

No. S1910538
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA

PETITIONER

AND:

QUINSAM COAL CORPORATION, BARCLAYS CANADA LEASING CORPORATION,
BARCLAYS BANK OF CANADA, ENCECO, INC. and GORD KNIGHT VENTURES LTD.

RESPONDENTS

**ORDER MADE AFTER APPLICATION
(INCREASE BORROWINGS AND FEE AND ACTIVITIES APPROVAL)**

BEFORE)	THE HONOURABLE JUSTICE)	December 1, 2021
)	<i>BRUGERS</i>)	

ON THE APPLICATION of The Bowra Group Inc., court-appointed receiver and manager of Quinsam Coal Corporation (the "Receiver") coming on for hearing at Vancouver, British Columbia on December 1, 2021, by MS Teams, and on hearing Jeffrey D. Bradshaw, counsel for the Receiver, and other counsel as listed on **Schedule "A"** hereto; and no one appearing on behalf of the other parties, although duly served; and UPON READING the Receiver's First Report to Court dated November 17, 2021 (the "**First Report**"), and other materials filed herein;

THIS COURT ORDERS that:

SERVICE

1. service of notice of this Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this Application, and time for service of this Application is abridged to that actually given;

FUNDING OF THE RECEIVERSHIP

2. Pursuant to section 30 of the Receivership Order, the Receiver is authorized and empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$2,350,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as the Receiver deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property, including the Coal Proceeds Balance, shall be and is charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
3. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
4. The Receiver is authorized to issue certificates substantially in the form annexed as **Schedule "B"** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
5. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
6. Any interested party may apply to this Court on notice to any other party likely to be affected for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the Property.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

7. The Receiver's Statement of Receipts and Disbursements as set out in the First Report, are approved and confirmed.

FEE APPROVAL

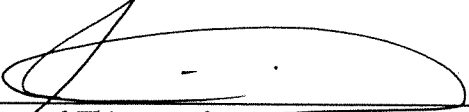
8. The fees and disbursements of the Receiver from September 20, 2019, to October 31, 2021, as set out in the First Report, are hereby approved.
9. The fees, disbursements, and taxes of Gowlings WLG (Canada) LLP ("**Gowlings**") for the period of September 16, 2019, to July 31, 2020, and DLA Piper (Canada) LLP

("DLA", and together with Gowlings, the "Receiver's Counsel") for the period of August 17, 2020, to October 31, 2021, as set out in the First Report, are hereby approved.

GENERAL

10. Endorsement of this Order by counsel appearing on this application other than the Receiver's Counsel is 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 Receiver
DLA Piper (Canada) LLP (Jeffrey D. Bradshaw)

BY THE COURT



REGISTRAR



Schedule "A"

List of Counsel

Name of Counsel	Party Represented
Cindy Cheuk	Her Majesty the Queen in Right of the Province of British Columbia
Scott Andersen	ENCECo, Inc.

Schedule "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT

\$ _____

1. THIS IS TO CERTIFY that The Bowra Group, the Receiver and Manager (the "Receiver") of all of the assets, undertakings and properties of Quinsam Coal Corporation acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Supreme Court of British Columbia (the "Court") dated the 20th day of September, 2019 (the "Order") made in SCBC Action No. S1910538 has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the _____ day of each month after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the [REDACTED] day of [REDACTED], 202[REDACTED].

The Bowra Group, solely in its capacity as
Receiver of the Property, and not in its
personal capacity

Per:
Name:
Title:

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VENTURES LTD.

RESPONDENTS

ORDER MADE AFTER APPLICATION

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JDB/day