



News Release

Investors, analysts and other interested parties can access Acadian Timber Corp.'s 2017 Second Quarter Results conference call via webcast on Thursday, July 27, 2017 at 1:00 p.m. ET at www.acadiantimber.com or via teleconference at 1-800-319-4610, toll free in North America. For overseas calls please dial +1-604-638-5340, at approximately 12:50 p.m. ET. The recorded teleconference rebroadcast can be accessed at 1-800-319-6413 or +1-604-638-9010 and enter passcode 2826.

ACADIAN TIMBER CORP. REPORTS SECOND QUARTER RESULTS AND CHANGES TO MANAGEMENT TEAM

All figures in Canadian dollars unless otherwise noted

Vancouver, BRITISH COLUMBIA – July 26, 2017 – Acadian Timber Corp. (“Acadian” or the “Company”) (TSX:ADN) today reported financial and operating results¹ for the three months ended June 24, 2017 (the “second quarter”).

“Acadian’s second quarter benefited from favourable winter conditions which supported strong seasonal log production”, said Mark Bishop, Chief Executive Officer of Acadian. “Acadian continues to experience strong regional demand for hardwood logs and the outlook for softwood sawtimber continues to be supported by steady growth in U.S. housing starts and residential home improvement.”

Acadian continued to perform well and recorded solid results for the second quarter. In the quarter, we generated Adjusted EBITDA¹ of \$2.6 million, benefiting from strong seasonal demand, favorable operating conditions, and higher and better use land sales in Maine. However, this was lower than the \$3.3 million generated in the prior year period. While log sales volumes and the weighted average log selling price for the quarter were largely consistent year-over-year, operating costs increased primarily due to an increase in average haul distances.

Total shareholder dividends during the first half of 2017 were \$0.55 per share or \$9.2 million, representing a 10% increase over the same period of 2016 and a payout ratio of 98% which is relatively consistent with our long term target of 95%.

¹ This news release makes reference to Adjusted EBITDA, Adjusted EBITDA margin and Free Cash Flow which are key performance measures in evaluating Acadian’s operations and are important in enhancing investors’ understanding of Acadian’s operating performance. Acadian’s management defines Adjusted EBITDA as earnings before interest, taxes, fair value adjustments, recovery of or impairment of land and roads, 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). 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, Adjusted EBITDA margin and Free Cash Flow.

Management Team Changes

Acadian announced today that Mr. Wyatt Hartley will be leaving the position of Chief Financial Officer effective July 27, 2017 to take on new responsibilities within Brookfield Asset Management. Mr. Hartley has been a member of the senior management of Acadian since his initial appointment as Chief Financial Officer in 2016. “The entire management team would like to thank Mr. Hartley for his hard work, dedication and significant contributions to Acadian and wish him the best in his new endeavors” commented Mr. Bishop. Effective July 27, 2017, Ms. Mabel Wong will replace Mr. Hartley as Acadian's Senior Vice-President and Chief Financial Officer. Ms. Wong has been a key member of Brookfield's team for the past ten years and has held a number of senior finance roles within the organization. Ms. Wong is a Chartered Accountant and worked at one of the big four accounting firms prior to joining Brookfield.

Review of Operations

Financial and Operating Highlights

	Three Months Ended		Six Months Ended	
	June 24 2017	June 25 2016	June 24 2017	June 25 2016
<i>(CAD thousands, except per share information)</i>				
Sales volume (000s m ³)	217.4	208.9	573.4	510.5
Net sales	\$ 12,630	\$ 13,656	\$ 35,702	\$ 35,103
Net income	4,011	5,830	8,769	10,172
Adjusted EBITDA	2,622	3,301	10,652	10,345
Free Cash Flow	2,034	2,743	9,422	8,913
Dividends declared	4,601	4,183	9,202	8,366
Payout ratio	226%	152%	98%	94%
Per share – basic and diluted				
Net income	\$ 0.24	\$ 0.35	\$ 0.52	\$ 0.61
Free Cash Flow	0.12	0.16	0.56	0.53
Dividends declared	0.27	0.25	0.55	0.50

For the second quarter of 2017, Acadian generated net sales of \$12.6 million compared to \$13.7 million in the prior year primarily due to lower selling prices for biomass products. Total log sales volumes increased 1% compared to the prior year, driven by a 30% increase in hardwood pulpwood sales volumes resulting from favourable spring harvest conditions, which was largely offset by the impact of a softwood sawlog inventory management program at one of the operation's major customers that was not in place in the current year. The weighted average log selling price remained flat as the benefits from a favourable change in mix and foreign currency were offset by weaker pricing for hardwood products.

Adjusted EBITDA margin decreased to 21% from 24% in the prior year as higher operating costs due to longer average haul distances were only partially offset by the contribution from higher and better use (HBU) land sales in Maine.

Acadian traditionally 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.

Net income for the second quarter totaled \$4.0 million, or \$0.24 per share, compared to \$5.8 million, or \$0.35 per share, respectively for the same period in 2016. The decrease is primarily

due to lower Adjusted EBITDA as described above and a lower foreign exchange gain from the revaluation of long-term debt.

During the first half of 2017, Acadian's net sales were \$35.7 million, reflecting a slight improvement over the same prior year period of \$35.1 million, primarily attributed to an 11% increase in log sales volumes from favourable harvest conditions, particularly for spruce and fir stands. The impact of this increase was partially offset by a 4% decrease in the weighted average log selling price driven by a change in product mix and weaker pricing for hardwood products. Adjusted EBITDA improved to \$10.7 million from \$10.3 million in the first half of 2016 while Adjusted EBITDA margin improved to 30% from 29%. For the six months ended June 24, 2017, net income was \$8.8 million, or \$0.52 per share, which represents a decrease of \$1.4 million over the same period in 2016 primarily due to lower foreign exchange revaluation gains from long-term debt, partially offset by lower deferred tax expense.

Acadian's financial position continues to be solid with \$98.0 million of net liquidity as at June 24, 2017, including funds available under the Company's Revolving Facility and the stand-by equity commitment from Brookfield.

Total shareholder dividends during the first half of 2017 were \$0.55 per share or \$9.2 million, representing a 10% increase over the same period of 2016 (\$0.50 per share or \$8.4 million).

New Brunswick Timberlands

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

	<i>Three Months Ended June 24, 2017</i>			<i>Three Months Ended June 25, 2016</i>		
	<i>Harvest (000s m³)</i>	<i>Sales (000s m³)</i>	<i>Results (\$000s)</i>	<i>Harvest (000s m³)</i>	<i>Sales (000s m³)</i>	<i>Results (\$000s)</i>
Softwood	27.8	39.4	\$ 2,038	35.4	65.5	\$ 3,588
Hardwood	62.0	92.1	7,186	49.5	76.6	6,475
Biomass	39.3	39.3	783	40.8	40.8	1,561
	129.1	170.8	10,007	125.7	182.9	11,624
Other sales			(223)			116
Net sales			\$ 9,784			\$ 11,740
Adjusted EBITDA			\$ 2,028			\$ 3,887
Adjusted EBITDA margin			21%			33%

	<i>Six Months Ended June 24, 2017</i>			<i>Six Months Ended June 25, 2016</i>		
	<i>Harvest (000s m³)</i>	<i>Sales (000s m³)</i>	<i>Results (\$000s)</i>	<i>Harvest (000s m³)</i>	<i>Sales (000s m³)</i>	<i>Results (\$000s)</i>
Softwood	163.1	165.9	\$ 9,296	146.4	146.0	\$ 7,947
Hardwood	177.3	186.8	14,788	159.1	166.6	14,034
Biomass	84.6	84.6	1,748	74.1	74.1	2,899
	425.0	437.3	25,832	379.6	386.7	24,880
Other sales			265			791
Net sales			\$ 26,097			\$ 25,671
Adjusted EBITDA			\$ 8,156			\$ 8,845
Adjusted EBITDA margin			31%			34%

Three months ended June 24, 2017:

Net sales totaled \$9.8 million compared to \$11.7 million for the same period last year. Excluding biomass, log sales volumes decreased 7% to 132 thousand m³ from 142 thousand m³ in the prior year, as softwood sawlog sales were impacted by an inventory management program with one of the operation's major customers that was not in place in the current year. This was partially offset by the benefit from increased demand for hardwood pulpwood primarily reflecting the sale of inventory which was at higher than normal levels at the beginning of the quarter due to favourable winter harvest conditions.

The weighted average log selling price for the quarter was \$70.13 per m³, compared to \$70.84 per m³ in the prior year as strength in softwood sawlog selling prices and the benefit of sales mix was offset by weaker pricing for hardwood products.

Continued strong local demand for biomass products resulted in sales volumes remaining largely in-line with the same period of 2016. Overall, the gross margin earned on our biomass products decreased 55% compared to the second quarter of 2016 reflecting limited export markets for products.

Adjusted EBITDA and costs for the quarter were \$2.0 million and \$7.8 million, respectively, compared to \$3.9 million and \$7.8 million, respectively, in the second quarter of 2016 primarily due to the aforementioned absence of the inventory management program, as well as an increase in variable costs per m³ due to longer average haul distances. As a result, Adjusted EBITDA margin for the quarter decreased to 21% from 33% in the prior year.

Six months ended June 24, 2017:

Net sales of \$26.1 million, which increased \$0.4 million compared to the same period last year, benefited from a 13% increase in log sales volumes, which was partially offset by the impact of lower selling prices. Costs were \$17.9 million, or \$1.0 million higher than the prior year due to the aforementioned increase in sales volumes. As a result, Adjusted EBITDA was \$8.2 million, a decrease of \$0.6 million compared to the same period last year, while Adjusted EBITDA margin decreased to 31% from 34%.

Safety

There were no recordable safety incidents among employees and contractors during the second quarter of 2017.

Maine Timberlands

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

	<i>Three Months Ended June 24, 2017</i>			<i>Three Months Ended June 25, 2016</i>		
	Harvest <i>(000s m³)</i>	Sales <i>(000s m³)</i>	Results <i>(\$000s)</i>	Harvest <i>(000s m³)</i>	Sales <i>(000s m³)</i>	Results <i>(\$000s)</i>
Softwood	16.6	16.5	\$ 1,155	11.8	11.6	\$ 776
Hardwood	13.8	19.5	1,544	8.6	11.8	984
Biomass	10.6	10.6	16	2.6	2.6	16
	41.0	46.6	2,715	23.0	26.0	1,776
Other sales			131			140
Net sales			\$ 2,846			\$ 1,916
Adjusted EBITDA			\$ 909			\$ (167)
Adjusted EBITDA margin			32%			(9%)

	<i>Six Months Ended June 24, 2017</i>			<i>Six Months Ended June 25, 2016</i>		
	Harvest <i>(000s m³)</i>	Sales <i>(000s m³)</i>	Results <i>(\$000s)</i>	Harvest <i>(000s m³)</i>	Sales <i>(000s m³)</i>	Results <i>(\$000s)</i>
Softwood	79.4	79.1	\$ 5,906	77.0	76.5	\$ 5,918
Hardwood	43.2	45.2	3,436	38.4	39.2	3,282
Biomass	11.8	11.8	18	8.1	8.1	53
	134.4	136.1	9,360	123.5	123.8	9,253
Other sales			245			179
Net sales			\$ 9,605			\$ 9,432
Adjusted EBITDA			\$ 3,065			\$ 2,114
Adjusted EBITDA margin			32%			22%

Three months ended June 24, 2017:

Net sales totaled \$2.8 million compared to \$1.9 million for the same period last year, as log sales volumes increased 54% to 36 thousand m³ from 23 thousand m³. This increase was driven primarily by favourable spring harvest conditions relative to the same quarter of 2016.

The weighted average log selling price in Canadian dollar terms was \$74.84 per m³, compared to \$74.97 per m³ in the same period of 2016. The weighted average log selling price in U.S. dollar terms was \$55.67 per m³, down 4% year-over-year as softwood sawlog prices declined 9% primarily from weak demand for our customers' softwood residuals while hardwood pulp prices stabilized as demand strengthened with customers replenishing inventories which were higher than normal during the first quarter.

Costs for the second quarter were \$2.9 million, compared to \$2.1 million during the same period in 2016, due to higher sales volumes while variable costs per m³ increased due to longer average haul distances. Adjusted EBITDA for the quarter was \$0.9 million, compared to a loss of \$0.2 million in the prior year while Adjusted EBITDA margin increased to 32% from (9)% due primarily to the benefit of HBU land sales.

Six months ended June 24, 2017:

Net sales were \$9.6 million, or \$0.2 million higher than the first half of 2016, primarily from a 7% increase in log sales volumes due to favourable spring harvest conditions, while weighted average log selling prices decreased 5% due to high customer inventories earlier in the year. Costs were \$8.0 million, or \$0.6 million higher than during the same period of 2016 largely due to higher sales volumes and longer average haul distances. Adjusted EBITDA was \$3.1 million,

an increase of \$1.0 million compared to the same period last year, while Adjusted EBITDA margin increased to 32% from 22% primarily driven by the benefit of HBU land sales.

Safety

There were no recordable safety incidents among employees or contractors during the second quarter of 2017.

Freehold Timberlands

Maine Timberlands invested \$0.5 million during the first six months of 2017 on approximately 1,200 acres of freehold timberlands to eliminate third party common and undivided ownership interests which will strengthen our regional operating position.

Market Outlook

The following contains forward-looking statements about Acadian Timber Corp.'s market outlook for the remainder of fiscal 2017. Reference should be made to the "Forward-looking 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 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. While sluggish wage growth, tight construction labor markets and potential further Fed rate increases continue to represent risks to growth in U.S. housing starts, the underlying fundamental driver of pent-up household formation continues to strengthen. Economic forecasters continue to call for steady growth in housing starts, with year-over-year improvements averaging 5% for 2017 and over 8% for 2018. Residential home improvements are also expected to remain strong. As a result, demand growth expectations for North American sawtimber remain in the 3% per year range over the next few years to support expanding domestic construction needs.

As anticipated, lumber prices continued to be volatile during the second quarter primarily reflecting anticipation and the declaration of preliminary duty levels and producer and wholesaler efforts to manage inventories during this highly uncertain period. Following the announcement in April of preliminary countervailing duties (CVD) averaging 19.9%, average preliminary anti-dumping duties (ADD) of 6.9% were announced at the end of the second quarter. Notably, the U.S. Department of Commerce (DoC) also announced at the end of the quarter that all Atlantic provinces with the exception of New Brunswick would be excluded from duty investigation, a significant departure from past disputes. Historically, Canadian Atlantic lumber producers from all provinces experienced lower relative CVD & ADD duties than the rest of Canada and were ultimately exempted in past negotiated settlements due to the significantly greater proportion of wood supply from private timberland sources.

Subsequent to the DoC ADD announcement, industry press reports revealed that a preliminary framework for a negotiated market share-based 10 year settlement has been agreed to between Canadian and U.S. government officials. At this time, however, there is little visibility on a definitive final agreement being reached and, importantly, how Canadian officials would apportion market share restrictions across Canadian provincial lumber producers, and in fact

whether the entire Atlantic region will again be exempted from any final settlement as in the past.

We highlight that in past cycles during periods of strong U.S. lumber demand, duties imposed against Canadian softwood lumber producers are more easily passed through to U.S. buyers in the form of higher prices. Despite media headlines on the softwood dispute, given the current robust U.S. housing market and positive near term drivers of housing starts and home improvements noted above, we would not anticipate any material negative impact on Acadian's business.

Hardwood sawtimber markets remain strong and stable and are unaffected by U.S. trade initiatives. We remain encouraged that hardwood pulpwood markets remain historically strong, and that Acadian continues to be a preferred partner for hardwood fibre supply to this important market segment. Acadian's domestic biomass markets appear to have stabilized, although the anticipated recovery in export shipments from our New Brunswick operations has been delayed into 2018. Additionally, we expect that the Maine recreational real estate market will remain favourable through the year and therefore anticipate conditions will support the sale of additional properties throughout the remainder of 2017.

Quarterly Dividend

Acadian is pleased to announce a dividend of \$0.275 per share, payable on October 13, 2017 to shareholders of record on September 30, 2017.

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 the third largest timberland operator in New Brunswick and Maine.

Acadian owns and manages approximately 1.1 million acres of freehold timberlands in New Brunswick and Maine, and provides management services relating to approximately 1.3 million acres of Crown licensed timberlands in New Brunswick. Acadian also owns and operates a forest nursery in Third Falls, New Brunswick. Acadian's products include softwood and hardwood sawlogs, pulpwood and biomass by-products, sold to approximately 100 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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Forward-Looking Statements

This News Release 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 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 statements may contain such words as "may," "will," "intend," "should," "expect," "believe," "outlook," "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; 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 each of the Annual Information Form dated March 29, 2017 and the Management Information Circular dated March 29, 2017, 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: 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 Consolidated Statements of Net Income
(unaudited)

	Three Months Ended		Six Months Ended	
	June 24 2017	June 25 2016	June 24 2017	June 25 2016
<i>(CAD thousands)</i>				
Net sales	\$ 12,630	\$ 13,656	\$ 35,702	\$ 35,103
Operating costs and expenses				
Cost of sales	8,868	8,561	22,815	21,647
Selling, administration and other	1,700	1,660	3,292	3,070
Reforestation	398	134	398	134
Depreciation and amortization	77	122	155	247
	11,043	10,477	26,660	25,098
Operating earnings	1,587	3,179	9,042	10,005
Interest expense, net	(744)	(723)	(1,491)	(1,453)
Other items				
Fair value adjustments	2,764	2,674	1,289	1,903
Unrealized exchange gain on long-term debt	790	1,935	1,255	6,054
Gain on sale of timberlands	958	—	1,455	93
Earnings before income taxes	5,355	7,065	11,550	16,602
Current income tax (expense) / recovery	(120)	154	(267)	(1)
Deferred income tax expense	(1,224)	(1,389)	(2,514)	(6,429)
Net income	\$ 4,011	\$ 5,830	\$ 8,769	\$ 10,172
Net income per share – basic and diluted	\$ 0.24	\$ 0.35	\$ 0.52	\$ 0.61

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

	Three Months Ended		Six Months Ended	
	June 24 2017	June 25 2016	June 24 2017	June 25 2016
<i>(CAD thousands)</i>				
Net income	\$ 4,011	\$ 5,830	\$ 8,769	\$ 10,172
Other comprehensive loss				
Items that may be reclassified subsequently to net income:				
Unrealized foreign currency translation loss	(847)	(2,758)	(1,376)	(8,322)
Comprehensive income	\$ 3,164	\$ 3,072	\$ 7,393	\$ 1,850

Acadian Timber Corp.
Interim Consolidated Balance Sheets
(unaudited)

<i>As at</i> <i>(CAD thousands)</i>	June 24, 2017	December 31, 2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 20,643	\$ 19,654
Accounts receivable and other assets	6,278	6,952
Inventory	1,232	2,149
	28,153	28,755
Timber	328,949	328,477
Land, roads and other fixed assets	91,385	91,206
Intangible assets	6,140	6,140
	\$ 454,627	\$ 454,578
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 4,477	\$ 3,529
Dividends payable to shareholders	4,601	4,183
	9,078	7,712
Long-term debt	95,864	97,066
Deferred income tax liability	83,643	81,949
Shareholders' equity	266,042	267,851
	\$ 454,627	\$ 454,578

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

	Three Months Ended		Six Months Ended	
	June 24	June 25	June 24	June 25
<i>(CAD thousands)</i>	2017	2016	2017	2016
Cash provided by / (used for):				
Operating activities				
Net income	\$ 4,011	\$ 5,830	\$ 8,769	\$ 10,172
Adjustments to net income:				
Deferred income tax expense	1,224	1,389	2,514	6,429
Depreciation and amortization	77	122	155	247
Fair value adjustments	(2,764)	(2,674)	(1,289)	(1,903)
Unrealized exchange gain on long term debt	(790)	(1,935)	(1,255)	(6,054)
Interest expense, net	744	723	1,491	1,453
Interest paid, net	(717)	(695)	(1,438)	(1,399)
Gain on sale of timberlands	(958)	—	(1,455)	(93)
Other, net	(1,250)	(2,021)	(457)	(986)
Net change in non-cash working capital	2,479	1,756	2,538	1,506
	2,056	2,495	9,573	9,372
Financing activities				
Dividends paid to shareholders	(4,601)	(4,183)	(8,784)	(8,366)
	(4,601)	(4,183)	(8,784)	(8,366)
Investing activities				
Additions to timber, land, roads and other fixed assets	(504)	(17)	(618)	(34)
Acquisition of Katahdin Timberlands LLC	—	—	(1,276)	—
Proceeds from sale of timberlands	1,257	—	2,094	95
	753	(17)	200	61
(Decrease) / increase in cash and cash equivalents during the period	(1,792)	(1,705)	989	1,067
Cash and cash equivalents, beginning of period	22,435	20,488	19,654	17,716
Cash and cash equivalents, end of period	\$ 20,643	\$ 18,783	\$ 20,643	\$ 18,783

Reconciliations to Adjusted EBITDA and Free Cash Flow

	Three Months Ended		Six Months Ended	
	June 24 2017	June 25 2016	June 24 2017	June 25 2016
<i>(CAD thousands)</i>				
Net income	\$ 4,011	\$ 5,830	\$ 8,769	\$ 10,172
Add / (deduct):				
Interest expense, net	744	723	1,491	1,453
Current income tax expense / (recovery)	120	(154)	267	1
Deferred income tax expense	1,224	1,389	2,514	6,429
Depreciation and amortization	77	122	155	247
Fair value adjustments	(2,764)	(2,674)	(1,289)	(1,903)
Unrealized exchange gain on long-term debt	(790)	(1,935)	(1,255)	(6,054)
Adjusted EBITDA	2,622	3,301	10,652	10,345
Add / (deduct):				
Interest paid on debt, net	(717)	(695)	(1,438)	(1,399)
Additions to timber, land, roads and other fixed assets	(50)	(17)	(164)	(34)
Gain on sale of timberlands	(958)	—	(1,455)	(93)
Proceeds from sale of timberlands	1,257	—	2,094	95
Current income tax (expense) / recovery	(120)	154	(267)	(1)
Free Cash Flow	\$ 2,034	\$ 2,743	\$ 9,422	\$ 8,913
Dividends declared	\$ 4,601	\$ 4,183	\$ 9,202	\$ 8,366
Payout ratio	226%	152%	98%	94%