHIBITIONS

Without the prior written consent of the Secured Party, the Debtor shall not and shall not have power to:

- (a) grant, create or permit to be created any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets or undertakings that rank or could rank in priority to or *pari passu* with the Security Interest;
- (b) grant, sell or otherwise assign its Chattel Paper; or
- (c) issue or have outstanding at any time any secured or unsecured bonds, debentures, debenture stock, or other evidences of indebtedness of the Debtor or of any predecessor in title of the Debtor issued under a trust deed or other instrument running in favour of a trustee.

5. ATTACHMENT

The Debtor acknowledges and confirms that:

- (a) there is no intention to delay the time of attachment of the Security Interest created by this Agreement, and the Security Interest shall attach at the earliest time permissible under the laws governing this Agreement;

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- (b) value has been given; and
- (c) the Debtor has (or in the case of any after-acquired property, will have at the time of acquisition) rights in the Collateral.

6. REPRESENTATIONS AND WARRANTIES

6.1 The Debtor represents and warrants to the Secured Party that:

- (a) if the Debtor is a company or a partnership, this Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) or of the partners, as the case may be, of the Debtor, and that all other matters and things have been done and performed so as to authorize and make the execution and delivery of this Agreement, and the performance of the Debtor's obligations hereunder, legal, valid and binding;
- (b) the Debtor lawfully owns and possesses all presently held Collateral and has good title thereto, and the Debtor has good right and lawful authority to grant a security interest in the Collateral as provided by this Agreement;
- (c) where the Collateral includes Accounts, Chattel Paper or Instruments, each is enforceable in accordance with its terms against the party obligated thereunder, and that the Debtor has fully and accurately disclosed to the Secured Party the amount owing thereunder and any other relevant information concerning liability for payment thereunder;
- (d) for goods constituting Collateral, the Debtor has in this Agreement or elsewhere fully and accurately disclosed to the Secured Party the locations thereof and of the business operations and records of the Debtor.

7. COVENANTS OF THE DEBTOR

7.1 The Debtor covenants with the Secured Party that at all times while this Agreement remains in effect the Debtor shall:

- (a) defend the title to the Collateral for the benefit of the Secured Party against the claims and demands of all persons;
- (b) fully and effectually maintain and keep maintained the validity and effectiveness of the Security Interest;
- (c) maintain the Collateral in good order and repair;
- (d) forthwith pay:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims, dues and other charges of every nature that may be lawfully levied, assessed or

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imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish such security as the Secured Party may require; and

- (ii) all security interests, charges, encumbrances, liens and claims that rank or could in any event rank in priority to the Security Interest, other than the charges or security interests, if any, shown in any schedule to this Agreement and those consented to in writing by the Secured Party;
- (e) forthwith reimburse and indemnify the Secured Party for all costs, charges, expenses and legal fees and disbursements that may be incurred by the Secured Party in:
 - (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting and registering this Agreement or notice of it and other documents, whether or not relating to this Agreement;
 - (iii) investigating title to the Collateral;
 - (iv) taking, recovering, keeping possession of and insuring the Collateral; and
 - (v) all other actions and proceedings taken in connection with the preservation of the Collateral and the enforcement of this Agreement and of any other Security Interest held by the Secured Party as security for the Obligations;
- (f) at the Secured Party's request at any time and from time to time, execute and deliver such further and other documents and instruments and do all acts and things as the Secured Party in its absolute discretion requires in order to confirm and perfect, and maintain perfection of, the Security Interest in favour of the Secured Party upon any of the Collateral;
- (g) notify the Secured Party promptly of:
 - (i) any change in the information contained in this Agreement relating to the Debtor, its address, its business, or the Collateral, including without limitation any change of name or address of the Debtor and any change in location of any Collateral;
 - (ii) the details of any material acquisition of Collateral;
 - (iii) any material loss or damage to the Collateral;
 - (iv) any material default by any account debtor in payment or other performance of his or her obligations to the Debtor with respect to any Accounts;

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- (v) the return to or repossession by the Debtor of the Collateral where such return or repossession of the Collateral is material in relation to the business of the Debtor; and
 - (vi) the details of any claims or litigation affecting the Debtor or the Collateral;
 - (h) prevent the Collateral, other than Inventory sold, leased or otherwise disposed of as permitted by this Agreement, from being or becoming an accession to other property not covered by this Agreement;
 - (i) permit the Secured Party and its representatives, at all reasonable times, access to all its property, assets and undertakings and to all its books of account and records for the purpose of inspection, and render all assistance necessary for such inspection; and
 - (j) deliver to the Secured Party from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) all policies and certificates of insurance relating to the Collateral; and
 - (v) any information concerning the Collateral, the Debtor, and the Debtor's business and affairs as the Secured Party may reasonably require;
 - (k) carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning the Collateral;
 - (l) observe and perform the additional covenants, if any, set out in any schedule attached to this Agreement.
- 7.2 Except as provided in this Agreement, without the prior written consent of the Secured Party, the Debtor shall not:
- (a) sell, lease or otherwise dispose of the Collateral;
 - (b) release, surrender or abandon possession of the Collateral; or

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- (c) move or transfer the Collateral from the jurisdiction or jurisdictions in which the Security Interest has been perfected.
- 7.3 Provided that the Debtor is not in default under this Agreement, at any time without the consent of the Secured Party the Debtor may lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business and for the purposes of carrying on its business.
- 7.4 The Debtor covenants that to the extent that any monies, credit or other consideration provided by the Secured Party has enabled the Debtor to purchase or acquire rights in any personal property or assets, the Security Interest is and shall remain a purchase money security interest.
- 8. INSURANCE**
- 8.1 The Debtor covenants that at all times while this Agreement is in effect, the Debtor shall:
- (a) maintain or cause to be maintained insurance on the Collateral with an insurer, of kinds, for amounts and payable to such person or persons, all as the Secured Party may require, and in particular but without limitation maintain insurance on the Collateral to its full insurable value against loss or damage by fire including extended coverage endorsement, and in the case of motor vehicles and other mobile Collateral, maintain insurance against theft;
 - (b) cause the insurance policy or policies required under this Agreement to be assigned to the Secured Party and have as part thereof a standard mortgage clause or a mortgage endorsement, as appropriate; and
 - (c) pay all premiums in connection with such insurance, and deliver all such policies to the Secured Party, if it so requires.
- 8.2 If proceeds of any insurance required under this Agreement become payable, the Secured Party may, in its absolute discretion, apply those proceeds to such part or parts of the Obligations as the Secured Party may see fit, or the Secured Party may release any such insurance proceeds to the Debtor for the purpose of repairing, replacing, or rebuilding, but any release of insurance proceeds to the Debtor shall not operate as a payment on account of the Obligations or in any way affect this Agreement.
- 8.3 The Debtor shall forthwith, on the happening of loss or damage to the Collateral, notify the Secured Party thereof and furnish to the Secured Party at the Debtor's expense any necessary proof and do any necessary act to enable the Secured Party to obtain payment of the insurance proceeds, but nothing contained in this Agreement shall limit the Secured Party's right to submit to the insurer a proof of loss on its own behalf.
- 8.4 The Debtor irrevocably authorizes and directs the insurer under any policy of insurance required under this Agreement to include the name of the Secured Party as a loss payee on any cheque or draft that may be issued with respect to a claim under and by virtue of

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such insurance, and the production by the Secured Party to any insurer of a certified copy of this Agreement shall be its full and complete authority for so doing.

- 8.5 If the Debtor fails to maintain insurance as required by this Agreement, the Secured Party may, but shall not be obliged to, maintain or effect such insurance coverage, or so much thereof as the Secured Party considers necessary for its protection.

9. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with the Debtor's covenants contained in this Agreement and compliance with paragraph 11 of this Agreement, the Debtor may, until default, possess, operate, collect, use and enjoy, and deal with the Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions of this Agreement; provided always that the Secured Party shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Secured Party may consider appropriate. The Debtor agrees to furnish all assistance and information and to perform all such acts as the Secured Party may reasonably request in connection therewith, and for such purpose to grant to the Secured Party or its agents access to all places where the Collateral may be located and to all premises occupied by the Debtor.

10. SECURITIES

If Collateral at any time includes Securities, the Debtor authorizes the Secured Party to transfer the same or any part of them into its own name or that of its nominee(s) so that the Secured Party or its nominee(s) may appear on record as the sole owner of them; provided that, until default, the Secured Party shall deliver promptly to the Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to the Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, the Debtor waives all rights to receive any notices or communications received by the Secured Party or its nominee(s) as such registered owner and agrees that no proxy issued by the Secured Party to the Debtor or its order as aforesaid shall thereafter be effective.

11. COLLECTION OF DEBTS

Before or after default under this Agreement, without notice to the Debtor, the Secured Party may notify all or any account debtors of the Debtor of the Security Interest and may also direct such account debtors to make all payments on Collateral to the Secured Party. The Debtor acknowledges that any payments on or other proceeds of Collateral received by the Debtor from account debtors, whether before or after notification of this Security Interest to account debtors, and whether before or after default under this Agreement, shall be received and held by the Debtor in trust for the Secured Party and shall be turned over to the Secured Party upon request. This includes interest on deferred payment contracts, and the payments themselves, and lease payments, if any.

12. INCOME FROM AND INTEREST ON COLLATERAL

- 12.1 Until default, the Debtor reserves the right to receive any money constituting income from or interest on Collateral and if the Secured Party receives any such money before default, the Secured Party shall either credit that money against the Obligations or pay it promptly to the Debtor.
- 12.2 After default, the Debtor shall not request or receive any money constituting income from or interest on Collateral and if the Debtor receives any such money in any event, the Debtor shall hold that money in trust for the Secured Party and shall pay it promptly to the Secured Party.

13. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

- 13.1 Whether or not default has occurred, the Debtor authorizes the Secured Party:
- (a) to receive any increase in or profits on the Collateral (other than money) and to hold the same as part of the Collateral. Money so received shall be treated as income for the purposes of paragraph 12 of this Agreement and dealt with accordingly, and
 - (b) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of Collateral.
- 13.2 If the Debtor receives any such increase or profits (other than money) or payments or distributions, the Debtor shall deliver the same promptly to the Secured Party to be held by the Secured Party as provided in this Agreement.

14. DISPOSITION OF MONIES

Subject to any applicable requirements of the Act, all monies collected or received by the Secured Party under or in exercise of any right it possesses with respect to Collateral shall be applied on account of the Obligations in such manner as the Secured Party deems best or, at the option of the Secured Party, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Secured Party under this Agreement, and any surplus shall be accounted for as required by law.

15. PERFORMANCE OF OBLIGATIONS

If the Debtor fails to perform any of its obligations under this Agreement, the Secured Party may, but shall not be obliged to, perform any or all of those obligations without prejudice to any other rights and remedies of the Secured Party under this Agreement, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and own client basis) incurred in connection therewith shall be payable by the Debtor to the Secured Party forthwith

with interest until paid at the highest rate borne by any of the Obligations and such amounts shall be secured by this Agreement and rank prior to all claims subsequent to this Agreement.

16. DEFAULT

- 16.1 Unless waived by the Secured Party, it shall be an event of default ("default") under this Agreement and the security constituted by this Agreement shall immediately become enforceable if:
- (a) any amount owed to the Secured Party is not paid when due;
 - (b) the Debtor defaults or threatens to default in payment when due or performance of any of the Obligations;
 - (c) if default occurs under any senior ranking security;
 - (d) the Debtor or any guarantor of the Debtor declares itself to be insolvent, makes an assignment for the benefit of its creditors, is declared bankrupt, declares bankruptcy, makes a proposal, or otherwise takes advantage of provisions under the *Bankruptcy and Insolvency Act*, the *Companies Creditors' Arrangement Act*, or similar legislation in any jurisdiction, or fails to pay its debts generally as they become due;
 - (e) a receiver or receiver-manager is appointed;
 - (f) the Debtor ceases to carry on all or a substantial part of its business;
 - (g) distress, execution or seizure of any of the Collateral occurs;
 - (h) if the Debtor is a corporation, there is a change of voting control without the Secured Party's consent;
 - (i) the Debtor changes its name or amalgamates or merges without the Secured Party's consent;
 - (j) the Debtor allows any hazardous materials to be brought upon any lands or premises occupied by the Debtor; or
 - (k) the Secured Party in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy.
- 16.2 It shall be an event of default under this Agreement and the security constituted by this Agreement shall immediately become enforceable if any term, covenant or representation in any other agreement, contract or other commitment of the Debtor to the Secured Party is breached or if default should occur under the same.

17. ACCELERATION

The Secured Party, in its sole discretion, may declare all or any part of the Obligations that are not by their terms payable on demand to be immediately due and payable in the event of any default, or, in the absence of default, if the Secured Party considers or deems itself insecure or that the Collateral is in jeopardy. The provisions of this paragraph do not and are not intended to affect in any way any rights of the Secured Party with respect to any Obligations that may now or in future be payable on demand.

18. ENFORCEMENT

- 18.1 Upon any default under this Agreement, the security constituted by this Agreement shall immediately become enforceable, and any floating charge will immediately attach the Real Property and Collateral. To enforce and realize on the security constituted by this Agreement, the Secured Party may take any action permitted by law or in equity, as it may deem expedient, and in particular, but without limiting the generality of the foregoing, the Secured Party may do any of the following:
- (a) appoint by instrument a receiver, receiver and manager or receiver-manager (the person so appointed is called the “**Receiver**”) of the Collateral, with or without bond as the Secured Party may determine, and from time to time in its absolute discretion remove such Receiver and appoint another in its stead;
 - (b) enter upon any premises of the Debtor and take possession of the Collateral with power to exclude the Debtor, its agents, and its servants from those premises, without becoming liable as a mortgagee in possession;
 - (c) preserve, protect and maintain the Collateral and make such replacements and repairs and additions as the Secured Party may deem advisable;
 - (d) sell, lease or otherwise dispose of all or any part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained, and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Secured Party may seem reasonable, provided that if any sale, lease or other disposition is on credit, the Debtor shall not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies therefor are actually received; and
 - (e) exercise all of the rights and remedies of a secured party under the Act.
- 18.2 A Receiver appointed under this Agreement shall be the agent of the Debtor and not of the Secured Party, and the Secured Party shall not be in any way responsible for any misconduct, negligence or nonfeasance on the part of any Receiver, its servants, agents or employees. A Receiver shall, to the extent permitted by law or to such lesser extent permitted by its appointment, have all the powers of the Secured Party under this Agreement, and in addition shall have power to carry on the business of the Debtor and

for such purpose to enter upon, use and occupy all premises owned or occupied by the Debtor in which Collateral may be situate, maintain Collateral upon such premises, use, Collateral directly or indirectly in carrying on the Debtor's business, and from time to time borrow money either unsecured or secured by a security interest in any of the Collateral.

- 18.3 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Agreement, all amounts realized from the disposition of Collateral under this Agreement shall be applied as the Secured Party, in its absolute discretion, may direct or as follows:
- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and own client basis) incurred by the Secured Party in connection with or incidental to:
 - (i) the exercise by the Secured Party of all or any of the powers granted to it under this Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to it under this Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver excluding the Receiver's borrowings;
 - (b) in payment of any sum or sums borrowed by the Receiver from the Secured Party and interest thereon if such sum or sums are secured by the Collateral;
 - (c) in or toward payment to the Secured Party of all principal and other monies (except interest) due in respect of the Obligations;
 - (d) in or toward payment to the Secured Party of all interest remaining unpaid in respect of the Obligations;
 - (e) in or toward payment of any sum or sums borrowed by the Receiver from any financial institution, corporation or person other than the Secured Party, and interest thereon if such sum or sums are secured by the Collateral.

Subject to applicable law and the claims, if any, of other creditors of the Debtor, any surplus shall be paid to the Debtor.

- 18.4 The Debtor agrees that the Secured Party may exercise its rights and remedies under this Agreement immediately upon default, except as may be otherwise provided in the Act, and the Debtor expressly confirms that, except as may be otherwise provided in this Agreement or in the Act, the Secured Party has not given any covenant, express or implied, and is under no obligation to allow the Debtor any period of time to remedy any default before the Secured Party exercises its rights and remedies under this Agreement.

19. DEFICIENCY

If the amounts realized from the disposition of the Collateral are not sufficient to pay the Obligations in full, the Debtor shall pay to the Secured Party the amount of such deficiency immediately upon demand for the same.

20. RIGHTS CUMULATIVE

All rights and remedies of the Secured Party set out in this Agreement are cumulative, and no right or remedy contained in this Agreement is intended to be exclusive but each shall be in addition to every other right or remedy contained in this Agreement or in any existing or future security agreement or now or in future existing at law, in equity or by statute, or under any other agreement between the Debtor and the Secured Party that may be in effect from time to time.

21. LIABILITY OF SECURED PARTY

The Secured Party shall not be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when the Secured Party shall manage the Collateral upon entry, as provided in this Agreement, nor shall the Secured Party be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. The Secured Party shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor, nor shall the Secured Party, in the case of Securities, Instruments or Chattel Paper, be obliged to preserve rights against other persons, nor shall the Secured Party be obliged to keep any of the Collateral identifiable. The Debtor waives any applicable provision of law permitted to be waived by it which imposes higher or greater obligations upon the Secured Party than as contained in this paragraph.

22. APPOINTMENT OF ATTORNEY AND DEED

- 22.1 The Debtor irrevocably appoints the Secured Party or the Receiver, as the case may be, with full power of substitution, to be the attorney of the Debtor for and in the name of the Debtor to sign, endorse or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute, and generally to use the name of the Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Secured Party or the Receiver, as the case may be, under this Agreement.
- 22.2 Whether or not the Debtor attaches its corporate seal, if a corporation, this Agreement is intended to be and is deemed to be a deed given under seal.

23. ACCOUNTS

Notwithstanding any other provision of this Agreement, the Secured Party may collect, realize, sell or otherwise deal with the Accounts or any part of them in such manner, upon such terms and conditions, and at such time or times, whether before or after default, as may seem to it advisable, and without notice to the Debtor, except in the case of disposition after default and then subject to the provisions of Part 5 of the Act. All monies or other forms of payment received by the Debtor in payment of any Account shall be received and held by the Debtor in trust for the Secured Party.

24. APPROPRIATION OF PAYMENTS

Any and all payments made in respect of the Obligations from time to time and monies realized from any security interests held therefor (including monies collected in accordance with or realized on any enforcement of this Agreement) may be applied to such part or parts of the Obligations as the Secured Party may see fit, and the Secured Party may at all times and from time to time change any appropriation as the Secured Party may see fit.

25. LIABILITY TO ADVANCE

None of the preparation, execution, perfection and registration of this Agreement or notice of this Agreement or the advance of any monies shall bind the Secured Party to make any advance or loan or further advance or loan or renew any note or extend any time for payment of any indebtedness or liability of the Debtor to the Secured Party.

26. WAIVER

The Secured Party may from time to time and at any time waive in whole or in part any right, benefit or default under any paragraph of this Agreement but any such waiver of any right, benefit or default on any occasion shall be deemed not to be a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default, as the case may be, and no delay or omission by the Secured Party in exercising any right or remedy under this Agreement or with respect to any default shall operate as a waiver thereof or of any other right or remedy.

27. NOTICE

Any notice, demand or other communication required or permitted to be given under this Agreement shall be effectually made or given if delivered by prepaid private courier to the address of each party set out below:

- (a) To the Debtor: 1518, 1030 West Georgia Street
Vancouver, British Columbia
V6E 2Y3

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(b) To the Secured Party: 1518, 1030 West Georgia Street
Vancouver, British Columbia
V6E 2Y3

with a copy to: Lawson Lundell LLP
Suite 1600 – 925 West Georgia Street
Vancouver, British Columbia
V6C 3L2

Attention: Jack Yong

or to such other address as either party may designate in the manner set out above. Any notice, demand or other communication shall be deemed to have been given and received on the day of prepaid private courier delivery.

28. EXTENSIONS

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of the Security Interest, and otherwise deal with the Debtor, account debtors of the Debtor, sureties, and others and with the Collateral, the Security Interest and other security interests as the Secured Party sees fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize on the security constituted by this Agreement.

29. NO MERGER

This Agreement shall not operate to create any merger or discharge of any of the Obligations, or of any assignment, transfer, guarantee, lien, mortgage, contract, promissory note, bill of exchange or security interest of any form held or which may in future be held by the Secured Party from the Debtor or from any other person. The taking of a judgment with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Agreement.

30. ASSIGNMENT

The Secured Party may, without further notice to the Debtor, at any time assign, transfer or grant a security interest in this Agreement and the Security Interest. The Debtor expressly agrees that the assignee, transferee or secured party, as the case may be, shall have all of the Secured Party's rights and remedies under this Agreement, and the Debtor shall not assert any defence, counterclaim, right of setoff, or otherwise with respect to any claim that the Debtor now has or in future acquires against the Secured Party in any action commenced by such assignee, transferee or secured party, as the case may be, and shall pay the Obligations to the assignee, transferee or secured party, as the case may be, as the Obligations become due.

31. SATISFACTION AND DISCHARGE

Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to the Secured Party, shall be deemed not to be a redemption or discharge of this Agreement. The Debtor shall be entitled to a release and discharge of this Agreement upon full payment and satisfaction of all Obligations and upon written request by the Debtor and payment to the Secured Party of all costs, charges, expenses and legal fees and disbursements (on a solicitor and own client basis) incurred by the Secured Party in connection with the Obligations and such release and discharge.

32. ENUREMENT

This Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, estate trustees, trustees, personal or legal representatives, successors and permitted assigns.

33. INTERPRETATION

33.1 In this Agreement:

- (a) “**Debtor**” and the personal pronoun “**it**” or “**its**” and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used, depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply to and be binding upon each of them jointly and severally;
- (b) “**Act**” means the British Columbia *Personal Property Security Act* and all regulations thereunder as amended.

33.2 Words and expressions used in this Agreement that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act, whether expressed in this Agreement with or without initial capital letters and whether in the singular or the plural, unless otherwise defined in this Agreement or unless the context otherwise requires, and, wherever the context so requires, in this Agreement the singular shall be read as if the plural were expressed, and vice-versa, and the provisions of this Agreement shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

33.3 Should any provision of this Agreement be declared or held invalid or unenforceable in whole or in part or against or with respect to the Debtor by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of any or all of the remaining provisions of this Agreement, which shall continue in full force and effect and be construed as if this Agreement had been executed without the invalid or unenforceable provision.

33.4 The headings of the paragraphs of this Agreement have been inserted for reference only and do not define, limit, alter or enlarge the meaning of any provision of this Agreement.

33.5 This Agreement shall be governed by the laws of British Columbia.

34. MISCELLANEOUS

- 34.1 All of the agreements, covenants, representations and warranties of the Debtor under this Agreement are the joint and several agreements, covenants, representations and warranties of all parties comprising the Debtor, if there are two or more parties.
- 34.2 The Debtor authorizes the Secured Party to file such financing statements, financing change statements and other documents, and do such acts, matters and things as the Secured Party may deem appropriate, to perfect on an ongoing basis and continue the Security Interest, to protect and preserve the Collateral, and to realize upon the Security Interest.
- 34.3 The Debtor waives protest of any Instrument constituting Collateral at any time held by the Secured Party on which the Debtor is any way liable and, subject to the provisions of the Act, notice of any other action taken by the Secured Party.
- 34.4 The Debtor covenants that it shall not amalgamate with any other company or entity without first obtaining the written consent of the Secured Party. The Debtor acknowledges and agrees that if it amalgamates with any other company or companies, then it is the intention of the parties that the term "**Debtor**" when used in this Agreement shall apply to each of the amalgamating companies and to the amalgamated company, so that the Security Interest granted by this Agreement:
- (a) shall extend to "**Collateral**" (as that term is defined in this Agreement) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "**Collateral**" owned or acquired by the amalgamated company thereafter, and
 - (b) shall secure the "**Obligations**" (as that term is defined in this Agreement) of each of the amalgamating companies and the amalgamated company to the Secured Party at the time of amalgamation and any "**Obligations**" of the amalgamated company to the Secured Party arising thereafter. The Security Interest shall attach to "**Collateral**" owned by each company amalgamating with the Debtor, and by the amalgamated company, at the time of amalgamation, and shall attach to any "**Collateral**" thereafter owned or acquired by the amalgamated company when that Collateral becomes owned or is acquired.
- 34.5 The Debtor authorizes the Secured Party to provide a copy of this Agreement and such other information and documents specified under the Act to any person entitled under the Act to demand and receive them.

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35. COPY OF AGREEMENT AND FINANCING STATEMENT

The Debtor:

- (a) acknowledges receiving a copy of this Agreement, and
- (b) waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement or verification statement filed, issued or obtained at any time in respect of this Agreement.

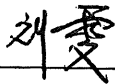
IN WITNESS WHEREOF the Debtor has executed this Agreement on the 31st day of January, 2023.

EXECUTION
DATE

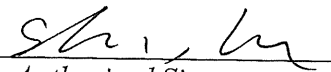
Officer Signature(s)

Y	M	D
23	01	31

SKEENA SAWMILLS LTD.



Wen Liu
Barrister & Solicitor
4184 Dollar Rd
North Vancouver, BC V7G 1A6


 Authorized Signatory
OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1979, c. 116, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

GENERAL SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "**Agreement**") made as of this 31st day of January, 2023.

FROM:

SKEENA BIOENERGY LTD., a British Columbia company having an address at 1518, 1030 West Georgia Street, Vancouver, BC V6E 2Y3

(the "**Debtor**")

TO:

1392752 B.C. LTD., a British Columbia company having an address at 1600, 925 West Georgia Street, Vancouver, BC V6C 3L2

(the "**Secured Party**")

FOR VALUE RECEIVED, the Debtor covenants, agrees, warrants, represents, acknowledges and confirms to and with the Secured Party and creates and grants the mortgages, charges, transfers, assignments and security interests as follows:

1. SECURITY INTEREST

As security for the payment and performance of the Obligations (as defined in paragraph 3), the Debtor, subject to the exceptions set out in paragraph 2, does:

1.1 Grant to the Secured Party a security interest in, and mortgages, charges, transfers and assigns absolutely, all of the Debtor's present and after-acquired personal property, and all personal property in which the Debtor has rights, of whatever nature or kind and wherever situate, including, without limitation, all of the following now owned or in future owned or acquired by or on behalf of the Debtor:

(a) all goods, including:

(i) all inventory of whatever kind and wherever situate, including, without limitation logs, lumber, wood fibre, wood chips, biofuel material (such as sawdust, shavings and hog fuel), goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in progress, finished goods, returned goods, repossessed goods, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (collectively the "**Inventory**");

- (ii) all equipment of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, fixtures, furniture, furnishings, chattels, motor vehicles, vessels and other tangible personal property of whatever nature or kind (collectively the “**Equipment**”);
 - (b) all book accounts and book debts and generally all accounts, debts, dues, claims, choses in action and demands of every nature and kind however arising or secured including letters of credit and advices of credit, which are now due, owing or accruing, or growing due to, or owned by, or which may in future become due, owing or accruing, or growing due to, or owned by the Debtor (collectively, the “**Accounts**”);
 - (c) all contractual rights, insurance claims, licences, goodwill, patents, trademarks, trade names, copyrights and other industrial or intellectual property of the Debtor or in which the Debtor has an interest, all other choses in action of the Debtor of every kind which now are, or which may in future be, due or owing to or owned by the Debtor, and all other intangible property of the Debtor which is not Accounts, Chattel Paper, Instruments, Documents of Title, Securities or Money;
 - (d) all Money;
 - (e) all property described in any schedule now or at any time in future annexed to this Agreement or agreed to form part of this Agreement;
 - (f) the undertaking of the Debtor;
 - (g) all Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles and Securities now owned or in future owned or acquired by or on behalf of the Debtor (including those returned to or repossessed by the Debtor) and all other goods of the Debtor that are not Equipment, Inventory or Accounts;
 - (h) all proceeds, renewals and accretions, and substitutions of any of the foregoing; and
 - (i) all deeds, documents, writings, papers, books of account and other books and electronically recorded data relating to any of the foregoing or by which any of the foregoing is or may in future be secured, evidenced, acknowledged or made payable.
- 1.2 Charge as and by way of a floating charge to and in favour of the Secured Party, and grant to the Secured Party a security interest, mortgage and charge in and to:
- (a) all the Debtor’s right, title and interest in and to all its presently owned or held and after acquired or held real, immovable and leasehold property and all interests therein, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plant and other fixtures (collectively, the “**Real Property**”); and

- (b) all property, assets and undertakings of the Debtor, both present and future, of whatever nature or kind and wherever situate, and all Proceeds thereof and therefrom,

other than any of its property, assets and undertakings otherwise validly and effectively subject to the charges and security interests in favour of the Secured Party created under paragraph 1.1 of this Agreement. This charge attaches immediately upon the Debtor acquiring any rights in any of that property.

- 1.3 Mortgage and charge as and by way of a fixed and specific charge to and in favour of the Secured Party, and assign and transfer to the Secured Party and grant to the Secured Party, by way of mortgage, charge, assignment and transfer, a security interest in all of the Debtor's right, title and interest, both present and future, in and to all of its presently owned or held and after acquired or held property which:

- (a) is or in future becomes a fixture, or
- (b) constitutes a licence, quota, permit or other similar right or benefit, or crops.

- 1.4 The mortgages, charges, assignments, transfers and security interests created or granted under paragraphs 1.1, 1.2 and 1.3 of this Agreement are collectively called the "**Security Interest**", and all property, assets, interests and undertakings (including Proceeds) subject to the Security Interest or otherwise charged or secured by this Agreement or expressed to be charged, assigned or transferred, or secured by any instruments supplemental to this Agreement or in implementation of this Agreement are collectively called the "**Collateral**".

2. EXCEPTIONS AND DEFINITIONS

The Security Interest granted by this Agreement shall not extend or apply to and the Collateral shall not extend to the last day of the term of any lease or agreement to lease real property, but upon the enforcement of the Security Interest the Debtor shall stand possessed of such last day in trust to assign and dispose thereof as the Secured Party shall direct.

The terms "**Chattel Paper**", "**Document of Title**", "**Equipment**", "**Consumer Goods**", "**Instrument**", "**Intangible**", "**Security**", "**Proceeds**", "**Inventory**", "**Accessions**", "**Money**", "**financing statement**", "**financing change statement**" and "**verification statement**" shall, unless otherwise defined in this Agreement or otherwise required by the context, be interpreted according to their respective meanings as set out in the British Columbia *Personal Property Security Act*, as amended.

Any reference in this Agreement to "**Collateral**" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof". The Collateral shall not include consumer goods of the Debtor.

The term "**Proceeds**", whenever used and interpreted as above, shall by way of example include trade-ins, equipment, cash, bank accounts, notes, chattel paper, goods, contract rights, accounts

and any other personal property or obligation received when such collateral or proceeds are sold, exchanged, collected, or otherwise disposed of. The term “**licence**” means any licence or similar right at any time owned or held by the Debtor including without limitation a “**licence**” as defined in the Act, and the meaning of the term “**crops**” whenever used in this Agreement includes but is not limited to “**crops**” as defined in the Act.

3. OBLIGATIONS SECURED

This Agreement and the Security Interest are in addition to and not in substitution for any other security interest now or in future held by the Secured Party from the Debtor or from any other person and shall be general and continuing security for the payment of all indebtedness and liability of the Debtor to the Secured Party (including interest thereon), present or future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wherever and however incurred, and any ultimate balance thereof, including all advances on current or running account and all future advances and re-advances, and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and whether the Debtor be bound alone or with another or others, and whether as principal or surety, and for the performance and satisfaction of all obligations of the Debtor to the Secured Party, whether or not contained in this Agreement, and whether the Debtor be bound alone or with another or others (all of which indebtedness, liability and obligations are collectively the “**Obligations**”).

4. PROHIBITIONS

Without the prior written consent of the Secured Party, the Debtor shall not and shall not have power to:

- (a) grant, create or permit to be created any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets or undertakings that rank or could rank in priority to or *pari passu* with the Security Interest;
- (b) grant, sell or otherwise assign its Chattel Paper; or
- (c) issue or have outstanding at any time any secured or unsecured bonds, debentures, debenture stock, or other evidences of indebtedness of the Debtor or of any predecessor in title of the Debtor issued under a trust deed or other instrument running in favour of a trustee.

5. ATTACHMENT

The Debtor acknowledges and confirms that:

- (a) there is no intention to delay the time of attachment of the Security Interest created by this Agreement, and the Security Interest shall attach at the earliest time permissible under the laws governing this Agreement;

- (b) value has been given; and
- (c) the Debtor has (or in the case of any after-acquired property, will have at the time of acquisition) rights in the Collateral.

6. REPRESENTATIONS AND WARRANTIES

6.1 The Debtor represents and warrants to the Secured Party that:

- (a) if the Debtor is a company or a partnership, this Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) or of the partners, as the case may be, of the Debtor, and that all other matters and things have been done and performed so as to authorize and make the execution and delivery of this Agreement, and the performance of the Debtor's obligations hereunder, legal, valid and binding;
- (b) the Debtor lawfully owns and possesses all presently held Collateral and has good title thereto, and the Debtor has good right and lawful authority to grant a security interest in the Collateral as provided by this Agreement;
- (c) where the Collateral includes Accounts, Chattel Paper or Instruments, each is enforceable in accordance with its terms against the party obligated thereunder, and that the Debtor has fully and accurately disclosed to the Secured Party the amount owing thereunder and any other relevant information concerning liability for payment thereunder;
- (d) for goods constituting Collateral, the Debtor has in this Agreement or elsewhere fully and accurately disclosed to the Secured Party the locations thereof and of the business operations and records of the Debtor.

7. COVENANTS OF THE DEBTOR

7.1 The Debtor covenants with the Secured Party that at all times while this Agreement remains in effect the Debtor shall:

- (a) defend the title to the Collateral for the benefit of the Secured Party against the claims and demands of all persons;
- (b) fully and effectually maintain and keep maintained the validity and effectiveness of the Security Interest;
- (c) maintain the Collateral in good order and repair;
- (d) forthwith pay:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims, dues and other charges of every nature that may be lawfully levied, assessed or

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imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish such security as the Secured Party may require; and

- (ii) all security interests, charges, encumbrances, liens and claims that rank or could in any event rank in priority to the Security Interest, other than the charges or security interests, if any, shown in any schedule to this Agreement and those consented to in writing by the Secured Party;
- (e) forthwith reimburse and indemnify the Secured Party for all costs, charges, expenses and legal fees and disbursements that may be incurred by the Secured Party in:
 - (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting and registering this Agreement or notice of it and other documents, whether or not relating to this Agreement;
 - (iii) investigating title to the Collateral;
 - (iv) taking, recovering, keeping possession of and insuring the Collateral; and
 - (v) all other actions and proceedings taken in connection with the preservation of the Collateral and the enforcement of this Agreement and of any other Security Interest held by the Secured Party as security for the Obligations;
- (f) at the Secured Party's request at any time and from time to time, execute and deliver such further and other documents and instruments and do all acts and things as the Secured Party in its absolute discretion requires in order to confirm and perfect, and maintain perfection of, the Security Interest in favour of the Secured Party upon any of the Collateral;
- (g) notify the Secured Party promptly of:
 - (i) any change in the information contained in this Agreement relating to the Debtor, its address, its business, or the Collateral, including without limitation any change of name or address of the Debtor and any change in location of any Collateral;
 - (ii) the details of any material acquisition of Collateral;
 - (iii) any material loss or damage to the Collateral;
 - (iv) any material default by any account debtor in payment or other performance of his or her obligations to the Debtor with respect to any Accounts;

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- (v) the return to or repossession by the Debtor of the Collateral where such return or repossession of the Collateral is material in relation to the business of the Debtor; and
- (vi) the details of any claims or litigation affecting the Debtor or the Collateral;
- (h) prevent the Collateral, other than Inventory sold, leased or otherwise disposed of as permitted by this Agreement, from being or becoming an accession to other property not covered by this Agreement;
- (i) permit the Secured Party and its representatives, at all reasonable times, access to all its property, assets and undertakings and to all its books of account and records for the purpose of inspection, and render all assistance necessary for such inspection; and
- (j) deliver to the Secured Party from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) all policies and certificates of insurance relating to the Collateral; and
 - (v) any information concerning the Collateral, the Debtor, and the Debtor's business and affairs as the Secured Party may reasonably require;
- (k) carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning the Collateral;
- (l) observe and perform the additional covenants, if any, set out in any schedule attached to this Agreement.

7.2 Except as provided in this Agreement, without the prior written consent of the Secured Party, the Debtor shall not:

- (a) sell, lease or otherwise dispose of the Collateral;
- (b) release, surrender or abandon possession of the Collateral; or

- (c) move or transfer the Collateral from the jurisdiction or jurisdictions in which the Security Interest has been perfected.

7.3 Provided that the Debtor is not in default under this Agreement, at any time without the consent of the Secured Party the Debtor may lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business and for the purposes of carrying on its business.

7.4 The Debtor covenants that to the extent that any monies, credit or other consideration provided by the Secured Party has enabled the Debtor to purchase or acquire rights in any personal property or assets, the Security Interest is and shall remain a purchase money security interest.

8. INSURANCE

8.1 The Debtor covenants that at all times while this Agreement is in effect, the Debtor shall:

- (a) maintain or cause to be maintained insurance on the Collateral with an insurer, of kinds, for amounts and payable to such person or persons, all as the Secured Party may require, and in particular but without limitation maintain insurance on the Collateral to its full insurable value against loss or damage by fire including extended coverage endorsement, and in the case of motor vehicles and other mobile Collateral, maintain insurance against theft;
- (b) cause the insurance policy or policies required under this Agreement to be assigned to the Secured Party and have as part thereof a standard mortgage clause or a mortgage endorsement, as appropriate; and
- (c) pay all premiums in connection with such insurance, and deliver all such policies to the Secured Party, if it so requires.

8.2 If proceeds of any insurance required under this Agreement become payable, the Secured Party may, in its absolute discretion, apply those proceeds to such part or parts of the Obligations as the Secured Party may see fit, or the Secured Party may release any such insurance proceeds to the Debtor for the purpose of repairing, replacing, or rebuilding, but any release of insurance proceeds to the Debtor shall not operate as a payment on account of the Obligations or in any way affect this Agreement.

8.3 The Debtor shall forthwith, on the happening of loss or damage to the Collateral, notify the Secured Party thereof and furnish to the Secured Party at the Debtor's expense any necessary proof and do any necessary act to enable the Secured Party to obtain payment of the insurance proceeds, but nothing contained in this Agreement shall limit the Secured Party's right to submit to the insurer a proof of loss on its own behalf.

8.4 The Debtor irrevocably authorizes and directs the insurer under any policy of insurance required under this Agreement to include the name of the Secured Party as a loss payee on any cheque or draft that may be issued with respect to a claim under and by virtue of

such insurance, and the production by the Secured Party to any insurer of a certified copy of this Agreement shall be its full and complete authority for so doing.

- 8.5 If the Debtor fails to maintain insurance as required by this Agreement, the Secured Party may, but shall not be obliged to, maintain or effect such insurance coverage, or so much thereof as the Secured Party considers necessary for its protection.

9. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with the Debtor's covenants contained in this Agreement and compliance with paragraph 11 of this Agreement, the Debtor may, until default, possess, operate, collect, use and enjoy, and deal with the Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions of this Agreement; provided always that the Secured Party shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Secured Party may consider appropriate. The Debtor agrees to furnish all assistance and information and to perform all such acts as the Secured Party may reasonably request in connection therewith, and for such purpose to grant to the Secured Party or its agents access to all places where the Collateral may be located and to all premises occupied by the Debtor.

10. SECURITIES

If Collateral at any time includes Securities, the Debtor authorizes the Secured Party to transfer the same or any part of them into its own name or that of its nominee(s) so that the Secured Party or its nominee(s) may appear on record as the sole owner of them; provided that, until default, the Secured Party shall deliver promptly to the Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to the Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, the Debtor waives all rights to receive any notices or communications received by the Secured Party or its nominee(s) as such registered owner and agrees that no proxy issued by the Secured Party to the Debtor or its order as aforesaid shall thereafter be effective.

11. COLLECTION OF DEBTS

Before or after default under this Agreement, without notice to the Debtor, the Secured Party may notify all or any account debtors of the Debtor of the Security Interest and may also direct such account debtors to make all payments on Collateral to the Secured Party. The Debtor acknowledges that any payments on or other proceeds of Collateral received by the Debtor from account debtors, whether before or after notification of this Security Interest to account debtors, and whether before or after default under this Agreement, shall be received and held by the Debtor in trust for the Secured Party and shall be turned over to the Secured Party upon request. This includes interest on deferred payment contracts, and the payments themselves, and lease payments, if any.

12. INCOME FROM AND INTEREST ON COLLATERAL

- 12.1 Until default, the Debtor reserves the right to receive any money constituting income from or interest on Collateral and if the Secured Party receives any such money before default, the Secured Party shall either credit that money against the Obligations or pay it promptly to the Debtor.
- 12.2 After default, the Debtor shall not request or receive any money constituting income from or interest on Collateral and if the Debtor receives any such money in any event, the Debtor shall hold that money in trust for the Secured Party and shall pay it promptly to the Secured Party.

13. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

- 13.1 Whether or not default has occurred, the Debtor authorizes the Secured Party:
- (a) to receive any increase in or profits on the Collateral (other than money) and to hold the same as part of the Collateral. Money so received shall be treated as income for the purposes of paragraph 12 of this Agreement and dealt with accordingly, and
 - (b) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of Collateral.
- 13.2 If the Debtor receives any such increase or profits (other than money) or payments or distributions, the Debtor shall deliver the same promptly to the Secured Party to be held by the Secured Party as provided in this Agreement.

14. DISPOSITION OF MONIES

Subject to any applicable requirements of the Act, all monies collected or received by the Secured Party under or in exercise of any right it possesses with respect to Collateral shall be applied on account of the Obligations in such manner as the Secured Party deems best or, at the option of the Secured Party, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Secured Party under this Agreement, and any surplus shall be accounted for as required by law.

15. PERFORMANCE OF OBLIGATIONS

If the Debtor fails to perform any of its obligations under this Agreement, the Secured Party may, but shall not be obliged to, perform any or all of those obligations without prejudice to any other rights and remedies of the Secured Party under this Agreement, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and own client basis) incurred in connection therewith shall be payable by the Debtor to the Secured Party forthwith

with interest until paid at the highest rate borne by any of the Obligations and such amounts shall be secured by this Agreement and rank prior to all claims subsequent to this Agreement.

16. DEFAULT

16.1 Unless waived by the Secured Party, it shall be an event of default ("default") under this Agreement and the security constituted by this Agreement shall immediately become enforceable if:

- (a) any amount owed to the Secured Party is not paid when due;
- (b) the Debtor defaults or threatens to default in payment when due or performance of any of the Obligations;
- (c) if default occurs under any senior ranking security;
- (d) the Debtor or any guarantor of the Debtor declares itself to be insolvent, makes an assignment for the benefit of its creditors, is declared bankrupt, declares bankruptcy, makes a proposal, or otherwise takes advantage of provisions under the *Bankruptcy and Insolvency Act*, the *Companies Creditors' Arrangement Act*, or similar legislation in any jurisdiction, or fails to pay its debts generally as they become due;
- (e) a receiver or receiver-manager is appointed;
- (f) the Debtor ceases to carry on all or a substantial part of its business;
- (g) distress, execution or seizure of any of the Collateral occurs;
- (h) if the Debtor is a corporation, there is a change of voting control without the Secured Party's consent;
- (i) the Debtor changes its name or amalgamates or merges without the Secured Party's consent;
- (j) the Debtor allows any hazardous materials to be brought upon any lands or premises occupied by the Debtor; or
- (k) the Secured Party in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy.

16.2 It shall be an event of default under this Agreement and the security constituted by this Agreement shall immediately become enforceable if any term, covenant or representation in any other agreement, contract or other commitment of the Debtor to the Secured Party is breached or if default should occur under the same.

17. ACCELERATION

The Secured Party, in its sole discretion, may declare all or any part of the Obligations that are not by their terms payable on demand to be immediately due and payable in the event of any default, or, in the absence of default, if the Secured Party considers or deems itself insecure or that the Collateral is in jeopardy. The provisions of this paragraph do not and are not intended to affect in any way any rights of the Secured Party with respect to any Obligations that may now or in future be payable on demand.

18. ENFORCEMENT

18.1 Upon any default under this Agreement, the security constituted by this Agreement shall immediately become enforceable, and any floating charge will immediately attach the Real Property and Collateral. To enforce and realize on the security constituted by this Agreement, the Secured Party may take any action permitted by law or in equity, as it may deem expedient, and in particular, but without limiting the generality of the foregoing, the Secured Party may do any of the following:

- (a) appoint by instrument a receiver, receiver and manager or receiver-manager (the person so appointed is called the “**Receiver**”) of the Collateral, with or without bond as the Secured Party may determine, and from time to time in its absolute discretion remove such Receiver and appoint another in its stead;
- (b) enter upon any premises of the Debtor and take possession of the Collateral with power to exclude the Debtor, its agents, and its servants from those premises, without becoming liable as a mortgagee in possession;
- (c) preserve, protect and maintain the Collateral and make such replacements and repairs and additions as the Secured Party may deem advisable;
- (d) sell, lease or otherwise dispose of all or any part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained, and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Secured Party may seem reasonable, provided that if any sale, lease or other disposition is on credit, the Debtor shall not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies therefor are actually received; and
- (e) exercise all of the rights and remedies of a secured party under the Act.

18.2 A Receiver appointed under this Agreement shall be the agent of the Debtor and not of the Secured Party, and the Secured Party shall not be in any way responsible for any misconduct, negligence or nonfeasance on the part of any Receiver, its servants, agents or employees. A Receiver shall, to the extent permitted by law or to such lesser extent permitted by its appointment, have all the powers of the Secured Party under this Agreement, and in addition shall have power to carry on the business of the Debtor and

for such purpose to enter upon, use and occupy all premises owned or occupied by the Debtor in which Collateral may be situate, maintain Collateral upon such premises, use, Collateral directly or indirectly in carrying on the Debtor's business, and from time to time borrow money either unsecured or secured by a security interest in any of the Collateral.

18.3 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Agreement, all amounts realized from the disposition of Collateral under this Agreement shall be applied as the Secured Party, in its absolute discretion, may direct or as follows:

- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and own client basis) incurred by the Secured Party in connection with or incidental to:
 - (i) the exercise by the Secured Party of all or any of the powers granted to it under this Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to it under this Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver excluding the Receiver's borrowings;
- (b) in payment of any sum or sums borrowed by the Receiver from the Secured Party and interest thereon if such sum or sums are secured by the Collateral;
- (c) in or toward payment to the Secured Party of all principal and other monies (except interest) due in respect of the Obligations;
- (d) in or toward payment to the Secured Party of all interest remaining unpaid in respect of the Obligations;
- (e) in or toward payment of any sum or sums borrowed by the Receiver from any financial institution, corporation or person other than the Secured Party, and interest thereon if such sum or sums are secured by the Collateral.

Subject to applicable law and the claims, if any, of other creditors of the Debtor, any surplus shall be paid to the Debtor.

18.4 The Debtor agrees that the Secured Party may exercise its rights and remedies under this Agreement immediately upon default, except as may be otherwise provided in the Act, and the Debtor expressly confirms that, except as may be otherwise provided in this Agreement or in the Act, the Secured Party has not given any covenant, express or implied, and is under no obligation to allow the Debtor any period of time to remedy any default before the Secured Party exercises its rights and remedies under this Agreement.

19. DEFICIENCY

If the amounts realized from the disposition of the Collateral are not sufficient to pay the Obligations in full, the Debtor shall pay to the Secured Party the amount of such deficiency immediately upon demand for the same.

20. RIGHTS CUMULATIVE

All rights and remedies of the Secured Party set out in this Agreement are cumulative, and no right or remedy contained in this Agreement is intended to be exclusive but each shall be in addition to every other right or remedy contained in this Agreement or in any existing or future security agreement or now or in future existing at law, in equity or by statute, or under any other agreement between the Debtor and the Secured Party that may be in effect from time to time.

21. LIABILITY OF SECURED PARTY

The Secured Party shall not be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when the Secured Party shall manage the Collateral upon entry, as provided in this Agreement, nor shall the Secured Party be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. The Secured Party shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor, nor shall the Secured Party, in the case of Securities, Instruments or Chattel Paper, be obliged to preserve rights against other persons, nor shall the Secured Party be obliged to keep any of the Collateral identifiable. The Debtor waives any applicable provision of law permitted to be waived by it which imposes higher or greater obligations upon the Secured Party than as contained in this paragraph.

22. APPOINTMENT OF ATTORNEY AND DEED

- 22.1 The Debtor irrevocably appoints the Secured Party or the Receiver, as the case may be, with full power of substitution, to be the attorney of the Debtor for and in the name of the Debtor to sign, endorse or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute, and generally to use the name of the Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Secured Party or the Receiver, as the case may be, under this Agreement.
- 22.2 Whether or not the Debtor attaches its corporate seal, if a corporation, this Agreement is intended to be and is deemed to be a deed given under seal.

23. ACCOUNTS

Notwithstanding any other provision of this Agreement, the Secured Party may collect, realize, sell or otherwise deal with the Accounts or any part of them in such manner, upon such terms and conditions, and at such time or times, whether before or after default, as may seem to it advisable, and without notice to the Debtor, except in the case of disposition after default and then subject to the provisions of Part 5 of the Act. All monies or other forms of payment received by the Debtor in payment of any Account shall be received and held by the Debtor in trust for the Secured Party.

24. APPROPRIATION OF PAYMENTS

Any and all payments made in respect of the Obligations from time to time and monies realized from any security interests held therefor (including monies collected in accordance with or realized on any enforcement of this Agreement) may be applied to such part or parts of the Obligations as the Secured Party may see fit, and the Secured Party may at all times and from time to time change any appropriation as the Secured Party may see fit.

25. LIABILITY TO ADVANCE

None of the preparation, execution, perfection and registration of this Agreement or notice of this Agreement or the advance of any monies shall bind the Secured Party to make any advance or loan or further advance or loan or renew any note or extend any time for payment of any indebtedness or liability of the Debtor to the Secured Party.

26. WAIVER

The Secured Party may from time to time and at any time waive in whole or in part any right, benefit or default under any paragraph of this Agreement but any such waiver of any right, benefit or default on any occasion shall be deemed not to be a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default, as the case may be, and no delay or omission by the Secured Party in exercising any right or remedy under this Agreement or with respect to any default shall operate as a waiver thereof or of any other right or remedy.

27. NOTICE

Any notice, demand or other communication required or permitted to be given under this Agreement shall be effectually made or given if delivered by prepaid private courier to the address of each party set out below:

- (a) To the Debtor: 1518, 1030 West Georgia Street
Vancouver, British Columbia
V6E 2Y3

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(b) To the Secured Party: 1518, 1030 West Georgia Street
Vancouver, British Columbia
V6E 2Y3

with a copy to: Lawson Lundell LLP
Suite 1600 – 925 West Georgia Street
Vancouver, British Columbia
V6C 3L2

Attention: Jack Yong

or to such other address as either party may designate in the manner set out above. Any notice, demand or other communication shall be deemed to have been given and received on the day of prepaid private courier delivery.

28. EXTENSIONS

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of the Security Interest, and otherwise deal with the Debtor, account debtors of the Debtor, sureties, and others and with the Collateral, the Security Interest and other security interests as the Secured Party sees fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize on the security constituted by this Agreement.

29. NO MERGER

This Agreement shall not operate to create any merger or discharge of any of the Obligations, or of any assignment, transfer, guarantee, lien, mortgage, contract, promissory note, bill of exchange or security interest of any form held or which may in future be held by the Secured Party from the Debtor or from any other person. The taking of a judgment with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Agreement.

30. ASSIGNMENT

The Secured Party may, without further notice to the Debtor, at any time assign, transfer or grant a security interest in this Agreement and the Security Interest. The Debtor expressly agrees that the assignee, transferee or secured party, as the case may be, shall have all of the Secured Party's rights and remedies under this Agreement, and the Debtor shall not assert any defence, counterclaim, right of setoff, or otherwise with respect to any claim that the Debtor now has or in future acquires against the Secured Party in any action commenced by such assignee, transferee or secured party, as the case may be, and shall pay the Obligations to the assignee, transferee or secured party, as the case may be, as the Obligations become due.

31. SATISFACTION AND DISCHARGE

Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to the Secured Party, shall be deemed not to be a redemption or discharge of this Agreement. The Debtor shall be entitled to a release and discharge of this Agreement upon full payment and satisfaction of all Obligations and upon written request by the Debtor and payment to the Secured Party of all costs, charges, expenses and legal fees and disbursements (on a solicitor and own client basis) incurred by the Secured Party in connection with the Obligations and such release and discharge.

32. ENUREMENT

This Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, estate trustees, trustees, personal or legal representatives, successors and permitted assigns.

33. INTERPRETATION

33.1 In this Agreement:

- (a) “**Debtor**” and the personal pronoun “it” or “its” and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used, depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply to and be binding upon each of them jointly and severally;
- (b) “**Act**” means the British Columbia *Personal Property Security Act* and all regulations thereunder as amended.

33.2 Words and expressions used in this Agreement that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act, whether expressed in this Agreement with or without initial capital letters and whether in the singular or the plural, unless otherwise defined in this Agreement or unless the context otherwise requires, and, wherever the context so requires, in this Agreement the singular shall be read as if the plural were expressed, and vice-versa, and the provisions of this Agreement shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

33.3 Should any provision of this Agreement be declared or held invalid or unenforceable in whole or in part or against or with respect to the Debtor by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of any or all of the remaining provisions of this Agreement, which shall continue in full force and effect and be construed as if this Agreement had been executed without the invalid or unenforceable provision.

33.4 The headings of the paragraphs of this Agreement have been inserted for reference only and do not define, limit, alter or enlarge the meaning of any provision of this Agreement.

33.5 This Agreement shall be governed by the laws of British Columbia.

34. MISCELLANEOUS

34.1 All of the agreements, covenants, representations and warranties of the Debtor under this Agreement are the joint and several agreements, covenants, representations and warranties of all parties comprising the Debtor, if there are two or more parties.

34.2 The Debtor authorizes the Secured Party to file such financing statements, financing change statements and other documents, and do such acts, matters and things as the Secured Party may deem appropriate, to perfect on an ongoing basis and continue the Security Interest, to protect and preserve the Collateral, and to realize upon the Security Interest.

34.3 The Debtor waives protest of any Instrument constituting Collateral at any time held by the Secured Party on which the Debtor is any way liable and, subject to the provisions of the Act, notice of any other action taken by the Secured Party.

34.4 The Debtor covenants that it shall not amalgamate with any other company or entity without first obtaining the written consent of the Secured Party. The Debtor acknowledges and agrees that if it amalgamates with any other company or companies, then it is the intention of the parties that the term "**Debtor**" when used in this Agreement shall apply to each of the amalgamating companies and to the amalgamated company, so that the Security Interest granted by this Agreement:

- (a) shall extend to "**Collateral**" (as that term is defined in this Agreement) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "**Collateral**" owned or acquired by the amalgamated company thereafter, and
- (b) shall secure the "**Obligations**" (as that term is defined in this Agreement) of each of the amalgamating companies and the amalgamated company to the Secured Party at the time of amalgamation and any "**Obligations**" of the amalgamated company to the Secured Party arising thereafter. The Security Interest shall attach to "**Collateral**" owned by each company amalgamating with the Debtor, and by the amalgamated company, at the time of amalgamation, and shall attach to any "**Collateral**" thereafter owned or acquired by the amalgamated company when that Collateral becomes owned or is acquired.

34.5 The Debtor authorizes the Secured Party to provide a copy of this Agreement and such other information and documents specified under the Act to any person entitled under the Act to demand and receive them.

35. COPY OF AGREEMENT AND FINANCING STATEMENT

The Debtor:

- (a) acknowledges receiving a copy of this Agreement, and
- (b) waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement or verification statement filed, issued or obtained at any time in respect of this Agreement.


IN WITNESS WHEREOF the Debtor has executed this Agreement on the 31st day of January, 2023.

EXECUTION
DATE

Officer Signature(s)

Y	M	D
23	01	31

SKEENA BIOENERGY LTD.


 Wen Liu
 Barrister & Solicitor
 4184 Dollar Rd
 North Vancouver, BC V7G 1A6


 Authorized Signatory

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1979, c. 116, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

GENERAL SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "**Agreement**") made as of this 31st day of January, 202³.

FROM:

ROC HOLDINGS LTD., a British Columbia company
having an address at 1518, 1030 West Georgia Street,
Vancouver, BC V6E 2Y3

(the "**Debtor**")

TO:

1392752 B.C. LTD., a British Columbia company having an
address at 1600, 925 West Georgia Street, Vancouver, BC
V6C 3L2

(the "**Secured Party**")

FOR VALUE RECEIVED, the Debtor covenants, agrees, warrants, represents, acknowledges and confirms to and with the Secured Party and creates and grants the mortgages, charges, transfers, assignments and security interests as follows:

1. SECURITY INTEREST

As security for the payment and performance of the Obligations (as defined in paragraph 3), the Debtor, subject to the exceptions set out in paragraph 2, does:

- 1.1 Grant to the Secured Party a security interest in, and mortgages, charges, transfers and assigns absolutely, all of the Debtor's present and after-acquired personal property, and all personal property in which the Debtor has rights, of whatever nature or kind and wherever situate, including, without limitation, all of the following now owned or in future owned or acquired by or on behalf of the Debtor:

(a) all goods, including:

- (i) all inventory of whatever kind and wherever situate, including, without limitation logs, lumber, wood fibre, wood chips, biofuel material (such as sawdust, shavings and hog fuel), goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in progress, finished goods, returned goods, repossessed goods, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (collectively the "**Inventory**");

- (ii) all equipment of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, fixtures, furniture, furnishings, chattels, motor vehicles, vessels and other tangible personal property of whatever nature or kind (collectively the “**Equipment**”);
 - (b) all book accounts and book debts and generally all accounts, debts, dues, claims, choses in action and demands of every nature and kind however arising or secured including letters of credit and advices of credit, which are now due, owing or accruing, or growing due to, or owned by, or which may in future become due, owing or accruing, or growing due to, or owned by the Debtor (collectively, the “**Accounts**”);
 - (c) all contractual rights, insurance claims, licences, goodwill, patents, trademarks, trade names, copyrights and other industrial or intellectual property of the Debtor or in which the Debtor has an interest, all other choses in action of the Debtor of every kind which now are, or which may in future be, due or owing to or owned by the Debtor, and all other intangible property of the Debtor which is not Accounts, Chattel Paper, Instruments, Documents of Title, Securities or Money;
 - (d) all Money;
 - (e) all property described in any schedule now or at any time in future annexed to this Agreement or agreed to form part of this Agreement;
 - (f) the undertaking of the Debtor;
 - (g) all Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles and Securities now owned or in future owned or acquired by or on behalf of the Debtor (including those returned to or repossessed by the Debtor) and all other goods of the Debtor that are not Equipment, Inventory or Accounts;
 - (h) all proceeds, renewals and accretions, and substitutions of any of the foregoing; and
 - (i) all deeds, documents, writings, papers, books of account and other books and electronically recorded data relating to any of the foregoing or by which any of the foregoing is or may in future be secured, evidenced, acknowledged or made payable.
- 1.2 Charge as and by way of a floating charge to and in favour of the Secured Party, and grant to the Secured Party a security interest, mortgage and charge in and to:
- (a) all the Debtor’s right, title and interest in and to all its presently owned or held and after acquired or held real, immovable and leasehold property and all interests therein, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plant and other fixtures (collectively, the “**Real Property**”); and

- (b) all property, assets and undertakings of the Debtor, both present and future, of whatever nature or kind and wherever situate, and all Proceeds thereof and therefrom,

other than any of its property, assets and undertakings otherwise validly and effectively subject to the charges and security interests in favour of the Secured Party created under paragraph 1.1 of this Agreement. This charge attaches immediately upon the Debtor acquiring any rights in any of that property.

- 1.3 Mortgage and charge as and by way of a fixed and specific charge to and in favour of the Secured Party, and assign and transfer to the Secured Party and grant to the Secured Party, by way of mortgage, charge, assignment and transfer, a security interest in all of the Debtor's right, title and interest, both present and future, in and to all of its presently owned or held and after acquired or held property which:

- (a) is or in future becomes a fixture, or
- (b) constitutes a licence, quota, permit or other similar right or benefit, or crops.

- 1.4 The mortgages, charges, assignments, transfers and security interests created or granted under paragraphs 1.1, 1.2 and 1.3 of this Agreement are collectively called the "**Security Interest**", and all property, assets, interests and undertakings (including Proceeds) subject to the Security Interest or otherwise charged or secured by this Agreement or expressed to be charged, assigned or transferred, or secured by any instruments supplemental to this Agreement or in implementation of this Agreement are collectively called the "**Collateral**".

2. EXCEPTIONS AND DEFINITIONS

The Security Interest granted by this Agreement shall not extend or apply to and the Collateral shall not extend to the last day of the term of any lease or agreement to lease real property, but upon the enforcement of the Security Interest the Debtor shall stand possessed of such last day in trust to assign and dispose thereof as the Secured Party shall direct.

The terms "**Chattel Paper**", "**Document of Title**", "**Equipment**", "**Consumer Goods**", "**Instrument**", "**Intangible**", "**Security**", "**Proceeds**", "**Inventory**", "**Accessions**", "**Money**", "**financing statement**", "**financing change statement**" and "**verification statement**" shall, unless otherwise defined in this Agreement or otherwise required by the context, be interpreted according to their respective meanings as set out in the *British Columbia Personal Property Security Act*, as amended.

Any reference in this Agreement to "**Collateral**" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof". The Collateral shall not include consumer goods of the Debtor.

The term "**Proceeds**", whenever used and interpreted as above, shall by way of example include trade-ins, equipment, cash, bank accounts, notes, chattel paper, goods, contract rights, accounts

and any other personal property or obligation received when such collateral or proceeds are sold, exchanged, collected, or otherwise disposed of. The term "**licence**" means any licence or similar right at any time owned or held by the Debtor including without limitation a "**licence**" as defined in the Act, and the meaning of the term "**crops**" whenever used in this Agreement includes but is not limited to "**crops**" as defined in the Act.

3. OBLIGATIONS SECURED

This Agreement and the Security Interest are in addition to and not in substitution for any other security interest now or in future held by the Secured Party from the Debtor or from any other person and shall be general and continuing security for the payment of all indebtedness and liability of the Debtor to the Secured Party (including interest thereon), present or future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wherever and however incurred, and any ultimate balance thereof, including all advances on current or running account and all future advances and re-advances, and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and whether the Debtor be bound alone or with another or others, and whether as principal or surety, and for the performance and satisfaction of all obligations of the Debtor to the Secured Party, whether or not contained in this Agreement, and whether the Debtor be bound alone or with another or others (all of which indebtedness, liability and obligations are collectively the "**Obligations**").

4. PROHIBITIONS

Without the prior written consent of the Secured Party, the Debtor shall not and shall not have power to:

- (a) grant, create or permit to be created any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets or undertakings that rank or could rank in priority to or *pari passu* with the Security Interest;
- (b) grant, sell or otherwise assign its Chattel Paper; or
- (c) issue or have outstanding at any time any secured or unsecured bonds, debentures, debenture stock, or other evidences of indebtedness of the Debtor or of any predecessor in title of the Debtor issued under a trust deed or other instrument running in favour of a trustee.

5. ATTACHMENT

The Debtor acknowledges and confirms that:

- (a) there is no intention to delay the time of attachment of the Security Interest created by this Agreement, and the Security Interest shall attach at the earliest time permissible under the laws governing this Agreement;

- (b) value has been given; and
- (c) the Debtor has (or in the case of any after-acquired property, will have at the time of acquisition) rights in the Collateral.

6. REPRESENTATIONS AND WARRANTIES

6.1 The Debtor represents and warrants to the Secured Party that:

- (a) if the Debtor is a company or a partnership, this Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) or of the partners, as the case may be, of the Debtor, and that all other matters and things have been done and performed so as to authorize and make the execution and delivery of this Agreement, and the performance of the Debtor's obligations hereunder, legal, valid and binding;
- (b) the Debtor lawfully owns and possesses all presently held Collateral and has good title thereto, and the Debtor has good right and lawful authority to grant a security interest in the Collateral as provided by this Agreement;
- (c) where the Collateral includes Accounts, Chattel Paper or Instruments, each is enforceable in accordance with its terms against the party obligated thereunder, and that the Debtor has fully and accurately disclosed to the Secured Party the amount owing thereunder and any other relevant information concerning liability for payment thereunder;
- (d) for goods constituting Collateral, the Debtor has in this Agreement or elsewhere fully and accurately disclosed to the Secured Party the locations thereof and of the business operations and records of the Debtor.

6.2 All representations and warranties given by the Debtor under a mortgage (the "**Mortgage**") between the Secured Party and the Debtor dated the date of this Agreement shall form representations and warranties of this Agreement and this Agreement shall be read and construed to include such representations and warranties.

7. COVENANTS OF THE DEBTOR

7.1 The Debtor covenants with the Secured Party that at all times while this Agreement remains in effect the Debtor shall:

- (a) defend the title to the Collateral for the benefit of the Secured Party against the claims and demands of all persons;
- (b) fully and effectually maintain and keep maintained the validity and effectiveness of the Security Interest;
- (c) maintain the Collateral in good order and repair;

- (d) forthwith pay:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims, dues and other charges of every nature that may be lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish such security as the Secured Party may require; and
 - (ii) all security interests, charges, encumbrances, liens and claims that rank or could in any event rank in priority to the Security Interest, other than the charges or security interests, if any, shown in any schedule to this Agreement and those consented to in writing by the Secured Party;
- (e) forthwith reimburse and indemnify the Secured Party for all costs, charges, expenses and legal fees and disbursements that may be incurred by the Secured Party in:
 - (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting and registering this Agreement or notice of it and other documents, whether or not relating to this Agreement;
 - (iii) investigating title to the Collateral;
 - (iv) taking, recovering, keeping possession of and insuring the Collateral; and
 - (v) all other actions and proceedings taken in connection with the preservation of the Collateral and the enforcement of this Agreement and of any other Security Interest held by the Secured Party as security for the Obligations;
- (f) at the Secured Party's request at any time and from time to time, execute and deliver such further and other documents and instruments and do all acts and things as the Secured Party in its absolute discretion requires in order to confirm and perfect, and maintain perfection of, the Security Interest in favour of the Secured Party upon any of the Collateral;
- (g) notify the Secured Party promptly of:
 - (i) any change in the information contained in this Agreement relating to the Debtor, its address, its business, or the Collateral, including without limitation any change of name or address of the Debtor and any change in location of any Collateral;
 - (ii) the details of any material acquisition of Collateral;
 - (iii) any material loss or damage to the Collateral;

- (iv) any material default by any account debtor in payment or other performance of his or her obligations to the Debtor with respect to any Accounts;
 - (v) the return to or repossession by the Debtor of the Collateral where such return or repossession of the Collateral is material in relation to the business of the Debtor; and
 - (vi) the details of any claims or litigation affecting the Debtor or the Collateral;
- (h) prevent the Collateral, other than Inventory sold, leased or otherwise disposed of as permitted by this Agreement, from being or becoming an accession to other property not covered by this Agreement;
- (i) permit the Secured Party and its representatives, at all reasonable times, access to all its property, assets and undertakings and to all its books of account and records for the purpose of inspection, and render all assistance necessary for such inspection; and
- (j) deliver to the Secured Party from time to time promptly upon request:
- (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) all policies and certificates of insurance relating to the Collateral; and
 - (v) any information concerning the Collateral, the Debtor, and the Debtor's business and affairs as the Secured Party may reasonably require;
- (k) carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning the Collateral;
- (l) observe and perform the additional covenants, if any, set out in any schedule attached to this Agreement.

- 7.2 Except as provided in this Agreement, without the prior written consent of the Secured Party, the Debtor shall not:
- (a) sell, lease or otherwise dispose of the Collateral;
 - (b) release, surrender or abandon possession of the Collateral; or
 - (c) move or transfer the Collateral from the jurisdiction or jurisdictions in which the Security Interest has been perfected.
- 7.3 Provided that the Debtor is not in default under this Agreement, at any time without the consent of the Secured Party the Debtor may lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business and for the purposes of carrying on its business.
- 7.4 The Debtor covenants that to the extent that any monies, credit or other consideration provided by the Secured Party has enabled the Debtor to purchase or acquire rights in any personal property or assets, the Security Interest is and shall remain a purchase money security interest.

8. INSURANCE

- 8.1 The Debtor covenants that at all times while this Agreement is in effect, the Debtor shall:
- (a) maintain or cause to be maintained insurance on the Collateral with an insurer, of kinds, for amounts and payable to such person or persons, all as the Secured Party may require, and in particular but without limitation maintain insurance on the Collateral to its full insurable value against loss or damage by fire including extended coverage endorsement, and in the case of motor vehicles and other mobile Collateral, maintain insurance against theft;
 - (b) cause the insurance policy or policies required under this Agreement to be assigned to the Secured Party and have as part thereof a standard mortgage clause or a mortgage endorsement, as appropriate; and
 - (c) pay all premiums in connection with such insurance, and deliver all such policies to the Secured Party, if it so requires.
- 8.2 If proceeds of any insurance required under this Agreement become payable, the Secured Party may, in its absolute discretion, apply those proceeds to such part or parts of the Obligations as the Secured Party may see fit, or the Secured Party may release any such insurance proceeds to the Debtor for the purpose of repairing, replacing, or rebuilding, but any release of insurance proceeds to the Debtor shall not operate as a payment on account of the Obligations or in any way affect this Agreement.
- 8.3 The Debtor shall forthwith, on the happening of loss or damage to the Collateral, notify the Secured Party thereof and furnish to the Secured Party at the Debtor's expense any

necessary proof and do any necessary act to enable the Secured Party to obtain payment of the insurance proceeds, but nothing contained in this Agreement shall limit the Secured Party's right to submit to the insurer a proof of loss on its own behalf.

- 8.4 The Debtor irrevocably authorizes and directs the insurer under any policy of insurance required under this Agreement to include the name of the Secured Party as a loss payee on any cheque or draft that may be issued with respect to a claim under and by virtue of such insurance, and the production by the Secured Party to any insurer of a certified copy of this Agreement shall be its full and complete authority for so doing.
- 8.5 If the Debtor fails to maintain insurance as required by this Agreement, the Secured Party may, but shall not be obliged to, maintain or effect such insurance coverage, or so much thereof as the Secured Party considers necessary for its protection.

9. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with the Debtor's covenants contained in this Agreement and compliance with paragraph 11 of this Agreement, the Debtor may, until default, possess, operate, collect, use and enjoy, and deal with the Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions of this Agreement; provided always that the Secured Party shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Secured Party may consider appropriate. The Debtor agrees to furnish all assistance and information and to perform all such acts as the Secured Party may reasonably request in connection therewith, and for such purpose to grant to the Secured Party or its agents access to all places where the Collateral may be located and to all premises occupied by the Debtor.

10. SECURITIES

If Collateral at any time includes Securities, the Debtor authorizes the Secured Party to transfer the same or any part of them into its own name or that of its nominee(s) so that the Secured Party or its nominee(s) may appear on record as the sole owner of them; provided that, until default, the Secured Party shall deliver promptly to the Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to the Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, the Debtor waives all rights to receive any notices or communications received by the Secured Party or its nominee(s) as such registered owner and agrees that no proxy issued by the Secured Party to the Debtor or its order as aforesaid shall thereafter be effective.

11. COLLECTION OF DEBTS

Before or after default under this Agreement, without notice to the Debtor, the Secured Party may notify all or any account debtors of the Debtor of the Security Interest and may also direct such account debtors to make all payments on Collateral to the Secured Party. The Debtor acknowledges that any payments on or other proceeds of Collateral received by the Debtor from

account debtors, whether before or after notification of this Security Interest to account debtors, and whether before or after default under this Agreement, shall be received and held by the Debtor in trust for the Secured Party and shall be turned over to the Secured Party upon request. This includes interest on deferred payment contracts, and the payments themselves, and lease payments, if any.

12. INCOME FROM AND INTEREST ON COLLATERAL

12.1 Until default, the Debtor reserves the right to receive any money constituting income from or interest on Collateral and if the Secured Party receives any such money before default, the Secured Party shall either credit that money against the Obligations or pay it promptly to the Debtor.

12.2 After default, the Debtor shall not request or receive any money constituting income from or interest on Collateral and if the Debtor receives any such money in any event, the Debtor shall hold that money in trust for the Secured Party and shall pay it promptly to the Secured Party.

13. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

13.1 Whether or not default has occurred, the Debtor authorizes the Secured Party:

- (a) to receive any increase in or profits on the Collateral (other than money) and to hold the same as part of the Collateral. Money so received shall be treated as income for the purposes of paragraph 12 of this Agreement and dealt with accordingly, and
- (b) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of Collateral.

13.2 If the Debtor receives any such increase or profits (other than money) or payments or distributions, the Debtor shall deliver the same promptly to the Secured Party to be held by the Secured Party as provided in this Agreement.

14. DISPOSITION OF MONIES

Subject to any applicable requirements of the Act, all monies collected or received by the Secured Party under or in exercise of any right it possesses with respect to Collateral shall be applied on account of the Obligations in such manner as the Secured Party deems best or, at the option of the Secured Party, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Secured Party under this Agreement, and any surplus shall be accounted for as required by law.

15. PERFORMANCE OF OBLIGATIONS

If the Debtor fails to perform any of its obligations under this Agreement, the Secured Party may, but shall not be obliged to, perform any or all of those obligations without prejudice to any other rights and remedies of the Secured Party under this Agreement, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and own client basis) incurred in connection therewith shall be payable by the Debtor to the Secured Party forthwith with interest until paid at the highest rate borne by any of the Obligations and such amounts shall be secured by this Agreement and rank prior to all claims subsequent to this Agreement.

16. DEFAULT

16.1 Unless waived by the Secured Party, it shall be an event of default ("default") under this Agreement and the security constituted by this Agreement shall immediately become enforceable if:

- (a) any term, covenant or representation of this Agreement is breached or if default occurs under the Mortgage, if any;
- (b) any amount owed to the Secured Party is not paid when due;
- (c) the Debtor defaults or threatens to default in payment when due or performance of any of the Obligations;
- (d) if default occurs under any senior ranking security;
- (e) the Debtor or any guarantor of the Debtor declares itself to be insolvent, makes an assignment for the benefit of its creditors, is declared bankrupt, declares bankruptcy, makes a proposal, or otherwise takes advantage of provisions under the *Bankruptcy and Insolvency Act*, the *Companies Creditors' Arrangement Act*, or similar legislation in any jurisdiction, or fails to pay its debts generally as they become due;
- (f) a receiver or receiver-manager is appointed;
- (g) the Debtor ceases to carry on all or a substantial part of its business;
- (h) distress, execution or seizure of any of the Collateral occurs;
- (i) if the Debtor is a corporation, there is a change of voting control without the Secured Party's consent;
- (j) the Debtor changes its name or amalgamates or merges without the Secured Party's consent;
- (k) the Debtor allows any hazardous materials to be brought upon any lands or premises occupied by the Debtor; or

- (l) the Secured Party in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy.

16.2 It shall be an event of default under this Agreement and the security constituted by this Agreement shall immediately become enforceable if any term, covenant or representation in any other agreement, contract or other commitment of the Debtor to the Secured Party is breached or if default should occur under the same.

17. ACCELERATION

The Secured Party, in its sole discretion, may declare all or any part of the Obligations that are not by their terms payable on demand to be immediately due and payable in the event of any default, or, in the absence of default, if the Secured Party considers or deems itself insecure or that the Collateral is in jeopardy. The provisions of this paragraph do not and are not intended to affect in any way any rights of the Secured Party with respect to any Obligations that may now or in future be payable on demand.

18. ENFORCEMENT

18.1 Upon any default under this Agreement, the security constituted by this Agreement shall immediately become enforceable, and any floating charge will immediately attach the Real Property and Collateral. To enforce and realize on the security constituted by this Agreement, the Secured Party may take any action permitted by law or in equity, as it may deem expedient, and in particular, but without limiting the generality of the foregoing, the Secured Party may do any of the following:

- (a) appoint by instrument a receiver, receiver and manager or receiver-manager (the person so appointed is called the “**Receiver**”) of the Collateral, with or without bond as the Secured Party may determine, and from time to time in its absolute discretion remove such Receiver and appoint another in its stead;
- (b) enter upon any premises of the Debtor and take possession of the Collateral with power to exclude the Debtor, its agents, and its servants from those premises, without becoming liable as a mortgagee in possession;
- (c) preserve, protect and maintain the Collateral and make such replacements and repairs and additions as the Secured Party may deem advisable;
- (d) sell, lease or otherwise dispose of all or any part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained, and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Secured Party may seem reasonable, provided that if any sale, lease or other disposition is on credit, the Debtor shall not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies therefor are actually received; and

(e) exercise all of the rights and remedies of a secured party under the Act.

18.2 A Receiver appointed under this Agreement shall be the agent of the Debtor and not of the Secured Party, and the Secured Party shall not be in any way responsible for any misconduct, negligence or nonfeasance on the part of any Receiver, its servants, agents or employees. A Receiver shall, to the extent permitted by law or to such lesser extent permitted by its appointment, have all the powers of the Secured Party under this Agreement, and in addition shall have power to carry on the business of the Debtor and for such purpose to enter upon, use and occupy all premises owned or occupied by the Debtor in which Collateral may be situate, maintain Collateral upon such premises, use, Collateral directly or indirectly in carrying on the Debtor's business, and from time to time borrow money either unsecured or secured by a security interest in any of the Collateral.

18.3 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Agreement, all amounts realized from the disposition of Collateral under this Agreement shall be applied as the Secured Party, in its absolute discretion, may direct or as follows:

- (a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and own client basis) incurred by the Secured Party in connection with or incidental to:
 - (i) the exercise by the Secured Party of all or any of the powers granted to it under this Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to it under this Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver excluding the Receiver's borrowings;
- (b) in payment of any sum or sums borrowed by the Receiver from the Secured Party and interest thereon if such sum or sums are secured by the Collateral;
- (c) in or toward payment to the Secured Party of all principal and other monies (except interest) due in respect of the Obligations;
- (d) in or toward payment to the Secured Party of all interest remaining unpaid in respect of the Obligations;
- (e) in or toward payment of any sum or sums borrowed by the Receiver from any financial institution, corporation or person other than the Secured Party, and interest thereon if such sum or sums are secured by the Collateral.

Subject to applicable law and the claims, if any, of other creditors of the Debtor, any surplus shall be paid to the Debtor.

18.4 The Debtor agrees that the Secured Party may exercise its rights and remedies under this Agreement immediately upon default, except as may be otherwise provided in the Act,

and the Debtor expressly confirms that, except as may be otherwise provided in this Agreement or in the Act, the Secured Party has not given any covenant, express or implied, and is under no obligation to allow the Debtor any period of time to remedy any default before the Secured Party exercises its rights and remedies under this Agreement.

19. DEFICIENCY

If the amounts realized from the disposition of the Collateral are not sufficient to pay the Obligations in full, the Debtor shall pay to the Secured Party the amount of such deficiency immediately upon demand for the same.

20. RIGHTS CUMULATIVE

All rights and remedies of the Secured Party set out in this Agreement are cumulative, and no right or remedy contained in this Agreement is intended to be exclusive but each shall be in addition to every other right or remedy contained in this Agreement or in any existing or future security agreement or now or in future existing at law, in equity or by statute, or under any other agreement between the Debtor and the Secured Party that may be in effect from time to time.

21. LIABILITY OF SECURED PARTY

The Secured Party shall not be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when the Secured Party shall manage the Collateral upon entry, as provided in this Agreement, nor shall the Secured Party be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. The Secured Party shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor, nor shall the Secured Party, in the case of Securities, Instruments or Chattel Paper, be obliged to preserve rights against other persons, nor shall the Secured Party be obliged to keep any of the Collateral identifiable. The Debtor waives any applicable provision of law permitted to be waived by it which imposes higher or greater obligations upon the Secured Party than as contained in this paragraph.

22. APPOINTMENT OF ATTORNEY AND DEED

- 22.1 The Debtor irrevocably appoints the Secured Party or the Receiver, as the case may be, with full power of substitution, to be the attorney of the Debtor for and in the name of the Debtor to sign, endorse or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute, and generally to use the name of the Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Secured Party or the Receiver, as the case may be, under this Agreement.

- 22.2 Whether or not the Debtor attaches its corporate seal, if a corporation, this Agreement is intended to be and is deemed to be a deed given under seal.

23. ACCOUNTS

Notwithstanding any other provision of this Agreement, the Secured Party may collect, realize, sell or otherwise deal with the Accounts or any part of them in such manner, upon such terms and conditions, and at such time or times, whether before or after default, as may seem to it advisable, and without notice to the Debtor, except in the case of disposition after default and then subject to the provisions of Part 5 of the Act. All monies or other forms of payment received by the Debtor in payment of any Account shall be received and held by the Debtor in trust for the Secured Party.

24. APPROPRIATION OF PAYMENTS

Any and all payments made in respect of the Obligations from time to time and monies realized from any security interests held therefor (including monies collected in accordance with or realized on any enforcement of this Agreement) may be applied to such part or parts of the Obligations as the Secured Party may see fit, and the Secured Party may at all times and from time to time change any appropriation as the Secured Party may see fit.

25. LIABILITY TO ADVANCE

None of the preparation, execution, perfection and registration of this Agreement or notice of this Agreement or the advance of any monies shall bind the Secured Party to make any advance or loan or further advance or loan or renew any note or extend any time for payment of any indebtedness or liability of the Debtor to the Secured Party.

26. WAIVER

The Secured Party may from time to time and at any time waive in whole or in part any right, benefit or default under any paragraph of this Agreement but any such waiver of any right, benefit or default on any occasion shall be deemed not to be a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default, as the case may be, and no delay or omission by the Secured Party in exercising any right or remedy under this Agreement or with respect to any default shall operate as a waiver thereof or of any other right or remedy.

27. NOTICE

Any notice, demand or other communication required or permitted to be given under this Agreement shall be effectually made or given if delivered by prepaid private courier to the address of each party set out below:

- (a) To the Debtor: 1518, 1030 West Georgia Street
Vancouver, British Columbia
V6E 2Y3

(b) To the Secured Party: 1518, 1030 West Georgia Street
Vancouver, British Columbia
V6E 2Y3

with a copy to: Lawson Lundell LLP
Suite 1600 – 925 West Georgia Street
Vancouver, British Columbia
V6C 3L2

Attention: Jack Yong

or to such other address as either party may designate in the manner set out above. Any notice, demand or other communication shall be deemed to have been given and received on the day of prepaid private courier delivery.

28. EXTENSIONS

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of the Security Interest, and otherwise deal with the Debtor, account debtors of the Debtor, sureties, and others and with the Collateral, the Security Interest and other security interests as the Secured Party sees fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize on the security constituted by this Agreement.

29. NO MERGER

This Agreement shall not operate to create any merger or discharge of any of the Obligations, or of any assignment, transfer, guarantee, lien, mortgage, contract, promissory note, bill of exchange or security interest of any form held or which may in future be held by the Secured Party from the Debtor or from any other person. The taking of a judgment with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Agreement.

30. ASSIGNMENT

The Secured Party may, without further notice to the Debtor, at any time assign, transfer or grant a security interest in this Agreement and the Security Interest. The Debtor expressly agrees that the assignee, transferee or secured party, as the case may be, shall have all of the Secured Party's rights and remedies under this Agreement, and the Debtor shall not assert any defence, counterclaim, right of setoff, or otherwise with respect to any claim that the Debtor now has or in future acquires against the Secured Party in any action commenced by such assignee, transferee or secured party, as the case may be, and shall pay the Obligations to the assignee, transferee or secured party, as the case may be, as the Obligations become due.

31. SATISFACTION AND DISCHARGE

Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to the Secured Party, shall be deemed not to be a redemption or discharge of this Agreement. The Debtor shall be entitled to a release and discharge of this Agreement upon full payment and satisfaction of all Obligations and upon written request by the Debtor and payment to the Secured Party of all costs, charges, expenses and legal fees and disbursements (on a solicitor and own client basis) incurred by the Secured Party in connection with the Obligations and such release and discharge.

32. ENUREMENT

This Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, estate trustees, trustees, personal or legal representatives, successors and permitted assigns.

33. INTERPRETATION

33.1 In this Agreement:

- (a) “**Debtor**” and the personal pronoun “**it**” or “**its**” and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used, depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply to and be binding upon each of them jointly and severally;
- (b) “**Act**” means the British Columbia *Personal Property Security Act* and all regulations thereunder as amended.

33.2 Words and expressions used in this Agreement that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act, whether expressed in this Agreement with or without initial capital letters and whether in the singular or the plural, unless otherwise defined in this Agreement or unless the context otherwise requires, and, wherever the context so requires, in this Agreement the singular shall be read as if the plural were expressed, and vice-versa, and the provisions of this Agreement shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

33.3 Should any provision of this Agreement be declared or held invalid or unenforceable in whole or in part or against or with respect to the Debtor by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of any or all of the remaining provisions of this Agreement, which shall continue in full force and effect and be construed as if this Agreement had been executed without the invalid or unenforceable provision.

33.4 The headings of the paragraphs of this Agreement have been inserted for reference only and do not define, limit, alter or enlarge the meaning of any provision of this Agreement.

33.5 This Agreement shall be governed by the laws of British Columbia.

34. MISCELLANEOUS

34.1 All of the agreements, covenants, representations and warranties of the Debtor under this Agreement are the joint and several agreements, covenants, representations and warranties of all parties comprising the Debtor, if there are two or more parties.

34.2 The Debtor authorizes the Secured Party to file such financing statements, financing change statements and other documents, and do such acts, matters and things as the Secured Party may deem appropriate, to perfect on an ongoing basis and continue the Security Interest, to protect and preserve the Collateral, and to realize upon the Security Interest.

34.3 The Debtor waives protest of any Instrument constituting Collateral at any time held by the Secured Party on which the Debtor is any way liable and, subject to the provisions of the Act, notice of any other action taken by the Secured Party.

34.4 The Debtor covenants that it shall not amalgamate with any other company or entity without first obtaining the written consent of the Secured Party. The Debtor acknowledges and agrees that if it amalgamates with any other company or companies, then it is the intention of the parties that the term “**Debtor**” when used in this Agreement shall apply to each of the amalgamating companies and to the amalgamated company, so that the Security Interest granted by this Agreement:

- (a) shall extend to “**Collateral**” (as that term is defined in this Agreement) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any “**Collateral**” owned or acquired by the amalgamated company thereafter, and
- (b) shall secure the “**Obligations**” (as that term is defined in this Agreement) of each of the amalgamating companies and the amalgamated company to the Secured Party at the time of amalgamation and any “**Obligations**” of the amalgamated company to the Secured Party arising thereafter. The Security Interest shall attach to “**Collateral**” owned by each company amalgamating with the Debtor, and by the amalgamated company, at the time of amalgamation, and shall attach to any “**Collateral**” thereafter owned or acquired by the amalgamated company when that Collateral becomes owned or is acquired.

34.5 The Debtor authorizes the Secured Party to provide a copy of this Agreement and such other information and documents specified under the Act to any person entitled under the Act to demand and receive them.

35. COPY OF AGREEMENT AND FINANCING STATEMENT

The Debtor:

- (a) acknowledges receiving a copy of this Agreement, and
- (b) waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement or verification statement filed, issued or obtained at any time in respect of this Agreement.

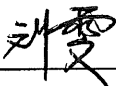
IN WITNESS WHEREOF the Debtor has executed this Agreement on the 31st day of January, 20 23.

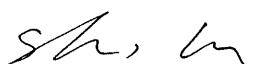
EXECUTION
DATE

Officer Signature(s)

Y	M	D
23	01	31

ROC HOLDINGS LTD.


 Wen Liu
 Barrister & Solicitor
 4184 Dollar Rd
 North Vancouver, BC V7G 1A6



 Authorized Signatory

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1979, c. 116, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

Suite 1600 Cathedral Place
925 West Georgia Street
Vancouver, BC
Canada V6C 3L2
T: 604.685.3456

This is Exhibit "H" referred to in the affidavit of Xiao Peng Cui made before me at Vancouver, B.C., on September 8, 2023.



A Commissioner for taking Affidavits within British Columbia.

September 5, 2023

Bryan C. Gibbons
T: (604) 631-9152
F: (604) 694-2958
bgibbons@lawsonlundell.com

DELIVERED VIA COURIER – STRICTLY CONFIDENTIAL

SKEENA SAWMILLS LTD.
1518 – 1030 West Georgia Street
Vancouver B.C. V6E 2Y3

Dear Sirs and Mesdames:

Re: Your outstanding indebtedness of Skeena Sawmills Ltd. (the "Borrower") to 1392752 B.C. Ltd. (the "Lender"), pursuant to certain Promissory Notes (collectively, the "Promissory Notes") and your joint and several guarantee of the indebtedness of ROC Holdings Ltd., Skeena Bioenergy Ltd., and Bright Future International Trading Ltd. (collectively, the "Debtors") to the Lender, dated January 31, 2023 (the "Guarantee"), and secured by a General Security Agreement (the "GSA") dated January 31, 2023

We are the solicitors for the Lender with respect to the above-captioned matter.

Pursuant to the Promissory Notes, you are indebted to the Lender in the principal amount of \$116,732,137.72 plus interest and legal costs (collectively, the **"Direct Indebtedness"**).

Pursuant to the terms of the Guarantee, you have guaranteed the indebtedness of the Debtors to the Lender plus interest and costs as set out therein. The Debtors are indebted to the Lender as follows:

Debtor	Principal Amount*
ROC Holdings Ltd.	\$10,886,000.00
Skeena Bioenergy Ltd.	\$15,592,000.00
Bright Future International Trading Ltd.	\$83,000.00

* plus interest and costs

(the **"Guarantee Indebtedness"**, together with the Direct Indebtedness, collectively, the **"Indebtedness"**).

On behalf of our client, we hereby make formal demand upon you for payment of the Indebtedness. We also make demand upon you pursuant to the GSA.


This letter is to advise you that unless payment of the Indebtedness, plus interest and legal costs, is made into this office by certified cheque or bank draft payable to Lawson Lundell LLP, in trust, on or before September 15, 2023, legal proceedings may be commenced without further notice.

Pursuant to the provisions of the *Bankruptcy and Insolvency Act*, we are enclosing a Notice of Intention to Enforce Security in the prescribed form.

All inquiries and payments should be directed to the attention of the writer to ensure that due credit is given immediately to your account.

Yours very truly,

LAWSON LUNDELL LLP


Bryan C. Gibbons
BCG/lea
Enc.

Suite 1600 Cathedral Place
925 West Georgia Street
Vancouver, BC
Canada V6C 3L2
T: 604.685.3456

September 5, 2023

Bryan C. Gibbons
T: (604) 631-9152
F: (604) 694-2958
bgibbons@lawsonlundell.com

DELIVERED VIA COURIER – STRICTLY CONFIDENTIAL

SKEENA BIOENERGY LTD.
1518 – 1030 West Georgia Street
Vancouver, B.C. V6E 2Y3

Dear Sirs and Mesdames:

Re: Your outstanding indebtedness of Skeena Bioenergy Ltd. (the “Borrower”) to 1392752 B.C. Ltd. (the “Lender”), pursuant to a certain Promissory Note (the “Promissory Note”) and your joint and several guarantee of the indebtedness of ROC Holdings Ltd., Skeena Sawmills Ltd., and Bright Future International Trading Ltd. (collectively, the “Debtors”) to the Lender, dated January 31, 2023 (the “Guarantee”), and secured by a General Security Agreement (the “GSA”) dated January 31, 2023

We are the solicitors for the Lender with respect to the above-captioned matter.

Pursuant to the Promissory Note, you are indebted to the Lender in the principal amount of \$15,592,000, plus interest and legal costs (collectively, the **“Direct Indebtedness”**).

Pursuant to the terms of the Guarantee, you have guaranteed the indebtedness of the Debtors to the Lender plus interest and costs as set out therein. The Debtors are indebted to the Lender as follows:

Debtor	Principal Amount *
Skeena Sawmills Ltd.	\$116,732,137.72
ROC Holdings Ltd.	\$10,886,000.00
Bright Future International Trading Ltd.	\$83,000.00

* plus interest and legal costs.

(the **“Guarantee Indebtedness”**, together with the Direct Indebtedness, collectively, the **“Indebtedness”**).

On behalf of our client, we hereby make formal demand upon you for payment of the Indebtedness. We also make demand upon you pursuant to the GSA.

This letter is to advise you that unless payment of the Indebtedness, plus interest and legal costs, is made into this office by certified cheque or bank draft payable to Lawson Lundell LLP, in trust, on or before September 15, 2023, legal proceedings may be commenced without further notice.

Pursuant to the provisions of the *Bankruptcy and Insolvency Act*, we are enclosing a Notice of Intention to Enforce Security in the prescribed form.

All inquiries and payments should be directed to the attention of the writer to ensure that due credit is given immediately to your account.

Yours very truly,

LAWSON LUNDELL LLP



Bryan C. Gibbons

BCG/kj1

Enc.

Suite 1600 Cathedral Place
925 West Georgia Street
Vancouver, BC
Canada V6C 3L2
T: 604.685.3456

September 5, 2023

Bryan C. Gibbons
T: (604) 631-9152
F: (604) 694-2958
bgibbons@lawsonlundell.com

DELIVERED VIA COURIER – STRICTLY CONFIDENTIAL

ROC HOLDINGS LTD.
1518 – 1030 West Georgia Street
Vancouver, B.C. V6E 2Y3

Dear Sirs and Mesdames:

Re: Your outstanding indebtedness of ROC Holdings Ltd. (the “Borrower”) to 1392752 B.C. Ltd. (the “Lender”), pursuant to a certain Promissory Note (the “Promissory Note”) and your joint and several guarantee of the indebtedness of Bright Future International Trading Ltd., Skeena Sawmills Ltd., and Skeena Bioenergy Ltd. (collectively, the “Debtors”) to the Lender, dated January 31, 2023 (the “Guarantee”) and secured by the security documents listed at Schedule “A” attached hereto (the “Security Documents”)

We are the solicitors for the Lender with respect to the above-captioned matter.

Pursuant to the Promissory Note, you are indebted to the Lender in the principal amount of \$10,886,000.00 plus interest and legal costs (collectively, the **“Direct Indebtedness”**).

Pursuant to the terms of the Guarantee, you have guaranteed the indebtedness of the Debtors to the Lender plus interest and costs as set out therein. The Debtors are indebted to the Lender as follows:

Debtor	Principal Amount*
Skeena Sawmills Ltd.	\$116,732,137.72
Skeena Bioenergy Ltd.	\$15,592,000.00
Bright Future International Trading Ltd.	\$83,000.00

* plus interest and costs

(the **“Guarantee Indebtedness”**, together with the Direct Indebtedness, collectively, the **“Indebtedness”**).

On behalf of our client, we hereby make formal demand upon you for payment of the Indebtedness. We also make demand upon you pursuant to the Security Documents.

This letter is to advise you that unless payment of the Indebtedness, plus interest and legal costs is made into this office by certified cheque or bank draft payable to Lawson Lundell LLP, in trust, on or before September 15, 2023, legal proceedings, which may include enforcement of the Security Documents and foreclosure proceedings may be commenced without further notice.

Pursuant to the provisions of the *Bankruptcy and Insolvency Act*, we are enclosing a Notice of Intention to Enforce Security in the prescribed form.

All inquiries and payments should be directed to the attention of the writer to ensure that due credit is given immediately to your account.

Yours very truly,

LAWSON LUNDELL LLP



Bryan C. Gibbons

BCG/kj1

Enc.

Schedule "A"**List of Security Documents**

1. Mortgage and Assignment of Rents granted by the Borrower to the Lender registered in the New Westminster Land Title Office on February 01, 2023 under registration numbers CB458433 and CA458434, charging the lands legally described as:

PID: 011-691-051

LOT B DISTRICT LOT 616 RANGE 5 COAST DISTRICT PLAN 3986

PID: 011-691-042

LOT A DISTRICT LOT 616 RANGE 5 COAST DISTRICT PLAN 3986,
EXCEPT PLAN PRP47978

PID: 030-631-700

LOT A DISTRICT LOTS 616 AND 1745 RANGE 5 COAST DISTRICT PLAN
EPP78423

PID: 011-768-398

LOT 3 DISTRICT LOT 616 RANGE 5 COAST DISTRICT PLAN 3700

PID: 009-426-833

DISTRICT LOT 1398 RANGE 5 COAST DISTRICT EXCEPT PLAN 11735

(collectively, the "**Lands**").

2. General Security Agreement dated January 31, 2023, granted by the Borrower to the Lender, notice of which was registered with the Personal Property Registry on January 10, 2023, under base registration number 294186P.
3. General Assignment of Leases and Rents dated January 31, 2023, granted by the Borrower in favour of the Lender.

BANKRUPTCY AND INSOLVENCY ACT

FORM 86

NOTICE OF INTENTION TO ENFORCE SECURITY

[Subsection 244(1)]

TO: ROC Holdings Ltd. ("**ROC Holdings**") Skeena Sawmills Ltd. ("**Skeena Sawmills**"), and Bright Future International Trading Ltd. ("**Bright Future**") and Skeena Bioenergy Ltd. ("**Skeena Bioenergy**", together with ROC Holdings, Skeena Sawmills, and Bright Future, collectively, the "**Debtors**")

Take notice that:

1. 1392752 B.C. Ltd. (the "**Lender**"), secured creditor, intends to enforce their security on the property of the Debtors described below:

(a) **Mortgage and Assignment of Rents**

All of the right, title and interest of ROC Holdings as registered or beneficial owners of real property, legally described as:

PID: 011-691-051

LOT B DISTRICT LOT 616 RANGE 5 COAST DISTRICT PLAN 3986

PID: 011-691-042

LOT A DISTRICT LOT 616 RANGE 5 COAST DISTRICT PLAN 3986,
EXCEPT PLAN PRP47978

PID: 030-631-700

LOT A DISTRICT LOTS 616 AND 1745 RANGE 5 COAST DISTRICT
PLAN EPP78423

PID: 011-768-398

LOT 3 DISTRICT LOT 616 RANGE 5 COAST DISTRICT PLAN 3700

PID: 009-426-833

DISTRICT LOT 1398 RANGE 5 COAST DISTRICT EXCEPT PLAN
11735

(collectively, the "**Lands**").

(b) **General Security Agreements:**

All presently owned or held or after acquired or held personal property of the Debtors

(c) **General Assignment of Leases**

All of the right, title and interest of ROC Holdings in and to all leases (the "**Leases**") relating to the Lands and all rents, other payments, benefits and advantages due or accruing due at any time and all benefit of all guarantees, indentures, representations, warranties and covenants in respect of the Leases.

2. The security that is to be enforced is in the form of:

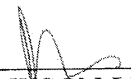
- (a) A Mortgage and Assignment of Rents granted by ROC Holdings to the Lenders, registered on February 1, 2023, charging the Lands;
- (b) General Security Agreements dated January 31, 2023, granted by each of the Debtors in favour of the Lenders;
- (c) General Assignment of Leases dated January 31, 2023, granted by ROC Holdings in favour of the Lenders;

3. The total amount of indebtedness secured by the security is \$143,293,137.72, particularized as follows:

- (a) \$10,886,000.00 plus interest and legal costs owing by ROC Holdings;
- (b) \$15,592,000.00 plus interest and legal costs owing by Skeena Bioenergy;
- (c) \$83,000.00 plus interest and legal costs owing by Bright Future; and
- (d) \$116,732,137.72 plus interest and legal costs owing by Skeena Sawmills.

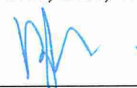
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Debtors consent to an earlier enforcement.

Dated at Vancouver, British Columbia, this 5th day of September, 2023.



LAWSON LUNDELL LLP,
solicitors for the Lenders

This is Exhibit "1" referred to in the affidavit of Xiao Peng Cui made before me at Vancouver, B.C., on September 8, 2023.



A Commissioner for taking Affidavits within British Columbia.

SKEENA SAWMILLS LTD.

September 5, 2023

BY EMAIL: bgibbons@lawsonlundell.com

1392752 B.C. Ltd.
c/o Lawson Lundell LLP
Barristers and Solicitors
1600 – 925 West Georgia Street
Vancouver, B.C. V6C 3L2

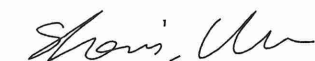
Attention: Bryan C. Gibbons

Re: Outstanding indebtedness of Skeena Sawmills Ltd. to 1392752 B.C. Ltd. (the "Lender")

We, Skeena Sawmills Ltd., having been served by the Lender on September 5, 2023, with Notice under Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada), of the intention of the Lender to enforce security, do hereby waive our right to a ten-day notice period specified under that section, and hereby consent to the immediate enforcement of the Lender's security.

SKEENA SAWMILLS LTD.

Per:



Authorized Signatory

SKEENA BIOENERGY LTD.

September 5, 2023

BY EMAIL: bgibbons@lawsonlundell.com

1392752 B.C. Ltd.
c/o Lawson Lundell LLP
Barristers and Solicitors
1600 – 925 West Georgia Street
Vancouver, B.C. V6C 3L2

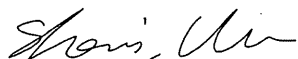
Attention: Bryan C. Gibbons

Re: Outstanding indebtedness of Skeena Bioenergy Ltd. to 1392752 B.C. Ltd. (the “Lender”)

We, Skeena Bioenergy Ltd., having been served by the Lender on September 5, 2023, with Notice under Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada), of the intention of the Lender to enforce security, do hereby waive our right to a ten-day notice period specified under that section, and hereby consent to the immediate enforcement of the Lender’s security.

SKEENA BIOENERGY LTD.

Per:



Authorized Signatory

ROC HOLDINGS LTD.

September 5, 2023

BY EMAIL: bgibbons@lawsonlundell.com

1392752 B.C. Ltd.
c/o Lawson Lundell LLP
Barristers and Solicitors
1600 – 925 West Georgia Street
Vancouver, B.C. V6C 3L2

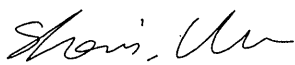
Attention: Bryan C. Gibbons

Re: Outstanding indebtedness of ROC Holdings Ltd. to 1392752 B.C. Ltd. (the “Lender”)

We, ROC Holdings Ltd., having been served by the Lender on September 5, 2023, with Notice under Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada), of the intention of the Lender to enforce security, do hereby waive our right to a ten-day notice period specified under that section, and hereby consent to the immediate enforcement of the Lender’s security.

ROC HOLDINGS LTD.

Per:



Authorized Signatory

TITLE SEARCH PRINT

File Reference: 110360-168504

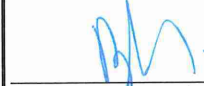
141
2023-09-05, 09:28:49

Requestor: Nika Vikhrova

CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN

Land Title District
Land Title OfficePRINCE RUPERT
PRINCE RUPERT**Title Number**
From Title NumberCA2107023
BA415610

This is Exhibit "3" referred to in the affidavit
of Xiao Peng Cui made before me at
Vancouver, B.C., on September 8, 2023.



A Commissioner for taking Affidavits within
British Columbia.

Application Received

2011-07-19

Application Entered

2011-07-26

Registered Owner in Fee Simple

Registered Owner/Mailing Address:

ROC HOLDINGS LTD., INC.NO. 876163
2300-550 BURNARD STREET
VANCOUVER, BC
V6C 2B5**Taxation Authority**

Terrace, City of

Description of Land

Parcel Identifier:

011-691-042

Legal Description:

LOT A DISTRICT LOT 616 RANGE 5 COAST DISTRICT PLAN 3986, EXCEPT
PLAN PRP47978**Legal Notations**THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 14 OF THE LOCAL
GOVERNMENT ACT, SEE CA8395265**Charges, Liens and Interests**

Nature:

MORTGAGE

Registration Number:

CB458433

Registration Date and Time:

2023-02-01 15:48

Registered Owner:

1392752 B.C. LTD.
INCORPORATION NO. BC1392752
INTER ALIA

Remarks:

Nature:

ASSIGNMENT OF RENTS

Registration Number:

CB458434

Registration Date and Time:

2023-02-01 15:48

Registered Owner:

1392752 B.C. LTD.
INCORPORATION NO. BC1392752
INTER ALIA

Remarks:

TITLE SEARCH PRINT

File Reference: 110360-168504

142
2023-09-05, 09:28:49
Requestor: Nika Vikhrova

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

TITLE SEARCH PRINT

File Reference: 110360-168504

143
2023-09-05, 09:28:48

Requestor: Nika Vikhrova

CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN

Land Title District PRINCE RUPERT
Land Title Office PRINCE RUPERT

Title Number CA2107022
From Title Number BA415575

Application Received 2011-07-19

Application Entered 2011-07-26

Registered Owner in Fee Simple
Registered Owner/Mailing Address: ROC HOLDINGS LTD., INC.NO. 876163
2300-550 BURNARD STREET
VANCOUVER, BC
V6C 2B5

Taxation Authority Terrace, City of

Description of Land
Parcel Identifier: 011-691-051
Legal Description:
LOT B DISTRICT LOT 616 RANGE 5 COAST DISTRICT PLAN 3986

Legal Notations
HERETO IS ANNEXED EASEMENT CA7183199 OVER LOT A PLAN EPP78423 AS TP
ART SHOWN ON PLAN EPP82278

Charges, Liens and Interests

Nature: MORTGAGE
Registration Number: CB458433
Registration Date and Time: 2023-02-01 15:48
Registered Owner: 1392752 B.C. LTD.
INCORPORATION NO. BC1392752
Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
Registration Number: CB458434
Registration Date and Time: 2023-02-01 15:48
Registered Owner: 1392752 B.C. LTD.
INCORPORATION NO. BC1392752
Remarks: INTER ALIA

TITLE SEARCH PRINT

File Reference: 110360-168504

144
2023-09-05, 09:28:48
Requestor: Nika Vikhrova

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

TITLE SEARCH PRINT

File Reference: 110360-168504

Declared Value \$ 3806700

145
2023-09-05, 09:28:49

Requestor: Nika Vikhrova

CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN

Land Title District	PRINCE RUPERT
Land Title Office	PRINCE RUPERT
Title Number	CA2107020
From Title Number	BA415576
Application Received	2011-07-19
Application Entered	2011-07-26
Registered Owner in Fee Simple	
Registered Owner/Mailing Address:	ROC HOLDINGS LTD., INC.NO. 876163 2300-550 BURRARD STREET VANCOUVER, BC V6C 2B5
Taxation Authority	Prince Rupert Assessment District
Description of Land	
Parcel Identifier:	009-426-833
Legal Description:	DISTRICT LOT 1398 RANGE 5 COAST DISTRICT EXCEPT PLAN 11735
Legal Notations	NONE
Charges, Liens and Interests	
Nature:	MORTGAGE
Registration Number:	CB458433
Registration Date and Time:	2023-02-01 15:48
Registered Owner:	1392752 B.C. LTD. INCORPORATION NO. BC1392752
Remarks:	INTER ALIA
Nature:	ASSIGNMENT OF RENTS
Registration Number:	CB458434
Registration Date and Time:	2023-02-01 15:48
Registered Owner:	1392752 B.C. LTD. INCORPORATION NO. BC1392752
Remarks:	INTER ALIA

TITLE SEARCH PRINT

File Reference: 110360-168504

Declared Value \$ 3806700

146
2023-09-05, 09:28:49

Requestor: Nika Vikhrova

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

TITLE SEARCH PRINT

File Reference: 110360-168504

147
2023-09-05, 09:28:49

Requestor: Nika Vikhrova

CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN

Land Title District	PRINCE RUPERT
Land Title Office	PRINCE RUPERT
Title Number	CA2107025
From Title Number	BA415573
Application Received	2011-07-19
Application Entered	2011-07-26
Registered Owner in Fee Simple	
Registered Owner/Mailing Address:	ROC HOLDINGS LTD., INC.NO. 876163 2300-550 BURRARD STREET VANCOUVER, BC V6C 2B5
Taxation Authority	Terrace, City of
Description of Land	
Parcel Identifier:	011-768-398
Legal Description:	LOT 3 DISTRICT LOT 616 RANGE 5 COAST DISTRICT PLAN 3700
Legal Notations	NONE
Charges, Liens and Interests	
Nature:	MORTGAGE
Registration Number:	CB458433
Registration Date and Time:	2023-02-01 15:48
Registered Owner:	1392752 B.C. LTD. INCORPORATION NO. BC1392752
Remarks:	INTER ALIA
Nature:	ASSIGNMENT OF RENTS
Registration Number:	CB458434
Registration Date and Time:	2023-02-01 15:48
Registered Owner:	1392752 B.C. LTD. INCORPORATION NO. BC1392752
Remarks:	INTER ALIA
Duplicate Indefeasible Title	NONE OUTSTANDING

TITLE SEARCH PRINT

File Reference: 110360-168504

148
2023-09-05, 09:28:49
Requestor: Nika Vikhrova

Transfers

NONE

Pending Applications

NONE

TITLE SEARCH PRINT

File Reference: 110360-168504

149
2023-09-05, 09:28:49

Requestor: Nika Vikhrova

****CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN****

Title Issued Under	SECTION 98 LAND TITLE ACT
Land Title District Land Title Office	PRINCE RUPERT PRINCE RUPERT
Title Number From Title Number	CA7183197 CA2107021
Application Received	2018-11-10
Application Entered	2018-11-28
Registered Owner in Fee Simple Registered Owner/Mailing Address:	ROC HOLDINGS LTD., INC.NO. 876163 2300-550 BURRARD STREET VANCOUVER, BC V6C 2B5
Taxation Authority	Terrace, City of
Description of Land Parcel Identifier: Legal Description:	030-631-700 LOT A DISTRICT LOTS 616 AND 1745 RANGE 5 COAST DISTRICT PLAN EPP78423
Legal Notations	HERETO IS ANNEXED EASEMENT BB1131385 OVER LOT 1 PLAN BCP43227 THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 14 OF THE LOCAL GOVERNMENT ACT, SEE CA6825838
Charges, Liens and Interests Nature: Registration Number: Registration Date and Time: Registered Owner: Remarks:	STATUTORY RIGHT OF WAY BB1131384 2009-12-15 14:30 CITY OF TERRACE PART IN PLAN BCP43228

TITLE SEARCH PRINT

File Reference: 110360-168504

150
2023-09-05, 09:28:49
Requestor: Nika Vikhrova

Nature: EASEMENT
Registration Number: CA7183199
Registration Date and Time: 2018-11-10 10:59
Remarks: PART SHOWN ON PLAN EPP82278
APPURTENANT TO LOT B PLAN 3986

Nature: STATUTORY RIGHT OF WAY
Registration Number: CA7224665
Registration Date and Time: 2018-12-01 17:23
Registered Owner: CITY OF TERRACE
Remarks: PART IN PLAN EPP86204

Nature: MORTGAGE
Registration Number: CB458433
Registration Date and Time: 2023-02-01 15:48
Registered Owner: 1392752 B.C. LTD.
INCORPORATION NO. BC1392752
Remarks: INTER ALIA

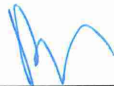
Nature: ASSIGNMENT OF RENTS
Registration Number: CB458434
Registration Date and Time: 2023-02-01 15:48
Registered Owner: 1392752 B.C. LTD.
INCORPORATION NO. BC1392752
Remarks: INTER ALIA

Duplicate Infeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

This is Exhibit "K" referred to in the affidavit
of Xiao Peng Cui made before me at
Vancouver, B.C., on September 8, 2023.



A Commissioner for taking Affidavits within
British Columbia.

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "Skeena Sawmills Ltd."

Search Date and Time: September 5, 2023 at 9:25:23 am Pacific time
Account Name: LAWSON LUNDELL
Folio Number: 110360-168504

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30 Matches in 27 Registrations in Report

Exact Matches: 30 (*)

Total Search Report Pages: 65

	Base Registration	Base Registration Date	Debtor Name	Page
1	154210L	November 15, 2018	* SKEENA SAWMILLS LTD.	3
2	948953L	December 12, 2019	* SKEENA SAWMILLS LTD.	5
3	984133L	January 3, 2020	* SKEENA SAWMILLS LTD. * SKEENA SAWMILLS LTD.	7
4	632901M	December 3, 2020	* SKEENA SAWMILLS LTD. * SKEENA SAWMILLS LTD.	11
5	941146M	May 3, 2021	* SKEENA SAWMILLS LTD. * SKEENA SAWMILLS LTD.	13
6	144761N	July 29, 2021	* SKEENA SAWMILLS LTD.	15
7	154648N	August 4, 2021	* SKEENA SAWMILLS LTD.	19
8	170285N	August 11, 2021	* SKEENA SAWMILLS	21
9	184908N	August 18, 2021	* SKEENA SAWMILLS LTD.	23
10	184963N	August 18, 2021	* SKEENA SAWMILLS LTD.	26
11	282094N	October 4, 2021	* SKEENA SAWMILLS LTD.	29

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

12	<u>545347N</u>	February 17, 2022	* SKEENA SAWMILLS	<u>31</u>
13	<u>903702N</u>	August 5, 2022	* SKEENA SAWMILLS LTD.	<u>33</u>
14	<u>903703N</u>	August 5, 2022	* SKEENA SAWMILLS LTD.	<u>38</u>
15	<u>294187P</u>	January 10, 2023	* SKEENA SAWMILLS LTD.	<u>40</u>
16	<u>313007P</u>	January 20, 2023	* SKEENA SAWMILLS LTD.	<u>42</u>
17	<u>350830P</u>	February 9, 2023	* SKEENA SAWMILLS LTD.	<u>44</u>
18	<u>350833P</u>	February 9, 2023	* SKEENA SAWMILLS LTD.	<u>46</u>
19	<u>427844P</u>	March 22, 2023	* SKEENA SAWMILLS LTD.	<u>48</u>
20	<u>427848P</u>	March 22, 2023	* SKEENA SAWMILLS LTD.	<u>50</u>
21	<u>436815P</u>	March 27, 2023	* SKEENA SAWMILLS LTD.	<u>52</u>
22	<u>507680P</u>	May 1, 2023	* SKEENA SAWMILLS LTD.	<u>54</u>
23	<u>507684P</u>	May 1, 2023	* SKEENA SAWMILLS LTD.	<u>56</u>
24	<u>541647P</u>	May 17, 2023	* SKEENA SAWMILLS LTD.	<u>58</u>
25	<u>660141P</u>	July 12, 2023	* SKEENA SAWMILLS LTD.	<u>60</u>
26	<u>757548P</u>	August 29, 2023	* SKEENA SAWMILLS LTD.	<u>62</u>
27	<u>757558P</u>	August 29, 2023	* SKEENA SAWMILLS LTD.	<u>64</u>

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 154210L

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: November 15, 2018 at 12:23:42 pm Pacific time
Current Expiry Date and Time: November 15, 2023 at 11:59:59 pm Pacific time
Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information

CWB NATIONAL LEASING INC.

Address

1525 BUFFALO PLACE
WINNIPEG MB
R3T 1L9 Canada

Debtor Information

SKEENA SAWMILLS LTD.

Address

PO BOX 780
TERRACE BC
V8G 4R1 Canada

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2005	JLG / 600AJ BOOM LIFT	300090379

General Collateral

Base Registration General Collateral:

ARTICULATING BOOM LIFT COMES W/ RELATED COMPONENTS.AGREEMENT #2906394.

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

CWB NATIONAL LEASING INC.

Address

1525 BUFFALO PLACE
WINNIPEG MB
R3T 1L9 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 948953L

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	December 12, 2019 at 11:57:07 am Pacific time
Current Expiry Date and Time:	December 12, 2023 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information

MERIDIAN ONECAP CREDIT CORP.	Address SUITE 1500, 4710 KINGSWAY BURNABY BC V5H 4M2 Canada
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Debtor Information

SKEENA BIOENERGY CORPORATION	Address 5330 HIGHWAY 16 WEST TERRACE BC V8G 0C6 Canada
-------------------------------------	--

SKEENA SAWMILLS LTD.	Address 1518 - 1030 WEST GEORGIA STREE VANCOUVER BC V6E 2Y3 Canada
-----------------------------	--

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2006	DOOSAN / G30P	KQ-01256

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

FORKLIFT(S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS
SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM
DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A
RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR
LOSS OR DAMAGE TO ,THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

Original Registering Party

AVS SYSTEMS INC.

Address

201-1325 POLSON DR.
VERNON BC
V1T 8H2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 984133L

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 3, 2020 at 10:24:42 am Pacific time
Current Expiry Date and Time:	January 3, 2025 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information

**CATERPILLAR FINANCIAL SERVICES
LIMITED**

Address

3457 SUPERIOR COURT UNIT 2
OAKVILLE ON
L6L 0C4 Canada

Debtor Information

SKEENA SAWMILLS LTD.

Address

PO BOX 780
TERRACE BC
V8G 4R1 Canada

SKEENA SAWMILLS LTD.

Address

5330 HIGHWAY 16W
TERRACE BC
V8G 4R6 Canada

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2004	CATERPILLAR / 988G	CAT0988GJBNH01119

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

July 27, 2021 at 12:20:19 pm Pacific time

DELETED

ONE (1) CATERPILLAR 988G LARGE WHEEL LOADER ONE (1) CATERPILLAR 980K

ADDED

ONE (1) CATERPILLAR 988G LARGE WHEEL LOADER TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVEMENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS MEANS GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.

Base Registration General Collateral:

ONE (1) CATERPILLAR 988G LARGE WHEEL LOADER ONE (1) CATERPILLAR 980K MED WHEEL LOADER ONE (1) CATERPILLAR 950H MED WHEEL LOADER ONE (1) CATERPILLAR 980K MED WHEEL LOADER TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVEMENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS MEANS GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.

Original Registering Party**AVS SYSTEMS INC.****Address**

201-1325 POLSON DR.
VERNON BC
V1T 8H2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

HISTORY

(Showing most recent first)

AMENDMENT

Registration Date and Time: July 27, 2021 at 12:20:19 pm Pacific time
Registration Number: 138130N
Description: AMEND GENERAL COLLATERAL DELETE ASSET 2013 CATERPILLAR 980K (CAT0980KCW7K01406) DELETE ASSET 2011 CATERPILLAR 950H (CAT0950HTJAD01002) DELETE ASSET 2012 CATERPILLAR 980K(CAT0980KCW7K01351)

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV) DELETED	2013	CATERPILLAR / 980K	CAT0980KCW7K01406
Motor Vehicle (MV) DELETED	2011	CATERPILLAR / 950H	CAT0950HTJAD01002
Motor Vehicle (MV) DELETED	2012	CATERPILLAR / 980K	CAT0980KCW7K01351

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

July 27, 2021 at 12:20:19 pm Pacific time

DELETED

ONE (1) CATERPILLAR 988G LARGE WHEEL LOADER ONE (1) CATERPILLAR 980K

ADDED

ONE (1) CATERPILLAR 988G LARGE WHEEL LOADER TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVEMENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS MEANS GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.

Registering Party Information

AVS SYSTEMS INC.

Address

201-1325 POLSON DR.
VERNON BC
V1T 8H2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 632901M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	December 3, 2020 at 6:59:26 am Pacific time
Current Expiry Date and Time:	December 3, 2024 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information**CATERPILLAR FINANCIAL SERVICES
LIMITED****Address**3457 SUPERIOR COURT UNIT 2
OAKVILLE ON
L6L 0C4 Canada**Debtor Information****SKEENA SAWMILLS LTD.****Address**PO BOX 780
TERRACE BC
V8G 4R1 Canada**SKEENA SAWMILLS LTD.****Address**5330 HIGHWAY 16W
TERRACE BC
V8G 4R6 Canada**Vehicle Collateral**

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2012	CATERPILLAR / 980K	CAT0980KEW7K00716

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

ONE (1) CATERPILLAR 980K MEDIUM WHEEL LOADER - MAJOR REBUILD TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVEMENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE ,PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS MEANS GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.

Original Registering Party

AVS SYSTEMS INC.

Address

201-1325 POLSON DR.
VERNON BC
V1T 8H2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 941146M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	May 3, 2021 at 9:54:08 am Pacific time
Current Expiry Date and Time:	May 3, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information

CATERPILLAR FINANCIAL SERVICES LIMITED	Address
	3457 SUPERIOR COURT UNIT 2 OAKVILLE ON L6L 0C4 Canada

Debtor Information

SKEENA SAWMILLS LTD.	Address
	PO BOX 780 TERRACE BC V8G 4R1 Canada

SKEENA SAWMILLS LTD.	Address
	5330 HIGHWAY 16W TERRACE BC V8G 4R6 Canada

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2020	CATERPILLAR / 966M	CAT0966MAEJA03350

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

ONE (1) CATERPILLAR 966M MEDIUM WHEEL LOADER C/W GENERAL PURPOSE BUCKET TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVEMENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A ,RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS MEANS GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.

Original Registering Party

AVS SYSTEMS INC.

Address

201-1325 POLSON DR.
VERNON BC
V1T 8H2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 144761N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	July 29, 2021 at 2:32:29 pm Pacific time
Current Expiry Date and Time:	July 29, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information**DYNAMIC CAPITAL EQUIPMENT
FINANCE INC.****Address**208, 1824 GORDON DRIVE
KELOWNA BC
V1Y 0E2 Canada**Debtor Information****SKEENA SAWMILLS LTD.****Address**5330 16 HWY
TERRACE BC
V8G 0C6 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2018	RAM / 2500 TRADESMAN 4X4	3C6TR5CT4JG273565
Motor Vehicle (MV)	2018	RAM / 2500 TRADESMAN 4X4	3C6TR5CT6JG273566
Motor Vehicle (MV)	2013	CATERPILLAR / 980K	CAT0980KCW7K01406
Motor Vehicle (MV)	2011	CATERPILLAR / 950H	CAT0950HTJAD01002
Motor Vehicle (MV)	2004	CATERPILLAR / 924G	CAT0924GCRTA00221
Motor Vehicle (MV)	2012	TAYLOR TX330M / -	S-GE-37856
Motor Vehicle (MV)	2013	HYUNDAI / H160D-7E	HHKHFT08HD0000955
Motor Vehicle (MV)	2012	HYUNDAI / 110D-7E	HHKHFT05KC0000188
Motor Vehicle (MV)	2010	DOOSAN / D90S-5	PA-00818
Motor Vehicle (MV)	2013	CHEVROLET / 2500HD 4X4	1GT02ZCGXDZ140209
Motor Vehicle (MV)	2013	GMC / 2500HD 4X4	1GT02ZCG2DZ163547
Motor Vehicle (MV)	2011	CHEVROLET / SILVERADO	1GC1KVCG5BF263802
Motor Vehicle (MV)	2011	CHEVROLET / SILVERADO	1GC1KVCG5BF256025

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

2018 RAM 2500 TRADESMAN 4X4 CREWCAB PICKUP TRUCK S/N 3C6TR5CT4JG273565 2018 RAM 2500 TRADESMAN 4X4 CREWCAB PICKUP TRUCK S/N 3C6TR5CT6JG273566 2013 CATERPILLAR 980K LOG LOADER C/W WBMM33 LOG GRAPPLE S/N 1W45785-1 S/N CAT0980KCW7K01406 2012 CATERPILLAR 980K LOG LOADER C/W CWS LOG GRAPPLE S/N CAT0980KCW7K01351 ,2011 CATERPILLAR 950H FORKLIFT S/N CAT0950HTJAD01002 2004 CATERPILLAR 924G FORKLIFT C/W MAST S/N M2S15W160LV02-HD S/N CAT0924GCRTA00221 2012 TAYLOR TX330M FORKLIFT S/N S-GE-37856 2013 HYUNDAI H160D-7E FORKLIFT S/N HHKHFT08HD0000955 2012 HYUNDAI 110D-7E FORKLIFT S/N HHKHFT05KC0000188 ,2010 DOOSAN D90S-5 FORKLIFT S/N PA-00818 2013 CHEVROLET 2500HD 4X4 REGCAB PICKUP TRUCK S/N 1GT02ZCGXDZ140209 2013 GMC 2500HD 4X4 REGCAP PICKUP TRUCK S/N 1GT02ZCG2DZ163547 2011 CHEVROLET SILVERADO 2500HD 4X4 CREWCAB PICKUP TRUCK S/N 1GC1KVCG5BF263802 2011 CHEVROLET SILVERADO 2500HD 4X4 CREWCAB ,PICKUP TRUCK S/N 1GC1KVCG5BF256025 TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT ,INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL. . . . ,.

Original Registering Party

**DYNAMIC CAPITAL EQUIPMENT
FINANCE INC.**

Address

208, 1824 GORDON DRIVE
KELOWNA BC
V1Y 0E2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

HISTORY

(Showing most recent first)

AMENDMENT - COLLATERAL DELETED

Registration Date and Time: May 17, 2023 at 3:18:29 pm Pacific time
Registration Number: 543033P
Description:

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV) DELETED	2012	CATERPILLAR / 980K	CAT0980KCW7K01351

Registering Party Information**DYNAMIC CAPITAL II
CORPORATION****Address**

2430-140 4 AVE SW
CALGARY AB
T2P 3N3 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 154648N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	August 4, 2021 at 10:57:47 am Pacific time
Current Expiry Date and Time:	August 4, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information**DYNAMIC CAPITAL EQUIPMENT
FINANCE INC.****Address**208, 1824 GORDON DRIVE
KELOWNA BC
V1Y 0E2 Canada**Debtor Information****SKEENA SAWMILLS LTD.****Address**SUITE 1518-1030 WEST GEORGIA
VANCOUVER BC
V6E 2Y3 Canada**Vehicle Collateral**

None

General Collateral**Base Registration General Collateral:**ALL MONEY, FINANCIAL ASSETS (AS SUCH TERM IS DEFINED IN THE SECURITIES TRANSFER ACT) AND
CASH ON DEPOSIT WITH THE SECURED PARTY, FROM TIME TO TIME

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

**DYNAMIC CAPITAL EQUIPMENT
FINANCE INC.**

Address

208, 1824 GORDON DRIVE
KELOWNA BC
V1Y 0E2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 170285N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	August 11, 2021 at 10:11:39 am Pacific time
Current Expiry Date and Time:	August 11, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information

CWB NATIONAL LEASING INC.

Address

1525 BUFFALO PLACE
WINNIPEG MB
R3T 1L9 Canada

Debtor Information

SKEENA BIOENERGY LTD.

Address

5402 HWY 16 WEST
TERRACE BC
V8G 0C6 Canada

SKEENA SAWMILLS

Address

5402 HWY 16 WEST
TERRACE BC
V8G 0C6 Canada

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2021	BCX3 1549 FMD TM CONVEYOR / -	BA03B122102648

General Collateral

Base Registration General Collateral:

ALL CONVEYOR OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 3065838,
BETWEEN THE SECURED PARTY AND THE DEBTOR, AS AMENDED FROM TIME TO TIME, TOGETHER
WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED
DIRECTLY OR INDIRECTLY THEREFROM.

Original Registering Party

CWB NATIONAL LEASING INC.

Address

1525 BUFFALO PLACE
WINNIPEG MB
R3T 1L9 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 184908N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	August 18, 2021 at 10:15:13 am Pacific time
Current Expiry Date and Time:	August 18, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information**DYNAMIC CAPITAL EQUIPMENT
FINANCE INC.****Address**208, 1824 GORDON DRIVE
KELOWNA BC
V1Y 0E2 Canada**Debtor Information****SKEENA SAWMILLS LTD.****Address**5330 16 HWY
TERRACE BC
V8G 0C6 Canada**Vehicle Collateral**

Type	Year	Make/Model	Serial/VIN/DOT Number
Trailer (TR)	1999	OPTIMIL CANTER LINE / -	63286

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

1999 OPTIMIL CANTER LINE C/W DOUBLE LENGTH INFEED, S/N 63286 LOG TURNER, 4 SIDED CANTER, SPLINE REMOVER, HORIZONTAL QUAD ARBOR EDGER, VERTICAL DOUBLE ARBOR EDGER, HYDRAULIC POWER UNITS TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS ,IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.

Original Registering Party

**DYNAMIC CAPITAL EQUIPMENT
FINANCE INC.**

Address

208, 1824 GORDON DRIVE
KELOWNA BC
V1Y 0E2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

HISTORY(Showing most recent first)

AMENDMENT

Registration Date and Time: August 18, 2021 at 10:40:55 am Pacific time
Registration Number: 184968N
Description: ADDRESS AMENDMENT

Debtor Information**SKEENA SAWMILLS LTD.**

ADDRESS CHANGED

Address

5330 16 HWY
TERRACE BC
V8G 0C6 Canada

Registering Party Information**DYNAMIC CAPITAL EQUIPMENT
FINANCE INC.****Address**

208, 1824 GORDON DRIVE
KELOWNA BC
V1Y 0E2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 184963N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	August 18, 2021 at 10:36:31 am Pacific time
Current Expiry Date and Time:	August 18, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION
(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information**DYNAMIC CAPITAL EQUIPMENT
FINANCE INC.****Address**208, 1824 GORDON DRIVE
KELOWNA BC
V1Y 0E2 Canada

Debtor Information**SKEENA SAWMILLS LTD.****Address**5330 16 HWY
TERRACE BC
V8G 0C6 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Trailer (TR)	1999	OPTIMIL CANTER LINE / -	63286
Motor Vehicle (MV)	2018	RAM / 2500	3C6TR5CT4JG273565
Motor Vehicle (MV)	2018	RAM / 2500	3C6TR5CT6JG273566
Motor Vehicle (MV)	2013	CATERPILLAR / 980K	CAT0980KCW7K01406
Motor Vehicle (MV)	2012	CATERPILLAR / 980K	CAT0980KCW7K01351
Motor Vehicle (MV)	2011	CATERPILLAR / 950H	CAT0950HTJAD01002
Motor Vehicle (MV)	2004	CATERPILLAR / 924G	CAT0924GCRTA00221
Motor Vehicle (MV)	2012	TAYLOR TX330M / -	S-GE-37856
Motor Vehicle (MV)	2013	HYUNDAI / H160D-7E	HHKHFT08HD0000955
Motor Vehicle (MV)	2012	HYUNDAI / 110D-7E	HHKHFT05KC0000188
Motor Vehicle (MV)	2010	DOOSAN / D90S-5	PA-00818
Motor Vehicle (MV)	2013	CHEVROLET / 2500HD	1GT02ZCGXDZ140209
Motor Vehicle (MV)	2013	GMC / 2500HD	1GT02ZCG2DZ163547
Motor Vehicle (MV)	2011	CHEVROLET / SILVERADO 2500	1GC1KVC5BF263802
Motor Vehicle (MV)	2011	CHEVROLET / SILVERADO 2500	1GC1KVC5BF256025

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

1999 OPTIMIL S/N 63286 CANTER LINE C/W DOUBLE LENGTH INFEED, LOG TURNER, 4 SIDED CANTER, SPLINE REMOVER, HORIZONTAL QUAD ARBOR EDGER, VERTICAL DOUBLE ARBOR EDGER, HYDRAULIC POWER UNITS 2018 RAM 2500 S/N 3C6TR5CT4JG273565 TRADESMAN 4X4 CREWCAB PICKUP TRUCK 2018 RAM 2500 S/N 3C6TR5CT6JG273566 TRADESMAN 4X4 CREWCAB ,PICKUP TRUCK 2013 CATERPILLAR 980K S/N CAT0980KCW7K01406 LOG LOADER C/W WBMM33 LOG GRAPPLE S/N 1W45785-1 2012 CATERPILLAR 980K S/N CAT0980KCW7K01351 LOG LOADER C/W CWS LOG GRAPPLE 2011 CATERPILLAR 950H S/N CAT0950HTJAD01002 FORKLIFT 2004 CATERPILLAR 924G S/N CAT0924GCRTA00221 FORKLIFT C/W MAST S/N M2S15W160LV02-HD 2012 TAYLOR ,TX330M S/N S-GE-37856 FORKLIFT 2013 HYUNDAI H160D-7E S/N HHKHFT08HD0000955 FORKLIFT 2012 HYUNDAI 110D-7E S/N HHKHFT05KC0000188 FORKLIFT 2010 DOOSAN D90S-5 S/N PA-00818 FORKLIFT 2013 CHEVROLET 2500HD S/N 1GT02ZCGXDZ140209 4X4 REGCAB PICKUP TRUCK 2013 GMC 2500HD S/N 1GT02ZCG2DZ163547 4X4 REGCAP PICKUP TRUCK 2011 CHEVROLET ,SILVERADO 2500HD S/N 1GC1KVC5BF263802 4X4 CREWCAB PICKUP TRUCK 2011 CHEVROLET SILVERADO 2500HD S/N 1GC1KVC5BF256025 4X4 CREWCAB PICKUP TRUCK TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES,ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ,ANY DEALING WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL. .

Original Registering Party

**DYNAMIC CAPITAL EQUIPMENT
FINANCE INC.**

Address

208, 1824 GORDON DRIVE
KELOWNA BC
V1Y 0E2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 282094N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	October 4, 2021 at 10:53:39 am Pacific time
Current Expiry Date and Time:	October 4, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION
(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information**DELTA CEDAR SPECIALTIES LTD.****Address**10104 RIVER ROAD
DELTA BC
V4C 2R3 Canada**Debtor Information****SKEENA SAWMILLS LTD.****Address**1518-1030 W. GEORGIA STREET
VANCOUVER BC
V6E 2Y3 Canada**Vehicle Collateral**

None

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

A SECURITY INTEREST IN ALL OF THE DEBTOR'S RIGHT, TITLE AND INTEREST BOTH PRESENT AND FUTURE, IN AND TO ALL OF ITS PRESENTLY OWNED OR HELD AND AFTER ACQUIRED OR HELD INVENTORY OF THE DEBTOR, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, LOGS, LUMBER, WOOD FIBER, WOOD CHIPS, GOODS ACQUIRED OR HELD FOR SALE OR LEASE OR ,FURNISHED OR TO BE FURNISHED UNDER CONTRACT, ALL RAW MATERIALS, WORK IN PROCESS, FINISHED GOODS, RETURNED GOODS, REPOSSESSED GOODS, AND ALL PACKAGING MATERIALS, SUPPLIES AND CONTAINERS RELATING TO OR USED OR CONSUMED IN CONNECTION WITH ANY OF THE FORE- GOING, BUT EXCLUDING BIOFUEL MATERIALS (SUCH AS SAWDUST, SHAVINGS ,AND HOG FUEL) AND ACCOUNTS RECEIVABLE (COLLECTIVELY,THE \COLLATERAL\), OF WHATSOEVER NATURE OR KIND AND WHERESOEVER SITUATE, AND IN AND TO ALL PROCEEDS AND RENEWALS THEREOF AND THEREFROM, ALL ACCRETIONS THERETO AND SUBSTITUTIONS THEREFOR.

Original Registering Party

SANGRA,MOLLER

Address

1000-925 GEORGIA ST.
VANCOUVER BC
V6C 3L2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 545347N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	February 17, 2022 at 1:16:59 pm Pacific time
Current Expiry Date and Time:	February 17, 2028 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information**CWB NATIONAL LEASING INC.****Address**1525 BUFFALO PLACE
WINNIPEG MB
R3T 1L9 Canada

Debtor Information**SKEENA BIOENERGY LTD.****Address**5402 HWY 16 W
TERRACE BC
V8G 0C6 Canada

SKEENA SAWMILLS**Address**5402 HWY 16 W
TERRACE BC
V8G 0C6 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Trailer (TR)	2011	Lode King / Hopper Bottom Super B Lead	2LDHG2838BF051278
Trailer (TR)	2011	Lode King / Hopper Bottom Super B Pup	2LDHG3029BF051279

General Collateral**Base Registration General Collateral:**

AGREEMENT NUMBER 3083833, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.

Original Registering Party**CWB NATIONAL LEASING INC.****Address**

1525 BUFFALO PLACE
WINNIPEG MB
R3T 1L9 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 903702N

Registration Description:	FORESTRY - CONTRACTOR LIEN
Act:	FORESTRY SERVICE PROVIDERS PROTECTION ACT
Base Registration Date and Time:	August 5, 2022 at 2:23:17 pm Pacific time
Current Expiry Date and Time:	August 5, 2032 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)

CURRENT REGISTRATION INFORMATION(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information**TIMBER BARON CONTRACTING
LTD.****Address**203-4650 LAZELLE AVENUE
BOX 1138
TERRACE BC
V8G 1S6 Canada

Debtor Information**SKEENA SAWMILLS LTD.****Address**5530 HIGHWAY 16 WEST
BOX 780
TERRACE BC
V8G 0C6 Canada

Vehicle Collateral

None

General Collateral

August 8, 2022 at 12:58:07 pm Pacific time

DELETED

ALL "FOREST PRODUCTS" OF THE DEBTOR, HELD BY THE DEBTOR PURSUANT TO THE FOREST ACT, R.S.B.C. 1996, C.157, INCLUDING FOREST PRODUCTS ACQUIRED BY THE DEBTOR AFTER "SERVICES" WERE PROVIDED FROM THE SECURED PARTY TO THE DEBTOR, AND INCLUDING BUT NOT LIMITED TO ALL FOREST PRODUCTS RELATED TO OR OTHERWISE HARVESTED, DERIVED, PRODUCED OR MANUFACTURED FROM OR UNDER: (A) TIMBER MARKS FD2 518 AND FD2 523; (B) TIMBER FARM LICENCE TFL 60; AND (C) BLOCK NIS002, AND BLOCK NIS005. WORDS IN QUOTATIONS HAVE THE MEANINGS ASCRIBED TO THEM IN THE FORESTRY SERVICE PROVIDERS PROTECTION ACT S.B.C. 2010, C.16.

ADDED

ALL "FOREST PRODUCTS" OF THE DEBTOR, HELD BY THE DEBTOR PURSUANT TO THE FOREST ACT, R.S.B.C. 1996, C.157, INCLUDING FOREST PRODUCTS ACQUIRED BY THE DEBTOR AFTER "SERVICES" WERE PROVIDED FROM THE SECURED PARTY TO THE DEBTOR, AND INCLUDING BUT NOT LIMITED TO ALL FOREST PRODUCTS RELATED TO OR OTHERWISE HARVESTED, DERIVED, PRODUCED OR MANUFACTURED FROM OR UNDER: (A) TIMBER MARKS FD2 518 AND FD2 523; (B) FOREST LICENCE A16882; AND (C) BLOCK NIS002, AND BLOCK NIS005. WORDS IN QUOTATIONS HAVE THE MEANINGS ASCRIBED TO THEM IN THE FORESTRY SERVICE PROVIDERS PROTECTION ACT S.B.C. 2010, C.16.

Base Registration General Collateral:

ALL "FOREST PRODUCTS" OF THE DEBTOR, HELD BY THE DEBTOR PURSUANT TO THE FOREST ACT, R.S.B.C. 1996, C.157, INCLUDING FOREST PRODUCTS ACQUIRED BY THE DEBTOR AFTER "SERVICES" WERE PROVIDED FROM THE SECURED PARTY TO THE DEBTOR, AND INCLUDING BUT NOT LIMITED TO ALL FOREST PRODUCTS RELATED TO OR OTHERWISE HARVESTED, DERIVED, PRODUCED OR MANUFACTURED FROM OR UNDER: (A) TIMBER MARKS FD2 518 AND FD2 523; (B) TIMBER FARM LICENCE TFL 60; AND (C) BLOCK NIS002, AND BLOCK NIS005. WORDS IN QUOTATIONS HAVE THE MEANINGS ASCRIBED TO THEM IN THE FORESTRY SERVICE PROVIDERS PROTECTION ACT S.B.C. 2010, C.16.

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

DLA PIPER (CANADA) LLP

Address

SUITE 2800 PARK PLACE
666 BURNARD STREET
VANCOUVER BC
V6C 2Z7 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

HISTORY

(Showing most recent first)

AMENDMENT - COLLATERAL AMENDED

Registration Date and Time: August 8, 2022 at 12:58:07 pm Pacific time
Registration Number: 906380N
Description: To replace all references to "TREE FARM LICENC 60" with "FOREST LICENCE A16882".

General Collateral

August 8, 2022 at 12:58:07 pm Pacific time

DELETED

ALL "FOREST PRODUCTS" OF THE DEBTOR, HELD BY THE DEBTOR PURSUANT TO THE FOREST ACT, R.S.B.C. 1996, C.157, INCLUDING FOREST PRODUCTS ACQUIRED BY THE DEBTOR AFTER "SERVICES" WERE PROVIDED FROM THE SECURED PARTY TO THE DEBTOR, AND INCLUDING BUT NOT LIMITED TO ALL FOREST PRODUCTS RELATED TO OR OTHERWISE HARVESTED, DERIVED, PRODUCED OR MANUFACTURED FROM OR UNDER: (A) TIMBER MARKS FD2 518 AND FD2 523; (B) TIMBER FARM LICENCE TFL 60; AND (C) BLOCK NIS002, AND BLOCK NIS005. WORDS IN QUOTATIONS HAVE THE MEANINGS ASCRIBED TO THEM IN THE FORESTRY SERVICE PROVIDERS PROTECTION ACT S.B.C. 2010, C.16.

ADDED

ALL "FOREST PRODUCTS" OF THE DEBTOR, HELD BY THE DEBTOR PURSUANT TO THE FOREST ACT, R.S.B.C. 1996, C.157, INCLUDING FOREST PRODUCTS ACQUIRED BY THE DEBTOR AFTER "SERVICES" WERE PROVIDED FROM THE SECURED PARTY TO THE DEBTOR, AND INCLUDING BUT NOT LIMITED TO ALL FOREST PRODUCTS RELATED TO OR OTHERWISE HARVESTED, DERIVED, PRODUCED OR MANUFACTURED FROM OR UNDER: (A) TIMBER MARKS FD2 518 AND FD2 523; (B) FOREST LICENCE A16882; AND (C) BLOCK NIS002, AND BLOCK NIS005. WORDS IN QUOTATIONS HAVE THE MEANINGS ASCRIBED TO THEM IN THE FORESTRY SERVICE PROVIDERS PROTECTION ACT S.B.C. 2010, C.16.

PERSONAL PROPERTY REGISTRY SEARCH RESULT

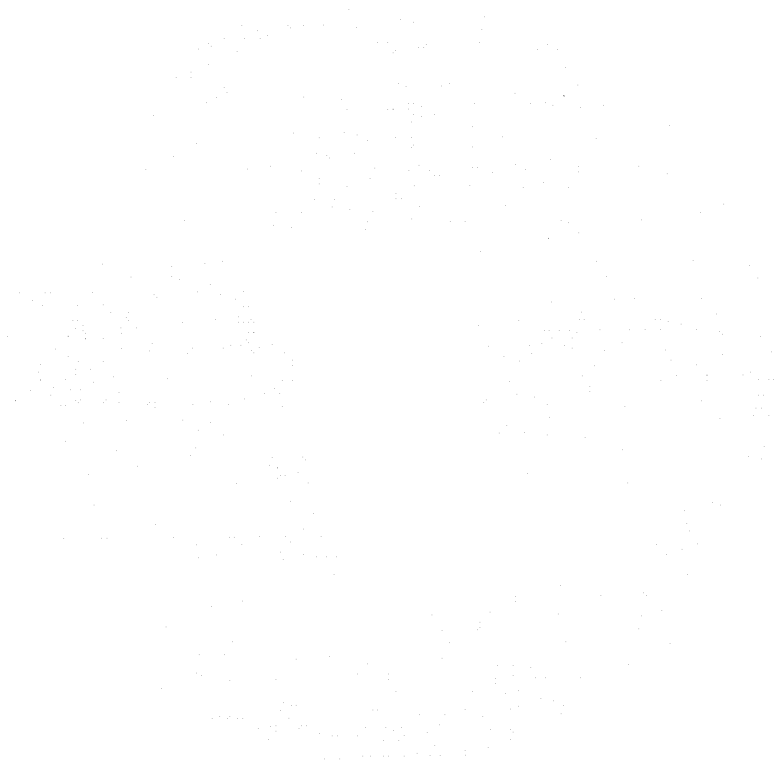
BC Registries and Online Services

Registering Party Information

DLA PIPER (CANADA) LLP

Address

SUITE 2800 PARK PLACE
666 BARRARD STREET
VANCOUVER BC
V6C 2Z7 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 903703N

Registration Description:	FORESTRY - CONTRACTOR CHARGE
Act:	FORESTRY SERVICE PROVIDERS PROTECTION ACT
Base Registration Date and Time:	August 5, 2022 at 2:23:34 pm Pacific time
Current Expiry Date and Time:	August 5, 2032 at 11:59:59 pm Pacific time
	Expiry date includes subsequent registered renewal(s)

CURRENT REGISTRATION INFORMATION(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information**TIMBER BARON CONTRACTING
LTD.****Address**203-4650 LAZELLE AVENUE
BOX 1138
TERRACE BC
V8G 1S6 Canada

Debtor Information**SKEENA SAWMILLS LTD.****Address**5530 HIGHWAY 16 WEST
BOX 780
TERRACE BC
V8G 0C6 Canada

Vehicle Collateral

None

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

THIS CONTRACTOR'S CHARGE ATTACHES TO ALL OF THE PRESENT AND AFTER-ACQUIRED ACCOUNTS DUE TO THE DEBTOR AS CONTEMPLATED IN SECTION 6 OF THE FORESTRY SERVICE PROVIDERS PROTECTION ACT S.B.C., C.16.

Original Registering Party

DLA PIPER (CANADA) LLP

Address

SUITE 2800 PARK PLACE
666 BURRARD STREET
VANCOUVER BC
V6C 2Z7 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 294187P

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 10, 2023 at 4:41:15 pm Pacific time
Current Expiry Date and Time:	January 10, 2028 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information**1392752 B.C. LTD.****Address**1600 - 925 WEST GEORGIA STREET
VANCOUVER BC
V6C 3L2 Canada

Debtor Information**SKEENA SAWMILLS LTD.****Address**1518, 1030 WEST GEORGIA STREET
VANCOUVER BC
V6E 2Y3 Canada

Vehicle Collateral

None

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THEREOF, INCLUDING WITHOUT LIMITATION ALL RIGHT, TITLE AND INTEREST OF THE DEBTOR IN AND TO ALL GOODS (INCLUDING ALL ACCESSORIES, ATTACHMENTS, ADDITIONS AND ACCESSIONS THERETO), CHATTEL PAPER, INVESTMENT PROPERTY, DOCUMENTS OF TITLE (WHETHER NEGOTIABLE OR NOT), INSTRUMENTS, INTANGIBLES, LICENCES, MONEY AND SECURITIES, IN EACH CASE WHETHER NOW OWNED OR EXISTING OR HEREAFTER ACQUIRED, CREATED OR ARISING, AND WHEREVER LOCATED.

PROCEEDS: ANY AND ALL "GOODS", "INTANGIBLES", "CHATTEL PAPER", "DOCUMENTS OF TITLE", "INSTRUMENTS", "MONEY" AND "INVESTMENT PROPERTY" (AS SUCH TERMS ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA) AS AMENDED OR REPLACED FROM TIME TO TIME) CONSTITUTING PROCEEDS OF ANY OR ALL OF THE FOREGOING COLLATERAL, INCLUDING PROCEEDS OF PROCEEDS.

Original Registering Party

LAWSON LUNDELL

Address

925 WEST GEORGIA STREET
SUITE 1600
VANCOUVER BC
V6C 3L2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 313007P

Registration Description:	CROWN CHARGE FILED PURSUANT TO FOREST ACT
Act:	MISCELLANEOUS REGISTRATIONS ACT
Base Registration Date and Time:	January 20, 2023 at 2:12:03 pm Pacific time
Current Expiry Date and Time:	Never

CURRENT REGISTRATION INFORMATION(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information**HER MAJESTY THE QUEEN IN THE
RIGHT OF THE PROVINCE OF
BRITISH COLUMBIA****Address**1802 DOUGLAS STREET
VICTORIA BC
V8T 4K6 Canada

Debtor Information**SKEENA SAWMILLS LTD.****Address**5330 HWY 16 W
TERRACE BC
V8G 0C6 Canada

Vehicle Collateral

None

General Collateral**Base Registration General Collateral:**

All timber, lumber, veneer, plywood, pulp, newsprint, special forest products and wood residue plus all other chattels or an interest in them owned by the parties identified.

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

**RECEIVABLES MANAGEMENT
OFFICE - ADRIAN PHILION**

Address

1802 DOUGLAS ST 6TH FLOOR
VICTORIA BC
V8T 4K6 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 350830P

Registration Description:	FORESTRY - CONTRACTOR LIEN
Act:	FORESTRY SERVICE PROVIDERS PROTECTION ACT
Base Registration Date and Time:	February 9, 2023 at 1:24:53 pm Pacific time
Current Expiry Date and Time:	February 9, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information**DEUCE CREEK CONTRACTING LTD.****Address**C/O #202 - 444 VICTORIA STREET
KAMLOOPS BC
V2C 2A7 Canada**Debtor Information****SKEENA SAWMILLS LTD.****Address**1600 CATHEDRAL PLACE
925 WEST GEORGIA STREET
VANCOUVER BC
V6C 3L2 Canada**Vehicle Collateral**

None

General Collateral**Base Registration General Collateral:**

Forest products belonging to the debtor, including forest products acquired by the debtor after the secured party's services were provided.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

**DRAYTON LAW FIRM LAW
CORPORATION**

Address

#202 - 444 VICTORIA STREET
KAMLOOPS BC
V2C 2A7 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 350833P

Registration Description:	FORESTRY - CONTRACTOR CHARGE
Act:	FORESTRY SERVICE PROVIDERS PROTECTION ACT
Base Registration Date and Time:	February 9, 2023 at 1:27:57 pm Pacific time
Current Expiry Date and Time:	February 9, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information**DEUCE CREEK CONTRACTING LTD.****Address**

C/O #202 - 444 VICTORIA STREET
KAMLOOPS BC
V2C 2A7 Canada

Debtor Information**SKEENA SAWMILLS LTD.****Address**

1600 CATHEDRAL PLACE
925 WEST GEORGIA STREET
VANCOUVER BC
V6C 3L2 Canada

Vehicle Collateral

None

General Collateral**Base Registration General Collateral:**

All accounts due to the debtor (within the meaning of Section 6 of the *Forestry Service Providers Protection Act*). The amount due to the secured party as of the date of filing is \$151,561.16.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

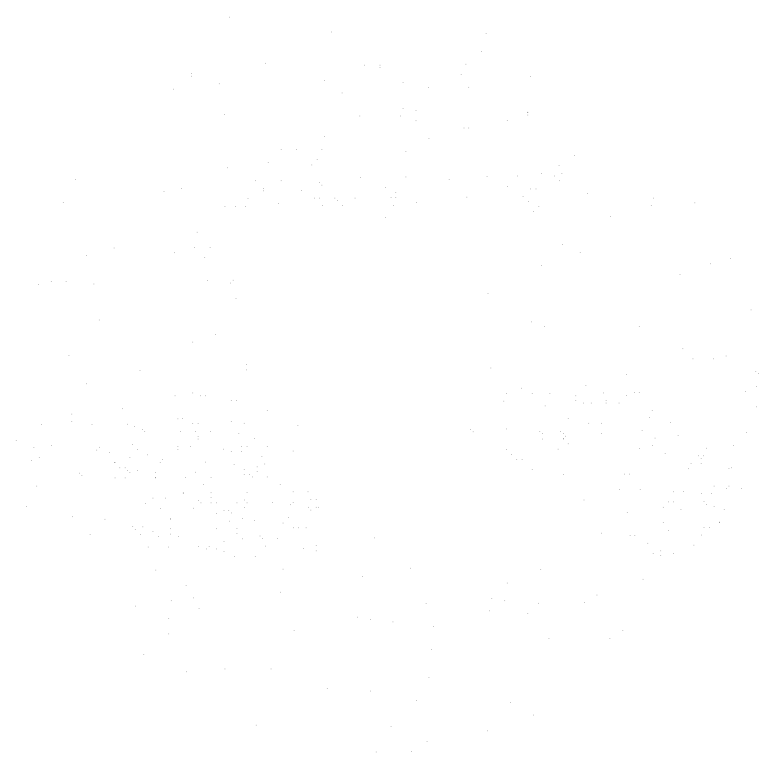
BC Registries and Online Services

Original Registering Party

**DRAYTON LAW FIRM LAW
CORPORATION**

Address

#202 - 444 VICTORIA STREET
KAMLOOPS BC
V2C 2A7 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 427844P

Registration Description:	FORESTRY - CONTRACTOR CHARGE
Act:	FORESTRY SERVICE PROVIDERS PROTECTION ACT
Base Registration Date and Time:	March 22, 2023 at 10:07:26 am Pacific time
Current Expiry Date and Time:	March 22, 2026 at 11:59:59 pm Pacific time
	Expiry date includes subsequent registered renewal(s)

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information**INFINITY WEST ENTERPRISES INC.****Address**

C/O #202 - 444 VICTORIA STREET
KAMLOOPS BC
V2C 2A7 Canada

Debtor Information**SKEENA SAWMILLS LTD.****Address**

1600 CATHEDRAL PLACE
925 WEST GEORGIA STREET
VANCOUVER BC
V6C 3L2 Canada

Vehicle Collateral

None

General Collateral**Base Registration General Collateral:**

All accounts due to the debtor (within the meaning of Section 6 of the *Forestry Service Providers Protection Act*). The amount due to the secured party as of the date of filing is \$160,187.62.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

**DRAYTON LAW FIRM LAW
CORPORATION**

Address

#202 - 444 VICTORIA STREET
KAMLOOPS BC
V2C 2A7 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 427848P

Registration Description:	FORESTRY - CONTRACTOR LIEN
Act:	FORESTRY SERVICE PROVIDERS PROTECTION ACT
Base Registration Date and Time:	March 22, 2023 at 10:08:22 am Pacific time
Current Expiry Date and Time:	March 22, 2026 at 11:59:59 pm Pacific time
	Expiry date includes subsequent registered renewal(s)

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information**INFINITY WEST ENTERPRISES INC.****Address**

C/O #202 - 444 VICTORIA STREET
KAMLOOPS BC
V2C 2A7 Canada

Debtor Information**SKEENA SAWMILLS LTD.****Address**

1600 CATHEDRAL PLACE
925 WEST GEORGIA STREET
VANCOUVER BC
V6C 3L2 Canada

Vehicle Collateral

None

General Collateral**Base Registration General Collateral:**

Forest products belonging to the debtor, including forest products acquired by the debtor after the secured party's services were provided.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

**DRAYTON LAW FIRM LAW
CORPORATION**

Address

#202 - 444 VICTORIA STREET
KAMLOOPS BC
V2C 2A7 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 436815P

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	March 27, 2023 at 2:16:21 pm Pacific time
Current Expiry Date and Time:	March 27, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information**THE BANK OF NOVA SCOTIA****Address**10 WRIGHT BOULEVARD
STRATFORD ON
N5A 7X9 Canada**Debtor Information****SKEENA SAWMILLS LTD.****Address**5330 16 HW
TERRACE BC
V8G 0C6 Canada**Vehicle Collateral**

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2020	Buick / Encore	KL4CJESBXLB062269

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

OUR SECURITY INTEREST IS LIMITED TO THE MOTOR VEHICLES LISTED ABOVE AND THE PROCEEDS OF THOSE VEHICLES

Original Registering Party

D + H LIMITED PARTNERSHIP

Address

2 ROBERT SPECK PARKWAY, 15TH FLOOR
MISSISSAUGA ON
L4Z 1H8 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 507680P

Registration Description:	FORESTRY - CONTRACTOR LIEN
Act:	FORESTRY SERVICE PROVIDERS PROTECTION ACT
Base Registration Date and Time:	May 1, 2023 at 3:17:09 pm Pacific time
Current Expiry Date and Time:	May 1, 2024 at 11:59:59 pm Pacific time
	Expiry date includes subsequent registered renewal(s)

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information

ANTLER CREEK CONTRACTING LTD.	Address
	3550 HWY 16 E THORNHILL BC V8G 5J3 Canada

Debtor Information

SKEENA SAWMILLS LTD.	Address
	5330 HWY 16 W TERRACE BC V8G 0C6 Canada

Vehicle Collateral

None

General Collateral**Base Registration General Collateral:**

Forest Products



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

JENKINS MARZBAN LOGAN LLP

Address

SUITE 900
808 NELSON ST
VANCOUVER BC
V6Z 2H2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 507684P

Registration Description:	FORESTRY - CONTRACTOR CHARGE
Act:	FORESTRY SERVICE PROVIDERS PROTECTION ACT
Base Registration Date and Time:	May 1, 2023 at 3:19:32 pm Pacific time
Current Expiry Date and Time:	May 1, 2024 at 11:59:59 pm Pacific time
	Expiry date includes subsequent registered renewal(s)

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information

ANTLER CREEK CONTRACTING LTD.	Address
	3550 HWY 16 E THORNHILL BC V8G 5J3 Canada

Debtor Information

SKEENA SAWMILLS LTD.	Address
	5330 HWY 16 W TERRACE BC V8G 0C6 Canada

Vehicle Collateral

None

General Collateral**Base Registration General Collateral:**

Forest Products



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

JENKINS MARZBAN LOGAN LLP

Address

SUITE 900
808 NELSON ST
VANCOUVER BC
V6Z 2H2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 541647P

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	May 17, 2023 at 7:51:45 am Pacific time
Current Expiry Date and Time:	May 17, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information**TIMBER TRACKS INC.****Address**310 VANCOUVER ST
PRINCE GEORGE BC
V2L 2N9 Canada**Debtor Information****SKEENA SAWMILLS LTD.****Address**1518-1030 GEORGIA ST W
VANCOUVER BC
V6E 2Y3 Canada**Vehicle Collateral**

None

General Collateral**Base Registration General Collateral:**

All present and future acquired assets.

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

PNL CONSULTING INC.

Address

310 VANCOUVER STREET
PRINCE GEORGE BC
V2L 2N9 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 660141P

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	July 12, 2023 at 12:14:33 pm Pacific time
Current Expiry Date and Time:	July 12, 2028 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information**BANK OF MONTREAL/BANQUE DE
MONTREAL****Address**250 YONGE STREET, 9TH FLOOR
TORONTO ON
M5B 2L7 Canada**Debtor Information****SKEENA SAWMILLS LTD.****Address**1030 W GEORGIA ST UNIT 1518
VANCOUVER BC
V6E 2Y3 Canada**Vehicle Collateral**

None

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

LF269 Pledge of instrument, assignment of proceeds instrument described as Guaranteed Investment Certificate including all renewals and replacements thereof, substitutions therefor accretions thereto and interest, income and money therefrom and all proceeds thereof and therefrom including accounts.

GIC# 00064760286

Amount \$25000.00

Original Registering Party

D + H LIMITED PARTNERSHIP

Address

2 ROBERT SPECK PARKWAY, 15TH FLOOR
MISSISSAUGA ON
L4Z 1H8 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 757548P

Registration Description:	FORESTRY - CONTRACTOR LIEN
Act:	FORESTRY SERVICE PROVIDERS PROTECTION ACT
Base Registration Date and Time:	August 29, 2023 at 3:49:03 pm Pacific time
Current Expiry Date and Time:	August 29, 2024 at 11:59:59 pm Pacific time
	Expiry date includes subsequent registered renewal(s)

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information

ANTLER CREEK CONTRACTING LTD.	Address
	3550 HWY 16 E THORNHILL BC V8G 5J3 Canada

Debtor Information

SKEENA SAWMILLS LTD.	Address
	5330 HWY 16 W TERRACE BC V8G 0C6 Canada

Vehicle Collateral

None

General Collateral**Base Registration General Collateral:**

"Forest Products" belonging to the debtor, including forest products acquired by the debtor after the secured party's services were provided to the debtor. Words in quotations have the meanings ascribed to them in the *Forestry Service Providers Protection Act* SBC 2010, c.16.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

JENKINS MARZBAN LOGAN LLP

Address

SUITE 900
808 NELSON ST
VANCOUVER BC
V6Z 2H2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 757558P

Registration Description:	FORESTRY - CONTRACTOR CHARGE
Act:	FORESTRY SERVICE PROVIDERS PROTECTION ACT
Base Registration Date and Time:	August 29, 2023 at 3:50:24 pm Pacific time
Current Expiry Date and Time:	August 29, 2024 at 11:59:59 pm Pacific time
	Expiry date includes subsequent registered renewal(s)

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:25:23 am Pacific time)

Secured Party Information

ANTLER CREEK CONTRACTING LTD.	Address
	3550 HWY 16 E THORNHILL BC V8G 5J3 Canada

Debtor Information

SKEENA SAWMILLS LTD.	Address
	5330 HWY 16 W TERRACE BC V8G 0C6 Canada

Vehicle Collateral

None

General Collateral**Base Registration General Collateral:**

All accounts due to the debtor (within the meaning of Section 6 of the *Forestry Service Providers Protection Act* SBC 2010, c.16)

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

JENKINS MARZBAN LOGAN LLP

Address

SUITE 900
808 NELSON ST
VANCOUVER BC
V6Z 2H2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "Skeena Bioenergy Ltd."

Search Date and Time: September 5, 2023 at 9:26:16 am Pacific time
Account Name: LAWSON LUNDELL
Folio Number: 110360-168504

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8 Matches in 7 Registrations in Report

Exact Matches: 8 (*)

Total Search Report Pages: 16

	Base Registration	Base Registration Date	Debtor Name	Page
1	<u>608762K</u>	March 6, 2018	* SKEENA BIOENERGY LTD.	<u>2</u>
2	<u>948953L</u>	December 12, 2019	* SKEENA BIOENERGY CORPORATION	<u>5</u>
3	<u>007610M</u>	January 16, 2020	* SKEENA BIOENERGY LTD. * SKEENA BIOENERGY LTD.	<u>7</u>
4	<u>170285N</u>	August 11, 2021	* SKEENA BIOENERGY LTD.	<u>9</u>
5	<u>545347N</u>	February 17, 2022	* SKEENA BIOENERGY LTD.	<u>11</u>
6	<u>294189P</u>	January 10, 2023	* SKEENA BIOENERGY LTD.	<u>13</u>
7	<u>323463P</u>	January 26, 2023	* SKEENA BIOENERGY LTD.	<u>15</u>

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 608762K

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	March 6, 2018 at 12:56:06 pm Pacific time
Current Expiry Date and Time:	March 6, 2028 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION(as of September 5, 2023 at 9:26:16 am Pacific time)

Secured Party Information**THE BANK OF NOVA SCOTIA****Address**4715 TAHOE BOULEVARD
MISSISSAUGA ON
L4W 0B4 Canada

Debtor Information**SKEENA BIOENERGY LTD.****Address**5330 HWY 16 WEST
TERRACE BC
V8G 4R1 Canada

Vehicle Collateral

None

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S RIGHT, TITLE AND INTEREST IN AND TO THE INDEBTEDNESS, ABSOLUTE OR CONTINGENT, OF SKEENA BIOENERGY LTD. TO THE SECURED PARTY IN THE AMOUNT OF 3,000,000.00 ARISING FROM FUNDS HELD ON DEPOSIT INCLUDING WITHOUT LIMITATION A SECURITY OR INSTRUMENT EVIDENCING SUCH INDEBTEDNESS.

Original Registering Party

THE BANK OF NOVA SCOTIA

Address

4715 TAHOE BOULEVARD
MISSISSAUGA ON
L4W 0B4 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

HISTORY(Showing most recent first)

RENEWAL

Registration Date and Time: February 6, 2023 at 6:07:29 am Pacific time
Registration Number: 341613P
Registration Life: 5 Years
New Expiration Date and Time: March 6, 2028 at 11:59:59 pm Pacific time

Registering Party Information**D & H LIMITED PARTNERSHIP****Address**

4126 NORLAND AVENUE, SUITE 201
BURNABY BC
V5G 3S8 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 948953L

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	December 12, 2019 at 11:57:07 am Pacific time
Current Expiry Date and Time:	December 12, 2023 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:26:16 am Pacific time)

Secured Party Information

MERIDIAN ONECAP CREDIT CORP.	Address SUITE 1500, 4710 KINGSWAY BURNABY BC V5H 4M2 Canada
-------------------------------------	---

Debtor Information

SKEENA BIOENERGY CORPORATION	Address 5330 HIGHWAY 16 WEST TERRACE BC V8G 0C6 Canada
-------------------------------------	--

SKEENA SAWMILLS LTD.	Address 1518 - 1030 WEST GEORGIA STREE VANCOUVER BC V6E 2Y3 Canada
-----------------------------	--

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2006	DOOSAN / G30P	KQ-01256

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

FORKLIFT(S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS
SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM
DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A
RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR
LOSS OR DAMAGE TO ,THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

Original Registering Party

AVS SYSTEMS INC.

Address

201-1325 POLSON DR.
VERNON BC
V1T 8H2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 007610M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 16, 2020 at 8:03:12 am Pacific time
Current Expiry Date and Time:	January 16, 2025 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:26:16 am Pacific time)

Secured Party Information

**CATERPILLAR FINANCIAL SERVICES
LIMITED**

Address

3457 SUPERIOR COURT UNIT 2
OAKVILLE ON
L6L 0C4 Canada

Debtor Information

SKEENA BIOENERGY LTD.

Address

5330 HIGHWAY WEST
TERRACE BC
V8G 4R1 Canada

SKEENA BIOENERGY LTD.

Address

5402 HIGHWAY 16 WEST
TERRACE BC
V8G 4R1 Canada

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2019	CATERPILLAR / 924K	CAT0924KHSNZ00893

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

ONE (1) CATERPILLAR 924K SMALL WHEEL LOADER CW GENERAL PURPOSE BUCKET PALLET FORKS 48\ WITH CARRIAGE TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVEMENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH ,COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS MEANS GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.

Original Registering Party

AVS SYSTEMS INC.

Address

201-1325 POLSON DR.
VERNON BC
V1T 8H2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 170285N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	August 11, 2021 at 10:11:39 am Pacific time
Current Expiry Date and Time:	August 11, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of September 5, 2023 at 9:26:16 am Pacific time)

Secured Party Information

CWB NATIONAL LEASING INC.

Address

1525 BUFFALO PLACE
WINNIPEG MB
R3T 1L9 Canada

Debtor Information

SKEENA BIOENERGY LTD.

Address

5402 HWY 16 WEST
TERRACE BC
V8G 0C6 Canada

SKEENA SAWMILLS

Address

5402 HWY 16 WEST
TERRACE BC
V8G 0C6 Canada

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2021	BCX3 1549 FMD TM CONVEYOR / -	BA03B122102648

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

ALL CONVEYOR OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 3065838,
BETWEEN THE SECURED PARTY AND THE DEBTOR, AS AMENDED FROM TIME TO TIME, TOGETHER
WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED
DIRECTLY OR INDIRECTLY THEREFROM.

Original Registering Party

CWB NATIONAL LEASING INC.

Address

1525 BUFFALO PLACE
WINNIPEG MB
R3T 1L9 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 545347N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	February 17, 2022 at 1:16:59 pm Pacific time
Current Expiry Date and Time:	February 17, 2028 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION
(as of September 5, 2023 at 9:26:16 am Pacific time)

Secured Party Information**CWB NATIONAL LEASING INC.****Address**1525 BUFFALO PLACE
WINNIPEG MB
R3T 1L9 Canada**Debtor Information****SKEENA BIOENERGY LTD.****Address**5402 HWY 16 W
TERRACE BC
V8G 0C6 Canada**SKEENA SAWMILLS****Address**5402 HWY 16 W
TERRACE BC
V8G 0C6 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Vehicle Collateral

Type	Year	Make/Model	Serial/VIN/DOT Number
Trailer (TR)	2011	Lode King / Hopper Bottom Super B Lead	2LDHGG2838BF051278
Trailer (TR)	2011	Lode King / Hopper Bottom Super B Pup	2LDHGG3029BF051279

General Collateral**Base Registration General Collateral:**

AGREEMENT NUMBER 3083833, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.

Original Registering Party**CWB NATIONAL LEASING INC.****Address**

1525 BUFFALO PLACE
WINNIPEG MB
R3T 1L9 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 294189P

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 10, 2023 at 4:44:14 pm Pacific time
Current Expiry Date and Time:	January 10, 2028 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION
(as of September 5, 2023 at 9:26:16 am Pacific time)

Secured Party Information**1392752 B.C. LTD.****Address**1600 - 925 WEST GEORGIA STREET
VANCOUVER BC
V6C 3L2 Canada

Debtor Information**SKEENA BIOENERGY LTD.****Address**1518, 1030 WEST GEORGIA STREET
VANCOUVER BC
V6E 2Y3 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THEREOF, INCLUDING WITHOUT LIMITATION ALL RIGHT, TITLE AND INTEREST OF THE DEBTOR IN AND TO ALL GOODS (INCLUDING ALL ACCESSORIES, ATTACHMENTS, ADDITIONS AND ACCESSIONS THERETO), CHATTEL PAPER, INVESTMENT PROPERTY, DOCUMENTS OF TITLE (WHETHER NEGOTIABLE OR NOT), INSTRUMENTS, INTANGIBLES, LICENCES, MONEY AND SECURITIES, IN EACH CASE WHETHER NOW OWNED OR EXISTING OR HEREAFTER ACQUIRED, CREATED OR ARISING, AND WHEREVER LOCATED.

PROCEEDS: ANY AND ALL "GOODS", "INTANGIBLES", "CHATTEL PAPER", "DOCUMENTS OF TITLE", "INSTRUMENTS", "MONEY" AND "INVESTMENT PROPERTY" (AS SUCH TERMS ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA) AS AMENDED OR REPLACED FROM TIME TO TIME) CONSTITUTING PROCEEDS OF ANY OR ALL OF THE FOREGOING COLLATERAL, INCLUDING PROCEEDS OF PROCEEDS.

Original Registering Party

LAWSON LUNDELL

Address

925 WEST GEORGIA STREET
SUITE 1600
VANCOUVER BC
V6C 3L2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 323463P

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 26, 2023 at 12:27:12 pm Pacific time
Current Expiry Date and Time:	January 26, 2024 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION(as of September 5, 2023 at 9:26:16 am Pacific time)

Secured Party Information**STARDUST CONTRACTING LTD.****Address**333 ONGMAN RD
PRINCE GEORGE BC
V2K 4K9 Canada

Debtor Information**SKEENA BIOENERGY LTD.****Address**1600-925 GEORGIA ST W
VANCOUVER BC
V6C 3L2 Canada

Vehicle Collateral

None

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY WHEREVER SITUATE INCLUDING BUT NOT LIMITED TO GOODS (INCLUDING INVENTORY, EQUIPMENT (EQUIPMENT INCLUDES, WITHOUT LIMITATION, MACHINERY, TOOLS, APPARATUS, PLANT, FURNITURE, FIXTURES, AIRCRAFT AND GOODS) CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, INTANGIBLES, MONEY AND SECURITIES INCLUDING THE PROCEEDS OF SALE OF ANY OF THE FOREGOING:

TO THE EXTENT OF \$26,564.17 UNDER THE PROVISIONS OF THE FOREST SERVICE PROVIDERS PROTECTION ACT.

Original Registering Party

GR BROWN LAW CORPORATION

Address

330 500 VICTORIA STREET
PRINCE GEORGE BC
V2L 2J9 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "ROC Holdings Ltd."

Search Date and Time: September 5, 2023 at 9:24:38 am Pacific time
Account Name: LAWSON LUNDELL
Folio Number: 110360-168504

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1 Match in 1 Registration in Report

Exact Matches: 1 (*)

Total Search Report Pages: 3

	Base Registration	Base Registration Date	Debtor Name	Page
1	<u>294186P</u>	January 10, 2023	* ROC HOLDINGS LTD.	<u>2</u>

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 294186P

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 10, 2023 at 4:38:35 pm Pacific time
Current Expiry Date and Time:	January 10, 2028 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION
(as of September 5, 2023 at 9:24:38 am Pacific time)

Secured Party Information**1392752 B.C. LTD.****Address**1600 - 925 WEST GEORGIA STREET
VANCOUVER BC
V6C 3L2 Canada**Debtor Information****ROC HOLDINGS LTD.****Address**1518, 1030 WEST GEORGIA STREET
VANCOUVER BC
V6E 2Y3 Canada**Vehicle Collateral**

None

General Collateral**Base Registration General Collateral:**ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS
THEREOF, AND AN UNCRYSTALLIZED FLOATING CHARGE ON LAND.

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

LAWSON LUNDELL

Address

925 WEST GEORGIA STREET
SUITE 1600
VANCOUVER BC
V6C 3L2 Canada

Subject: RE: EXT - 48 Hour Disconnection Notice - Skeena Bioenergy Ltd. - Please contact us ASAP to make payment arrangements

From: Doug Allen <dallen@png.ca>

Sent: Friday, September 1, 2023 11:57 AM

To: Greg Demille <Greg.Demille@skeenasawmills.com>; Lindsay Moyle <Lindsay.Moyle@skeenasawmills.com>

Cc: Gordon Doyle <gdoyle@png.ca>; David Keir <dkeir@png.ca>; Jeremy Myttenar <jmyttenar@png.ca>; Lorelee Bennett <lbennett@png.ca>; Julia Lu <jlu@png.ca>

Subject: EXT - 48 Hour Disconnection Notice - Skeena Bioenergy Ltd. - Please contact us ASAP to make payment arrangements

Greg and Lindsay,

I am contacting you with regard to the outstanding balance of \$180,246.96 that was due on August 16th, 2023 and is now overdue. While we appreciate your cash challenges and the updates that Lindsay has provided, PNG and its ratepayers are not responsible to support your working capital requirements. Skeena Bioenergy Ltd. has demonstrated a pattern of repeated non-compliance with our standard payment terms and agreed-to repayment schedules. PNG is no longer willing to tolerate this risk.

In accordance with section 20.1 of PNG's regulated Gas Sales tariff, this email provides written notice that Skeena Bioenergy Ltd. has not fully paid its Pacific Northern Gas' bill by the due date with respect to Services provided. PNG has the right to discontinue Service to Skeena Bioenergy Ltd. without further notice. To avoid disconnection, please contact me or Jeremy immediately to arrange payment by **September 8, 2023**.

Please note that in the event of disconnection, pursuant to Section 6.1 of PNG's Gas Sales Tariff, a Security Deposit (equivalent to the two highest consecutive months of gas consumption) will be required before gas service is reinstated. In a review of your 2022 billings, the estimated Security Deposit amount is \$630,000. Security deposits held by PNG as cash earn interest at BMO Bank prime rate minus 2% (currently 5.2%).

We look forward to hearing from you soon so that this overdue balance can be settled and disconnection avoided.

Thanks!

Doug

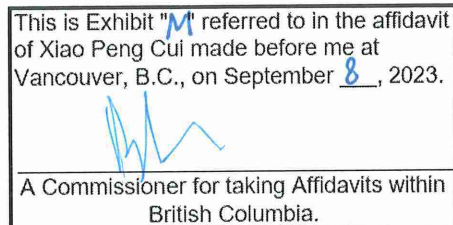
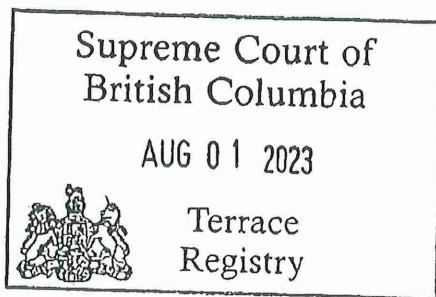
Doug Allen, CPA, CA | Vice President Finance
Pacific Northern Gas Ltd.
 750 - 888 Dunsmuir Street | Vancouver, BC | V6C 3K4
 Direct: 604-691-5689 | Cell: 604-353-1473 | Fax: 604-697-6210
 dallen@png.ca



This email may contain confidential information which may be protected by legal privilege. If you are not the intended recipient, please immediately notify us by reply email or by telephone.
 Delete this email and destroy any copies.

This is Exhibit "L" referred to in the affidavit of Xiao Peng Cui made before me at Vancouver, B.C., on September 8, 2023.

A Commissioner for taking Affidavits within
 British Columbia.



No. 21858
Terrace Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

TIMBER BARON CONTRACTING LTD.

PLAINTIFF

AND:

SKEENA SAWMILLS LTD.

DEFENDANT

NOTICE OF CIVIL CLAIM

This action has been started by the plaintiff for the relief set out in Part 2 below.

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

- (a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim on the plaintiff.

If you intend to make a counterclaim, you or your lawyer must

- (a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

Time for response to civil claim

A response to civil claim must be filed and served on the plaintiff(s),

- 2 -

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

CLAIM OF THE PLAINTIFF

Part 1: STATEMENT OF FACTS

Background

1. The plaintiff Timber Baron Contracting Ltd. ("**Timber Baron**") is a company incorporated under the laws of British Columbia, with an address for service in this action c/o DLA Piper (Canada) LLP, 1133 Melville St, Suite 2700, Vancouver, British Columbia, V6E 4E5.
2. The defendant Skeena Sawmills Ltd. ("**Skeena**") is a company incorporated under the laws of British Columbia, with an address for service at 1600 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2.
3. Skeena is the holder of Forest Licence A16882 (the "**Licence**"), and is a "licence holder" within the meaning of the *Regulation*.
4. Timber Baron and Skeena entered into a written Replaceable Interior Timber Harvesting Contract effective January 1, 2016 (the "**Contract**") for the provision of timber harvesting, road building and related services. The Contract is a replaceable contract within the meaning of the *Timber Harvesting Contract and Subcontract Regulation*, BC Reg. 22/96, as amended (the "**Regulation**"). Timber Baron is the contractor under the Contract.

- 3 -

5. The term of the Contract expired on December 31, 2020. Timber Baron and Skeena have since been negotiating the terms of a replacement contract. In the absence of agreement on a replacement contract, the Contract continues to govern the relationship between the parties.
6. Timber Baron and Skeena have not been able to agree on rates for a number of cut blocks subject to the Contract, and the parties have rate disputes for which arbitration proceedings are pending.
7. Timber Baron has also commenced dispute resolution proceedings against Skeena to collect monies owing to Timber Baron by Skeena for work performed under the Contract, among other claims. Disputes under the Contract are subject to mediation and arbitration.
8. A mediation session was held on November 1, 2022, which resulted in an agreement between Skeena and Timber Baron under which Skeena agreed to make certain payments to Timber Baron on specified dates ("**Mediation Agreement**"). Specifically, Skeena agreed to pay to Timber Baron:
 - (a) \$130,000 on November 25, 2022;
 - (b) \$130,000 on December 24, 2022;
 - (c) \$130,000 on January 25, 2023;
 - (d) \$130,000 on February 25, 2023;
 - (e) \$130,000 on March 25, 2023; and
 - (f) \$121,331.09 on April 25, 2023.

(the "**Payments**")

9. The Mediation Agreement also provides that the balance owing on the Payments will accrue interest at a simple rate of 5% per annum, in accordance with the Contract.

- 4 -

10. In addition to a \$130,000 payment on or about November 25, 2022 and a \$130,000 payment on or about December 24, 2022, Skeena also made a \$20,000 payment on or about July 21, 2023.
11. Although Skeena made the payments dated November 25, 2022, December 24, 2022, and a \$20,000 payment on July 21, 2023, Skeena has failed to make any further payments to Timber Baron under the Mediation Agreement.
12. Accordingly, Skeena is indebted to Timber Baron in the amount of \$491,331.09 (the "**Unpaid Amount**") as of the date of this Notice of Civil Claim, in respect of the Mediation Agreement.

Part 2: RELIEF SOUGHT

1. Judgment against Skeena in respect of the Unpaid Amount in the amount of \$491,331.09;
2. Judgment against Skeena for contractual interest on the Unpaid Amount of 5% *per annum* or, in the alternative, interest pursuant to the *Court Order Interest Act*; R.S.B.C. 1996, c. 1979;
3. Special costs or in the alternative costs; and
4. Such further and other relief as this Honourable Court deems just.

Part 3: LEGAL BASIS

1. Skeena has breached the Mediation Agreement by failing to make the payments to Timber Baron on the dates specified in the Mediation Agreement.
2. The Unpaid Amount is a just debt due and owing by Skeena to Timber Baron.
3. Skeena owes Timber Baron interest on the Unpaid Amount at a rate of 5% *per annum*.

- 5 -

4. Timber Baron relies on the law of debt, contract, the law of interest including the *Court Order Interest Act*, R.S.B.C. 1996, c. 1979, and the law of liquidated damages.
5. Timber Baron relies on section 45 of the *Arbitration Act*, S.B.C. 2020, c. 2.

Plaintiff's address for service: Dean Dalke
DLA Piper (Canada) LLP
Barristers & Solicitors
Suite 2700 The Stack
1133 Melville St.
Vancouver, BC V6E 4E5

Fax number address for service (if any): 604.687.1612

E-mail address for service (if any): n/a

Place of trial: Terrace

The address of the registry is: 3408 Kalum Street
Terrace, BC V8G 2N6

August 1, 2023
Dated

DLA Piper (Canada) LLP
Signature of ☒ lawyer for plaintiff
DLA Piper (Canada) LLP (Dean Dalke)

Rule 7-1 (1) of the Supreme Court Civil Rules states:

(1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,

- (a) prepare a list of documents in Form 22 that lists
 - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
 - (ii) all other documents to which the party intends to refer at trial, and
- (b) serve the list on all parties of record.

- 6 -

APPENDIX

COMMENT: The following information is provided for data collection purposes only and is of no legal effect.

Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:**Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:**

COMMENT: Check one box below for the case type that best describes this case.

A personal injury arising out of:

- ☐ a motor vehicle accident
- ☐ medical malpractice
- ☐ another cause

A dispute concerning:

- ☐ contaminated sites
- ☐ construction defects
- ☐ real property (real estate)
- ☐ personal property
- ☒ the provision of goods or services or other general commercial matters
- ☐ investment losses
- ☐ the lending of money
- ☐ an employment relationship
- ☐ a will or other issues concerning the probate of an estate
- ☐ a matter not listed here

Part 3: THIS CLAIM INVOLVES:

COMMENT: Check all boxes below that Apply to this case.

- ☐ a class action
- ☐ maritime law
- ☐ aboriginal law
- ☐ constitutional law
- ☐ conflict of laws
- ☒ none of the above
- ☐ do not know

Part 4: THIS CLAIM INVOLVES:

COMMENT: If an enactment is being relied on, specify. Do not list more than 3 enactments.



No. _____
Terrace Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

TIMBER BARON CONTRACTING LTD.

PLAINTIFF

AND:

SKEENA SAWMILLS LTD.

DEFENDANT

NOTICE OF CIVIL CLAIM


DLA Piper (Canada) LLP
Barristers & Solicitors
Suite 2700 The Stack
1133 Melville St.
Vancouver, BC V6E 4E5

Tel. No. 604.687.9444
Fax No. 604.687.1612

File No. 050676-00005

MOL/

This is Exhibit "N" referred to in the affidavit
of Xiao Peng Cui made before me at
Vancouver, B.C., on September 8, 2023.



A Commissioner for taking Affidavits within
British Columbia.

When making payment into Court this Action No. must be quoted



No. 21858
Terrace Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

Before Mr./Madam H. KUPAIAN District Registrar

BETWEEN:

TIMBER BARON CONTRACTING LTD.

PLAINTIFF

AND:

SKEENA SAWMILLS LTD.

DEFENDANT

AND:

TRANS-PACIFIC TRADING LTD.

GARNISHEE

GARNISHING ORDER BEFORE JUDGMENT

On reading the affidavit #1 of Matthew Thomson, sworn August 1, 2023, and on it appearing that the indebtedness, obligation or liability of the garnishee is not for wages or salary, I order that all debts, obligations and liabilities owing, payable or accruing due from the above-named garnishee to the above named defendant, Skeena Sawmills Ltd.,

- 2 -

other than for wages or salary, be attached to the total amount set out below and paid into court.

AUG 03 2023

Dated

DEPUTY DISTRICT REGISTRAR

DLA Piper (Canada) LLP
Barristers & Lawyers
Suite 2700 The Stack
1133 Melville St.
Vancouver, BC V6E 4E5

Remit this
copy with
payment.

THE LAW CO. LTD.
3408 KALUM STREET
TERRACE, BC
V8G 2N6

- 3 -

To the defendant

Skeena Sawmills Ltd.
 5530 Highway 16 West, Box 780
 Terrace, BC V8G 4R1

To the garnishee

Trans-Pacific Trading Ltd.
 1500 Royal Centre
 1055 West Georgia Street, P.O. Box
 11117
 Vancouver, BC V6E 4N7

Amount Due	\$491,331.09
Cost of attachment proceedings	
Court fee for filing garnishing order	\$80.00
Fee for garnishment process (Schedule 2, Appendix B)	\$185.00
TOTAL AMOUNT ATTACHED	\$491,596.09

NOTICE TO GARNISHEE

If you do not pay into court at once the amount of your indebtedness to the defendant(s), an order may be made against you for the payment of the full amount with costs.

If you dispute your liability, you should at once file a dispute note.

NOTICE TO DEFENDANT(S)

You may apply to the Registrar or the court and, if considered just in all the circumstances, an order may be made releasing all or part of this garnishment.

Name of the Lawyer:

Dean Dalke
 DLA Piper (Canada) LLP
 Barristers & Lawyers

Address:

Suite 2700 The Stack
 1133 Melville St.
 Vancouver, BC V6E 4E5

Telephone:

604.687.9444

No. _____
Terrace Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN;

TIMBER BARON CONTRACTING LTD.

PLAINTIFF

AND:

SKEENA SAWMILLS LTD.

DEFENDANT

AND:

TRANS-PACIFIC TRADING LTD.

GARNISHEE

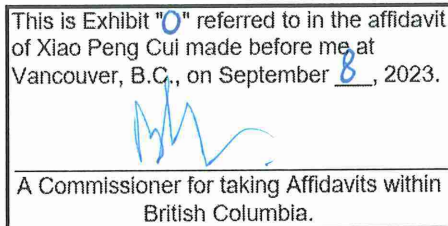
GARNISHING ORDER BEFORE JUDGMENT

DLA Piper (Canada) LLP
Barristers & Lawyers
Suite 2700 The Stack
1133 Melville St.
Vancouver, BC V6E 4E5

Tel. No. 604.687.9444
Fax No. 604.687.1612

File No.: 050676-00005

MOL/



249

N~~6~~ourt File No. **VLC-S-S-236114**
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

CANZUS CONSULTING LTD.

PLAINTIFF

AND:

SKEENA SAWMILLS LTD.

DEFENDANTS

NOTICE OF CIVIL CLAIM

This action has been started by the plaintiff for the relief set out in Part 2 below.

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

- (a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim on the plaintiff.

If you intend to make a counterclaim, you or your lawyer must

- (a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

Time for response to civil claim

A response to civil claim must be filed and served on the plaintiff(s),

- (a) if you reside anywhere in Canada, within 21 days after the date on which a copy of the filed notice of civil claim was served on you,
- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed notice of civil claim was served on you,
- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed notice of civil claim was served on you, or
- (d) if the time for response to civil claim has been set by order of the court, within that time.

CLAIM OF THE PLAINTIFF

Part 1: STATEMENT OF FACTS

1. The Plaintiff, Canzus Consulting Ltd., ("Canzus") is a British Columbia consulting services company with an address for service c/o 410 - 505 Burrard Street, Vancouver, British Columbia V7X 1M3.
2. The Defendant, Skeena Sawmills Ltd., is a British Columbia forestry company with an address for service c/o 1600 Cathedral Place, 925 West Georgia Street, Vancouver, BC V6C 3L2.
3. The Plaintiff became engaged with the Defendant as a consultant, pursuant to a written agreement dated July 1, 2021 (the "Agreement"), which contained the following terms:

a) Section 4.1 of the Agreement:

Base Salary

During the continuance of this Agreement, the Corporation shall pay to the Consultant a fee of CDN \$20,800 per month (the "Consulting Fee"), in consideration of the performance of the Consulting Services. The Consultant's personnel Rick Harris will provide a minimum of 40 hours per week service duty and work from Corporation's Headquarter in Vancouver.

b) Section 4.1.1 of the Agreement:

Past Performance Bonus

In recognition for past service to Skeena Sawmills and Skeena BioEnergy, the Consultant will be granted a bonus of \$450,000 which is fully vested at the date of grant. This amount will be paid out in three equal installments on the following dates.

\$150,000	July 2021
\$150,000	July 2022
\$150,000	July 2023

If the Consultant elects to leave the Company voluntarily or is terminated with cause prior to the completion of the payment of any of the installments, the remaining installments will be paid out at 50% of the remaining unpaid amounts, at the times noted above, or earlier, at the option of the Company, If the Consultant is terminated without cause by the Company, the remaining installments will be paid out at 100% at the time of termination.

c) Section 8.2 of the Agreement:

Termination By Consultant

This Agreement may be terminated by the Consultant forthwith upon the happening of any of the following events:

8.2.1 if the Corporation shall become insolvent or be adjudged bankrupt; or

8.2.2 if the Corporation shall be in default under any of its covenants contained in this Agreement and such default shall continue for more than 5 days after receipt of a written notice from the Consultant to cure same.

4. Throughout its engagement with the Defendant, the Plaintiff proved to be a valuable and reliable consultant, and critical to the Defendant's success.
5. The Defendant failed to pay to the Plaintiff the Past Performance Bonus ("PPB") of \$150,000 on or after July 2022, as required by paragraph 4.1.1 of the Agreement.
6. The Plaintiff asked the Defendant to comply with the terms of the Agreement and to pay the PPB, both verbally and in writing but the Defendant refused.
7. In doing so, the Defendant was in default of the above-noted terms of the Agreement, and failed to cure the default, pursuant to 5.8.2.2. of the Agreement
8. On April 30, 2023, the Plaintiff accepted the Defendant's breach, and ended its consulting relationship with the Defendant.
9. The Defendant's actions described above are deserving of sanction and rebuke, and constitute a breach of the Agreement entitling the Plaintiff to damages and/or debt in the amount of \$300,000.00.
10. As a further result of the Defendant's acts described above, the Plaintiff is entitled to aggravated and/or bad faith damages.

Part 2: RELIEF SOUGHT

1. As a result of the breach of the Agreement and the actions of the Defendant, the Plaintiff has suffered loss and damage and/or debt in the amount of \$300,000.00.
2. The Plaintiff claims as follows against the Defendant:
 - a) damages for the breach of contract and/or debt in the amount of \$300,000.00;
 - b) aggravated and bad faith damages;
 - c) costs;
 - d) interests pursuant to the *Court Order Interest Act*, RSBC 1996, c 79; and
 - e) such other relief as this Honourable Court may deem just.

Part 3: LEGAL BASIS

1. The Defendant's actions described in Part 1 above constitute a breach of the Agreement.

2. The Plaintiff is entitled to damages and/or debt, and other compensation as a result of the breach of Agreement.
3. The Plaintiff is entitled to aggravated and bad faith damages as a result of the Defendant's actions described in Part 1 above.

Plaintiff's address for service: Pulver Crawford Munroe LLP
 410 - 505 Burrard Street
 Vancouver, B.C. V7X 1M3

Attention: Paul Pulver

Fax number address for service (if any): 604.682.6947

E-mail address for service (if any): ppulver@pcmlawyers.ca

Place of trial: Vancouver, British Columbia

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

Date: August 29, 2023



Signature of Lawyer for Plaintiff,
 Paul Pulver

Rule 7-1 (1) of the Supreme Court Civil Rules states:

- (1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,
 - (a) prepare a list of documents in Form 22 that lists
 - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
 - (ii) all other documents to which the party intends to refer at trial, and
 - (b) serve the list on all parties of record.

APPENDIX

[The following information is provided for data collection purposes only and is of no legal effect.]

Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:

The Defendants wrongfully dismissed the Plaintiff.

Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:

A personal injury arising out of:

- ☐ a motor vehicle accident
- ☐ medical malpractice
- ☐ another cause

A dispute concerning:

- ☐ contaminated sites
- ☐ construction defects
- ☐ real property (real estate)
- ☐ personal property
- ☐ the provision of goods or services or other general commercial matters
- ☐ investment losses
- ☐ the lending of money
- ☒ an employment relationship
- ☐ a will or other issues concerning the probate of an estate
- ☐ a matter not listed here

Part 3: THIS CLAIM INVOLVES

- ☐ a class action
- ☐ maritime law
- ☐ aboriginal law
- ☐ constitutional law
- ☐ conflict of laws
- ☒ none of the above
- ☐ do not know

Part 4:

Court Order Interest Act, RSBC 1996, c 79



Alvarez & Marsal Canada Inc.
Licensed Insolvency Trustees
Cathedral Place Building
925 West Georgia Street, Suite 902
Vancouver, BC V6C 3L2
Phone: +1 604 638 7440
Fax: +1 604 638 7441

September 7, 2023

Lawson Lundell LLP
#1600-925 W. Georgia St
Vancouver, B.C. V6C 3L2

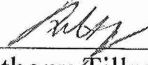
Attention: Bryan Gibbons

**Re: Skeena Sawmills Ltd., Skeena Bioenergy Ltd., and ROC Holdings Ltd. (the
"Borrowers")**


We confirm that Alvarez & Marsal Canada Inc. is prepared to act as Receiver and Manager of all of the assets, undertakings and property of the Borrowers, including real property, and will abide by any Order made by the Supreme Court of British Columbia.

Yours very truly,

ALVAREZ & MARSAL CANADA INC.

Per: 
Name: Anthony Tillman
Title: Senior Vice President

This is Exhibit "P" referred to in the affidavit of Xiao Peng Cui made before me at Vancouver, B.C., on September 8, 2023.



A Commissioner for taking Affidavits within British Columbia.

**IN THE SUPREME COURT OF BRITISH
COLUMBIA**

BETWEEN:

1392752 B.C. LTD.

PETITIONER

AND:

**SKEENA SAWMILLS LTD.
SKEENA BIOENERGY LTD.
ROC HOLDINGS LTD.**

RESPONDENTS

AFFIDAVIT



Suite 1600 Cathedral Place
925 West Georgia Street,
Vancouver BC V6C 3L2
Phone: 604-685-3456
Attention: Bryan C. Gibbons
bgibbons@lawsonlundell.com