



News Release

Investors, analysts and other interested parties can access Acadian Timber Corp.'s 2019 Third Quarter Results via conference call or webcast on Thursday, October 31, 2019 at 1:00PM ET, please dial 1-866-795-3013 toll free in North America (Canada and the USA), or for overseas calls, please dial 1-409-937-8907 at approximately 12:50PM ET. For those unable to participate, a taped rebroadcast will be available until 4pm (Eastern Time) November 30, 2019. To access this rebroadcast, please dial 1-855-859-2056 or 1-404-537-3406, Conference ID 4347985.

ACADIAN TIMBER CORP. REPORTS THIRD QUARTER RESULTS

All figures in Canadian dollars unless otherwise noted

Vancouver, BRITISH COLUMBIA – October 30, 2019 – Acadian Timber Corp. (“Acadian” or the “Company”) (TSX:ADN) today reported financial and operating results¹ for the three months ended September 28, 2019 (the “third quarter”).

As previously reported, on August 20, 2019, Brookfield Asset Management (“BAM”) sold all of its interest in Acadian to Macer Forest Holdings Inc. and, on September 9, 2019, Acadian entered into an agreement with its external manager, Brookfield Timberlands Management LP (“Brookfield LP”), a subsidiary of BAM, to terminate the management agreement between Acadian and Brookfield LP and internalize Acadian’s asset management and administrative services functions. The aggregate consideration payable to Brookfield LP in connection with the termination of the management agreement was \$18 million (the “Termination Fee”), which was satisfied in cash. The termination of the management agreement resulted in the elimination of the management fee and the annual performance fee which, going forward, will reduce Acadian’s administration costs and, in turn, increase Free Cash Flow.

“Acadian’s strategy remains the same,” said Erika Reilly, Interim Chief Executive Officer of Acadian. “We will continue to focus on maximizing shareholder value through active management as we have successfully done since formation.” Ms. Reilly added: “What is changing is that Acadian is building out its internal capabilities to be even more efficiently run and internally managed, delivering savings from the elimination of the asset management agreement to its shareholders.”

¹ This news release makes reference to Adjusted EBITDA, Adjusted EBITDA margin, Free Cash Flow and Payout Ratio which are key performance measures in evaluating Acadian’s operations and are important in enhancing investors’ understanding of Acadian’s operating performance. Adjusted EBITDA and Adjusted EBITDA margin are used to evaluate operational performance. Free Cash Flow is used to evaluate Acadian’s ability to generate sustainable cash flows from our operations while the Payout Ratio is used to evaluate Acadian’s ability to fund its distribution using Free Cash Flow. Acadian’s management defines Adjusted EBITDA as earnings before interest, taxes, fair value adjustments, recovery of or impairment of land and roads, realized gain/loss on sale of roads and other fixed assets, unrealized exchange gain/loss on debt, depreciation, amortization and the Termination Fee and Adjusted EBITDA margin as Adjusted EBITDA as a percentage of its total revenue. Free Cash Flow is defined as Adjusted EBITDA less interest paid, current income tax expense, and capital expenditures plus net proceeds from the sale of fixed assets (selling price less gains or losses included in Adjusted EBITDA). Payout Ratio is defined as dividends declared divided by Free Cash Flow. As these performance measures do not have standardized meanings prescribed by International Financial Reporting Standards (“IFRS”), they may not be comparable to similar measures presented by other companies. As a result, we have provided in this news release reconciliations of net income, as determined in accordance with IFRS, to Adjusted EBITDA and Free Cash Flow.

Review of Operations

Financial and Operating Highlights

<i>(CAD thousands, except per share information)</i>	<i>Three Months Ended</i>		<i>Nine months Ended</i>	
	Sept 28, 2019	Sept 29, 2018	Sept 28, 2019	Sept 29, 2018
Sales volume (000s m ³)	313.5	332.0	911.7	983.3
Sales	\$ 25,357	\$ 26,634	\$ 74,213	\$ 75,681
Net (loss) / income	(10,869)	5,949	1,097	9,823
Adjusted EBITDA	5,123	6,059	17,018	17,511
Adjusted EBITDA margin	20%	23%	23%	23%
Free Cash Flow	4,186	5,133	13,426	14,388
Dividends declared	4,840	4,726	14,519	14,054
Payout ratio	116%	92%	108%	98%
Per share – basic and diluted				
Net (loss) / income	\$ (0.65)	\$ 0.36	\$ 0.07	\$ 0.59
Free Cash Flow	0.25	0.31	0.80	0.86
Dividends declared	0.29	0.2825	0.87	0.84

During the third quarter, Acadian generated sales of \$25.4 million, compared to \$26.6 million in the prior year period. While improved markets for pulpwood drove a 7% increase in the sales volume of logs, excluding biomass, compared to the prior year period, biomass volumes fell and there was less activity in our timber services business. Additionally, the weighted average selling price, excluding biomass, fell 2% from the prior year period with weakness in softwood sawlog pricing in Maine mostly offset by improved prices for pulpwood.

Operating costs and expenses were \$20.6 million during the third quarter, compared to \$21.2 million during the prior year period, with savings from reduced activity in our timber services business largely offset by higher land management and reforestation costs due to the timing of these activities and higher administrative costs resulting from the early settlement of annual performance fees due to Brookfield LP as a result of the termination of the management agreement.

Adjusted EBITDA was \$5.1 million during the third quarter, compared to \$6.1 million in the prior year period, while the Adjusted EBITDA margin for the quarter was 20%, compared to 23% in the prior year period. This year-over-year decrease reflects the factors discussed above as well as decreased gains from the sale of timberlands and other assets. Free Cash Flow during the quarter totaled \$4.2 million compared to \$5.1 million in the same period of 2018.

The third quarter net loss of \$10.9 million, or \$0.65 per share, was \$16.8 million below the prior year period income of \$5.9 million, or \$0.36 per share. The variance from the prior year period is primarily due to the Termination Fee which, after income tax, reduced net income by \$12.8 million or \$0.77 per share. Other factors included the decrease in operating earnings, for the reasons discussed above, and an unrealized foreign exchange revaluation loss on U.S. dollar denominated long-term debt during the third quarter, compared to an unrealized gain in the prior year period.

During the first nine months of 2019, Acadian's sales of \$74.2 million were down 2% compared to the prior year period with decreased total log sales volumes and lower activity in our timber services business being mostly offset by improved pricing. Operating costs and expenses of \$58.3 million were \$0.9 million lower than the prior year period primarily reflecting the lower log sales volumes and timber services activity offset by higher land management and reforestation costs due to the timing of these activities. As a result, year-to-date Adjusted EBITDA fell slightly to \$17.0 million from \$17.5 million during the same period of 2018 while the year-to-date Adjusted EBITDA margin was unchanged at 23%. Net income, for the nine months ended September 28, 2019 was \$1.1 million, or \$0.07 per share, a decrease of \$8.7 million over the same

period of 2018 primarily due to the Termination Fee, offset by a year-to-date unrealized foreign exchange revaluation gain on U.S. dollar denominated long-term debt of \$2.9 million, compared to an unrealized loss of \$2.4 million in the prior year period.

For the nine-month period ended September 28, 2019, the Board of Directors declared dividends of \$0.87 per share or \$14.5 million, compared to \$0.84 per share or \$14.1 million during the same period of 2018, reflecting the dividend increases announced in May 2018 and February 2019 amounting to a combined 5% increase in our quarterly dividend per share. This represents a Payout Ratio of 108%, which is above our long term annual target, but in line with expectations given the seasonality of our operations and the aforementioned dividend increases. We anticipate that over the long term we will revert to a Payout Ratio consistent with our target level and in the near term, Acadian's cash position supports a Payout Ratio in excess of our target.

Segment Performance

New Brunswick Timberlands

The table below summarizes operating and financial results for New Brunswick Timberlands.

	Three Months Ended Sept 28, 2019				Three Months Ended Sept 29, 2018			
	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)
Softwood	103.7	102.7	43%	\$ 5,864	99.5	98.4	39%	\$ 5,417
Hardwood	109.1	111.1	47%	8,188	105.0	96.8	38%	7,063
Biomass	24.9	24.9	10%	818	58.3	58.3	23%	1,848
	237.7	238.7	100%	14,870	262.8	253.5	100%	14,328
Timber services and other sales				4,599				5,792
Sales				\$ 19,469				\$ 20,120
Adjusted EBITDA				\$ 4,789				\$ 4,495
Adjusted EBITDA margin				25%				22%

	Nine Months Ended Sept 28, 2019				Nine Months Ended Sept 29, 2018			
	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)
Softwood	291.4	303.3	45%	\$ 17,817	305.3	309.1	42%	\$ 17,232
Hardwood	264.3	274.0	41%	20,849	266.2	261.7	36%	20,096
Biomass	99.0	99.0	14%	3,554	162.3	162.3	22%	4,802
	654.7	676.3	100%	42,220	733.8	733.1	100%	42,130
Timber services and other sales				13,147				14,027
Sales				\$ 55,367				\$ 56,157
Adjusted EBITDA				\$ 13,388				\$ 12,512
Adjusted EBITDA margin				24%				22%

Sales for our New Brunswick Timberlands during the third quarter were \$19.5 million compared to \$20.1 million during the prior year period. The sales volume, excluding biomass, increased 10% over the prior year, however sales of biomass were down due to the recent operating curtailment of the customer who ships the product to export markets. The weighted average selling price, excluding biomass, during the quarter was \$65.71 per m³, an increase of 3% over the prior year period with prices for all products improving.

Adjusted EBITDA, at \$4.8 million during the third quarter of 2019, was almost unchanged from \$4.5 million in the prior year period as decreased sales revenues were mostly offset by decreased operating costs.

Adjusted EBITDA margin for the quarter increased to 25% from 22% in the prior year period fully benefitting from the weighted average selling price increase as variable harvest costs per m³, excluding biomass, were almost unchanged year-over-year.

During the first nine months of 2019, New Brunswick's sales totaled \$55.4 million down slightly from \$56.2 million in the prior year period. The total volume sold, excluding biomass, was almost unchanged year-over-year and the weighted average selling price of these products climbed 2% reflecting strength in softwood sawlog and pulpwood markets. Biomass sales volumes fell 39% year-over-year due to the current export market curtailments and revenues from timber services dropped 7% due to decreased activity. Operating costs of \$42.6 million during the first nine months of 2019 were \$1.4 million lower than the prior year period largely due to lower total sales volumes and decreased timber services activity. As a result, year-to-date Adjusted EBITDA improved to \$13.4 million from \$12.5 million during the same period of 2018 while the Adjusted EBITDA margin improved to 24% from 22%.

There were no recordable safety incidents among employees or contractors during the third quarter of 2019. New Brunswick Timberlands successfully completed a surveillance audit under the 2015-2019 standard of the Sustainable Forest Initiative® during the quarter.

Maine Timberlands

The table below summarizes operating and financial results for Maine Timberlands.

	Three Months Ended Sept 28, 2019				Three Months Ended Sept 29, 2018			
	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)
Softwood	49.0	49.0	66%	\$ 3,551	50.0	50.6	64%	\$ 4,468
Hardwood	26.1	25.5	34%	2,164	24.7	23.2	30%	1,859
Biomass	0.3	0.3	—%	4	4.7	4.7	6%	7
	75.4	74.8	100%	5,719	79.4	78.5	100%	6,334
Other sales				169				180
Sales				\$ 5,888				\$ 6,514
Adjusted EBITDA				\$ 711				\$ 1,914
Adjusted EBITDA margin				12%				29%

	Nine Months Ended Sept 28, 2019				Nine Months Ended Sept 29, 2018			
	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)	Harvest (000s m ³)	Sales (000s m ³)	Sales Mix	Results (\$000s)
Softwood	163.1	163.3	69%	\$ 12,471	167.0	167.1	67%	\$ 13,703
Hardwood	68.7	68.3	29%	5,894	68.1	67.1	27%	5,269
Biomass	3.8	3.8	2%	12	16.0	16.0	6%	25
	235.6	235.4	100%	18,377	251.1	250.2	100%	18,997
Other sales				469				527
Sales				\$ 18,846				\$ 19,524
Adjusted EBITDA				\$ 4,594				\$ 5,947
Adjusted EBITDA margin				24%				30%

Sales totaled \$5.9 million for Maine Timberlands during the third quarter compared to \$6.5 million for the same period last year. The sales volume, excluding biomass, was in line with the prior year period, however the weighted average selling price, excluding biomass, fell by 11% due to a combination of weaker pricing for softwood sawlogs and a product mix more heavily weighted to softwood pulpwood. Demand for softwood pulpwood improved providing the opportunity to focus harvesting activities on retrieving pulpwood that wasn't harvested in prior years when markets were very weak.

Adjusted EBITDA for the quarter was \$0.7 million compared to \$1.9 million during the prior year period due to lower value product mix and lower revenue from land sales along with operating conditions that created the opportunity to complete the majority of road maintenance and construction activity earlier than in 2018. The Adjusted EBITDA margin was 12% during the quarter compared to 29% in the prior year period.

During the first nine months of 2019, Maine Timberland's sales of \$18.8 million were down from \$19.5 million in the prior year period. The weighted average selling price, excluding biomass, fell 2% primarily due to a lower value product mix as the proportion of volume of softwood pulpwood increased. Operating costs of \$14.7 million during the first nine months of 2019 were 3% above the prior year period due to a 3% increase in variable harvest costs per m³, excluding biomass, and increased road maintenance and construction costs. As a result of the above factors, year-to-date Adjusted EBITDA fell to \$4.6 million from \$5.9 million during the same period of 2018 while the Adjusted EBITDA margin declined to 24% from 30% in the prior year.

There were no recordable safety incidents among employees or contractors during the third quarter of 2019. Maine Timberlands successfully completed a surveillance audit under the 2015-2019 standard of the Sustainable Forest Initiative® during the quarter.

Market Outlook

The following contains forward-looking information about Acadian Timber Corp.'s market outlook for the remainder of fiscal 2019 and into 2020. Reference should be made to the section entitled "Cautionary Statement Regarding Forward-Looking Information and Statements" section of this news release. For a description of material factors that could cause actual results to differ materially from the forward-looking statements in the following, please see the Risk Factors section of our management's discussion and analysis of Acadian's most recent Annual Report and Annual Information Form available on our website at www.acadiantimber.com or filed with SEDAR at www.sedar.com.

Acadian's main products include softwood sawlogs and pulpwood, hardwood sawlogs and pulpwood, and biomass, from which our customers manufacture solid wood, pulp & paper products, engineered wood products and fuels. The outlook for Acadian's end-use markets is expected to remain stable in the near term, suggesting that demand and pricing of our products will generally follow suit.

U.S. housing starts are up 1% to 1.26 million year-over-year, as of September 2019. Consensus estimates are calling for this level to be sustained through 2020 with favourable demand drivers, including lower interest rates, wage growth and strong U.S. household balance sheets, offset by supply-side constraints, including labour shortages, increased construction costs and new regulation.

Benefits from steady expected U.S. demand for North American softwood lumber in 2020 and significant sawmill curtailments in western North America are expected to be offset, in part, by lower offshore exports, available softwood supply in the U.S. south, and increased wood supply from Central Europe as spruce forests impacted by a bark beetle are liquidated. Regionally, Acadian's softwood sawmill customers continue to operate on full shifts, and we expect stable demand for our softwood sawtimber products going into 2020.

Local markets for hardwood sawlogs are expected to remain balanced for the remainder of the year despite the impact the U.S.-China trade dispute and slowing Chinese economy have had on appearance lumber exports as markets for industrial lumber are expected to remain strong for most of our customers.

Hardwood and softwood pulpwood demand is expected to remain steady or gradually improve, supported by the restart of a pulp mill in Maine. Biomass markets in Maine remain weak, without any significant changes in sight. The New Brunswick biomass market continues to be supported by steady demand at attractive prices; however, the export market in New Brunswick has been curtailed for the remainder of 2019. We expect this market to return in 2020.

As a leading producer of primary forest products in eastern Canada and the northeastern U.S., Acadian's sales are most closely tied to the performance of local sawmills, pulp mills, and other wood processing facilities, and our customers generally have a positive outlook for the remainder of 2019 and as we head into 2020, despite the mixed indicators for global supply and demand of wood products.

Quarterly Dividend

Acadian is pleased to announce a dividend of \$0.29 per share, payable on January 15, 2020 to shareholders of record on December 31, 2019.

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Acadian Timber Corp. is a leading supplier of primary forest products in Eastern Canada and the Northeastern U.S. With a total of 2.4 million acres of land under management, Acadian is one of the largest timberland operators in New Brunswick and Maine.

Acadian owns and manages approximately 1.1 million acres of freehold timberlands in New Brunswick and Maine, and provides timber services relating to approximately 1.3 million acres of Crown licensed timberlands in New Brunswick. Acadian's products include softwood and hardwood sawlogs, pulpwood and biomass by-products, sold to approximately 85 regional customers.

Acadian's business strategy is to maximize cash flows from its existing timberland assets while growing our business by acquiring assets on a value basis and utilizing our operations-oriented approach to drive improved performance.

Acadian's shares are listed for trading on the Toronto Stock Exchange under the symbol ADN.

For further information, please visit our website at **www.acadiantimber.com** or contact:

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Cautionary Statement Regarding Forward-Looking Information and Statements

This News Release contains forward-looking information and statements within the meaning of applicable Canadian securities laws that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Acadian Timber Corp. and its subsidiaries (collectively, "Acadian"), or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this News Release, such forward-looking statements may contain such words as "may," "will," "intend," "should," "suggest," "expect," "believe," "outlook," "forecast," "predict," "remain," "anticipate," "estimate," "potential," "continue," "plan," "could," "might," "project," "targeting" or the negative of these terms or other similar terminology. Forward-looking information in this News Release includes, without limitation, statements made in the section entitled "Market Outlook" and other statements regarding management's beliefs, intentions, results, performance, goals, achievements, future events, plans and objectives, business strategy, growth strategy and prospects, access to capital, liquidity and trading volumes, dividends, taxes, capital expenditures, projected costs, market trends and similar statements concerning anticipated future events, results, achievements, circumstances, performance or expectations that are not historical facts. These statements, which reflect management's current expectations regarding future events and operating performance, are based on information currently available to management and speak only as of the date of this News Release. All forward-looking statements in this News Release are qualified by these cautionary statements. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, should not be unduly relied upon, and will not necessarily be accurate indications of whether or not such results will be achieved. Factors that could cause actual results to differ materially from the results discussed in the forward-looking statements include, but are not limited to: general economic and market conditions; changes in U.S. housing starts; product demand; concentration of customers; commodity pricing; interest rate and foreign currency fluctuations; seasonality; weather and natural conditions; regulatory, trade or environmental policy changes; changes in Canadian income tax law; economic situation of key customers; Acadian's ability to source and secure potential investment opportunities; the availability of potential acquisitions that suit Acadian's growth profile; and other risks and factors discussed under the heading "Risk Factors" in each of the Annual Information Form dated March 28, 2019 and the Management Information Circular dated March 28, 2019, and other filings of Acadian made with securities regulatory authorities, which are available on SEDAR at www.sedar.com. Forward-looking information is based on various material factors or assumptions, which are based on information currently available to Acadian. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information may include, but are not limited to: forecasts in the housing market; anticipated financial performance; anticipated market conditions; business prospects; the economic situation of key customers; strategies; regulatory developments; exchange rates; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services; and the ability to obtain financing on acceptable terms. Readers are cautioned that the preceding list of material factors or assumptions is not exhaustive. Although the forward-looking statements contained in this News Release are based upon what management believes are reasonable assumptions, Acadian cannot assure readers that actual results will be consistent with these forward-looking statements. The forward-looking statements in this News Release are made as of the date of this News Release, and should not be relied upon as representing Acadian's views as of any date subsequent to the date of this News Release. Acadian assumes no obligation to update or revise these forward-looking statements to reflect new information, events, circumstances or otherwise, except as may be required by applicable law.

Acadian Timber Corp.
Interim Condensed Consolidated Statements of Net Income / (Loss)
(unaudited)

	Three Months Ended		Nine Months Ended	
	Sept 28, 2019	Sept 29, 2018	Sept 28, 2019	Sept 29, 2018
<i>(CAD thousands, except per share data)</i>				
Sales	\$ 25,357	\$ 26,634	\$ 74,213	\$ 75,681
Operating costs and expenses				
Cost of sales	17,404	18,694	49,900	51,362
Selling, administration and other	2,789	2,392	7,412	7,112
Reforestation	375	31	749	453
Depreciation and amortization	71	69	215	230
	20,639	21,186	58,276	59,157
Operating earnings	4,718	5,448	15,937	16,524
Interest expense, net	(1,010)	(936)	(2,989)	(2,897)
Other items				
Fair value adjustments and other	139	822	1,409	2,088
Unrealized exchange (loss) / gain on long-term debt	(1,030)	1,568	2,907	(2,371)
Management agreement termination fee	(18,000)	—	(18,000)	—
Gain on sale of timberlands	333	387	864	850
Gain / (loss) on disposal of other fixed assets	1	155	2	(93)
(Loss) / Earnings before income taxes	(14,849)	7,444	130	14,101
Current income tax recovery / (expense)	1,667	(575)	335	(1,844)
Deferred income tax recovery / (expense)	2,313	(920)	632	(2,434)
Net (loss) / income	\$(10,869)	\$ 5,949	\$ 1,097	\$ 9,823
Net (loss) / income per share – basic and diluted	\$ (0.65)	\$ 0.36	\$ 0.07	\$ 0.59

Acadian Timber Corp.
Interim Condensed Consolidated Statements of Comprehensive Income / (Loss)
(unaudited)

	Three Months Ended		Nine Months Ended	
	Sept 28, 2019	Sept 29, 2018	Sept 28, 2019	Sept 29, 2018
<i>(CAD thousands)</i>				
Net (loss) / income	\$ (10,869)	\$ 5,949	\$ 1,097	\$ 9,823
Other comprehensive (loss) / income				
Items that may be reclassified subsequently to net income				
Unrealized foreign currency translation gain / (loss)	1,500	(2,228)	(4,447)	3,226
Loss on revaluation of land	(9)	—	(23)	—
Deferred income tax recovery	3	—	7	—
Comprehensive (loss) / income	\$ (9,375)	\$ 3,721	\$ (3,366)	\$ 13,049

Acadian Timber Corp.
Interim Condensed Consolidated Balance Sheets
(unaudited)

<i>As at</i> <i>(CAD thousands)</i>	Sept 28, 2019	December 31, 2018
Assets		
Current assets		
Cash and cash equivalents	\$ 12,900	\$ 22,320
Accounts receivable and other assets	10,191	7,230
Current taxes receivable	2,695	—
Inventory	1,098	2,756
	26,884	32,306
Timber	366,169	367,901
Land, roads and other fixed assets	84,769	86,103
Intangible asset	6,140	6,140
Total assets	\$ 483,962	\$ 492,450
Liabilities and shareholders' equity		
Current liabilities		
Short-term debt	\$ 9,930	\$ —
Accounts payable and accrued liabilities	11,462	7,963
Current tax liabilities	—	647
Dividends payable to shareholders	4,839	4,714
	26,231	13,324
Long-term debt	94,722	96,595
Deferred income tax liability	90,519	92,119
Shareholders' equity	272,490	290,412
Total liabilities and shareholders' equity	\$ 483,962	\$ 492,450

Acadian Timber Corp.
Interim Condensed Consolidated Statements of Cash Flows
(unaudited)

	Three Months Ended		Nine Months Ended	
	Sept 28, 2019	Sept 29, 2018	Sept 28, 2019	Sept 29, 2018
<i>(CAD thousands)</i>				
Cash and cash equivalents provided by / (used for):				
Operating activities				
Net (loss) / income	\$(10,869)	\$ 5,949	\$ 1,097	\$ 9,823
Adjustments to net (loss) / income:				
Deferred income tax (recovery) / expense	(2,313)	920	(632)	2,434
Depreciation and amortization	71	69	215	230
Fair value adjustments and other	(139)	(822)	(1,409)	(2,088)
Unrealized exchange loss / (gain) on long term debt	1,030	(1,568)	(2,907)	2,371
Gain on sale of timberlands	(333)	(387)	(864)	(850)
(Gain) / loss on disposal of other fixed assets	(1)	(155)	(2)	93
Accretion of long-term debt	276	267	861	774
Net change in non-cash working capital balances and other	(1,079)	(1,511)	(2,114)	(2,561)
	(13,357)	2,762	(5,755)	10,226
Financing activities				
Borrowings	9,930	—	9,930	—
Dividends paid to shareholders	(4,840)	(4,726)	(14,394)	(13,928)
Common shares repurchased under NCIB	—	—	(37)	—
	5,090	(4,726)	(4,501)	(13,928)
Investing activities				
Additions to timber, land, roads and other fixed assets	(68)	(159)	(86)	(190)
Proceeds from sale of timberlands	353	469	920	966
Proceeds from sale of other fixed assets	1	387	2	574
	286	697	836	1,350
Decrease in cash and cash equivalents during the period	(7,981)	(1,267)	(9,420)	(2,352)
Cash and cash equivalents, beginning of period	20,881	22,866	22,320	23,951
Cash and cash equivalents, end of period	\$ 12,900	\$ 21,599	\$ 12,900	\$ 21,599

Reconciliations to Adjusted EBITDA and Free Cash Flow

<i>(CAD thousands)</i>	Three Months Ended		Nine Months Ended	
	Sept 28, 2019	Sept 29, 2018	Sept 28, 2019	Sept 29, 2018
Net (loss) / income	\$(10,869)	\$ 5,949	\$ 1,097	\$ 9,823
Add / (deduct):				
Interest expense, net	1,010	936	2,989	2,897
Current income tax (recovery) / expense	(1,667)	575	(335)	1,844
Deferred income tax (recovery) / expense	(2,313)	920	(632)	2,434
Depreciation and amortization	71	69	215	230
Fair value adjustments and other	(139)	(822)	(1,409)	(2,088)
Management agreement termination fee	18,000	—	18,000	—
Unrealized exchange loss / (gain) on long-term debt	1,030	(1,568)	(2,907)	2,371
Adjusted EBITDA	\$ 5,123	\$ 6,059	\$ 17,018	\$ 17,511
Add / (deduct):				
Interest paid on debt, net	(708)	(648)	(2,049)	(2,014)
Additions to timber, land, roads and other fixed assets	(68)	(17)	(86)	(48)
Gain on sale of timberlands	(333)	(387)	(864)	(850)
(Gain) / loss on disposal of other fixed assets	(1)	(155)	(2)	93
Proceeds on sale of timberlands	353	469	920	966
Proceeds on sale of other fixed assets	1	387	2	574
Current income tax recovery / (expense)	1,667	(575)	335	(1,844)
Current tax effect of termination fee	(1,848)	—	(1,848)	—
Free Cash Flow	\$ 4,186	\$ 5,133	\$ 13,426	\$ 14,388
Dividends declared	\$ 4,840	\$ 4,726	\$ 14,519	\$ 14,054
Payout ratio	116%	92%	108%	98%