

**In the Matter of the Receivership of  
Birch Mountain Resources Ltd.  
(hereafter referred to as "Birch Mountain")  
In the Province of Alberta**

**Notice of Receiver  
(Subsection 246(2))**

**Take notice that:**

1. On the 5<sup>th</sup> day of November, 2008, PricewaterhouseCoopers Inc. ("PwC") was appointed Receiver and Manager of all the present and future business, undertaking, property and assets of Birch Mountain pursuant to an Order of the Court of Queen's Bench of Alberta, Judicial Centre of Calgary with the authority to manage, operate and realize upon the business and undertaking of Birch Mountain and the property. A copy of the court order can be obtained from the following website: [www.pwc.com/car-birchmountain](http://www.pwc.com/car-birchmountain). The assets at book value from the books and records of the company as at September 30, 2008 were:

	<u>Book Value</u>
Cash	\$533,973
Accounts receivable	5,460,937
Inventory / WIP	4,343,714
Prepaid Expenses and Deposits	532,452
Restricted Cash	4,813,698
Property, Plant & Equipment	21,170,597
Mineral Properties	<u>51,402,006</u>
<b>TOTAL</b>	<b>\$88,257,377</b>

2. PwC, in its capacity as Receiver and Manager, took possession and control of the property described above on the 5<sup>th</sup> day of November, 2008.

**Secured Creditors**

Tricap Partners Ltd.	\$35,149,985
Canadian Western Bank	\$5,160,645
Jim Peplinski's Auto Leasing Ltd.	Unknown
Jim Peplinski's LeaseMaster National	Unknown
GMAC Leaseco Corporation	Unknown
Dart Equipment Rentals Inc.	Unknown
Sabre Equipment Corp.	Unknown
CIT Financial Ltd.	Unknown
General Motors Acceptance Corporation of Canada	Unknown
Atlantic Pipeline Contractors (2004) Inc.	Unknown
Brandt Tractor Ltd.	Garage Keeper's Lien

**Unsecured Creditors and Employees**

A list of amounts owed to creditors and employees was obtained from the books and records of Birch Mountain, a copy of which was included with the first Receivers Report dated November 21, 2008.

**Plan of Action**

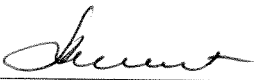
- The majority of the assets were sold to 1439442 Alberta Ltd. which closed on April 2, 2009. The leased assets were either returned to the lessor or new agreements were drawn up with the purchaser.
- The premises were vacated in March 2009 and the remaining assets were sold to various interested parties. All assets have been sold.
- The Receiver has received the CRA's final Trust Exam Assessment which shows that nothing is owing.
- The Receiver and Manager has paid out all Wage Security Obligations to Service Canada.
- A copy of the Statement of Receipts and Disbursements is attached as Schedule A for the period November 5, 2008 to January 18, 2011.
- The status of Birch Mountain will be updated periodically on the following website:  
[www.pwc.com/car-birchmountain](http://www.pwc.com/car-birchmountain)
- The Receiver and Manager has engaged independent counsel, Parlee McLaws LLP.

**Other Pertinent Matters**

Contact person for Receiver and Manager:	Name	Donald J. Roberts
	Telephone	(403) 509-7317
	Facsimile:	(403) 781-1825
	Website:	<a href="http://www.pwc.com/car-birchmountain">www.pwc.com/car-birchmountain</a>

Dated at Calgary, Alberta this 19<sup>th</sup> day of January, 2011.

**PricewaterhouseCoopers Inc.**  
**Receiver and Manager of Birch Mountain Resources Ltd.**

Per:   
\_\_\_\_\_  
Donald J. Roberts  
Senior Vice President

## **Notice to Reader**

We have compiled the accompanying Statement of Receipts and Disbursements for the period November 5, 2008 to January 18, 2011 from the receivership records which we have been maintained in our capacity as Receiver of Birch Mountain Resources Ltd.

We have not engaged external accountants to audit, review or otherwise attempt to verify the accuracy or completeness of the Statement of Receipts and Disbursements.

Readers are cautioned that this statement may not be appropriate for their purposes.



**PricewaterhouseCoopers Inc.**  
**Receiver of Birch Mountain Resources Ltd.**

**Birch Mountain Resources Ltd. - In Receivership**  
**Statement of Receipts and Disbursements**  
**for the period November 5, 2008 to January 18, 2011**  
**(unaudited - See Notice to Reader)**

SCHEDULE A

**Receipts**

Accounts Receivable Collections	1,921,054.55
Cash in Deposit Account	2,256,340.72
GST Collected/Refunds	100,964.24
Interest Income	1,760.50
Loan - Receivers Certificate	2,682,292.44
Miscellaneous Income	11,297.13
Post Receivership Sales	2,013,282.99
Refund of Retainers	32,644.42
Sale of Equipment	150.00
Income Tax Refund	251,264.08
Total Receipts	<u>9,271,051.07</u>

**Disbursements**

Appraisal Fees and Expenses	8,000.00
Bank Charges and Wire Fees	3,373.34
Contractors (Post Receivership)	724,128.34
Employee Accommodation	537,020.00
Employee Remuneration	562,819.93
Environmental Bond	1,085,339.00
Environmental Contractors	98,476.36
Equipment Rental/Lease	974,315.89
Fuel	182,834.65
GST Paid	259,515.13
Insurance	3,083.07
Land Leases/Royalties	326,489.16
Legal Fees	172,319.11
Lien Funds Held in Trust	2,200,000.00
Office and Miscellaneous	18,142.45
Premises and Parking Leases	159,376.65
Receivers Expenses	21,483.61
Receivers Fees	536,290.02
Repairs and Maintenance	37,999.20
Secured Creditor Payment	474,104.90
Security	2,367.63
Shipping	790,374.84
Supplies Purchase	14,080.99
Utilities and Telephone	24,934.22
Waste Removal	23,117.35
Workers Compensation Board	27,936.28
Total Disbursements	<u>9,267,922.12</u>

**Balance of Funds in Bank**

3,128.95