

Deloitte.



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, AS AMENDED

AND

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

AND

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

PETITIONERS

TWELFTH REPORT OF THE MONITOR

DELOITTE RESTRUCTURING INC.

September 28, 2026

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INTRODUCTION

- (1) On November 29, 2024, San Industries Ltd. ("**San Industries**") and those parties listed in **Appendix "A"** (collectively the "**Petitioners**", or "**San Group**"), were granted an order (the "**Initial Order**") by the Supreme Court of British Columbia (the "**Court**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended ("**CCAA**"). The Petitioners' proceedings pursuant to the CCAA are referred to herein as the "**CCAA Proceedings**".
- (2) The Initial Order appointed Deloitte Restructuring Inc. ("**Deloitte**") to monitor the business and financial affairs of the Petitioners (in such capacity, the "**Monitor**") and granted a stay of proceedings (the "**Stay**") against the Petitioners until December 9, 2024.
- (3) On December 9, 2024, the Court issued an Amended and Restated Initial Order which granted, among other things, an extension of the Stay to December 19, 2024.
- (4) On December 19, 2024, the Court issued a Second Amended and Restated Initial Order (the "**Second ARIO**") which granted further enhanced powers for the Monitor in the CCAA Proceedings and extended the Stay to January 17, 2025.
- (5) Further background information on the course of the CCAA Proceedings, the Monitor's previous reports to Court, and the various Court Orders granted in these proceedings, is attached hereto as **Appendix "B"**.
- (6) On February 19, 2026, the Monitor issued its eleventh report to the Court (the "**Eleventh Report**"). The Eleventh Report was filed to support the Monitor's application seeking, *inter alia*:
 - a) An order (the "**Second Distribution Order**") approving and authorizing the second interim distribution to Royal Bank of Canada ("**RBC**");
 - b) An order (the "**Assignment Order**") approving the assignment of the Petitioners' right, title, and interest in certain insurance claims to RBC and Business Development Bank of Canada ("**BDC**", and together with RBC, the "**Senior Lenders**"); and
 - c) An order (the "**Stay Extension Order**") granting a further extension of the Stay up to and including September 30, 2026.
- (7) On February 25, 2026, the Court issued the Second Distribution Order, the Assignment Order, and the Stay Extension Order.
- (8) This is the Monitor's twelfth report to the Court (the "**Twelfth Report**" or "**this Report**").
- (9) The Monitor has made its previous reports to Court (the "**Prior Reports**"), along with the various orders and other information related to these CCAA Proceedings, available on its website at www.insolvencies.deloitte.ca/sangroup (the "**Monitor's Website**").
- (10) All dollar amounts in this Report are in Canadian dollars, unless otherwise indicated.
- (11) Unless otherwise provided, all capitalized terms not defined in this Report are as defined in the Second ARIO or the Prior Reports, as applicable.

Purpose of the Twelfth Report

- (12) The purpose of this Twelfth Report is to:
 - a) Report on the Monitor's activities since the date of the Eleventh Report;
 - b) Report on the Monitor's review of the actual cash flows of San Industries, San Forest Products Ltd. ("**San Forest**"), Coulson Manufacturing 2017 Ltd. ("**Coulson**"), Acorn Forest Products

Ltd. ("**Acorn**"), Super-Cut Lumber Industries Ltd. ("**Super-Cut**"), and Axon Lumber Ltd. ("**Axon**", and collectively, the "**Former Operating Entities**") for the 31 weeks ended September 11, 2026 (the "**Cash Flow Period**") as compared to the projected cash flows in the Petitioners' cash flow projection for the period February 7, 2026 to September 11, 2026 (the "**Eighth Variance Analysis**");

- c) Provide the Court with the Monitor's observations with respect to the updated cash flow projection for the Former Operating Entities for the period from September 12, 2026 to June 30, 2027 (the "**Ninth Cash Flow Forecast**");
- d) Provide an update on the Arrowview Claim and marketing of the Arrowview Lands (as both terms are defined later in this Report);
- e) Report on the Monitor's investigations in respect of certain funds advanced to Probyn Log Ltd. ("**Probyn**") in connection with a logging project at Vernon Bay, Vancouver Island (the "**Vernon Bay Project**"), as further described in this Report; and
- f) Support the Monitor's application seeking:
 - i) An order (the "**Probyn Payment Order**") authorizing and directing Probyn to pay to the Monitor the balance it holds on account of 1004744 B.C. Ltd., being approximately \$153,278 net of certain costs, as further described in this Report;
 - ii) An order (the "**HTS Disclosure Order**") requiring HTS Forest Products Ltd. ("**HTS**"), Mr. Ravjit Sanghera, and Toronto-Dominion Bank ("**TD Bank**") to produce certain banking and financial records to the Monitor, as further described in this Report; and
 - iii) An order granting a further extension of the Stay up to and including June 30, 2027 (the "**Ninth Stay Extension**").

Disclaimer and terms of reference

- (13) In preparing this Report and conducting its analysis, the Monitor has been provided with, and has relied upon, certain unaudited financial information, draft and internal financial information from the books and records of the Petitioners, as applicable. The Monitor has also relied on information gathered from discussions with various parties, including the former Corporate Operating Officer and the former Vice President of Finance ("**Former Management**"), shareholders, and the Petitioners' legal and financial advisors (collectively, the "**Information**"). The Monitor may refine or alter its observations as further information is obtained or brought to its attention after the date of this Report.
- (14) Except as otherwise described in this Report:
 - a) The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the *CPA Canada Handbook* and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
 - b) Some of the Information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the *CPA Canada Handbook*, has not been performed.
- (15) Future oriented financial information referred to in this Report was prepared based on the estimates and assumptions of the Monitor and Former Management. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not

ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

- (16) Except as otherwise indicated, the Monitor's understanding of factual matters expressed in this Report concerning the Petitioners and their businesses is based on the Information, and not independent factual determinations made by the Monitor.
- (17) The Monitor assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of this Report. Any use, which any party makes of this Report, or any reliance or decision to be made based on this Report, is the sole responsibility of such party.

UPDATE ON THE ARROWVIEW CLAIM

- (18) As outlined in the Monitor's Eleventh Report, on April 14, 2025, the Monitor, acting in its capacity as monitor of San Industries, 1224676 B.C. Ltd., 1175465 B.C. Ltd., 1260729 B.C. Ltd., Mountainside Logging Ltd. and San Cedar Direct Sales Ltd. (collectively, the "**San Group Plaintiffs**") and on behalf of the San Group Plaintiffs, commenced an action against Arrowview Estates Development GP Ltd. ("**Arrowview GP**"), Arrowview Estates Development Limited Partnership ("**Arrowview LP**", and together with Arrowview GP, "**Arrowview**"), Sukhjot Sanghera, Kamaljit Sanghera, and Iqbal Deol by filing a notice of civil claim in the Court (Vancouver Registry, Action No. 25282) (the "**Arrowview Claim**") in connection with certain transfers of funds made by the San Group Plaintiffs to non-San Group entities, including Arrowview, prior to the Initial Order.
- (19) Following the commencement of the Arrowview Claim, the Monitor negotiated and caused the San Group Plaintiffs to enter into a settlement agreement with Arrowview in respect of the Arrowview Claim, effective September 2, 2025 (as amended, the "**Settlement Agreement**").
- (20) Pursuant to the Settlement Agreement, Arrowview agreed that its obligations under the Settlement Agreement would be secured by, among other things, a second-ranking mortgage and assignment of rents charging the lands with PIDs 024-356-760, 003-264-840, and 024-356-743 (together, the "**Arrowview Lands**") in the principal amount of \$2,646,910, and registered in the Land Title Office on September 8, 2025, under Nos. CB2323355 and CB2323356 (the "**San Group Mortgage**").
- (21) Arrowview breached the Settlement Agreement by failing to fulfill its payment obligations under the Settlement Agreement.
- (22) On January 29, 2026, Five Peaks Capital Ltd. ("**Five Peaks**"), the first-ranking mortgagee of the Arrowview Lands, was granted an Order Nisi of Foreclosure by the Court providing for a six-month redemption period expiring July 29, 2026 (the "**Foreclosure Order**") in action number H-103034 (Nanaimo Registry).
- (23) On April 29, 2026, in consideration that Arrowview was in default of its obligations under the Settlement Agreement and subject to the Foreclosure Order, the Monitor sought and obtained an order for conduct of sale over the Arrowview Lands (the "**Conduct of Sale Order**"). The Conduct of Sale Order provided that the Monitor shall have exclusive conduct of sale and shall be at liberty to list the Arrowview Lands for sale starting on June 1, 2026.
- (24) On June 1, 2026, the Monitor engaged Cushman & Wakefield ULC ("**C&W**") to market and sell the Arrowview Lands. C&W's marketing activities have included, among other things:
 - a) Listing the Arrowview Lands for sale on its website and the Multiple Listing Service at a list price of \$7,950,000;

- b) Engaging with staff at the City of Port Alberni regarding the progress and feasibility of the property's development potential;
 - c) Sending out marketing emails to its network of residential realtors and potential buyers;
 - d) Making phone calls with targeted investors and residential real estate developers; and
 - e) Conducting tours of the Arrowview Lands.
- (25) To assist in facilitating an efficient sale process over the Arrowview Lands, the Monitor attempted to obtain from Mr. Ravjit Sanghera, a director of Arrowview, certain environmental and engineering reports he advised had been completed as part of Arrowview's efforts to prepare the Arrowview Lands for redevelopment. As of the date of this Report, Mr. Ravjit Sanghera has not provided any documents to assist with the sale process.
- (26) The Monitor has engaged in various correspondence with Five Peaks regarding the sale process for the Arrowview Lands. On August 21, 2026, C&W provided its first marketing report, in which C&W recommended decreasing the list price to \$6,950,000. Following discussions with C&W and Five Peaks, the Arrowview Lands list price was decreased to \$6,950,000 on September 8, 2026, and the marketing process is ongoing.

THE PROBYN FUNDS

Background

- (27) In the course of its investigations into transfers of funds made by the Petitioners prior to and immediately after the granting of the Initial Order, the Monitor identified a series of payments totalling \$2,467,500 made between November 21, 2024 and January 28, 2025 to Probyn, a log marketing and financing company, in connection with the Vernon Bay Project.
- (28) Probyn advised the Monitor that its involvement in the Vernon Bay Project arises from a Log Marketing and Financing Agreement dated March 15, 2024 (the "**Log Agreement**") among Probyn, Mr. Richard Thomas, as holder of certain timber salvage licences, and 1004744 B.C. Ltd. ("**1004744**"), a company whose directors the Monitor understands to be Mr. Robert Morrison and Mrs. Joanne Morrison (together, the "**Morrison**s"). Neither 1004744 nor the Morrisons is a Petitioner in the CCAA Proceedings.
- (29) A copy of the Log Agreement is attached hereto as **Appendix "C"**. Under the Log Agreement, Probyn was appointed exclusive marketing and sales agent for logs harvested from the Vernon Bay Project and provided operational financing by advancing funds to or on behalf of 1004744 (the "**Advances**"). Under the revenue distribution provisions at section 5.5 of the Log Agreement, Probyn was entitled to recover its outstanding Advances, accrued interest, insurance costs and marketing fees from log sale revenues in priority to any distribution to 1004744. 1004744's entitlement under the Log Agreement is limited to the residual amount, if any, remaining after Probyn's recoveries.

How the Vernon Bay Project operated

- (30) The manner in which the Vernon Bay Project was conducted is relevant to the matters described in this section of the Report, and the Monitor sets it out here so that the movements of funds described below may be understood in context.
- (31) Probyn has advised the Monitor that the arrangement operated as follows. Probyn financed the harvesting operations by making Advances to or on behalf of 1004744. Probyn's protocol required that it receive funds on account of its outstanding Advances before it would authorize the release of a boom of logs for towing to the Coulson Mill for dewatering, sorting and scaling. 1004744

- would remit funds to Probyn on account of amounts owing under the Log Agreement, Probyn would then release the logs, and Probyn would invoice HTS (described later in this Report) for the delivered volume. Advances and sales were reconciled on a boom-by-boom basis following scaling.
- (32) Probyn issued four invoices to HTS in respect of log deliveries from the Vernon Bay Project to the Coulson Mill, for volumes totalling approximately 3,654 m³ and amounts totalling \$1,786,943.88 including taxes. Probyn has advised the Monitor that those invoices were not separately collected from HTS, and that the amounts were instead applied against funds previously received by Probyn from 1004744.
- (33) The effect of that arrangement, on the information available to the Monitor to date, is as follows:
- a) HTS took delivery of approximately \$1.79 million of logs at the Coulson Mill and those invoices were not separately collected from HTS;
 - b) the purchase price for those logs was instead satisfied by funds remitted to Probyn by 1004744 in advance of each delivery; and
 - c) the funds so remitted by 1004744 did not originate with 1004744. As described below, they were received by 1004744 from Mountainside, a Petitioner, and from 1290712 B.C. Ltd. ("**129**"), in each case shortly before being paid on to Probyn.
- (34) The logs so delivered were processed at the Coulson Mill. As reported in the Sixth Report, the Coulson Mill processed those logs under a custom cut arrangement recorded in an agreement dated November 18, 2024 between Coulson and Da-Le Falling Ltd. ("**Da-Le**"), under which Da-Le was said to own the logs and to retain title through to the finished lumber products, and under which Coulson's entitlement was limited to a processing fee of \$9 per m³ for dryland sorting and \$3,500 per hour of mill time. The Monitor reported in the Sixth Report its conclusion that the logs were purchased using San Group funds and not by Da-Le. The Monitor further understands that the finished lumber was sold by HTS, rather than by Da-Le, and that a number of the purchasers were existing customers of San Industries.
- (35) Taken together, and subject to the matters the Monitor has not yet been able to verify as described later in this Report, the arrangement had the following effect: funds of the Petitioners were used to pay for logs; those logs were delivered to a mill owned by a Petitioner, which processed them in return for a processing fee only; the logs were invoiced by Probyn to HTS, a company incorporated 22 days before the Initial Order and directed by family members of a former director of certain Petitioners; HTS paid nothing for them; and the resulting lumber was sold by HTS, in a number of cases to parties the Monitor understands to be customers of San Industries, with HTS collecting the proceeds. The Monitor is continuing to investigate these matters and the extent of the Petitioners' interest in the funds and property concerned.

Source of the funds advanced to Probyn

- (36) The Monitor has reviewed banking records of the Petitioners, together with a screenshot of a bank statement of 1004744 obtained during the Monitor's investigations. Those records indicate that the payments made to Probyn totaling \$2,067,500 (being the payments other than the January Payment (as defined below)) were funded as follows:
- a) On November 18, 2024, Mountainside Logging Ltd. ("**Mountainside**"), a Petitioner, transferred \$1,100,000 to 1004744. On November 21, 2024, 1004744 transferred \$1,100,000 to Probyn;
 - b) On December 10, 2024, 129 transferred \$350,000 to 1004744. On December 11, 2024, 1004744 transferred \$350,000 to Probyn;

- c) On December 11 and 19, 2024, 129 transferred a further \$60,719 and \$423,833 respectively to 1004744. On December 20, 2024, 1004744 transferred \$467,500 to Probyn; and
 - d) On January 27, 2025, HTS deposited \$150,000 directly to Probyn on account of obligations of 1004744 under the Log Agreement.
- (37) The transfers received by 1004744 from 129 in December 2024 total \$834,552. In each case, 1004744 received a corresponding amount from Mountainside or 129 shortly before the payment to Probyn was made and, in the case of the December 11, 2024 payment, on the immediately preceding day and in an identical amount. On the records available to the Monitor, none of the funds transferred by 1004744 to Probyn appear to have originated with 1004744.
- (38) 129 is not a Petitioner. Its sole director is Mr. Jaskaran Singh Gill, the former Corporate Operating Officer of San Group, who held a senior finance role within the San Group, and its registered and records office is the same address as that of San Industries. In the weeks immediately preceding the Initial Order, 129 received transfers totalling approximately \$1,106,802 from or through Petitioners in these proceedings, of which approximately \$749,802 was received on November 28 and 29, 2024, being the day before and the day on which the Initial Order was granted. 129 has also previously received substantial funds from San Cedar Direct Sales Ltd. and other Petitioners during the period from March 2021 to August 2023, which transfers form part of the subject matter of the Arrowview Claim.

The balance held by Probyn

- (39) By letter dated July 30, 2026, the Monitor advised Probyn's counsel of its findings in respect of the November 18, 2024 transfer from Mountainside, requested that Probyn not distribute or otherwise deal with any funds held on account of 1004744 pending resolution of the matter, and requested an accounting of the funds received and held by Probyn.
- (40) By email dated August 21, 2026, Probyn's counsel confirmed that Probyn would comply with the Monitor's request and would not distribute or otherwise deal with the balance held on account of 1004744 pending resolution of the matter. Probyn also provided a reconciliation which disclosed that:
- a) Probyn holds a balance of approximately \$265,309 on account of 1004744 under the Log Agreement (the "**Probyn Balance**");
 - b) Probyn holds unpaid third-party invoices of approximately \$112,031 in respect of subcontractors and service providers engaged on the Vernon Bay Project and its own anticipated costs, including legal costs, which account for approximately \$20,000 of that amount (together, the "**Probyn Costs**"); and
 - c) Probyn received total funds of \$2,467,500 in connection with the Vernon Bay Project, being \$400,000 more than the payments identified by Probyn in its earlier correspondence. By email dated September 16, 2026, Probyn's counsel advised that the additional \$400,000 was received from 1004744 by wire transfer on January 28, 2025 (the "**January Payment**"), and that it was applied on account of ongoing project costs and outstanding Advance obligations rather than in connection with any particular log delivery. The Monitor's observations in respect of this payment are set out below.

Correspondence with 1004744

- (41) By letter dated August 28, 2026, the Monitor's counsel wrote to 1004744 and Mr. Morrison setting out the matters described above, requesting an explanation of the commercial basis on which 1004744 received the funds from Mountainside and 129, any consideration provided by 1004744

in respect of those amounts, and 1004744's position as to the ownership of the Probyn Balance. The letter requested a substantive response by September 8, 2026.

- (42) By telephone on September 8, 2026, Mrs. Morrison contacted the Monitor's counsel in response to that letter and advised that she and Mr. Morrison had no issue cooperating with the Monitor and were prepared to execute a direction authorizing payment of the Probyn Balance to the Monitor. On September 28, 2026, the Morrisons provided to the Monitor an irrevocable direction to that effect.
- (43) Neither 1004744 nor either of the Morrisons has asserted any entitlement to the Probyn Balance. No explanation has been provided of the commercial basis on which 1004744 received the funds from Mountainside and 129, or of any consideration provided by 1004744 in respect of those amounts.
- (44) Probyn's counsel advised that Probyn is not prepared to act on a direction from 1004744 alone, and requires an order of this Court before distributing the funds constituting the Probyn Balance.
- (45) The Monitor is supportive of obtaining a court order. The Monitor does not support the provision of a release by the San Group of Probyn in respect of the Vernon Bay Project given the limited information available to the Monitor. The Probyn Payment Order sought by the Monitor is framed accordingly.
- (46) The Monitor has separately corresponded with Da-Le in respect of related matters, including by letters dated February 21, March 7 and March 24, 2025. Da-Le has not responded to the Monitor's letter of March 24, 2025. The Monitor's investigations in respect of the Vernon Bay Project, HTS, 129 and related parties are continuing, and the Monitor may report further to this Court in due course.

HTS Forest Products Ltd.

- (47) HTS is not a Petitioner. Corporate registry records obtained by the Monitor disclose that HTS was incorporated on November 7, 2024, being 22 days before the granting of the Initial Order. At the time of incorporation, its directors were Mr. Ravjit Sanghera and Mr. Aman Sanghera. HTS has not filed an annual report. The Monitor understands that Mr. Ravjit Sanghera has recently been removed as a director. The Monitor further understands that Mr. Ravjit Sanghera is the son of Mr. Sukhjot Sanghera and that Mr. Aman Sanghera is the son of Mr. Kamaljit Sanghera. Both Mr. Sukhjot Sanghera and Mr. Kamaljit Sanghera are former directors of certain of the Petitioners and defendants in the Arrowview Claim.
- (48) As set out in the Monitor's First Report dated December 7, 2024, the Monitor raised a concern at that time regarding a sharp and unexplained decline in the Petitioners' reported accounts receivable, being approximately \$1.7 million reported as at December 6, 2024 against an expected balance of approximately \$6.7 million. The Monitor also reported in its Sixth Report dated April 30, 2025 on its investigations into the custom cut arrangement under which logs delivered to the Coulson Mill were said to be owned by Da-Le, and its conclusion that those logs were purchased using San Group funds.
- (49) The Monitor has corresponded with Mr. Ravjit Sanghera on various matters since February 2025. Mr. Ravjit Sanghera has advised that he was not involved in the operations of HTS and did not operate or authorize transactions on a bank account maintained in the name of HTS at TD Bank, account number 5238465 (the "**HTS Account**"). Mr. Ravjit Sanghera has further advised that he has obtained certain financial records of HTS directly from TD Bank, including statements for the HTS Account.
- (50) Mr. Ravjit Sanghera advises that those records disclose that the HTS Account was opened on November 28, 2024, being the day before the Initial Order was granted; that deposits exceeding

\$1.8 million were received between December 2024 and January 2025 from payors he identifies as customers of San Industries; that substantially all of those funds were disbursed by cheque, draft, wire and transfer in the period that followed; and that the HTS Account was reduced to a nominal balance by February 2025 and subsequently closed.

- (51) The Monitor also notes that Mr. Ravjit Sanghera is a director of Arrowview and has not, as described earlier in this Report, provided the documents requested by the Monitor in connection with the sale of the Arrowview Lands. The matters capable of independent verification, being the incorporation date of HTS and the decline in the Petitioners' accounts receivable reported in the First Report, are consistent with the Monitor's own records.
- (52) The Monitor makes the following observations in respect of the \$400,000 payment received by Probyn on January 28, 2025:
- a) the Monitor understands that a cheque in the amount of \$400,000 was drawn on the HTS Account on January 14, 2025, being 14 days before 1004744 transferred \$400,000 to Probyn;
 - b) HTS had, the previous day, deposited \$150,000 directly to Probyn on account of obligations of 1004744 under the Log Agreement;
 - c) on the records available to the Monitor in respect of the period from November 2024 to December 2024, each payment made by 1004744 to Probyn was funded by a corresponding amount received by 1004744 from a Petitioner or from 129 shortly beforehand, and 1004744 does not appear to have funded any payment from its own resources; and
 - d) unlike each of the earlier payments, the \$400,000 payment was not made in connection with the release of any log delivery.
- (53) The Monitor does not presently have the bank records of 1004744 for January 2025 or the bank records of HTS and is therefore unable to confirm the source of the \$400,000 received by Probyn on January 28, 2025. The Monitor considers, however, that there are reasonable grounds to investigate whether that payment was funded, directly or indirectly, from the HTS Account and accordingly from amounts collected from customers of the Petitioners after the granting of the Initial Order. If that is established, the funds in question would be property in which the Petitioners and the Senior Lenders have an interest.

Logs seized by the Province

- (54) As previously reported, a quantity of logs harvested in connection with the Vernon Bay Project and delivered to the Coulson Mill were seized by the Province and remain in the possession of the Province. The Monitor asserted the San Group's ownership interest in those logs by letter dated March 17, 2025, and has corresponded with the Ministry of Forests periodically since that time.
- (55) By email dated July 17, 2026, Mr. Jim Proteau, District Manager, South Island Natural Resource District, advised the Monitor that Compliance and Enforcement staff had completed their investigation and that, as the delegate of the Minister of Forests, he had offered an opportunity to be heard (the "**OTBH**") to the alleged contraveners, scheduled for September 25, 2026. The alleged contraventions are:
- a) unauthorized harvest, and removal of Crown timber without authorization, contrary to sections 52(1) and 52(3)(a) of the *Forest and Range Practices Act*, alleged against Mr. Ryan Boyd and Mr. Richard Thomas;
 - b) use of a British Columbia registered company number which is not the holder of a licence or timber mark to report inaccurate timber marks on a transport record, contrary to section

97(2)(c) of the *Forest and Range Practices Act*, alleged against 1004744 and Mr. Robert Morrison; and

- c) failure to record and produce scale details, and submission of inaccurate information to the Harvest Billing System, contrary to sections 97(1)(c) and (e) and 105.1(3)(b) of the *Forest Act*, alleged against Mr. Richard Thomas.
- (56) Mr. Proteau advised that additional time of several months will be required following the OTBH for a written determination to be finalized, and that the determination may include the disposition of any seized volume. He invited the Monitor to provide a written submission in support of the San Group's asserted ownership interest in the seized timber. The Monitor has made such a submission and will continue to monitor the outcome of the proceeding.
- (57) The Monitor notes that Mr. Thomas is the holder of the timber salvage licences under the Log Agreement, and that 1004744 and Mr. Morrison are the counterparties to that agreement. The allegations made by the Province are not determinative of any matter before this Court, and the Monitor makes no submission as to their merits. The Monitor reports them because the outcome may affect the seized logs, in which the San Group asserts an interest, and because they concern the same parties and the same harvesting operation as the funds described in this Report.

Investigations and the Monitor's access to records

- (58) The Monitor's investigations in respect of the Vernon Bay Project, HTS, 129, Da-Le and related parties are continuing. The Monitor has made requests for information of each of Probyn, 1004744, Da-Le, and the Sangheras. Probyn has cooperated with the Monitor's requests. Da-Le has not responded to the Monitor's letter of March 24, 2025.
- (59) Neither HTS nor its directors have provided the Monitor with any financial records of HTS. By emails dated February 3 and February 24, 2025, the Monitor requested from Mr. Ravjit Sanghera, Mr. Kamaljit Sanghera and Mr. Aman Sanghera information as to why HTS was created and how it was funded, together with its financial statements, bank statements and transaction records. The response received from Mr. Aman Sanghera on February 5, 2025 stated that no accounting work had been done, that no financial reports were available, and that HTS had arranged its own funding and had "nothing to do with SAN". No records have been produced.
- (60) By email dated September 16, 2026, the Monitor renewed its request to Mr. Ravjit Sanghera for HTS's bank statements and for information as to the disbursement of the proceeds in the HTS Account. No records have been produced.

HTS Disclosure Order

- (61) Without the banking and financial records of HTS, the Monitor is unable to trace the funds deposited to and paid out of the HTS Account, or to determine whether any portion of those funds is traceable to the Petitioners. Therefore, the Monitor requires an order of this Court compelling production. The Monitor considers the financial records of HTS to be central to its remaining investigations, for the following reasons:
- a) as described at paragraph 35 above, Probyn invoiced HTS approximately \$1.79 million, including taxes, for logs delivered to the Coulson Mill. Those invoices were not separately collected from HTS. The purchase price was instead satisfied from funds remitted to Probyn by 1004744, which funds appear to have originated with Mountainside, a Petitioner, and with 129. The logs were processed at the Coulson Mill, a facility owned by a Petitioner, in return for a processing fee only, and the resulting lumber was sold by HTS, in a number of cases to parties the Monitor understands to be customers of San Industries. On the information presently available, HTS appears to have derived a substantial benefit from the Vernon Bay

Project at the expense of the Petitioners' estates, and the records are necessary to determine the extent of that benefit and of the Petitioners' interest in it;

- b) the deposits to the HTS Account are said to have come from payors matching customers of San Industries, and to have been received in the period immediately following the Initial Order, during which the Petitioners' recorded accounts receivable declined by an amount that has never been explained. Accounts receivable of the Petitioners are collateral of the Senior Lenders, and amounts collected in respect of them after the Initial Order are properly the property of the Petitioners' estates;
 - c) the records may establish the source of the \$400,000 received by Probyn on January 28, 2025 and of the \$150,000 received on January 27, 2025, and accordingly the extent of the Petitioners' interest in the Probyn Balance and in amounts already applied by Probyn;
 - d) the records may identify the recipients of the funds disbursed from the HTS Account and enable the Monitor to determine whether any of those funds remain traceable and recoverable; and
 - e) the HTS Account has been closed and the records are held by a third-party financial institution, such that there is a risk they will become more difficult to obtain with the passage of time.
- (62) The Monitor accordingly seeks the HTS Disclosure Order, requiring production to the Monitor for the period from November 1, 2024 to the date of the order as follows:
- a) HTS and Mr. Ravjit Sanghera shall produce:
 - i) complete statements of account, transaction records, and images of all cheques and drafts (including endorsements), wire transfer records and electronic transfer records, for all accounts maintained by HTS at any financial institution, in each case sufficient to identify the payee or recipient of every disbursement;
 - ii) account opening documentation, signing authorities and records of persons authorized to operate each such account; and
 - iii) HTS's books, records and accounts of sales, invoices, accounts receivable and accounts payable, together with any records identifying the purpose of, or consideration for, each disbursement from those accounts.
 - b) TD Bank shall produce, in respect of the HTS Account and any other account maintained by HTS at TD Bank, and limited to records in its possession or control:
 - i) complete statements of account and transaction records;
 - ii) images of all cheques and drafts drawn on or deposited to the account, including endorsements, and records of all wire and electronic transfers into and out of the account, in each case identifying the payee or recipient and, where recorded, the payor; and
 - iii) account opening documentation, signing authorities and records of the persons authorized to operate the account.
- (63) The Monitor is of the view that the HTS Disclosure Order is appropriate for the following reasons. The Monitor has enhanced investigative powers under the Second ARIO and a statutory mandate pursuant to subsection 23(1)(c) of the CCAA to investigate the business and financial affairs of the Petitioners. The information has been sought from HTS and its directors on a consensual basis since February 2025 and has not been obtained. The relief is limited to the production of records,

determines no substantive right, and is without prejudice to any position HTS may take. One of HTS's former directors, Mr. Ravjit Sanghera, has indicated that he holds the complete account history, which suggests the records are available and that their production would not be onerous.

Probyn Payment Order

- (64) The Monitor seeks the Probyn Payment Order: (a) authorizing and directing Probyn to pay the Probyn Balance, net of the Probyn Costs, to the Monitor, and (b) releasing and discharging Probyn from any claim of the Petitioners or the Monitor arising from Probyn having made that payment in accordance with the Probyn Payment Order.
- (65) The Monitor has also requested that 1004744 execute a direction authorizing Probyn to pay the Probyn Balance to the Monitor. The Monitor expects that direction to be executed and will provide a copy to the Court if available.
- (66) The Monitor is of the view that the Probyn Payment Order is appropriate in the circumstances, for the following reasons:
- a) **Source of the funds.** The records available to the Monitor indicate that the funds transferred by 1004744 to Probyn appear to have originated with Mountainside, a Petitioner, and with 129, a non-Petitioner whose sole director held a senior finance role within the San Group and which received substantial transfers from Petitioners in the weeks immediately preceding the Initial Order. On the information presently available to the Monitor, the Probyn Balance represents the unexpended portion of those funds.
 - b) **No competing claim has been asserted.** 1004744 has been given notice of the Monitor's position and an opportunity to respond, has not asserted any entitlement to the Probyn Balance, and has indicated that it is prepared to execute a direction authorizing payment of the Probyn Balance to the Monitor. Probyn does not assert a continuing entitlement to the Probyn Balance beyond the Probyn Costs. No party has asserted a competing claim to the Probyn Balance.
 - c) **Probyn's position is preserved.** The relief sought provides for payment net of the Probyn Costs, being approximately \$112,031 owed to third-party subcontractors and service providers engaged on the Vernon Bay Project and Probyn's own costs, including legal costs, which account for approximately \$20,000 of that amount. The Monitor does not consider it appropriate that the subcontractors, who are not connected to the San Group, should bear the cost of this dispute. The Monitor does not admit that Probyn's own costs are properly deductible from the Probyn Balance. Having regard to the amount in issue and to Probyn's cooperation with the Monitor's investigations, however, the Monitor does not consider that amount to warrant the cost and delay of a contested determination, and is prepared on a without prejudice basis to accept its deduction in order to achieve a prompt resolution.
 - d) **Proportionality.** The Probyn Balance is modest relative to the cost of contested litigation. Probyn has cooperated fully with the Monitor's investigations and has agreed to hold the funds pending resolution. In the Monitor's view, a direction from this Court is the most efficient and cost-effective means of resolving the matter and avoids the expense of a separate action against a party that has not engaged.
 - e) **Preservation of the Monitor's other claims.** The relief sought is limited to the Probyn Balance and does not determine any claim the Petitioners may have against 1004744, Mr. Morrison, 129, Mr. Gill, HTS, Da-Le, or any other party in respect of the Vernon Bay Project or otherwise. The Monitor seeks that all such rights be expressly reserved.
- (67) The Monitor has consulted the Senior Lenders in respect of the relief sought and understands that they are supportive.

OTHER ACTIVITIES

- (68) Since the date of the Eleventh Report, the Monitor has also, among other things, undertaken the following activities:
- a) Pursuant to the Second Distribution Order, made a distribution to RBC of \$2,500,000;
 - b) Following the granting of the Assignment Order, terminated professional service arrangements with respect to pursuing the Insurance Claims, provided historical documents to the Senior Lenders and their legal counsel, and held discussions in connection with the transition of carriage and conduct of the Insurance Claims;
 - c) Prepared local backups of the Petitioners' servers and accounting documents and terminated cloud storage arrangements;
 - d) Identified a small volume of log inventory stored at a third-party facility and entered into a sale arrangement for approximately \$77,000 after costs;
 - e) Corresponded with the Province in relation to certain seized logs and tax matters;
 - f) Held various discussions with customs brokers and counsel to RBC in relation to letters of credit and cash collateral held by the surety to secure potential export duty obligations of the Petitioners;
 - g) Attended to the filing of various Goods and Services Tax ("**GST**") returns for the Petitioners and undertook discussions with CRA regarding trust examinations and collecting GST refunds;
 - h) Undertook discussions with the Province regarding the set-off of certain tax credits and the validity thereof;
 - i) Prepared and provided RBC with an updated estimated outcome statement and forecast of the expected remaining distribution in the CCAA Proceedings;
 - j) Entered into a settlement agreement with respect to certain funds held in trust pursuant to a *Builders' Lien Act* claim and collected funds in the amount of \$71,491 related thereto;
 - k) Prepared and reviewed documents in connection with the Conduct of Sale Order and advanced the sale process for the Arrowview Lands, as described in this Report;
 - l) Participated in discussions with the Senior Lenders and their legal counsel regarding the Petitioners' business, financial affairs, restructuring efforts, and other matters relating to the CCAA Proceedings;
 - m) Reviewed the Former Operating Entities' cash receipts and disbursements and supporting documents, disbursement requests, and undertook various monitoring and approval protocols;
 - n) Prepared and reviewed the Eighth Variance Analysis, as further described in this Report;
 - o) Prepared the Petitioners' Ninth Cash Flow Forecast;
 - p) Assigned Coulson and San Industries into bankruptcy and undertook statutory obligations related thereto;
 - q) Maintained and updated the Monitor's Website and posted copies of the materials in connection with the CCAA Proceedings;
 - r) Attended to inquiries from Management, employees, creditors, and other stakeholders in regard to the CCAA Proceedings; and

s) Prepared this Report.

CASH FLOW

Eighth Variance Analysis

(69) The Monitor has established its own trust account for managing and monitoring cash receipts and disbursements in accordance with the Eighth Cash Flow Forecast, which covered the period to September 11, 2026. A summary of the actual cash flows as compared to the projected amounts in the Eighth Cash Flow Forecast is set out below.

San Group				
Cash Flow Variance Analysis - For the 31-week period ended September 11, 2026				
CAD\$'000s; unaudited	Forecast	Actual	Variance (\$)	Variance (%)
Receipts				
Interest income	35	52	17	50%
Vendor refunds	10	13	3	31%
Inventory sales, net of costs	10	77	67	672%
Pre-filing claim collections	-	90	90	100%
Total receipts	55	143	88	159%
Operating Disbursements				
Vendors and SG&A expenses	(14)	(16)	(2)	(11%)
Contractor wages	(47)	(43)	4	8%
Insurance claim costs, net of retainers	(40)	(0)	40	100%
Professional fees	(370)	(675)	(305)	(82%)
GST payments and refunds	-	7	7	100%
Contingency	(35)	-	35	100%
Total operating disbursements	(506)	(727)	(221)	(44%)
Net operating cash flow	(451)	(585)	(134)	(30%)
Financing disbursements	-	-	-	0%
Distributions	(4,329)	(4,329)	(0)	0%
Inter-account transfers	-	-	-	0%
Net cash flow	(451)	(585)	(134)	(30%)
Account balance movement				
Opening balance	7,321	7,321	-	0%
Net operating cash flow	(451)	(585)	(134)	(30%)
Inter-funding	-	-	-	0%
Estimated Priority Claims	-	-	-	0%
Second Interim Distribution	(2,500)	(2,500)	-	0%
Reversible Priority Claims Holdback to Lenders	(1,829)	(1,829)	(0)	(0%)
Ending bank balance	2,541	2,407	(134)	(5%)

(70) The net cash outflow for the Former Operating Entities during the Cash Flow Period amounted to approximately \$585,000, compared with a forecast net cash outflow of \$451,000, resulting in an unfavourable variance of approximately \$134,000. The more significant variances in the Cash Flow Period are as follows:

- Inventory-related recoveries were approximately \$67,000 higher than forecasted, primarily due to the condition and quantity of inventory sold being greater than initially contemplated;
- Insurance claim costs were near zero in the Cash Flow Period due to the return of a retainer from legal counsel that was not used. Gross insurance claim costs in the period were approximately \$39,000; and
- Professional fees were approximately \$305,000 higher than forecast due to increased activity by the Monitor, the Senior Lenders' counsel and other professionals in connection with certain insurance claims, obtaining and implementing the Conduct of Sale Order and advancing the sale process for the Arrowview Lands, and investigating and addressing the funds advanced to Probyn in connection with the Vernon Bay Project, together with other matters arising during the period. The variance also includes third-party deposits of \$15,000 each made to the bankruptcy estates of San Industries and Coulson.

Ninth Cash Flow Forecast

- (71) The Ninth Cash Flow Forecast, covering the period from September 12, 2026 to June 30, 2027 (the "**Forecast Period**"), is presented in **Appendix "D"**. The forecast is presented monthly as the number and magnitude of transactions has now been materially reduced, given that all operations of the San Group have been wound down or sold. The table below summarizes the total projected cash flows during the Forecast Period.

San Group Cash Flow Forecast for the 41-week period ended June 30, 2027 CAD\$'000s; unaudited			
<i>Period ended</i>	12-Sep-26 to 31-Dec-26	01-Jan-27 to 30-Jun-27	TOTAL
Receipts			
Interest	18	31	49
Probyn balance	153	-	153
Sale of Arrowview Lands (refer to note in the Report)	-	3,000	3,000
Total receipts	171	3,031	3,202
Operating disbursements			
Legal fees	(180)	(210)	(390)
Monitor's fees	(60)	(85)	(145)
Contingency	(20)	(25)	(45)
Net operating cash flow	(89)	2,711	2,622
Financing disbursements	-	-	-
Net cash flow	(89)	2,711	2,622
Monitor SISP Proceeds Account			
Opening balance	2,497	2,408	2,497
Net operating cash flow	(89)	2,711	2,622
Final distributions	-	(5,118)	(5,118)
Ending balance - Monitor's SISP Proceeds Account	2,408	-	-

- (72) The more significant assumptions included in the Ninth Cash Flow Forecast are as follows:
- The only substantive receipts the Monitor expects in the Forecast Period are the Probyn Balance and the net proceeds from the sale of the Arrowview Lands.
 - The net proceeds of a sale of the Arrowview Lands have been estimated at approximately \$3.0 million, being the current list price of \$6.95 million less the amount owing to Five Peaks and estimated transaction costs. That estimate is illustrative only. The timing and quantum of any sale remain subject to a high degree of uncertainty and the amount realized may differ from the current list price. It has been included at the end of the Forecast Period.
 - Vendor and SG&A payments are no longer expected as the Monitor has terminated the Petitioners' remaining IT services.
 - No additional contractor wages are anticipated as the Monitor has addressed all outstanding CRA trust audits and other inquiries.
 - Professional fees of approximately \$535,000 are estimated for the professionals covered by the Administration Charge; and
 - A contingency of \$45,000 is estimated for any unknown additional costs.
- (73) The Monitor's comments on the more significant assumptions included in the Ninth Cash Flow Forecast are as follows:
- The Ninth Cash Flow Forecast shows a projected balance in the Petitioners' operating accounts of nil as at June 30, 2027 and a projected balance of nil in the Monitor's SISP proceeds account as at the same date. These balances are expected to be distributed to the Senior Lenders by the end of the Forecast Period, subject to the Monitor obtaining a further

distribution order from the Court. The timing of any final distribution is contingent on the timing of a sale of the Arrowview Lands.

- b) Since the cash flows are based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material. Accordingly, at this time, the Monitor cannot provide any assurance as to whether the Ninth Cash Flow Forecast will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information referenced in this Report or relied upon by the Monitor in preparing this Report.

REQUESTED STAY EXTENSION

- (74) The current Stay expires on September 30, 2026. The Monitor is seeking the Court's approval of the Ninth Stay Extension to June 30, 2027.
- (75) The Monitor believes that the creditors of the Petitioners will not be prejudiced by the Ninth Stay Extension. The extension will permit the Monitor to:
 - a) Pursue the sale of the Arrowview Lands;
 - b) Pursue other potential estate recoveries; and
 - c) Take other steps required to continue the Petitioners' restructuring.
- (76) In the Monitor's view, extending the Stay until June 30, 2027 is reasonable and appropriate in the circumstances. The Petitioners have sufficient liquidity to fund ongoing obligations through the proposed extension period.
- (77) The Senior Lenders have been consulted regarding the proposed Ninth Stay Extension and have indicated their support.

CONCLUSIONS AND RECOMMENDATIONS

- (78) Based on the foregoing, the Monitor respectfully recommends that this Court grant the Probyn Payment Order, the HTS Disclosure Order and the Ninth Stay Extension, each as described in this Report.

This Report is respectfully submitted this 28th day of September, 2026.

DELOITTE RESTRUCTURING INC.,

In its capacity as Court-appointed
Companies' Creditors Arrangement Act Monitor of
San Group (as defined herein)
and not in its personal capacity


Per: Jeff Keeble, CPA, CA, CIRP, LIT, CBV
Senior Vice-President


Paul Chambers, FCA (UK), CIRP, LIT
Senior Vice-President

APPENDIX "A"

List of Petitioners

1. Acorn Forest Products Ltd.
2. Axon Lumber Ltd.
3. Coulson Manufacturing 2017 Ltd.
4. San Cedar Direct Sales Ltd.
5. San Forest Products Ltd.
6. San Holdings Inc.
7. Super-Cut Lumber Industries Ltd.
8. 1224676 B.C. Ltd.
9. 1260729 B.C. Ltd.
10. Mountainside Logging Ltd.
11. 1170518 B.C. Ltd.
12. 1175465 B.C. Ltd.
13. San Farming Ltd.
14. San Forest Specialty Ltd.
15. San Terminals Inc.

APPENDIX "B"

SUMMARY OF THE CCAA PROCEEDINGS

- (1) On November 29, 2024, the Petitioners were granted the Initial Order by the Court pursuant to the CCAA.
- (2) The Initial Order, among other things:
 - a) Appointed the Monitor;
 - b) Granted a stay of proceedings (the "**Stay**") against the Petitioners up to and including December 9, 2024;
 - c) Authorized the Petitioners to borrow \$600,000 under a debtor-in-possession financing facility (the "**DIP Financing Facility**") made available by the Royal Bank of Canada ("**RBC**"). The Monitor understands that certain of the DIP Financing Facility has been transferred or assigned to the Business Development Bank of Canada ("**BDC**" together with RBC, the "**DIP Lenders**" or the "**Senior Lenders**") by way of syndication or participation; and
 - d) Granted the Administration Charge and the DIP Lender's Charge (both as defined in the Initial Order).
- (3) On December 7, 2024, the Monitor issued its first report in the CCAA Proceedings (the "**First Report**"). The First Report was filed to, among other things, provide the Court with an update on the activities of the Petitioners and the Monitor since the granting of the Initial Order, and the Monitor's observations with respect to the Petitioners' cash flow forecast for San Industries, San Forest Products Ltd. ("**San Forest**"), Coulson Manufacturing 2017 Ltd. ("**Coulson**"), Acorn Forest Products Ltd. ("**Acorn**"), Super-Cut Lumber Industries Ltd. ("**Super-Cut**"), and Axon Lumber Ltd. ("**Axon**") (collectively, the "**Former Operating Entities**") dated November 29, 2024.
- (4) On December 9, 2024, the Court issued an Amended and Restated Initial Order which granted, among other things, an extension of the initial Stay to December 19, 2024 (the "**First Stay Extension**"). The First Stay Extension granted was shorter than the initial Stay request sought by the Petitioners in order to allow the Monitor to, among other things, better understand and address the Current Concerns (as defined and described in the First Report).
- (5) On December 18, 2024, the Monitor issued its second report in the CCAA Proceedings (the "**Second Report**"). Among other things, the Second Report was filed to provide the Court with an update since the date of the First Report on the activities of the Petitioners, activities of the Monitor, and an update on the Current Concerns.
- (6) On December 19, 2024, the Court issued the Second ARIQ, which, among other things, granted further enhanced powers for the Monitor in the CCAA Proceedings, authorized an increase in the DIP Financing Facility to \$1,000,000, and granted an extension of the Stay to January 17, 2025.
- (7) On January 13, 2025, the Monitor issued its third report in the CCAA Proceedings (the "**Third Report**"). The Third Report was filed to provide the Court with an update since the date of the Second Report on the activities and cash flows of the Petitioners, activities of the Monitor, and an update on the Current Concerns. In the Third Report, the Monitor also provided its views on the relief sought by the Monitor which included, among other things:
 - a) Increasing the Petitioners' authority to borrow under the DIP Financing Facility to \$5,000,000 (the "**Second DIP Financing Facility Increase**");
 - b) Approving the sale and investment solicitation process (the "**SISP**"); and
 - c) Granting a further Stay extension to May 30, 2025 (the "**Third Stay Extension**").

- (8) On January 16, 2025, the Court issued Orders which, among other things, authorized the Second DIP Financing Facility Increase and approved the SISP and the Third Stay Extension.
- (9) On January 29, 2025, the Monitor's counsel brought an application to have the Stay lifted to allow Canadian Western Bank ("**CWB**") to enforce its security interests as against the property of San Forest Specialty Ltd. and Mountainside Logging Ltd., as well as CWB's specific security over certain property of San Forest and San Industries (collectively, the "**Enforcement Property**"). On the same day, the Court issued an order to allow CWB to pursue the Enforcement Property and for any net proceeds to be accounted for and held by CWB's counsel pending further order of the Court.
- (10) On February 3, 2025, the Monitor issued its fourth report in the CCAA Proceedings (the "**Fourth Report**"). The Fourth Report was filed to provide the Court with information concerning Kingsley Trucking Ltd., Coombs Shadwell Holdings Ltd., 1351697 B.C. Ltd., and Cojax Heavy Duty Repair Ltd. (collectively, the "**Kingsley Group**"). The Fourth Report was filed with respect to the application made by RBC to have the Kingsley Group added as petitioners in the CCAA Proceedings and included a summary on the operations of the Kingsley Group and details regarding certain related party transactions between San Group and the Kingsley Group.
- (11) On February 4, 2025, the Court made an Order (the "**Kingsley Group Protective Order**") to, among other things, compel the Kingsley Group to operate only in the normal course, to provide counsel for RBC a list of all of the Kingsley Group's bank accounts, and to permit the Monitor to have access to Kingsley Group's physical assets and property to take an inventory of same.
- (12) On February 18, 2025, the Monitor issued its fifth report in the CCAA Proceedings (the "**Fifth Report**"). The Fifth Report was filed to provide the Court with, among other things:
- a) An update on the Monitor's activities in connection with the Kingsley Group Protective Order;
 - b) An overview of the material adverse change in the projected cash flows of the Former Operating Entities and the fourth cash flow forecast for the Former Operating Entities covering the period from February 8, 2025 to May 30, 2025; and
 - c) The Monitor's request to obtain certain orders with respect to the Wage Earner Protection Program Regulations, SOR/2008-222 (the "**WEPP Regulations**").
- (13) On February 21, 2025, the Court made an Order declaring that Acorn, San Industries, and Super-Cut met the criteria established by section 3.2 of the WEPP Regulations.
- (14) On April 30, 2025, the Monitor issued its sixth report in the CCAA Proceedings (the "**Sixth Report**"). The Sixth Report was filed to provide the Court with, among other things, information pertaining to the Monitor's proposed plan to sell San Group's remaining lumber inventory and the Monitor's observations with respect to the Petitioners' updated cash flow projection for the Former Operating Entities for the 13-week period from April 19, 2025 to July 18, 2025 (the "**Fifth Cash Flow Forecast**").
- (15) On May 7, 2025, the Court issued an Order approving the Monitor's plan to sell the San Group's remaining lumber inventory. Additionally, the Court granted an Order increasing the Petitioners' borrowing authority under the DIP Financing Facility to \$7,000,000 and extended the Stay to July 18, 2025.
- (16) On June 4, 2025, the Monitor issued its seventh report in the CCAA Proceedings (the "**Seventh Report**"). The Seventh Report was filed to provide the Court with, among other things, the Monitor's comments with respect to the outcome of the SISP, the Monitor's efforts to realize on the assets of the San Group, and the non-confidential details of the Coulson Mill APA, the SFP Plant APA, and the Langley Plant APA (all as defined in the Seventh Report). The Seventh Report also included the Monitor's recommendation for the confidential supplement to the Seventh Report

(the "**Confidential Report**") to be filed under seal and its need to remain under seal, until otherwise ordered by the Court or until the closing of each of the Coulson Mill Transaction, the SFP Transaction, and the Langley Plant Transaction (all as defined in the Seventh Report and collectively, the "**SISP Transactions**").

- (17) On June 4, 2025, the Monitor issued the Confidential Report to provide the Court with an overview of the offers received from bidders during the SISP and further confidential information in respect of those offers.
- (18) On June 12, 2025, the Court issued approval and vesting Orders for each of the SISP Transactions approving the transactions and authorizing and directing the Monitor to take all necessary steps to complete the transactions. Additionally, the Court granted a Sealing Order over the Confidential Report.
- (19) On June 30, 2025, the Monitor issued its eighth report in the CCAA Proceedings (the "**Eighth Report**"). The Eighth Report was filed to provide the Court with, among other things, the Monitor's update on the status of the SISP Transactions and the Monitor's observations with respect to the Petitioners' future cash flow requirements and their performance against the Fifth Cash Flow Forecast. The Eighth Report also included the Monitor's recommendation for the Court to grant a further extension of the Stay up to and including August 29, 2025.
- (20) On July 4, 2025, the Court issued an order extending the Stay to and including September 5, 2025.
- (21) On August 27, 2025, the Monitor issued its ninth report in the CCAA Proceedings (the "**Ninth Report**"). The Ninth Report was filed to provide the Court with, among other things, the Monitor's update on the closing of the SISP Transactions and the Monitor's observations with respect to the Petitioners' future cash flow projection for the Former Operating Entities for the 10-week period from August 23, 2025 to October 31, 2025. The Ninth Report also included the Monitor's recommendation for the Court to grant a further extension of the Stay up to and including October 31, 2025.
- (22) On September 2, 2025, the Court issued an order extending the Stay to and including October 31, 2025.
- (23) On October 22, 2025, the Monitor issued its tenth report to the Court (the "**Tenth Report**"). The Tenth Report was filed to support the Monitor's application seeking, *inter alia*:
 - a) An order (the "**Distribution Order**") approving and authorizing the first interim distribution (the "**First Interim Distribution**") to Royal Bank of Canada ("**RBC**") and Business Development Bank of Canada ("**BDC**" and together with RBC, the "**Senior Lenders**");
 - b) An order approving the sale of real property and chattels located at 25895 88 Avenue, Langley, British Columbia, V1M 3N5 (the "**Langley Farm Property**");
 - c) A sealing order in respect of the Monitor's confidential supplement to the Tenth Report dated October 27, 2025 (the "**Confidential Supplement**") which provided an overview of the offers received from interested parties with respect to the Langley Farm Property and further confidential information in respect of those offers; and
 - d) An order (the "**Stay Extension Order**") granting a further extension of the Stay up to and including February 27, 2026.
- (24) On October 29, 2025, the Court issued the Distribution Order and the Stay Extension Order.
- (25) During the application hearing held on October 29, 2025, additional parties made representations regarding their interest in presenting competing offers for the Langley Farm Property. The hearing

was adjourned until November 3, 2025 to allow parties to submit final offers and for the Monitor to consider if an alternative offer should be recommended to the Court.

- (26) On November 3, 2025, the Monitor issued a second supplement to the Tenth Report (the “**Second Supplement**”) which provided information on the final offers received for the Langley Farm Property and which included a recommendation to the Court for approval of the Langley Farm Transaction, as therein defined.
- (27) On November 3, 2025, the Court issued an order (the “**Langley Farm Vesting Order**”) approving the Langley Farm Transaction and authorizing and directing the Monitor to take all necessary steps to complete the transaction. Additionally, the Court granted a sealing order with respect to the Confidential Supplement and certain appendices of the Second Supplement.
- (28) Updates on the CCAA Proceedings after November 3, 2025 are included in the “Introduction” section of this Report.

APPENDIX "C"

LOG MARKETING AND FINANCING AGREEMENT DATED MARCH 15, 2024

LOG MARKETING AND FINANCING AGREEMENT

THIS AGREEMENT dated for reference the 15th day of March, 2024

BETWEEN:

PROBYN LOG LTD., a company incorporated under the laws of British Columbia having a place of business at Suite 350 - 601 6th Street, New Westminster, British Columbia, V3L 3C1

("Probyn")

AND:

RICHARD HENRY THOMAS, a Sole Proprietorship under the laws of British Columbia having a mailing address at 5011 Somass Crescent E, Port Alberni, British Columbia, V9Y 8X8
Phone # 250 730 2805
Email : RThomas@Live.ca

("Licensee")

AND :

1004744 B.C. LTD. a Company incorporated under the laws of British Columbia having a mailing address at 2245 old Nanaimo highway, Port Alberni, British Columbia, V9Y8P5
Phone # 250-720-1489
Email : creekcedar@hotmail.com

("1004744")

BACKGROUND

- A. The Licensee holds various timber salvage Licences (Appendix A) which grants to the Licensee the right to harvest ~4,000m³ of Timber under these marks.
- B. The Licensee and 1004744 have an agreement in place for 10004744 to harvest Timber from the licences.
- C. Probyn is in the business of marketing logs.
- D. 1004744 wishes to retain Probyn to market logs from the Licences and to provide operational financing.

AGREEMENTS

In consideration of the covenants, terms and conditions contained in this Agreement and for other good and valuable consideration, the Parties agree as follows:

PART 1 - INTERPRETATION

1.1 **Agreement:** This Agreement and the Security Agreement are the entire agreement between the Parties as to the matters herein and all previous promises, representations or agreements between the Parties, whether oral or written, are deemed to have been replaced by this Agreement. This Agreement is a contract for services and is not a partnership or a joint venture.

1.2 **Definitions:** Any terms or phrases used in this Agreement that are defined in Forest Legislation and are not otherwise defined in this Agreement, shall have the meaning given to them in the Forest Legislation. In this Agreement, the following words and phrases, unless there is something in the context inconsistent therewith, will have the following meanings:

- (a) **"Accounts"** means books of account in respect of the harvesting and marketing of Timber from the Licences;
- (b) **"Advances"** means monies advanced by Probyn under Section 4.1;
- (c) **"Agreement"** means this Agreement and all schedules and addenda attached hereto;
- (d) **"Customers"** means third party purchasers of logs;
- (e) **"Licences"** means Licences listed in Appendix A located on Vancouver Island;
- (f) **"Forest Legislation"** means the *Forest Act*, *Forest and Range Practices Act*, *Forest Practices Code of British Columbia Act* and *Wildfire Act*, all of British Columbia and all regulations under those Acts;
- (g) **"Logging Schedule"** means the schedule of Log deliveries described in Section 4.3;
- (h) **"Marketing Fee"** means the fee payable to Probyn for marketing services as described in Part 3;
- (i) **"Marketing Services"** means those services described in Section 3.3;
- (j) **"Metre"** or **"m"** means one cubic metre of timber measured in accordance with the British Columbia metric scale;
- (k) **"Ministry of Forests"** means the Ministry of Forests of the Province of British Columbia;
- (l) **"Parties"** means Probyn and 1004744, and **"Party"** means either one of them;
- (m) **"Security Agreement"** means the Agreement described at Section 6.1;

- (n) **“Term”** means the duration of this Agreement as described in Part 2; and
- (o) **“Timber”** means trees from the Licences, whether standing, fallen, living, dead, limbed, bucked or peeled and any reference to “logs” means logs produced from Timber.

1.3 **Headings:** The headings in this Agreement are for convenience of reference only and are not to affect the construction and interpretation of this Agreement.

1.4 **Governing Law:** This Agreement is governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

1.5 **Included Words:** Wherever the singular or masculine is used in this Agreement, the same is deemed to include the plural or the feminine or the body corporate where the context or the Parties so require.

1.6 **Canadian Dollars:** All dollar amounts referred to in this Agreement are in Canadian funds.

1.7 **Severance:** If any provision in this Agreement is invalid or unenforceable, the remainder of this Agreement is not affected thereby and each covenant, obligation and provision of this Agreement is separately valid and enforceable to the fullest extent permitted by law.

1.8 **Execution:** This Agreement may be executed in counterparts, each of which together form one document. This Agreement is properly executed and delivered if executed by the Parties in counterparts and executed copies exchanged by the Parties in accordance with Part 10.

PART 2 - DURATION

2.1 **Term:** Subject to rights of termination under this Agreement, this Agreement will commence on March 7th, 2024 and end on December 30, 2025 (the “Term”).

PART 3 - LOG MARKETING

3.1 **Sales Agent:** 1004744 appoints Probyn as its exclusive agent to market and sell logs harvested from the Licences(s) to Customers during the Term.

3.2 **Not Del Credere:** Despite Section 3.5, Probyn is not a del credere agent to 1004744 under this Agreement and does not guarantee the collection of amounts owing from Customers to whom it has sold logs on behalf of 1004744.

3.3 **Marketing Services:** Probyn will perform all services necessary to sell logs from the Licences, including, but without limitation:

- (a) arranging for grading, sorting, storing, scaling, packaging, quality control, insurance and transportation of logs;
- (b) communicating with Customers and arranging for the sale and delivery of logs;

- (c) invoicing and collecting sales revenue from the sale of logs;
- (d) where appropriate, obtaining the necessary permits to export logs;
- (e) maintaining the Accounts;
- (f) assisting with the preparation of budgets related to timber harvesting and sales;
- (g) providing monthly project statements.

3.4 **Marketing Fee:** 1004744 will pay Probyn a Marketing Fee for Marketing Services provided under this Agreement at a rate of 3.5% of the Gross sales Price /m3 with a maximum of \$15/m3 paid to Probyn from the Licences(s).

3.5 **Title and Insurance:** To secure Advances, title to all logs harvested from the Licences under this Agreement will pass to Probyn upon felling. The Licensee will not mortgage, charge or pledge the Licences or any Timber on the Licences.

3.6 **Insurance:** Probyn will insure Logs produced from the Licences from the time they are felled until they are sold and will recover the cost of Insurance from the Accounts as follows:

- (a) for felled and bucked Logs or Logs decked at roadside or in landings, limits will be \$1,000,000 per occurrence with a deductible of \$50,000;
- (b) subject to paragraph (c), for Logs in transit whether dumped, boomed, or barged, limits will be \$3,000,000 per occurrence with a deductible of \$50,000;
- (c) for Logs in transit by truck, limits will be \$200,000 per occurrence with a deductible of \$5,000.

the cost for insurance under this paragraph 3.6 will be 0.5% of the gross sales price for Logs, which amount will be recovered by Probyn as an Advance under Section 4.1. For greater certainty, the insurance costs will not be included as part of the Marketing Fee.

3.7 **Boomsticks and Boomgear:** Probyn will supply boomsticks and boomgear necessary to transport logs produced from the Licences. Probyn will recover \$125 per boomstick from the Accounts to cover wear and tear, shrinkage and handling charges in respect of such boomsticks and boomgear.

3.8 **Scaling:** All logs harvested from the Licences will be scaled in accordance with the Forest Act and such scale will be used by the Parties for the purposes of this Agreement.

PART 4 - LOG DELIVERY AND ADVANCES

4.1 **Advances:** Probyn may make Advances to or on behalf of 1004744 from future sales revenues from logs to enable 1004744 to develop and harvest Timber from the Licences for delivery to Probyn, to pay stumpage and to pay expenses for grading, sorting, scaling, storing,

transportation, quality control and any other services in respect of logs to be delivered to Customers.

4.2 **Statement:** 1004744 will provide Probyn with a statement with each request for an Advance which statement will show:

- (a) the amount requested for the Advance;
- (b) the purpose of the Advance, including payments to be made to suppliers, contractors and employees,
- (c) the amount of Timber developed as of the date of the statement;
- (d) the amount of Timber felled as of the date of the statement;
- (e) the amount of Timber harvested but not yet delivered to Probyn as at the date of the statement;
- (f) the amount of Timber delivered to Probyn or to Customers, as of the date of the statement;
- (g) amounts owing by 1004744 to suppliers, contractors and employees in respect of the Licences, Timber and logs.

The statement will be on a form and with content satisfactory to Probyn acting reasonably.

4.3 **Logging Schedule:** The Parties will agree upon a Logging Schedule, which schedule will show the volume of logs to be delivered to Probyn by 1004744 and the timing of deliveries. If 1004744 fails to deliver Logs in accordance with the Logging Schedule, Probyn may:

- (a) demand repayment of any or all outstanding Advances, which amounts will become immediately due and payable; and
- (b) retain contractors to harvest and deliver logs from the Licences in sufficient quantity to enable Probyn to recover any outstanding Advances from sales revenues.

4.4 **Direction to Pay:** Probyn may, as part of an Advance, require 1004744 to direct Probyn to pay any of 1004744's, suppliers, contractors or employees directly on behalf of 1004744.

4.5 **Delivery:** 1004744 will deliver Logs to Dryland sorts (location TBD) or any other areas arising that are of greater economic benefit to 1004744.

PART 5 - REVENUE AND EXPENSES

5.1 **Books of Account:** Probyn will maintain Accounts and will make the Accounts available for review by 1004744 on reasonable notice during business hours. The Accounts will show all expenses incurred in respect of Timber harvested from the Licences, all Advances made and all revenues received from the sale of such Timber.

5.2 Planning and Harvesting Expenses: 1004744 will be responsible for all costs of developing, harvesting and delivering the logs to Probyn or to customers.

5.3 Financing: Where Probyn makes Advances under Section 4.1 to pay expenses, interest will accrue on those Advances until they are repaid to Probyn from the Accounts at the annual rate of the Prime Rate charged by the Bank of Montreal to its preferred commercial customers plus 3%, compounded monthly.

5.4 Marketing Expenses: Probyn will be responsible for and will pay all expenses in respect of the Marketing Services described in Section 3.3.

5.5 Distribution of Revenue: Probyn will distribute revenues from the sale of logs in the following order of priority:

- (a) to the Crown in respect of stumpage, scaling fees, fees in lieu of manufacture and other Crown charges;
- (b) to Probyn for any outstanding Advances made to 1004744 and accrued interest thereon, as described in Sections 4.1 and 5.3;
- (c) to Probyn for any amounts under Sections 3.6 and 3.7;
- (d) to Probyn for the Marketing Fee described in Section 3.4;
- (e) \$10/m3 to Tseshah First Nations; and
- (f) the balance to 1004744.

PART 6 - SECURITY

6.1 Security for Indebtedness to Probyn: As security for all of its indebtedness and obligations to Probyn, whether under this Agreement or otherwise, the Licensee hereby grants to Probyn a security interest in the Licences, Timber from the Licences and proceeds therefrom. The Licensee will execute a Security Agreement in a form provided by Probyn.

PART 7- FORCE MAJEURE

7.1 Event of Force Majeure: If either Party fails to perform any term of this Agreement and such failure is due to an event of force majeure, including flood, fire, explosion, war, strike, lock-out, labour unrest, extraordinary breakdown or other substantial cause beyond its control, that failure will not be deemed to be a default under this Agreement. The Party affected by an event of force majeure, as above described, will immediately notify the other Party and will take all reasonable steps to minimize the extent and duration of the event.

7.2 Termination: During an event of force majeure requiring suspension or curtailment of a Party's obligations under this Agreement, that Party will suspend or curtail its operations in a safe and orderly manner; provided that, should such event continue in excess of 180 days, either Party may thereafter terminate this Agreement upon written notice.

PART 8 - INDEMNITY

8.1 **Indemnity:** Each Party (the "Indemnitor") will indemnify the other Party, and its directors, officers and employees (collectively for this Section 8.1 referred to as the "Indemnatee") against any liability or loss incurred by the Indemnatee, and arising out of the acts or omissions of the Indemnitor, or any of its subcontractors or invitees, or employees of any of them except to the extent that such liability or loss is attributable to the negligence or wilful default of the Indemnitee.

PART 9 - TERMINATION

9.1 **Default or Insolvency:** If:

- (a) either Party defaults in the observance of any of the covenants, terms and conditions contained in this Agreement and if that default is capable of remedy and continues for ten (10) days after the other Party has given the defaulting Party written notice specifying such default, or if the default is not capable of remedy within 10 days of notice, the defaulting party has not taken all reasonable steps to remedy the default; or
- (b) if a Party becomes insolvent, makes an assignment for the benefit of its creditors, otherwise acknowledges its insolvency, commits any act of bankruptcy, commences liquidation proceedings, whether voluntary or otherwise, or if a receiver is appointed for any of its assets;

the non-defaulting or solvent Party may, in its sole discretion, terminate this Agreement forthwith by giving the defaulting or insolvent Party written notice of termination. This Agreement shall not be considered an asset in the bankruptcy of an insolvent Party.

9.2 **Effect of Termination or Expiry:** Any termination of this Agreement shall be concurrent with and not in lieu or in substitution for any other rights contained in this Agreement, any remedies at law or equity that the Parties shall have for the enforcement of their rights under this Agreement and any other remedies or default or for the recovery of monies owing upon termination of this Agreement. Where, on expiry of the Term or earlier termination of this Agreement, there are Advances, interest under Section 5.3, or Marketing Fees incurred or earned by Probyn in connection with the Licences that have not been recovered by Probyn upon the sale of Logs as contemplated in Section 5.5 ("Outstanding Amounts"), 1004744 will, at its election, either:

- (a) pay the Outstanding Amounts to Probyn; or
- (b) permit Probyn to develop, harvest, remove and sell sufficient logs to recover the Outstanding Amounts from sales revenues, after deduction of stumpage and expenses to develop, harvest and deliver the logs.

After payment under paragraph (a), or recovery under paragraph (b), Probyn will assign any interest it may have in any unsold logs to 1004744.

PART 10 - NOTICE

10.1 **Notices:** In this Agreement any notice or communication required or permitted to be given under this Agreement will be in writing and will be considered to have been given if delivered by hand, transmitted by e-mail or facsimile transmission or mailed by prepaid registered post in Canada, to the e-mail address, facsimile transmission number, or address of each party set out below:

- (a) if to the Agent:

Probyn Log Ltd.
350 - 601 6th Street
New Westminster, BC V3L 3C1

Attention: Gaëtan Dijon
E-mail: gaetand@probynlog.com

- (b) if to the Licensee:

Richard Henry Thomas
5011 Somass Crescent E
Port Alberni, British Columbia V9Y 8X8

Attention: Richard Thomas
Email : RThomas@Live.ca

- (c) if for the contractor :

1004744BC Ltd.
2245 old Nanaimo highway.
Port Alberni BC V9Y8P5

Attention : Bob Morrison
Email : creekcedar@hotmail.com

or to such other address or facsimile transmission number as any party may designate in the manner set out above;

10.2 **Receipt of Notice:** A notice or communication will be considered to have been received:

- (a) if delivered by hand during business hours, upon receipt by a responsible representative of the receiver, and if not delivered during business hours, upon the commencement of the next business day;

- (b) if sent by facsimile transmission during business hours, upon the sender receiving confirmation of the transmission, and if not transmitted during business hours, upon the commencement of the next business day;
- (c) if mailed by prepaid registered post in Canada, upon the fifth business day following posting; except that, in the case of a disruption or an impending or threatened disruption in postal services every notice or communication will be delivered by hand or sent by facsimile transmission; and
- (d) if sent by e-mail upon sending, provided the sender requests and receives confirmation of receipt upon sending.

PART 11 - ASSIGNMENT

11.1 **Restriction on Assignment:** Neither Party may assign this Agreement or any part of it without first obtaining the other Party's written consent. For the purposes of this Agreement, an assignment includes a change in the management or a transfer of shares in a Party. This Agreement enures to the benefit of and is binding upon the successors and permitted assigns of the Parties.

PART 12 - WAIVER

12.1 **No Waiver:** No waiver by either Party of any default by the other Party in the strict and literal performance of or compliance with any provision of this Agreement will be deemed to be a waiver of the strict and literal performance of or compliance with any other provision, condition or requirement of this Agreement or to be a waiver of, or in any manner release such other Party from compliance with any provision, condition or requirement in the future, nor shall any delay or omission by either Party to exercise any right hereunder in any manner impair the exercise of any such right thereafter.

PART 13 - COMPLIANCE

13.1 **Compliance:** Each Party will comply at all times and in all respects with the requirements of the Licences and of all federal, provincial, regional and municipal laws, by-laws, rules and regulations applicable to this Agreement in the operations of the Parties hereunder.

PART 14 - FURTHER ASSURANCES

14.1 **Further Assurances:** Each of the Parties will, upon the reasonable request of any other Party hereto, make, do, execute, or cause to be made, done or executed all further and other lawful acts, deeds, things, devices, documents, instruments and assurances for the better and more perfect and absolute performance of the terms and conditions of this Agreement.

PART 15 - TIME

15.1 **Time of Essence:** Time is of the essence in this Agreement.

PROBYN LOG LTD.

By:

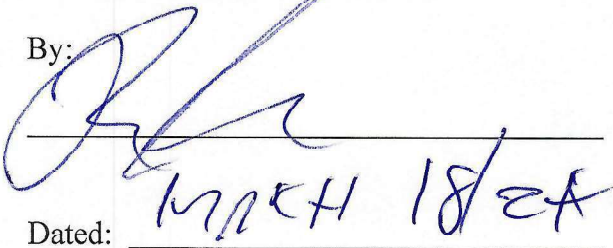
Gaëtan Dijon - Forestry Manager



Dated: March 18, 2024

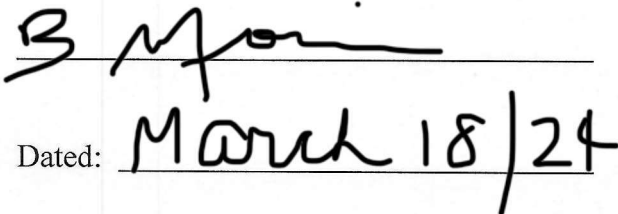
RICHARD HENRY THOMAS

By:


Dated: MARCH 18/24

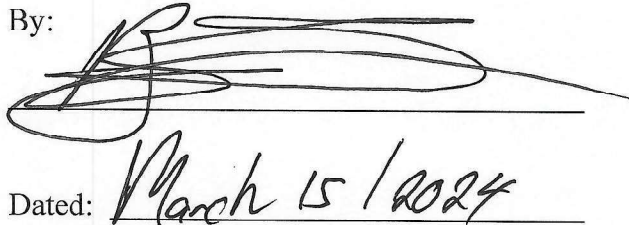
1004744BC LTD.

By:


Dated: MARCH 18/24

Ryan Boyd, Operations Manager.

By:


Dated: MARCH 15 / 2024

Appendix A

- A99428 – at Vernon Bay Heli salvage – Post Harvest - Approx. 2,000 m3
- A99449 – at Vernon Bay Heli salvage – Post Harvest - Approx. 2,000 m3
- Additional FLTC – Post Harvest Heli salvage at Vernon Bay is currently being packaged for Submission to MoF and will be amended to this agreement once approved.

APPENDIX "D"

NINTH CASH FLOW FORECAST

Disclaimer

Since the Ninth Cash Flow Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Forecast Period (defined below) will vary from the Ninth Cash Flow Forecast, even if the assumptions materialize, and such variations may be material. There is no representation, warranty, or other assurance that any of the estimates, forecasts or projections will be realized.

The Ninth Cash Flow Forecast is presented in Canadian dollars and includes the following Petitioners (collectively the "**Former Operating Entities**"):

- San Industries Ltd.
- San Forest Products Ltd.
- Coulson Manufacturing 2017 Ltd.
- Acorn Forest Products Ltd.
- Axon Lumber Ltd.
- Super-Cut Lumber Industries Ltd.

All defined terms that are not otherwise defined herein are to have the same meaning ascribed to them in the Prior Reports.

Readers are directed to paragraphs 72 and 73 of the Report for the assumptions and notes related to the Ninth Cash Flow Forecast.

San Group													
Cash Flow Forecast for the 41-week period ended June 30, 2027													
CAD\$ '000s; unaudited													
Period ended	30-Sep-26	31-Oct-26	30-Nov-26	31-Dec-26	31-Jan-27	28-Feb-27	30-Mar-27	30-Apr-27	31-May-27	30-Jun-27	TOTAL		
Receipts													
Interest	5	4	5	4	4	4	4	4	4	9		49	
Probyn balance	-	153	-	-	-	-	-	-	-	-		153	
Sale of Arrowview lands (refer to note in the Report)	-	-	-	-	-	-	-	-	-	-		3,000	
Total receipts	5	157	5	4	4	4	4	4	3,004	9		3,202	
Operating disbursements													
Legal fees	(40)	(70)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)		(390)	
Monitor's fees	(10)	(20)	(15)	(15)	(15)	(15)	(10)	(10)	(15)	(20)		(145)	
Contingency	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)		(45)	
Net operating cash flow	(50)	62	(50)	(51)	(51)	(51)	(46)	(46)	2,949	(46)		2,622	
Financing disbursements	-	-	-	-	-	-	-	-	-	-		-	
Net cash flow	(50)	62	(50)	(51)	(51)	(51)	(46)	(46)	2,949	(46)		2,622	
Monitor SISP Proceeds Account													
Opening balance	2,497	2,446	2,509	2,458	2,408	2,357	2,307	2,261	2,215	5,164		2,497	
Net operating cash flow	(50)	62	(50)	(51)	(51)	(51)	(46)	(46)	2,949	(46)		2,622	
Final distributions	-	-	-	-	-	-	-	-	-	(5,118)		(5,118)	
Ending balance - Monitor's SISP Proceeds Account	2,446	2,509	2,458	2,408	2,357	2,307	2,261	2,215	5,164	-		-	