



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

SIXTH REPORT OF THE RECEIVER

ALVAREZ & MARSAL CANADA INC.

May 13, 2024



ALVAREZ & MARSAL

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1.0 INTRODUCTION

- 1.1 On September 20, 2023 (the “**Receivership Date**”), upon the application of 1392752 B.C. Ltd. (the “**Petitioner**”) in Supreme Court of British Columbia (the “**Court**”) Action No. S-236214, Vancouver Registry (the “**Receivership Proceedings**”), the Court granted an order (the “**Receivership Order**”) appointing Alvarez & Marsal Canada Inc. (“**A&M**”) as receiver (the “**Receiver**”) of all of the assets, undertakings and property, including real property (collectively, the “**Property**”), of Skeena Sawmills Ltd. (“**Sawmills**”), Skeena Bioenergy Ltd. (“**Bioenergy**”), and ROC Holdings Ltd. (“**ROC**”, and together with Sawmills and Bioenergy, the “**Skeena Entities**” or the “**Company**”).
- 1.2 On April 16, 2024, the Court granted a sale approval and vesting order approving the Purchase and Sale Agreement (the “**PSA**”) dated April 16, 2024 between the Receiver, as vendor, and Kitsumkalum First Nation and its affiliates (collectively, “**Kitsumkalum**”), collectively as purchaser, and the transaction (the “**Transaction**”) contemplated thereunder for the sale of the Skeena Entities’ assets (the “**Purchased Assets**”) to Kitsumkalum.
- 1.3 On May 1, 2024, the Transaction between the Receiver and Kitumkalum closed.
- 1.4 On May 8, 2024, the Court granted a distribution order (the “**Distribution Order**”) approving the Receiver’s proposed cost allocation and interim distribution to certain creditors of the Skeena Entities.
- 1.5 On May 13, 2024, the Receiver filed Notice of Application, returnable May 17, 2024, seeking an order (the “**Interim Fee Approval Order**”) approving the Receiver’s activities up the Fifth Report of the Receiver dated May 2, 2024 (the “**Fifth Report**”), and the fees and disbursements of the Receiver and its independent legal counsel, Fasken Martineau DuMoulin LLP (“**Fasken**”), up to April 30, 2024.
- 1.6 The Receivership Order along with select application materials and other documents filed in the Receivership Proceedings (the “**Filed Materials**”) are posted on the Receiver’s website (the “**Receiver’s Website**”) at www.alvarezandmarsal.com/skeena.
- 1.7 Capitalized terms not defined in this report (the “**Sixth Report**”) are as defined in the applicable Filed Materials.

2.0 PURPOSE OF THE SIXTH REPORT

- 2.1 This Sixth Report has been prepared to provide the Court with information regarding the fees and disbursements of the Receiver and Fasken, up to April 30, 2024.

3.0 PROFESSIONAL FEES AND DISBURSEMENTS UP TO APRIL 30, 2024

- 3.1 The professional fees and disbursements (inclusive of taxes) of the Receiver for the period September 20, 2023 to April 30, 2024 totaled \$835,559.46.
- 3.2 Statements of account of the Receiver are filed under the Fourth Affidavit of Anthony Tillman (the **"Fourth Tillman Affidavit"**). Total Receiver's fees and disbursement up to April 30, 2024 included \$776,746.50 in fees, out of pocket disbursements of \$19,024.38 and GST of \$39,788.58.
- 3.3 The legal fees (inclusive of taxes) of Fasken for the period September 11, 2023 to April 30, 2024 totaled \$530,783.13. Summaries of the legal fees for Fasken and statements of account of the legal fees were filed under the First Affidavit of Kibben Jackson (together with the Fourth Tillman Affidavit, the **"Fee Affidavits"**).
- 3.4 The Receiver has reviewed the statements of account included in the Fee Affidavits and is of the view that the fees incurred are fair and reasonable and were necessary for the effective administration of the Receivership Proceedings, including but not limited to taking possession of and safeguarding Skeena Entities' assets, conducting the Sales Process and engaging in extensive discussions and negotiations with various stakeholders regarding same, attending to various statutory duties in relation to the Receivership, preparing 13 reports to Court and attending in Court, and preparing a cost allocation and proposed distribution that were approved by this Honourable Court on May 8, 2024.
- 3.5 Activities of the Receiver up to the Fifth Report are detailed therein and in the preceding reports. The Receiver is of the view that each of its activities was necessary and appropriate in order for the Receiver to properly carry out its mandate.

4.0 RECOMMENDATIONS


- 4.1 The Receiver respectfully recommends that this Court approve the activities of the Receiver up to the Fifth Report, and grant the Interim Fee Approval Order.

All of which is respectfully submitted to this Honourable Court this 13th day of May, 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