EXHIBIT P-3

PURCHASE AND SALE AGREEMENT

CÔTE-NORD TIMBERLAND ASSETS

- by and between -

ABITIBI-CONSOLIDATED COMPANY OF CANADA

as Vendor

- and -

3908666 CANADA INC.

as Purchaser

TABLE OF CONTENTS

THIS PURCHASE AND SALE AGREEMENT is dated as of July 27, 2009

BY AND BETWEEN: **ABITIBI-CONSOLIDATED COMPANY OF CANADA**, a company existing pursuant to the laws of Quebec

(the "**Vendor**")

AND: **3908666 CANADA INC.**, a corporation existing pursuant to the laws of Canada

(the "**Purchaser**")

WHEREAS the Vendor own the Purchased Properties (as hereinafter defined) and has certain contracts, obligations, and liabilities related thereto; and

WHEREAS the Vendor wishes to sell all of its rights, title and interest in, to and under the Purchased Properties and the Purchaser wishes to purchase same on the terms and conditions set out herein.

THEREFORE, in consideration of the covenants, representations, warranties and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties covenant and agree as follows:

ARTICLE I
INTERPRETATION

1.1 Definitions.

Unless otherwise specifically provided or the context otherwise requires, where used in this Agreement (including the recitals and Schedules hereto) or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings set forth or as referenced below:

(a) "**Accounts Receivable**" means all accounts receivable, notes receivable, book debts and other debts due or accruing due to Vendor or any of its Affiliates with respect to the Purchased Properties at the Time of Closing, including any inter-company accounts receivable.

(b) "**Affiliate**" has the meaning ascribed thereto in the Canada Business Corporations Act.

(c) "**Agreement**" means this Agreement, the recitals hereto and all Schedules attached hereto, in each case, as they may be amended or supplemented from time to time in accordance with this Agreement, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby", and similar expressions, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement.

(d) "**Assumed Liabilities**" means all of the Liabilities of the Vendor and its Affiliates relating to the Purchased Properties which will accrue from and after the Closing Date, as well as those Liabilities of the Vendor described in Schedule 1.1(d), but excluding only in any event the Excluded Liabilities.

(e) "**Books and Records**" means the books and records listed in Schedule 1.1(e), which are books and records (or appropriate extracts) in the possession or control of the Vendor, or any of its Affiliates, which pertain exclusively to the Purchased Properties and to the extent any books and records pertain both to the Purchased Properties and to the Excluded Assets or other activities of the Vendor or any of its Affiliates not primarily related to the Purchased Properties and include, to the extent reasonably possible, photocopies of such items, with information with respect to such other activities of the Vendor or any of its Affiliates removed.

(f) "**Business Day**" means any day other than a Saturday, a Sunday or a statutory holiday in Montréal, Quebec.

(g) "**CCAA**" means the *Companies' Creditors Arrangement Act* (Canada).

(h) "**Charlevoix Transaction**" means the acquisition by Solifor Charlevoix-Saguenay, société en commandite, of the Vendor and Abitibi-Consolidated Inc.'s timberland properties located in the Charlevoix and Saguenay areas to occur concurrently with the transactions contemplated herein, the whole in accordance with the Purchase and Sale Agreement entered into among Solifor Charlevoix-Saguenay, société en commandite, the Vendor and Abitibi-Consolidated Inc. on the date hereof with respect to such properties.

(i) "**Closing**" means the completion of the purchase and sale of the Purchased Properties contemplated hereunder and the payment to the Vendor of the Purchase Price required to be paid at Closing pursuant to Section 3.1.

(j) "**Closing Date**" means the second (2nd) Business Day following the date of the Final Judgment or at such other date as the Parties may agree.

(k) "**Concurrent Transactions**" means the Charlevoix Transaction and the Mauricie Transaction

(l) "**Confidentiality Agreement**" means the letter agreement dated June 10, 2009 by ACI and accepted by 3908666 Canada Inc. on the same date.

(m) "**Contracts**" means all written or oral contracts, agreements, leases, forward commitments, indentures, instruments, commitments and orders made by or in favour of the Vendor or any of its Affiliates exclusively in connection with any of the Purchased Properties and listed in Schedule 1.1(m).

(n) "**Côte-Nord Properties**" means the immovable properties described in Schedule 1.1(n) together with all standing timber situated thereon and/or related thereto and all buildings, structures, erections, appurtenances, fixtures and other improvements owned by the Vendor and situated on, in, over or under such immovable properties.

(o) "**Court Order**" means the order of the Quebec Superior Court approving and authorizing the transactions contemplated herein and authorizing the Vendor and the Purchaser to enter into this Agreement and all related agreements and documents, such order to contain *inter alia* the provisions described in Schedule 1.1(o).

(p) "**Excluded Assets**" means all assets (tangible or intangible) owned, leased or otherwise held by the Vendor other than the Purchased Properties, including the following:

(i) all Accounts Receivable;

(ii) the names "Abitibi", "Bowater", "Abitibi-Consolidated", "ACI", "Consolidated-Bathurst", "Stone-Consolidated", "Abitibi-Consolidated Company of Canada", "ACCC" and "Abitibi-Price" or variations thereof;

(iii) all insurance policies of the Vendor associated with the Purchased Properties;

(iv) all Tax refunds and credits receivable or which may become receivable by the Vendor, including for purposes of clarity any refund available or which may become available to the Vendor under Sections 220.2 to 220.13 of the *Act Respecting Municipal Taxation* (Quebec), in respect of Taxes paid, payable or which may become payable in connection with the pre-Closing period, including those Taxes that may be paid or remitted by the Purchaser on behalf of the Vendor in accordance with Section 3.2;

(v) all cash on hand, bank balances, moneys in the possession of banks and other depositaries, term or time deposits, guaranteed investment certificates, treasury bills, other securities and other similar cash or cash-equivalent items;

(vi) any agreement for the supply of wood chips or other wood products to the Vendor or any of its Affiliates; and

(vii) any property forming part of the public domain or owned by a third party.

(q) "**Excluded Liabilities**" means (i) all third party debt for borrowed money of the Vendor incurred to finance the Purchased Properties, (ii) any accounts payable pertaining to goods or services provided or rendered to the Vendor with respect to the Purchased Properties prior to the Closing, (iii) the Vendor's liabilities related to Taxes, (iv) all of the liabilities of the Vendor and its Affiliates relating to the Excluded Assets, and (v) all of the liabilities of the Vendor and its Affiliates relating to the Purchased Properties existing on or arising after the Closing Date in respect of any fact, condition or circumstance existing or occurring prior to the Closing Date and for which there has been a misrepresentation or breach of warranty of the Vendor under this Agreement.

(r) “**Final Judgment**” means a Court Order (i) which states that it is executory notwithstanding appeal, or (ii) as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending, or in the event that an appeal has been sought, such appeal shall have been denied by the highest court to which such Court Order was appealed and the time to take any further appeal shall have expired.

(s) **“GAAP”** means Canadian generally accepted accounting principles in effect at the relevant time.

(t) “**Governmental Authority**” means any, federal, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign, any subdivision or authority of any of the foregoing, or any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

(u) “**GST**” means goods and services tax imposed under Part IX of the *Excise Tax Act* (Canada).

(v) “**Hearing Date**” means the date scheduled by the Quebec Superior Court for the presentation of the motion requesting the Court Order, as same shall have been notified in writing by the Vendor to the Purchaser and which shall not be in any event earlier than August 14, 2009.

(w) “**Indemnified Party**” has the meaning ascribed hereto in Section 7.3.

(x) “**Indemnifying Party**” has the meaning ascribed thereto in Section 7.3.

(y) “**Laws**” means currently existing applicable statutes, by-laws, rules, regulations, orders, in each case binding on the Person referred to in the context in which such words are used.

(z) “**Liability**” means, with respect to any Person, any liability or obligation of such Person whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued and whether or not required under GAAP to be accrued on the financial statements of such Person.

(aa) “**Liens**” means all hypothecs, prior claims, charges, pledges, liens, security interests, security granted under Section 426 or Section 427 of the *Bank Act* (Canada), servitudes, dismemberments of the rights of ownership, conditional sale contracts, ownership or title retention agreements and other encumbrances or rights of any nature whatsoever or however arising that in substance secure payment or performance of an obligation, which, individually or in the aggregate, materially interfere with the operation, value or use of any part of the Purchased Properties affected thereby.

(bb) “**Losses**” has the meaning ascribed hereto in Section 7.1.

(cc) “**Material Adverse Effect**” means any change, effect, occurrence, state of facts, event or development which individually or in the aggregate is, or could reasonably be expected to materially and adversely affect the value or use of the Purchased Properties; provided that “Material Adverse Effect” shall not include the effect of any change, effect, occurrence, state of facts, event or development arising out of any of the following: (i) general business, economic or political conditions, (ii) conditions generally affecting wood or pulp and paper-related industries, (iii) acts of war (whether or not declared), sabotage or terrorism, military actions or the escalation thereof or other *force majeure* events occurring after the date of this Agreement, (iv) any changes in applicable Laws or in GAAP, or (v) the taking of any action contemplated by this Agreement, including any announcement of the transactions contemplated herein.

(dd) “**Mauricie Transaction**” means the acquisition by Solifor Mauricie, société en commandite, of the Vendor and Abitibi-Consolidated Inc.’s timberland properties located in the Mauricie area to occur concurrently with the transactions contemplated herein, the whole in accordance with the Purchase and Sale Agreement entered into among Solifor Mauricie, société en commandite, the Vendor and Abitibi-Consolidated Inc. on the date hereof with respect to such properties.

(ee) “**Parties**” means the Vendor and the Purchaser; and a “**Party**” means either the Vendor or the Purchaser as the context may require.

(ff) “**Permitted Encumbrances**” means:

(i) all unregistered Liens for Taxes, assessments or governmental charges not yet due and payable, unregistered Liens for workmen’s compensation assessments and similar obligations not delinquent;

(ii) all unregistered Liens of unpaid vendor of movable property, or other similar Liens, in each case arising in the ordinary course of business as currently conducted by the Vendor for charges which are not delinquent;

(iii) all undetermined or inchoate Liens and charges incidental to current construction or current operations which have not been filed or registered in accordance with applicable Law or of which written notice has not yet been duly given in accordance with applicable Law or that relate to an obligation not yet due or delinquent, which in each case relate to Assumed Liabilities;

(iv) all exceptions and reservations in favour of other grantors, restrictive covenants, easements, servitudes, rights-of-way, mineral claims, reservations of under surface rights, agricultural land reserve notations, other similar rights or agreements and any Lien, in any such case, as presently registered against title to the Purchased Properties;

(v) all charges granted by or in favour of public utilities (including relating to the use of portions of the Purchased Properties by public utilities or

Governmental Authorities for purposes such as electric transmission lines or public roads);

(vi) all claims of right, title or jurisdiction which may be made or established by any aboriginal peoples by virtue of their status as aboriginal peoples to or over any lands, waters or products harvested therefrom;

(vii) any (A) rights reserved to or vested in any Governmental Authority to control or regulate the Purchased Properties, or to limit the use of such Purchased Properties in any manner which does not materially impair the use of such Purchased Properties for the purposes for which it is held by the Vendor, (B) obligations or duties to and restrictions imposed by any Governmental Authority with respect to any franchise, grant, licence, lease or permit relating to any period after Closing, as well as the rights reserved or vested in any Governmental Authority to terminate any such franchise, grant, licence, lease or permit or to condemn or expropriate any property, and (C) zoning Laws, other land use Laws, or Environmental Laws and ordinances of any Governmental Authority encumbering the Purchased Properties;

(viii) restrictions contained in the Letters Patent granted by the Crown with respect to the Purchased Properties;

(ix) all unregistered servitudes and rights-of-use or rights-of-way, tenancies (authorized or unauthorized), restrictions, encroachments, Liens, minor imperfections or defects of title, charges, encumbrances, and other similar rights granted pursuant to the Contracts listed in Schedule 1.1(m) or which do not, when regarded individually or as a whole, materially and adversely affect the value of the Purchased Properties or impair their use;

(x) the title deficiencies and imperfections or defects of title discovered or brought to the attention of the Purchaser or its Affiliates prior to the Title Due Diligence Date, which include, without limitation those title deficiencies and imperfections or defects of title set forth in Schedule 1.1(ff)(x); and

(xi) for any period prior to Closing only, all liens authorized by the Quebec Superior Court in accordance with the CCAA, it being understood that such Liens shall in no event be Permitted Encumbrances from and after Closing.

(gg) "**Person**" means an individual, corporation, company, cooperative, partnership, limited partnership, limited liability company, joint venture, association, joint-stock company, trust, society, incorporated organization, entity with juridical personality, Governmental Authority or any other similar entity and pronouns which refer to a Person shall have a similarly extended meaning.

(hh) "**Purchase Price**" has the meaning ascribed hereto in Section 3.1.

(ii) "**Purchased Properties**" means the Côte-Nord Properties, including all of the Vendor' right, title and interest in the following assets in connection with such immovable property:

(i) the Books and Records;

(ii) the Contracts; and

(iii) all other movable property of the Vendor located as at the date hereof on the Côte-Nord Properties;

in each case to the exclusion, without limitation, of the Excluded Assets.

(jj) "**Purchaser**" has the meaning ascribed hereto in the preamble.

(kk) "**QST**" means goods and services tax imposed under the *Act Respecting the Québec Sales Tax*.

(ll) "**Schedules**" means the schedules prepared by the Vendor in connection with this Agreement and forming an integral part hereof.

(mm) "**Taxes**" means all taxes provided for in any Laws of a jurisdiction that are applicable to the transactions contemplated herein, including income, withholding, immovable property, social service, corporation, capital, value added, sales, franchise, excise, profits, gross receipts, customs duties, stamp, transfer, water, business, including GST and QST.

(nn) "**Third Party Claim**" has the meaning ascribed hereto in Section 7.4.

(oo) "**Time of Closing**" means the hour of 10:30 a.m. on the Closing Date.

(pp) "**Title Due Diligence Date**" means the Business Day immediately preceding the Hearing Date.

(qq) "**Vendor**" has the meaning ascribed hereto in the preamble.

1.2 **<u>Other Terms</u>**.

Other terms may be defined elsewhere in the text of this Agreement and, unless otherwise indicated, shall have such meaning throughout this Agreement.

1.3 **<u>Gender and Number</u>**.

Words and defined terms importing the singular shall include and have a comparable meaning when used in the plural, and vice versa, and words importing gender include all genders.

1.4 **Currency**.

All references to currency shall mean Canadian dollars unless otherwise expressly provided.

1.5 **Schedules**.

The Schedules to this Agreement, listed below, are an integral part of this Agreement:

Schedule 1.1(d)	–	Assumed Liabilities
Schedule 1.1(e)	–	Books and Records
Schedule 1.1(m)	–	Contracts
Schedule 1.1(n)	–	Côte-Nord Properties
Schedule 1.1(o)	–	Form of Court Order
Schedule 1.1(ff)(x)	–	Permitted Encumbrances
Schedule 3.3	–	Allocation of Purchase Price
Schedule 4.1(e)	–	Material Contracts
Schedule 4.1(i)	–	Actions, Suits or Proceedings
Schedule 4.1(l)	–	Compliance with Environmental Laws
Schedule 4.1(m)	–	Public Demands

1.6 **Headings and References**.

All Section headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. Unless otherwise indicated, references to Articles or Sections are to Articles or Sections in the main body of this Agreement and references to paragraphs are references to numbered paragraphs in the Schedules.

1.7 **Knowledge.**

Any reference to the knowledge of any Party (other than in Subsection 4.1(l)) means to the actual knowledge of such Party and the knowledge that such Party would reasonably be expected to have after making appropriate inquiry, and, in the case of the knowledge of the Vendor, means the actual knowledge of Martin Savoie, Roger Boileau and François Dumoulin, respectively Vice-president, Strategy and Corporate Development and Director, Fibre Supply and Asset Optimization and Forestry Director of the Vendor, of such fact or other matter and the knowledge that such persons would reasonably be expected to have after making appropriate inquiry.

1.8 **Time of the Essence**.

Time is of the essence of this Agreement.

1.9 **Conflict**.

In the event of any conflict between the provisions of the body of this Agreement, the Schedules and all the other agreements, documents and instruments to be delivered hereunder, the provisions of the body of this Agreement shall prevail.

1.10 **Construction**.

The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favouring or disfavouring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any applicable Law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation.

ARTICLE II
PURCHASE AND SALE

2.1 **Purchase and Sale**.

Upon and subject to the terms and conditions hereof, the Vendor shall sell, assign, convey and transfer to the Purchaser, and the Purchaser shall purchase and acquire from the Vendor, at the Time of Closing on the Closing Date and for the Purchase Price, all of the Vendor's rights, title and interest in, to and under the Purchased Properties.

2.2 **Instruments of Conveyance**.

In order to effectuate more fully and completely the sale, assignment, conveyance and transfer contemplated in Section 2.1 pursuant to the terms and conditions hereof, the Vendor shall deliver to the Purchaser a deed of conveyance for the Purchased Properties, together with such assignments and instruments of conveyance as requested by the Purchaser, acting reasonably, to permit the assignment, transfer and conveyance (including the publication thereof) from the Vendor to the Purchaser and the acquisition by the Purchaser from the Vendor of all right, title and interest of the Vendor in, to and under the Purchased Properties, the whole with effect as of the Closing Date.

2.3 **Assignment of Contracts, etc.**

In respect of any Contract requiring a consent and for which the other contracting party thereto or issuer has not granted such consent, then the Vendor, or its Affiliate party to such Contract, as applicable (the "**Contract Holder**") at the written request and under the direction and expense of the Purchaser, in the name of the Contract Holder or as otherwise specified by the Purchaser, acting reasonably, and to the extent permitted by Law, shall take all such reasonable action and do or cause to be done all such reasonable things which are necessary and advisable in order that the obligations of the Vendor in connection with such Contract may be performed by the Purchaser as agent of the Contract Holder in such manner that the value of such Contract shall be preserved and shall, as between the Purchaser and the Contract Holder, enure to the exclusive benefit of the Purchaser, and that the collection of moneys due and payable to the Purchaser in connection with such Contract shall be received by the Purchaser. The Contract Holder shall promptly pay over to the Purchaser all moneys collected by or paid to or for the Contract Holder corresponding to any post-Closing period in respect of every such Contract.

This Agreement shall not be construed as a sale, assignment, conveyance or transfer of, or an attempt to, where applicable, sell, assign, convey or transfer, directly or indirectly, any

Contract if such Contract is not assignable, conveyable or transferable by the Vendor without the consent of another Person (if such consent has not been obtained) or such sale, assignment, conveyance or transfer or attempted sale, assignment, conveyance or transfer would constitute a breach or termination of such Contract.

The Purchaser shall be entirely responsible for the timely performance of the obligations (including any payments) associated with any such Contracts it requests the Contract Holder to maintain in accordance with the above. The Purchaser shall reimburse the Contract Holder promptly upon demand for any payments made and costs incurred after the Closing Date by the Contract Holder pursuant to the terms of any such Contract, as the case may be, including the costs incurred by the Contract Holder to perform its obligations in relation to such Contract. The Purchaser shall indemnify the Contract Holder for the Purchaser's failure to make such payments. All costs and expenses related to the assignment, transfer, conveyance or re-issuance of any Contract or the benefit of any Contract shall be paid by the Purchaser. For greater certainty, the Contract Holder will not be liable for any breaches by the Purchaser in connection with such Contracts, including the loss of right or termination of same and the Purchaser shall indemnify the Contract Holder with respect to same.

The Contract Holder shall not be required to make any expenditures in connection with its obligations under this Section to preserve Contracts.

2.4 **Assumption of Liabilities**.

Subject to the terms and conditions hereof, the Purchaser shall assume as of the Closing Date and shall pay, discharge and perform, as the case may be, from and after the Closing Date, the Assumed Liabilities to the entire exoneration of the Vendor and its Affiliates.

ARTICLE III
PURCHASE PRICE

3.1 **Purchase Price**.

The consideration for the sale, assignment, transfer and conveyance made pursuant to Article II (the "**Purchase Price**") shall, subject to the terms and conditions hereof, be satisfied by the Purchaser by the payment at the Time of Closing of an amount of $6 000 000 by certified cheque to the order of the Vendor, and/or by bank draft or wire transfer to, or to the order of, the Vendor, as instructed by the Vendor.

3.2 **Adjustments**.

(a) Adjustments shall be made on the Closing Date for all items normally adjusted between a vendor and purchaser in respect of the sale of immovable property similar to the Purchased Properties, to the extent applicable to this transaction, realty taxes or local improvement charges or rates, and taking into account any tax credit or reimbursement to be claimed by the Purchaser for the pre-Closing period, but excluding, for purposes of clarity, for rent or others sums due or received with respect to any Contract listed in Schedule 1.1(m). The Closing Date itself shall be for the account of the Purchaser.

(b) The Parties agree to readjust after the Closing Date all items adjusted in accordance with the terms of this Section 3.2 or that should have been adjusted hereunder forthwith after the request of either Party if such readjustment is appropriate to fulfil the terms of this Section 3.2. Such readjustment shall take place no later than six (6) months after the Closing Date.

(c) Each Party further hereby undertakes to remit to the other Party, or as directed by same, any undue payment received from a third party at anytime from and after the Closing Date.

3.3 **Allocation of Purchase Price**.

The Purchase Price shall be allocated among the various assets comprising the Purchased Properties as set forth in Schedule 3.3, and the Purchaser and the Vendor agrees to cooperate in the filing of any elections under any applicable Tax Laws as may be desirable or necessary to give effect to such allocation.

3.4 **Transfer Taxes**.

The Purchaser shall be liable for and shall pay all land transfer Taxes, registration fees, licence fees, or other like charges properly payable upon and in connection with the sale, assignment, conveyance and transfer of the Purchased Properties from the Vendor to the Purchaser hereunder.

3.5 **Sales Tax**.

The Vendor and the Purchaser declare that (i) the Purchased Properties do not constitute a residential complex, as defined in the *Excise Tax Act* and the *Act respecting the Quebec Sales Tax*; (ii) the present transfer is a taxable supply; (iii) the GST and QST payable in respect thereof are subject to subsections 221(2), 228(4) and 228(6) of the *Excise Tax Act* and to sections 423, 438 and 441 of the *Act respecting the Quebec Sales Tax*; and (iv) consequently, the Vendor is not required to collect same in respect thereof.

The Purchaser shall be liable for and shall remit to the appropriate Governmental Authority any and all GST or QST payable in connection with the sale, assignment, conveyance and transfer of the Purchased Properties from the Vendor to the Purchaser hereunder.

The Purchaser shall indemnify, defend and hold the Vendor harmless from and against any liability of or claim against the Vendor under the *Excise Tax Act* and the *Act respecting the Quebec Sales Tax* arising out of any incorrect statement or breach of the obligations of the Purchaser set out in this Agreement or arising under the *Excise Tax Act* or the *Act respecting the Quebec Sales Tax*, together with all fines, penalties, losses, costs, interest and expenses resulting from such error or breach.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

4.1 **Representations and Warranties of the Vendor.**

The Vendor represents and warrants to the Purchaser as follows, with the understanding that such representations and warranties shall be the exclusive source of warranties or of similar rights for the benefit of the Purchaser. As such, without limiting the generality of the foregoing, the Parties hereby agree to exclude altogether the effect of the legal warranty provided for by section 1716 of the *Civil Code of Quebec* and any similar provision under any Laws. The Purchaser acknowledges (i) that it is purchasing the Purchased Properties, subject to this Article IV, on an "as is, where is" basis and at its risk and peril, and (ii) that the Vendor is not a professional seller for the purposes of section 1733 of the *Civil Code of Quebec*. The Vendor acknowledges that the Purchaser is relying upon such representations and warranties in connection with the purchase by the Purchaser of the Purchased Properties and that the Purchaser would not have entered into this Agreement without such representations and warranties:

(a) **Due Incorporation**. The Vendor:

(i) is duly incorporated, existing and in good standing under the laws of Quebec; and

(ii) has all necessary corporate power and authority to own, lease and operate the Purchased Properties.

(b) **Due Authorization**. The Vendor has the necessary corporate power and authority to execute this Agreement and to perform its obligations hereunder. The execution of this Agreement by the Vendor and the performance by the Vendor of its obligations hereunder have been duly authorized by all necessary corporate action on its part. Subject to obtaining the Court Order, such execution and performance by the Vendor does not require any action or consent of, any registration with, or notification to, any Person, or any action or consent under any Laws to which such Vendor or the Purchased Properties are subject.

(c) **Enforceability**. This Agreement will constitute upon execution a legal, valid and binding obligation of the Vendor enforceable against it in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and similar Laws affecting the enforcement of creditors rights generally and to general equitable principles.

(d) **No Conflict**. The execution of this Agreement, the consummation of the transactions contemplated herein and the performance by the Vendor of its obligations hereunder do not:

(i) constitute a default under, the constating instruments or by-laws of the Vendor;

(ii) result in a default under any of the Contracts, Licences or any Laws; or

(iii) violate, contravene or breach any Laws;

in any such case, which default would be material to the Purchased Properties or materially and adversely affect the transactions contemplated by this Agreement.

(e) **No Default Under Contracts**. Schedule 4.1(e) is a true and complete list of all material Contracts and all amendments thereto (the "**Material Contracts**"). The Vendor, as regards the Purchased Properties (i) is in good standing and entitled to all benefits under, (ii) has performed all material obligations required to be performed under, and (iii) is not in material default under, or in material breach of, any such Material Contracts.

(f) **Title and Encumbrances**. The Vendor has a good and valid title to the Purchased Properties free of any charge, mortgage, lien, hypothec, pledge, claim, restriction, security interest or any other encumbrance, other than Permitted Encumbrances.

(g) **No Breach Under Zoning or Building Laws**. To the knowledge of the Vendor, the Vendor has not received, in the last two (2) years, any notice of breach of or non-compliance with any applicable building or zoning Law with respect to the Côte-Nord Properties.

(h) **No Option on the Purchased Properties**. No person has any agreement, option or commitment, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment for the purchase or other acquisition of any part of the Purchased Properties from the Vendor.

(i) **No Actions, Suits or Proceedings**. Except as disclosed in Schedule 4.1(i) there are no actions, suits or proceedings, judicial or administrative, pending or, to the Vendor's knowledge, threatened, by or against or affecting the Vendor or the Purchased Properties, at law or in equity, or before or by any, court or any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, regarding the Purchased Properties or which might affect the Purchased Properties, which could reasonably be expected to result in any material adverse change in the Purchased Properties or which may be reasonably expected to adversely affect the ability of the Vendor to enter into this Agreement or to consummate the sale of the Purchased Properties, and the Vendor has no knowledge of any existing ground on which any such action suit or proceeding may be commenced with any likelihood of success.

(j) **No Expropriation**. To the Vendor's knowledge, no notice or proceeding in respect of the expropriation of any part of the Purchased Properties has been given or commenced by a Governmental Authority and remains outstanding, and the Vendor has no knowledge of any existing intention or project to institute such proceeding.

(k) **No Default to Judgment**. To the Vendor's knowledge, the Vendor is not in default according to any judgment, decision, order, injunction or decree from any governmental authority regarding the Purchased Properties or their sale as provided herein.

(l) **Environmental Matters**. Except as disclosed in Schedule 4.1(l), to the actual knowledge of Christian Turpin, Manager, Environment of the Vendor, (i) the Côte-Nord Properties are, in all material aspects, in compliance with all applicable statutes, regulations, ordinances and by-laws now in force in Quebec (whether federal, provincial or municipal) relating to the protection and preservation of the environment or hazardous substances, including the *Environment Quality Act* (Quebec) and the *Canadian Environmental Protection Act* (the "**Environmental Laws**"), (ii) the Vendors have not, regarding the Côte-Nord Properties, in the last five (5) years received any notice of any non-compliance with any Environmental Law nor, in the last five (5) years been convicted of an offence for non-compliance with any Environmental Laws or been fined or otherwise sentenced or settled such prosecution short of conviction, and (iii) there are no underground or surface petroleum storage tanks on the Côte-Nord Properties other than, if applicable, any such tanks owned by third-party tenants.

(m) **No Public Demands**. Except as disclosed in Schedule 4.1(l), to the Vendor's knowledge the Purchased Properties are not subject to any public demands, including native demands, the Vendor having received no notice or information to that effect.

(n) **Zoning**. The Purchased Properties are not situated within an agricultural zone within the meaning of the *Act respecting the preservation of agricultural land and agricultural activities* (R.S.Q., c. P-41.1).

(o) **Cultural Property Act**. No part of the Purchased Properties are subject to any restriction under the *Cultural Property Act* (Quebec), nor under any similar municipal legislation or regulation.

(p) **Union Matters**. There is no union certification binding upon the Vendor and its Affiliates with respect to the Purchased Properties.

(q) **Resident**. The Vendor is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

(r) **Tax Matters**. All municipal Taxes, local improvement Taxes and school Taxes which will be due and payable on or prior to the Closing Date in connection with the Côte-Nord Properties will have been paid prior to the Closing Date.

(s) **GST / QST Registration**. The Vendor is a registrant within the meaning of Part IX of the *Excise Tax Act* (Canada) and Chapter VIII of an *Act respecting the Quebec Sales Tax* and its registration numbers is as follows:

Federal (GST) 888791241 RT0001

Quebec (QST) 1020361006 TQ0001

(t) **No Broker**. Neither the Vendor nor any of its directors, officers, employees or agents has employed or incurred any liability to or utilized the services of, any broker, finder or agent for which any brokerage fees, finder's fees, commissions or other amounts would be payable with respect to this Agreement or any of the transactions contemplated hereunder.

(u) **No False Information**. The representations and warranties of the Vendor contained in this Agreement are true, accurate and complete in all their material aspects.

4.2 **Representations and Warranties of the Purchaser**.

The Purchaser represents and warrants to the Vendor as follows and acknowledges that the Vendor is relying upon such representations and warranties in connection with the sale by the Vendor of the Purchased Properties and that the Vendor would not have entered into this Agreement without such representations and warranties:

(a) **Due Incorporation**. The Purchaser is duly incorporated, validly existing and in good standing under the Laws of its jurisdiction of incorporation and has the necessary corporate power to own or lease its properties and to carry on its business as such business is presently conducted.

(b) **Due Authorization**. The Purchaser has the necessary corporate power and authority to execute this Agreement and to perform its obligations hereunder. The execution of this Agreement by the Purchaser and the performance by the Purchaser of its obligations hereunder have been duly authorized by all necessary corporate action on its part. Such execution and performance by the Purchaser do not require any action or consent of, any registration with, or notification to, any Person, or any action or consent under any Laws to which the Purchaser is subject.

(c) **Enforceability**. This Agreement constitutes a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and similar Laws affecting the enforcement of creditors rights generally and to general equitable principles.

(d) **No Conflict**. The execution of this Agreement, the consummation of the transactions contemplated herein and the performance by the Purchaser of its obligations hereunder do not:

(i) constitute a default under, the constating instruments or by-laws of the Purchaser;

(ii) result in a default under any contracts or instruments to which the Purchaser is a party; or

(iii) violate, contravene or breach any Laws;

in any such case, which default would materially and adversely affect the transactions contemplated by this Agreement.

(e) **GST / QST Registration**. The Purchaser is a registrant within the meaning of Part IX of the *Excise Tax Act* (Canada) and Chapter VIII of an *Act respecting the Quebec Sales Tax* and its registration numbers are as follows:

Federal (GST) 884999913 RT 0001

Quebec (QST) 1088661474 TQ 0001

(f) **Required Approvals**. No approval, order or consent of, waiver from, or filing with any Governmental Authority is required on the part of the Purchaser in connection with the execution and delivery of this Agreement.

(g) **No Broker**. Neither the Purchaser nor any of its shareholders, directors, officers, employees or agents has employed or incurred any liability to any broker, finder or agent for any brokerage fees, finder's fees, commissions or other amounts with respect to this Agreement or any of the transactions contemplated hereby.

ARTICLE V
SURVIVAL OF REPRESENTATIONS AND WARRANTIES

5.1 **Survival of Representations and Warranties of the Vendor.**

The representations and warranties of the Vendor contained in this Agreement, in the Schedules annexed hereto or in any certificate or other document delivered or given pursuant to this Agreement shall survive the completion of the transactions contemplated by this Agreement and shall continue in full force and effect for the benefit of the Purchaser for a period of two (2) years from the Closing Date, except for the representations and warranties in respect of which there has been fraud, intentional or gross fault within the meaning of article 1474 of the *Civil code of Quebec,* which shall survive until extinctive prescription is acquired thereon.

Any claim asserted in writing prior to the second anniversary of the Closing Date delivered to the Vendor in accordance with Section 8.6 and identified as a claim for indemnification pursuant to Article VII herein shall survive until finally resolved and satisfied in full.

5.2 **Survival of Representations and Warranties of the Purchaser**.

The representations and warranties of the Purchaser contained in this Agreement, in the Schedules annexed hereto or in any certificate or other document delivered or given pursuant to this Agreement shall survive the completion of the transactions contemplated by this Agreement and shall continue in full force and effect for the benefit of the Vendor for a period of two (2) years from the Closing Date, except for the representations and warranties in respect of which there has been fraud, intentional or gross fault within the meaning of article 1474 of the *Civil code of Quebec,* which shall survive until extinctive prescription is acquired thereon.

Any claim asserted in writing prior to the second anniversary of the Closing Date delivered to the Purchaser in accordance with Section 8.6 and identified as a claim for indemnification pursuant to Article VII herein shall survive until finally resolved and satisfied in full.

ARTICLE VI
CLOSING CONDITIONS

6.1 **Conditions for Vendor**

The obligation of the Vendor to complete the transactions contemplated herein shall be subject to fulfilment of each of the following conditions on or before the Time of Closing or such earlier time as may be herein specified, provided, however, that any non-fulfillment of any such condition is not the result of the breach by the Vendor of one or more of its obligations under this Agreement:

(a) the Court Order and the Final Judgment shall have been rendered;

(b) payment by the Purchaser of the Purchase Price on Closing;

(c) at the Time of Closing, all of the representations and warranties of the Purchaser set out in Section 4.2 shall be true and accurate in all material respects as if made as of the Time of Closing, other than one or more inaccuracies of representations and warranties which either individually or in the aggregate shall not constitute a Material Adverse Effect;

(d) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser shall have been complied with or performed in all material respects, other than any non-compliance or non-performance of terms, covenants or conditions which either individually or in the aggregate shall not constitute a Material Adverse Effect;

(e) all conditions applicable to the Concurrent Transactions shall have been met or waived and the parties to the Concurrent Transactions shall be ready to close the Concurrent Transactions concurrently with the transactions contemplated herein; and

(f) the Closing shall have occurred by no later than 60 days from the date of this Agreement.

The conditions set forth in this Section 6.1 are for the benefit of the Vendor and may be waived in whole or in part by the Vendor by notice in writing to the Purchaser by the date and time set forth above for the satisfaction of each such condition.

6.2 **Conditions for Purchaser**

The obligations of the Purchaser to complete the transactions contemplated herein shall be subject to fulfilment of each of the following conditions on or before the Time of Closing or such earlier time as may be herein specified, provided, however, that any non-fulfillment of any such condition is not the result of the breach by the Purchaser of one or more of its obligations under this Agreement:

(a) the Court Order and the Final Judgment shall have been rendered;

(b) at the Time of Closing, all of the representations and warranties of the Vendor set out in Section 4.1 shall be true and accurate in all material respects as if made as of the Time of Closing (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted hereunder), other than one or more inaccuracies of representations and warranties which either individually or in the aggregate shall not constitute a Material Adverse Effect;

(c) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor shall have been complied with or performed in all material respects, other than any non-compliance or non-performance of terms, covenants or conditions which either individually or in the aggregate shall not constitute a Material Adverse Effect;

(d) there shall not exist any title defects with respect to the Côte-Nord Properties that could, whether individually or when taken as a whole, have a material impact on the value of the Côte-Nord Properties or their current use, and in respect of which a written notice identifying same shall have been sent by the Purchaser to the Vendor on or prior to 4:00 pm (Montreal time) on the Title Due Diligence Date; and

(e) the Closing Date shall have occurred by no later than 60 days from the date of this Agreement.

The conditions set forth in this Section 6.2 are for the benefit of the Purchaser and may be waived in whole or in part by the Purchaser by notice in writing to the Vendor by the date and time set forth above for the satisfaction of each such condition.

6.3 Non-Satisfaction of Conditions

In the event any condition set forth in Section 6.1 or Section 6.2 is not satisfied or waived as therein provided on or before the applicable date or time referred to in Section 6.1 or Section 6.2, as the case may be (such condition being referred to as the "**Unsatisfied Condition**"), upon reception by the other Party of a notice by the Party having the benefit of the Unsatisfied Condition, this Agreement shall automatically terminate at such time and, upon such termination, the Purchaser and the Vendor shall be released from all obligations under this Agreement except for those obligations which are expressly stated to survive the termination of this Agreement.

ARTICLE VII INDEMNIFICATION

7.1 Indemnification by the Vendor.

The Vendor shall indemnify and hold the Purchaser harmless from and against any claims, demands, actions, causes of action, judgments, damages, losses (which shall include any diminution in value), liabilities, costs or expenses (including interest, fines, penalties and reasonable fees and disbursements of attorneys and experts) (collectively, the "**Losses**") which may be made against the Purchaser or which it may suffer or incur as a result of, arising out of or relating to:

(a) any breach of any covenant, agreement or obligation of the Vendor under or pursuant to this Agreement;

(b) any misrepresentation or any breach of warranty or obligation of the Vendor under this Agreement or any certificate or other document delivered or given pursuant to this Agreement; or

(c) the Excluded Liabilities;

the whole subject to this Article VII.

7.2 **Indemnification by the Purchaser**.

The Purchaser shall indemnify and hold the Vendor and its Affiliates harmless from and against any Losses which may be made against the Vendor or any of its Affiliates or which they may suffer or incur as a result of, arising out of or relating to:

(a) any breach of any covenant, agreement or obligation of the Purchaser under or pursuant to this Agreement, including the obligation of the Purchaser to assume and discharge on a timely basis the Assumed Liabilities;

(b) any misrepresentation or any breach of warranty or obligation of the Purchaser under this Agreement or any certificate or other document delivered or given pursuant to this Agreement; or

(c) the Assumed Liabilities,

the whole subject to this Article VII.

7.3 **Notification**.

Promptly upon obtaining knowledge thereof, the Party being indemnified hereunder (the "**Indemnified Party**") shall notify the Party providing indemnification hereunder (the "**Indemnifying Party**") of any cause which the Indemnified Party has determined has given or could give rise to indemnification under this Article VII. The omission so to notify the Indemnifying Party shall not relieve the Indemnifying Party from any duty to indemnify and hold harmless which otherwise might exist with respect to such cause unless (and only to that extent) the omission to notify materially prejudices the ability of the Indemnifying Party to exercise its right to defend a Third Party Claim provided in this Article VII.

7.4 **Defense of Third Party Claim**.

If any legal proceeding shall be instituted or any claim or demand shall be asserted by a third party against the Indemnified Party (each a "**Third Party Claim**"), then the Indemnifying Party shall have the right, after receipt of the Indemnified Party's notice under Section 7.3 and upon giving notice to the Indemnified Party within thirty (30) calendar days of such receipt, to defend the Third Party Claim at its own cost and expense with counsel of its own selection, provided that:

(a) the Indemnified Party shall at all times have the right to fully participate in the defense at its own expense; and

(b) legal counsel chosen by the Indemnifying Party is satisfactory to the Indemnified Party, acting reasonably.

Amounts payable by the Indemnifying Party pursuant to a Third Party Claim shall be paid in accordance with the terms of the settlement or, the judgment, as applicable, but in any event prior to the expiry of any delay for a judgment to become executory.

7.5 **No Compromise**.

The Indemnifying Party shall not compromise and settle or cause a compromise and settlement of any Third Party Claim without the prior written consent of the Indemnified Party, unless:

(a) the terms of the compromise and settlement require only the payment of money and do not require the Indemnified Party to admit any wrongdoing or take or refrain from taking any action; and

(b) the Indemnified Party receives, as part of the compromise and settlement, a legally binding and enforceable unconditional satisfaction or release, which is in form and substance satisfactory to the Indemnified Party, acting reasonably, from any and all obligations or liabilities it may have with respect to the Third Party Claim.

7.6 **Failure to Defend**.

If the Indemnifying Party fails:

(a) within thirty (30) calendar days from receipt of the notice of a Third Party Claim to give notice of its intention to defend the Third Party Claim in accordance with Section 7.4; or

(b) to comply at any time with any of Section 7.4,

(c) then the Indemnifying Party shall be deemed to have waived its right to defend the Third Party Claim and the Indemnified Party shall have the right (but not the obligation) to undertake the defense of the Third Party Claim and to compromise and settle the Third Party Claim on behalf, for the account and at the risk and expense, of the Indemnifying Party.

7.7 **Limitations on Indemnification.**

The obligations of indemnification set out in Sections 7.1 and 7.2 (other than in the case of fraud or intentional or gross fault) shall not in any case survive the Closing beyond the period prescribed by Law, and the obligation of indemnification pursuant to Subsections 7.1(b) or 7.2(b), as the case may be, shall be subject to the limitations regarding survival of representations and warranties set forth in Section 5.1 or 5.2, as the case may be. The obligation of indemnification for claims set out in Sections 7.1 and 7.2 shall be subject to the following monetary limitations:

(a) that an Indemnifying Party shall not be required to pay any amount until the aggregate amount of all Losses exceeds one percent (1%) of the Purchase Price (the "**Threshold**"), in which case the obligation of indemnification shall apply for all amounts in excess of such Threshold;

(b) that an Indemnifying Party shall not be required to pay any amount in respect of Losses in any amount in excess, in the aggregate, of thirty percent (30%) of the Purchase Price;

(c) the obligation of indemnification shall not apply to the extent that the Losses claimed have been reimbursed through insurance to the Indemnified Party.

7.8 **Survival of Indemnification**.

The obligation of indemnification set forth herein shall survive the completion of the transactions contemplated in this Agreement, provided, however, that as a condition to the exercise of the right to be indemnified under either of Sections 7.1 or 7.2, the Indemnified Party shall have given written notice thereof to the Indemnifying Party within the applicable period referred to in Article V and Section 7.7, as the case may be.

7.9 **Sole Remedies**.

The provisions of this Article VII and any other recourses specifically referred to in this Agreement shall be the sole remedies of the Parties with respect to the matters herein, subject, however, to the right of any Party to seek specific performance or any other extraordinary remedy in a court of competent jurisdiction for breaches which give rise to such extraordinary remedies.

7.10 **Indemnification to be After Tax, Insurance, Etc.**

The amount of any Losses that a Party shall be entitled to claim indemnification for hereunder shall be determined after giving effect to any insurance recoveries, indemnity or contribution payments from other Persons and Tax savings to the extent that there is a link between such recoveries (or payments or savings) and the Loss for which the Indemnified Party claims indemnification, including any present value of future savings. The Indemnified Party shall use its commercially reasonable efforts to collect such insurance proceeds and such Tax savings and pursue claims with respect to indemnity and contribution rights. Any indemnity payment under this Agreement shall be treated as an adjustment to the Purchase Price for Tax purposes.

ARTICLE VIII
MISCELLANEOUS

8.1 **Announcements**.

Any press release, public announcement or publicity with respect to the transactions contemplated in this Agreement shall be made only with the prior written consent of the Parties unless such release, announcement or publicity is required by Law, in which case the Party required to make such release, announcement or publicity shall use its reasonable efforts to obtain approval of the other Party to the form, nature and extent of such disclosure, which approval shall not be unreasonably withheld. Unless otherwise determined by a court of competent jurisdiction, each Party shall keep this Agreement strictly confidential and make no disclosure thereof to any Person except the Party's advisors and lenders and except as may be required in connection with the consummation of the transactions contemplated hereunder or as may be required by Law, without the prior written consent of the other Party.

8.2 **Amendment and Modification; Waiver**.

This Agreement may only be amended or modified in writing, signed by all of the Parties. No waiver in writing of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

8.3 **Expenses**.

Each Party shall bear and pay all costs, expenses and fees (including legal counsel, investment banking, brokerage and accounting fees and disbursements) incurred by it in connection with the preparation, execution and consummation of this Agreement and the transactions contemplated hereunder (unless otherwise stipulated herein).

8.4 **Assignment**.

No Party shall be entitled to assign this Agreement or any interest herein without the written consent of the other Party having first been obtained, which consent may be withheld by the other Party for any reason in its sole discretion; provided, however, that such consent shall not be required if a Party assigns this Agreement to one of its Affiliates. In the event of any assignment by a Party hereto of its obligations hereunder to an Affiliate, as the case may be, the assignee shall expressly assume in writing in favour of the other Party the obligations of the assignor and the assignor shall remain expressly liable together with the assignee on all covenants contained therein. Notwithstanding the foregoing, the Purchaser shall be entitled to assign all of its rights and obligation in and under this Agreement to Solifor Charlevoix-Saguenay, société en commandite, or any Affiliate thereof or any other Person belonging to the same group as Solifor Charlevoix-Saguenay, société en commandite, without the prior consent of the Vendor provided such assignment takes place and the Vendor is notified thereof in writing prior to noon on July 31, 2009. This Agreement shall be binding upon and enure to the benefit of the Vendor and the Purchaser and their respective successors and permitted assigns.

8.5 **Entire Agreement**.

This Agreement (including the Schedules and the agreements and documents in writing contemplated to be delivered hereunder or herewith as of the date of this Agreement), constitutes the entire Agreement between the Parties pertaining to the subject matter hereof, and supersedes all prior agreements, understandings, negotiations and discussions of the Parties (but excluding, for greater certainty, the confidentiality agreement signed prior to the execution of this Agreement which shall survive the execution of this Agreement). There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral, whether statutory or otherwise, between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement and the Purchaser shall acquire the Purchased Properties as is and where is subject to the benefit of the representations and warranties in this Agreement. This Agreement constitutes the complete and exclusive statement of its terms and no extrinsic evidence whatsoever may be introduced in any proceedings involving this Agreement. Any cost estimates, projections or other predictions contained or referred to in any other material that has been provided to the Purchaser or any of its Affiliates, agents or representatives (including any due diligence presentations or documents transmitted to the Purchaser relating to the sale of the Purchased Properties) are not and shall not be deemed to be representations or warranties of the Vendor or any of its Affiliates, agents, employees or representatives.

8.6 **Notices**.

Any notice, consent, authorization, direction or other communication required or permitted to be given hereunder shall be in writing and shall be delivered either by personal delivery or by telecopier or similar telecommunications device and addressed as follows:

(a) in the case of the Vendor, to:

Abitibi-Consolidated Company of Canada
1155 Metcalfe Street
Suite 800
Montréal, Quebec H3B 5H2

Attention: Legal Department
Telecopier: (514) 394-3644

with a copy to:

Ogilvy Renault LLP
1981 McGill College Avenue
Suite 1100
Montreal, Quebec
H3A 3C1

Attention: Francis R. Legault
Telecopier: (514) 286-5474

(b) in the case of the Purchaser, to it at:

9 rue Westco
St-François, New Brunswick
E7A 1A5

Attention: M. Thomas Soucy
Telecopier: (506) 992-3990

with a copy to:

Tremblay Bois Mignault Lemay LLP
Iberville Un
1195, avenue Lavigerie, bureau 200
Quebec, Quebec G1V 4N3

Attention: André Lemay
Telecopier: (418) 658-6100

with a copy to, if prior to Closing:

Gestion Solifor Inc.
5700, rue J.-B.-Michaud
bureau 440 Lévis, Quebec
G6V 0B1

Attention: M. Raynald Arial
Email: mensana@sympatico.ca

Any notice, consent, authorization, direction or other communication delivered as aforesaid shall be deemed to have been effectively delivered and received, if sent by telecopier or similar telecommunications device on the date next following receipt of such transmission or, if by personal delivery, to have been delivered and received on the date of such delivery, provided, however, that if such date is not a business day in the jurisdiction of receipt, then it shall be deemed to have been delivered and received on the business day next following such delivery. Either Party may change its address for service by notice delivered as aforesaid.

8.7 **Severability**.

Any Article, Section or other subdivision of this Agreement or any other provision of this Agreement which is, or becomes, illegal, invalid or unenforceable shall be severed herefrom and shall be ineffective to the extent of such illegality, invalidity or unenforceability and shall not affect or impair the remaining provisions hereof, which provisions shall (i) be severed from any illegal, invalid or unenforceable Article, Section or other subdivision of this Agreement or any other provision of this Agreement, and (ii) otherwise remain in full force and effect.

8.8 **Governing Law; Jurisdiction**.

This Agreement shall be governed by and interpreted and construed in accordance with the Laws presently in force in the Province of Quebec and the Laws of Canada applicable therein without reference to the conflict of laws rules. The Parties irrevocably attorn to the exclusive jurisdiction of the courts of Montréal, Quebec.

8.9 **Counterparts**.

This Agreement may be executed by the Parties hereto in several counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall constitute but one and the same instrument.

[Signatures follow on next page.]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above mentioned.

ABITIBI-CONSOLIDATED COMPANY OF CANADA

Per: Pierre Rougeau
Name: Pierre Rougeau
Title: Executive Vice President, Operations and Sales

Per: ______________________
Name:
Title:

3908666 CANADA INC.

Per: ______________________
Name: Thomas Soucy
Title: President

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above mentioned.

ABITIBI-CONSOLIDATED COMPANY OF CANADA

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:

3908666 CANADA INC.

Per: ______________________________
Name: Thomas Soucy
Title: President

INTERVENTION AND GUARANTEE

Solifor Charlevoix-Saguenay, société en commandite ("**Solifor**"), for itself and on behalf of any other entity to be created for the purposes of the assignment contemplated in Section 8.4 of this Agreement, hereby undertakes to accept the assignment contemplated in Section 8.4 of this Agreement to the complete exoneration of the Purchaser's obligations towards the Vendor under this Agreement, it being understood that the Purchaser will remain bound by its obligations to Solifor pursuant to any memorandum of understanding entered into between the Purchaser and Solifor.

Furthermore, Solifor hereby intervenes to this Agreement to guarantee jointly and solidarily the full and timely performance of the obligations of the Purchaser under this Agreement with effect, without the benefit of discussion and division, immediately upon the failure of the Purchaser to complete the purchase of the Purchased Properties at the Time of Closing in accordance with the terms and conditions of this Agreement. For purposes of clarity, it is understood that in the event the Purchaser fails to complete the purchase of the Purchased Properties at the Time of Closing, the undersigned shall itself proceed with the completion of such purchase in accordance with the terms and conditions of this Agreement.

SOLIFOR CHARLEVOIX-SAGUENAY, SOCIÉTÉ EN COMMANDITE, per its general partner **GESTION SOLIFOR INC.**

Per: ______________________________
Name: RAYNALD ARIAL
Title: PRÉSIDENT

Montréal, July 29, 2009

3908666 Canada Inc.
9 rue Westco
St-François, New Brunswick
E7A 1A5

Attention: M. Thomas Soucy

- and -

Solifor Charlevoix-Saguenay, société en commandite
a/s Gestion Solifor Inc.
5700, rue J.B.-Michaud
Bureau 440
Lévis, Quebec G6V 0B1

Attention: M. Raynald Arial

RE: Purchase and Sale Agreement – Côte-Nord

Dear Sirs:

Reference is made to the Purchase and Sale Agreement entered into on July 27, 2009 between Abitibi-Consolidated Company of Canada, as vendor, and 3908666 Canada Inc., as purchaser, to which Solifor Charlevoix-Saguenay, société en commandite intervened (the "**Agreement**"). All capitalized terms used but not defined herein shall have the meaning ascribed thereto in the Agreement.

We hereby propose to amend the Agreement as follows:

(i) Section 1.1(j) of the Agreement is deleted and replaced by the following text:

"**Closing Date**" means the later of (i) August 26, 2009 and (ii) twenty-two (22) calendar days from the date of the initial decision of the Superior Court of Quebec approving the Agreements; or at such other date as the Parties may agree.

(ii) Section 1.1(v) of the Agreement is deleted and replaced by the following text:

"**Hearing Date**" means the date scheduled by the Quebec Superior Court for the presentation of the motion requesting the Court Order, as same shall have been notified in writing by the Vendors to the Purchaser and which shall not be in any event earlier than August 4, 2009.

(iii) Section 1.1(pp) of the Agreement is deleted and replaced by the following text:

"**Title Due Diligence Date**" means August 21, 2009.

the whole to become effective on the date of your acceptance below.

If the foregoing is acceptable, please so signify by signing and returning the enclosed duplicate copy of this Amending Letter to the attention of Claude St-Laurent, Senior Legal Counsel, by fax (no. 514.394.3644) or by courier.

Yours truly,

ABITIBI-CONSOLIDATED COMPANY OF CANADA

Per: ______________________________

Name: Pierre Rougeau

Title: Executive Vice President, Operations and Sales

ACKNOWLEDGEMENT AND ACCEPTANCE

The terms and conditions of the foregoing are hereby acknowledged and accepted by 3908666 Canada Inc.

Signed in ____________________, this _____ day of July 2009.

3908666 CANADA INC.

Per: ______________________________

Name: Thomas Soucy

Title: President

The terms and conditions of the foregoing are hereby acknowledged and accepted by Solifor Charlevoix-Saguenay, société en commandite.

Signed in ____________________, this _____ day of July 2009.

SOLIFOR CHARLEVOIX-SAGUENAY, SOCIÉTÉ EN COMMANDITE per its general partner GESTION SOLIFOR INC.

Per: ____________________________________

Name: Raynald Arial

Title: President

SCHEDULE 1.1(d)

ASSUMED LIABILITIES

All Liabilities of the Vendor pursuant to:

(i) the Contracts; and

(ii) contracts, agreements and deeds registered against title to the Purchased Properties to which the Vendor (including its predecessors) is a party (including, without limitation, any deeds of sale pursuant to which the Vendor sold or acquired any portion of the Purchased Properties, deeds of servitudes or rights-of-way or any other similar agreements).

SCHEDULE 1.1(e)

BOOKS AND RECORDS

Copies of all the agreements, documents and other information (i) found on the two (2) Project Yucca due diligence CD-Roms, copies of which have been delivered by the Vendor to the Purchaser prior to or on the date hereof or (ii) transmitted by the Vendor or the Vendor's external legal counsel to the Purchaser or the Purchaser's external legal counsel from time to time prior to or on the date hereof.

SCHEDULE 1.1(m)

CONTRACTS

1. Bail intervenu entre Produits Forestiers Donohue inc., Nicolas Poulin et Pierre Michaud le 12 janvier 2000. Bail #1000-1999-011-38-0361
2. Bail intervenu entre Produits Forestiers Donohue inc. et Jean-Claude Gagnon le 18 novembre 1999. Bail #1000-1999-011-22-0361
3. Bail intervenu entre Abitibi-Consolidated du Canada et Jean-Claude Michaud le 10 août 2007. Bail #1000-2002-011-63-0361
4. Bail intervenu entre Abitibi-Consolidated du Canada et Jean-Marc Bacon, Jean Boivin et Roger Pagé le 23 mai 2003. Bail #1000-2003-011-59-0361
5. Bail intervenu entre Produits Forestiers Donohue inc. et Jean-Paul Michaud le 23 novembre 1999. Bail #1000-1999-011-29-0361
6. Bail intervenu entre Produits Forestiers Donohue inc. et Jean-Paul Michaud le 23 novembre 1999. Bail #1000-1999-011-30-0361
7. Bail intervenu entre Abitibi-Consolidated du Canada et Luc Cayouette le 10 mars 2006. Bail #1000-2005-011-65-0361
8. Bail intervenu entre Produits Forestiers Donohue inc. et Michel Chassé le 19 novembre 1999. Bail #1000-1999-011-25-0361
9. Bail intervenu entre Abitibi-Consolidated du Canada, Mario Dumont et Michel Leclerc le 28 novembre 2006. Bail #1000-1999-011-21-0361
10. Bail intervenu entre Produits Forestiers Donohue inc. et Roland Tremblay le 19 novembre 1999. Bail #1000-1999-011-23-0361
11. Bail intervenu entre Abitibi-Consolidated du Canada et Stéphane D'Astous le 31 octobre 2003. Bail #1000-1999-011-12-0361
12. Bail intervenu entre Abitibi-Consolidated du Canada et Simon Jean le 2 août 2006. Bail #1000-2002-011-06-0361
13. Bail intervenu entre Abitibi-Consolidated du Canada et Viateur Boudreau le 9 avril 2007. Bail #1000-1000-2007-011-68-0361
14. Bail intervenu entre Produits Forestiers Donohue inc. et Gilbert Hudon le 26 juin 2000. Bail #1000-2000-011-56-0361
15. Bail intervenu entre Abitibi-Consolidated du Canada et Eric Guillemette le 23 août 2007. Bail #1000-1999-011-35-0361

16. Bail intervenu entre Abitibi-Consolidated du Canada et Evans Potvin le 20 août 2007. Bail #1000-1999-011-34-0361

17. Bail intervenu entre Produits Forestiers Donohue inc. et Philippe Bisson le 6 juin 2006. Bail #1000-2001-011-57-0361

18. Bail intervenu entre Produits Forestiers Donohue inc., Gino Marin et Marcel Marin le 15 novembre 1999. Bail #1000-1999-011-18-0361

19. Bail intervenu entre Abitibi-Consolidated du Canada et Gaétane Fortin le 23 avril 2002. Bail #1000-2002-011-61-0361

20. Bail intervenu entre Produits Forestiers Donohue inc. et Gilbert Hudon le 1 novembre 1999. Bail #1000-1999-011-16-0361

21. Bail intervenu entre Produits Forestiers Donohue inc. et Gilles Marquis le 21 juin 2007. Bail #1000-1999-011-24-0361

22. Bail intervenu entre Produits Forestiers Donohue inc. et Gilles Thibault le 19 novembre 1999. Bail #1000-1999-011-26-0361

23. Bail intervenu entre Produits Forestiers Donohue inc. et Henri Thorn le 25 avril 2000. Bail #1000-1999-011-54-0361

24. Bail intervenu entre Produits Forestiers Donohue inc. et Henri Thorn le 25 avril 2000. Bail #1000-1999-011-53-0361

25. Bail intervenu entre Produits Forestiers Donohue inc. et Jacques Asselin le 14 décembre 1999. Bail #1000-1999-011-14-0361

26. Bail intervenu entre Produits Forestiers Donohue inc., Jackie Beaudin et Joël Caron le 17 mars 2000. Bail #1000-1999-011-51-0361

27. Bail intervenu entre Produits Forestiers Donohue inc. et Jacques Berthelot le 20 janvier 2000. Bail #1000-1999-011-39-0361

28. Bail intervenu entre Abitibi-Consolidated du Canada et Jean Bérubé le 26 juillet 2007. Bail #1000-2007-011-70-0361

29. Bail intervenu entre Produits Forestiers Donohue inc. et Julien Harvey le 29 octobre 1999. Bail #1000-1999-011-08-0361

30. Bail intervenu entre AbitibiBowater inc. et Jacques Labrie le 22 novembre 2007. Bail #1000-1999-011-02-0361

31. Bail intervenu entre Produits Forestiers Donohue inc., Alain Mercier, Clarence Bouchard, Jean-Paul Bouchard et Florent Gagnon le 23 mai 2001. Bail #1000-1999-011-48-0361

32. Bail intervenu entre Abitibi-Consolidated du Canada et Armand Métivier, non signé et non daté. Bail #1000-2004-011-05-0361

33. Bail intervenu entre Produits Forestiers Donohue inc. et Bernard Boucher le 9 novembre 1999. Bail #1000-1999-011-19-0361

34. Bail intervenu entre Produits Forestiers Donohue inc. et Bernard Boucher le 30 novembre 1999. Bail #1000-1999-011-33-0361

35. Bail intervenu entre Produits Forestiers Donohue inc., Brigitte Morin et Frédéric Morin le 6 mars 2000. Bail #1000-1999-011-47-0361

36. Bail intervenu entre Produits Forestiers Donohue inc. et Charley Dubé le 23 novembre 1999. Bail #1000-1999-011-32-0361

37. Bail intervenu entre Produits Forestiers Donohue inc. et Camille Fortin le 13 décembre 1999. Bail #1000-1999-011-36-0361

38. Bail intervenu entre Produits Forestiers Donohue inc. et Carol Girard le 5 novembre 1999. Bail #1000-1999-011-20-0361

39. Bail intervenu entre Abitibi-Consolidated du Canada, Gaétane Morin et Camille Fortin le 13 mars 2007. Bail #1000-2007-011-67-0361

40. Bail intervenu entre Produits Forestiers Donohue inc. et Damien Fortin le 2 février 2000. Bail #1000-1999-011-43-0361

41. Bail intervenu entre Compagnie Abitibi-Consolidated du Canada et Donald Fortin le 14 août 2007. Bail #1000-1999-011-44-0361

42. Bail intervenu entre Abitibi-Consolidated du Canada, Francis Duguay et Damien Tremblay le 15 mars 2005. Bail #1000-2002-011-64-0361

43. Bail intervenu entre Produits Forestiers Donohue inc. et Guy Blouin le 8 novembre 1999. Bail #1000-1999-011-04-0361

44. Bail intervenu entre Abitibi-Consolidated du Canada et Guy Blouin le 28 août 2002. Bail #1000-2002-011-62-0361

45. Bail intervenu entre Produits Forestiers Donohue inc. et Guy Boudreault le 8 novembre 1999. Bail #1000-1999-011-11-0361

46. Bail intervenu entre Abitibi-Consolidated du Canada et Marc Vallée le 24 mai 2007. Bail #1000-2007-011-69-0361

47. Bail intervenu entre Produits Forestiers Donohue inc. et Noël Boudreault le 8 novembre 1999. Bail #1000-1999-011-13-0361

48. Bail intervenu entre Produits Forestiers Donohue inc. et Laurent Charron, non daté, tel que cédé à Yvon Trudel le 26 décembre 2003. Bail #1000-1999-011-07-0361

49. Bail intervenu entre Produits Forestiers Donohue inc., Pierrot Michaud et Nicolas Poulin le 1 mars 2000. Bail #1000-1999-011-49-0361

50. Bail intervenu entre Produits Forestiers Donohue inc. et Roger Bérubé le 28 janvier 2000. Bail #1000-2000-011-40-0361

51. Bail intervenu entre Produits Forestiers Donohue inc. et Réal Charrette le 6 janvier 2000. Bail #1000-1999-011-37-0361

52. Bail intervenu entre Produits Forestiers Donohue inc. et Richard David le 31 janvier 2000. Bail #1000-1999-011-42-0361

53. Bail intervenu entre Abitibi-Consolidated du Canada et René Levasseur le 17 août 2005. Bail #1000-2005-011-03-0361

54. Bail intervenu entre Abitibi-Consolidated du Canada et Richard Michaud le 25 septembre 2006. Bail #1000-1999-011-50-0361

55. Bail intervenu entre Abitibi-Consolidated du Canada et Richard Pope le 31 mai 2001. Bail #1000-2001-011-58-0361

56. Bail intervenu entre Compagnie Abitibi-Consolidated du Canada et Denis Beaudin le 18 novembre 2002. Bail #1000-1999-011-52-0361

57. Bail intervenu entre Produits Forestiers Donohue Inc. et Germain Poirier le 1er mai 2001, transféré à Sylvain Bélanger le 13 février 2004. Bail #1000-1999-011-55-0361

58. Bail intervenu entre AbitibiBowater Inc. et Albert Couillard le 31 mars 2009. Bail #1000-2006-011-71-0361

59. Bail intervenu entre Compagnie Abitibi-Consolidated du Canada et Paul Durocher, non signé et non daté. Bail #1000-2004-011-27-0361

60. Bail intervenu entre AbitibiBowater Inc. et Dwight Graveline et Dorys Simard le 12 mai 2009. Bail #1000-2001-011-60-0361

61. Bail intervenu entre Compagnie Abitibi-Consolidated du Canada et Denis Poirier le 8 novembre 2001. Bail #1000-1999-011-10-0361

62. Bail intervenu entre Compagnie Abitibi-Consolidated du Canada et Roméo Ross le 14 octobre 2006. Bail #1000-2006-011-01-0361

63. Entente intervenue entre Compagnie Abitibi-Consolidated du Canada et Les Entreprises Jacques Dufour & Fils Inc., datée le 6 juillet 2009.

64. The Vendors have authorized the use of snowmobile paths on the Côte-Nord Property pursuant to verbal agreements with the users of such paths. The use of the snowmobile paths do not have any material impact on the business operated by the Vendors on the Côte-Nord Property.

65. Undertaking of the *Ministère des Transports du Québec* on March 27, 2009 to remove during summer 2009 certain asphalt deposits left in 2005 on a distance of 300 meters on the Côte-Nord Property along Road 138.

66. Verbal agreement between the Vendors and *La Bande de Betsiamites* pursuant to which the Vendors granted to *La Bande de Betsiamites* a right of way on Block 2 to access the Pourvoirie du Lac des Iles.

SCHEDULE 1.1(n)

CÔTE-NORD PROPERTIES

CÔTE NORD « Bloc 3, Bloc Godbout »

1. The following parcels of land situate in the Townships of Franquelin and Godbout, Registration division of Saguenay, in the said Province of Quebec, namely :

   a) the Block C being all that extent of land comprised in the Township of Godbout and the limits of which may be described as follows: commencing from the extremity of a line established in the year nineteen hundred and eighteen, by J.A.L. Doyon, Surveyor, (Canton 31), and on the directions of North eighty-nine degrees, thirty minutes West, eighty chains and North eighty-nine degrees, fifteen minutes West, ninety-nine chains and ninety-six links to the line of the height of land between the River Godbout and the River Franquelin; thence following to the North of the said line of the said height of land to the North limit of said Block and on this last line following true East for a distance of two hundred and forty-two chains, fifty-six links and thence true South two hundred and ninety-one chains, seventy-two links and true West, one hundred and ninety-eight chains, fifty-five links to the point of commencement; the said last mentioned extent of land containing approximately Ten thousand seven hundred and ninety-six (± 10,796) acres in superficies.

      All of the last mentioned directions are astronomical and the whole more or less according to a Plan prepared by M. Paul Joncas, Land Surveyor, date June, nineteen hundred and thirty.

      (Acte publié sous le numéro 71 577 – Saguenay)

   b) The Block A of the Township of Godbout, in the County of Saguenay, described as follows: Bounded on the North partly by the Forestry location "Riviere Sheldrake" and partly by a line to be run in the course of East astronomical, from the sixth post military planted on the East line of said Forestry location to the River Godbout; to the South partly by the Township of Franquelin and partly by the Township De Monts; to the East by the River Godbout and to the West by the said Forestry location "Riviere Sheldrake" and containing an area of approximately sixteen thousand five hundred (± 16,500) acres.

      (Acte publié sous le numéro 71 577 – Saguenay)

   c) The Block B of the Township of Franquelin, in the County of Saguenay, and more particularly described as follows: Bounded to the North by the Township of Godbout (projected); to the South by the North line of Block A situated at sixty-seven chains South of the separating line (projected) of the Townships of Franquelin and Godbout; to the East by Township De Monts and to the West by the Forestry location “Riviere Sheldrake” and containing an area of approximately two thousand four hundred and fifty (± 2,450) acres.

(Acte publié sous le numéro 71 577 – Saguenay)

d) The Block A of the Township of Franquelin, in the County of Saguenay, in the said Province of Quebec, and more particularly described as follows; Bounded on the North by the South line of Block B, being situated at sixty-seven chains South of the separative line (projected) of the Townships of Franquelin and Godbout; to the South partly by the North line of the forestry location “Riviere St. Nicholas No. 1 East “ and “Riviere St. Nicolas No. 2 East”; partly by the lot number One of Little St. Nicolas Harbor and partly by the Gulf St. Lawrence; to the East by the Township de Monts, and to the West by the said forestry location “Riviere St. Nicolas Number 2 East”, and by the forestry location “Riviere Sheldrake”, and containing an area of approximately sixteen thousand five hundred and seventy-five (± 16,575) acres.

(Acte publié sous le numéro 71 577 – Saguenay)

CÔTE-NORD « Bloc 1 – Bloc Rivière Godbout Est »

2. The following parcels of land situate to the west and to the east of the River Godbout, Registration division of Saguenay, in the Province of Québec, namely :

a) The parcel of land situate to the West of the River Godbout, in the County of Saguenay, in the said Province, containing according to the Survey thereof Thirty-four thousand two hundred and fifty-seven (34,257) acres, more or less, with the ordinary reserve for public roads, which parcel of land may be more particularly described as follows: The Block A being all that extent of land situate to the West of the River Godbout, in the County of Saguenay and the limits of which may be described as follows: commencing from the intersection of the West Bank of the Discharge from Lac de la Petite Epinette with the prolongation towards the West of the North limit of Block D (to the East of the River Godbout) and following towards the South the West Bank of said River, the West Bank of Lac de la Traverse and of all the chain of Lakes draining into the River Godbout up to its intersection with the prolongation towards the West of the South limit of said Block D; thence in the directions and distances following: true West, two hundred and twenty-nine chains; true North, Twelve hundred and ninety-one chains and forty-five links; North, seventy-two degrees East twenty chains, twelve links and true East, one hundred and forty chains and twenty-five links to the point of commencement; the said extent of land containing approximately thirty-four thousand two hundred and fifty-seven acres in superficies.

All of the above directions are astronomical and the whole more or less, according to a Plan prepared by M.M. Paul Joncas and Emilien Pouliot, Land Surveyors, dated April, nineteen hundred and thirty-one.

(Acte publié sous le numéro 71 577 – Saguenay)

b) The parcel of land situate to the East of the River Godbout, in the County of Saguenay, in the said Province, containing according to the Survey thereof Twenty-seven thousand eight hundred and sixty-four acres more or less, with the ordinary reserve for public roads, which parcel of land may be more particularly described as follows: The Block D being all that extent of land situate to the East of the River Godbout, in the County of Saguenay and the limits of which may be described as follows: commencing at the North West corner of Block C and following a direction South nineteen degrees, fifty-eight minutes East, four hundred and thirty chains, nineteen links; true South two hundred and ninety-six chains; true West three hundred and eighty chains, forty-six links to the East Bank of the River Godbout; thence following, towards the North, the said East Bank to Lac de la Traverse; from the North Bank of the said Lake following towards the North the East Bank of the discharge of the Lac de la Petite Epinette a distance of about sixty chains to its junction with the South limit of the concession granted to Ontario Paper Company Ltd., thence North, eighty-nine degrees, fifty-two minutes East, two hundred and fifty-eight chains, fifty-four links; true South, six hundred chains, nineteen links and true East forty-two chains, ninety-six links to the point of commencement; the said last mentioned extent of land containing approximately Twenty-seven thousand eight hundred and sixty-four (± 27,864) acres in superficies.

All the last mentioned directions are astronomical and the whole more or less according to a plan prepared by M. Paul Joncas, Land Surveyor, dated June, nineteen hundred and thirty. The above mentioned parcel is shown as Block "B" on said plan.

(Acte publié sous le numéro 71 577 – Saguenay)

c) The parcels of land situate in the Godbout River Watershed, in the County of Saguenay, in the said Province, containing according to the Survey thereof Forty two thousand nine hundred and sixty (42,960) acres, more or less, with the ordinary reserve for public roads, which parcels of land may be more particularly described as follows:

i) The Block C being all that extent of land situate to the East of the River Godbout, in the County of Saguenay and the limits of which may be described as follows: commencing from the South East corner of a concession granted to the Ontario Paper Co. and following a course North five degrees East, twenty-one chains, sixty-seven links and North, sixty-five degrees, thirty minutes East, fifty-three chains and eighty-nine links to the West Bank of the Kitsabelin River; thence following, towards the South, the said West Bank of the said River to its intersection with the prolongation towards the West of the South limits of Block B; thence successively in the directions and distances following: true West, one hundred and twenty-eight chains; North, nineteen degrees, fifty-eight minutes West, four hundred and thirty chains and eighty-six links and North, eighty-nine degrees, fifty-seven minutes East, two hundred and ninety-seven chains and fifty-two links to the point of commencement; the last mentioned extent of land contains approximately Nine thousand seven hundred and four (± 9,704) acres in superficies;

ii) The Block A being all that extent of land situate to the East of the River Godbout, in the County of Saguenay and the limits of which may be described as follows: commencing from the point of intersection of the East Bank of the Kitsabelin River with the prolongation towards the North East of the North limit of Block C, thence in the directions and distances following: North, sixty-five degrees, thirty minutes East, two hundred and twenty-five chains and twenty-two links; South, seventy-nine degrees, forty-five minutes East, fifty-seven chains and sixty-four links; South, thirty-eight degrees East, nineteen chains and twenty-six links; South, eighty degrees East, seventy-nine chains and eighty-six links; South, six degrees West, twenty chains and thirty-nine links; South, eighty degrees East, one hundred and fourteen chains and ninety links; South, sixty degrees East, twenty-one chains and eighty-eight links; South twenty degrees East, seven chains and eighty links; true South, forty-four chains and ninety-four links; South, thirty-five degrees East, one hundred and fourteen chains and seventy-seven links; South, eighty degrees East, thirty-two chains and sixty-six links; South, thirty-five degrees East, twenty-five chains and sixty-three links; North, forty-eight degrees East, thirty-four chains; South, seventy-one degrees thirty minutes East, seventy-four chains and twenty-one links; South, seventy degrees thirty minutes West, thirty-eight chains and twenty-one links; South, forty-three degrees, forty-six minutes East, sixty-one chains, and thirty links; South, thirteen degrees, fifty minutes East, fifty-six chains and ninety-seven links to the South limit of the block to be established on a course true West up to the East Bank of the said Kitsabelin River and following, towards the North, the said East Bank to the point of commencement; the said extent of land contains approximately Twenty-three thousand two hundred and eighty-one (± 23,281) acres in superficies;

iii) The Block B being all that extent of land situate to the East of the River Godbout, in the County of Saguenay and the limits of which may be described as follows: commencing from the point of intersection of the East Bank of the Kitsabelin River with the prolongation towards the East of the South limit of Block C, thence in the directions and distances following: true East, eight hundred and eleven chains; North, twenty-one degrees, forty-seven minutes East, thirty-eight chains, fifty-five links; North, thirteen degrees, fifty minutes West, ninety-two chains, eighteen links; thence on a line to be established true West until it meets the East Bank of the Kitsabelin River and following towards the South the said East Bank to the point of commencement; the said last mentioned extent of land containing approximately Nine thousand nine hundred and seventy-five (± 9,975) acres in superficies;

All of the last mentioned directions are astronomical and the whole more or less according to a Plan prepared by M.M. Paul Joncas and R.H. Houde, Land Surveyors, dated the fourth of August, nineteen hundred and twenty-eight;

(Acte publié sous le numéro 71 577 – Saguenay)

CÔTE-NORD « Bloc 2 – Bloc Franquelin »

3. The following parcels of land situate in the Townships of Godbout and Morency, Registration division of Saguenay, in the Province of Québec, namely:

a) The Block "A" of the Township of Morency, County of Saguenay, as described in a return of a special survey by Québec land surveyors C.H.N. Piton and J.A.L. Doyon dated at Québec, September eighteenth, nineteen hundred and twenty (1920) as follows: commencing at the point of intersection of the south-west boundary of block "B" of the Township of Godbout with the projected division line between the Townships of Godbout and Morency, the prolongation of said south-west boundary of block "B" of the said Township of Godbout, on a bearing North 57°54' West ast, a distance of 145 chains and 43 links, more or less, to a point in a lake situated on the prolongation of the North West boundary of said block "A", thence, along said North West boundary North 40° East astronomical, a distance of 78 chains and 80 links to a post, thence due East astronomical, a distance of 67 chains, more or less, to the projected division line between the Townships of Godbout and Morency, thence due south astronomical, said projected division line between the Townships of Godbout and Morency, a distance of 144 chains, more or less, to the point of commencement. The block "A" above described covers an area of 1,030 acres, more or less.

(Acte publié sous le numéro 8 100, pages 384 et 385 – Saguenay)

b) The block "B" of the Township of Godbout, County of Saguenay, as described in a return of a special survey by Québec land surveyors C.H.N. Piton and J.A.L. Doyon, dated at Québec, September eighteen, nineteen hundred and twenty (1920) as follows: starting on the prolongation of the North boundary of Block "A" of said Township of Godbout, at a point situated 291 chains West from the Westernmost angle of said Block A, a straight line being the North East boundary of timber limit "River Franqueline" (Sheldrake), bearing north 54°54' West astronomical, a distance of 10 miles and 71 chains, more or less, to the projected division line between the Townships of Godbout and Morency, thence due North astronomical, along said division line between the Townships of Godbout and Morency, a distance of 144 chains, more or less, to the North boundary of said block B established by said surveyors Piton and Doyon; thence due East astronomical, said North boundary, a distance of 253 chains, more or less, to a post marked IV miles, thence south 45° East astronomical, a distance of 130 chains to a post; thence south 6° East astronomical, a distance of 240 chains (3 miles) to a post marked III miles; thence North 84° East astronomical, a distance of 141 chains and 75 links to a post; thence South 61°30' East astronomical, a distance of 120 chains to a post; thence south 5°30' East astronomical, a distance of 180 chains to a post thence South 39° East astronomical, a distance of 78 chains to a post, thence South 44° East astronomical, a distance of 45 chains and 90 links to the starting point. The block "B" above described covers an area of 13,970 acres, more or less.

(Acte publié sous le numéro 8 100, pages 384 et 385 – Saguenay)

SCHEDULE 1.1(o)

COURT ORDER

The Court Order shall contain, *inter alia*, the following provisions:

a) Approval of the contents of the Agreement;

b) Approval and authorization of the sale to the Purchaser of the Purchased Properties, pursuant to and in accordance with the terms and conditions set out in the Agreement;

c) Authorization of the Vendor(s) to execute any and all other documents necessary in order to complete the sale of the Purchased Properties;

d) Order and declaration to the effect that upon closing of the transaction set out in the Agreement, the Purchased Properties are to be vested absolutely and exclusively in and with the Purchaser, free and clear of and from any and all rights, interests, prior claims, hypothecs, security interests (whether contractual, statutory or otherwise), liens, assignments, judgments, executions, writs of seizure and sale, options, adverse claims, levies, charges, liabilities (direct, indirect, absolute or contingent), or other claims or encumbrances, whether or not they have been attached or been, perfected, registered or filed and whether secured, unsecured or otherwise, including without limiting the generality of the foregoing: (i) any encumbrances, charges or hypothecs created by the order issued on April 17, 2009 by Justice Clément Gascon, J.S.C., as amended, and/or any other CCAA order; (ii) all charges, security interests or claims evidenced by registrations pursuant to the Civil Code of Québec (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, an order to the effect that all of the Encumbrances affecting or relating to the Purchased Assets be expunged and discharged as against the Purchased Assets as of such final execution, subject to the following paragraph hereof;

e) Order to the effect that notwithstanding:

  a) the proceedings under the CCAA;

  b) any petitions for a receiving order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* ("**BIA**") and any received order issued pursuant to any such petition or;

  c) the provisions of any federal or provincial statute;

  the vesting of the Purchased Properties in the Purchaser, as well as the execution of all agreements pursuant to the Court Order, are to be binding on any trustee in bankruptcy that may be appointed, and shall not be void or voidable nor deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it give rise to an oppression remedy; and

f) Order granting the provisional execution of the Court Order notwithstanding any appeal.

The Motion seeking issuance of the above mentioned orders will be transmitted to the Purchaser as well as the Service List in accordance with the provisions of the Initial Order dated April 17, 2009 as amended and restated.

SCHEDULE 1.1(ff)(x)

PERMITTED ENCUMBRANCES

1. Block 2 – Bloc Franquelin (item 3 of Schedule 1.1(n))

   A. In the deeds registered on April 28, 1920 under #2734 and 2735 and on December 21, 1928, under #3981, it is mentioned that the property is located in "le Haut-Bassin de la Rivière-Sheldrake dans le Canton de Franquelin" instead of the "Bloc A Canton Morency and Bloc B, Canton Godbout". The deed registered under #2734 was rectified by deed entered before Me Charles Edmond Taschereau, notary, on March 21, 1921, but said deed of rectification was never registered.

   B. The technical description prepared for *Le ministre responsable de la Faune et des Parc du Québec* ("**Faune et Parcs**") describing the territory of the Pourvoirie du Lac des Iles for the purposes of the exclusive lease by Faune et Parc in file no. 8609-554 for the operation of this outfitter erroneously includes as part of such territory a parcel located on the western edge of block 2. This lease, which was assigned on April 1, 2002 by the Vendor to La Bande de Betsiamite, was set to expire on March 31, 2008 and it is not known if it was renewed without modification. The Vendor has not granted any right over Block 2 in connection with the operation of this outfitter, save and except for the right of way described at item 66 of Schedule 1.1(m).

SCHEDULE 3.3

ALLOCATION OF PURCHASE PRICE

Assets	Amount
1. Land	$1,000,000
2. Standing Timber	$5,000,000
Total	$6,000,000

SCHEDULE 4.1(e)

MATERIAL CONTRACTS

None.

SCHEDULE 4.1(i)

ACTIONS, SUITS OR PROCEEDINGS

1. The Vendor has filed for and obtained on April 17, 2009 an order from the Quebec Superior Court for creditor protection pursuant to the *Companies' Creditors Arrangement Act*. This order from the court is still valid and the operations and activities of the Vendor are currently subject to the provisions of the *Companies' Creditors Arrangement Act*.

2. The Vendor is a defending party in the lawsuit by La Première nation des Pessamit and La Bande de Pessamit against the Attorney-General of Quebec, the Ministry of Natural Resources and Fauna, the Attorney-General of Canada , the Ministry of Indian and Northern Affairs filed before the Superior Court of Quebec, District of Montreal, under no. 500-17-028743-055.

<u>SCHEDULE 4.1(l)</u>

COMPLIANCE WITH ENVIRONMENTAL LAWS

The *Ministère des Transports du Québec* has left certain asphalt deposits on a distance of 300 metres on the Côte-Nord Property along Road 138. It has undertaken to remove these deposits during summer 2009.

<u>**SCHEDULE 4.1(m)**</u>

PUBLIC DEMANDS

The Côte-Nord Property is located in a territory over which the Betsiamites First Nation asserts aboriginal rights. In connection with the "Innu Aitun" project launched in 2001, Betsiamites First Nation has identified on its traditional territory interest sites, camps and traplines over which it sought protections measures regarding forestry operations. Some of those sites and camps overlapp with the Côte-Nord Property. Betsiamites First Nation has also signed in 2004 the Agreement in principle between the Mamuitun Tribal Council and Nutakuan, the governements of Quebec and Canada.

SUPERIOR COURT
Commercial Division
(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act)

N°. **500-11-036133-094**

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

In the matter of Plan of Compromise or Arrangement of:

ABITIBIBOWATER INC. et al

Petitioners

- and –

ERNST & YOUNG INC.

Monitor

BS0350 **n/dos.:** 041053-1170

EXHIBIT P-3

ORIGINAL

Me Guy P. Martel **(514) 397-3163**
Fax : (514) 397-3493

STIKEMAN ELLIOTT
Stikeman Elliott S.E.N.C.R.L., s.r.l. AVOCATS
40e Étage
1155, boul. René-Lévesque Ouest
Montréal, Canada H3B 3V2

#10457164 v1