



Deloitte Restructuring Inc.
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Canada

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December 6, 2024

Dear Sirs/Mesdames,

**RE: San Industries Ltd. et al.
Proceedings under the *Companies Creditors Arrangement Act*
Court file number S-248267, Vancouver Registry**

Please be advised that on November 29, 2024 (the "**Filing Date**"), the Supreme Court of British Columbia (the "**Court**") granted an initial order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act* ("**CCAA**") in respect of San Industries Ltd., San Forest Products Ltd., Coulson Manufacturing 2017 Ltd., San Farming Ltd., San Forest Specialty Ltd., San Terminals Inc., San Cedar Direct Sales Ltd., San Holdings Inc., Super-Cut Lumber Industries Ltd., Axon Lumber Ltd., Mountainside Logging Ltd., 1224676 B.C. Ltd., 1260729 B.C. Ltd., 1170518 B.C. Ltd., and 1175465 B.C. Ltd. (collectively, "**San Group**" or the "**Companies**").

Pursuant to the Initial Order, Deloitte Restructuring Inc. was appointed to monitor the business and financial affairs of San Group (in such capacity, the "**Monitor**").

During the CCAA proceedings, San Group, with the assistance of the Monitor, expects to continue to operate in the normal course while a refinancing, sale, and investment solicitation process is pursued in respect of the Companies' business and assets, for the benefit of all stakeholders.

Pursuant to the Initial Order, all proceedings against the Companies, its directors and officers, and the Monitor (among others) are stayed and no such proceedings may be commenced or continued without consent of the Companies and the Monitor, or leave of the Court (the "**Stay**"). The Stay also prohibits any contractual parties from ceasing to perform their contracts with the Companies on account of the CCAA filing or there being any outstanding amounts due as of the Filing Date. In addition, except as provided for in the Initial Order, all amounts owing by the Companies to its creditors for the period prior to the Filing Date are stayed and cannot be paid at this time.

You are being given notice of the Initial Order as you are a creditor of San Group or the Initial Order may affect your rights.

Further information with respect to this matter, including a copy of the Initial Order and a list of creditors are available on the Monitor's website at www.insolvencies.deloitte.ca/SanGroup (the "**Monitor's Website**"). The Monitor will post additional documents, including its reports to the Court on the Monitor's Website as they become available, and interested parties are encouraged to refer to the Monitor's Website frequently for updates on the status of the CCAA proceedings.

No claims procedure has yet been submitted to, or approved by, the Court. Creditors are not required to file proofs of claim at this time.

If you are unable to access the Monitor's Website or have any other inquiries, a representative of the Monitor can be reached at sangroup_ccaa@deloitte.ca.

Yours truly,

DELOITTE RESTRUCTURING INC.

In its capacity as Court-appointed Monitor of
San Group and not in its personal or corporate capacity