

ACQUISITION OPPORTUNITY: QUINSAM COAL CORPORATION

Opportunity

The Bowra Group Inc. was appointed Receiver (the “Receiver”) of Quinsam Coal Corporation (“Quinsam”) on September 20, 2019 pursuant to an Order of the Supreme Court of British Columbia. The Receiver is offering the assets of Quinsam for sale in accordance with a Sale Procedure Order, and the assets consist of:

- Real property located in and around Campbell River, British Columbia;
- Mine and environmental permits;
- Freehold rights to coal and licenses under the *Coal Act* to Crown coal;
- Contracts and other options, agreements and licenses;
- Property, plant and equipment; and
- Intellectual property.

The Receiver is inviting qualified parties to participate in the sale process with a preference to en bloc offers.

Business Overview

Quinsam, a thermal coal mine based out of Campbell River, British Columbia provides thermal coal to its clients. Quinsam has been in operation for over 25 years and has coal rights owned in fees and under license in the Campbell River area. Quinsam’s proximity to the coast allows it to access local and international customers.

Investment Highlights

High Coal Quality

- High quality thermal coal with characteristics attractive to overseas and local markets;
- High heat content – approximately 10,900 BTU on an as received basis;

Coal Rights and Mining Permits

- Approximately 33,000 acres of coal rights owned in fees and 5,600 acres of coal rights under license;
- Mine permit and environmental permits allowing mining and use of certain sites;

Means of Production

- Assets and infrastructure including a processing plant, mining and mobile equipment, maintenance shop, warehouse, fuel storage, and offices;
- Access to Campbell River’s experienced workforce;

Logistics

- Access to Middle Point terminal provides ship loading capacity to customers in the Pacific Northwest;
- Texada Island port provides access to vessel shipments to Asian and Latin American markets.

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Sale Procedure

A summary of the sale procedure (the “Sale Procedure”), including process steps and timing is tabled below:

Process Step	Timing
Sale Procedure Order	December 20, 2019
Due Diligence	January 1, 2020 - March 31, 2020
Bid Deadline	April 1, 2020
Bid Review and Selection	April 15, 2020
Estimated Closing Date	May 1, 2020

The bid deadline for offers is 11:00 AM local time in Vancouver, British Columbia on April 1, 2020. However, at any time after February 14, 2020 if no parties are at that time deemed to be qualified parties, or if the Receiver determines in its business judgement that the Sale Procedure should be terminated, the Receiver may, without notice, terminate the Sale Procedure.

Management of Quinsam has prepared due diligence materials for review by participants in the Sale Procedure. Qualified parties who wish to be participants in the Sale Procedure must deliver the following to the Receiver:

- An executed Confidentiality Agreement;
- An executed Acknowledgement of Sale Procedure; and
- Identification of the participant and any principals, and the representatives thereof who are authorized to appear and act on their behalf for all purposes regarding the contemplated transaction.

For further information, please visit our website www.bowragroup.com/quinsam-coal-corporation.

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Disclaimer: All information in this document is based on discussions with and information provided by Quinsam without an independent verification by the Receiver. The Receiver does not make any representations (be they expressed or implied) or warranties as to the accuracy or completeness of the information and shall have no liability for any representations or omissions contained herein. The prospective purchasers should conduct their own investigation, analysis and due diligence relating to Quinsam’s assets and any of the information contained in this document.