



FORCE FILED

No. S236214
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

1392752 B.C. LTD.

AND:

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

RESPONDENTS

NOTICE OF APPLICATION

Name of applicant: Alvarez & Marsal Canada Inc. (“A&M”) in its capacity as receiver (the “**Receiver**”) of all of the assets, undertakings and property, including real property (collectively, the “**Property**”), of Skeena Sawmills Ltd., Skeena Bioenergy Ltd., and ROC Holdings Ltd. (together, the “**Skeena Entities**” or the “**Company**”).

To: The Service List attached hereto as Schedule “A”

TAKE NOTICE that an application will be made by the applicant to the Honourable Mr. Justice Walker at the courthouse at 800 Smithe Street, Vancouver, B.C. on April 8, 2025 at 10:00 a.m. for the orders set out in Part 1 below.

The applicant estimates that the application will take 2 hours.

X This matter is not within the jurisdiction of an associate judge.

Part 1 ORDER SOUGHT

1. An order (the “**Distribution and Discharge Order**”), substantially in the form attached hereto as Schedule “B”, among other things:

- (a) approving the Receiver's proposed cost allocation and authorizing the Receiver to make the Final Distributions (as defined herein) to certain creditors of the Skeena Entities;
- (b) approving the assignment by the Receiver of any one or more of the Skeena Entities into bankruptcy, as appropriate;
- (c) approving the activities of the Receiver, as set forth in the Receiver's Reports (as defined herein); and
- (d) approving the fees and disbursements of the Receiver and its counsel, Fasken Martineau DuMoulin LLP ("**Fasken**"), from May 1, 2024 to February 28, 2025 (the "**Fee Period**");
- (e) approving the estimated fees to completion of this matter of the Receiver and Fasken in the amounts of \$40,000 and \$20,000, respectively;
- (f) effective upon the Receiver's filing of a certificate with this Court (the "**Discharge Certificate**"), discharging the Receiver of its duties and obligations arising under the Receivership Order (as defined herein); and
- (g) releasing A&M from any and all liability that A&M now has, or may hereafter have, by reason of, or in any way related to, the acts or omissions of A&M while acting in its capacity as Receiver, save and except for gross negligence or wilful misconduct on the part of A&M.

Part 2 FACTUAL BASIS

1. Capitalized terms used but not otherwise defined in this Notice of Application have the meanings ascribed to them in the Seventh Report of the Receiver to the Court dated March 31, 2025 (the "**Seventh Report**").

Background

2. On September 20, 2023, upon the application of 1392752 B.C. Ltd. (the “**Petitioner**”), the Supreme Court of British Columbia (the “**Court**”) granted an order (the “**Receivership Order**”) pursuant to section 243 of the *Bankruptcy and Insolvency Act (Canada)*, R.S.C. 1985, c. B-3 (the “**BIA**”) and section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, appointing A&M as receiver of the Property.
3. On April 16, 2024, the Court granted a sale approval and vesting order, among other things approving the purchase and sale of substantially all of the Company’s assets as contemplated by the Purchase and Sale Agreement dated April 16, 2024, entered into by the Receiver, as vendor, and Kitsumkalum First Nation, 1355392 B.C. Ltd., 1355390 B.C. Ltd. and 1355387 B.C. Ltd. (together, “**Kitsumkalum**”), collectively, as purchaser.
4. On May 8, 2024, the Court granted a distribution order (the “**Interim Distribution Order**”), among other things, approving the payment of certain priority claims and distributions (the “**Interim Distributions**”) to the Company’s secured creditors, including Cui Family Holdings Ltd. (“**Cui**”), the Company’s senior secured creditor.
5. On May 17, 2024, the Court granted 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 counsel, Fasken, up to April 30, 2024.
6. The Phase 1 Transaction closed on May 1, 2024 and the Phase 2 Transaction closed on February 11, 2025.

Receiver’s Activities

7. The details of the work carried out by the Receiver in these proceedings, and for which the Court’s approval is sought at this time, are set forth in the Reports of the Receiver to the Court (collectively, the “**Receiver’s Reports**”) prepared and filed by the Receiver in these proceedings, namely, the: (a) Sixth Report of the Receiver to the Court dated May 14, 2024; and (b) the Seventh Report.

8. The Receiver's Reports collectively detail the activities of the Receiver, which include, but are not limited to, the following:
- (a) coordinating with Kitsumkalum and the BC Ministry of Forests regarding the transfer of the Licences and tenures (and the associated road permits) to Kitsumkalum;
 - (b) attending to the closing of the Phase 2 Transaction;
 - (c) preparing the proposed final allocation of the costs incurred in these proceedings as detailed in the Seventh Report;
 - (d) responding to various creditor inquiries throughout these receivership proceedings; and
 - (e) preparing the Receiver's Reports for use by this Court.

Bankruptcy of the Skeena Entities

9. As set out in the First Report of the Receiver dated October 25, 2023, according to the books and records of the Skeena Entities, as at the Receivership Date, there were approximately \$8.0 million and \$6.0 million of unsecured claims recorded on the books of Sawmills and Bioenergy, respectively. There will be no recovery for any holders of these unsecured claims in the Receivership Proceedings.
10. The Receiver also understands that there may be certain claims from Canada Revenue Agency and Employer Health Tax claims from the Province of British Columbia that are outstanding, and that such claims may be rendered unsecured upon a bankruptcy.
11. Accordingly, the Receiver seeks authorization from this Court to assign any one or more of the Skeena Entities into bankruptcy and for A&M to be permitted to act as licensed insolvency trustee of the bankrupt estates of any of the companies assigned into bankruptcy.

Receiver's and Fasken's Fees

12. Pursuant to the Receivership Order, the Receiver and its counsel are to be paid their reasonable fees and disbursements, in each case at their standard rates and charges. The Receivership Order further provides that the Receiver and its counsel will pass their

accounts from time to time, with such accounts referred to a judge of this Court for determination (which may be by hearing before the judge on a summary basis).

13. The particulars of the fees for the Receiver and its counsel, Fasken (collectively, the “**Fees**”), are summarized in Affidavit #5 of Anthony Tillman made March 31, 2025 (the “**Tillman Affidavit**”) and Affidavit #2 of Kibben Jackson made March 31, 2025 (the “**Jackson Affidavit**”).
14. During the Fee Period, inclusive of applicable taxes, the Receiver’s fees and disbursements total \$100,884.74 (the “**Receiver’s Fees**”) and Fasken’s fees and disbursements total \$49,880.70 (“**Fasken’s Fees**”).
15. The Receiver’s Fees are summarized in the table below and further detailed in the Tillman Affidavit:

Invoice #	Invoice Date	Fees (\$)	Disbursements (\$)	GST (\$)	Total (\$)
10	18-Jun-24	55,048.00	1,156.44	2,810.22	59,014.66
11	17-Jul-24	7,968.50	450.00	420.93	8,839.43
12	26-Aug-24	6,032.50	-	301.63	6,634.13
13	26-Sep-24	3,925.00	956.84	244.09	5,125.93
14	3-Oct-24	3,995.00	-	199.75	4,194.75
15	13-Nov-24	2,138.00	-	106.90	2,244.90
16	18-Dec-24	2,510.00	-	125.50	2,635.50
17	15-Jan-25	2,688.50	-	134.43	2,822.93
18	13-Feb-25	4,549.50	1.96	227.57	4,779.03
19	12-Mar-25	4,658.00	2.46	233.02	4,893.48
TOTAL		\$93,513.00	\$2,567.70	\$4,804.04	\$100,884.74

16. Fasken’s Fees are summarized in the table below and further detailed in the Jackson Affidavit:

Invoice #	Invoice Date	Fees (\$)	Disb's (\$)	GST (\$)	PST (\$)	Total (\$)
2001703	2024-06-14	34,411.50	2,508.48	1,764.88	2,408.80	41,093.66
2023899	2024-08-12	368.00	130.00	20.90	25.76	544.66
2036860	2024-09-18	280.00	-	14.00	19.60	313.60
2059241	2024-11-15	680.00	12.00	34.00	47.60	773.60
2081760	2024-12-31	1,262.50	-	63.13	88.37	1,414.00
2097446	2025-02-20	4,758.00	-	237.90	333.06	5,328.96
2106584	2025-03-12	298.50	74.19	18.64	20.89	412.22
TOTAL		\$42,058.50	\$2,724.67	\$2,153.45	\$2,944.08	\$49,880.70

17. The Receiver has reviewed Fasken's invoices in respect of the above and concluded that they are reasonable and appropriate in the circumstances.
18. Assuming this application is not opposed:
 - (a) the Receiver estimates that its fees and disbursements from March 1, 2025 to the conclusion of this receivership will amount to approximately \$40,000, inclusive of applicable taxes (the "**Receiver's Completion Fees**"); and
 - (b) Fasken estimates that its fees and disbursements from March 1, 2025 to the conclusion of this matter will amount to approximately \$20,000, inclusive of applicable taxes ("**Fasken's Completion Fees**").
19. In the event that the Distribution & Discharge Order is granted as sought, prior to its filing the Discharge Certificate, the Receiver and Fasken will render final invoices for services rendered in relation to this matter (the "**Completion Invoices**").
20. The Receiver submits that its fees and the fees of its counsel are fair and reasonable in the circumstances, and that the time spent was necessary and the work was delegated to the

appropriate professionals within each firm. Accordingly, the Receiver seeks approval of this Court of the Receiver's Fees and Fasken's Fees.

Cost Allocation and Proposed Final Distribution

21. Pursuant to the Interim Distribution Order, the Receiver made distributions to the Skeena Entities' creditors provided for therein and summarized in the Seventh Report.
22. As the Phase 2 Transaction has now closed, the Receiver seeks approval of the Court to make the final distributions to the secured creditors of the Skeena Entities in accordance with the detailed allocation attached as Appendix "A" to the Seventh Report (the "**Final Distributions**").
23. In preparing the Final Distributions, the Receiver adopted the methodology for the Interim Distributions, which was approved by the Court, where "super-priority" charges ranking ahead of the secured lenders under the BIA were allocated among the Skeena Entities' secured creditors based on the priority and nature of the costs being allocated.
24. Pursuant to order of the Court made October 30, 2023, the Receiver held the amount of \$101,966.30, being the amount claimed as contributions owed to The Trustees of the IWA - Forest Industry Pension Plan and LTD Plan (the "**Trustee**"), in a segregated trust account. By order of the Court made March 8, 2024, the Receiver was authorized and did pay to the Trustee the amount of \$83,743.91, such that the Receiver continues to hold the amount of \$18,222.39, plus all interest accrued thereon, in the segregated trust account.
25. The Receiver intends to release those funds to the Trustee which distribution shall be provided for in the Distribution and Discharge Order.
26. Additionally, the Receiver intends to pay to A&M a retainer in the amount of \$30,000 in relation to the estimated fees and costs to be incurred by A&M in its capacity as trustee in relation to the administration of the bankrupt estates of any of the Skeena Entities assigned into bankruptcy.

Release and Discharge

27. If the Distribution & Discharge Order is granted, subject to the Receiver making the Final Distributions contemplated above and pursuant thereto, the Receiver will have completed its duties as set out in the Receivership Order, save and except for minor administrative matters incidental to the Receivership Proceedings.
28. It is proposed that the Receiver be discharged upon the Receiver filing the Discharge Certificate, certifying that the Receiver has made the Final Distributions authorized and directed by this Court, subject to a holdback of \$100,000, including the \$30,000 earmarked for the bankruptcy assignments, to cover potential outstanding or unanticipated obligations under the Receivership Proceedings.
29. As a term of the Distribution & Discharge Order, the Receiver is also seeking a release from the Court in respect of any and all claims and obligations arising as a result of the Receiver acting in its respective capacities on behalf of the Skeena Entities, excepting those claims and obligations arising as a result of gross negligence or willful misconduct.

Part 3 LEGAL BASIS

1. The Receiver relies on:
 - (a) The BIA;
 - (b) Rules 8-1 and 10-2 of the *Supreme Court Civil Rules*;
 - (c) the Receivership Order;
 - (d) the inherent and equitable jurisdiction of this Court; and
 - (e) such further and other legal basis as counsel may advise and this Honourable Court may allow.

Approval of the Receiver's Activities

2. The work performed by the Receiver and Fasken was done pursuant to, and in accordance with, the terms of the Receivership Order, the other orders of the Court made in these proceedings and the provisions of the BIA.
3. Pursuant to the Interim Fee Approval order, the activities of the Receiver up to and including the Fifth Report have been approved by this Court. Accordingly, the Receiver seeks approval of its activities as set out in the Receiver's Reports.
4. The Court has the inherent jurisdiction to review the activities of a court-appointed receiver and, if satisfied that the receiver has acted reasonably, prudently and not arbitrarily, to approve the activities set out in the receiver's reports. The assessment of whether the receiver has acted "reasonably, prudent and not arbitrarily" is made on an objective basis.¹
5. There are good policy and practice reasons for the Court to provide a level of protection for the receiver by approving its activities, provided the benefit of the approval is limited to the receiver itself.²
6. The activities of the Receiver are summarized in Part 2 and are detailed in the Receiver's Reports. The Receiver has reported to the Court, all interested parties and stakeholders throughout these proceedings. The Receiver carried out a transparent, orderly and timely sale process for the Property, and acted reasonably to preserve and capture as much value as possible for the Company's stakeholders. The activities of the Receiver have all been necessary and were conducted in accordance with its powers under the relevant orders.
7. Most importantly, the result of these receivership proceedings was very good, as evidenced by the recoveries to the Company's secured creditors which range from 87% to 99.8%, with the majority recovering almost 98% of the amounts of their respective secured claims.

¹ *Leslie & Irene Dube Foundation Inc. v. P218 Enterprises Ltd.*, 2014 BCSC 1855, para. 54.

² *Hanfeng Evergreen Inc. (Re)*, 2017 ONSC 7161 at para. 17.

8. Accordingly, the Receiver respectfully submits that its activities, as described in the Receiver's Reports, have been carried out in a reasonable, prudent and not arbitrary manner and, accordingly, seeks approval of its activities.

Approval of the Fees

9. Pursuant to the Interim Fee Approval order, the fees of the Receiver and Fasken up to and including April 30, 2024 have been approved by this Court. Accordingly, the Receiver seeks approval of its fees and Fasken's fees from May 1, 2024 to the conclusion of this proceeding.
10. The Receivership Order expressly provides that the Receiver's accounts be referred to a judge of this Honourable Court and that the passage of those accounts be heard on a summary basis.³
11. There is no fixed rate or settled scale for determining a receiver's compensation. A receiver may either be allowed a percentage payment based on receipts, or a lump sum based on "the time, trouble and degree of responsibility involved". The governing principle is that a receiver's compensation should be measured by the "fair and reasonable" value of its services.⁴
12. This principle was adopted by the British Columbia Court of Appeal in *Bank of Montreal v. Nican Trading Co.*, [1990] B.C.J. No. 340 (B.C. C.A.) ["*Nican*"]. The Court of Appeal went on to list "relevant considerations" in determining whether a receiver's compensation was fair and reasonable, including:
- (a) the value of the assets;
 - (b) complications and difficulties encountered by the receiver;
 - (c) the degree of assistance provided by the debtor;

³ Receivership Order, para. 23.

⁴ *Belyea v. Federal Business Development Bank*, [1983] N.B.J. No. 41 (N.B. C.A.) ["*Belyea*"], para. 3; see also: *Confectionately Yours Inc., Re*, [2002] O.J. No. 3569, para. 44.

- (d) time spent by the receiver;
 - (e) receiver's knowledge, experience and skill;
 - (f) diligence and thoroughness;
 - (g) responsibilities assumed;
 - (h) results; and
 - (i) cost of comparable services.⁵
13. Similar factors as considered on the assessment of a receiver's fees are also considered on the assessment of the accounts of legal counsel to a receiver, including, the:
- (a) time expended;
 - (b) complexity of the proceedings;
 - (c) degree of responsibility assumed by the lawyers;
 - (d) amount of money involved, including reference to the debt, amount of proceeds after realization and payments to the creditors;
 - (e) degree and skill of the lawyers involved;
 - (f) results achieved; and
 - (g) client's expectations as to the fee.⁶
14. In respect of the Receiver's Fees, the Receiver submits that:
- (a) the fees were properly incurred, and commensurate with fees charged by other insolvency firms of a similar size for work of a similar nature and complexity in British Columbia;

⁵ *Bank of Montreal v. Nican Trading Co.*, [1990] B.C.J. No. 340 (B.C. C.A.) [*"Nican"*], paras. 23 – 32.

⁶ *Redcorp Ventures Ltd., Re*, 2016 BCSC 188, para. 33.

- (b) the work completed by the Receiver was delegated to the appropriate professionals with the appropriate seniority and hourly rates; and
 - (c) the Receiver's services were performed in a prudent and economical manner.
15. Similarly, the Receiver submits that Fasken's Fees are fair and reasonable in the circumstances as:
- (a) Fasken's professional fees and disbursements were properly incurred, and commensurate with fees charged by similar firms with the expertise and capacity to serve a matter of comparable size and complexity;
 - (b) the work performed by Fasken involved considerable complexity, including protracted hearings and considerations of the jurisdictional foundations for orders sought in the face of significant opposition;
 - (c) the work completed by Fasken was delegated to the appropriate professionals with the appropriate seniority and hourly rates;
 - (d) Fasken's services were performed in a prudent and economical manner; and
 - (e) Fasken's invoices were provided to the Receiver when rendered, and all have been approved by the Receiver.
16. In light of the foregoing, the Receiver submits that the Receiver's Fees and Fasken's Fees are reasonable in the circumstances and seeks approval of same as the Receiver has substantially completed its mandate.
17. The Receiver also seeks approval of the Receiver's Completion Fees and Fasken's Completion Fees, which are reasonable in the circumstances. Both the Receiver and Fasken shall issue the Completion Invoices prior to the filing of the Discharge Certificate.

Final Distribution

18. As both the Phase 1 Transaction and Phase 2 Transaction have completed, the Receiver seeks authorization from this Court to make the Final Distribution in accordance with the detailed allocation attached as Appendix “A” to the Seventh Report.
19. The Receiver is of the view that the proposed Final Distributions are appropriate in the circumstances, including for the following reasons:
 - (a) the forecast recovery for secured creditors ranges from 87.0% to 99.8%, with the majority of the secured creditors forecast to recover almost 98.0% of their estimated outstanding claim as of May 31, 2024; and
 - (b) the allocation methodology largely mirrors the methodology utilized in respect of the Interim Distributions, which was agreed upon among the secured creditors and approved by this Court.
20. In the event the Receiver collects additional interest income or other receivables prior to the making Final Distributions, the Final Distributions will be adjusted to take into account any additional receipts.
21. The Receiver also seeks authorization to release the amount of \$18,222.39, plus all interest accrued thereon, to the Trustee from the segregated trust account held by the Receiver.

Discharge of the Receiver

22. The release sought by the Receiver on this application includes the language set forth in the British Columbia model discharge order, modified to include the appropriate carve outs for any claims arising from gross negligence or wilful misconduct on the part of the Receiver.
23. Upon the filing of the Discharge Certificate, the Receiver should be discharged as the Receiver will have completed its duties and obligations under the Receivership Order, save and except for minor administrative matters incidental to the Receivership Proceedings.

Part 4 MATERIAL TO BE RELIED ON

1. Receivership Order made September 20, 2023;


2. Order made October 30, 2023;
3. Order made March 8, 2024;
4. Interim Distribution Order made May 8, 2024;
5. Interim Fee and Activity Approval Order made May 17, 2024;
6. Receiver's Sixth Report to the Court, dated May 14, 2024;
7. Receiver's Seventh Report to the Court, dated March 31, 2025;
8. Affidavit #5 of Anthony Tillman, made March 31, 2025;
9. Affidavit #2 of Kibben Jackson, made March 31, 2025; an
10. The other pleadings and materials filed in these proceedings and such further and other material as counsel may advise and this Honourable Court may permit.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this Notice of Application, you must, within 5 business days after service of this Notice of Application or, if this application is brought under Rule 9-7, within 8 business days after service of this Notice of Application,

- (a) file an Application Response in Form 33,
- (b) file the original of every affidavit, and of every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed Application Response;
 - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;

- (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Dated: 31-Mar-2025



Signature of Mishaal Gill
Lawyer for Alvarez & Marsal Canada Inc.,
in its capacity as Receiver

To be completed by the court only:

Order made

☐ in the terms requested in paragraphs of Part 1 of
this Notice of Application

☐ with the following variations and additional terms:

.....
.....
.....

Date:

.....
Signature of ☐ Judge ☐ Associate
Judge

The Solicitors for the Applicant are Fasken Martineau DuMoulin LLP, whose office address and address for delivery is 550 Burrard Street, Suite 2900, Vancouver, BC V6C 0A3 Telephone: +1 604 631 3131 Facsimile: +1 604 631 3232. (Reference: Kibben Jackson/285937.00017)

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

- ☐ discovery: comply with demand for documents
- ☐ discovery: production of additional documents
- ☐ other matters concerning document discovery
- ☐ extend oral discovery
- ☐ other matter concerning oral discovery
- ☐ amend pleadings
- ☐ add/change parties
- ☐ summary judgment
- ☐ summary trial
- ☐ service
- ☐ mediation
- ☐ adjournments
- ☐ proceedings at trial
- ☐ case plan orders: amend
- ☐ case plan orders: other
- ☐ experts
- ☒ none of the above

SCHEDULE "A"
SERVICE LIST

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

SERVICE LIST

(Last Updated: May 6, 2024)

Fasken Martineau DuMoulin LLP Attention: Kibben Jackson Mishaal Gill Suzanne Volkow Email: kjackson@fasken.com mgilll@fasken.com svolkow@fasken.com <i>Counsel for the Receiver, Alvarez & Marsal Canada Inc.</i>	Alvarez & Marsal Canada Inc. Attention: Anthony Tillman Pinky Law Taylor Poirier Email: atillman@alvarezandmarsal.com pinky.law@alvarezandmarsal.co <u>tpoirier@alvarezandmarsal.com</u> <i>The Receiver</i>
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<p>Lawson Lundell LLP</p> <p>Attention: Bryan Gibbons Noor Mann Kimia Jalilvand Peter Roberts</p> <p>Email: bgibbons@lawsonlundell.com nmann@lawsonlundell.com kjalilvand@lawsonlundell.com proberts@lawsonlundell.com</p> <p><i>Counsel for 1392752 B.C. Ltd.</i></p>	<p>Kornfeld LLP</p> <p>Attention: Francis Lamer Nikhil Pandey</p> <p>Email: flamer@kornfeldllp.com npandey@kornfeldllp.com rkrishan@kornfeldllp.com</p> <p><i>Counsel for Delta Cedar Specialties Ltd.</i></p>
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<p>IWA–Forest Industry Pension & LTD Plan Office</p> <p>Attention: Raashi Ahluwalia</p> <p>Email: raashi.ahluwalia@iwafibp.ca</p> <p><i>Counsel for Trustees of the IWA - Forest Industry Pension Plan and Trustees of the IWA - Forest Industry LTD Plan</i></p>	<p>McCarthy Tétrault LLP</p> <p>Attention: Lance Williams Nathan Stewart</p> <p>Email: lwilliams@mccarthy.ca nstewart@mccarthy.ca sdanielisz@mccarthy.ca</p> <p><i>Counsel for Antler Creek Contracting Ltd., Deuce Creek Contracting Ltd., L&J Logging Ltd., Kitselas Forestry LP, Terrace Timber Ltd., Silvicon Services Inc., Little Trees Reforestation Inc., Timber Tracks Inc., K' Alii Aks Timber Corporation ; Timbertramp Contracting Ltd. And Cypress Forest Consultations Ltd.</i></p>

McLean & Armstrong LLP Attention: Vince Aldridge Email: valdridge@mcleanarmstrong.com <i>Counsel for Daudet Creek Contracting Ltd.</i>	Duncan Craig LLP Attention: Ryan Quinlan Email: rquinlan@dcllp.com <i>Counsel for Dynamic Capital Equipment Finance Inc.</i>
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<p>Koskie Glavin Gordon</p> <p>Attention: William Clements Heather Kennedy Sephra Smith</p> <p>Email: wclements@koskieglavin.com hkennedy@koskieglavin.com ssmith@koskieglavin.com</p> <p><i>Counsel for United Steelworkers Local 1-1937, on behalf of its members employed or formerly employed by Skeena Sawmills Ltd.</i></p>	<p>Corley Manufacturing Company</p> <p>Attention: Michael Corley</p> <p>Email: mscorley@corleymfg.com</p>
<p>Ramsay Lampman Rhodes</p> <p>Attention: Peter Behie, K.C.</p> <p>Email: pbehie@rlr.law</p> <p><i>Counsel for Nanaimo Forest Products Ltd.</i></p>	<p>Cuiping (Tracy) Huang</p> <p>Email: tracyhcp@gmail.com</p>
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<p>Turner & Co.</p> <p>Attention: Scott Turner Ding C. Han</p> <p>Email: sturner@turnerco.ca dhan@turnerco.ca</p> <p><i>Counsel for the Trustees of the IWA – First Industry Pension Plan and the Trustees of the IWA Forest Industry LTD Plan.</i></p>	<p>Haisla Nation Council</p> <p>Attention: Jennifer Griffith</p> <p>Email: jgriffith@firstpeopleslaw.com</p> <p><i>Counsel for Haisla Nation</i></p>
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<p>Department of Justice Canada</p> <p>Attention: Aminollah Sabzevari Khanh Gonzalez</p> <p>Email: Aminollah.Sabzevari@justice.gc.ca Khanh.Gonzalez@justice.gc.ca</p>	<p>BFL Canada Risk and Insurance Services Inc.</p> <p>Attention: Fai Ly Randy Nobbs</p> <p>Email: fly@bflcanada.ca rnobbs@bflcanada.ca</p>
<p>Gibraltar Law</p> <p>Attention: John Drayton Stacie Gray</p> <p>Email: john@glmail.ca stacie@GLmail.ca</p> <p>Counsel for Interior Logging Association</p>	

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SCHEDULE "B"
DRAFT DISTRIBUTION AND DISCHARGE ORDER

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

1392752 B.C. LTD.

AND:

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

RESPONDENTS

ORDER MADE AFTER APPLICATION
(FEE APPROVAL, DISTRIBUTION & DISCHARGE)

BEFORE) THE HONOURABLE JUSTICE WALKER)
)) April 8, 2025
))

ON THE APPLICATION OF Alvarez & Marsal Canada Inc. (“**A&M**”) as receiver (in such capacity, the “**Receiver**”) of all of the assets, undertakings and property, including real property of Skeena Sawmills Ltd., Skeena Bioenergy Ltd., and ROC Holdings Ltd. (together, the “**Skeena Entities**”), coming on for hearing at Vancouver, British Columbia, on this day, AND ON HEARING Mishaal Gill, counsel for the Receiver, those counsel listed in Schedule “A” hereto, and no one else despite being served; AND UPON READING the materials filed, including the Sixth Report of the Receiver to the Court dated May 14, 2024 (the “**Sixth Report**”) and the Seventh Report of the Receiver to Court dated March 31, 2025 (the “**Seventh Report**”);

THIS COURT ORDERS that:

1. The activities of the Receiver as described in the Sixth Report and the Seventh Report are hereby approved, provided however that only A&M in its personal capacity and only with

respect to its own personal liability shall be entitled to rely upon or utilize in any way such approval.

2. The Receiver's statement of receipts and disbursements, in the form attached as Appendix "A" to the Seventh Report, is hereby approved.
3. The Receiver is hereby authorized, as it deems appropriate, to assign any one or more of the Skeena Entities into bankruptcy and A&M be permitted to act as licensed insolvency trustee of the bankruptcy estates of any of the companies assigned into bankruptcy.
4. The Receiver's accounts for professional fees and disbursements from May 1, 2024 to February 28, 2025 in the amount of \$100,884.74, inclusive of applicable taxes, are hereby approved.
5. The Receiver's estimated further fees and disbursements of approximately \$40,000, plus applicable taxes, for the period of March 1, 2025 to the completion of this matter, are hereby approved.
6. The accounts for professional fees and disbursements of the Receiver's legal counsel, Fasken Martineau DuMoulin LLP ("**Fasken**"), from May 1, 2024 to February 28, 2025, in the amount of \$49,880.70, inclusive of applicable taxes, are hereby approved.
7. Fasken's estimated further fees and disbursements of approximately \$20,000, plus applicable taxes, for the period of March 1, 2025, to the completion of this matter, are hereby approved.
8. The Receiver is hereby authorized to make the following final distributions:
 - (a) \$1,049,226.27 to Cui Family Holdings Ltd. ("**Cui Holdings**");
 - (b) \$137.33 to Caterpillar Financial Services Ltd.;
 - (c) \$3,774.23 to Canadian Western Bank;
 - (d) \$728.26 to the Bank of Nova Scotia;
 - (e) \$8,424.15 to Dynamic Capital Equipment Finance Inc.;
 - (f) \$4,380.03 to Corley Manufacturing Company;

- (g) \$13,800.02 to Microtec Inc.;
 - (h) \$22,735.93 to Delta Cedar Specialties Ltd.; and
 - (i) \$10,710.47 to Timber Baron Contracting Ltd.
9. The Receiver is further authorized to pay the amount held by it in the segregated trust account maintained by the Receiver in accordance with the order of the Honourable Madam Justice Blake made herein October 30, 2023, plus all interest accrued thereon, to IWA - Forest Industry Pension and LTD Plans.
10. The Receiver is further authorized to retain a holdback of \$100,000 to fund any additional costs arising in relation to the completion of the administration of the receivership estates and to fund any retainer payable to A&M as licensed insolvency trustee of the bankrupt estates of any of the Skeena Entities that is assigned into bankruptcy, and upon the later of: (i) completion of the administration of the receivership estates; and (ii) six months after the date of this Order, the Receiver may distribute any remaining amount of the Holdback to Cui Holdings.
11. Upon payment of the amounts set out in paragraph 8 and 9 hereof and upon the Receiver filing a certificate in the form attached hereto as Schedule "B" certifying that it has completed the remaining outstanding activities described in the Seventh Report, the Receiver shall be discharged as receiver of the assets, undertakings and property of the Skeena Entities, provided that notwithstanding its discharge herein: (a) the Receiver shall remain receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein; and (b) the Receiver shall continue to have the benefit of the provisions of all orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of A&M in its capacity as Receiver.
12. A&M, in its capacity as Receiver, shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of any order made in these proceedings, save and except:
- (a) any gross negligence or wilful misconduct on its part; or

- (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded A&M, in its capacity as Receiver, by section 14.06 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), or by any other applicable legislation.

- 13. Notwithstanding any provision herein, this Order shall not affect any person to whom notice of these proceedings was not delivered as required by the BIA and regulations thereto, any other applicable enactment or any other Order of this Court.
- 14. The Receiver may apply to this Court for advice and directions in relation to this order and any related matters.
- 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.

16. Endorsement of this Order by counsel appearing, other than counsel for the Receiver, is hereby dispensed with.

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 Mishaal Gill
Lawyer for the Receiver

BY THE COURT

REGISTRAR

SCHEDULE "A"

List of Counsel

SCHEDULE "B"

Receiver's Certificate

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

1392752 B.C. LTD.

AND:

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

RESPONDENTS

RECEIVER'S CERTIFICATE OF COMPLETION

WHEREAS pursuant to the Order of the Honourable Justice Walker made April 8, 2025 (the “**Distribution and Discharge Order**”), Alvarez & Marsal Canada Inc. in its capacity as receiver (in such capacity, the “**Receiver**”) of all of the assets, undertakings and properties of Skeena Sawmills Ltd., Skeena Bioenergy Ltd., and ROC Holdings Ltd., was discharged as Receiver with such discharge to be effective upon the Receiver filing a certificate with this Court certifying that the Receiver has completed the administration of the estate;

THE UNDERSIGNED HEREBY CERTIFIES as follows:

1. The Receiver has complied with the terms of the Distribution and Discharge Order.
2. The Receiver has completed all other matters that are incidental to the termination of these proceedings and the discharge of the Receiver, including all of the outstanding activities as described in the Receiver's Seventh Report to Court dated March 31, 2025.

NOW THEREFORE AS A RESULT OF THE FOREGOING, the Receiver is entitled to be discharged in accordance with the terms of the Distribution and Discharge Order.

THIS RECEIVER'S DISCHARGE CERTIFICATE is made and filed by the Receiver in accordance with paragraph 11 of the Distribution and Discharge Order.

Dated this ____ day of _____, 2025

Alvarez & Marsal Canada Inc. in its capacity as the Receiver as aforesaid and not in its personal capacity

Per:

Anthony Tillman
Senior Vice-President

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

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AND:

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RESPONDENTS

ORDER MADE AFTER APPLICATION
(DISTRIBUTION & DISCHARGE)

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