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March 14, 2013

TO: All of Known Creditors of Tercon Industries Ltd., et al

Dear Sirs:

**Re: In the Matter of the Receivership of Tercon Investments, Ltd., Tercon A.C. Ltd., Tercon Equipment Ltd., Tercon Construction Ltd., Tercon Mining Ltd., Tercon Enterprises Ltd., Tercon MRC Limited, FNP Ventures Inc., Tercon Mining PV Ltd., Tercon Equipment Alaska Partnership and Tercon Alaska Ltd. (the "Receivership Proceedings")**

We are the lawyers for FTI Consulting Canada Inc., in its capacity as Court-appointed Receiver of the Tercon Debtors in the above-noted Receivership Proceedings.

We write to inform you that the Receiver has filed a Notice of Application and Fifth Report with the Supreme Court of British Columbia (the "**Court**") outlining a Claims Procedure that the Receiver sought to have approved by the Court on March 13, 2013. That hearing was adjourned and is now returnable before Mr. Justice Sewell at the Vancouver Courthouse, located at 800 Smithe Street, Vancouver, B.C. at 9:00 am on Thursday, March 21, 2013 (the "**Return Date**"). It is expected that the Receiver will file its Seventh Report with additional information in connection with the application on or around Monday March 18, 2013, including a "black-line" of the revised proposed Claims Procedure Order showing changes made since the filing of the Fifth Report. The Seventh Report will be available on the Receiver's website at <http://cfcanada.fticonsulting.com/tercon> along with all other materials filed in the Receivership Proceeding.

It is the information of the Receiver that various unpaid suppliers of goods and services to Tercon construction projects ("**Tercon Projects**") may have an assortment of legal rights and remedies to pursue against different parties in order to attempt to recover payment of unpaid claims. These include claims on certain bonds (the "**Trisura Bonds**") issued by Trisura Guarantee Insurance Company ("**Trisura**") in connection with certain bonded projects, claims for lien against owner's property pursuant to various lien legislation in B.C., Alberta or Alaska, claims for trust funds with respect to proceeds payable to Tercon on the projects under the B.C. *Builders Lien Act* and/or claims against certain reserves to be established by the Receiver pursuant to the Distribution Order made in the Receivership Proceedings on January 21, 2013.

The Receiver has negotiated the proposed form of Claims Procedure Order with various stakeholders in the Receivership Proceedings pursuant to which claims will be filed, reviewed and adjudicated pursuant to a single process, namely the Claims Procedure set out in the Claims Procedure Order. The Claims Procedure Order requires all such unpaid suppliers to file a claim

in the Claims Procedure prior to the Claims Bar Date of May 3, 2013 (the "Claims Bar Date") or the claim will be extinguished. Such a result would affect your ability to claim against other persons, including pursuing claims against the Trisura Bonds or against owners of land against which lien claims have been registered. We note, however, that the Claims Procedure Order provides that, if a claim has been submitted on a Trisura Bond prior to the date of the Order, no further filing need be made and the claim will be dealt within the Claims Procedure. Any claims on Trisura bonded projects would be reviewed pursuant to the Trisura-Receiver Protocol that is set out in the attached material. The Receiver is also seeking the Court's approval of the Receiver-Trisura Protocol.

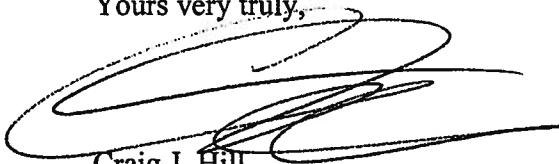
As noted above, all the materials related to this application, including the Fifth Report, the Seventh Report and the proposed Claims Procedure Order are, or will shortly be, available on the Receiver's website at <http://cfcanda.fticonsulting.com/tercon>; please review these materials carefully. To the extent that you have any questions in connection with the material, please do not hesitate to contact the undersigned at any time prior to the Return Date of the motion. You and your legal representatives are entitled to attend the Court hearing of the application on March 21, 2013 if you wish to do so, but there is no obligation for you to attend unless you wish to make submissions to the Court on the proposed Claims Procedure Order. The Receiver will be advising the Court that creditors have been provided this letter and that the materials have been made available to them.

In the event that the location or time of the application to the Court is changed, notice will be posted on the Receiver's website prior to March 21, 2013.

In the event that the Claims Procedure Order is granted by the Court, a Notice (in the form attached as Schedule "B" to the enclosed Claims Procedure Order) will be sent to you.

If you have any questions in connection with the foregoing, please do not hesitate to contact me.

Yours very truly,



Craig J. Hill

CJH/mjs  
Encls.

cc: FTI Consulting Canada Inc., Receiver

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