

No. S236214  
Vancouver Registry

ENTERED IN THE SUPREME COURT OF BRITISH COLUMBIA  
BETWEEN:  
1392752 B.C.LTD.

PETITIONER

AND:

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

RESPONDENTS

### ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE  
MADAM JUSTICE BLAKE

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THURSDAY, THE 25<sup>TH</sup> DAY  
OF JANUARY 2024

ON THE APPLICATION of the Petitioner, 1392752 B.C. Ltd. (the “**Applicant**”), coming on for hearing on January 25, 2024, and UPON HEARING Peter J. Roberts, K.C. and Noor Mann, Counsel for the Applicant and the other counsel listed on **Schedule “A”** hereto, and no else appearing, although duly served, and UPON READING the materials filed herein;

THIS COURT ORDERS AND DECLARES that:

1. The Grid Promissory Notes dated January 31, 2023 and May 1, 2023 (collectively, the “**Promissory Notes**”) are valid and enforceable agreements in favour of the Applicant, as against the Respondent, Skeena Sawmills Ltd. (“**Sawmills**”), and the amount owing by Sawmills to the Applicant pursuant to the Promissory Notes as at February 29, 2024 is the principal sum of \$7,613,626.03 (the “**2023 Shareholder Loans**”) plus interest to the date of February 29, 2024 in the aggregate amount of \$431,255.96, as follows:
  - a. 5% per annum, compounded monthly, on the sum of \$1,432,031.72, pursuant to the Grid Promissory Note dated January 31, 2023, for a total amount of \$68,936.83; and
  - b. 8% per annum, compounded monthly, on the sum of \$6,182,106.06 pursuant to the Grid Promissory Note dated May 1, 2023, for a total amount of \$362,319.13;

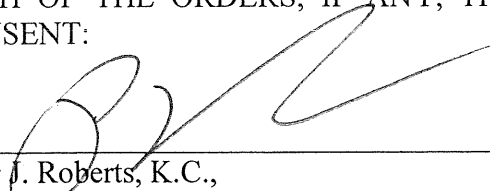
less \$120,000 identified in section 3.11(a) and (b) of the Third Report of the Receiver, Alvarez & Marsal Canada Inc. (the “**Receiver**”), dated January 12, 2024.

2. The joint and several guarantee dated January 31, 2023 (the “**Guarantee**”) granted by the Respondents Sawmills, Skeena Bioenergy Ltd. (“**Bioenergy**”) and ROC Holdings Ltd. (“**ROC**” and together with Bioenergy and Sawmills, the “**Skeena Entities**”), in favour of the Applicant is a valid and enforceable guarantee by the Skeena Entities with respect to the 2023 Shareholder Loans.
3. The following security agreements charging the real and present and after acquired personal property (collectively, the “**Property**”) of the Respondents are valid and enforceable agreements in favour of the Applicant to secure the 2023 Shareholder Loans:
  - a. an all-indebtedness Mortgage and Assignment of Rents dated January 31, 2023 granted in favour of the Applicant by ROC;
  - b. a General Assignment of Leases and Rents dated January 31, 2023 granted in favour of the Applicant by ROC; and
  - c. General Security Agreements, each dated January 31, 2023, granted in favour of the Applicant by the Skeena Entities, and registered in the British Columbia Personal Property registry on January 10, 2023, under base registration numbers 294186P, 294187P and 294189P;  
  
(collectively, the “**Security**”).
4. The 2023 Shareholder Loans, including interest, are secured by the Security.
5. The Security ranks in priority to the interests in the Property of all persons having an interest in the Property, including the Respondents and all persons claiming by, through and under them, other than in relation to:
  - a. inventory, accounts receivable and purchase money security interests in equipment;
  - b. Dynamic Capital Equipment Finance Inc.’s interests in specific secured collateral;
  - c. Caterpillar Financial Services Ltd.’s interest in specific secured collateral;
  - d. funds in the amount of \$101,966.30, currently held in a segregated trust account by the Receiver on account of contributions owed to the Trustees of the IWA – Forest Industry Pension Plan and the Trustees of the IWA – Forest Industry LTD Plan; and
  - e. any statutory claims that may have priority pursuant to one or more statutes, including:
    - i. property taxes and utility fees owing by ROC to the City of Terrace; and

ii. liens in favour of His Majesty the King in Right of the Province of British Columbia pursuant to the *Forest Act*.

6. The Applicant is at liberty to apply for such further declarations that the Guarantee and Security are valid and enforceable agreements in relation to pre-2023 advances, in whole or in part, to the Skeena Entities by the Applicant, as assignee, and that such advances are debts guaranteed by the Guarantee and/or secured by the Security.
7. The need for the endorsement of this order by counsel appearing on this application, other than counsel for the Applicant, is hereby dispensed with. This order may be endorsed electronically.

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:

  
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Peter J. Roberts, K.C.,  
COUNSEL FOR 1392752 B.C. Ltd.

By the Court.



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Registrar

CHECKED  


**SCHEDULE "A"**  
**List of Counsel Appearing**

<b>COUNSEL</b>	<b>APPEARING FOR</b>
Peter J Roberts, K.C. Noor Mann	1392752 B.C. Ltd.
Kibben Jackson Mishaal Gill	Alvarez & Marsal Canada Inc.
Michael Moll	City of Terrace
William Clements	United Steelworkers Local 1-1937
Raashi Ahluwalia	The Trustees of IWA – Forest Industry Pension Plan and the Trustees of the IWA – Forest Industry Ltd. Plan


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Attention: Noor Mann