



No. S-248267
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44,
THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57

AND

IN THE MATTER OF SAN INDUSTRIES LTD.,
AND THOSE PARTIES LISTED ON SCHEDULE "A"

PETITIONERS

NOTICE OF APPLICATION

Name of applicant: Deloitte Restructuring Inc. (the "Monitor"), in its capacity as Court-appointed Monitor of San Industries Ltd. and those parties listed on Schedule "A" (collectively, the "San Group" or the "Petitioners").

To: The Service List

TAKE NOTICE that an application will be made by the Monitor at the courthouse at 800 Smithe Street, Vancouver, British Columbia on September 2, 2025, at 10:00 a.m. for the order set out in Part 1 below.

2 hours

The Monitor estimates that the application will take ~~30 minutes~~.

This application is not within the jurisdiction of an associate judge. Justice Stephens is seized of this matter.

Part 1: ORDER SOUGHT

1. The Monitor seeks a "**Stay Extension Order**", substantially in the form attached as **Schedule "B"** hereto, approving an extension of the stay of proceedings with respect to the Petitioners up to and including October 31, 2025.

2. The Monitor may also seek such other orders as counsel for the Monitor may advise and this Court may deem appropriate in the circumstances.

Part 2: FACTUAL BASIS

Background

1. On November 29, 2024, this Court granted an Initial Order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 (the "**CCAA**") with respect to the Petitioners. Under the Initial Order, this Court granted, among other things, certain enhanced powers to the Monitor.
2. On December 19, 2024, this Court granted a second Amended and Restated Initial Order, which, among other things, granted the Monitor further enhanced powers.
3. Since its appointment, the Monitor has been taking steps to realize value for the San Group's estate, to the benefit of its stakeholders. This includes in particular steps taken pursuant to a sales process approved by this Court on January 16, 2025 (the "**SISP**"), the results of which are described below and in the Ninth Report of the Monitor dated August 27, 2025 (the "**Ninth Report**").

Update on the CCAA Proceedings

4. On June 12, 2025, following the implementation of the SISP, this Court granted orders approving three transactions for the sale of certain of the San Group's business and assets, which were:
 - a) an approval and vesting order approving the Offer to Purchase and Asset Purchase Agreement dated May 11, 2025 between the Monitor, in its capacity as monitor of Coulson Manufacturing 2017 Ltd., as vendor, and 0752615 B.C. Ltd., Fraserview Cedar Products Ltd., Fraserview Re-Manufacturing Inc., and Gillwood Products Inc., as purchasers (the "**Coulson Transaction**");
 - b) an approval and vesting order approving the Offer to Purchase and Asset Purchase Agreement dated May 15, 2025 between the Monitor, in its capacity as monitor of San Forest Products Ltd., as vendor, and 1537037 B.C. Ltd., as purchaser (the "**San Forest Transaction**"); and
 - c) an approval and vesting order approving the Offer to Purchase and Asset Purchase Agreement dated June 2, 2025 between the Monitor, in its capacity as monitor of Axon Lumber Ltd. and San Industries Ltd., as vendor, and Cedarline Industries Ltd., as purchaser (the "**Langley Plant Transaction**", together with the Coulson Transaction and the San Forest Transaction, the "**Transactions**").
5. All three Transactions have now closed (with the Coulson Transaction closing on June 20, 2025, the Langley Plant Transaction closing on July 15, 2025, and the San Forest Transaction closing on July 29, 2025).
6. The Monitor currently holds approximately \$34,236,000 in proceeds following the closing of the Transactions and the sale of certain of the San Group's remaining inventory (the "**Sales Proceeds**").

The Need for an Extension of the Stay of Proceedings

7. The current stay of proceedings expires on September 5, 2025.
8. Given the timeline of these proceedings and status of the San Group's restructuring efforts, the Monitor is of the view that a further extension to the stay of proceedings up to and including October 31, 2025 (the "**Proposed Stay Extension**") is both appropriate and necessary.
9. Extending the stay of proceedings through this period will permit the Monitor to continue its efforts to restructure and realize value for the San Group estate. Granting an extension of the stay will permit the Monitor to take the following steps, among others:
 - a) repay the current interim financing provided to the Petitioners by the Royal Bank of Canada ("**RBC**") and the Business Development Bank of Canada ("**BDC**", and together with RBC, the "**Senior Lenders**") from the Sales Proceeds, which the Monitor intends to do the week ending September 5, 2025;
 - b) seek an interim distribution with respect to the Sales Proceeds, which will be sought by the Monitor following the conclusion of its ongoing assessment of an appropriate allocation of the Sales Proceeds and costs of these CCAA proceedings as between RBC, BDC, and certain potential priority creditor claims;
 - c) continue its efforts to market and sell the Langley Farm Property (as defined in the Ninth Report); and
 - d) continue to address the various insurance claim related matters with respect to the San Group estate and pursue other potential estate recoveries.
10. The Sales Proceeds will provide the Petitioners with sufficient liquidity to operate through the period of the Proposed Stay Extension and permit the Monitor to take the steps contemplated above to continue to advance the Petitioners' restructuring.
11. The Senior Lenders have been consulted with respect to the Proposed Stay Extension and are supportive. The Monitor does not believe any of the Petitioners' creditors will be materially prejudiced by the Proposed Stay Extension.

Part 3: LEGAL BASIS

The Proposed Stay Extension is Necessary and Appropriate

1. A stay of proceedings is the "central tool" by which this Court maintains the status quo for a debtor company, allowing it the necessary time, flexibility, and "breathing room" to carry out a supervised restructuring or organized sales process while continuing its ongoing operations.

Canada v. Canada North Group Inc., 2021 SCC 30 at para. 19; 1057863 B.C. Ltd. (Re), 2022 BCSC 876 at paras. 31, 35.

2. The baseline considerations and requirements for a stay extension are that a stay is “appropriate” and that the debtor company subject to the CCAA is acting in good faith and with due diligence.

CCAA, ss. 11.02(2)-(3).

3. For the reasons set out above, the Proposed Stay Extension is needed to provide the necessary time, flexibility, and “breathing room” for the Monitor to continue to advance the Petitioners’ CCAA proceedings. The Petitioners will have sufficient liquidity to operate through the end of the Proposed Stay Extension.

4. Accordingly, in order to continue to advance the Petitioners’ CCAA-contemplated restructurings and maximize value for the San Group’s stakeholders, the Monitor is of the view that the Proposed Stay Extension is necessary and appropriate in the circumstances and now seeks approval of the Stay Extension Order.

Part 4: MATERIAL TO BE RELIED ON

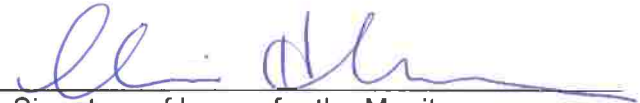
1. Ninth Report of the Monitor, dated August 27, 2025; and
2. such further and other materials as counsel may advise.

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).

Date August 27, 2025



Signature of lawyer for the Monitor
Peter L. Rubin / Claire Hildebrand

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

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

- ☐ discovery: comply with demand for documents
- ☐ discovery: production of additional documents
- ☐ 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

Schedule "A"

Petitioners

Acorn Forest Products Ltd.
Axon Lumber Ltd.
Coulson Manufacturing 2017 Ltd.
San Cedar Direct Sales Ltd.
San Forest Products Ltd.
San Holdings Inc.
Super-Cut Lumber Industries Ltd.
1224676 B.C. Ltd.
1260729 B.C. Ltd.
Mountainside Logging Ltd.
1170518 B.C. Ltd.
1175465 B.C. Ltd.
San Farming Ltd.
San Forest Specialty Ltd.
San Terminals Inc.

SCHEDULE “B”

No. S-248267
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IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES’ CREDITORS ARRANGEMENT ACT*,
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IN THE MATTER OF SAN INDUSTRIES LTD.,
AND THOSE PARTIES LISTED ON SCHEDULE “A”

PETITIONERS

**ORDER MADE AFTER APPLICATION
(STAY EXTENSION)**

BEFORE))	
)	THE HONOURABLE JUSTICE STEPHENS)	September 2, 2025
))	

ON THE APPLICATION of Deloitte Restructuring Inc. (the “**Monitor**”), in its capacity as Court-appointed monitor of San Industries Ltd. and those parties listed on **Schedule “A”** (collectively, the “**Petitioners**”) coming on for hearing at Vancouver, British Columbia, on the 2nd of September, 2025; AND ON HEARING Claire Hildebrand, counsel for the Monitor, and those other counsel listed on **Schedule “B”**; AND UPON READING the material filed, including the Ninth Report of the Monitor dated August 27, 2025; AND pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36, the British Columbia *Supreme Court Civil Rules*, and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS THAT:

Capitalized Terms

1. Capitalized terms not defined in this Order shall have the meanings given to them in the Second Amended and Restated Initial Order of this Court, dated December 19, 2024.

Stay Extension

2. The Stay Period with respect to the Petitioners is hereby extended up to and including October 31, 2025.

General

3. Endorsement of this Order by counsel appearing on this application other than counsel for the Monitor 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 lawyer for the Monitor
Claire Hildebrand

BY THE COURT.

Registrar

Schedule "A"

Petitioners

Acorn Forest Products Ltd.
Axon Lumber Ltd.
Coulson Manufacturing 2017 Ltd.
San Cedar Direct Sales Ltd.
San Forest Products Ltd.
San Holdings Inc.
Super-Cut Lumber Industries Ltd.
1224676 B.C. Ltd.
1260729 B.C. Ltd.
Mountainside Logging Ltd.
1170518 B.C. Ltd.
1175465 B.C. Ltd.
San Farming Ltd.
San Forest Specialty Ltd.
San Terminals Inc.

Schedule “B”

Counsel List

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(STAY EXTENSION)**

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