

Q2 2019 Interim Report

Letter to Shareholders

Overview¹

Acadian Timber Corp (“Acadian”) generated Adjusted EBITDA² of \$3.0 million for the three-month period ended June 29, 2019 (the “second quarter”), up from \$2.6 million in the prior year period. Acadian benefited from strong demand, reflecting favourable Northeast regional log markets dynamics and operating conditions during the second quarter. As a result, year-over-year log sales volumes increased 5% while ancillary revenues improved 73%, primarily related to timing of timber services. In addition, Acadian benefited from stronger higher and better use land sales.

Second quarter net income of \$5.8 million was \$3.9 million higher than the prior year period total of \$1.9 million. The variance from the prior year period is primarily due to an unrealized foreign exchange revaluation gain on U.S. dollar denominated long-term debt during the second quarter, compared to an unrealized loss in the prior year period. During the quarter, Free Cash Flow² was \$2.8 million compared to \$2.0 million in the same period of 2018.

For the six-month period ended June 29, 2019, the Board of Directors declared dividends of \$0.58 per share or \$9.7 million, compared to \$0.5575 per share or \$9.3 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 Ratio² of 105%, which is above our long-term annual target of 95% 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 Ratio² consistent with our target level and in the near-term, Acadian’s strong cash position supports a Payout Ratio² in excess of our target.

Results of Operations¹

Acadian’s operations reported no recordable safety incidents during the quarter amongst employees and one lost time incident amongst contractors. The individual made a full recovery and returned to work during the quarter. We remain very committed to maintaining a culture across the organization that emphasizes the importance of strong safety performance.

During the second quarter, Acadian generated sales of \$17.9 million, compared to \$16.1 million in the prior year period. Acadian benefited from strong seasonal demand and favourable operating conditions resulting in a 5% increase in log sales volumes and a 73% increase in ancillary revenues, primarily related to timing of timber services. The weighted average log selling price was in line with the prior year period as our products continued to benefit from favourable market dynamics. The Adjusted EBITDA margin² for the quarter was 17%, higher than 16% in the prior year period, due to improved log sales volumes, ancillary revenues, and higher and better use land sales which were partially offset by the impact of higher relative operating costs.

Our balance sheet continues to be solid with \$97.4 million of net liquidity as at June 29, 2019, which includes funds available under our Revolving Facility and the stand-by equity commitment from Brookfield.

Outlook¹

Acadian’s key markets include softwood sawtimber, hardwood sawtimber and hardwood pulpwood. Northeast North American softwood dimension sawmills represent over one third of Acadian’s end-use market and are the primary market for our softwood sawtimber. Well-balanced regional supply demand fundamentals for both Acadian’s softwood and hardwood resource segments, combined with deep and diversified end use markets continue to provide support for stable log pricing across our key markets.

A combination of supply-side constraints including tight construction labour markets and restrictive building regulations, an unseasonably cold and wet first half construction season, and affordability challenges have all weighed on housing start activity during the first half of 2019. However, recent solid wage growth performance and the prospect for a near-term rate reduction coupled with favourable underlying demographics supporting household formation growth continue to suggest that modest positive momentum should return in housing construction over the medium term. Recent consensus forecasts now anticipate a modest year-over-year contraction of U.S. housing starts for 2019 of about 1%, followed by a 2-3% increase for 2020. After a slight anticipated decline for 2019, North American lumber consumption is expected to post modest year-over-year growth, supporting a 3-5% increase in sawtimber demand through 2020.

Average Q2 2019 quarterly benchmark Eastern Spruce-Pine-Fir and Southern Yellow Pine lumber prices declined 5% and 7%, respectively, from the prior quarter as lower than expected demand resulted in an inventory build during the quarter. With a return to more normal summer weather patterns, forecasters expect improved demand growth combined with capacity curtailments in Western Canada and the U.S. Pacific Northwest to support a modest recovery in lumber pricing through the fall building season. There was no notable progress in bi-lateral U.S. Canadian lumber trade discussions during the quarter and we continue to expect current duty levels will apply through 2020. We anticipate uncertainty surrounding the trade file will continue to drive higher than normal volatility in lumber prices. As Acadian's regional Northeast sawmill customers continue to run at normal operating rates, we foresee stable sawtimber demand during the second half of 2019 and into 2020.

Acadian's hardwood sawtimber and pulpwood markets remain well balanced with a continued stable outlook for the remainder of the year. Softwood pulpwood markets, Acadian's smallest product segment by volume and margin, continue to gradually improve supported, in part, by the expected restart of a pulp mill during H2 2019 in Maine. While the biomass market in Maine remains weak, the New Brunswick biomass market continues to be supported by steady export demand at attractive prices.

With a strong balance sheet, well diversified markets and highly capable operating team, Acadian is well positioned to meet its ongoing quarterly distributable cash commitments. On behalf of the board and management of Acadian, I would like to thank all our shareholders for their ongoing support.



Mark Bishop
President and Chief Executive Officer
July 30, 2019

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1. This Letter to Shareholders contains forward-looking information within the meaning of applicable Canadian securities laws that involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Please refer to the section entitled "Cautionary Statement Regarding Forward-Looking Information and Statements" in Management's Discussion and Analysis for further details.
 2. Adjusted EBITDA, Adjusted EBITDA margin, Free Cash Flow and Payout Ratio 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 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 and amortization 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. Please refer to Management's Discussion and Analysis for further details.

Management's Discussion and Analysis

INTRODUCTION

Acadian Timber Corp. ("Acadian", the "Company" or "we") is a leading supplier of primary forest products in Eastern Canada and the Northeastern United States. With a total of 2.4 million acres of land under management, Acadian is the second largest timberland operator in New Brunswick and Maine. Acadian is managed by a wholly-owned subsidiary of Brookfield Asset Management Inc. (NYSE: BAM, TSX: BAM.A and Euronext: BAMA).

Acadian owns and manages approximately 761,000 acres of freehold timberlands in New Brunswick ("NB Timberlands" or "New Brunswick Timberlands"), approximately 300,000 acres of freehold timberlands in Maine ("Maine Timberlands") and provides timber services relating to approximately 1.3 million acres of Crown licensed timberlands. 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.

Basis of Presentation

This management's discussion and analysis ("MD&A") discusses the financial condition and results of operations of the Company for the three months ended June 29, 2019 (herein referred to as the "second quarter") and the six-month period ended June 29, 2019 compared to the three- and six-month periods ended June 30, 2018, and should be read in conjunction with the interim condensed consolidated financial statements and notes thereto included at page 16 of this interim report.

Our second quarter financial results are determined in accordance with IAS 34 "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") and are expressed in Canadian dollars unless otherwise noted. External economic and industry factors remain unchanged since the previous annual report, unless otherwise noted. This MD&A has been prepared based on information available as at July 30, 2019. Additional information is available on Acadian's website at www.acadiantimber.com and on SEDAR's website at www.sedar.com.

Non-IFRS Measures

Throughout the MD&A, reference is made to "Adjusted EBITDA", which Acadian's management defines 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 and amortization and to "Adjusted EBITDA margin", which is Adjusted EBITDA as a percentage of its total revenue. Reference is also made to "Free Cash Flow", which Acadian's management defines 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). Reference made to "Payout Ratio" is defined as dividends declared divided by Free Cash Flow. Management believes that Adjusted EBITDA, Adjusted EBITDA margin, Free Cash Flow, and Payout Ratio are key performance measures in evaluating Acadian's operations and are important in enhancing investors' understanding of the Company'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 Payout Ratio is used to evaluate Acadian's ability to fund its distribution using Free Cash Flow. As these measures do not have a standardized meaning prescribed by IFRS, they may not be comparable to similar measures presented by other companies. As a result, we have provided reconciliations of net income as determined in accordance with IFRS, to Adjusted EBITDA and Free Cash Flow in the "Adjusted EBITDA and Free Cash Flow" section of this MD&A.

Assessment and Changes in Disclosure Controls and Internal Controls

Management has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as at December 31, 2018. There have been no changes in our disclosure controls and procedures during the period ended June 29, 2019 that have materially affected, or are reasonably likely to materially affect, our disclosure controls and procedures.

Management has also evaluated the design and effectiveness of our internal controls over financial reporting in accordance with Multilateral Instrument 52-109 using the COSO Framework 2013 as at December 31, 2018. There have been no changes in our internal controls over financial reporting during the six-month period ended June 29, 2019 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

REVIEW OF OPERATIONS

Summary of Second Quarter Results

The table below summarizes operating and financial data for Acadian:

	Three Months Ended		Six Months Ended	
<i>(CAD thousands, except where indicated)</i>	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Sales volume (000s m ³)	214.0	231.6	598.2	651.3
Sales	\$ 17,918	\$ 16,099	\$ 48,856	\$ 49,047
Net income	5,784	1,888	11,966	3,874
Adjusted EBITDA ¹	3,038	2,582	11,895	11,452
Adjusted EBITDA margin ¹	17%	16%	24%	23%
Free Cash Flow ¹	2,750	1,997	9,240	9,255
Dividends declared	4,839	4,727	9,679	9,328
Payout Ratio ¹	176%	237%	105%	101%
Per share – basic and diluted				
Net income	\$ 0.35	\$ 0.11	\$ 0.72	\$ 0.23
Free Cash Flow ¹	0.16	0.12	0.55	0.55
Dividends declared	0.290	0.2825	0.580	0.5575
Book value	17.18	16.51	17.18	16.51
Common shares outstanding	16,686,916	16,731,216	16,686,916	16,731,216
Weighted average shares outstanding	16,686,916	16,731,216	16,686,933	16,731,216

1. Non-IFRS Measure. See "Reconciliation of net income, in accordance with IFRS, to Adjusted EBITDA and Free Cash Flow".

During the second quarter, Acadian generated sales of \$17.9 million, compared to \$16.1 million in the prior year period. Acadian benefited from strong seasonal demand and favourable operating conditions resulting in a 5% increase in log sales volumes and a 73% increase in ancillary revenues year-over-year, primarily related to timing of timber services. The weighted average log selling price was in line with the prior year period as our products continued to benefit from favourable market dynamics.

Costs were \$15.3 million during the second quarter, compared to \$13.7 million during the prior year period, reflecting higher log sales volumes and timing of timber services. Variable log harvest costs per m³ increased 4% compared to the prior year period as a result of higher log processing costs.

Adjusted EBITDA was \$3.0 million during the second quarter compared to \$2.6 million in the prior year period while the Adjusted EBITDA margin for the quarter was 17%, compared to 16% in the prior year period. These improvements reflect higher log sales volumes and ancillary revenues as well as stronger higher and better use land sales which were partially offset by the impact of higher relative operating costs.

Acadian typically experiences low levels of operating, marketing and selling activity during the second quarter of each year owing to the spring thaw period that causes much of the infrastructure to be temporarily inoperable. As a result, year to year variations in sales volumes and operating costs are less meaningful.

Second quarter net income of \$5.8 million, or \$0.35 per share, was \$3.9 million higher than the prior year period total of \$1.9 million, or \$0.11 per share. The variance from the prior year period is primarily due to an unrealized foreign exchange revaluation gain on U.S. dollar denominated long-term debt during the second quarter, compared to an unrealized loss in the prior year period.

During the first half of 2019, Acadian's sales of \$48.9 million were largely in line with the prior year period. Acadian benefited from strong seasonal demand resulting in a 2% increase in the weighted average log selling price, however operations were impacted by adverse weather conditions during the winter harvest season resulting in a 3% decrease in log sales volumes. Costs of \$37.4 million were \$0.4 million lower than the prior year period primarily due to lower log sales volumes. As a result, Adjusted EBITDA improved to \$11.9 million from \$11.5 million during the first half of 2018 while the Adjusted EBITDA margin improved to 24% from 23%. For the six months ended June 29, 2019, net income was \$12.0 million, or \$0.72 per share, which represents an increase of \$8.1 million over the same period of 2018 primarily due to the impact of foreign exchange revaluation of U.S. dollar denominated long-term debt.

The following table provides a reconciliation of net income, as determined in accordance with IFRS, to Adjusted EBITDA and Free Cash Flow during each respective period:

	Three Months Ended		Six Months Ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
<i>(CAD thousands)</i>				
Net income	\$ 5,784	\$ 1,888	\$ 11,966	\$ 3,874
Add / (deduct):				
Interest expense, net	970	1,003	1,979	1,961
Current income tax (recovery) / expense	(368)	(96)	1,332	1,269
Deferred income tax expense	1,595	1,450	1,681	1,514
Depreciation and amortization	72	77	144	161
Fair value adjustments and other	(3,112)	(3,391)	(1,270)	(1,266)
Unrealized exchange (gain) / loss on long-term debt	(1,903)	1,651	(3,937)	3,939
Adjusted EBITDA ¹	\$ 3,038	\$ 2,582	\$ 11,895	\$ 11,452
Add / (deduct):				
Interest paid on debt, net	(673)	(682)	(1,341)	(1,366)
Additions to timber, land, roads and other fixed assets	(18)	(26)	(18)	(31)
Gain on sale of timberlands	(492)	(286)	(531)	(463)
(Gain) / loss on disposal of other fixed assets	(1)	—	(1)	248
Proceeds on sale of timberlands	527	305	567	497
Proceeds on sale of other fixed assets	1	8	1	187
Current income tax (expense) / recovery	368	96	(1,332)	(1,269)
Free Cash Flow ¹	\$ 2,750	\$ 1,997	\$ 9,240	\$ 9,255
Dividends declared	\$ 4,839	\$ 4,727	\$ 9,679	\$ 9,328
Payout Ratio ¹	176%	237%	105%	101%

1. Non-IFRS Measure. See "Non-IFRS Measures" on page 3 of this interim report.

Dividend Policy of the Company

Acadian declares dividends from its available cash to the extent determined prudent by the Board of Directors. These dividends represent cash received from Acadian's indirect interest in the Maine Timberlands and the New Brunswick Timberlands, less estimated cash amounts required for expenses and other obligations of Acadian, cash redemptions of shares, and any tax liability. Dividends are paid on or about the 15th day following each dividend declaration date.

For the three-month period ended June 29, 2019, the Board of Directors declared dividends of \$4.8 million, or \$0.29 per share, compared to \$4.7 million, or \$0.2825 per share, during the same period of 2018, reflecting the 3% increase in our

quarterly dividend per share announced in February 2019.

For the six-month period ended June 29, 2019, the Board of Directors declared dividends of \$0.58 per share or \$9.7 million, compared to \$0.5575 per share or \$9.3 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 105%, which is above our long-term annual target of 95% 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 strong cash position supports a Payout Ratio in excess of our target.

Operating and Market Conditions

Acadian continues to benefit from strong and stable market dynamics in New Brunswick and Maine. During the quarter, harvesting and trucking activities resumed as expected after the spring thaw. Due to these favourable operating conditions, Acadian was able to reduce log inventories which were higher than normal at the beginning of the quarter due to adverse winter weather conditions during the first quarter. As a result, log sales volumes, excluding biomass, of 183 thousand m³ for the quarter were up 5% year-over-year.

Acadian's weighted average log selling price was largely in line with the prior year period reflecting solid pricing and demand for softwood sawlogs and hardwood pulpwood. Demand for softwood sawlogs in New Brunswick remained strong with prices increasing 6% while the average hardwood pulpwood prices decreased 4% due to changes in the customer mix. Markets in Maine remained strong, with prices in U.S. dollar terms for softwood pulpwood and hardwood pulpwood improving 9% and 6%, respectively, compared to the prior year period. However, softwood sawlog pricing decreased 10% due to shorter average hauling distances and modest pricing pressure due to the recent decline in lumber prices.

Biomass export markets remained strong as overall biomass contributions increased 12% per m³ compared to the prior year period, however sales volumes decreased 47% due to timing of deliveries.

Segmented Results of Operations

The table below summarizes operating and financial results for the NB and Maine Timberlands and Corporate:

<i>Three Months Ended June 29, 2019</i>					
<i>(CAD thousands)</i>					
	NB Timberlands	Maine Timberlands	Corporate	Consolidated	
Sales volumes (000s m ³)	170.0	44.0	—	214.0	
Sales	\$ 14,449	\$ 3,469	\$ —	\$ 17,918	
Adjusted EBITDA ¹	\$ 2,837	\$ 540	\$ (339)	\$ 3,038	
Adjusted EBITDA margin ¹	20%	16%	n/a	17%	

<i>Three Months Ended June 30, 2018</i>					
<i>(CAD thousands)</i>					
	NB Timberlands	Maine Timberlands	Corporate	Consolidated	
Sales volumes (000s m ³)	186.3	45.3	—	231.6	
Sales	\$ 12,917	\$ 3,182	\$ —	\$ 16,099	
Adjusted EBITDA ¹	\$ 2,160	\$ 569	\$ (147)	\$ 2,582	
Adjusted EBITDA margin ¹	17%	18%	n/a	16%	

<i>Six Months Ended June 29, 2019</i> <i>(CAD thousands)</i>	NB Timberlands	Maine Timberlands	Corporate	Consolidated
Sales volumes (000s m ³)	437.6	160.6	—	598.2
Sales	\$ 35,898	\$ 12,958	\$ —	\$ 48,856
Adjusted EBITDA ¹	\$ 8,599	\$ 3,883	\$ (587)	\$ 11,895
Adjusted EBITDA margin ¹	24%	30%	n/a	24%

<i>Six Months Ended June 30, 2018</i> <i>(CAD thousands)</i>	NB Timberlands	Maine Timberlands	Corporate	Consolidated
Sales volumes (000s m ³)	479.6	171.7	—	651.3
Sales	\$ 36,037	\$ 13,010	\$ —	\$ 49,047
Adjusted EBITDA ¹	\$ 8,017	\$ 4,033	\$ (598)	\$ 11,452
Adjusted EBITDA margin ¹	22%	31%	n/a	23%

1. Non-IFRS Measure. See "Non-IFRS Measures" on page 3 of this interim report.

New Brunswick Timberlands

New Brunswick Timberlands owns and manages approximately 761,000 acres of freehold timberlands and provides harvesting and management services to third parties relating to approximately 1.3 million acres of Crown licensed timberlands. Approximately 80% of harvest operations are currently performed by third-party contractors and approximately 20% by New Brunswick Timberlands employees.

There were no recordable safety incidents amongst employees or contractors during the second quarter of 2019.

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

	Three Months Ended June 29, 2019				Three Months Ended June 30, 2018			
	Harvest <i>(000s m³)</i>	Sales <i>(000s m³)</i>	Sales Mix	Results <i>(\$000s)</i>	Harvest <i>(000s m³)</i>	Sales <i>(000s m³)</i>	Sales Mix	Results <i>(\$000s)</i>
Softwood	47.0	61.7	36%	\$ 3,621	47.2	53.3	29%	\$ 2,930
Hardwood	51.5	77.6	46%	6,071	68.2	81.9	44%	6,467
Biomass	30.7	30.7	18%	1,237	51.1	51.1	27%	1,503
	129.2	170.0	100%	10,929	166.5	186.3	100%	10,900
Timber services and other sales				3,520				2,017
Sales				\$ 14,449				\$ 12,917
Adjusted EBITDA ¹				\$ 2,837				\$ 2,160
Adjusted EBITDA margin ¹				20%				17%

	Six Months Ended June 29, 2019				Six Months Ended June 30, 2018			
	Harvest <i>(000s m³)</i>	Sales <i>(000s m³)</i>	Sales Mix	Results <i>(\$000s)</i>	Harvest <i>(000s m³)</i>	Sales <i>(000s m³)</i>	Sales Mix	Results <i>(\$000s)</i>
Softwood	187.7	200.6	46%	\$ 11,953	205.8	210.7	44%	\$ 11,815
Hardwood	155.2	162.9	37%	12,661	161.2	164.9	34%	13,033
Biomass	74.1	74.1	17%	2,736	104.0	104.0	22%	2,954
	417.0	437.6	100%	27,350	471.0	479.6	100%	27,802
Timber services and other sales				8,548				8,235
Sales				\$ 35,898				\$ 36,037
Adjusted EBITDA ¹				\$ 8,599				\$ 8,017
Adjusted EBITDA margin ¹				24%				22%

1. Non-IFRS Measure. See "Non-IFRS Measures" on page 3 of this interim report.

Sales for our New Brunswick Timberlands were \$14.4 million compared to \$12.9 million during the prior year period. Seasonal demand remained strong and operating conditions were favourable resulting in a 3% increase in log sales volumes and a 75% increase in ancillary revenues, primarily related to timing of timber services which were impacted by adverse weather conditions during the first quarter.

The weighted average log selling price during the quarter was \$69.54 per m³, largely in line with the prior year period. Pricing benefited from a 6% increase in softwood sawlog pricing and higher relative sales of higher-valued hardwood sawlogs in New Brunswick, reflecting continued strong demand. This benefit was offset by a 4% decrease in average hardwood pulpwood pricing due to changes in the customer mix.

Biomass export markets remained strong as overall contributions per m³ were in line with the prior year period, however sales volumes decreased 40% due to timing of deliveries.

Operating costs were \$11.8 million during the second quarter, compared to \$10.8 million in the prior year period primarily due to higher log sales volumes and ancillary revenues. In addition, variable log harvest costs per m³ increased 6% due to higher log processing costs which were impacted by weather conditions.

Adjusted EBITDA was \$2.8 million during the second quarter of 2019, compared to \$2.2 million in the prior year period, due to higher log sales volumes and ancillary revenues as well as the benefit of stronger higher and better use land sales. As a result, the Adjusted EBITDA margin for the quarter increased to 20% from 17% in the prior year period.

During the first half of 2019, New Brunswick's sales of \$35.9 million were largely in line with the prior year period. New Brunswick benefited from strong seasonal demand resulting in a 2% increase in the weighted average log selling price, however operations were impacted by adverse weather conditions during the winter harvest season resulting in a 3% decrease in log sales volumes. In addition, New Brunswick benefited from higher and better use land sales. Costs of \$27.5 million during the first half of 2019 were \$0.5 million lower than the prior year period largely due to lower log sales volumes. As a result, Adjusted EBITDA improved to \$8.6 million from \$8.0 million during the first half of 2018 while the Adjusted EBITDA margin of 24% improved from 22%.

Maine Timberlands

Maine Timberlands owns and manages approximately 300,000 acres of freehold timberlands. All harvesting operations are performed by third-party contractors.

There were no recordable safety incidents amongst employees and one lost time incident amongst contractors during the second quarter of 2019. The individual returned to work during the quarter.

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

	Three Months Ended June 29, 2019				Three Months Ended June 30, 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	26.9	28.0	64%	\$ 1,884	25.4	25.3	56%	\$ 1,914
Hardwood	12.6	15.9	36%	1,449	9.5	13.2	29%	1,156
Biomass	0.1	0.1	0%	3	6.8	6.8	15%	11
	39.6	44.0	100%	3,336	41.7	45.3	100%	3,081
Other sales				133				101
Sales				\$ 3,469				\$ 3,182
Adjusted EBITDA ¹				\$ 540				\$ 569
Adjusted EBITDA margin ¹				16%				18%

	Six Months Ended June 29, 2019				Six Months Ended June 30, 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	114.1	114.3	71%	\$ 8,920	117.0	116.5	67%	\$ 9,235
Hardwood	42.6	42.8	27%	3,730	43.4	43.9	26%	3,410
Biomass	3.5	3.5	2%	8	11.3	11.3	7%	18
	160.2	160.6	100%	12,658	171.7	171.7	100%	12,663
Other sales				300				347
Net sales				\$ 12,958				\$ 13,010
Adjusted EBITDA ¹				\$ 3,883				\$ 4,033
Adjusted EBITDA margin ¹				30%				31%

1. Non-IFRS Measure. See "Non-IFRS Measures" on page 3 of this interim report.

Sales totaled \$3.5 million for Maine Timberlands compared to \$3.2 million for the same period last year. Seasonal demand remained strong and operating conditions were favourable as log sales volumes increased 14%, the benefits of which were partially offset by a 5% decrease in the weighted average log selling price.

The weighted average log selling price in Canadian dollar terms was \$76.04 per m³, down from \$79.80 per m³ in the same period of 2018. In U.S. dollar terms, the weighted average log selling price of \$56.85 per m³ was 8% lower than the prior year period. Maine Timberlands benefited from improved demand for hardwood sawlogs and hardwood pulpwood for which prices increased by 23% and 6%, respectively. This benefit was more than offset by a 10% decrease in softwood sawlog prices, due to shorter average hauling distances and modest pricing pressure resulting from the recent decline in lumber prices, and changes in the sales mix due to higher relative sales volumes of lower-valued softwood pulpwood.

Costs during the second quarter were \$3.2 million, compared to \$2.9 million during the same period of 2018 as the impact of higher log sales volumes were partially offset by administrative cost savings. Variable log harvest costs per m³ were largely in line with the prior year period as the benefit of shorter average hauling distances, resulting from harvest activities occurring primarily in the southern region of Maine's timberlands due to slower than usual snow melt in the northern region, were offset by the impact of foreign exchange.

Adjusted EBITDA for the quarter was \$0.5 million compared to \$0.6 million during the prior year period due to lower weighted average log sales prices. The Adjusted EBITDA margin was 16% during the quarter compared to 18% in the prior year period.

During the first half of 2019, Maine Timberland's sales of \$13.0 million were largely in line with the prior year period. Maine Timberland's benefited from strong seasonal demand resulting in a 2% increase in the weighted average log selling price largely due to the benefit of foreign exchange, however operations were impacted by adverse weather conditions during the winter harvest season resulting in a 2% decrease in log sales volumes. Costs of \$9.4 million during the first half of 2019 were in line with the prior year period as the impact of lower log sales volumes and administrative cost savings was offset by a 5% increase in variable log harvest costs per m³. As a result, Adjusted EBITDA was \$3.9 million compared to \$4.0 million during the first half of 2018 while the Adjusted EBITDA margin of 30% declined marginally.

Financial Position

Our financial position continues to be solid with \$97.4 million of net liquidity as at June 29, 2019, including funds available under our Revolving Facility and the stand-by equity commitment from Brookfield.

As at June 29, 2019, Acadian's balance sheet consisted of total assets of \$484.2 million (December 31, 2018 – \$492.5 million), consisting primarily of timber, land, roads and other fixed assets of \$449.0 million (December 31, 2018 – \$454.0 million), cash and current assets of \$29.0 million (December 31, 2018 – \$32.3 million), and intangible assets of \$6.1 million (December 31, 2018 – \$6.1 million). Timber has been recorded at fair value as determined through an independent third-party appraisal at December 31, 2018 and adjusted for growth estimates and harvest during the first six months of the year. Reforestation costs have been expensed as incurred.

MARKET OUTLOOK

The following contains forward-looking statements about Acadian Timber Corp.'s market outlook for the remainder of 2019. Reference should be made to the section entitled "Cautionary Statement Regarding Forward-Looking Information and Statements" on page 15. 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 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 key markets include softwood sawtimber, hardwood sawtimber and hardwood pulpwood. Northeast North American softwood dimension sawmills represent over one third of Acadian's end-use market and are the primary market for our softwood sawtimber. Well-balanced regional supply demand fundamentals for both Acadian's softwood and hardwood resource segments, combined with deep and diversified end use markets continue to provide support for stable log pricing across our key markets.

A combination of supply-side constraints including tight construction labour markets and restrictive building regulations, an unseasonably cold and wet first half construction season, and affordability challenges have all weighed on housing start activity during the first half of 2019. However, recent solid wage growth performance and the prospect for a near-term rate reduction coupled with favourable underlying demographics supporting household formation growth continue to suggest that modest positive momentum should return in housing construction over the medium term. Recent consensus forecasts now anticipate a modest year-over-year contraction of U.S. housing starts for 2019 of about 1%, followed by a 2-3% increase for 2020. After a slight anticipated decline for 2019, North American lumber consumption is expected to post modest year-over-year growth, supporting a 3-5% increase in sawtimber demand through 2020.

Average Q2 2019 quarterly benchmark Eastern Spruce-Pine-Fir and Southern Yellow Pine lumber prices declined 5% and 7%, respectively, from the prior quarter as lower than expected demand resulted in an inventory build during the quarter. With a return to more normal summer weather patterns, forecasters expect improved demand growth combined with capacity curtailments in Western Canada and the U.S. Pacific Northwest to support a modest recovery in lumber pricing through the fall building season. There was no notable progress in bi-lateral U.S. Canadian lumber trade discussions during the quarter and we continue to expect current duty levels will apply through 2020. We anticipate uncertainty surrounding the trade file will continue to drive higher than normal volatility in lumber prices. As Acadian's regional Northeast sawmill customers continue to run at normal operating rates, we foresee stable sawtimber demand during the second half of 2019 and into 2020.

Acadian's hardwood sawtimber and pulpwood markets remain well balanced with a continued stable outlook for the remainder of the year. Softwood pulpwood markets, Acadian's smallest product segment by volume and margin, continue to gradually improve supported, in part, by the expected restart of a pulp mill during H2 2019 in Maine. While the biomass market in Maine remains weak, the New Brunswick biomass market continues to be supported by steady export demand at attractive prices.

SUPPLEMENTAL INFORMATION

This supplemental information contains information required by applicable continuous disclosure guidelines and is provided to facilitate additional analysis.

Selected Consolidated Quarterly Information

The table below sets forth selected consolidated quarterly information for the current and last seven quarters. See “Additional Quarterly Information” section for the segmented quarterly results.

	2019		2018				2017	
<i>(CAD thousands, except per share data and where indicated)</i>	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Sales volume (000s m ³)	214.0	384.2	323.7	332.0	231.6	419.7	297.6	381.0
Sales	\$ 17,918	\$ 30,938	\$ 24,167	\$ 26,634	\$ 16,099	\$ 32,948	\$ 25,805	\$ 27,238
Adjusted EBITDA ¹	3,038	8,857	4,631	6,059	2,582	8,870	6,005	6,687
Free Cash Flow ¹	2,750	6,490	3,525	5,133	1,997	7,258	4,756	5,302
Net income	5,784	6,182	16,441	5,946	1,888	1,986	12,348	9,702
Per share – basic and diluted	\$ 0.35	\$ 0.37	\$ 0.98	\$ 0.36	\$ 0.11	\$ 0.12	\$ 0.74	\$ 0.58

1. Non-IFRS Measure. See “Non-IFRS Measures” on page 3 of this interim report.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reported period. The critical estimates and judgements applied in preparing Acadian’s consolidated financial statements affect the assessment of net recoverable amounts, net realizable values and fair values, depreciation rates and useful lives, determination of functional currency and the selection of accounting policies.

The critical estimates and judgements made in the preparation of Acadian’s consolidated financial statements include, among other things, future prices and margins, future sales volumes, future harvest rates and sustainable yields, and discount rates utilized in the valuation of Acadian’s timber, roads and land. In making estimates and judgements, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. These estimates and judgements have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties that we believe will materially affect the methodology or assumptions utilized in making these estimates and judgements in these consolidated financial statements. Actual results could differ from those estimates. For further reference on critical accounting policies, see our significant accounting policies contained in Note 2 of Acadian’s 2018 annual report.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Related Party Transactions

In the normal course of operations, the Company enters into various transactions on market terms with related parties which have been measured at the exchange value and recognized in the interim condensed consolidated financial statements. The Company has one significant related party, Brookfield Asset Management Inc., and its affiliates (collectively “Brookfield”).

As at June 29, 2019, Brookfield owned 7,513,262 common shares, representing approximately 45% of the Company’s outstanding shares.

Upon inception, Acadian entered into an agreement with Brookfield whereby Brookfield will provide a number of administrative and advisory services to Acadian. Total fees for services provided in the three and six months ended June 29, 2019 totaled \$0.6 million (2018 – \$0.6 million) and \$1.2 million (2018 - \$1.2 million), respectively. As at June 29, 2019, fees of \$nil (December 31, 2018 – \$0.5 million) remain outstanding.

Further to the related party transactions noted above, the total net receivables due from related parties as at June 29, 2019 is \$41 thousand (December 31, 2018 – \$42 thousand) and net payables due to related parties is \$94 thousand (December 31, 2018 – \$446 thousand). Acadian also has a U.S. \$50 million stand-by-equity commitment with Brookfield available through July 2021.

Contractual Obligations

The Company has no material capital or operating lease obligations, however, it has two significant contractual obligations related to the supply of fibre to Twin Rivers Paper Company (“Twin Rivers”) for periods up to 20 years and the provision of timber services under a Crown License Agreement at the direction of Twin Rivers.

A summary of the Company’s debt obligations is as follows:

<i>(CAD thousands)</i>	Payments Due by Period					
	Total Available	Total	Less Than One Year (2019-2020)	1 to 3 Years (2020-2022)	3 to 5 Years (2023-2025)	After 5 Years (>2025)
Debt						
Term facility ¹	\$ 94,961	\$ 94,961	\$ —	\$ 94,961	\$ —	\$ —
Revolving facility ²	13,098	—	—	—	—	—
	\$ 108,059	\$ 94,961	\$ —	\$ 94,961	\$ —	\$ —
Interest payments ³		\$ 3,573	\$ 2,858	\$ 715	\$ —	\$ —

1. Represents principal of a U.S. dollar denominated term loan with a U.S. to Canadian dollar conversion rate of 1.3098, excluding the unamortized deferred financing costs
2. Represents credit reserved to support the minimum cash balance requirement of the U.S. dollar denominated revolving credit facility with a U.S. to Canadian conversion rate of 1.3098
3. Interest payments are determined assuming a fixed interest rate at 3.01% with a U.S. to Canadian dollar conversion rate of 1.3098

Additional Quarterly Information

The tables below set forth additional quarterly information for the last eight quarters by reportable segment:

NB Timberlands

	2019 Q2			2019 Q1			2018 Q4			2018 Q3		
	Harvest	Sales	Results	Harvest	Sales	Results	Harvest	Sales	Results	Harvest	Sales	Results
	(000s m ³)	(000s m ³)	(\$000s)	(000s m ³)	(000s m ³)	(\$000s)	(000s m ³)	(000s m ³)	(\$000s)	(000s m ³)	(000s m ³)	(\$000s)
Softwood	47.0	61.7	\$ 3,621	140.7	138.9	\$ 8,332	110.7	94.2	\$ 5,242	99.5	98.4	\$5,417
Hardwood	51.5	77.6	6,071	103.7	85.3	6,590	103.1	102.4	7,881	105.0	96.8	7,063
Biomass	30.7	30.7	1,237	43.4	43.4	1,499	56.4	56.4	1,743	58.3	58.3	1,848
	129.2	170.0	10,929	287.8	267.6	16,421	270.2	253.0	14,866	262.8	253.5	14,328
Timber services and other sales			3,520			5,028			3,741			5,792
Sales			\$ 14,449			\$ 21,449			\$ 18,607			\$ 20,120
Adjusted EBITDA ¹			\$ 2,837			\$ 5,762			\$ 4,057			\$ 4,495
Adjusted EBITDA margin ¹			20%			27%			22%			22%

	2018 Q2			2018 Q1			2017 Q4			2017 Q3		
	Harvest	Sales	Results	Harvest	Sales	Results	Harvest	Sales	Results	Harvest	Sales	Results
	(000s m ³)	(000s m ³)	(\$000s)	(000s m ³)	(000s m ³)	(\$000s)	(000s m ³)	(000s m ³)	(\$000s)	(000s m ³)	(000s m ³)	(\$000s)
Softwood	47.2	53.3	\$ 2,930	158.6	157.4	\$ 8,885	103.2	97.1	\$ 5,371	113.0	115.2	\$ 6,265
Hardwood	68.2	81.9	6,467	93.0	83.0	6,566	68.8	66.9	5,111	99.5	103.2	7,396
Biomass	51.1	51.1	1,503	52.9	52.9	1,451	31.6	31.6	549	70.2	70.2	863
	166.5	186.3	10,900	304.5	293.3	16,902	203.6	195.6	11,031	282.7	288.6	14,524
Timber services and other sales			2,017			6,218			7,272			6,100
Sales			\$ 12,917			\$ 23,120			\$ 18,303			\$ 20,624
Adjusted EBITDA ¹			\$ 2,160			\$ 5,857			\$ 4,463			\$ 5,454
Adjusted EBITDA margin ¹			17%			25%			24%			26%

1. Non-IFRS Measure. See "Non-IFRS Measures" on page 3 of this interim report.

Maine Timberlands

	2019 Q2			2019 Q1			2018 Q4			2018 Q3		
	Harvest	Sales	Results	Harvest	Sales	Results	Harvest	Sales	Results	Harvest	Sales	Results
	(000s m ³)	(000s m ³)	(\$000s)	(000s m ³)	(000s m ³)	(\$000s)	(000s m ³)	(000s m ³)	(\$000s)	(000s m ³)	(000s m ³)	(\$000s)
Softwood	26.9	28.0	\$ 1,884	87.2	86.3	\$ 7,036	46.4	46.0	\$3,571	50.0	50.6	\$4,468
Hardwood	12.6	15.9	1,449	30.0	26.9	2,281	19.9	22.3	1,831	24.7	23.2	1,859
Biomass	0.1	0.1	3	3.4	3.4	5	2.4	2.4	4	4.7	4.7	7
	39.6	44.0	3,336	120.6	116.6	9,322	68.7	70.7	5,406	79.4	78.5	6,334
Other sales			133			167			154			180
Sales			\$ 3,469			\$ 9,489			\$ 5,560			\$ 6,514
Adjusted EBITDA ¹			\$ 540			\$ 3,343			\$ 892			\$ 1,914
Adjusted EBITDA margin ¹			16%			35%			16%			29%

	2018 Q2			2018 Q1			2017 Q4			2017 Q3		
	Harvest	Sales	Results	Harvest	Sales	Results	Harvest	Sales	Results	Harvest	Sales	Results
	(000s m ³)	(000s m ³)	(\$000s)	(000s m ³)	(000s m ³)	(\$000s)	(000s m ³)	(000s m ³)	(\$000s)	(000s m ³)	(000s m ³)	(\$000s)
Softwood	25.4	25.3	\$1,914	91.6	91.2	7,321	47.0	46.8	\$3,752	35.0	34.9	\$ 2,592
Hardwood	9.5	13.2	1,156	33.9	30.7	2,254	44.5	49.7	3,620	56.8	50.2	3,799
Biomass	6.8	6.8	11	4.5	4.5	7	5.5	5.5	9	7.3	7.3	11
	41.7	45.3	3,081	130.0	126.4	9,582	97.0	102.0	7,381	99.1	92.4	6,402
Other sales			101			246			121			212
Sales			\$ 3,182			\$ 9,828			\$ 7,502			\$ 6,614
Adjusted EBITDA ¹			\$ 569			\$ 3,464			\$ 2,135			\$ 1,551
Adjusted EBITDA margin ¹			18%			35%			28%			23%

Corporate

	2019 Q2		2019 Q1		2018 Q4		2018 Q3	
		Results		Results		Results		Results
		(\$000s)		(\$000s)		(\$000s)		(\$000s)
Sales		\$ —		\$ —		\$ —		\$ —
Adjusted EBITDA ¹		\$ (339)		\$ (248)		\$ (318)		\$ (350)

	2018 Q2		2018 Q1		2017 Q4		2017 Q3	
		Results		Results		Results		Results
		(\$000s)		(\$000s)		(\$000s)		(\$000s)
Sales		\$ —		\$ —		\$ —		\$ —
Adjusted EBITDA ¹		\$ (147)		\$ (451)		\$ (593)		\$ (318)

1. Non-IFRS Measure. See "Non-IFRS Measures" on page 3 of this interim report.

Cautionary Statement Regarding Forward-Looking Information and Statements

This management discussion and analysis (“MD&A”) 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 MD&A, 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 is included in the Letter to Shareholders which precedes this MD&A and includes statements made in this MD&A in sections entitled “Dividend Policy of the Company,” and “Market Outlook” and without limitation 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 MD&A. All forward-looking statements in this MD&A 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 US 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; Brookfield’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 the Annual Report dated February 13, 2019 and 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 MD&A 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 MD&A are made as of the date of this MD&A, and should not be relied upon as representing Acadian’s views as of any date subsequent to the date of this MD&A. 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.

Interim Condensed Consolidated Statements of Net Income

(unaudited)

	Note	Three Months Ended		Six Months Ended	
		June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
<i>(CAD thousands, except per share data)</i>					
Sales	6	\$ 17,918	\$ 16,099	\$ 48,856	\$ 49,047
Operating costs and expenses					
Cost of sales	6	12,575	11,174	32,496	32,668
Selling, administration and other	6	2,424	2,214	4,623	4,720
Reforestation		374	415	374	422
Depreciation and amortization		72	77	144	161
		15,445	13,880	37,637	37,971
Operating earnings		2,473	2,219	11,219	11,076
Interest expense, net		(970)	(1,003)	(1,979)	(1,961)
Other items					
Fair value adjustments and other		3,112	3,391	1,270	1,266
Unrealized exchange gain / (loss) on long-term debt		1,903	(1,651)	3,937	(3,939)
Gain on sale of timberlands		492	286	531	463
Gain / (loss) on disposal of other fixed assets		1	—	1	(248)
Earnings before income taxes		7,011	3,242	14,979	6,657
Current income tax recovery / (expense)	7	368	96	(1,332)	(1,269)
Deferred income tax expense	7	(1,595)	(1,450)	(1,681)	(1,514)
Net income		\$ 5,784	\$ 1,888	\$ 11,966	\$ 3,874
Net income per share - basic and diluted		\$ 0.35	\$ 0.11	\$ 0.72	\$ 0.23

See accompanying notes to interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Comprehensive Income

(unaudited)

	Three Months Ended		Six Months Ended	
<i>(CAD thousands)</i>	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Net income	\$ 5,784	\$ 1,888	\$ 11,966	\$ 3,874
Other comprehensive income / (loss)				
Items that may be reclassified subsequently to net income:				
Unrealized foreign currency translation (loss) / gain	(2,845)	2,088	(5,947)	5,454
Gain on revaluation of roads and land	(14)	—	(14)	—
Deferred income tax recovery	4	246	4	—
Comprehensive income	\$ 2,929	\$ 4,222	\$ 6,009	\$ 9,328

See accompanying notes to interim condensed consolidated financial statements.

Interim Condensed Consolidated Balance Sheets

(unaudited)

<i>As at</i> <i>(CAD thousands)</i>	Note	June 29, 2019	December 31, 2018
Assets			
Current assets			
Cash and cash equivalents		\$ 20,881	\$ 22,320
Accounts receivable and other assets	5	7,025	7,230
Inventory		1,119	2,756
		29,025	32,306
Timber	9	364,608	367,901
Land, roads and other fixed assets		84,400	86,103
Intangible assets		6,140	6,140
Total assets		\$ 484,173	\$ 492,450
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	5	\$ 5,088	\$ 7,963
Current tax liabilities		1,637	647
Dividends payable to shareholders	8	4,839	4,714
		11,564	13,324
Long-term debt	3	93,421	96,595
Deferred income tax liability		92,483	92,119
Shareholders' equity		286,705	290,412
Total liabilities and shareholders' equity		\$ 484,173	\$ 492,450

See accompanying notes to interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Changes in Equity

(unaudited)

<i>Six Months Ended June 29, 2019</i> <i>(CAD thousands)</i>	Note	Common Share Capital	Retained Earnings	Revaluation Surplus	Currency Translation	Shareholders' Equity
Balance as at December 31, 2018		\$ 139,431	\$ 85,936	\$ 30,272	\$ 34,773	\$ 290,412
Changes in period						
Net income		—	11,966	—	—	11,966
Common shares repurchased under NCIB	4	(37)	—	—	—	(37)
Other comprehensive loss		—	—	(10)	(5,947)	(5,957)
Shareholders' dividends declared	8	—	(9,679)	—	—	(9,679)
Balance as at June 29, 2019		\$ 139,394	\$ 88,223	\$ 30,262	\$ 28,826	\$ 286,705

See accompanying notes to interim condensed consolidated financial statements.

<i>Six Months Ended June 30, 2018</i> <i>(CAD thousands)</i>	Note	Common Share Capital	Retained Earnings	Revaluation Surplus	Currency Translation	Shareholders' Equity
Balance as at December 31, 2017		\$ 140,067	\$ 76,375	\$ 33,877	\$ 23,766	\$ 274,085
Impact of adopting IFRS 9, net of income taxes		—	2,066	—	—	2,066
Adjusted opening balance under IFRS 9		140,067	78,441	33,877	23,766	276,151
Changes in period						
Net income		—	3,874	—	—	3,874
Other comprehensive income		—	—	—	5,454	5,454
Shareholders' dividends declared	8	—	(9,328)	—	—	(9,328)
Balance as at June 30, 2018		\$ 140,067	\$ 72,987	\$ 33,877	\$ 29,220	\$ 276,151

See accompanying notes to interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Cash Flows

(unaudited)

	Three Months Ended		Six Months Ended	
<i>(CAD thousands)</i>	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Cash and cash equivalents provided by (used for):				
Operating activities				
Net income	\$ 5,784	\$ 1,888	\$ 11,966	\$ 3,874
Adjustments to net income:				
Deferred income tax expense	1,595	1,450	1,681	1,514
Depreciation and amortization	72	77	144	161
Fair value adjustments and other	(3,112)	(3,391)	(1,270)	(1,266)
Unrealized exchange (gain) / loss on long-term debt	(1,903)	1,651	(3,937)	3,939
Gain on sale of timberlands	(492)	(286)	(531)	(463)
(Gain) / loss on disposal of other fixed assets	(1)	—	(1)	248
Accretion of long-term debt	269	259	585	507
Net change in non-cash working capital balances and other	355	3,268	(1,035)	(1,050)
	2,567	4,916	7,602	7,464
Financing activities				
Dividends paid to shareholders	(4,840)	(4,601)	(9,554)	(9,202)
Common shares repurchased under NCIB	—	—	(37)	—
	(4,840)	(4,601)	(9,591)	(9,202)
Investing activities				
Additions to timber, land, roads and other fixed assets	(18)	(26)	(18)	(31)
Proceeds from sale of timberlands	527	305	567	497
Proceeds from sale of roads and other fixed assets	1	8	1	187
	510	287	550	653
(Decrease) / increase in cash and cash equivalents during the period	(1,763)	602	(1,439)	(1,085)
Cash and cash equivalents, beginning of period	22,644	22,264	22,320	23,951
Cash and cash equivalents, end of period	\$ 20,881	\$ 22,866	\$ 20,881	\$ 22,866

See accompanying notes to interim condensed consolidated financial statements.

Details of the net change in non-cash working capital balances and other:

	Three Months Ended		Six Months Ended	
<i>(CAD thousands)</i>	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Accounts receivable and other assets	\$ 3,248	\$ 4,894	\$ 205	\$ 4,892
Inventory	2,943	1,488	1,637	425
Accounts payable and accrued liabilities	(2,916)	(2,474)	(2,875)	(8,062)
Current tax liabilities	(1,353)	(96)	990	1,269
Other	(1,567)	(544)	(992)	426
	\$ 355	\$ 3,268	\$ (1,035)	\$ (1,050)

Notes to the Interim Condensed Consolidated Financial Statements

(unaudited) (All figures in Canadian dollars unless otherwise stated)

NOTE 1. GENERAL

Acadian Timber Corp. (the “Company”) is governed by the *Canada Business Corporations Act* pursuant to articles of arrangement dated January 1, 2010. The Company is a reporting issuer and its common shares are publicly traded on the Toronto Stock Exchange under the stock symbol “ADN”. The principal and head office of the Company is located at Suite 1800, 1055 West Georgia Street, Vancouver, British Columbia, V6E 3R5.

The Company and all of its consolidated operations (collectively, “Acadian”), own and manage approximately 761,000 acres of freehold timberlands in New Brunswick (“NB Timberlands”) and approximately 300,000 acres of freehold timberlands in Maine (“Maine Timberlands”) 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 operations are subject to seasonal variations and, as a result, Acadian’s operating results vary from quarter to quarter. Harvesting activity can be compromised by inaccessibility to some sites during wet seasons resulting in decreased harvest levels. Results of one quarter will not be indicative of results that may be achieved in other quarters or for the full year.

As at June 29, 2019, affiliates of Brookfield Asset Management Inc. (collectively “Brookfield”) own 7,513,262 common shares representing approximately 45% of the outstanding common shares of the Company. The ultimate parent of the Company is Brookfield Asset Management Inc.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board and using the accounting policies adopted and disclosed in Note 2 of Acadian’s 2018 annual report. These interim condensed consolidated financial statements should be read in conjunction with Acadian’s 2018 annual report.

These interim condensed consolidated financial statements were authorized for issuance by the Board of Directors of Acadian on July 30, 2019.

Recently Adopted Accounting Policies

International Financial Reporting Standards 16, *Leases* (“IFRS 16”)

IFRS 16, which was issued in January 2016, was adopted by the Company on January 1, 2019 using the full retrospective approach. The Company performed an assessment of its current leases and identified no material capital or operating lease obligations. As a result, adopting this standard did not have a material impact on the interim condensed consolidated financial statements.

NOTE 3. LONG-TERM DEBT

Long-term debt consists of the following:

<i>As at</i> <i>(CAD thousands)</i>	June 29, 2019	December 31, 2018
Term facility, due October 2020	\$ 94,961	\$ 98,897
Less:		
Gain resulting from refinancing, net of accretion	(1,408)	(2,118)
Deferred debt issuance costs	(132)	(184)
Total	\$ 93,421	\$ 96,595

Acadian has U.S. dollar-denominated credit facilities with Metropolitan Life Insurance Company, which will mature on October 1, 2020. These credit facilities include a revolving credit facility of US\$10.0 million (the “Revolving Facility”) for general corporate purposes and a term credit facility of US\$72.5 million (the “Term Facility”). The Term Facility bears interest at a fixed rate of 3.01%. The Revolving Facility bears interest at floating rates based on the 90-day LIBOR plus applicable margin. Floating interest rates give rise to interest rate risk as earnings and cash flows may be negatively impacted by fluctuations in interest rates.

As at June 29, 2019 and December 31, 2018, Acadian had borrowed US\$72.5 million under the Term Facility and \$nil under the Revolving Facility; however, US\$1.6 million of the Revolving Facility is reserved to support the minimum cash balance requirement of the Term Facility. As security for these facilities, Acadian granted the lenders a security interest over all of its assets. The facilities are subject to customary terms and conditions for borrowers of this nature, including limits on incurring additional indebtedness and granting liens or selling assets without the consent of the lenders. The credit facilities are also subject to the maintenance of a maximum loan-to-value ratio. Acadian is in compliance with all covenants as at June 29, 2019 and December 31, 2018.

The fair value of the Term Facility as at June 29, 2019 is \$94.7 million (December 31, 2018 – \$98.2 million). The fair value of debt is determined using the discounted cash flow approach and is measured under Level 2 of the fair value hierarchy. Future cash flows are estimated based on the terms under the Term Facility and discounted at a rate reflecting appropriate market fundamentals relating to the debt.

NOTE 4. SHAREHOLDERS' EQUITY

Acadian is authorized to issue an unlimited number of common shares. The common shares have no stated par value. As of March 2, 2017, Acadian implemented a normal course issuer bid (“NCIB”) that permits the Company to acquire shares under certain circumstances if they become available. During the six months ended June 29, 2019, the Company repurchased and cancelled 1,500 common shares under the NCIB at an average price of \$15.16 per share for total consideration of \$23 thousand and made a payment of \$14 thousand related to the finalization of 2018 purchases. Common shares issued and outstanding are as follows:

	June 29, 2019	December 31, 2018
Outstanding, beginning of year	16,688,416	16,731,216
Purchased under NCIB	(1,500)	(42,800)
Outstanding, end of period	16,686,916	16,688,416
Weighted average shares outstanding	16,686,933	16,728,823

NOTE 5. RELATED PARTY TRANSACTIONS

In the normal course of operations, the Company enters into various transactions on market terms with related parties, which have been measured at the exchange value and recognized in the interim condensed consolidated financial statements. The Company has one significant related party, Brookfield.

As at June 29, 2019, Brookfield owned 7,513,262 common shares, representing approximately 45% of the Company's outstanding shares.

Upon inception, Acadian entered into an agreement with Brookfield whereby Brookfield will provide a number of administrative and advisory services to Acadian. Total fees for services provided in the three and six months ended June 29, 2019 totaled \$0.6 million (2018 – \$0.6 million) and \$1.2 million (2018 – \$1.2 million), respectively. As at June 29, 2019, fees of \$nil (December 31, 2018 – \$0.5 million) remain outstanding.

Further to the related party transactions noted above, the total net receivables due from related parties as at June 29, 2019 is \$41 thousand (December 31, 2018 – \$42 thousand) and net payables due to related parties is \$94 thousand (December 31, 2018 – \$446 thousand). Acadian also has a US\$50 million stand-by-equity commitment with Brookfield available through July 2021.

NOTE 6. SEGMENTED INFORMATION

Acadian's presentation of reportable segments is based on how management has organized the business in making operating and capital allocation decisions and assessing performance. Acadian has two operating segments, the NB Timberlands and Maine Timberlands. Timber sales are recognized upon harvest and delivery of the softwood and hardwood timber or biomass to the customer and timber services are recognized when the service provided to the customer has been completed. Net sales, net income, assets and liabilities by reportable segments are as follows:

<i>Three Months Ended June 29, 2019</i> <i>(CAD thousands)</i>	Total	NB Timberlands	Maine Timberlands	Corporate and Other
Sales				
Softwood	\$ 5,505	\$ 3,621	\$ 1,884	\$ —
Hardwood	7,520	6,071	1,449	—
Biomass	1,240	1,237	3	—
Timber services and other sales	3,653	3,520	133	—
Total sales	17,918	14,449	3,469	—
Operating costs	(14,999)	(11,483)	(3,178)	(338)
Reforestation	(374)	(374)	—	—
Depreciation and amortization	(72)	(43)	(29)	—
Operating earnings / (loss)	2,473	2,549	262	(338)
Gain on sale of timberlands	492	243	249	—
Gain on disposal of other fixed assets	1	—	1	—
Fair value adjustments and other	3,112	2,050	1,218	(156)
Earnings / (loss) before the undernoted	6,078	4,842	1,730	(494)
Unrealized exchange gain on long-term debt	1,903			
Interest expense, net	(970)			
Earnings before income taxes	7,011			
Current income tax recovery	368			
Deferred income tax expense	(1,595)			
Net income	\$ 5,784			
<i>As at June 29, 2019</i> <i>(CAD thousands)</i>	Total	NB Timberlands	Maine Timberlands	Corporate and Other
Timber, land, roads and other fixed assets and intangible assets	\$ 455,148	\$ 287,028	\$ 168,120	\$ —
Total assets	484,173	299,085	174,773	10,315
Total liabilities	\$ 197,468	\$ 3,574	\$ 32,821	\$ 161,073

(unaudited) (All figures in Canadian dollars unless otherwise stated)

<i>Three Months Ended June 30, 2018</i> <i>(CAD thousands)</i>	Total	NB Timberlands	Maine Timberlands	Corporate and Other
Sales				
Softwood	\$ 4,844	\$ 2,930	\$ 1,914	\$ —
Hardwood	7,623	6,467	1,156	—
Biomass	1,514	1,503	11	—
Timber services and other sales	2,118	2,017	101	—
Total sales	16,099	12,917	3,182	—
Operating costs	(13,388)	(10,354)	(2,887)	(147)
Reforestation	(415)	(402)	(13)	—
Depreciation and amortization	(77)	(50)	(27)	—
Operating earnings / (loss)	2,219	2,111	255	(147)
Gain on sale of timberlands	286	—	286	—
Fair value adjustments and other	3,391	2,122	970	299
Earnings before the undernoted	5,896	4,233	1,511	152
Unrealized exchange loss on long-term debt	(1,651)			
Interest expense, net	(1,003)			
Earnings before income taxes	3,242			
Current income tax recovery	96			
Deferred income tax expense	(1,450)			
Net income	\$ 1,888			

<i>As at June 30, 2018</i> <i>(CAD thousands)</i>	Total	NB Timberlands	Maine Timberlands	Corporate and Other
Timber, land, roads and other fixed assets and intangible assets	\$ 432,763	\$ 283,261	\$ 149,502	\$ —
Total assets	462,545	291,744	152,582	18,219
Total liabilities	186,394	3,411	26,743	156,240

<i>Six Months Ended June 29, 2019</i> <i>(CAD thousands)</i>	Total	NB Timberlands	Maine Timberlands	Corporate and Other
Sales				
Softwood	\$ 20,873	\$ 11,953	\$ 8,920	\$ —
Hardwood	16,391	12,661	3,730	—
Biomass	2,744	2,736	8	—
Timber services and other sales	8,848	8,548	300	—
Total sales	48,856	35,898	12,958	—
Operating costs	(37,119)	(27,169)	(9,363)	(587)
Reforestation	(374)	(374)	—	—
Depreciation and amortization	(144)	(87)	(57)	—
Operating earnings / (loss)	11,219	8,268	3,538	(587)
Gain on sale of timberlands	531	243	288	—
Gain on disposal of other fixed assets	1	—	1	—
Fair value adjustments and other	1,270	1,754	(185)	(299)
Earnings / (loss) before the undernoted	13,021	10,265	3,642	(886)
Unrealized exchange gain on long-term debt	3,937			
Interest expense, net	(1,979)			
Earnings before income taxes	14,979			
Current income tax expense	(1,332)			
Deferred income tax expense	(1,681)			
Net income	\$ 11,966			

(unaudited) (All figures in Canadian dollars unless otherwise stated)

Six Months Ended June 30, 2018 (CAD thousands)	Total	NB Timberlands	Maine Timberlands	Corporate and Other
Net sales				
Softwood	\$ 21,050	\$ 11,815	\$ 9,235	\$ —
Hardwood	16,443	13,033	3,410	—
Biomass	2,972	2,954	18	—
Timber services and other sales	8,582	8,235	347	—
Total sales	49,047	36,037	13,010	—
Operating costs	(37,388)	(27,615)	(9,175)	(598)
Reforestation	(422)	(404)	(18)	—
Depreciation and amortization	(161)	(100)	(61)	—
Operating earnings / (loss)	11,076	7,918	3,756	(598)
Gain on sale of timberlands	463	—	463	—
Loss on disposal of roads and other fixed assets	(248)	—	(248)	—
Fair value adjustments and other	1,266	1,631	(770)	405
Earnings / (loss) before the under noted	12,557	9,549	3,201	(193)
Unrealized exchange loss on long-term debt	(3,939)			
Interest expense, net	(1,961)			
Earnings before income taxes	6,657			
Current income tax expense	(1,269)			
Deferred income tax expense	(1,514)			
Net income	\$ 3,874			

During the three months ended June 29, 2019, approximately 41% of total sales (2018 – 49%) were originated with customers domiciled in the U.S. and the balance in Canada. During the same period, approximately 33% of total sales (2018 – 32%) were denominated in U.S. dollars.

Acadian outsources much of its harvesting, transportation and other services that comprise the majority of Acadian's cost of sales. For the three months ended June 29, 2019, Acadian's top three suppliers accounted for approximately 15%, 9% and 9%, respectively, of Acadian's total harvesting and delivery costs (2018 – 19%, 12% and 9%, respectively).

Acadian sells its products to many forest product companies in North America. For the three months ended June 29, 2019, sales to the largest and next largest customer accounted for 20% and 12%, respectively, of Acadian's total sales (2018 – 24% and 12%, respectively).

NOTE 7. INCOME TAXES

The major components of income taxes recognized in profit or loss are as follows:

<i>Three Months Ended</i> <i>(CAD thousands)</i>	Three months ended		Six months ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Income tax expense				
Income taxes at statutory rate	\$ 2,035	\$ 940	\$ 4,346	\$ 1,931
Foreign tax rate differential	(17)	(14)	(36)	(31)
Permanent differences	(566)	(21)	(816)	349
(Benefit) / expense of previously unrecognized tax attributes	(222)	470	(478)	554
Other	(3)	(21)	(3)	(20)
Total income tax expense	\$ 1,227	\$ 1,354	\$ 3,013	\$ 2,783

NOTE 8. DIVIDENDS TO SHAREHOLDERS

Acadian pays quarterly dividends to the extent determined prudent by the Board of Directors.

Total dividends declared for the three months ended June 29, 2019 were \$4.8 million (2018 – \$4.7 million) or \$0.29 per share (2018 – \$0.2825 per share).

NOTE 9. TIMBER

<i>(CAD thousands)</i>	
Fair value as at December 31, 2017	\$ 330,879
Disposals	(47)
Gains arising from growth	31,021
Reduction arising from harvest	(28,589)
Gain from fair value price and other changes	24,541
Foreign exchange	10,096
Balance as at December 31, 2018	\$ 367,901
Disposals	(4)
Gains arising from growth	15,315
Reduction arising from harvest	(13,156)
Foreign exchange	(5,448)
Balance as at June 29, 2019	\$ 364,608

Board and Management

Corporate and Shareholder Information

BOARD OF DIRECTORS MANAGEMENT

Phil Brown
*Executive Managing
Director of Partner
Recruitment
Momentum Search Group*

Reid Carter
Corporate Director

Malcolm Cockwell
*Managing Director
Haliburton Forest*

Bruce Robertson
*Vice President
The Woodbridge Company
Limited*

Karen Oldfield
*President and CEO
Halifax Port Authority*
**Appointed on May 9, 2019*

Acadian Timber Corp.'s
Manager:
Brookfield Timberlands
Management LP

Mark Bishop
*President and
Chief Executive Officer
of Acadian and Managing
Director of the Manager*

Matthew Gross
*Chief Financial Officer
of Acadian and Vice
President, Finance of the
Manager*

Luc Ouellet
*Senior Vice President,
Operations*

Ben Vaughan
*Managing Partner
Brookfield Asset
Management Inc.*

Saul Shulman
*Chief Executive Officer
MLG Management Inc.*
**Retired on May 8, 2019*

HEAD OFFICE OF THE MANAGER

Brookfield Timberlands Management LP
(wholly-owned subsidiary of Brookfield Asset Management Inc.)
Suite 1800 – 1055 West Georgia Street, PO Box 11179, Royal Centre
Vancouver, B.C. V6E 3R5
Please direct your inquiries to:
Kate White
Investor Relations and Communications
t. 416.956.5183 f. 416.365.9642
e. kwhite@acadiantimber.com

TRANSFER AGENT AND REGISTRAR

Shareholder inquiries relating to dividends, address changes and
shareholder account information should be directed to the Company's
transfer agent:

AST Trust Company (Canada)
P.O. Box 700, Station A
Montreal, QC H3B 3K3
t. 1.800.387.0825 (toll free in North America)
f. 1.888.249.6189
e. inquiries@astfinancial.com
www.astfinancial.com/ca-en

SHARE INFORMATION

Toronto Stock Exchange: ADN
Fully Diluted Shares Outstanding (June 29, 2019): 16,686,916
Targeted 2019 Quarterly Dividend: \$0.29 per share
Record Date: Last business day of each quarter
Payment Date: On or about the 15th day of each subsequent month

www.acadiantimber.com

This management discussion and analysis ("MD&A") 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 MD&A, 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 is included in the Letter to Shareholders which precedes this MD&A and includes statements made in this MD&A in sections entitled "Dividend Policy of the Company," and "Market Outlook" and without limitation 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 MD&A. All forward-looking statements in this MD&A 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 US 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; Brookfield'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 the Annual Report dated February 13, 2019 and 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 MD&A 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 MD&A are made as of the date of this MD&A, and should not be relied upon as representing Acadian's views as of any date subsequent to the date of this MD&A. 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.



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