



**No. S-236214**  
**Vancouver Registry**

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**BETWEEN**

**1392752 B.C. LTD.**

**PETITIONER**

**AND**

**SKEENA SAWMILLS LTD., SKEENA BIOENERGY LTD.**

**AND ROC HOLDINGS LTD.**

**RESPONDENTS**

**FIFTH SUPPLEMENTAL REPORT TO  
THE FOURTH REPORT OF THE RECEIVER  
ALVAREZ & MARSAL CANADA INC.**

**April 16, 2024**



**ALVAREZ & MARSAL**

## **TABLE OF CONTENTS**

1.0	PURPOSE .....	- 2 -
2.0	REVISED KITSUMKALUM OFFER AND THE PSA .....	- 2 -
3.0	RECOMMENDATIONS .....	- 6 -

**Appendix A** – the Purchase and Sale Agreement between the Receiver and Kitsumkalum First Nation

## **1.0 PURPOSE**

- 1.1 This fifth supplemental report (the “**Fifth Supplemental Report**”) has been prepared by the Receiver to provide this Honourable Court with additional information in respect of the revised offer (the “**Revised Kitsumkalum Offer**”) received by the Receiver from the Kitsumkalum First Nation (“**Kitsumkalum**”).
- 1.2 The Fifth Supplemental Report should be read in conjunction with the First Confidential Report of the Receiver dated January 19, 2024 (the “**First Confidential Report**”), the Fourth Report of the Receiver dated February 29, 2024 (the “**Fourth Report**”), the Supplemental Report to the Fourth Report of the Receiver dated March 6, 2024 (the “**Supplemental Report**”), the Second Supplemental Report to the Fourth Report of the Receiver dated March 11, 2024 (the “**Second Supplemental Report**”), the Affidavit #2 of Anthony Tillman sworn on March 21, 2024 (the “**Second Tillman Affidavit**”), the Third Supplemental Report to the Fourth Report of the Receiver dated March 27, 2024 (the “**Third Supplemental Report**”), and other materials filed in the Receivership Proceedings (collectively, the “**Filed Materials**”). Background information, including capitalized terms not defined herein, are contained in the Filed Materials.
- 1.3 All monetary amounts contained in this Fifth Supplemental Report are expressed in Canadian dollars unless otherwise noted.

## **2.0 REVISED KITSUMKALUM OFFER AND THE PSA**

- 2.1 Subsequent to the Third Supplemental Report, at the April 5, 2024 hearing (the “**Hearing**”), Kitsumkalum advised this Honourable Court (the “**Court**”) that it would be amending its offer for the purchase of the assets of Skeena Sawmills Ltd., Skeena Bioenergy Ltd. and ROC Holdings Ltd. (collectively, the “**Skeena Entities**”).
- 2.2 Accordingly, following the Hearing, the Receiver, at the Court’s direction, engaged with Kitsumkalum to finalize the terms of the Revised Kitsumkalum Offer and develop a form of agreement to be presented to the Court.
- 2.3 On April 16, 2024, the Receiver and Kitsumkalum finalized the form of Purchase and Sale Agreement (the “**PSA**”) for the purchase of the Skeena Entities’ assets, a copy of which is attached hereto as Appendix “A”.
- 2.4 Tabled below is a summary comparison between Cui Family Holdings Ltd.’s (“**Cui Holdings**”) Payment and Retention Agreement (discussed in the Fourth Report and the Third Supplemental

Report, the “PRA”) and the PSA. Capitalized terms not defined herein are as defined in the PRA and the PSA, respectively:

	<b>Cui Holdings</b>	<b>Kitsumkalum</b>
Bid price	\$13,460,000  Combination of a credit bid and cash, as detailed in the Second Supplemental Report	\$14,047,000 cash bid
Form of transaction	Reverse Vesting Order (“RVO”)	Sale Approval and Vesting Order (“SAVO”)
Assets included	All of the assets, undertaking and properties of the Skeena Entities, with exceptions (discussed below)	All of the assets, undertaking and properties of the Skeena Entities
Liabilities to be paid out from purchase price	Financing leases, stumpage, source deduction remittances, property taxes (pre-2024)	Promissory notes due to 1392752 B.C. Ltd., Receiver’s Certificates, financing leases, stumpage, source deduction remittances, property taxes (pre-2024)
Assumed liabilities/contracts	Silviculture liabilities, environmental liabilities, permits and licenses associated with the operations, Collective Bargaining Agreement	Silviculture liabilities, environmental liabilities, permits and licenses associated with the operations, Collective Bargaining Agreement  Future Obligations of the Replaceable Contracts
Excluded contracts	Replaceable Contracts	Nil
Deposit received by Receiver	\$400,000 (approximately 10% of the cash bid portion)	\$1,320,000
Closing Date	By April 19, 2024	Two stage closing:

	<b>Cui Holdings</b>	<b>Kitsumkalum</b>
		<p>1) Closing of the purchase and sale of the “Phase 1 Purchased Assets”, i.e. all assets except the Tenures, the associated permits and licences and the Replaceable Contracts: two weeks after the granting of the SAVO (the “Phase 1 Closing Date”); and</p> <p>2) Closing of the purchase and sale of the Tenures, the associated permits and licences and the Replaceable Contracts (the “Phase 2 Purchased Assets”): five (5) days after the Province of British Columbia provides notice of whether or not it has approved the transfer of the Tenures to Kitsumkalum.</p>
Payment of the cash portion of the bid	On Closing Date	On the Phase 1 Closing Date
Obligation to fund the Receivership Proceedings until Tenures can be transferred	<p>Funding provided to Estate under Receiver’s Certificates up to closing</p> <p>Consultation process not required under the RVO</p>	Receivership costs to be funded from the funds paid by Kitsumkalum

2.5 As noted in the Third Supplemental Report, the Receiver requested that Kitsumkalum provide an indication of their financial wherewithal to close a transaction. Written confirmation was provided by Kitsumkalum on March 28, 2024.

2.6 The Receiver notes the following:

- a) the PSA provides a two-stage closing wherein the Phase 1 Purchased Assets will vest in Kitsumkalum (or its nominee company) two weeks after the SAVO is granted, while the Phase 2 Purchased Assets will be held by the Receiver while the Ministry of Forests conducts the Tenure transfer approval process. By doing so, the cost of receivership will be reduced significantly as the real estate, sawmill, bioenergy plant, and various equipment, among other things, will have been transferred to Kitsumkalum shortly after Court approval. As noted in the Second Supplemental Report, monthly holding costs for the Skeena Entities, including insurance, contractor costs, utilities and other site expenses total approximately \$200,000 - \$225,000/month. These costs will be largely (if not totally) eliminated after the Phase 1 Closing Date;
- b) the Receiver expects future professional fees to decline significantly upon the transfer of the Phase 1 Purchased Assets as its remaining role would be to hold the Tenures, assist the Ministry of Forests with its approval process, facilitate the closing of the sale of the Phase 2 Purchased Assets, and plan and apply for a distribution from the sale proceeds;
- c) the payment of the purchase price under the PSA is not dependent on the Ministry's decision whether to approve the transfer of Tenures. This arrangement removes the closing risk under the Kitsumkalum's earlier offer which was identified by the Receiver in the Third Supplemental Report;
- d) Kitsumkalum is to assume all future obligations under the Replaceable Contracts but not any obligations owing thereunder as at the Phase 2 Closing Date. The Receiver understands that Kitsumkalum and the parties holding the Replaceable Contracts, being Timber Baron Contracting Ltd. and Terrace Timber Ltd. (collectively the "**Contractors**"), have entered into agreements reflecting the foregoing, and that the Contractors are supportive of the PSA;
- e) Under the PSA, Court approval is sought in the form of a SAVO. Due to the change of ownership under the proposed structure in the PSA, the transfer of Tenures will be subject to regulatory approval, including the duty to consult, pursuant to the *Forest Act* and associated regulations. While the RVO proposed by Cui Holdings was opposed by the Department of Justice of Canada, the Province of British Columbia and various First Nations, the Receiver believes the proposed SAVO will address the concerns expressed by the aforementioned stakeholders; and
- f) under the PSA, the Petitioner will be paid the full amount owing in respect of the funds advanced by it under the Receiver's Borrowing Certificates, and the Petitioner's secured debt pursuant to the promissory notes, totaling approximately \$7.4 million plus interest, is

anticipated to be largely paid from the sales proceeds. According to the Receiver's preliminary calculation and certain assumptions, the Receiver projects a recovery exceeding 90% for the Petitioner's proven pre-filing secured debt (including interest). The Receiver is waiting to hear from the Petitioner whether, in light of the Revised Kitsumkalum Offer, it does not oppose the PSA.

2.7 The Receiver also notes the following when considering the *Soundair* test:

- a) The Receiver is of the view that it has made sufficient effort to get the best price and has not acted improvidently. As described in the Filed Materials, the Sale Process was fair and transparent and resulted in the Skeena Entities' assets being marketed extensively. The Receiver initially contacted 146 parties on October 31, 2023. 31 parties signed confidentiality agreements and were provided access to the dataroom set up by the Receiver. 28 parties accessed the dataroom, and several site visits were conducted at the Skeena Entities' facilities in Terrace, B.C. Nine expressions of interest were submitted and four parties were invited to submit definitive bids. Further efforts to invite offers from potentially interested parties were made by the Receiver, at this Honourable Court's direction, in March and April 2024;
- b) The Receiver has considered the interests of all parties:
  - i. as noted above, the Receiver is of the view that the concerns of the stakeholders who opposed the Cui Holdings' offer and proposed RVO (i.e. the Contractors, the Department of Justice of Canada, the Province of British Columbia and various First Nations) will have been addressed by the terms of the PSA and the SAVO;
  - ii. the Petitioner will recover approximately 90% of its proven secured claim (including interest);
  - iii. no other stakeholder will be materially worse-off under the PSA than under the PRA, and the Receiver expects that equipment lessors and the first lien holder over current assets will receive higher realizations under the PSA;
- c) the Receiver believes the Sale Process was properly and fairly conducted and believes in the efficacy and integrity of the process by which offers were obtained; and
- d) the Receiver believes that at all times it has conducted itself fairly and reasonably.

### 3.0 RECOMMENDATIONS

3.1 In light of the Revised Kitsumkalum Offer, the Receiver is no longer able to recommend that the Court grant the reverse vesting order sought under its Notice of Application filed February 29, 2024. Among other things, with reference to the factors enumerated in *Harte Gold Corp (Re)*, 2022 ONSC 653, the Receiver notes that there is now before the Court a viable alternative which is both

financially superior to the Cui Holdings' offer and better addresses the financial or other concerns of many stakeholders. In the circumstances, the Receiver recommends that this Honourable Court approve the Revised Kitsumkalum Offer.

- 3.2 Given the above considerations, the Receiver respectfully recommends that this Honourable Court grant the SAVO and approve the PSA.

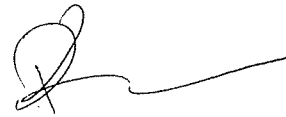
\*\*\*\*\*

All of which is respectfully submitted to this Honourable Court this 16<sup>th</sup> day of April, 2024.

**Alvarez & Marsal Canada Inc.,**  
in its capacity as Receiver of Skeena Sawmills Ltd.,  
Skeena Bioenergy Ltd. and ROC Holdings Ltd.  
and not in its personal capacity



Per: Anthony Tillman  
Senior Vice President



Per: Pinky Law  
Vice President



**Appendix A –  
the Purchase and Sale Agreement between the Receiver and Kitsumkalum First Nation**

**Appendix A –  
the Purchase and Sale Agreement between the Receiver and Kitsumkalum First Nation**

## PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is dated for reference April 15, 2024 and is made

AMONG:

**ALVAREZ & MARSAL CANADA INC., in its capacity as Receiver of  
Skeena Sawmills Ltd., Skeena Bioenergy Ltd. and ROC Holdings Ltd.**

(the "Receiver")

AND:

**KITSUMKALUM FIRST NATION**

("Kitsumkalum")

AND:

**1355392 B.C. LTD.**

("392")

AND:

**1355390 B.C. LTD.**

("390")

AND:

**1355387 B.C. LTD.**

("387" and together with Kitsumkalum, 392, 390 and 387, the "Purchaser")

### BACKGROUND:

- A. Skeena Sawmills Ltd. ("**Sawmills**"), Skeena Bioenergy Ltd. ("**Bioenergy**") and ROC Holdings Ltd. ("**ROC**", and together with Sawmills and Bioenergy, the "**Companies**") own certain assets, undertakings and property, including real property located in Terrace, British Columbia, on which they operated a sawmill (including an industrial sawmill, a certified weight log scale, a natural gas kiln, two bay garage mobile shop, a millwright shop and various tools and equipment) and a bioenergy operation (including a pellet plant and various tools and equipment) and including certain forest licenses under which they conducted forest management and woodlands activities (collectively, the "**Business**");
- B. On September 20, 2023, on the application of 1392752 B.C. Ltd. (the "**Petitioner**"), the Supreme Court of British Columbia (the "**Court**") made an order (the "**Receivership Order**")

appointing Alvarez & Marsal Canada Inc. as receiver of the assets, undertakings and properties of the Companies (the "**Property**") and authorized the Receiver to, among other things, sell the Property;

- C. The Purchaser has agreed to purchase, and the Receiver has agreed to sell, the Phase 1 Purchased Assets and the Phase 2 Purchased Assets (each as hereinafter defined) in consideration for the payment of the Purchase Price all on the terms and conditions of this agreement (the "**Transaction**").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are acknowledged by each of the parties, the parties agree as follows:

## ARTICLE 1 - INTERPRETATION

### 1.1 Definitions. In this Agreement:

- (a) "**Accounting Standards**" means at any time the accounting standards for private enterprises so described and established by the Accounting Standards Board which are applicable at such time.
- (b) "**Approved Contracts**" means the following Contracts:
  - (i) the CBA; and
  - (ii) all of the Permits and Licenses which are Contracts, including, but not limited to, any licence of occupation granted by a Governmental Authority to any one or more of the Companies.
- (c) "**Approved Licences**" has the meaning given to it in Section 2.8(d).
- (d) "**Assignment Order**" means an order or orders of the Court, in form and substance satisfactory to the Purchaser, acting reasonably: (i) assigning any Consent Required Contract for which a consent, approval or waiver necessary for the assignment of such Consent Required Contract has not been obtained, (ii) preventing any counterparty to such Consent Required Contracts from exercising any right or remedy under such Consent Required Contracts by reason of any defaults arising from the receivership of the Receiver and (iii) the vesting in the Purchaser of all right, title and interest of the Receiver in such Consent Required Contracts.
- (e) "**Balance**" has the meaning given to it in Section 2.4(a)(ii).
- (f) "**Bioenergy**" has the meaning given to it in Recital A.
- (g) "**Buildings**" means all building(s) and improvements located on the Lands.
- (h) "**Business**" has the meaning given to it in Recital A.
- (i) "**Business Day**" means any day that is not a Saturday, Sunday, Boxing Day, Easter Monday or statutory holiday in British Columbia.

- (j) **"Business Records"** means all documents, files, records, reports, agreements, plans, specifications, drawings, surveys, correspondence, licenses and permits in the possession or control of the Receiver or the Companies relating to the Business or any of the Purchased Assets, including without limitation: all digital records; client data; copies of all Contracts; copies of the Permits and Licenses; tax notices and assessments for the Lands; plans and surveys of the Lands and Buildings; copies of all Warranties; a non-itemized description of all Machinery and Equipment; a list of all Intellectual Property including registration details in respect of all Intellectual Property for which registration in any public office has been made; operating statements and financial statements for the most recent two fiscal periods; detailed general ledgers; detailed sales reports relating to the Business; building condition reports, structural reports, mechanical and life safety reports, environmental reports or assessments; notices or orders received from any agency having authority over the Property, the Purchased Assets or the Business; reasonable evidence of the Receiver's insurance relating to the Property, the Purchased Assets or the Business; current accounts receivable reports in respect of the Business.
- (k) **"Canter Line"** means the 1999 Optimil canter line with serial/VIN/DOT Number 63286 secured by a loan agreement and specific security agreement dated August 17, 2021 in favour of Dynamic Capital Equipment Finance Inc..
- (l) **"CBA"** means the collective bargaining agreement between the Union and Sawmills.
- (m) **"Closing"** means the successful completion of the Transaction.
- (n) **"Closing Documents"** has the meaning given to it in Section 9.4.
- (o) **"Closing Payment"** has the meaning given to it in Section 9.9.
- (p) **"Companies"** has the meaning given to it in Recital A.
- (q) **"Consent Required Contract"** has the meaning set out in Section 6.2.
- (r) **"Contaminant"** means any substance that when released into the Environment is likely to cause, at some immediate or future time, material harm or degradation to the Environment or material risk to human health. Without restricting the generality of the foregoing, "Contaminant" includes radioactive material, microwaves, urea formaldehyde foam insulation, asbestos, PCBs (polychlorinated biphenyls), PCE (perchloroethylene), TCE (trichloroethylene) and any other substance or materials declared or deemed to be hazardous, toxic or an atmospheric contaminant in or pursuant to any Environmental Laws.
- (s) **"Contracts"** means all contracts or agreements relating to the use or operation of the Property, the Purchased Assets, or any part thereof or the operation of the Business to which any of the Companies is a party, including, without limitation, purchase and sale agreements, options to purchase, material supply contracts, contracts relating to the operation, maintenance, cleaning, security, signage, fire protection or servicing of the Property or any part thereof made by or on behalf of one or more of the Companies.

- (t) **"Court"** has the meaning given to it in Recital B.
- (u) **"Deposit"** means the sum of One Million Three Hundred Twenty Thousand (\$1,320,000) Dollars paid to the Receiver pursuant to Section 2.4(a) and held in accordance with the terms of Section 2.7.
- (v) **"Employees"** means an individual who is or was employed by the Receiver or the Companies, whether on a full-time or a part-time basis, whether active or inactive as of the Closing Date, and includes an employee on short term or long term disability leave.
- (w) **"Encumbrance"** means any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise including, without limiting the generality of the foregoing:
  - (i) any encumbrances or charges created by the Receivership Order;
  - (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system;
  - (iii) any legal notation, charge, lien, interest or other encumbrance or title defect of whatever kind or nature, regardless of form; and
  - (iv) any agreement, lease, license, option or claim, easement, right of way, restriction, execution or other encumbrance (including any notice or other registration in respect of any of the foregoing) affecting title to or the ownership of the Purchased Assets or any part thereof or interest therein.
- (x) **"Environment"** means the environment or natural environment as defined in any Environmental Law and includes air, land, surface water, ground water or other water, land surface, soil, subsurface strata, or any sewer or water system.
- (y) **"Environmental Laws"** means all applicable federal, provincial, municipal or local statutes, regulations, by-laws, rules, orders-in-council, and codes having the force of law, in each case pertaining in full or in part to the Environment or any Contaminant and includes those relating to the storage, generation, use, handling, manufacture, processing, transportation, treatment, releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, depositing, injecting, escaping, leaching, disposing or dumping, disposal, remediation, monitoring, investigation or other action in relation to any substances, including Contaminants, which are in effect from time to time.
- (z) **"Excluded Assets"** means: (i) Contracts which are not Approved Contracts; (ii) the rights of the Companies and the Receiver under this Agreement; (iii) corporate income taxes receivable and GST refunds; (iv) cash and cash equivalents; (v) the Canter Line; and (vi) all shares of capital stock or other equity interest in any entity, including the Companies.

- (aa) **"Excluded Liabilities"** means any and all Liabilities of the Companies that are not expressly assumed by the Purchaser under this Agreement, including without limitation:
- (i) any taxes of or relating to the Business or the Purchased Assets, including statutory deductions and remittances, GST, and sales taxes, in respect of any period up to and including the Closing Date (including penalties, fines and interest);
  - (ii) any Liabilities or Encumbrances in respect of any claims, demands, actions, complaints, causes of action, proceedings, charges, assessments or litigation involving the Receiver, the Companies, the Purchased Assets, the Excluded Assets, or the Business commenced or threatened or resulting from any event or circumstance prior to the Closing Date;
  - (iii) any other Encumbrances made, filed, claimed, perfected or otherwise arising or resulting from any event or circumstance prior to the Closing Date charging the Purchased Assets or the Excluded Assets;
  - (iv) any Liabilities owing to or Encumbrances claimed by or in favour of any Employees or the Union that relate to any period prior to and including the Closing Date, whether pursuant to the CBA or otherwise, including without limitation outstanding salaries, wages, vacation pay and bonuses owing to any Employees, any severance or other termination obligations, including payment in lieu of notice, and any Liability for employer health tax payable;
  - (v) all executive personnel agreements, officer or director agreements, employee benefit plans or payments, pension obligations, employee tax withholding obligations, employee health or dental plan obligations, all employee complaints or claims, labour relations board actions or other employee proceedings and similar obligations of the Companies;
  - (vi) any Liabilities of the Companies arising prior to the Closing Date including, but not limited to, Liabilities owed to lenders, service contractors or third parties of any kind including all Liabilities under all Contracts other than the Approved Contracts, and subject to Section 2.8(d), the Approved Licences and the Replaceable Contracts;
  - (vii) any Liabilities relating to or arising out of the Property or Business which are not being assumed by the Purchaser, including, without limitation, Liabilities for terminating, not complying with or defaulting under any Contract other than the Approved Contracts, and subject to Section 2.8(d), the Approved Licences and the Replaceable Contracts;
  - (viii) all Liabilities for payment of fees for operation of the Purchased Assets or Excluded Assets up to the Closing Date;
  - (ix) any Liabilities for a breach or non-compliance with any applicable law; and

- (x) any other obligations which pursuant to the terms and conditions of this Agreement, remain the Liability of the Receiver after the completion of the transactions contemplated herein including, without limitation, the obligations of the Receiver under this Agreement.
- (bb) **"Execution Date"** means the date that this Agreement is executed by both the Receiver and the Purchaser.
- (cc) **"Governmental Authority"** means (i) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise), (ii) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government, (iii) any court, tribunal, commission, individual, arbitrator, arbitration panel or other body having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions, and (iv) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange or professional association.
- (dd) **"GST"** means goods and services tax and harmonized sales tax payable under the *Excise Tax Act* (Canada).
- (ee) **"GST Certificate"** has the meaning given to it in Section 10.1.
- (ff) **"Intellectual Property"** means all intellectual property and proprietary rights of any kind currently owned by any of the Companies pertaining to the Business, including the following: (i) trademarks, service marks, trade names, slogans, logos, designs, symbols, trade dress, internet domain names, uniform resource identifiers, rights in design, brand names, any fictitious names, d/b/a's or similar filings related thereto, or any variant of any of them, and other similar designations of source or origin, together with all goodwill, registrations and applications related to the foregoing; (ii) copyrights and copyrightable subject matter (including any registration and applications for any of the foregoing); (iii) trade secrets and other confidential or proprietary business information (including manufacturing and production processes and techniques, research and development information, technology, intangibles, drawings, specifications, designs, plans, proposals, technical data, financial, marketing and business data, pricing and cost information, business and marketing plans, customer and supplier lists and information), know how, proprietary processes, formulae, algorithms, models, industrial property rights, and methodologies; (iv) computer software, computer programs, and databases (whether in source code, object code or other form); (v) all rights to sue for past, present and future infringement, misappropriation, dilution or other violation of any of the foregoing and all remedies at law or equity associated therewith; and (vi) all websites and all telephone and facsimile numbers.
- (gg) **"Interim Period"** means the period commencing on the Execution Date until and including the Phase 1 Closing Date.



- (hh) **"Inventory"** means the inventory of the Companies located on the Lands or at the logging sites operated by any of the Companies as more particularly described in **Schedule C**.
- (ii) **"Lands"** means the lands and premises owned by ROC and used by the Companies in the Business and which are more particularly described in Part 1 of **Schedule A** (and which include the Stump Dump).
- (jj) **"Liability"** means, any debts, claim, liability, duty, responsibility, obligations, commitment, assessment, cost, expense, loss, expenditure, charge, fee, penalty, fine, contribution or premium of any kind or nature whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, direct or indirect, or due or to become due and regardless of when sustained, incurred or asserted or when the relevant events occurred or circumstances existed.
- (kk) **"Licences"** means
  - (i) Tree Farm Licence 41, Forest Licence A16882, Forest Licence A16885 and cutting permits associated with the foregoing licences; and
  - (ii) Road and Bridge permits R03012, R03036, R04088, R06006, R06007, R06207, R06273, R07185, R07521, R07570, R07799, R08791, R09609, R09697, R12655, R12656, R13212, R13213, R13578, R13750, R14658, R14664, R14742, R16154, R18835, R19749, R19867, R21229, R21237, R21396, R21564, R21604, R21723, R21793, R21962, R22071, R22094, R22191, R22824, R22948, R23124, R23143, R23213, R23276, R23279, R23281, R23436, R23700, R23721, R23735, R23736, R23850, R23885, and R23912.
- (ll) **"Machinery and Equipment"** means, to the extent the same is in the possession of the Receiver, all of the Companies' machinery, equipment (including trucks and other motor vehicles), transportation equipment, spare parts, tools, jigs, dies, office equipment, furniture whether moveable or built-in, computer hardware, fixtures, furnishings and accessories and supplies of all kinds and any other personal property owned by any of the Companies used in the maintenance, management or operation of the Property or any part thereof or the operation of the Business, as more particularly set out in **Schedule D**.
- (mm) **"Mutual Conditions"** has the meaning given to it in Section 8.2.
- (nn) **"Non-Assignable Interests"** means any Phase 1 Purchased Assets which, by their nature cannot be legally or practically sold and assigned by the Receiver to the Purchaser hereunder, including without limitation any Consent Required Contracts for which an Assignment Order or counterparty consent has not been obtained.
- (oo) **"Parties"** means the Receiver and the Purchaser, and **"Party"** means either one of them.
- (pp) **"Permits and Licenses"** means the following licenses, approvals, authorizations, permits, consents or other rights entered into or obtained by any of the Companies

or the Receiver from any Governmental Authority, and used in connection with the Business or in respect of any of the Purchased Assets:

- (i) Licence of Occupation SK926021;
- (ii) Licence of Occupation SK929701;
- (iii) Licence of Occupation SK932307;
- (iv) Air Discharge permit 109209;
- (v) Certificate of Inspection permit 718765 (BC Hydro) ;
- (vi) Gas Operating Permit GA-900885-2019;
- (vii) Air Permit PA-3008;
- (viii) Landfill Permit 3360;
- (ix) Boiler and Pressure Vessels Permits 4878750, 4878751, 4878754, 4878755, 4878756, 4878757, 4878758, 4878759, 4878760, 4878761, 4878765, 4878762, 4878763, 4878764, 4878753, 4878752, BPV-885770-2019, BPV-885770-2019; and
- (x) Electrical Permit 5148516,

but for certainty, excluding the Licences.

- (qq) **"Permitted Encumbrances"** means the Encumbrances set out in Part 2 of **Schedule A**.
- (rr) **"Petitioner"** has the meaning given to it in Recital B.
- (ss) **"Phase 1 Closing Date"** means the date that is fourteen (14) days after the date the Vesting Order is pronounced by the Court, provided that if the Land Title Office is not open on such date, the Closing Date will be on the next Business Day, or any other date as may be agreed in writing by the Receiver and the Purchaser.
- (tt) **"Phase 1 Purchased Assets"** means all the Companies' right, title and interest, in and to the following:
  - (i) the Approved Contracts;
  - (ii) the Business Records;
  - (iii) the Intellectual Property;
  - (iv) the Inventory;
  - (v) the Machinery and Equipment;
  - (vi) the Permits and Licenses;

- (vii) the Lands and Buildings; and
- (viii) the Warranties.
- (uu) **"Phase 2 Closing Date"** means the first Business Day that is five (5) days after the date the Province of British Columbia provides notice of whether or not it has approved the transfer of the Licences to the Purchaser.
- (vv) **"Phase 2 Purchased Assets"** means all the Companies' right, title and interest, in and to the following:
  - (i) the Licences (but not including any Rejected Licences); and
  - (ii) the Replaceable Contracts.
- (ww) **"Property"** has the meaning given to it in Recital B.
- (xx) **"PST"** has the meaning given to it in Section 10.2
- (yy) **"Purchase Price"** has the meaning given to it in Section 2.3.
- (zz) **"Purchased Assets"** means collectively, the Phase 1 Purchased Assets and the Phase 2 Purchased Assets.
- (aaa) **"Purchaser"** is as defined in the preamble hereto.
- (bbb) **"Purchaser's Condition"** has the meaning given to it in Section 8.1.
- (ccc) **"Purchaser's Solicitors"** means ATAC Law Corporation or such other firm of solicitors or agents as are retained by the Purchaser from time to time and written notice of which is provided to the Receiver.
- (ddd) **"Receiver"** is as defined in the preamble hereto.
- (eee) **"Receivership Order"** has the meaning given to it in Recital B.
- (fff) **"Receiver's Solicitors"** means Fasken Martineau DuMoulin LLP.
- (ggg) **"Rejected Licences"** has the meaning given to it in Section 2.8(d).
- (hhh) **"Replaceable Contract Holders"** means collectively, Terrace Timber Ltd. and Timber Baron Contracting Ltd..
- (iii) **"Replaceable Contracts"** means:
  - (i) the replaceable coast stump to dump harvest timber harvesting contract (five year) made as of January 1, 2020 between Sawmills and Terrace Timber Ltd.; and
  - (ii) the replaceable interior timber harvesting contract (five year) made as of January 1, 2021 between Sawmills and Timber Baron Contracting Ltd..

- (jjj) **"ROC"** has the meaning given to it in Recital A.alvar
- (kkk) **"Sawmills"** has the meaning given to it in Recital A.
- (lll) **"Stump Dump"** means the lands located at 863 Kalum Lake Road, Terrace, BC and legally described as PID: 009-426-833 District Lot 1398 Range 5 Coast District Except Plan 11735.
- (mmm) **"Transaction"** has the meaning given to it in Recital C.
- (nnn) **"Union"** means United Steelworkers Local 1-1937.
- (ooo) **"Vendor Group Parties"** has the meaning given to it in Section 2.2.
- (ppp) **"Vesting Order"** has the meaning given to it in Section 8.2.
- (qqq) **"Warranties"** means all subsisting warranties and guarantees benefiting any of the Purchased Assets or any part thereof that are assignable without consent and in effect on the Closing Date.

## **ARTICLE 2 – AGREEMENT TO COMPLETE TRANSACTIONS**

- 2.1 Agreement.** Subject to the terms and conditions of this Agreement and based on the representations and warranties contained in this Agreement, the Receiver agrees to sell and the Purchaser agrees to purchase:

- (a) the Phase 1 Purchased Assets on the Phase 1 Closing Date; and
- (b) subject to Section 2.8(d), the Phase 2 Purchased Assets on the Phase 2 Closing Date,

for the Purchase Price, free and clear of all Excluded Liabilities, and, for greater certainty, free and clear of all Encumbrances except for the Permitted Encumbrances. For avoidance of doubt, the Purchaser will not retain or assume, directly or indirectly, any liability in respect of the Excluded Liabilities.

- 2.2 As Is, Where Is.** The Purchaser is purchasing the Purchased Assets on an "as is, where is" basis as of the Phase 1 Closing Date and the Phase 2 Closing Date, as applicable. Neither the Receiver, nor anyone on its behalf, represents or warrants the condition or state of repair of any of the Purchased Assets. The Purchaser acknowledges and agrees that the listings and descriptions of the Purchased Assets contained herein have been prepared solely for convenience and are not warranted to be complete or accurate and are for the purposes of identification only, and that the Purchaser is responsible for satisfying itself through independent investigation and verification as to the completeness and accuracy of such listings and descriptions. The Purchaser must satisfy itself, and accept the Purchased Assets on a strictly "as is, where is" basis on the terms of this Agreement. The Purchaser does hereby release the Receiver and the Companies and each of their respective directors, officers, agents and employees (collectively, the **"Vendor Group Parties"**) from any and all claims that the Purchaser has or may have against any of the Vendor Group Parties in connection with the condition of the Purchased Assets irrespective of whether such claim arose before or after the Purchaser's acquisition of the Purchased Assets pursuant to this Agreement.

**2.3 Purchase Price.** The Purchase Price to be paid by the Purchaser to the Receiver in consideration of the completion of the Transaction in accordance with this Agreement will be the sum of Fourteen Million Forty-Seven Thousand Dollars (\$14,047,000) (the "**Purchase Price**"), exclusive of applicable taxes.

**2.4 Payment of Purchase Price.**

- (a) The Purchase Price will be payable as follows:
  - (i) by payment of the Deposit, which has been paid to the Receiver and will be held in accordance with Section 2.7; and
  - (ii) provided that the Purchaser's Condition and Mutual Condition have been satisfied or waived in accordance with Sections 8.1 and 8.2, by the Purchaser paying cash on the Phase 1 Closing Date in the amount of Twelve Million Seven Hundred Twenty-Seven Thousand Dollars (\$12,727,000) (the "**Balance**").
- (b) Except as otherwise provided herein, the Parties agree that there will be no adjustments for expenses and liabilities and revenues accrued in respect of the Purchased Assets.
- (c) The Purchase Price shall be paid by wire transfer or certified cheque of immediately available funds.

**2.5 Allocation of Purchase Price.** The parties agree to use reasonable efforts to agree prior to the Phase 1 Closing Date on an allocation of the Purchase Price among the components of the Purchased Assets. However, the parties further agree that failure to agree on such an allocation prior to the Phase 1 Closing Date will not render this Agreement unenforceable or result in a termination of this Agreement, and in such case each of the Receiver and the Purchaser will make its own determination of allocation.

**2.6 Bidding Procedures.** The Receiver and the Purchaser acknowledge that this Agreement and the Transaction are subject to Court approval. The Purchaser acknowledges and agrees that other prospective purchasers may attend in Court in person or by agent at the hearing of the motion to approve this Agreement and such prospective purchasers may make competing offers which may be approved by the Court. The Receiver may be compelled to advocate that the Court consider other offers in order to obtain the highest price for the Purchased Assets. The Receiver gives no undertaking to advocate the acceptance of this Agreement. To protect his, her or its interest in the Transaction, the Purchaser acknowledges and agrees that he, she or it should attend at the Court hearing in person or by agent and be prepared there to make such amended or increased offer as the Court may permit or direct.

**2.7 Deposit.** The Deposit will be held by the Receiver in an interest-bearing trust account with interest to the account of the Purchaser, unless otherwise stated in this Agreement. The Deposit and any accrued interest will be dealt with as follows:

- (a) on the Closing Date, the Deposit will be credited on account of the Purchase Price and the Receiver will pay to the Purchaser the accrued interest; or

- (b) if, after the Purchaser's Condition in Section 8.1 and the Mutual Conditions in Section 8.2 herein are satisfied or waived, the Purchaser fails to complete the purchase of the Phase 1 Purchased Assets on the Phase 1 Closing Date in accordance with this Agreement or if the Purchaser repudiates this Agreement, then the Deposit together with accrued interest will be forfeited to the Receiver as liquidated damages, as the Receiver's sole and exclusive remedy; or
- (c) if the Purchaser's Condition in Section 8.1 or the Mutual Conditions in Section 8.2 herein are not satisfied or waived within the applicable time periods contemplated in Sections 8.1 and 8.2, the Deposit, together with accrued interest will be returned to the Purchaser forthwith without any deduction;
- (d) if the Purchaser is not in default of any of its obligations under this Agreement and the Receiver fails to complete the sale of the Phase 1 Purchased Assets in accordance with this Agreement or if the Receiver repudiates this Agreement, then the Receiver will return the Deposit, together with accrued interest to the Purchaser upon demand by the Purchaser on or after the Phase 1 Closing Date, as the Purchaser's sole and exclusive remedy.

## 2.8 Licences.

- (a) The Receiver will promptly make application to the Province of British Columbia for consent to the transfer of the Licences to the Purchaser upon completion of the purchase and sale of the Phase 1 Purchased Assets.
- (b) The Purchaser covenants and agrees to provide, upon request from the Receiver, all information required by the Receiver or the Province of British Columbia with respect to the application to the Province of British Columbia for consent to the transfer of the Licences to the Purchaser upon completion of the purchase and sale of the Phase 2 Purchased Assets. The Purchaser will work cooperatively with the Receiver in making such application and answering any questions from the Province of British Columbia with respect to such application.
- (c) The Purchaser acknowledges and agrees that the consent of the Province of British Columbia to the transfer of the Licences to the Purchaser is not a condition for payment of the Balance and the Purchaser is obligated to pay the Balance on the Phase 1 Closing Date and will not be entitled to any refund of any portion of the Purchase Price even if the Province of British Columbia subsequently rejects the application for transfer of the Licences or fails to respond to the application prior to the Phase 2 Closing Date.
- (d) If the Province of British Columbia rejects the application for transfer of all of the Licences or fails to respond to the application prior to the Phase 2 Closing Date, the obligation of the Receiver to sell and the obligation of the Purchaser to purchase the Phase 2 Purchased Assets will be at an end and all of the representations, warranties and covenants contained herein with respect to the Phase 2 Purchased Assets will merge and there will be no survival of any representation, warranties or covenants contained in this Agreement with respect to the Phase 2 Purchased Assets except for any provision of this Agreement expressly contemplating obligations to be observed or performed by a Party after Closing. If the Province of British Columbia rejects the

application for transfer of only some of the Licences (the “**Rejected Licences**”) but approves the transfer for the balance of the Licences (the “**Approved Licences**”), then the obligation of the Receiver to sell and the obligation of the Purchaser to purchase the Rejected Licences will be at an end, but the Receiver and the Purchaser will proceed with the purchase and sale of the Approved Licences as part of the Phase 2 Purchased Assets.

### **ARTICLE 3 – DOCUMENTS AND INSPECTION**

- 3.1 Business Documents.** The Receiver covenants that it has made and until the Phase 1 Closing Date will make available to the Purchaser full, accurate and complete copies of all Business Records within the Receiver’s possession or control, and the Purchaser will be entitled to make photocopies of such of the material in those files as the Purchaser may reasonably request. If for any reason the Transaction contemplated in this Agreement is not completed, then the Purchaser will promptly return any such Business Records without retaining any copies.
- 3.2 Inspection.** The Purchaser and its advisors will be entitled upon reasonable notice to the Receiver and in accordance with the Receiver’s reasonable requirements as to security to enter the Lands and carry out tests and inspections of the Purchased Assets, provided that such access for such purposes will be at reasonable times scheduled by the Receiver at the Purchaser’s request and, at the option of the Receiver, subject to the Receiver’s supervision. The Purchaser will be responsible for and indemnify the Receiver for all costs, injuries or damages to the Purchased Assets, or to the Receiver, its agents or employees, directly arising out of such entry by the Purchaser and such indemnity will survive the completion of the Transaction or earlier termination of this Agreement. In carrying out such tests and inspections and entry the Purchaser will not disrupt or unduly interfere with the Business carried out on the Lands and Buildings.
- 3.3 Authorization.** The Receiver hereby authorizes the Purchaser and its agents, consultants and advisors to meet with or correspond with appropriate statutory or governmental authorities having jurisdiction over the Purchased Assets, the Lands, or the Companies or the Receiver for the purposes of this Transaction, including but not limited to inquiries with respect to compliance with laws, by laws, regulations and assessments. The Receiver will promptly, at the Purchaser’s request, execute and deliver any authorizations reasonably required by the Purchaser to authorize the statutory or governmental authorities to release information to the Purchaser, provided such authorizations explicitly do not authorize or request any inspections with respect to the Lands and Buildings.

### **ARTICLE 4 – GENERAL COVENANTS**

- 4.1 Covenants of the Receiver.** The Receiver:
- (a) throughout the Interim Period will notify the Purchaser of any material changes to the information delivered or made available to the Purchaser under or in connection with this Agreement, and after the expiration of the Interim Period up until the Phase 2 Closing Date, will notify the Purchaser of any material changes to the information delivered or made available to the Purchaser in under this Agreement in connection with the Phase 2 Assets;

- (b) throughout the Interim Period will maintain in full force and effect all existing policies of insurance currently maintained by the Receiver and maintain insurance on all the Phase 1 Purchased Assets at least to the levels as they are insured on the date of this Agreement;
- (c) throughout the Interim Period will not enter into any commitment or agreement or Contract, any agreement to lease, offer to lease or lease the Purchased Assets or modify any material terms of or terminate any of the Contracts, Licences, Replaceable Contracts, Permitted Encumbrances, Permits and Licenses or any mortgage or charge relating to the Purchased Assets or that would form an Encumbrance on the Purchased Assets without the prior written consent of the Purchaser, which the Purchaser may withhold in its sole discretion, or without order of the Court;
- (d) throughout the period from the expiration of the Interim Period until the Phase 2 Closing Date, will not modify any material terms of or terminate any of the Licences or Replaceable Contracts without the prior written consent of the Purchaser, which the Purchaser may withhold in its sole discretion, or without order of the Court;
- (e) will continue to maintain the Approved Contracts, Licences and Replaceable Contracts in their current status and, as would be expected for a receivership of a non-operating business, honour the obligations of any of the Companies or the Receiver under the Approved Contracts, Licences and the Permitted Encumbrances, and enforce the terms of all Approved Contracts, Licences and Permitted Encumbrances as would a prudent owner, subject to the Receiver's powers and obligations under the Receivership Order, and any other Court order or statute;
- (f) will promptly notify the Purchaser if the Receiver becomes aware that, after the date of this Agreement, any covenants, terms or conditions in this Agreement are breached or cannot be performed; and
- (g) will promptly forward to the Purchaser any search results from government offices which are directed to the Receiver in response to any due diligence inquiries made by or at the request of the Purchaser.

## **ARTICLE 5 – RISK AND CONDITION**

**5.1 Risk.** The Phase 1 Purchased Assets will be at the risk of the Receiver until completion of the purchase and sale of the Phase 1 Purchased Assets on the Phase 1 Closing Date and thereafter at the risk of the Purchaser. In the event of damage to the Phase 1 Purchased Assets by reason of fire, tempest, lightning, earthquake, flood or other Act of God, fire, explosion, riot, civil commotion, insurrection or war, then the Purchaser will complete the purchase and sale of the Phase 1 Purchased Assets and the Receiver will assign to the Purchaser the proceeds of any insurance claim related to such damage. For certainty, the Receiver is under no obligation to repair any damage to the Phase 1 Purchased Assets that arises as a result of any such damage.

### **5.2 Site Profile and Environmental Condition.**

- (a) The Purchaser hereby waives and releases the Receiver from any obligation to deliver a site profile or site disclosure statement to the Purchaser for the Lands and the



Buildings as contemplated by the *Environmental Management Act*(British Columbia) or any regulation in respect thereto.

- (b) Without limiting the generality of Section 2.2, the Purchaser acknowledges and agrees that the Receiver makes no representations or warranties with regard to the environmental condition of Lands and the Buildings and the Purchaser is relying solely on in its own investigations and inspections in regard to the environment and the existence on the Lands and the Buildings of any hazardous materials as it deems necessary in satisfying itself as to the environmental condition of the Lands and the Buildings.
- (c) The Purchaser does hereby release the Vendor Group Parties from any and all claims that the Purchaser has or may have against any of the Vendor Group Parties in connection with the environmental condition of the Lands and the Buildings, any contamination or Contaminants located on the Lands and the Buildings or migrating onto the Lands and the Buildings or from the Lands or the Buildings or any breach of any Environmental Laws irrespective of whether such claim arose before or after the Purchaser's acquisition of the Phase 1 Purchased Assets pursuant to this Agreement.
- (d) The Purchaser agrees that it shall not directly or indirectly commence or assert or pursue or threaten to commence, assert or pursue any type of claim (including an order issued by a Governmental Authority) against the Vendor Group Parties or any of the them relating to the environmental condition of or any environmental matter or issue involving the Lands and the Buildings including the location of contaminants or Contaminants thereon or migrating thereon or therefrom.
- (e) Without limiting the generality of the foregoing, the parties acknowledge and agree that any and all costs in any way related to the environmental remediation of the Lands and the Buildings (including any and all costs associated with the disposal of Contaminants or contaminated soil) or in connection with any adjacent property contaminated by Contaminants or contamination migrating from the Lands and the Buildings shall be for the Purchaser's sole account and neither the Receiver nor the Companies shall have any liability or responsibility in connection with any such remediation costs.
- (f) The parties acknowledge and confirm that the provisions of this Section 5.2 constitute an agreement between them that is a private agreement respecting liability for Contaminants and contamination on, in, at or under or released to, at or from Lands and the Buildings or otherwise associated with the Lands and the Buildings and any contamination of adjacent properties and waters resulting from such Contaminants and contamination or remediation of the Lands and Building.

The terms of this Section 5.2 shall survive completion of the sale of the Phase 1 Purchased Assets to the Purchaser.

## ARTICLE 6 – POSSESSION

- 6.1 Possession Date.** The Purchaser will, upon completion of the purchase and sale of the Phase 1 Purchased Assets have possession of the Phase 1 Purchased Assets as of the Phase 1 Closing Date free and clear of all Encumbrances subject only to Permitted Encumbrances.

- 6.2 Non-assignable Assets.** In the event that there are any Approved Contracts which are not assignable in whole or in part without the consent, approval or waiver of another party or parties to them and such consents, approvals or waivers have not yet been obtained as of the Phase 1 Closing Date, then:
- (a) nothing in this Agreement will be construed as an assignment of any such Contract (each a “**Consent Required Contract**”);
  - (b) until the Vesting Order is granted, the Receiver shall use its commercially reasonable efforts to obtain any such consent, approval or waiver and the Purchaser shall provide its reasonable cooperation to assist the Receiver in obtaining any such consent, approval or waiver;
  - (c) if any consent, approval or waiver is not obtained for any Consent Required Contract prior to the service of the application for the Vesting Order, the Purchaser may request, at the Purchaser’s own cost, that the Receiver bring an application to the Court for issuance of an Assignment Order with respect to such Consent Required Contracts together with the motion for the Vesting Order, or at such later date as may be designated by the Purchaser;
  - (d) pending obtaining consent or Assignment Order, the Receiver shall hold the Consent Required Contract in trust for the exclusive benefit of the Purchaser as a Non-Assignable Interest, and shall use commercially reasonable efforts to continue to perform its obligations under the Consent Required Contract and to continue to seek consent, approval or waiver; and
  - (e) once the consent, approval or waiver to the assignment of a Consent Required Contract is obtained or the assignment of such Contract has been ordered by the Court, such Consent Required Contract shall be deemed to be assigned to the Purchaser on the Phase 1 Closing Date.

## **ARTICLE 7- REPRESENTATIONS AND WARRANTIES**

- 7.1 Purchaser’s Representations and Warranties.** The Purchaser represents and warrants to the Receiver, regardless of any independent investigation that the Receiver may cause to be made that:
- (a) Kitsumkalum is an Indian Band within the meaning of the *Indian Act*, R.S.C. 1985 c. I - 5, as amended, and enters into this Agreement for and on behalf of itself and all the members of the Kitsumkalum First Nation, as represented by its Chief and Council having an address at PO Box 544, Terrace, British Columbia, V8G 4B5;
  - (b) each of 392, 390 and 387 is a corporation incorporated and existing under the laws of British Columbia and is a subsidiary of Kitsumkalum;
  - (c) each of the entities comprising the Purchaser has the power and authority to enter into this Agreement and to perform its obligations under this Agreement;
  - (d) neither the Purchaser’s entering into this Agreement nor the performance of its terms will result in the breach of or constitute a default under any term or provision of any

indenture, mortgage, deed of trust or other agreement to which any party comprising the Purchaser is bound or subject.

## ARTICLE 8 – CONDITIONS PRECEDENT

**8.1 Closing Condition Precedent in favour of the Purchaser.** The obligation of the Purchaser to complete the purchase and sale of the Phase 1 Purchased Assets is subject to following condition (“**Purchaser’s Condition**”):

- (a) the Receiver having performed in all material respects each of its obligations under this Agreement to the extent required to be performed at or before the Phase 1 Closing Date, including the delivery of each of the items required pursuant to Section 9.2.

The foregoing condition is for the exclusive benefit of the Purchaser. The condition in this Section 8.1 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing.

**8.2 Mutual Condition.** The obligation of the parties to complete the Transaction will be subject to the following mutual conditions (collectively, the “**Mutual Conditions**”), for the benefit of both the Receiver and the Purchaser:

- (a) that on or before the date that is forty-five (45) days following execution of this Agreement by both Parties, the Receiver will have obtained (at the sole cost of the Receiver) an order or orders of the Court substantially in the form set out in **Schedule B** and satisfactory to the Receiver and the Purchaser (collectively, the “**Vesting Order**”):
  - (i) approving the Transaction on the terms of this Agreement;
  - (ii) on completion of the purchase and sale of the Phase 1 Purchased Assets, vesting title to:
    - (A) all Lands except the Stump Dump in and to 392;
    - (B) the Stump Dump in and to 390; and
    - (C) the balance of the Phase 1 Purchased Assets in and to Kitsumkalum, free and clear of all Encumbrances except the Permitted Encumbrances
  - (iii) subject to Section 2.8(d), on completion of the purchase and sale of the Phase 2 Purchased Assets under this Agreement, vesting title to:
    - (A) the Licences in and to 387; and
    - (B) the balance of the Phase 2 Purchased Assets in and to Kitsumkalum, free and clear of all Encumbrances except the Permitted Encumbrances; and

- (iv) authorizing and directing the Receiver, as vendor, to complete the Transaction; and
- (b) that as of each of the Phase 1 Closing Date and the Phase 2 Closing Date, as applicable, there will be no applicable law or Court order in effect that prohibits the applicable Closing or the applicable part of the Transaction.

The Mutual Conditions are for the mutual benefit of the Receiver and the Purchaser and may not be waived unilaterally by either party. Both parties agree that they will use all reasonable commercial efforts to satisfy the Mutual Conditions. If the Mutual Conditions have not been satisfied by the applicable deadline provided for in this Section 8.2, then the Purchaser's and Receiver's obligation to complete the Transaction (or applicable portion thereof) pursuant to this Agreement will be an end.

If the Vesting Order is made by the Court, then the Parties will complete the Transaction without regard to any appeal or application for leave to appeal to vary or set aside the Vesting Order by any person, unless the Vesting Order has been stayed by further Court order.

## **ARTICLE 9– CLOSING**

### **9.1 Closing.** The closing of:

- (a) the purchase and sale of the Phase 1 Purchased Assets will take place on the Phase 1 Closing Date; and
- (b) subject to Section 2.8(d), the purchase and sale of the Phase 2 Purchased Assets will take place on the Phase 2 Closing Date,

each by electronic exchange of documents between the Purchaser's Solicitors and the Receiver's Solicitors in accordance with this ARTICLE 9.

### **9.2 Receiver's Closing Documents.**

- (a) On or before the Phase 1 Closing Date, the Receiver will deliver, or cause the Receiver's Solicitors to deliver, to the Purchaser's Solicitors in trust to be held in escrow as provided in this Agreement, the following documents duly executed as applicable and all in a form satisfactory to the Purchaser, acting reasonably:
  - (i) Court certified copy of the Vesting Order and any other orders of the Court as are necessary, all in a form registerable in all necessary offices required to effect the Transaction;
  - (ii) an assignment and assumption of Permitted Encumbrances with 392 (as to all Lands except the Stump Dump) and 390 (as to the Stump Dump);
  - (iii) a general conveyance transferring the Business Records, Intellectual Property, Inventory and the Machinery and Equipment to Kitsumkalum;
  - (iv) an assignment of all of the Receiver's and the Companies' rights under any and all Warranties;

- (v) a certificate dated as of the Phase 1 Closing Date of a senior officer of the Receiver having knowledge of the facts certifying, on behalf of the Receiver and without personal liability, that the Receiver's covenants and agreements to be observed or performed on or before the Phase 1 Closing Date pursuant to the terms of this Agreement have been duly observed and performed in all material respects;
  - (vi) a statutory declaration by an authorized officer of the Receiver that the Receiver is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
  - (vii) a notice from the Receiver to each of the other parties under the Approved Contracts giving notice of the assignment of such Approved Contract;
  - (viii) all Business Records that are in the possession or control of the Receiver;
  - (ix) all access cards, security cards, keys (including master keys) relating to the Phase 1 Purchased Assets or the Lands and Building which are in the possession or control of the Receiver; and
  - (x) such other documents and assurances as may be reasonably required by the Purchaser to give full effect to the intent and meaning of this Agreement or contemplated by the Vesting Order as they relate to the Phase 1 Purchased Assets.
- (b) Subject to Section 2.8(d), on or before the Phase 2 Closing Date, the Receiver will deliver, or cause the Receiver's Solicitors to deliver, to the Purchaser's Solicitors in trust to be held in escrow as provided in this Agreement, the following documents duly executed as applicable and all in a form satisfactory to the Purchaser, acting reasonably:
- (i) an assignment and assumption of the Licences (not including any Rejected Licences) wherein 387 assumes the rights and obligations under the Licences (not including any Rejected Licences) and the Purchaser indemnifies the Receiver and the Companies for all Liability under the Licences (not including any Rejected Licences) (but which for certainty will not include an indemnity from the Receiver to the Purchaser);
  - (ii) an assignment and assumption of the Replaceable Contracts wherein the Kitsumkalum assumes the rights and obligations under the Replaceable Contracts and the Purchaser indemnifies the Receiver for all Liability under the Replaceable Contracts (but which for certainty will not include an indemnity from the Receiver to the Purchaser);
  - (iii) if required by the Province of British Columbia, an assignment and consent agreement with respect to the transfer of the Licences (not including any Rejected Licences);
  - (iv) a certificate dated as of the Phase 2 Closing Date of a senior officer of the Receiver having knowledge of the facts certifying, on behalf of the Receiver

and without personal liability, that the Receiver's covenants and agreements to be observed or performed on or before the Phase 2 Closing Date pursuant to the terms of this Agreement have been duly observed and performed in all material respects; and

- (v) such other documents and assurances as may be reasonably required by the Purchaser to give full effect to the intent and meaning of this Agreement or contemplated by the Vesting Order as they relate to the Phase 2 Purchased Assets.

### **9.3 Purchaser's Closing Documents.**

- (a) In addition to payment of the Initial Payment, on or before the Phase 1 Closing Date, the Purchaser will deliver, or cause the Purchaser's Solicitors to deliver, to the Receiver's Solicitors in trust to be held in escrow as provided in this Agreement, the following duly executed as applicable:
  - (i) an assignment and assumption of Approved Contracts and Permits and Licenses;
  - (ii) assignments and assumption of Permitted Encumbrances;
  - (iii) the GST Certificates;
  - (iv) a certificate dated as of the Phase 1 Closing Date of a senior officer of the Purchaser having knowledge of the facts certifying, on behalf of the Purchaser and without personal liability, that the representations and warranties set out in Section 7.1 are true and correct in all material respects as at the Phase 1 Closing Date and that the Purchaser's covenants and agreements to be observed or performed on or before the Phase 1 Closing Date pursuant to the terms of this Agreement have been duly observed and performed in all material respects; and
  - (v) such other documents and assurances as may be reasonably required by the Purchaser to give full effect to the intent and meaning of this Agreement as it relates to the Phase 1 Purchased Assets.
- (b) In addition to payment of the Balance, subject to Section 2.8(d), on or before the Phase 2 Closing Date, the Purchaser will deliver, or cause the Purchaser's Solicitors to deliver, to the Receiver's Solicitors in trust to be held in escrow as provided in this Agreement, the following duly executed as applicable:
  - (i) an assignment and assumption of the Licences (not including any Rejected Licences);
  - (ii) an assignment and assumption of the Replaceable Contracts;
  - (iii) if required by the Province of British Columbia, an assignment and consent agreement with respect to the transfer of the Licences (not including any Rejected Licences);

- (iv) a certificate dated as of the Phase 2 Closing Date of a senior officer of the Purchaser having knowledge of the facts certifying, on behalf of the Purchaser and without personal liability, that the representations and warranties set out in Section 7.1 are true and correct in all material respects as at the Phase 2 Closing Date and that the Purchaser's covenants and agreements to be observed or performed on or before the Phase 2 Closing Date pursuant to the terms of this Agreement have been duly observed and performed in all material respects; and
- (v) such other documents and assurances as may be reasonably required by the Purchaser to give full effect to the intent and meaning of this Agreement as it relates to the Phase 2 Purchased Assets.

**9.4 Preparation and Form of Documents.** The closing documents contemplated in Sections 9.2 and 9.3 (other than the Vesting Order) (collectively, the "**Closing Documents**") will be prepared by the Purchaser's Solicitors and delivered to the Receiver's Solicitors at least five (5) Business Days before the Phase 1 Closing Date and at least two (2) Business Days before the Phase 2 Closing Date, as applicable. The Closing Documents (including the Vesting Order) will be in a form and substance reasonably satisfactory to the parties and their respective solicitors.

**9.5 Payment into Trust.** On or before the Phase 1 Closing Date, the Purchaser will pay to the Purchaser's Solicitors in trust, by way of certified cheque, bank draft, or wire transfer, funds in an amount equal to the Balance.

**9.6 Closing Procedure.**

- (a) All Closing Documents, funds, and other items delivered by the Parties for the Phase 1 Purchased Assets will be held in trust by the Receiver's Solicitors and the Purchaser's Solicitors until completion of closing on the Phase 1 Closing Date in accordance with this Agreement (except that the Vesting Order may be submitted for registration in accordance with this Section). Forthwith following the payment set forth in Section 9.5 and after receipt by the Purchaser's Solicitors of the documents and items referred to in Section 9.2(a), the Purchaser will cause the Purchaser's Solicitors to file the Vesting Order (together with such other documents as are required to be filed) in the Land Title Office. Upon the Purchaser's Solicitors obtaining a post application title search of the Lands which indicates that in normal Land Title Office routine, title to the Lands will be registered in the name of 392 and 390, as applicable, subject only to the Permitted Encumbrances and any documents filed by the Purchaser, and the state of title is in accordance with the terms and conditions of this Agreement, the Purchaser will cause the Purchaser's Solicitors to pay to the Receiver's Solicitors, in trust by wire transfer or certified cheque, the Balance and upon payment of the Balance, the Closing Documents as they relate to the Phase 1 Purchased Assets will be released to the appropriate parties.
- (b) All Closing Documents, funds, and other items delivered by the Parties for the Phase 2 Purchased Assets will be held in trust by the Receiver's Solicitors and the Purchaser's Solicitors until completion of closing on the Phase 2 Closing Date in accordance with this Agreement and thereafter released to the appropriate parties.

- 9.7 Concurrent Requirements.** It is a condition of Closing of the purchase and sale of the Phase 1 Purchased Assets that all matters of payment, execution and delivery of documents by each Party to the other pursuant to the terms of this Agreement as it relates to the Phase 1 Purchased Assets will be deemed to be concurrent requirements and it is specifically agreed that nothing will be complete until everything required as a condition precedent at the Closing of the purchase and sale of the Phase 1 Purchased Assets has been paid, executed and delivered. It is a condition of Closing of the purchase and sale of the Phase 2 Purchased Assets that all matters of payment, execution and delivery of documents by each Party to the other pursuant to the terms of this Agreement as it relates to the Phase 2 Purchased Assets will be deemed to be concurrent requirements and it is specifically agreed that nothing will be complete until everything required as a condition precedent at the Closing of the purchase and sale of the Phase 2 Purchased Assets has been paid, executed and delivered.
- 9.8 Delivery of Business Records.** The Receiver will table at Closing for the purchase and sale of the Phase 1 Purchased Assets and, on release of escrow, after completion of the purchase and sale of the Phase 1 Purchased Assets, will deliver originally executed copies of the Business Records, if in possession or control of the Receiver, to the Purchaser, to the extent not previously delivered.
- 9.9 Late Payment at Closing.** Notwithstanding anything else contained herein, the Purchaser will make all commercially reasonable efforts to ensure that the Balance payable in cash under Section 2.4 (each a "**Closing Payment**") will be paid to and received by the Receiver's Solicitors, in trust on or before 5:00 p.m. (Vancouver time) on the Phase 1 Closing Date. If for any reason out of the control of the Purchaser (which, for greater certainty, will not include any event which is a default by the Purchaser under this Agreement), the Purchaser cannot ensure that such amount will be received by the Receiver's Solicitors, in trust on or before 5:00 p.m. (Vancouver time) on the Phase 1 Closing Date, then provided the Purchaser's Solicitors confirm in writing to the Receiver's Solicitors on the Phase 1 Closing Date that the Purchaser's Solicitors are holding the Balance in their trust account, they may make the payment to the Receiver's Solicitors, in trust on or before 5:00 p.m. (Vancouver time) on the next Business Day following the Phase 1 Closing Date, and the Purchaser will pay to the Receiver, in addition to the Balance, simple interest on such amount at a rate equal to three percent (3.0%) per annum for each day after the Phase 1 Closing Date until the Balance is received by the Receiver's Solicitors, in trust (and if it is received after 5:00 p.m. (Vancouver time) on any day, then an additional day's interest will be added). For example, if the Phase 1 Closing Date occurs on a Friday, the funds are wired on the following Monday and the Balance is received by the Receiver's Solicitors at 6:00 p.m. (Vancouver time) the day after wiring, the Purchaser will pay the Receiver four days' interest on the Balance.
- 9.10 Termination.** Notwithstanding any other provision of this Agreement:
- (a) if the purchase and sale of the Phase 1 Purchased Assets contemplated by this Agreement do not complete on or prior to the day that is sixty (60) days after the Court pronounces the Vesting Order other than as a result of the default of the Purchaser, then the Purchaser may, in its sole discretion, terminate this Agreement with written notice delivered to the Receiver without any further liability, and the Receiver will forthwith return any part of the Deposit then remaining to the Purchaser; and



- (b) this Agreement will automatically terminate upon Closing of both the purchase and sale of the Phase 1 Purchased Assets and the Phase 2 Purchased Assets, upon which all of the representations, warranties and covenants contained herein will merge and there will be no survival of any representation, warranties or covenants contained in this Agreement except for any provision of this Agreement expressly contemplating obligations to be observed or performed by a Party after Closing.

## ARTICLE 10– TAXES

**10.1 GST.** The Purchaser represents and warrants to Receiver that each of the entities comprising the Purchaser is and will be, as of the closing on each of the Phase 1 Closing Date and the Phase 2 Closing Date, registered for GST in accordance with the requirements of Subdivision D of Division V of the *Excise Tax Act* (Canada) (the “**ETA**”). On the Phase 1 Closing Date, the Purchaser will pay to the Receiver GST calculated at the applicable GST rate on the Purchase Price. Notwithstanding the foregoing, on the Phase 1 Closing Date, each of 392 and 390 will deliver to the Receiver a certificate (each a “**GST Certificate**” and together, the “**GST Certificates**”) of a senior officer of each of 392 and 390 certifying, on behalf of the Purchaser and without personal liability:

- (a) that each of 392 and 390 is registered under Part IX of the ETA as of the Phase 1 Closing Date;
- (b) its registration number; and
- (c) that 392 will account for, report and remit any GST payable in respect of the purchase of the Lands and Buildings (other than the Stump Dump) in accordance with the ETA;
- (d) that 390 will account for, report and remit any GST payable in respect of the purchase of the Stump Dump and the Buildings thereon in accordance with the ETA.

If the Purchaser delivers such GST Certificates, then the Purchaser will not be required to pay to the Receiver, and the Receiver will not be required to collect from the Purchaser nor report or remit, any GST in connection with the portion of the Purchase Price allocated to the Lands and the Buildings. The Purchaser will indemnify and hold the Receiver and its directors, officers, employees, advisors and agents harmless from any liability under the ETA arising as a result of any breach of this Section 10.1, the GST Certificate or any declaration made therein and such indemnity will survive the completion of the transactions contemplated herein.

**10.2 Provincial Sales Tax (“PST”).** The Purchaser acknowledges that it is liable to pay provincial sales tax in respect of its purchase of some or all of the Inventory and Machinery and Equipment. The Receiver and the Purchaser will use commercially reasonable efforts to reach an agreement on the amount of PST payable. On the Phase 1 Closing Date, the Purchaser will pay to the Receiver PST calculated at the applicable PST rate on the portion of the Purchase Price allocated to any Inventory and Machinery and Equipment subject to the payment of PST. The Purchaser will indemnify and hold the Receiver and its directors, officers, employees, advisors and agents harmless from any liability related to the Receiver’s failure to account for, or report and remit such PST and such indemnity will survive the completion of the transactions contemplated herein.

- 10.3 Tax Elections.** Notwithstanding the above, the Receiver will cooperate with the Purchaser to execute any election available under applicable law that may reduce or defer the amount or due date of any GST, PST, or other tax payable by the Purchaser provided such election will not result in any increased cost or tax liability for the Receiver.
- 10.4 Other Taxes.** The Purchaser will be responsible for any transfer taxes, fees and expenses in connection with the registration of the Vesting Order, and the Receiver will be responsible for any taxes or fees in respect of the effective disposition of the Phase 1 Purchased Assets and the Phase 2 Purchased Assets by the Transaction, including, without limitation, income tax.

#### **ARTICLE 11 - GENERAL**

- 11.1 Post-Closing Access to Business Records.** After each of the Phase 1 Closing Date and the Phase 2 Closing Date, the Purchaser will provide access to any Business Records reasonably required by the Receiver in order to prepare and file any tax returns or to perform its obligations as Receiver of the Companies. This provision will survive the completion of the Transaction.
- 11.2 Further Assurances.** Each of the parties will execute and deliver all such further documents and do such further acts and things as may be reasonably required from time to time to give effect to this Agreement.
- 11.3 Entire Agreement.** This Agreement constitutes the entire agreement between the Receiver and the Purchaser pertaining to the Transaction and supersedes all prior agreements and undertakings, negotiations and discussions, whether oral or written, of the Receiver and the Purchaser and there are no representations, warranties, covenants or agreements between the Receiver and the Purchaser except as set out in this Agreement.
- 11.4 Amendment.** Subject to Section 11.5, this Agreement may only be altered or amended by an agreement in writing executed by all of the Parties.
- 11.5 Solicitors as Agents.** Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser's Solicitors, on behalf of the Purchaser, and by the Receiver's Solicitors, on behalf of the Receiver, and any tender of Closing Documents and the Purchase Price may be made upon the Receiver's Solicitors and the Purchaser's Solicitors, as the case may be.
- 11.6 Notices.** Any notice, document or communication required or permitted to be given under this Agreement will be in writing and delivered by hand or electronic transmission as follows:

(a) if to the Purchaser:

Kitsumkalum First Nation as represented by Kitsumkalum Band Council  
PO Box 544  
Terrace, BC V8G 4BS

Attention: Steve Roberts, Kitsumkalum Band Manager

E-mail [sroberts@kitsumkalum.com](mailto:sroberts@kitsumkalum.com)

with a copy to the Purchaser's Solicitors:

ATAC Law Corporation  
308-8988 Fraserton Court  
Burnaby, BC V5J 5H8

Attention: Mike Stewart and Gurpal Sandhu

E-mail: [mstewart@ataclaw.ca](mailto:mstewart@ataclaw.ca), [gsandhu@ataclaw.ca](mailto:gsandhu@ataclaw.ca)

(b) if to the Receiver:

Alvarez & Marsal Canada Inc.  
902 – 925 West Georgia Street  
Vancouver, BC V6C 3L2

Attention: Anthony Tillman

E-mail: [atillman@alvarezandmarsal.com](mailto:atillman@alvarezandmarsal.com)

with a further copy to the Receiver's Solicitors:

Fasken Martineau DuMoulin LLP  
2900 – 550 Burrard Street  
Vancouver, BC V6C 0A3

Attention: Kibben Jackson and Sarah Batut

E-mail: [kjackson@fasken.com](mailto:kjackson@fasken.com), [sbatut@fasken.com](mailto:sbatut@fasken.com)

or to such other address in Canada as either Party may in writing advise. Any notice, document or communication will be deemed to have been given on the Business Day when delivered by hand if delivered prior to 5:00 p.m. (Vancouver time), otherwise will be deemed to be delivered and received on the next Business Day; or, if made by email, will be deemed to have been given on the Business Day when transmitted if it is so transmitted prior to 5:00 p.m. (Vancouver time) on the day of transmittal, otherwise will be deemed to be given and received on the next Business Day.

**11.7 Fees.** Subject to Section 2.3, each of the Parties will pay its own legal fees and fees of its consultants. The Purchaser will pay all registration costs and property transfer tax payable in connection with the Transaction and the taxes identified ARTICLE 10 as being the Purchaser's responsibility, and the Receiver will be responsible for the taxes or fees identified in ARTICLE 10 as being the Receiver's responsibility. For certainty, the Purchaser will have no liability to fund any of the costs of the receivership.

- 11.8 Accounting Terms.** Accounting terms used herein and not expressly defined will be deemed to have such meanings as may apply on the application of the Accounting Standards.
- 11.9 Time.** Time is of the essence of this Agreement.
- 11.10 Tender.** Unless otherwise set out herein, any tender of documents or money may be made upon the party being tendered or upon its solicitors and money will be tendered by certified cheque, bank draft, or wire transfer.
- 11.11 Enurement.** This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.
- 11.12 Assignment.** The Purchaser may not assign its rights and obligations under this Agreement without the prior written consent of the Receiver. If the Receiver consents to any proposed assignment, the assignee must enter into an agreement pursuant to which the assignee agrees to be bound by all of the obligations and Liability of the Purchaser under this Agreement as if it was the original party and the Purchaser will not be released from its obligations and Liability under this Agreement until the completion of the Transaction, at which time the assignor will be automatically released from all of its obligations and Liability under this Agreement without the need for any further deliveries or instruments of release.
- 11.13 Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable in it.
- 11.14 Waiver.** No waiver of any of the provisions of this Agreement will be deemed or will constitute a waiver of any other provision nor will any waiver constitute a continuing waiver unless otherwise expressed or provided. Subject to Section 11.5, no waiver of any provision of this Agreement is binding unless it is executed in writing by each Party to be bound.
- 11.15 Currency.** All dollar amounts referred to are Canadian dollars.
- 11.16 Construction.** The division and headings of this Agreement are for reference only and are not to affect construction or interpretation.
- 11.17 Joint and Several.** If any Party is comprised of more than one party, then all of the covenants, agreements, representations and warranties of each of the parties comprising such Party, will be joint and several covenants, agreements, representations and warranties.
- 11.18 Replaceable Contracts.** Notwithstanding that the Purchaser is assuming the Replaceable Contracts, the Receiver acknowledges having been advised by Kitsumkalum that pursuant to separate agreements negotiated between the Purchaser and the Replaceable Contracts Holders, the Replaceable Contracts Holders have agreed directly with the Purchaser that the Purchaser will have no liability for any Liabilities under the Replaceable Contracts that arose prior to the Phase 2 Closing Date.
- 11.19 Counterparts and Execution.** This Agreement may be executed electronically and in counterparts and delivered by electronic transmission including by PDF format, and each such counterpart will constitute an original and all such counterparts together will constitute one and the same agreement.
- 11.20 Schedules.** The following schedules are attached to and form a part of this Agreement:

Schedule A – Legal Description and Permitted Encumbrances  
Schedule B - Form of Vesting Order  
Schedule C – Inventory  
Schedule D – Machinery and Equipment

*[Signature page follows]*

The Parties are signing this Agreement as of the date set out above.

**ALVAREZ & MARSAL CANADA INC., in its  
capacity as Receiver of Skeena Sawmills Ltd.,  
Skeena Bioenergy Ltd. and ROC Holdings Ltd.**

By: \_\_\_\_\_  
Name: Anthony Tillman  
Title: Authorized Signatory

**KITSUMKALAM FIRST NATION**

By: \_\_\_\_\_  
Name: Steven W. Roberts  
Title: Band Manager

**1355392 B.C. LTD.**

By: \_\_\_\_\_  
Name:  
Title:

**1355390 B.C. LTD.**

By: \_\_\_\_\_  
Name:  
Title:

**1355387 B.C. LTD.**

By: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE A**  
**LEGAL DESCRIPTION AND PERMITTED ENCUMBRANCES**

**Part 1 – Legal Description of Lands**

The following:

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

**Part 2 – Permitted Encumbrances**

- PID: 011-691-042  
Legal Notations:
  - This title may be affected by a permit under Part 14 of the Local Government Act, see CA8395265Charges, Liens and Interests:
  - 2024 Property Taxes
- PID: 011-691-051  
Legal Notations:
  - Hereto is annexed Easement CA7183199 over Lot A Plan EPP78423 as TP Art shown on Plan EPP82278Charges, Liens and Interests:
  - 2024 Property Taxes
- PID: 030-631-700  
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 CA6825838Charges, Liens and Interests:
  - Statutory Right of Way BB1131384
  - Easement CA7183199
  - Statutory Right of Way CA7224665
  - 2024 Property Taxes
- PID: 011-768-398

Legal Notations:

- NIL

Charges, Liens and Interests:

- 2024 Property Taxes

- PID: 009-426-833

Legal Notations:

- NIL

Charges, Liens and Interests:

- 2024 Property Taxes



**SCHEDULE B**  
**FORM OF VESTING ORDER**

See attached.

No. S236214  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

1392752 B.C. LTD.

PETITIONER

AND:

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

RESPONDENTS

**ORDER MADE AFTER APPLICATION**

**APPROVAL AND VESTING ORDER**

	)		)	
	)		)	
BEFORE	)	THE HONOURABLE MR. JUSTICE	)	April 16, 2024
	)	WALKER	)	
	)		)	

ON THE APPLICATION OF Alvarez & Marsal Canada Inc. in its capacity as court-appointed receiver (in such capacity, the “Receiver”) of Skeena Sawmills Ltd. (“Sawmills”), Skeena Bioenergy Ltd. (“Bioenergy”) and ROC Holdings Ltd. (“Roc”, and together with Sawmills and Bioenergy, the “Companies”), coming on for hearing at Vancouver, British Columbia on April 2-5, 10 and 16, 2024, AND ON HEARING Kibben Jackson and Mishaal Gill, counsel to the Receiver, Mike Stewart and Gurpal Sandhu, counsel to Kitsumkalum First Nation, and those other counsel listed in Schedule “A” hereto, AND NO ONE ELSE APPEARING, although duly served.; AND UPON READING the material filed, including the First Confidential Report of the Receiver dated January 19, 2024, the Receiver’s Fourth Report dated February 29, 2024, the Supplemental Report to the Fourth Report of the Receiver dated March 6, 2024, the Second Supplemental Report to the Fourth Report of the Receiver dated March 11, 2024, the Third Supplemental Report to the Fourth Report of the Receiver dated March 27, 2024, the Fourth Supplemental Report to the Fourth Report of the Receiver dated April 3, 2024, the Confidential Supplemental Report to

the Fourth Report of the Receiver dated April 3, 2024 and the Fifth Supplemental Report to the Fourth Report of the Receiver dated April 16, 2024.

THIS COURT ORDERS AND DECLARES that:

**THE TRANSACTION**

1. The sale transaction (the “**Transaction**”) contemplated by the Purchase and Sale Agreement dated April 15, 2024 (the “**Sale Agreement**”) between the Receiver, as vendor, and 1355387 B.C. Ltd., 1355390 B.C. Ltd., 1355392 B.C. Ltd. and Kitsumkalum First Nation (collectively, the “**Purchaser**”), as purchasers, a copy of which is attached hereto as Schedule “B”, is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the Purchased Assets (as that term is defined in the Sale Agreement).
2. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as Schedule “C” hereto (the “**Receiver’s Phase 1 Certificate**”), all of the Companies’ right, title and interest in and to the Phase 1 Purchased Assets (as that term is defined in the Sale Agreement) shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated September 20, 2023 (the “**Receivership Order**”); (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and (iii) those Claims listed on Schedule “D” hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule “E” hereto), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. Upon presentation for registration in the Land Title Office for the Land Title District of Prince Rupert of a certified copy of this Order, together with a letter from counsel for the Receiver authorizing registration of this Order, the British Columbia Registrar of Land Titles is hereby directed to:
  - (a) enter the Purchaser as the owner of the lands (the “**Lands**”), as identified in Schedule “F” hereto, together with all buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licenses, rights, covenants, restrictive covenants, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple in respect of the Lands, and this Court declares that it has been proved to the satisfaction of the Court on investigation that the title of the Purchaser in and to the Lands is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid; and
  - (b) having considered the interest of third parties, to discharge, release, delete and expunge from title to the Lands all of the registered Encumbrances except for those listed in Schedule “E” hereto.
4. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as Schedule “G” hereto (the “**Receiver’s Phase 2 Certificate**”), all of the Companies’ right, title and interest in and to the Phase 2 Purchased Assets (as that term is defined in the Sale Agreement) which can and are to be transferred to the Purchaser under the terms of the Sale Agreement (if any) shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all Encumbrances, and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to such Phase 2 Purchased Assets are hereby expunged and discharged as against such Phase 2 Purchased Assets.
5. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver’s Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.

6. The Receiver is to file with the Court a copy of the Receiver's Phase 1 Certificate and, if applicable, the Receiver's Phase 2 Certificate forthwith after delivery thereof.
7. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or Section 18(1)(o) of the *Personal Information Protection Act* of British Columbia, the Receiver is hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Companies' past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Companies.
8. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets, including the Lands, shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Phase 1 Closing Date and, if applicable, the Phase 2 Closing Date (as those terms are defined in the Sale Agreement), subject to the permitted encumbrances enumerated in Schedule "E".
9. The Receiver, with the consent of the Purchaser, shall be at liberty to extend each of the Phase 1 Closing Date and, if applicable the Phase 2 Closing Date to such later dates as those parties may agree without the necessity of a further Order of this Court.
10. Notwithstanding:
  - (a) these proceedings;
  - (b) any applications for a bankruptcy order in respect of the Companies now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* (the "**BIA**") and any bankruptcy order issued pursuant to any such applications; and
  - (c) any assignment in bankruptcy made by or in respect of the Companies,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Companies and shall not be void or voidable by creditors of the Companies, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

11. In addition to and without limiting the rights and protections afforded to the Receiver pursuant to the Receivership Order made herein, the Receiver and its employees and representatives shall not incur any liability as a result of acting in accordance with this Order save and except for any gross negligence or wilful misconduct on the part of any such parties. All protections afforded to the Receiver pursuant to the Receivership Order, any further order granted in these proceedings or the BIA shall continue to apply.
12. Upon delivery of the Receiver's Phase I Certificate, all persons shall be absolutely and forever barred, estopped, foreclosed and permanently enjoined from pursuing, asserting, exercising, enforcing, issuing or continuing any steps or proceedings, or relying on any rights, remedies, claims or benefits in respect of or against the Receiver, its directors, officers, employees, counsel, advisors and representatives, the Purchaser, the Companies or the Purchased Assets, in any way relating to, arising from or in respect of the insolvency of the Companies, the commencement or existence of these receivership proceedings or the completion of the Transaction.
13. The Receiver, the Purchaser, or any other party have liberty to apply for such further or other directions as may be necessary or desirable to give effect to this Order.
14. Endorsement of this Order by counsel other than counsel for the Receiver is hereby dispensed with.
15. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

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

---

Signature of Kibben Jackson  
Lawyer for ALVAREZ & MARSAL CANADA  
INC., in its capacity as Receiver of Skeena  
Sawmills Ltd., Skeena Bioenergy Ltd. and ROC  
Holdings Ltd.

BY THE COURT

---

REGISTRAR

**Schedule "A"**

(List of Counsel)



**Schedule "B"**

(Sale Agreement)

**Schedule "C"**

(Receiver's Phase 1 Certificate)

No. S236214  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

1392752 B.C. LTD.

PETITIONER

AND:

SKEENA SAWMILLS LTD., SKEENA BIOENERGY LTD. and  
ROC HOLDINGS LTD.

RESPONDENTS

**RECEIVER'S CERTIFICATE**

- A. By order made September 20, 2023, this Court appointed Alvarez & Marsal Canada Inc. (the "**Receiver**") as receiver and manager of the assets, undertakings and property of Skeena Sawmills Ltd., Skeena Bioenergy Ltd. and ROC Holdings Ltd. (collectively, the "**Companies**").
- B. Pursuant to an order of the Court dated April 16, 2024, the court approved the Sale Agreement entered into by the Receiver and Kitsumkalum First Nation ("**Kitsumkalum**"), and provided for the vesting of the Phase 1 Purchased Assets (as defined in the Sale Agreement) effective upon delivery by the Receiver to the Purchaser of a certificate confirming: (i) receipt of the full amount of the Purchase Price (as defined in the Sale Agreement); and (ii) the transaction in respect of the Phase 1 Purchased Assets as contemplated by the Sale Agreement has been completed to the satisfaction of the Receiver.

**THE RECEIVER HEREBY CERTIFIES** the following:

1. The Receiver has received the full amount of the Purchase Price.

2. The transaction in respect of the Phase 1 Purchased Assets as contemplated by the Sale Agreement has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at \_\_\_\_\_ on \_\_\_\_\_, 2024.

ALVAREZ & MARSAL CANADA INC., in its  
capacity as Receiver of Skeena Sawmills Ltd.,  
Skeena Bioenergy Ltd. and ROC Holdings Ltd., and  
not in its personal capacity

Per: \_\_\_\_\_  
Name:

**Schedule "D"**

(Encumbrances to be discharged from title to Purchased Assets)

<b>SECURED PARTY</b>	<b>LAND TITLE REGISTRATION NO.</b>
1392752 B.C. LTD.	CB458433
1392752 B.C. LTD.	CB458434

<b>SECURED PARTY</b>	<b>PERSONAL PROPERTY REGISTRY REGISTRATION NO.</b>
Delta Cedar Specialties Ltd.	282094N
Timber Baron Contracting Ltd.	903702N, 903703N
Deuce Creek Contracting Ltd.	350830P, 350833P
Infinity West Enterprises Inc.	427844P, 427848P
Antler Creek Contracting Ltd.	507680P, 507684P, 757548P, 757558P
L & J Logging Ltd.	771796P, 771821P
D.R. Holtom Ltd.	777413P, 777418P
Daudet Creek Contracting Ltd.	788822P, 788843P, 788873P, 788895P, 788922P, 788941P, 788955P, 788978P
Silvicon Services Inc.	795469P, 797967P
K'Alii AKS Timber Corporation	795470P, 797968P
Round Lake Transport Ltd.	830654P, 830659P
Dynamic Capital Equipment Finance Inc.	144761N, 154648N, 184908N, 184963N
Caterpillar Financial Services Limited	007610M, 984133L, 632901M, 941146M
CWB National Leasing Inc.	170285N, 545347N
Corley Manufacturing Company	820477P
Microtec Inc.	120833Q
The Bank of Nova Scotia	436815P, 608762K
Her Majesty the Queen in the Right of the Province of British Columbia	313007P
Timber Tracks Inc.	541647P
Bank of Montreal/Banque de Montreal	660141P
Stardust Contracting Ltd.	323463P
1392752 B.C. LTD.	294187P

### Schedule "E"

(Permitted Encumbrances)

- PID: 011-691-042  
Legal Notations:
  - This title may be affected by a permit under Part 14 of the Local Government Act, see CA8395265Charges, Liens and Interests:
  - Property taxes imposed in 2024
- PID: 011-691-051  
Legal Notations:
  - Hereto is annexed Easement CA7183199 over Lot A Plan EPP78423 as TP Art shown on Plan EPP82278Charges, Liens and Interests:
  - Property taxes imposed in 2024
- PID: 030-631-700  
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 CA6825838Charges, Liens and Interests:
  - Statutory Right of Way BB1131384
  - Easement CA7183199
  - Statutory Right of Way CA7224665
  - Property taxes imposed in 2024
- PID: 011-768-398  
Legal Notations:
  - NILCharges, Liens and Interests:
  - Property taxes imposed in 2024
- PID: 009-426-833  
Legal Notations:
  - NILCharges, Liens and Interests:
  - Property taxes imposed in 2024

**Schedule "F"**

(Real Property)

- PID: 011-691-042; LOT A DISTRICT LOT 616 RANGE 5 COAST DISTRICT PLAN 3986, EXCEPT PLAN PRP47978
- PID: 011-691-051; LOT B DISTRICT LOT 616 RANGE 5 COAST DISTRICT PLAN 3986
- 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

**Schedule "G"**

(Receiver's Phase 2 Certificate)

No. S236214  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

1392752 B.C. LTD.

PETITIONER

AND:

SKEENA SAWMILLS LTD., SKEENA BIOENERGY LTD. and  
ROC HOLDINGS LTD.

RESPONDENTS

**RECEIVER'S CERTIFICATE**

- A. By order made September 20, 2023, this Court appointed Alvarez & Marsal Canada Inc. (the "**Receiver**") as receiver and manager of the assets, undertakings and property of Skeena Sawmills Ltd., Skeena Bioenergy Ltd. and ROC Holdings Ltd. (collectively, the "**Companies**").
- B. Pursuant to an order of the Court dated April 16, 2024, the court approved the Sale Agreement entered into by the Receiver and Kitsumkalum First Nation ("**Kitsumkalum**"), and provided for the vesting of such of the Phase 2 Purchased Assets (as defined in the Sale Agreement) which can and are to be transferred to the Purchaser under the terms of the Sale Agreement (if any) effective upon delivery by the Receiver to the Purchaser of a certificate confirming that the transaction in respect of the Phase 2 Purchase Assets contemplated by the Sale Agreement has been completed to the satisfaction of the Receiver.

**THE RECEIVER HEREBY CERTIFIES** the following:

- 1. The transaction in respect of the Phase 2 Purchase Assets contemplated by the Sale Agreement has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at \_\_\_\_\_ on \_\_\_\_\_, 2024.

ALVAREZ & MARSAL CANADA INC., in its  
capacity as Receiver of Skeena Sawmills Ltd.,  
Skeena Bioenergy Ltd. and ROC Holdings Ltd., and  
not in its personal capacity

Per: \_\_\_\_\_  
Name:



**SCHEDULE C  
INVENTORY**

Location	Category	Specific Location	Item Specs	Volume (M3)
Mill	Log		Sawlogs Hembal at Mill	1,986.7
Mill	Log		Spruce at Mill	397.8
Mill	Log		Cedar at Mill	176.3
Mill	Log		Pulp Logs (Hembal) at Mill	1,095.7
Bush	Log	CP 523 blk NIS001	decked HemBal (pulp and S/L (60/40)	300.0
Bush	Log	CP 523 blk NIS002	Decked HemBal	2,419.0
Bush	Log	CP 523 blk NIS002	Roadside unprocessed HemBal	1,910.0
		CP 517 blks.		
Bush	Log	Paw001/003	Decked HemBal pulpwood	3,435.0
Bush	Log	CP 40 WAT001	R/W (HBCw) unprocessed	357.0
Location	Category	Status	Item Specs	Volume (ODT)
Mill	Fibre		Chips at Mill	11.0
Pellet Plant	Fibre		Chips at Skeena Bioenergy	107.3
Pellet Plant	Fibre		Pellet Fine material at Bioenergy	12.6
Pellet Plant	Fibre		Hog material at Bioenergy	1,884.1
			Pellet fibre material at Bioenergy	
Pellet Plant	Fibre		(material is a mixed belnd of fibre)	984.8
Pellet Plant	Fibre		Shavings material at Bioenergy	162.3
Pellet Plant	Fibre		Belend sawdust and hog material at B	875.0
Pellet Plant	Fibre		Bush grind material at Bioenergy	226.2

**SCHEDULE D  
MACHINERY AND EQUIPMENT**

See attached.

Inventory #	Item #	Qty	Unit	Part Name	Model	Description	Serial Number	Inventory #
1	1	1	Unit	Motor		Transfer loader, 10 ton, electric with motor.		
2	1	1	Unit	Motor		10T X 3 double track drive, motorized power, 4 door, push button control, line shaft, Frank Curtis line control with Allen Bradley plc, Cpu with monitor, Ramtron 60 gal air compressor with reducing tank, Rex 15 vlv transformer, Allied size 94291 40 hp main 10 ID, 15,000 btu/h, Mason Burn Overpass size 556, Honeywell gas valves, Wagner L722 stick probe and parts		
3	81	1	Unit	Motor		Kit cards, 47 X 12" (semi rough)		
4	18	1	Unit	Motor		Steel support racks with wheels		
5	18	1	Unit	Motor		Steel support racks		
6	18	1	Unit	Motor		Steel support racks		
7	18	1	Unit	Motor		Steel support racks		
8	18	1	Unit	Motor		Steel support racks		
9	18	1	Unit	Motor		Steel support racks		
10	18	1	Unit	Motor		Steel support racks		
11	18	1	Unit	Motor		Steel support racks		
12	18	1	Unit	Motor		Steel support racks		
13	18	1	Unit	Motor		Steel support racks		
14	18	1	Unit	Motor		Steel support racks		
15	18	1	Unit	Motor		Steel support racks		
16	18	1	Unit	Motor		Steel support racks		
17	18	1	Unit	Motor		Steel support racks		
18	18	1	Unit	Motor		Steel support racks		
19	18	1	Unit	Motor		Steel support racks		
20	18	1	Unit	Motor		Steel support racks		
21	18	1	Unit	Motor		Steel support racks		
22	18	1	Unit	Motor		Steel support racks		
23	18	1	Unit	Motor		Steel support racks		
24	18	1	Unit	Motor		Steel support racks		
25	18	1	Unit	Motor		Steel support racks		
26	18	1	Unit	Motor		Steel support racks		
27	18	1	Unit	Motor		Steel support racks		
28	18	1	Unit	Motor		Steel support racks		
29	18	1	Unit	Motor		Steel support racks		
30	18	1	Unit	Motor		Steel support racks		
31	18	1	Unit	Motor		Steel support racks		
32	18	1	Unit	Motor		Steel support racks		
33	18	1	Unit	Motor		Steel support racks		
34	18	1	Unit	Motor		Steel support racks		
35	18	1	Unit	Motor		Steel support racks		
36	18	1	Unit	Motor		Steel support racks		
37	18	1	Unit	Motor		Steel support racks		
38	18	1	Unit	Motor		Steel support racks		
39	18	1	Unit	Motor		Steel support racks		
40	18	1	Unit	Motor		Steel support racks		
41	18	1	Unit	Motor		Steel support racks		
42	18	1	Unit	Motor		Steel support racks		
43	18	1	Unit	Motor		Steel support racks		
44	18	1	Unit	Motor		Steel support racks		
45	18	1	Unit	Motor		Steel support racks		
46	18	1	Unit	Motor		Steel support racks		
47	18	1	Unit	Motor		Steel support racks		
48	18	1	Unit	Motor		Steel support racks		
49	18	1	Unit	Motor		Steel support racks		
50	18	1	Unit	Motor		Steel support racks		
51	18	1	Unit	Motor		Steel support racks		
52	18	1	Unit	Motor		Steel support racks		
53	18	1	Unit	Motor		Steel support racks		
54	18	1	Unit	Motor		Steel support racks		
55	18	1	Unit	Motor		Steel support racks		
56	18	1	Unit	Motor		Steel support racks		
57	18	1	Unit	Motor		Steel support racks		
58	18	1	Unit	Motor		Steel support racks		
59	18	1	Unit	Motor		Steel support racks		
60	18	1	Unit	Motor		Steel support racks		
61	18	1	Unit	Motor		Steel support racks		
62	18	1	Unit	Motor		Steel support racks		
63	18	1	Unit	Motor		Steel support racks		
64	18	1	Unit	Motor		Steel support racks		
65	18	1	Unit	Motor		Steel support racks		
66	18	1	Unit	Motor		Steel support racks		
67	18	1	Unit	Motor		Steel support racks		
68	18	1	Unit	Motor		Steel support racks		
69	18	1	Unit	Motor		Steel support racks		
70	18	1	Unit	Motor		Steel support racks		
71	18	1	Unit	Motor		Steel support racks		
72	18	1	Unit	Motor		Steel support racks		
73	18	1	Unit	Motor		Steel support racks		
74	18	1	Unit	Motor		Steel support racks		
75	18	1	Unit	Motor		Steel support racks		
76	18	1	Unit	Motor		Steel support racks		
77	18	1	Unit	Motor		Steel support racks		
78	18	1	Unit	Motor		Steel support racks		
79	18	1	Unit	Motor		Steel support racks		
80	18	1	Unit	Motor		Steel support racks		
81	18	1	Unit	Motor		Steel support racks		
82	18	1	Unit	Motor		Steel support racks		
83	18	1	Unit	Motor		Steel support racks		
84	18	1	Unit	Motor		Steel support racks		
85	18	1	Unit	Motor		Steel support racks		
86	18	1	Unit	Motor		Steel support racks		
87	18	1	Unit	Motor		Steel support racks		
88	18	1	Unit	Motor		Steel support racks		
89	18	1	Unit	Motor		Steel support racks		
90	18	1	Unit	Motor		Steel support racks		
91	18	1	Unit	Motor		Steel support racks		
92	18	1	Unit	Motor		Steel support racks		
93	18	1	Unit	Motor		Steel support racks		
94	18	1	Unit	Motor		Steel support racks		
95	18	1	Unit	Motor		Steel support racks		
96	18	1	Unit	Motor		Steel support racks		
97	18	1	Unit	Motor		Steel support racks		
98	18	1	Unit	Motor		Steel support racks		
99	18	1	Unit	Motor		Steel support racks		
100	18	1	Unit	Motor		Steel support racks		
101	18	1	Unit	Motor		Steel support racks		
102	18	1	Unit	Motor		Steel support racks		
103	18	1	Unit	Motor		Steel support racks		
104	18	1	Unit	Motor		Steel support racks		
105	18	1	Unit	Motor		Steel support racks		
106	18	1	Unit	Motor		Steel support racks		
107	18	1	Unit	Motor		Steel support racks		
108	18	1	Unit	Motor		Steel support racks		
109	18	1	Unit	Motor		Steel support racks		
110	18	1	Unit	Motor		Steel support racks		
111	18	1	Unit	Motor		Steel support racks		
112	18	1	Unit	Motor		Steel support racks		
113	18	1	Unit	Motor		Steel support racks		
114	18	1	Unit	Motor		Steel support racks		
115	18	1	Unit	Motor		Steel support racks		
116	18	1	Unit	Motor		Steel support racks		
117	18	1	Unit	Motor		Steel support racks		
118	18	1	Unit	Motor		Steel support racks		
119	18	1	Unit	Motor		Steel support racks		
120	18	1	Unit	Motor		Steel support racks		
121	18	1	Unit	Motor		Steel support racks		
122	18	1	Unit	Motor		Steel support racks		
123	18	1	Unit	Motor		Steel support racks		
124	18	1	Unit	Motor		Steel support racks		
125	18	1	Unit	Motor		Steel support racks		
126	18	1	Unit	Motor		Steel support racks		
127	18	1	Unit	Motor		Steel support racks		
128	18	1	Unit	Motor		Steel support racks		
129	18	1	Unit	Motor		Steel support racks		
130	18	1	Unit	Motor		Steel support racks		
131	18	1	Unit	Motor		Steel support racks		
132	18	1	Unit	Motor		Steel support racks		
133	18	1	Unit	Motor		Steel support racks		
134	18	1	Unit	Motor		Steel support racks		
135	18	1	Unit	Motor		Steel support racks		
136	18	1	Unit	Motor		Steel support racks		
137	18	1	Unit	Motor		Steel support racks		
138	18	1	Unit	Motor		Steel support racks		
139	18	1	Unit	Motor		Steel support racks		
140	18	1	Unit	Motor		Steel support racks		
141	18	1	Unit	Motor		Steel support racks		
142	18	1	Unit	Motor		Steel support racks		
143	18	1	Unit	Motor		Steel support racks		
144	18	1	Unit	Motor		Steel support racks		
145	18	1	Unit	Motor		Steel support racks		
146	18	1	Unit	Motor		Steel support racks		
147	18	1	Unit	Motor		Steel support racks		
148	18	1	Unit	Motor		Steel support racks		
149	18	1	Unit	Motor		Steel support racks		
150	18	1	Unit	Motor		Steel support racks		
151	18	1	Unit	Motor		Steel support racks		
152	18	1	Unit	Motor		Steel support racks		
153	18	1	Unit	Motor		Steel support racks		
154	18	1	Unit	Motor		Steel support racks		
155	18	1	Unit	Motor		Steel support racks		
156	18	1	Unit	Motor		Steel support racks		
157	18	1	Unit	Motor		Steel support racks		
158	18	1	Unit	Motor		Steel support racks		
159	18	1	Unit	Motor		Steel support racks		
160	18	1	Unit	Motor		Steel support racks		
161	18	1	Unit	Motor		Steel support racks		
162	18	1	Unit	Motor		Steel support racks		
163	18	1	Unit	Motor		Steel support racks		
164	18	1	Unit	Motor		Steel support racks		
165	18	1	Unit	Motor		Steel support racks		
166	18	1	Unit	Motor		Steel support racks		
167	18	1	Unit	Motor		Steel support racks		
168	18	1	Unit	Motor		Steel support racks		
169	18	1	Unit	Motor		Steel support racks		
170	18	1	Unit	Motor		Steel support racks		
171	18	1	Unit	Motor		Steel support racks		
172	18	1	Unit	Motor		Steel support racks		
173	18	1	Unit	Motor		Steel support racks		
174	18	1	Unit	Motor		Steel support racks		
175	18	1	Unit	Motor		Steel support racks		
176	18	1	Unit	Motor		Steel support racks		
177	18	1	Unit	Motor		Steel support racks		
178	18	1	Unit	Motor		Steel support racks		
179	18	1	Unit	Motor		Steel support racks		
180	18	1	Unit	Motor		Steel support racks		
181	18	1	Unit	Motor		Steel support racks		
182	18	1	Unit	Motor		Steel support racks		
183	18	1	Unit	Motor		Steel support racks		
184	18	1	Unit	Motor		Steel support racks		
185	18	1	Unit	Motor		Steel support racks		
186	18	1	Unit	Motor		Steel support racks		
187	18	1	Unit	Motor		Steel support racks		
188	18	1	Unit	Motor		Steel support racks		
189	18	1	Unit	Motor		Steel support racks		
190	18	1	Unit	Motor		Steel support racks		
191	18	1	Unit	Motor		Steel support racks		
192	18	1	Unit	Motor		Steel support racks		
193	18	1	Unit	Motor		Steel support racks		
194	18	1	Unit	Motor		Steel support racks		
195	18	1	Unit	Motor		Steel support racks		
196	18	1	Unit	Motor		Steel support racks		
197	18	1	Unit	Motor		Steel support racks		
198	18	1	Unit	Motor		Steel support racks		
199	18	1	Unit	Motor		Steel support racks		
200	18	1	Unit	Motor		Steel support racks		

SUMMARY - PRELIMINARY					
Item #	Unit #	Qty	Year	Make	Model
121			1973	GE	
122					
123					
124				OM	2C08
125	45-57				
126	45-58				
127	45-59				
128	45-61				
129					
130					
131					
132					
133					
134					
135	MCC-19				
136					
137					
138					
139					
140					
141					
142					
143					
144					
145					
146					
147					
148					
149					
150	MCC-19B				
151					
152					
153					
154					
155					
156					
157					
158					
159					
160					
161					
162					
163					
164					
165					
166					
167					
168					
169					
170					
171					
172	35-25				
173					
174	35-12				
175	35-40				
176					
177					
178	35-12				
179					
180					
181	35-18				
182	35-22				
183					
184					
185	33-36				
186	34-58				
187	33-44				
188	34-89				
189					
190	35-20				
191					
192					
193	35-1				
194	35-30				
195					
196					
197	35-24				
198	34-46				
199	34-37				
200	34-30				
201	34-11				
202	34-43				
203	34-24				
204	35-77				
205					
206	35-44				
207	35-62				
208	35-40				
209	35-58				
210	35-68				
211	35-67				
212	35-58				
213	35-18				
214	35-32				
215	35-33				
216	35-34				
217	35-31				
218					
219	35-18				
220	35-18				
221	35-17				
222					
223	34-110				
224					
225					
226					
227					
228					
229					
230					
231					
232					
233					
234					
235					
236					
237	35-110				
238					
239					
240					
241					
242					
243					
244					
245					
246					
247					
248					
249					
250					
251					
252					
253					
254					
255					
256					
257					
258					
259					
260					
261					

[illegible]

[illegible]

SUMMARY - SKERNA SAVANNAH LTD								
Item #	Unit #	Qty	Year	Make	Model	Description	Serial Number	Remarks
430						Main plant offices, desks, chairs, copiers, printers, storage cabinets, file cabinets, meeting room tables, flat screen tv's, paper shredders, ball screen, with rock mallets and APC backup up, copiers, boardroom, lunch room, label printers, radio's binders, laminator, cleaning supplies, storage shelves, knowshoes, marking hammers, helmets, stationary supplies		
491	26			Genie	GS1830	Scissor lift, electric		
492				2018	Sundance	Portable sea container loader, auger type, 20' 40' container esp. 4 wheel, electric, order # 3095703, job # 246100	6630124-12006-S	N/A
493						Tandem axle conveyor dolly, 2750R22.5 tires	2AS0627247D130744	
494				JLG	800AJ	Manlift, dual fuel, 2 stage boom	X0000019	4,847 hrs
495	2116		2005	Linde	H490	Forklift, 9,900 lb cap, diesel, fork positioners, 2 stage mast, cushion tire, dual front	H0X3945039006	no driver
496	841		2002	Dodge Ram	2500	Pick up truck, reg cab, headache rack, std transmission, parts unit	2B7W26272M283015	N/A
497	840		N/A	Dodge Ram	2500	Pick up truck, reg cab, parts unit	N/A	N/A
498			2018	Ski-Doo	XG-IA Expedition Sport	Snowmobile, engine 800ACB	2BP-SKCAJ7JN000717	1862 Kms
499	A1001		2009	Arctic Cat	500 TRV	Quad, dead battery	AEF00ATV291250062	N/A
500				Chrysler	Q35E-3	Fordifi, 5,000 lbs cap, 2 stage mast, cushion tire, side shift, lift	C0K0404	N/A
501	842		1996	Ford	F250 XL	Pickup truck, reg cab, tool box, 4x4, std, in shop might have issues	2FTHF2R0TCA00104	N/A
502	848			Ford	F250 Super Duty	Pickup truck, reg cab, tool box, automatic transmission, 4x4, psi tailgate, yard truck	N/A	467,000 kms
503	658		2020	Dodge Ram	1500	Tridemini, crew cab, automatic transmission, 4x4, headache rack	1C8RP9NG3LN100947	22,044 kms
504	658		2019	Dodge Ram	2500 HD	Pick up truck, crew cab, Vortec, automatic transmission, 16mi 5.7L, 4x4, side steps, headache rack	1C8RP9N1T0C056647	33,773 kms
505	849		2004	Ford	F250 XL T	Pickup truck, crew cab, automatic transmission, flat deck, yard truck	1FTRW21L14E043726	N/A
506	841		1996	Ford	F250	Pickup truck, reg cab, automatic transmission, yard truck	2FTH218H1TCA49103	N/A
507	845		1996	Ford	F250	Pickup truck, crew cab, std transmission, flat deck, 4x4, Devilles STD gas air compressor Honda 13.0 hp, Lincoln Ranger 305G portable welder 400 hrs, torch set yard truck	1FTJW0304TES47030	N/A





SUMMARY - SKEENA RIVERWAY LTD.						Serial Number	Hrs/6m
Item #	Unit#	Qty	Year	Make	Model	Description	
88				Britspan		Portable storage building, 40 X 92, clear span, metal frame, canvas cover, approximately 220 lock block base	
89						40' X 4" vibratory conveyor, 50 hp 1770 rpm, Square D switch, Newyork Blower size 27PLR 25 hp blower (yard storage)	
90						Pallets of steel	
91		NO				Concrete lock blocks	
92			2018	Alma Alquist Morgeson	E182SC2	Vibration screen/pallet shaker, 5' X 43 1/2", 1 box 1152 rpm drive	(03.01.256)
93	5650AM01		2018			97 bucket skidsteer, 15 hp drive, 158 bucket, top distribution shifter	
94		2	2018			100 ton cap bolt together storage galvanneal steel, 15' dia X 40' T bed end tie metering, bottom Waterpump VLI000DM1 bottom side gates, twin bottom telescopic unloading arms "Cascade", approx 17' X 5' X 20' steel frame base building support frame with top clad enclosure, canvas, stairs, and disconnects	
95	3720AM01		2019	Schnell Industries Inc	TLX36	55' twin strand belt bypass conveyor with drive Transducer, 4 wheel drive and steel, 36" belt, approx 30 hp, Belt wear scale, Kubota model V2302-CAE192 80 hp engine	113110010
96	FLER-113 B165		2014	Oosten Daewoo	G33P-3	Forklift, 4800 lbs, 3 stage mast, slide shifter, cushion tire	K024196
97			2014			Front end loader, quick attach, slumped, 10hp, package 20, 2505 fims, AWM red Gal Fusion bucket 14MM 0500 cfm 2019780-1.01, 6 vyl cap	K62406WV/20200
99	10654		2014	Freightliner	Coronado SD CD120665 D1	Tractor/mowing front truck, straight gas, Allison 4800 RDS, automatic transmission, Cummins 8316 550 hp, 1192.5 fims, aluminum rims, ABS, mid F3192 rear bus, 72" twin strand flyed front track/mid transfer, auto mid stop, left belt package	MANKINGBCEDP5566

SUMMARY - LEASED EQUIPMENT							
Item #	Year	Make	Model	Description	Serial Number	Hrs/Kms	Leased/Owned
PARCEL A							
1	2019	Cat	924K	Front end loader, quick attach, plumbed, light package, 20.5R25 tires, AMI mod Cat Fusion bucket WL150HD600 s/n 201879-01-01, 6 yd cap	CAT0924KHSNZ00893	15,900 hrs	Leased - Skeena Bioenergy
PARCEL B							
1	2021	AGI	BCX3 1549 FMD TM	Self contained bundle conveyor, 3 wheel, 12" belt, Vanguard EFI 33 hp gas engine	BA038122102648		Leased - Skeena Bioenergy
2	2011	Lodeking		Super B hopper bottom tri-axle lead with dandem axle pup trailer, rolltop, 38,000 gww, 63,000 gww	2LDHG2838BF051278/ 2LDHG3029BF051279		Leased - Skeena Bioenergy
PARCEL C							
1	2020	Cat	966M	Front end loader, AMI mod CAT 972G 12 yd bucket s/n 173642-01-01, 26.5 R 25 tires, brush guard, light package	CAT0966MAEJA03350	6,734 hrs	Leased - Skeena Sawmills
2	2012	Cat	980K	Front end loader, WBM grapple, quick attach, plumbed, 29.5R25 tires, brush guard, light package	CAT0980KEW7K00716	23,710 hrs	Leased - Skeena Sawmills
3	2004	Cat	988G	Front end loader, WBM oversize full grapple, quick attach, plumbed, 35/65R33 tires, brush guard, light package, Cat rebuild 2012 with 15K hrs	CAT0988GJBHNH01119	38,510 hrs	Leased - Skeena Sawmills
PARCEL D							
1	2020	Buick	Encore	SUV, automatic transmission, 4 door, awd	KL4CJESBXLB062269	18,900 kms	Leased - Skeena Sawmills
PARCEL E							
1	2012	Taylor	TX330M	Forklift, 33,000 lb cap, cushion tire, diesel, 2 stage, fork positioners	S-GE-37856	29,672 hrs	Leased - Skeena Sawmills
2	2004	Cat	924G	Forklift, 15,000lb cap, 2 stage mast, side shift, 17.5R25 tires, light package, cracked window/hydr leak	CAT0924GCRTA00221	29,751 hrs	Leased - Skeena Sawmills
3	2013	Hyundai	H160D-7E	Forklift, 35,273 lb cap, 2 stage mast, fork positioners, light package, cushion tire	HHKHFT08HD0000955	18,963 hrs	Leased - Skeena Sawmills
4	2011	Cat	950H	Forklift, 30,000 lb cap 2 stage mast, fork positioners, 23.5R25 tires, light package, cracked window	CAT0950HTJAD01002	18,324 hrs	Leased - Skeena Sawmills
5	2010	Doosan Daewoo	D90S-5	Forklift, 17,850 lb cap, 2 stage mast, fork positioners	PA-00818	21,447 hrs	Leased - Skeena Sawmills
6	2013	Cat	980K	Front end loader, WBM grapple, quick attach, plumbed, 29.5R25 tires, brush guard, light package	CAT0980KCW7K01406	23,327 hrs	Leased - Skeena Sawmills
7	2012	Hyundai	110D-7E	Forklift, 24,000 lb cap, 2 stage mast, fork positioners, led light package needs transmission and fuel pump	HHKHFT05KC0000188	17,859 hrs	Leased - Skeena Sawmills
8	2013	GMC	Sierra 2500 HD	Pickup truck, reg cab, tool box, Vortec, automatic transmission, 4X4	1GT02ZCGXDZ140209	238,238 kms	Leased - Skeena Sawmills
9	2011	GMC	2500 HD Silverado	Pick up truck, crew cab, Vortec, automatic transmission, 4X4	1GC1KVCYG5BF256025	238,837 kms	Leased - Skeena Sawmills
10	2011	GMC	2500 HD Silverado	Pick up truck, crew cab, Vortec, automatic transmission, 4X4	1GC1KVCYG5BF263802	141,995kms	Leased - Skeena Sawmills
11	2018	Dodge Ram	2500 HD	Pick up truck, crew cab, automatic transmission, Hemi 5.7L, 4X4, side steps	3C6TR5CT4JG273565	111,515 kms	Leased - Skeena Sawmills
12	2013	GMC	Sierra 2500HD	Pickup truck, reg cab, tool box, Vortec, automatic transmission, 4X4	1GT02ZCG2DZ163547	239,233 kms	Leased - Skeena Sawmills
13	2018	Dodge Ram	2500 HD	Pick up truck, crew cab, automatic transmission, Hemi 5.7L, 4X4, side steps	3C6TR5CT6JG273566	120,045 kms	Leased - Skeena Sawmills