

Condition and Valuation Survey Report

of

Raman I Ramp Barge



Report Prepared For:

1008949 BC Ltd.
PO Box 191
Duncan, BC
V9L 3X3

Report Prepared By:

Accurate Appraisals & Marine Surveys Ltd.
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Member in Good Standing with the International Institute of Marine Surveying - Canada

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Letter of Transmittal

February 25, 2021

1008949 BC Ltd.
PO Box 191
Duncan, BC
V9L 3X3

Attention: Mr. Closson

Dear Gord:

Re: Survey of Raman 1

As per the request by Ms. Anita Klett, I have revised the survey report dated February 21, 2021 to reflect the barge name has been changed from *Sealander 1* to *Raman 1* as documented on the Certificate of Registry dated February 24, 2021. All other information has remained the same as the original report.

In accordance with your request and authorization, I have prepared this Survey Report in accordance with the Uniform Standards of Professional Appraisal Practice to express an opinion of Fair Market Value and Replacement Cost for insurance purposes on the ramp barge *Raman 1*. It is my opinion that the total of the specified asset is reasonably stated in the region of \$150,000.00 CAD Fair Market Value (One hundred fifty thousand dollars) (FMV) and \$655,000.00 CAD Replacement Cost (Six hundred fifty-five thousand dollars) (RC) as of February 21, 2021.

I confirm that I personally viewed the barge while out of the water in Port McNeill, BC on February 16, 2021. I then investigated into the market conditions for this type of barge to prepare this impartial report. This report does not include a sea trial and represents those conditions that were externally visible. No determination of naval architecture or engineering, stability or structural strength has been made and no opinion is expressed.

This report must be viewed in its entirety to understand its content and context. The results stated in this Letter of Transmittal cannot be fully understood without the accompanying report and this letter should not be separated from the report. The opinions are based upon the analysis, facts and conditions presented in the accompanying report.

If you have any questions regarding this report, or if I may be of further assistance, please do not hesitate to call me for any clarification you may require.

Many thanks,

A handwritten signature in blue ink, appearing to read "Allen E. Waugh".

Allen E. Waugh
Accurate Appraisals & Marine Surveys Ltd.



Nomenclature

Damage and wear is described by the following:

Light	Refers to nonstructural, minor wear and tear and deterioration.
Moderate	Refers to damage, wear or deterioration that affects structure but not as to require repair.
Moderate to Heavy	Refers to damage, wear or deterioration that should be closely examined at the next drydocking, refit or overhaul.
Heavy	Refers to damage, wear or deterioration that has affected the structural integrity or is in the process of failure such that it will affect structural integrity. Repairs are recommended at the next regular maintenance, drydocking, refit or overhaul.
Severe	Refers to damage, wear or deterioration that jeopardized the safety, structural integrity or watertight integrity of the vessel and should be repaired before the next voyage.
Set in/down/up	Refers to deflection of a structure member away from its constructed position with the web of the member remaining in its original plane.
Set over	Refers to deflection of a structural member that has taken the web of the member out of its original plane.

Abbreviations

Side Shell – Vertical Frames	SS-VF
Side Shell – Longitudinal Frames	SS-LF
Side Shell – Longitudinal Stiffener	SS-LS
Side Shell – Plate	SS-P
Side Shell – Guard	SS-G
Bottom – Transverse Frames	B-TF
Bottom – Longitudinal Frames	B-LF
Bottom – Longitudinal Stiffener	B-LS
Bottom – Longitudinal Girder	B-LG
Bottom – Plate	B-P
Deck – Transverse Frames	D-TF
Deck – Longitudinal Frames	D-LF
Deck – Longitudinal Stiffeners	D-LS
Deck – Longitudinal Girders	D-LG
Deck – Bracket	D-B
Deck – Plate	D-P
Bracket – Head Log	BR-HL
Bracket – Transom	BR-T
Bracket – Bilge	BR-B
Bulkheads	BH
Bulkhead – Stiffeners	BH-S

Summary

Raman I is a ramp barge with a raked bow and stern. The ramp, motors and winch were assumed to be in good operating condition. New wood decking fir appears to be in good condition with no major visible cracks noted. The side walls are formed steel plate with three 4" split ½" pipe guards .

Surveyor's Notes

- It is the responsibility of the owner and / or operator to ensure that they always comply with Transport Canada, Coast Guard, WorkSafe BC and all other applicable safety rules and regulations.
- In my opinion, this barge was in good condition at the time it was viewed and will be suitable for its intended service as an equipment and cargo ramp barge in BC waters upon completion of the deficiencies and recommendations.
- Complete compliance, identification of and reporting on all standards, codes and regulations is not guaranteed.
- No reference or information should be construed to indicate evaluation of the machinery and equipment's operating capacities.
- No determination of naval architecture or engineering, stability or structural strength has been made and no opinion is expressed.

Deficiencies & Recommendations

***Safety - Requires immediate action	<ul style="list-style-type: none"> ➤ Reboarding device needs to be installed on barge ➤ Life rings need to be installed on board
**Maintenance	<ul style="list-style-type: none"> ➤ Condition of hull plating and mud in hull in Voids 9 & 13 should be monitored on a regular basis. ➤ Next haul-out recommended in 2031 barring unforeseen circumstances. ➤ A hull inspection within the next 5 years with a new marine survey.
*Recommendations	<ul style="list-style-type: none"> ➤ Condition of new (Feb. 2021) anodes bolted to barge sides should be monitored on a regular basis and replaced as necessary. ➤ Trim of barge should be monitored on a continuous basis.

Valuation

Effective Date: February 21, 2021

It is my opinion that the value of the specified vessel is reasonably stated in the region of:

	Estimated FMV CAD:	Estimated RC CAD:
Vessel:	\$ 130,000	\$ 600,000
Machinery & Ramp:	\$ 20,000	\$ 55,000
Total:	\$ 150,000	\$ 655,000

Barge Description

Vessel Particulars:

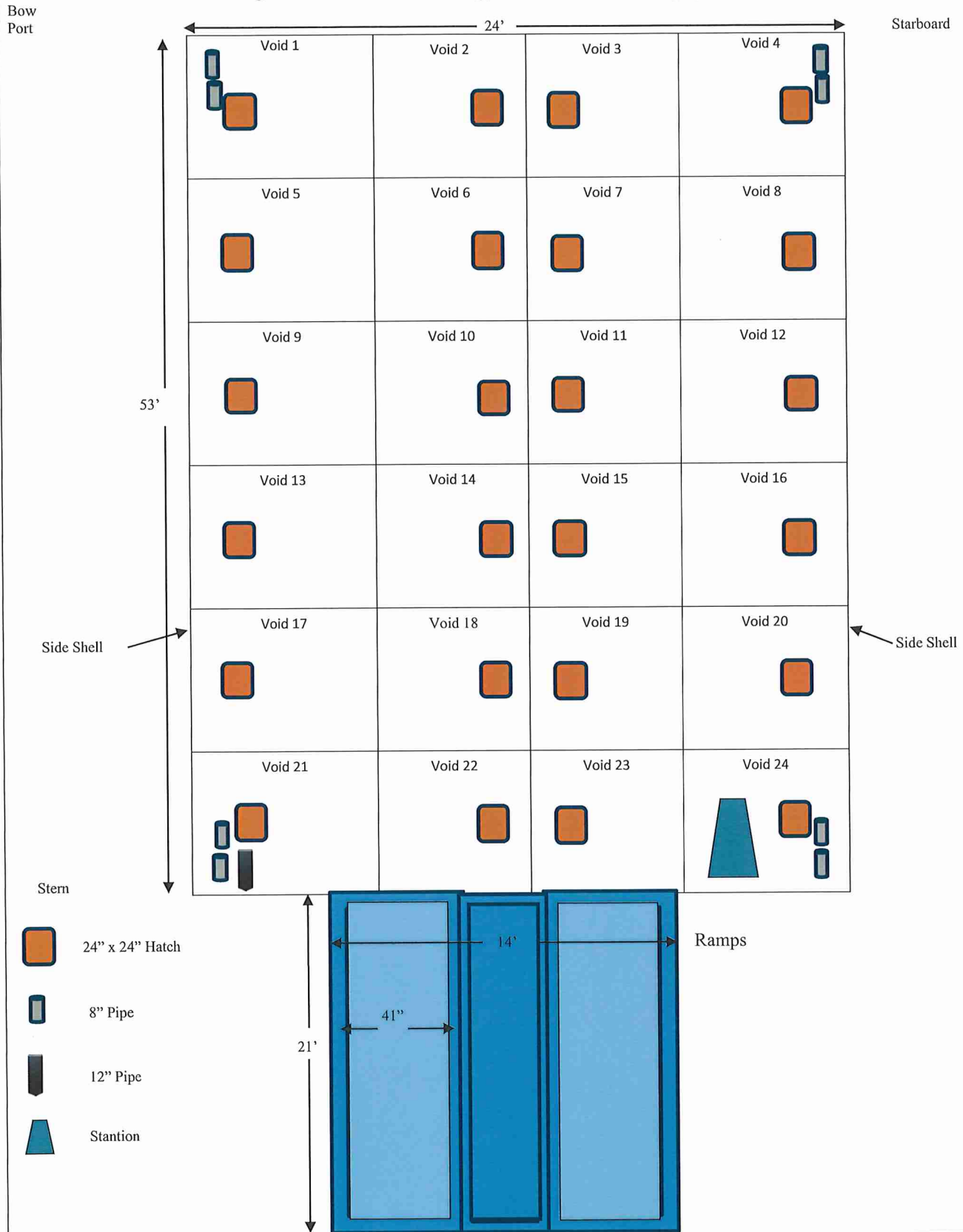
- Official No.: 835101
- Vessel Name: Raman I / Formerly Sealander I
- Year Built: 2007
- Port of Registry: Nanaimo
- Certificate: February 24, 2021
- Vessel Type: Ramp barge / deck cargo
- Gross Tonnage: 46.89
- Net Tonnage: 46.89
- Construction Type: Carvel / Flush
- Construction Material: Steel
- Vessel Length: 16.23 m / 53.25'
- Vessel Breadth: 7.37 m / 24.18'
- Vessel Depth: 1.97 m / 6.46'
- Builder Name: Silva Bay Shipyard Ltd.



Barge Description (cont.)			
Barge Construction	Material	Size	Notes
Side Shell - Vertical Frames	Flat bar	3/8" x 11"	
Side Shell – Longitudinal Frames	Cut plate	3/8" x 11"	
Side Shell - Longitudinal Stiffener	Steel plate	3/8" x 11"	
Side Shell – Plate	Steel Plate	3/8"	
Side shell Guard	Pipe	4" halved	Three port and three starboard
Bottom - Transvers Frames	Cut plate	3/8"	
Bottom - Longitudinal Frames	Cut plate	1/2" x 11"	
Bottom - Longitudinal Stiffener	Cut plate	3/8"x 8"	
Bottom - Longitudinal Girders	Cut plate	1/2" x 11"	
Bottom - Plate	Steel plate	3/8"	
Deck – Transvers Frames	Cut plate	3/8" x 11"	
Deck – Longitudinal Frames	Cut plate	3/8" x 11"	
Deck – Longitudinal Stiffeners	Plate	3/8" x 8"	
Deck – Longitudinal Girders	Cut plate	3/8" x 11"	
Deck – Bracket	Cut plate	3/8" x 11"	
Deck - Plate	Steel plate welded	1/4"	
Bracket – Head Log	Cut plate	3/8" x 11"	
Bracket – Transom	Cut plate	3/8"	
Bracket – Bilge	Cut plate	3/8" x 11"	
Bulkheads	Plate	1/4"	
Bulkheads – Stiffeners	Plate	3/8"	
Rake – Plate	Plate	1/2" formed	
Stern Frames - Vertical	Plate	1/2" plate	
External Corners – Vertical	Welded plate	1/2" plate	
Voids	24		
Bulkheads			
Longitudinal	Three		
Transverse	Five		
Deck			
Material/Construction	Welded 1/4 "and 3/8" plate		
Hatches	Bolt down 24" x 24"		
Deck Equipment			
Bollards / Tow Cleats	Two forward double with 8" diameter pipe anchored through deck and attached to side wall Two aft 8" in diameter with 8" diameter pipe anchored through deck and attached to side wall		
Winch / Motor	12-volt Warn winch with two 8D batteries in box at ramp		
Ramp	21' x 10' ramp		
Safety			
Life Rings	***Needed		
Reboarding Device	***Needed		

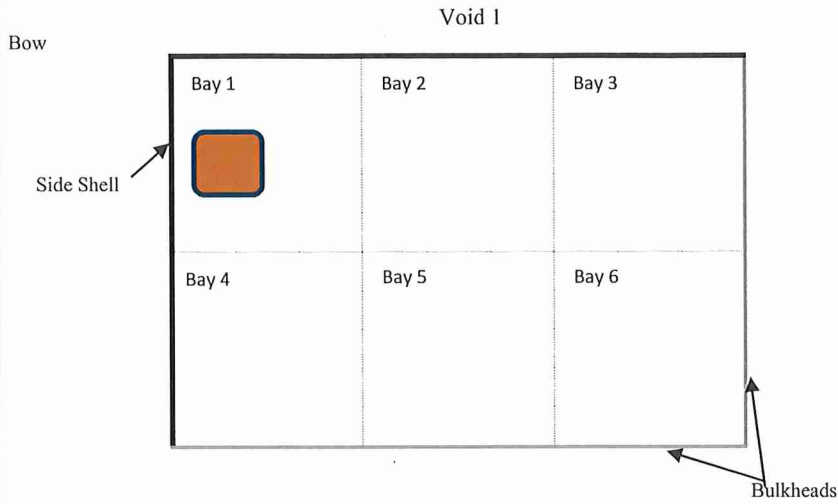
Barge Description (cont.)

Deck & Void Diagram
 Diagram not to scale and locations approximate – for illustrative purposes only



Barge Description (cont.)

Diagrams not to scale and locations approximate – for illustrative purposes only



Hatch:

- New in February 2021
- 24" x 24" flush mount
- 8 bolts with sealant

Coating:

- Deck: No coating
- Side shells: N/a
- Bulkheads: No coating
- Hull: No coating

Deck Beams:

- Good condition

Side Shell:

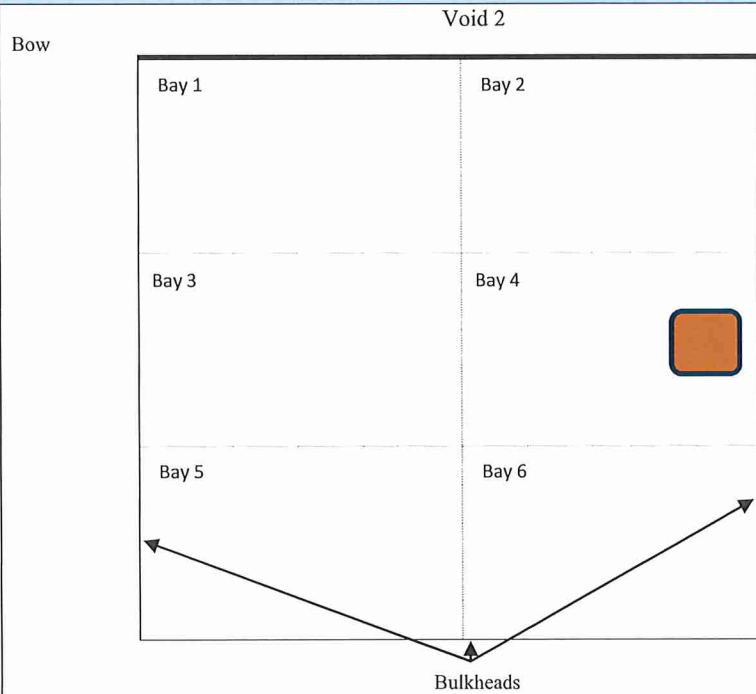
- 2021 repair to side shell corner; welded at bow rake with all new material
- 1/2" steel

Bulkheads:

- Good condition
- 4" hole between Void 1 and 5 is capped at 2' mark on hull

Hull:

- Repair to hull and side shell at bow rake with 1/2" steel plate



Hatch:

- New in February 2021
- 24" x 24" flush mount
- 8 bolts with sealant

Coating:

- Deck: No coating
- Side shells: N/a
- Bulkheads: No coating
- Hull: No coating

Deck Beams:

- Good condition

Bulkheads:

- Good condition

Hull:

- Rake on hull has bilge blocking
- Good condition

Comments:

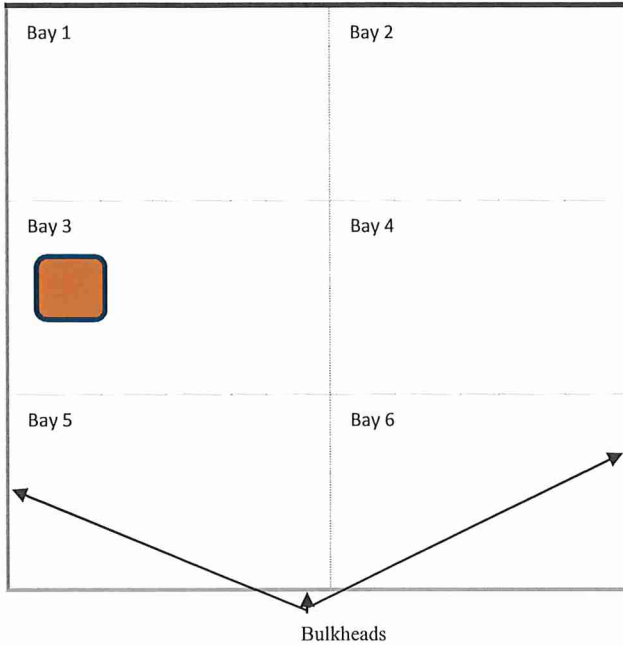
- Voids are water-tight

Barge Description (cont.)

Diagrams not to scale and locations approximate – for illustrative purposes only

Bow

Void 3



Hatch:

- New in February 2021
- 24" x 24" flush mount
- 8 bolts with sealant

Coating:

- Deck: No coating
- Side shells: N/a
- Bulkheads: No coating
- Hull: No coating

Deck Beams:

- Good condition

Bulkheads:

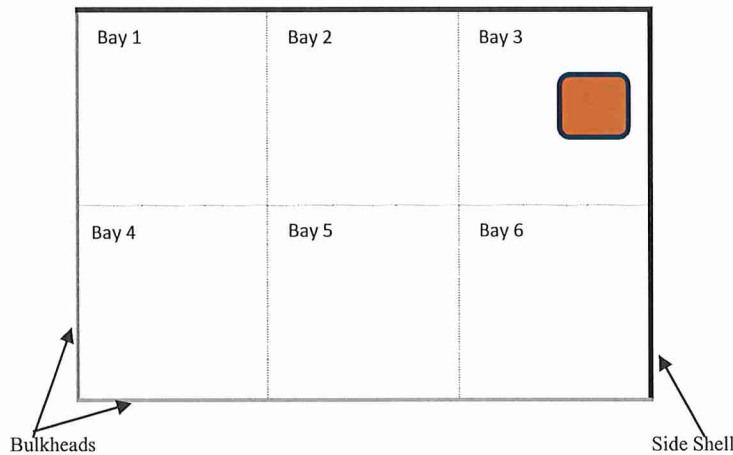
- Good condition

Hull:

- Rake on hull has bilge blocking
- Good condition

Bow

Void 4



Hatch:

- New in February 2021
- 24" x 24" flush mount
- 8 bolts with sealant

Coating:

- Deck: No coating
- Side shells: N/a
- Bulkheads: No coating
- Hull: No coating

Deck Beams:

- Good condition

Side Shell:

- Repair to side shell corner welded at bow rake with all new material
- 1/2" steel

Bulkheads:

- Good condition

Hull:

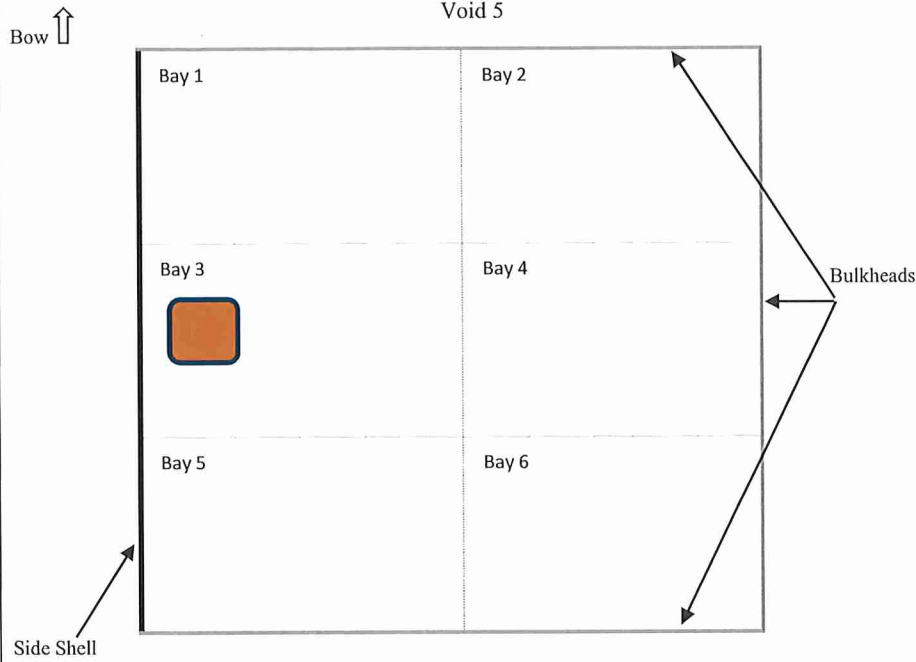
- Repair to hull and side shell at bow rake with 1/2" steel plate

Comments:

- Voids are water-tight

Barge Description (cont.)

Diagrams not to scale and locations approximate – for illustrative purposes only



Hatch:

- New in February 2021
- 24" x 24" flush mount
- 8 bolts with sealant

Coating:

- Deck: No coating
- Side shells: No coating
- Bulkheads: No coating
- Hull: No coating

Deck Beams:

- Good condition

Side Shell:

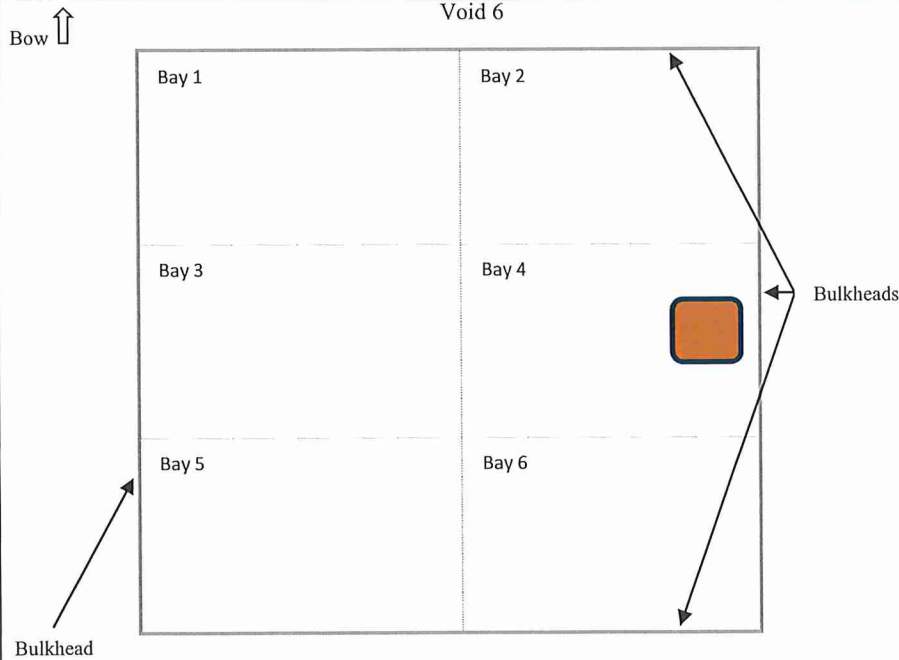
- Good condition

Bulkheads:

- Good condition
- 4" hole between Void 1 and 5 is capped at 2' mark on hull

Hull:

- Good condition



Hatch:

- New in February 2021
- 24" x 24" flush mount
- 8 bolts with sealant

Coating:

- Deck: No coating
- Side shells: N/a
- Bulkheads: No coating
- Hull: No coating

Deck Beams:

- Good condition

Bulkheads:

- Good condition
- Electrical & hydraulic conduits through top of bulkheads - wires & hoses removed

Hull:

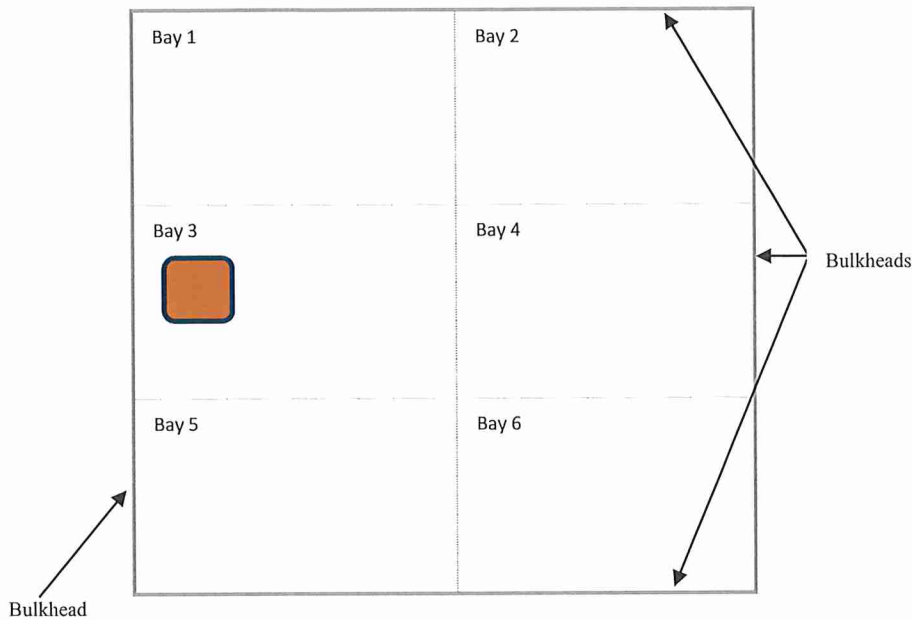
- Good condition
- Old winch frame in void - not used
- Work shelves

Barge Description (cont.)

Diagrams not to scale and locations approximate – for illustrative purposes only

Bow ↑

Void 7



Hatch:

- New in February 2021
- 24" x 24" flush mount
- 8 bolts with sealant

Coating:

- Deck: No coating
- Side shells: N/a
- Bulkheads: No coating
- Hull: No coating

Deck Beams:

- Good condition

Side Shell:

- Good condition

Bulkheads:

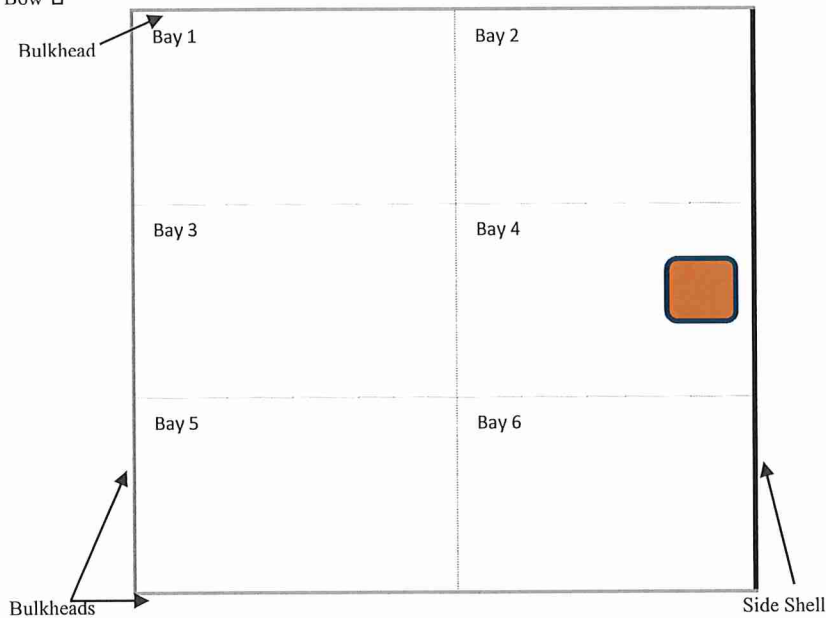
- Good condition
- Old bolt bins on wall
- Electrical & hydraulic conduits through top of bulkheads - wires & hoses removed
- Access from Bay 7 to Void 11

Hull:

- Good condition

Bow ↑

Void 8



Hatch:

- Being installed at time barge was viewed
- 24" x 24" flush mount
- 8 bolts with sealant

Coating:

- Deck: No coating
- Side shells: No coating
- Bulkheads: No coating
- Hull: No coating

Deck Beams:

- Good condition

Side Shell:

- Good condition

Bulkheads:

- Good condition

Hull:

- Good condition

Comments:

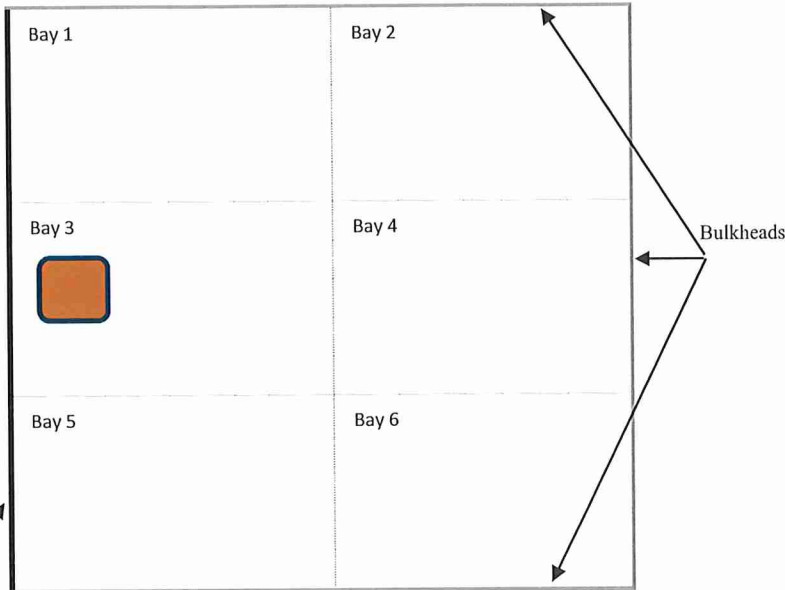
- Void 8 viewed from hatch opening only. Welders were installing hatch.

Barge Description (cont.)

Diagrams not to scale and locations approximate – for illustrative purposes only

Bow ↑

Void 9



Hatch:

- Being installed at time barge was viewed
- 24" x 24" flush mount
- 8 bolts with sealant

Coating:

- Deck: No coating
- Side shells: No coating
- Bulkheads: No coating
- Hull: No coating

Deck Beams:

- Good condition

Side Shell:

- Good condition

Bulkheads:

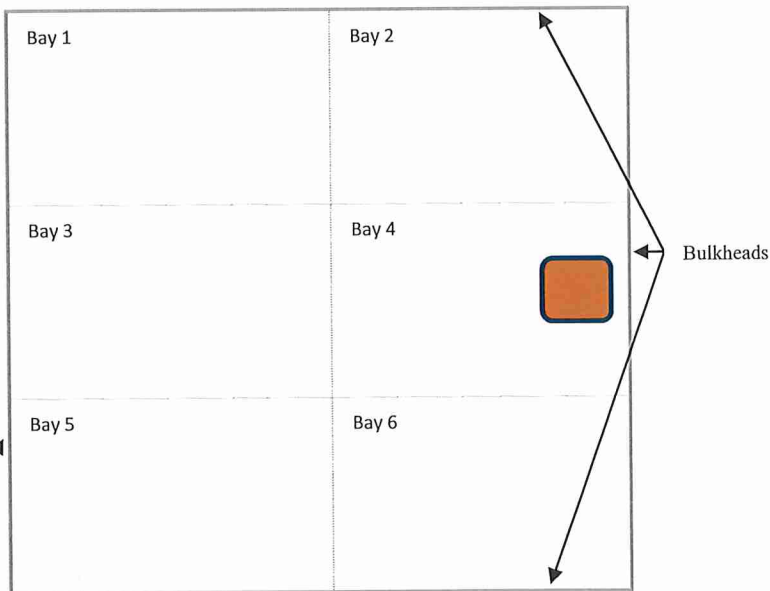
- Good condition

Hull:

- Good condition
- **1/2" mud on hull plating

Bow ↑

Void 10



Hatch:

- New in February 2021
- 24" x 24" flush mount
- 8 bolts with sealant

Coating:

- Deck: No coating
- Side shells: N/a
- Bulkheads: No coating
- Hull: No coating

Deck Beams:

- Good condition

Bulkheads:

- Moderate set over Bay 6 between B-LF and bulkhead
- Electrical & hydraulic conduits through top of bulkheads - wires & hoses removed

Hull:

- Moderate set-up in Bay 6

Comments:

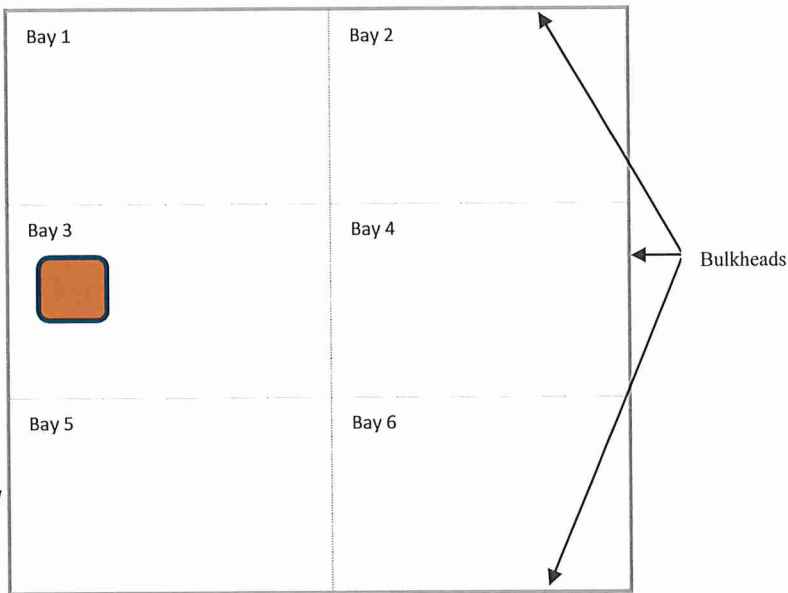
- Void 9 viewed from hatch only. Welders were installing hatch.

Barge Description (cont.)

Diagrams not to scale and locations approximate – for illustrative purposes only

Bow ↑

Void 11



Hatch:

- New in February 2021
- 24" x 24" flush mount
- 8 bolts with sealant

Coating:

- Deck: No coating
- Side shells: N/a
- Bulkheads: No coating
- Hull: No coating

Deck Beams:

- Good condition

Bulkheads:

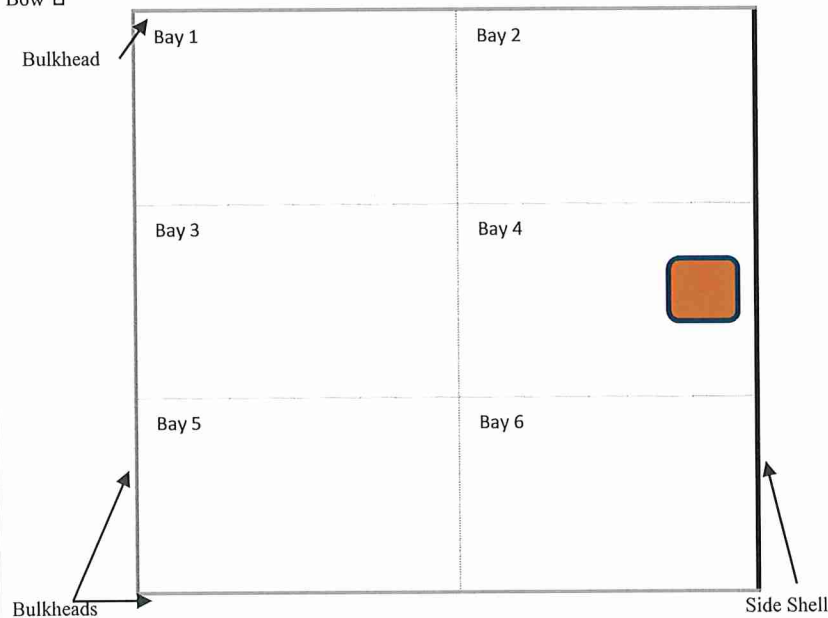
- Good condition
- Electrical & hydraulic conduits through top of bulkheads - wires & hoses removed
- Three steel tanks sealed off and fillers welded closed on deck - not used
- Access from Bay 7 to Void 11

Hull:

- Good condition

Bow ↑

Void 12



Hatch:

- New in February 2021
- 24" x 24" flush mount
- 8 bolts with sealant

Coating:

- Deck: No coating
- Side shells: No coating
- Bulkheads: No coating
- Hull: No coating

Deck Beams:

- Good condition

Bulkheads:

- Good condition
- Electrical & hydraulic conduits through top of bulkheads - wires & hoses removed

Hull:

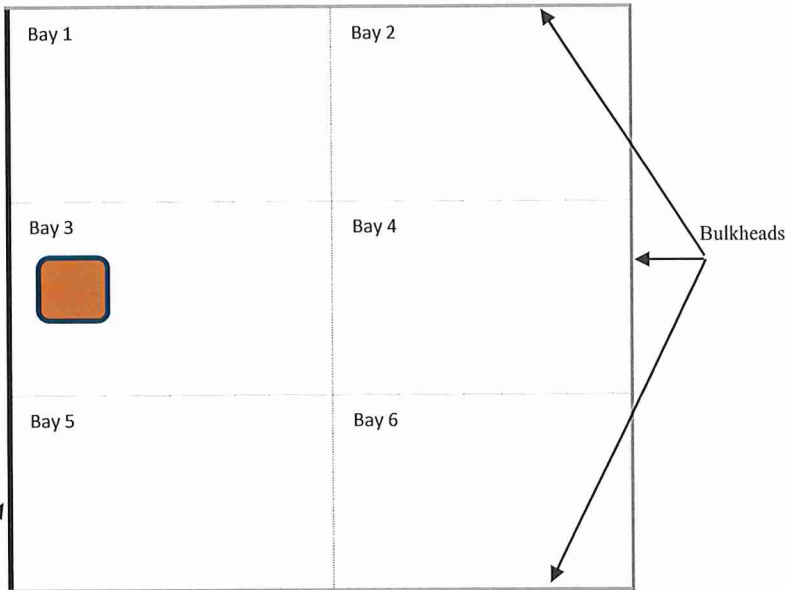
- Moderate set-up in Bay 3
- B-LF in good condition

Barge Description (cont.)

Diagrams not to scale and locations approximate – for illustrative purposes only

Bow ↑

Void 13



Hatch:

- New in February 2021
- 24" x 24" flush mount
- 8 bolts with sealant

Coating:

- Deck: No coating
- Side shells: No coating
- Bulkheads: No coating
- Hull: No coating

Deck Beams:

- Good condition

Bulkheads:

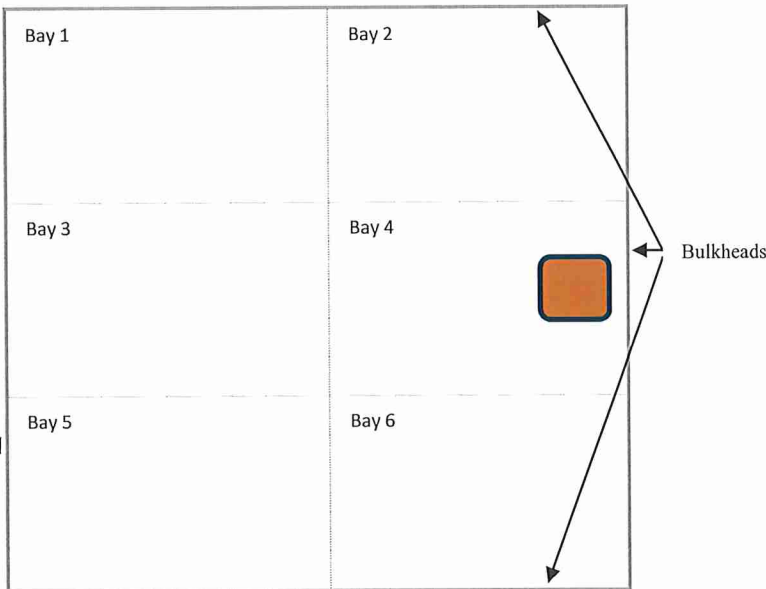
- Good condition

Hull:

- Good condition
- **1" mud on hull plating

Bow ↑

Void 14



Hatch:

- New in February 2021
- 24" x 24" flush mount
- 8 bolts with sealant

Coating:

- Deck: No coating
- Side shells: N/a
- Bulkheads: No coating
- Hull: No coating

Deck Beams:

- Good condition

Bulkheads:

- BH moderate set over in Bay 2 between stiffeners
- Electrical & hydraulic conduits through top of bulkheads - wires & hoses removed

Hull:

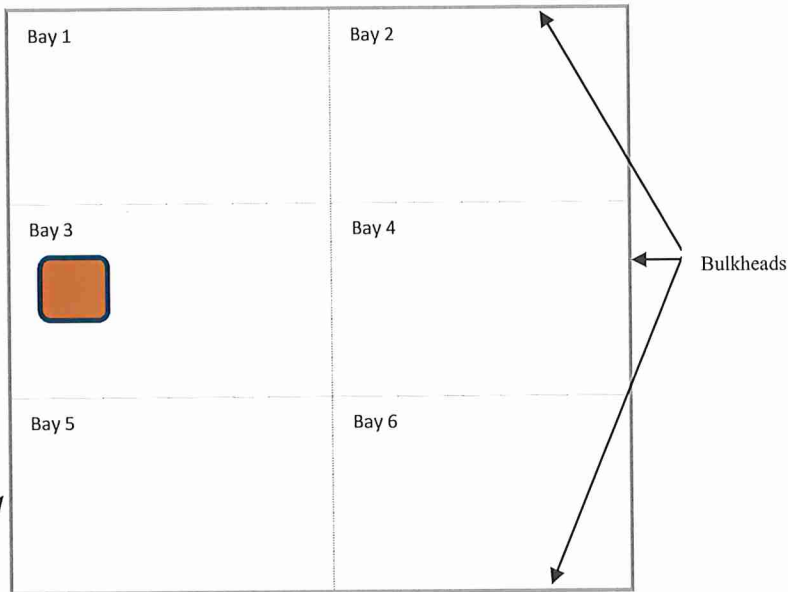
- Light set-in in Bay 2

Barge Description (cont.)

Diagrams not to scale and locations approximate – for illustrative purposes only

Bow ↑

Void 15



Hatch:

- New in February 2021
- 24" x 24" flush mount
- 8 bolts with sealant

Coating:

- Deck: No coating
- Side shells: N/a
- Bulkheads: No coating
- Hull: No coating

Deck Beams:

- Good condition

Bulkheads:

- Good condition
- Electrical & hydraulic conduits through top of bulkheads - wires & hoses removed

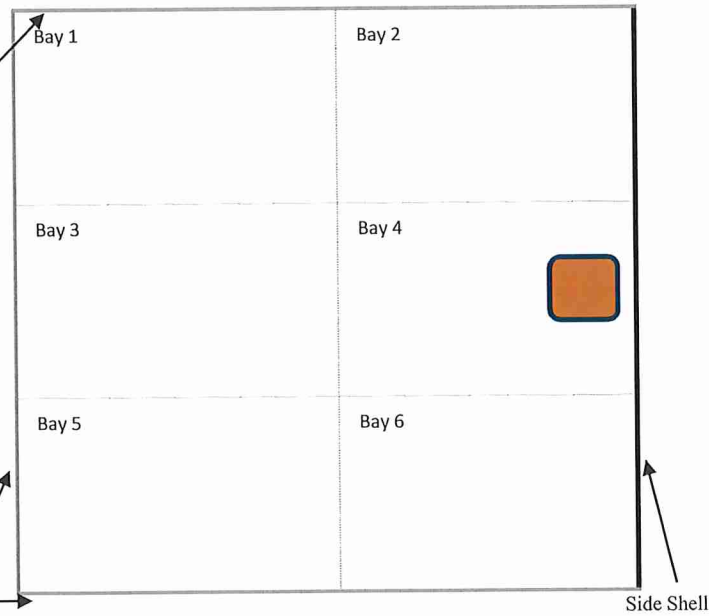
Hull:

- Good condition

Bulkhead

Bow ↑

Void 16



Void not viewed.

Hatch was being installed by welders.

Bulkheads

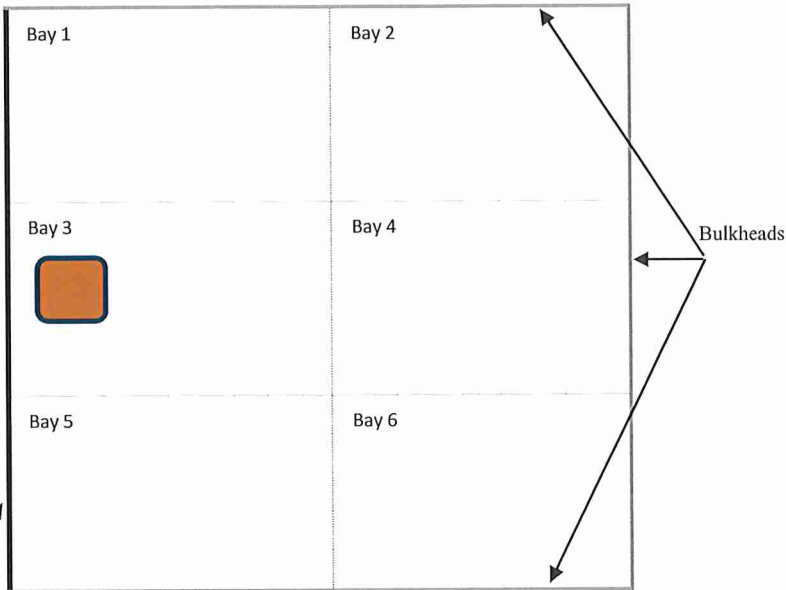
Side Shell

Barge Description (cont.)

Diagrams not to scale and locations approximate – for illustrative purposes only

Bow ↑

Void 17



Hatch:

- New in February 2021
- 24" x 24" flush mount
- 8 bolts with sealant

Coating:

- Deck: No coating
- Side shells: No coating
- Bulkheads: No coating
- Hull: No coating

Deck Beams:

- Good condition

Bulkheads:

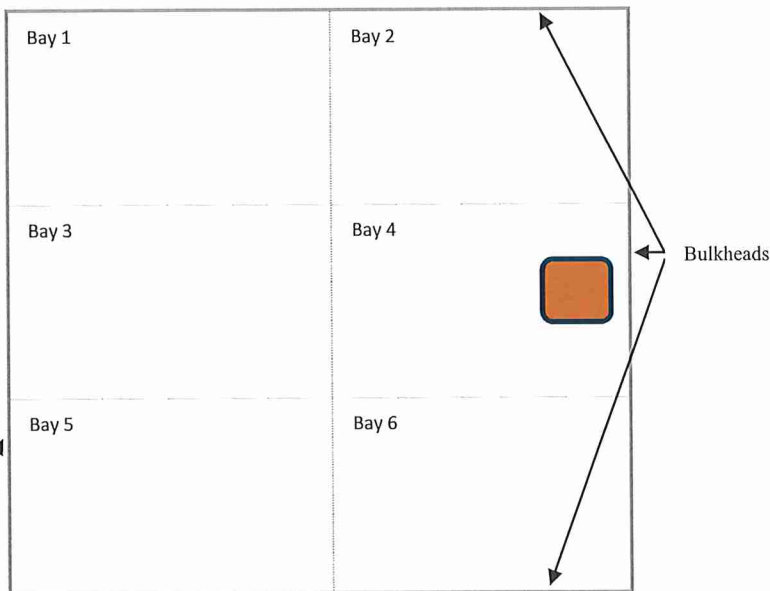
- Good condition
- Electrical & hydraulic conduits through top of bulkheads - wires & hoses removed

Hull:

- Good condition

Bow ↑

Void 18



Hatch:

- New in February 2021
- 24" x 24" flush mount
- 8 bolts with sealant

Coating:

- Deck: Oil preservative
- Side shells: n/a
- Bulkheads: Oil preservative
- Hull: Oil preservative

Deck Beams:

- Good condition

Bulkheads:

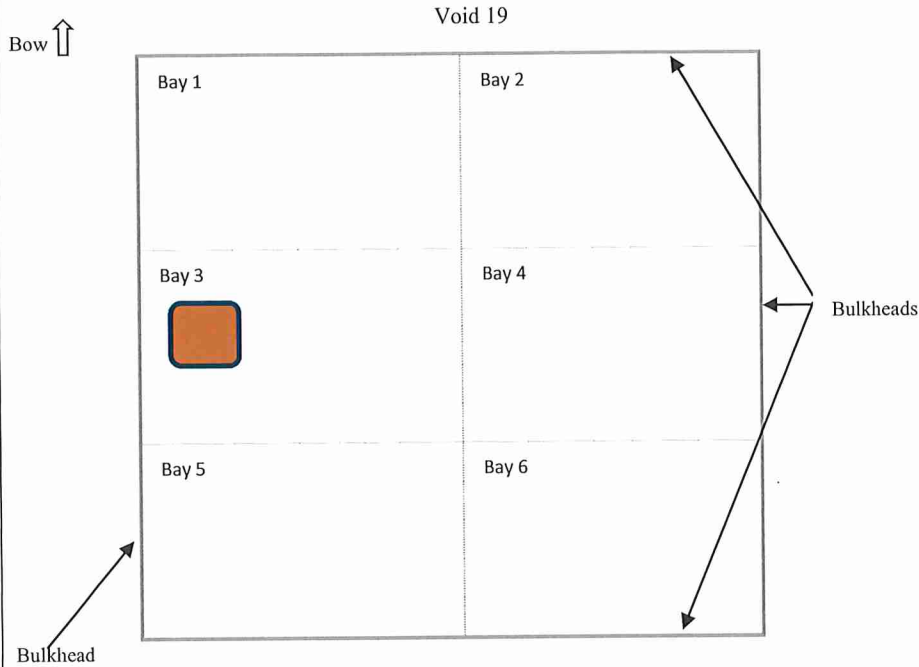
- Good condition
- Electrical & hydraulic conduits through top of bulkheads - wires & hoses removed

Hull:

- Good condition

Barge Description (cont.)

Diagrams not to scale and locations approximate – for illustrative purposes only



Hatch:

- New in February 2021
- 24" x 24" flush mount
- 8 bolts with sealant

Coating:

- Deck: Oil preservative
- Side shells: n/a
- Bulkheads: Oil preservative
- Hull: Oil preservative

Deck Beams:

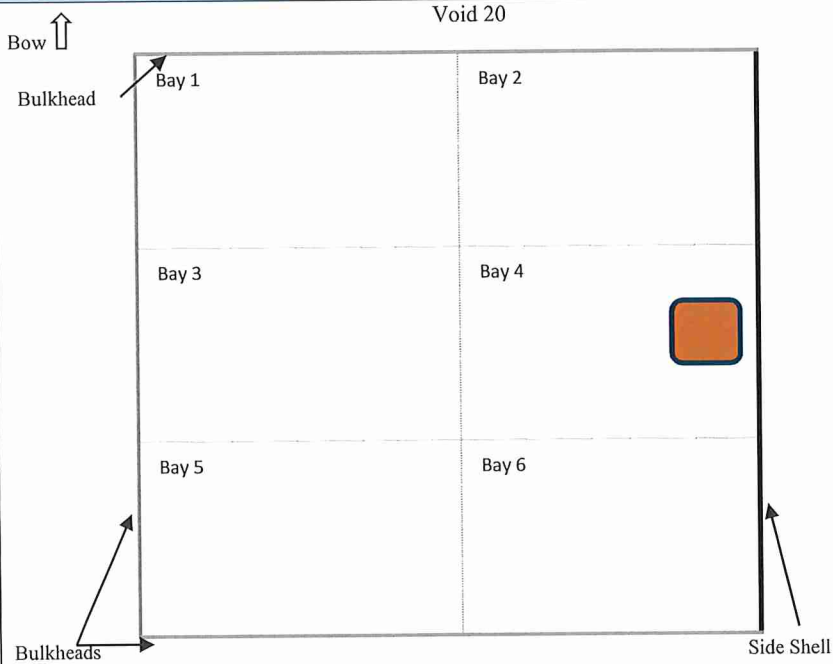
- Good condition

Bulkheads:

- Good condition
- Electrical & hydraulic conduits through top of bulkheads - wires & hoses removed

Hull:

- Good condition



Hatch:

- New in February 2021
- 24" x 24" flush mount
- 8 bolts with sealant

Coating:

- Deck: No coating
- Side shells: No coating
- Bulkheads: No coating
- Hull: No coating

Deck Beams:

- Good condition

Side Shell:

- Good condition

Bulkheads:

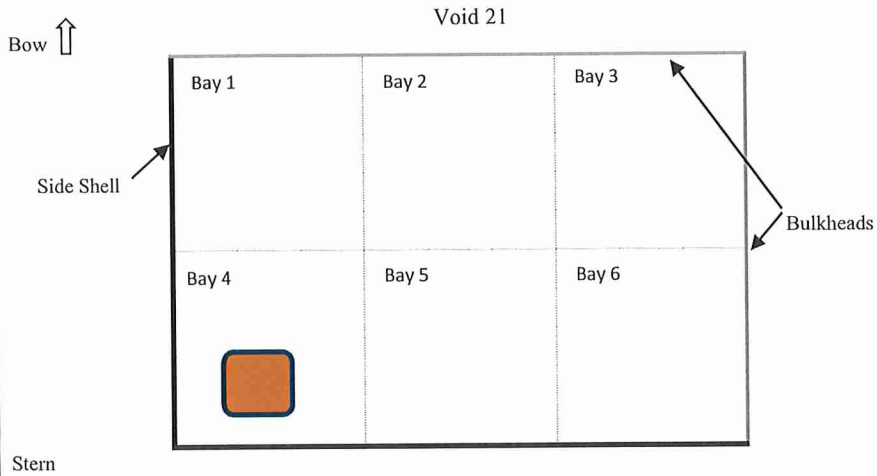
- Good condition

Hull:

- Good condition

Barge Description (cont.)

Diagrams not to scale and locations approximate – for illustrative purposes only



Hatch:

- New in February 2021
- 24" x 24" flush mount
- 8 bolts with sealant

Coating:

- Deck: No coating
- Side shells: N/a
- Bulkheads: No coating
- Hull: No coating

Deck Beams:

- Good condition

Side Shell:

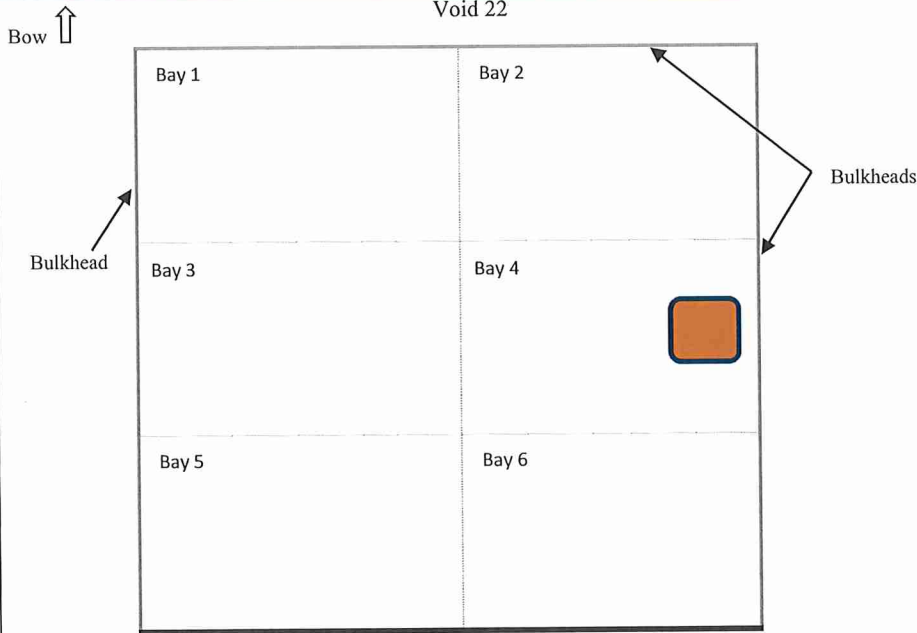
- Repair to side shell corner welded at bow rake with all new 1/2" steel plate

Bulkheads:

- Good condition

Hull:

- Repair to hull and side shell at bow rake with 1/2" steel plate



Hatch:

- New in February 2021
- 24" x 24" flush mount
- 8 bolts with sealant

Coating:

- Deck: No coating
- Side shells: N/a
- Bulkheads: No coating
- Hull: No coating

Deck Beams:

- Good condition

Head Log:

- BR-HL in good condition
- 3/4" plate

Bulkheads:

- Good condition

Hull:

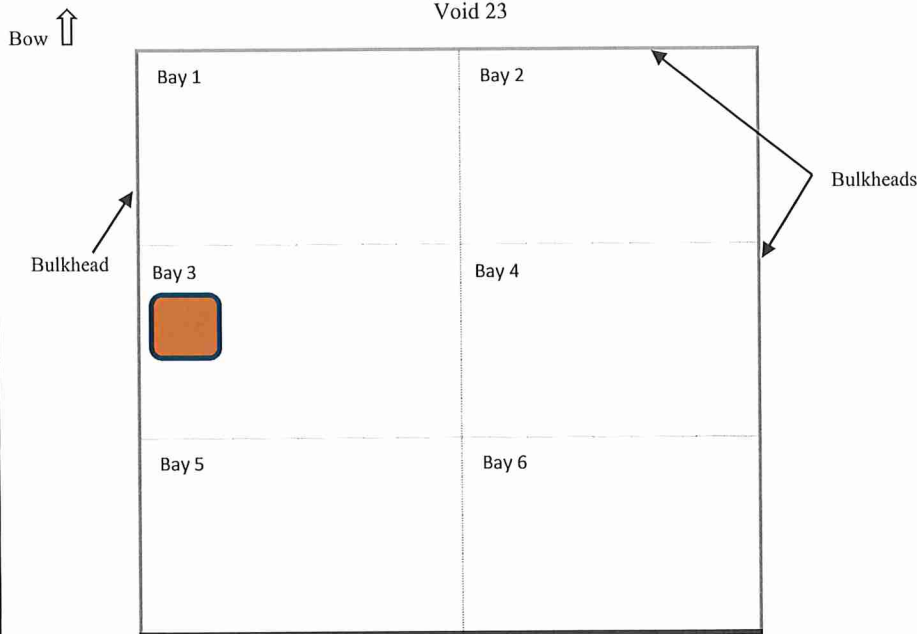
- Good condition

Comments:

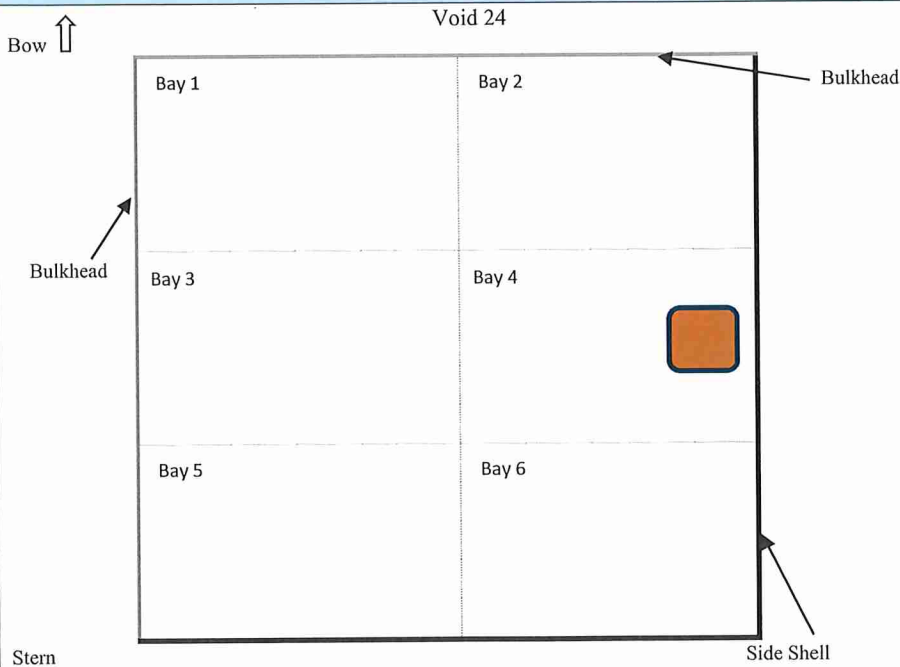
- Voids are water-tight

Barge Description (cont.)

Diagrams not to scale and locations approximate – for illustrative purposes only



- Hatch:**
- New in February 2021
 - 24" x 24" flush mount
 - 8 bolts with sealant
- Coating:**
- Deck: No coating
 - Side shells: N/a
 - Bulkheads: No coating
 - Hull: No coating
- Deck Beams:**
- Good condition
- Head Log:**
- BR-HL in good condition
 - 3/4" plate
- Bulkheads:**
- Good condition
- Hull:**
- Good condition



- Hatch:**
- New in February 2021
 - 24" x 24" flush mount
 - 8 bolts with sealant
- Coating:**
- Deck: No coating
 - Side shells: N/a
 - Bulkheads: No coating
 - Hull: No coating
- Deck Beams:**
- Good condition
- Side Shell:**
- Good condition
- Bulkheads:**
- Good condition
- Hull:**
- Good condition

Comments:

- Voids are water-tight

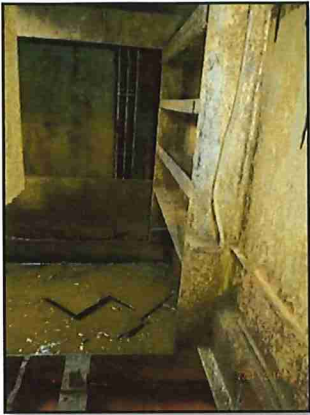
Barge Photos



Barge Photos (cont.)



Barge Photos (cont.)



Barge Photos (cont.)

Photos sent on February 19, 2021 by Client



Certification

I certify that, to the best of my knowledge and belief:

- The statements of facts contained in this report are true and correct. Unless otherwise noted, extraordinary assumptions and / or hypothetical conditions have not been used to develop the opinion of condition or value;
- The reported analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analysis, opinions and conclusions;
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved;
- I have not performed services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- My engagement in this assignment was not contingent upon developing or reporting predetermined results;
- My compensation is not contingent upon the development or reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this report;
- My analysis, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice;
- I have personally viewed the property that is the subject of this report;
- No one provided significant assistance to the person signing this certification;



Accurate Appraisals & Marine Surveys Ltd.
Allen E. Waugh, IIMS



Assumptions & Limiting Conditions

- No investigation has been made of, and no responsibility is assumed for the legal description or for legal matters including title or encumbrances. Unless otherwise noted in this report, title to the property is assumed to be good and marketable. The property is valued as if it is free and clear of liens and other encumbrances unless otherwise stated.
- Information and data furnished by others, upon which all or portions of this report are based, is believed to be accurate and reliable and no further responsibility is assumed for its accuracy. No warranty is given and no liability is assumed as to the accuracy of such information.
- All opinions stated in this report are based upon the facts and data available to the surveyor at the time of this report. Should information not previously available, become available, the surveyor reserves the right to review the conclusions reached and make any adjustments should it become necessary.
- A mechanical inspection was not performed. Unless otherwise specified in the report, it is assumed that all the equipment is in normal operating condition. Testing all equipment was beyond the scope of the survey.
- No liability or responsibilities is assumed for changes in condition, obsolescence, advancements in technology, changes in the marketplace or economy and other factors beyond the control of the surveyor.
- Potentially hazardous materials could, if present, adversely affect the value of the property. Unless otherwise noted, the possibility of the existence of these substances was not considered in the development of this report.
- Acceptance and use of this report indicates the intended users understand that it contains statements of opinion only and agree it will not be considered as representation, warranties or guarantees.
- Acceptance and use of this report acknowledges that the intended users understand that no determination of naval architecture or engineering, stability or structural strength has been made and no opinion is expressed.
- The subject asset was viewed as noted in the body of the report and represents only those conditions that were externally visible unless otherwise noted. It is assumed that there were no hidden or nonapparent conditions of the property that would affect the value or condition of the subject asset. When the date the asset was viewed differs from the effective date, it has been assumed there is no material change in the condition of the property.
- Acceptance and use of the survey report by the intended users indicates their agreement to indemnify and hold harmless Accurate Appraisals & Marine Surveys Ltd. and its employees from any, and all losses, claims, actions, damages, expenses and liabilities, including attorney's fees to which we may become subject in connection with this engagement.
- Use of this report acknowledges agreement by the intended users that Accurate Appraisals & Marine Surveys Ltd. and its employees are not responsible for consequential or indirect damages related to or out of this engagement, nor are they responsible for damage or deterioration not found while viewing the vessel, nor for consequential damage, deterioration or loss due to any error or omission.
- The delivery of this report constitutes the fulfillment of any contractual agreement and any further request for additional work, deposition, testimony and related will be subject to additional fee.
- No appraisal of land, permanent structure or any intangible assets that might exist was made.
- No consideration has been given in this report to raw materials, work in process, finished goods, or intellectual assets.

Assignment Elements

Intended Use: This survey report consists of information regarding a specific ramp barge, *Raman I*. It has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice to express an opinion of Fair Market Value and Replacement Cost to help provide proper insurance coverage.

The value or values presented in this report are based upon the premises outlined and are valid only for the purpose stated.

Intended Users: A report has been provided for the exclusive intended use by 1008949 BC Ltd. and Hendry Swinton McKenzie Insurance Services.

This survey is performed for the direct benefit of the intended users and no person other than those specified are entitled to rely on the opinions, statements or conclusions contained in this report without prior express written permission. Possession of this report, or a copy thereof, does not carry with it the right of publication.

Types & Definitions of Value:

The following definitions of value have been used in the valuation of the property which is the subject of this report:

Fair Market Value:

“An opinion expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date.”

Replacement Cost:

“The current cost of a similar new property having the nearest equivalent utility to the property being appraised, as of a specific date.”

(Source of definitions: American Society of Appraisers *Valuing Machinery and Equipment: The Fundamentals of Appraising Machinery and Technical Assets – Fourth Edition 2020*)

Effective Date of Valuation: The effective date of valuation for this report is February 21, 2021. The surveyor has used his best professional judgment to accurately value the subject asset according to the above definitions, and the values reported in this document represent the opinion of the surveyor as of the effective date of the report, and for a limited time thereafter.

Subject of Assignment: *Raman I* is an unpowered ramp barge and is usually towed or pushed by another vessel.

On December 24, 2020 during a winter storm, a barge owned by Croman Corporation sank in Port McNeill's harbour causing the (ex) Sealander I to break free of its moorings and float into the breakwater. The (ex) Sealander I was removed from the water on the morning of December 29, 2020. The (ex) Sealander I was also owned by Croman Corporation at the time.

Scope of Work Summary

Field Work: The barge was viewed while out of the water on February 16, 2021 in Port McNeill, BC. Repairs were being performed to the port side bow and stern corners. Hatches were being installed to access each void at the time the barge was viewed. The interior of voids 12 and 16 were not entered; they were viewed from the deck opening only due to welding gases. The interior of void 16 was not viewed at all. Most, but not all, of the exterior bottom of the barge was viewed.

This report represents those conditions that were externally visible. The information was obtained without drilling, ultrasonic testing, cleaning or opening to expose parts or conditions ordinarily concealed.

There were no tests for tightness or soundness conducted other than the conditions noted visually.

No determine of naval architecture or engineering, stability or structural strength has been made and no opinion is expressed.

On March 11, 2020, WHO declared the COVID-19 pandemic. In British Columbia, a public health emergency was declared on March 17, 2020 and a BC provincial state of emergency began on March 18th. Physical distancing rules were in effect and adhered when possible while viewing the barge.

Research: To develop the opinion of values, the following were contacted or reviewed to help determine relationships between new and used prices and overall trends of marketability: original equipment manufacturers, used dealers and vendors, weekly and monthly trade magazines and websites.

At the time of this report, it is unclear whether the data and the marketplace for these types of assets has been impacted by COVID-19. The analysis and opinion of value for this assignment is based on the data that was available at the time research was conducted. No claim regarding the increase or decrease in value of the subject property at any future date.

Development & Methodology: There are three approaches to value recognized in this report: the Sales Comparison (Market) Approach, the Cost Approach and the Income Approach. All three were considered for this report. Due to the adequate availability of market sales information, the Sales Comparison Approach has been used. The Cost Approach was used to help determine an opinion of Replacement Cost. The Income Approach was not used as it is difficult to isolate income attributable to individual assets.

In developing the opinion of values, several factors were taken into consideration:

- The condition of the vessel as of the date it was viewed, including recent repairs and modifications being performed.
- The age of the vessel.
- The present demand for these types of vessels.
- Recent comparable sales of similar vessels.
- The location of the vessel.
- United States Exchange Rate: Because global markets are sometimes considered, used and compared the United States exchange rate may become a factor as it fluctuates.
- No consideration has been given in this report to raw materials, work in process, finished goods, or intellectual assets.

Approaches to Value

Sales Comparison Approach: “This is one of the three recognized approaches used in appraisal analysis to lead to an indication of the most probable selling price of a property (also known as the Market Approach). This approach involves the comparison of comparable recent sales (or offerings) of similar assets to the subject. If the comparable sales are not exactly like the subject, adjustments must be made to the price of the comparable sales (or offerings) to make the comparables reflect the subject property. The adjustments may be either up or down in order to estimate what the comparable would have sold for if it had the same characteristics as the subject.”

Cost Approach: “One of the three recognized approaches used in appraisal analysis. The appraiser starts with the current replacement cost new of the property being appraised and then deducts for the loss in value caused by physical deterioration, functional obsolescence, and economic obsolescence. The logic behind this approach is the principle of substitution; a prudent buyer will not pay more for a property than the cost of acquiring a substitute property of equivalent utility.”

Income Approach: “One of the three recognized approaches used in appraisal analysis. (this approach considers value in relation to the present worth of future benefits derived from ownership and is usually measured through the capitalization of a specific level of income.) The appraiser determines the present value of the future economic benefits of owning a property.”

Factors Affecting Value

Depreciation: “...The actual loss in value or worth of a property from all causes including those resulting from physical deterioration, functional obsolescence, and economic obsolescence. Depreciation may be curable or incurable. The estimated loss in value of an asset.”

Physical Deterioration: “A form of depreciation where the loss in value or usefulness of a property is due to the using up or expiration of its useful life caused by wear and tear, deterioration, exposure to various elements, physical stresses and similar factors...”

Functional Obsolescence: “A form of depreciation in which the loss in value or usefulness of a property is caused by inefficiencies or inadequacies inherent in the property itself, when compared to a more efficient or less costly replacement property that new technology and changes in design, materials, or process that result in inadequacy, overcapacity, excess construction, lack of functional utility, excess operating costs, etc. has developed.”

Economic Obsolescence: “A form of depreciation or loss in value or usefulness of a property is caused by factors external to the property. These may include such things as the economics of the industry; availability of financing; loss of material and/or labour sources; passage of new legislation; changes in ordinances; increased cost of raw materials, labour or utilities; increased cost of raw materials, labour or utilities (without an offsetting increase in product price); reduced demand for the product; increased competition; inflation or high interest rates, or similar factors.”

(Source of definitions: American Society of Appraisers *Valuing Machinery and Equipment: The Fundamentals of Appraising Machinery and Technical Assets – Third Edition 2011 – Pg. 502 - 567*)

Definitions of Condition

Condition: “A characteristic that can be determined only through observation.”

New: “This term describes new items that have not been used before.”

Excellent: This term describes those items that are in near-new condition and have had very little use.

Very Good: “This term describes an item of equipment in excellent condition capable of being used to its fully specified utilization for its designed purpose without being modified and without requiring any repairs or abnormal maintenance at the time of inspection or within the foreseeable future.”

Good: “This term describes those items of equipment which are in good operating condition. They may or may not have been modified or repaired and are capable of being used at or near their full designed and specified utilization.”

Fair: “This term describes those items of equipment which because of their condition are being used at some point below their full designed and specified utilization because of the effects of age and/or application and that may require general repairs and some replacement of minor elements in the foreseeable future to raise them to be capable of being utilized to or near their original specifications.”

Poor: “This term is used to describe those items of equipment which because of their condition can be used only at some point well below their full designed and specified utilization, and it is not possible to realize full capacity in their current condition without extensive repairs and/or the replacement of major elements in the near future.”

Salvage: “This term is used to describe those items of equipment whose value remains in the whole property or a component of the whole property that has been retired from service.”

Scrap: “This term is used to describe those items of equipment which are no longer serviceable and which cannot be utilized to any practical degree regardless of the extent of the repairs or modifications to which they may be subjected. This condition applies to items of equipment which have been used for 100% of their useful life or which are 100% technologically, functionally or economically obsolete and are no longer serviceable and have no value other than for their material content.”

*(Source of definitions: American Society of Appraisers *Valuing Machinery and Equipment: The Fundamentals of Appraising Machinery and Technical Assets – Third Edition 2011 – Pg 502 - 567*)

Curriculum Vitae

Of

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Work Experience:

2009 – Present President / Owner Accurate Appraisals & Marine Surveys Ltd.
Personal Property Appraiser
Marine Surveyor

1997 – 2009 Hayes Forest Services Limited
Director, Equipment & Facilities
12 years appraising, buying & selling logging & marine equipment

1989 – 1997 Hayes Forest Services Limited
Heavy Duty Mechanic - Charge-hand

1981 – 1989 Pat Carson Bulldozing Limited
Heavy Duty Mechanic - Charge-hand

Professional Memberships:

Accredited Senior Appraiser (ASA), American Society of Appraisers
Machinery & Technical Specialties / Machinery & Equipment (MTS)
International Institute of Marine Surveying Canada (IIMS Canada)
Canadian Personal Property Appraiser (CPPA), Canadian Personal Property Appraisers Group

Association Memberships:

Committee Member, Heavy Duty Industry Advisory Council, Vancouver Island University
Candidate Member, Equipment Appraiser Association of North America

Education:

American Society of Appraisers – Machinery and Equipment Appraisal Report Writing
ME212 (Webinar Series)

American Society of Appraisers – Machine & Equipment Valuation
ME204 (Bethesda, MD)

American Society of Appraisers – Machinery & Equipment Valuation
ME203 (Chicago, IL)

American Society of Appraisers – Machinery & Equipment Valuation
ME202 (Manhattan Beach, CA)

American Society of Appraisers - Machinery & Equipment Valuation
ME201 (Manhattan Beach, CA)

American Society of Appraisers - Marine Survey Course
ME208 (San Francisco, CA)

Uniform Standards Professional Appraisal Practice (USPAP) Course 2020 - 2021
SE100 (Webinar)

Canadian Personal Property Appraisal Group Course (Edmonton, AB)
Sauder School of Business - Fundamentals of Finance & Accounting
Malaspina College
Graduate from Heavy Duty Mechanic Program
Red Seal K-06-00974

International Institute of Marine Surveying – Report Writing: October 24, 2019
International Institute of Marine Surveying – Biological Attack on Iron and Steel: October 30, 2019