CANADIAN SECURITY AGREEMENT

THIS AGREEMENT is made as of April 1, 2008.

TO:	Wells Fargo Bank, National Association, in its capacity as collateral trustee for the benefit of the Secured Parties (together with its successors and assigns in such capacity, **"Collateral Trustee"**) .
GRANTED BY:	Abitibi-Consolidated Company of Canada (together with its successors and assigns, the **"Issuer"**)
AND BY:	Each of the Persons listed on the signature pages hereto as a grantor, and any other Person that becomes a party hereto (each, together with its successors and assigns, and together with the Issuer, a **"Grantor"**, and collectively, the **"Grantors"**)

RECITALS:

A. Reference is made to (a) that certain indenture (as amended, supplemented, restated, extended, renewed or replaced from time to time, the **"Indenture"**) dated as of the date hereof by and among the Issuer, Abitibi-Consolidated Inc. (together with its successors and assigns, **"Holdings"**), the other Grantors from time to time party thereto, and Wells Fargo Bank, National Association, in its capacity as trustee (together with its successors and assigns in such capacity, the **"Trustee"**), and (b) that certain collateral trust agreement (as amended, supplemented, restated, extended, renewed or replaced from time to time, the **"Collateral Trust Agreement"**) dated as of the date hereof by and among Holdings, the Issuer, the Grantors from time to time party thereto, the Trustee and Collateral Trustee.

B. As security for its Secured Obligations, each Grantor has agreed to grant to Collateral Trustee, for the benefit of the Secured Parties, a security interest in the Collateral of such Grantor.

THEREFORE, the parties agree as follows:

ARTICLE 1
DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Defined Statutory Terms

Unless the context otherwise requires or unless otherwise specified, all the terms used in this Agreement without initial capitals, which are defined in the PPSA or the STA, have the same meanings in this Agreement as in the PPSA or the STA, as applicable.

1.2 Definitions

All initially capitalized terms used and not defined elsewhere in this Agreement have the meanings given to them in the Indenture or the Collateral Trust Agreement, as the case may be, and the following words and terms have the meanings set out below:

> **"Agreement"** means this security agreement (including, for the avoidance of doubt, the preamble and recitals, definitions incorporated herein by reference and any exhibits and schedules attached hereto) as it and they may be amended, supplemented, extended, renewed, restated or otherwise modified from time to time;

"CIPO" means the Canadian Intellectual Property Office;

"Collateral" means, subject to Section 2.6, certain of each Grantor's present and after acquired personal property, including all undertakings, property, rights and assets of every nature and kind, now owned or subsequently acquired and at any time and from time to time existing or in which any such Grantor has or acquires an interest, wherever situate, and, in each case, consisting of:

(i) Equipment;

(ii) Intellectual Property Rights;

(iii) Fixed Asset Collateral Insurance;

(iv) Pledged Securities;

(v) each Fixed Asset Collateral Account and all property deposited therein;

(vi) to the extent not otherwise included above, all Documents of Title, Contracts, Collateral Records and Collateral Support directly and to the extent relating to any of the foregoing;

(vii) all Proceeds of any of the foregoing received by the applicable Grantor prior to the occurrence of a Fixed Asset Debt Default (or following the cure and/or waiver thereof), but only so long as such Proceeds are held in the Fixed Asset Collateral Account; and

(viii) all Proceeds of any of the foregoing received by the applicable Grantor after the occurrence of and during the continuance of a Fixed Asset Debt Default;

"Collateral Records" means books, records, ledgers, files, correspondence, customer lists, supplier lists, blueprints, technical specifications, manuals, computer software and related documentation, computer printouts, tapes, disks and other electronic storage media and related data processing software and similar items that at any time evidence or contain information relating to any of the Collateral or are otherwise necessary or helpful in the collection or use thereof or realization thereupon;

"Collateral Support" means any property or right, title or interest therein assigned, hypothecated or otherwise securing any Collateral or the payment or performance thereof, including any security agreement or other agreement granting a lien or security interest in such property;

"Contracts" means any contracts, agreements, indentures, licences, commitments, entitlements, consents, permits, engagements or other arrangements, whether written or unwritten, to which any Grantor is now or subsequently a party or has a benefit, right, or in which any Grantor now has or subsequently acquires an interest;

"Copyrights" means all of the following (a) all copyrights and intangibles of like nature (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in CIPO or in any similar office or agency in any other country or any political subdivision thereof, and (b) all reissues, extensions or renewals thereof;

"Designs" means all of the following: (a) all industrial designs and intangibles of like nature (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in CIPO or in any similar office or agency in any other country or any political subdivision thereof, and (b) all reissues, extensions or renewals thereof;

"Documents of Title" means all or any part of any documents of title, whether negotiable or non-negotiable, including all warehouse receipts and bills of lading, in which any Grantor now or subsequently has an interest;

"Equipment" means all goods in which any Grantor now or subsequently has an interest other than Inventory or consumer goods, including all tools, apparatus, fixtures, plant, machinery and furniture;

"Equivalent Amount" in one currency on any day means the amount of such currency that would result from Collateral Trustee converting into such currency another currency at approximately 12:00 noon (New York time) on such day in accordance with Collateral Trustee's customary practice;

"Fixed Asset Collateral Account" means any "Collateral Proceeds Account" (as defined in Section 4.10 of the Indenture) established by a Grantor pursuant to the Indenture;

"Fixed Asset Collateral Insurance" means all insurance policies (regardless of whether Collateral Trustee is the loss payee or an additional insured or named insured thereof) solely to the extent covering any or all of any Collateral;

"Fixed Asset Equity Interests" means those shares of capital stock, membership interests, partnership interests or beneficial interests of the respective issuers as set out on Schedule 4.1(f);

"Intellectual Property Rights" means all rights in, arising out of, or associated with Copyrights, Designs, Patents, Trade-marks and trade secrets, whether registered or not or the subject of a pending application for registration, that are now or in the future owned by or licensed to any Grantor;

"Joinder" has the meaning specified in Section 8.1;

"Patents" means all of the following: (a) all letters patent of invention and all applications for letters patent, all design patents and all registrations and recordings thereof, including registrations, recordings and applications in CIPO or in any similar office or agency in any other country or political subdivision thereof, and (b) all reissues, continuations, continuations-in-part, extensions, divisions, and re-examinations thereof;

"Pledged Securities" means all the Fixed Asset Equity Interests and any substitutions, additions and proceeds arising out of any consolidation, subdivision, reclassification, conversion, stock dividend or similar increase or decrease in or alteration of the capital of the issuers of the Fixed Asset Equity Interests or any other event and any securities acquired pursuant to the exercise of a right or offer granted or made by any Grantor to the extent that any such right or offer arises out of the ownership of any Pledged Securities;

"PPSA" means the *Personal Property Security Act* (Ontario); provided, however, if the validity, attachment, perfection (or opposability), effect of perfection or of non-perfection or priority of Collateral Trustee's security interest in any Collateral are governed by the personal property security laws or laws relating to movable property of any jurisdiction in Canada other than the Province of Ontario, PPSA shall include those personal property security laws or laws relating to movable property in such other jurisdiction for the purpose of the provisions hereof relating to such validity, attachment, perfection (or opposability), effect of perfection or of non-perfection or priority and for the definitions related to such provisions;

"Proceeds" means all proceeds and personal property in any form derived directly or indirectly from any dealing with all or any part of the Collateral and any insurance or payment or claim thereto or in respect thereof that indemnifies or compensates for such property lost, damaged or destroyed, and proceeds of proceeds and any part of any such proceeds;

"Secured Obligations" has the meaning specified in Section 3.1;

"Security Interest" means the security interest granted by each Grantor pursuant to Section 2.1;

"STA" means the *Securities Transfer Act* (Ontario);

"Trade-marks" means all of the following: (a) all trade-marks, trade names, corporate names, business names, brands and brand names, trade dress, uniform resource locators, domain names, tag lines, designs, graphics, logos and other commercial symbols or business identifiers or indicia of origin, (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith, including registrations, recordings and applications in CIPO or in any similar office or agency in any other country or any political subdivision thereof; (b) all reissues, extensions or renewals thereof; and (c) all goodwill associated with or symbolized by any of the foregoing;

"US Collateral" means personal property to the extent which, pursuant to the PPSA, the validity, attachment, perfection, effect of perfection or of non-perfection or priority with respect to a security interest in such personal property would be governed by the laws of the United States of America or any political subdivision thereof; and

"US$" and **"US Dollars"** means the lawful money of the United States of America.

1.3 Certain Rules of Interpretation

In this Agreement:

(a) **Governing Law** – This Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario without prejudice to or limitation of any other rights or remedies available under the laws of any jurisdiction where property or assets of any Grantor may be found.

(b) **Headings** – Headings of Articles and Sections are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement, and a reference to an "Article" or a "Section" means the specified article or section of this Agreement.

(c) **Including** – Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation".

(d) **No Strict Construction** – The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

(e) **Number and Gender** – Unless the context otherwise requires, words importing the singular include the plural and *vice versa* and words importing gender include all genders.

(f) **Severability** – If, in any jurisdiction, any provision of this Agreement or its application to any party or circumstance is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other parties or circumstances.

(g) **Statutory references** – A reference to a statute includes all regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation which amends, revises, restates, supplements or supersedes any such statute or any such regulation or, in each case, any provision thereof.

(h) **Time** – Time is of the essence in the performance of the parties' respective obligations.

1.4 Entire Agreement

This Agreement and the other Fixed Asset Debt Documents constitute the entire agreement between the parties and set out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the parties pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, express, implied or collateral between the parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and the other Fixed Asset Debt Documents.

1.5 Schedules

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

Schedule	Description
4.1(f)	Fixed Asset Equity Interests
4.1(g)	Relevant Jurisdictions
4.1(h)	Intellectual Property Rights

1.6 Currency Matters

Unless stated otherwise, all calculations, comparisons, measurements or determinations under this Agreement shall be made in US Dollars. For the purpose of such calculations, comparisons, measurements or determinations, amounts denominated in other currencies shall be converted into the Equivalent Amount of US Dollars on the date of calculation, comparison, measurement or determination.

ARTICLE 2
SECURITY INTEREST

2.1 Security Interest

As continuing security for the payment and the performance of each of the Secured Obligations, each Grantor grants to Collateral Trustee, for the benefit of the Secured Parties, a first priority, continuing, specific and fixed security interest in all of such Grantor's Collateral.

2.2 Fixed Nature of Security Interest

The Security Interest is intended to operate as a fixed and specific charge of all of the Collateral presently existing, and with respect to all future Collateral, to operate as a fixed and specific charge of such future Collateral.

2.3 Attachment

Each Grantor acknowledges that value has been given and that it has not agreed to postpone the time of attachment of the Security Interest. The Security Interest of each Grantor is intended to attach, as to all Collateral, and with respect to any particular item of Collateral, upon the execution by such Grantor of this Agreement or a Joinder, as applicable, and such Grantor obtaining rights in such item of Collateral or the power to transfer rights in such item of Collateral to a secured party.

2.4 Leases

The last day of any term reserved by any real property lease or sublease, written or unwritten, or any agreement to lease or sublease real property, now held or subsequently acquired by any Grantor is excepted out of the Security Interest. As further security for the payment of the Secured Obligations, such Grantor agrees that it will stand possessed of the reversion of such last day of the term and shall hold it in trust for Collateral Trustee for the purpose of this Agreement. Such Grantor shall assign and dispose of the same in such manner as Collateral Trustee may from time to time direct in writing without cost or expense to the Secured Parties. Upon any sale, assignment, sublease or other disposition of such lease or sublease or agreement to lease or sublease, Collateral Trustee shall, for the purpose of vesting the residue of any such term in any purchaser, sublessee or such other acquiror of the real property lease or sublease, agreement to lease or sublease or any interest in any of them, be entitled by deed or other written instrument to assign to such other person, the residue of any such term in place of such Grantor and to vest the residue freed and discharged from any obligation whatsoever respecting the same.

2.5 Exception Respecting Trade-marks

Notwithstanding Section 2.1, Grantors' grant of security in trade-marks (as defined in the *Trade-marks Act* (Canada)) under this Agreement shall be limited to a grant by Grantors of a security interest in all of Grantors' right, title and interest in such trade-marks.

2.6 Certain Limited Exclusions

Notwithstanding anything to the contrary in this Agreement, in no event shall the Collateral include or the Security Interest attach to the interests of any Grantor in any Contract if and to the extent that the grant of the Security Interest therein (i) is prohibited by law, or (ii) pursuant to the terms and provisions of such *Contract*, requires the consent of a third party unless such consent has been obtained (except to the extent that any such terms or provisions are not effective at law to limit or restrict the grant of the Security Interest, in which case this Agreement shall apply to the applicable Contract without regard to this Section 2.6). In each such case, the applicable Grantor shall use commercially reasonable best efforts to obtain promptly (but in any event within 30 days after the date hereof, or, if the applicable Grantor acquires an interest in any such Contract after the date hereof, within 30 days after such acquisition) the consent of any necessary third party to the grant of the Security Interest in the applicable Contract under this Agreement and to its assignment by Collateral Trustee to any third party as a result of the exercise by Collateral Trustee of remedies. Upon such consent being obtained or waived, or such legal prohibition ceasing to be applicable, this Agreement shall apply to the applicable Contract without regard to this section and without the necessity of any further assurance to effect such assignment. Unless and until such consent is obtained as provided above or such legal prohibition shall cease to be applicable, such Grantor shall, to the extent it is not prohibited from doing so by law or the provisions of the applicable Contract, hold all benefit to be derived from such Contract in trust for Collateral Trustee (including such Grantor's beneficial interest in any Contract which may be held in trust for Collateral Trustee by a third party), as additional security for payment of the Secured Obligations and shall deliver up all such benefit to Collateral Trustee, promptly upon demand by Collateral Trustee; provided, that the exclusions provided for in Section 2.6 shall not extend to any Proceeds of any such Contract.

2.7 Pledged Securities

(a) Each Grantor has delivered to and deposited with Collateral Trustee all security certificates evidencing Pledged Securities held by such Grantor as at the date of this Agreement together with all other necessary documents and effective endorsements to enable Collateral Trustee or its agent or nominee, as Collateral Trustee may direct, to be registered as the owner of and to transfer or sell or cause to be transferred or sold such Pledged Securities upon any enforcement of Collateral Trustee's rights and remedies.

(b) If any Grantor acquires any security certificates evidencing Pledged Securities after the date of this Agreement, such Grantor shall forthwith deliver and deposit all such security certificates to Collateral Trustee, its agent or nominee, together with all other necessary documents and effective endorsements to enable Collateral Trustee or its agent or nominee to be registered as the owner of and to transfer or sell or cause to be transferred or sold such Pledged Securities upon any enforcement of Collateral Trustee's rights and remedies.

(c) To the extent that any Pledged Securities are uncertificated securities registered in the name of any Grantor or its nominee or agent, such Grantor shall immediately:

(i) cause the issuer of such Pledged Securities to register Collateral Trustee or its agent or nominee, as Collateral Trustee may direct, as the registered owner of such Pledged Securities; or

(ii) deliver to Collateral Trustee an irrevocable agreement of the issuer of such Pledged Securities, in form and substance reasonably satisfactory to Collateral Trustee, that such issuer will comply with instructions that are originated by Collateral Trustee without the further consent of such Grantor.

(d) Each Grantor shall cause each issuer of Pledged Securities to record on its securities register that such Pledged Securities have been pledged to Collateral Trustee.

ARTICLE 3
OBLIGATIONS SECURED

3.1 Obligations

The Collateral constitutes and will constitute continuing security for the following obligations (collectively, the "**Secured Obligations**") of any Grantor to any Secured Party:

(a) **Indebtedness** – The prompt payment, as and when due and payable, of all Fixed Asset Debt Obligations.

(b) **Performance of Agreements** – The strict performance and observance by any Grantor of all agreements, warranties, representations, covenants and conditions of such Grantor made pursuant to this Agreement or any other Fixed Asset Debt Document, in each case as now in effect or as subsequently entered into, amended, restated, supplemented, renewed, extended or replaced from time to time.

ARTICLE 4
GRANTOR'S REPRESENTATIONS, WARRANTIES AND COVENANTS

4.1 Representations and Warranties

Each Grantor hereby represents and warrants to Collateral Trustee and the Secured Parties on the date hereof the matters set out below:

(a) **Third Parties** – Each of the Contracts constituting Collateral is genuine and enforceable in accordance with its terms against the applicable counterparty, subject to bankruptcy, creditors' rights and equitable principles.

(b) **No Other Corporate Names or Styles** – It does not carry on business under or use any name or style other than the names specified in this Agreement, including any names in the French language.

(c) **Ownership of Collateral** – Each Grantor has good and valid rights in and title to all of its existing Collateral, and will have valid rights in and title to all after-acquired Collateral.

(d) **PPSA Matters** – The filing of financing statements under the PPSA and related fixture filings are the only filings, recordings, or registrations necessary to establish a legal, valid and perfected security interest in favour of Collateral Trustee in all of the Collateral, and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration is necessary in any jurisdiction, except as provided under applicable law with respect to the filing of continuation statements.

(e) **Security Interest** – The Security Interest constitutes a legal, valid and perfected security interest in all the Collateral securing the payment and performance of the Secured Obligations. The Security Interest is and shall be prior to any other Lien on any of the Collateral, other than any Permitted Lien that has priority as a matter of law; and no Grantor has granted nor has it agreed to grant a Lien (other than Permitted Liens) in or any right to acquire an interest in any of the Collateral other than pursuant to this Agreement. No adverse claim exists with respect to any financial asset constituting Collateral.

(f) **Ownership of Pledged Securities**

(i) Each Grantor is the registered and beneficial owner of, and has good title to, the Pledged Securities held by such Grantor and none of the rights of such Grantor arising as the legal and beneficial owner of the Pledged Securities have been surrendered, cancelled or terminated;

(ii) The Pledged Securities have been duly issued and are outstanding as fully paid and non-assessable securities;

(iii) The Pledged Securities listed on Schedule 4.1(f) constitute the percentage of issued and outstanding shares of capital stock, percentage of membership interests, percentage of partnership interests or percentage of beneficial interest of the respective issuers thereof, in each case, on a fully diluted basis, as indicated on such Schedule 4.1(f);

(iv) Except as set out on Schedule 4.1(f), the Pledged Securities listed on Schedule 4.1(f) represent all of the issued and outstanding capital stock of the applicable issuers and all of the warrants and options relating thereto as of the date of this Agreement;

(v) The jurisdiction and registered or chief executive offices of the issuers of Pledged Securities which are uncertificated securities are as set forth in Schedule 4.1(f);

(vi) No delivery has occurred in respect of any Pledged Securities that constitute uncertificated securities of the issuers of any Pledged Securities other than any delivery in favour of Collateral Trustee; and

(vii) No Grantor has given its consent to any agreement whereby any of the issuers of any Pledged Securities agree to comply with instructions that are originated by any Person other than such Grantor in respect of any Pledged Securities that constitute uncertificated securities, without the further consent of such Grantor, other than any such consents given by such Grantor relating to agreements for instructions to be originated by Collateral Trustee.

(g) **Relevant Jurisdictions** – Schedule 4.1(g) identifies such Grantor's jurisdiction of organization, its full address (including postal code or zip code), chief executive office, all corporate offices and all places of business and, if the same is different, the address at which Collateral Records and the books and records of such Grantor are located, the address from which the invoices and accounts of such Grantor are issued and warehouses and other locations at which any tangible Collateral located in Canada is held or stored.

(h) **Intellectual Property Rights**

(i) Except as disclosed in Schedule 4.1(h), no Grantor has any interest in, title to, or the right to use any Design, Patent, Trade-mark or Copyright that is the subject of an application certificate, filing, registration, or other document issued by or filed with the CIPO or any similar office or agency in any other country or any other political subdivision thereof;

(ii) No Patent that is material to the conduct of such Grantor's business has become invalidated or dedicated to the public and such Grantor has marked any products covered by a Patent with the relevant patent number as necessary to establish and preserve its rights under applicable patent laws;

(iii) With respect to each Trade-mark used in the conduct of such Grantor's business, (A) such Trade-mark is in full force free from any claim of abandonment or invalidity for non use, (B) such Grantor has maintained the quality of products and services offered under such Trade-mark, (C) such Grantor has displayed such Trade-mark with notice of any registration to the extent necessary to establish and preserve its rights under applicable law, and (D) such Grantor has not knowingly used or knowingly permitted the use of such Trade-mark in violation of any third party rights;

(iv) For each work covered by a Copyright, such Grantor has published, reproduced, displayed, adopted and distributed the work with appropriate copyright notice as necessary to establish and preserve its rights under applicable copyright laws;

(v) It is not aware of any facts or circumstances that could reasonably be expected to result in any Intellectual Property Rights used in the conduct of its business becoming abandoned, lost or dedicated to the public. There are no proceedings outstanding, or to the knowledge of such Grantor, threatened, (including any such proceeding at the CIPO or any court or similar office of any country) regarding such Grantor's ownership of any Intellectual Property Rights, its right to register the same, or its right to keep and maintain the same; and

(vi) It has taken all necessary steps that are consistent with the practice in any proceeding before CIPO or any office or agency in any political subdivision of Canada or in any other country or any political subdivision thereof, to maintain and pursue each material application relating to the Intellectual Property Rights of such Grantor (and to obtain the relevant grant or registration) and to maintain each issued Patent and each registration of the Trade-marks, Copyrights and Industrial Designs that is used in the conduct of such Grantor's business.

(i) **Information** – All information supplied by any Grantor from time to time with respect to any of the Collateral is and will be accurate and complete in all material respects.

All representations and warranties of any Grantor made in this Agreement or in any certificate or other document delivered by or on behalf of such Grantor to or for the benefit of Collateral Trustee are material, shall survive and shall not merge upon the execution and delivery of this Agreement and shall continue in full force and effect. Collateral Trustee shall be deemed to have relied upon such representations and warranties notwithstanding any investigation made by or on behalf of Collateral Trustee at any time.

4.2 Covenants

Each Grantor covenants and agrees that:

(a) **Notification to Collateral Trustee** – It shall promptly notify Collateral Trustee of:

(i) **Claims and Liens** – any claim, adverse claim or Lien made or asserted against any of the Collateral other than Permitted Liens;

(ii) **Material Adverse Effect** – any event that could reasonably be expected to have a material adverse effect on the value of the Collateral, the ability of any Grantor or Collateral Trustee to dispose of the Collateral or any material portion thereof, or the rights and remedies of Collateral Trustee in relation thereto; and

(iii) **Loss or Damage** – all loss or damage to or loss of possession of all or any part of the Collateral other than by disposition in accordance with the terms of the Indenture.

(b) **Maintain the Collateral** – It shall take all reasonable steps to preserve and protect each material item of the Collateral, including, without limitation, maintaining the quality of any and all products or services used or provided in connection with any of its Trade-marks, consistent with the quality of the products and services as of the date hereof. It shall perform all of the obligations undertaken by it relating to or arising in connection with each item of the Collateral, including in accordance with any Contract relating thereto, all in accordance with and pursuant to the terms and provisions thereof.

(c) **No Accessions or Fixtures** – It shall prevent the Collateral from becoming an accession to any property other than the Collateral or from becoming a fixture to any real property unless the Security Interest ranks prior to the interests of all other Persons in such real property.

(d) **Marking the Collateral** – It shall, at the request of Collateral Trustee, acting reasonably, mark or otherwise take appropriate steps to identify the Collateral to indicate clearly that it is subject to the Security Interest.

(e) **Delivery of Documents** – It shall deliver to Collateral Trustee promptly upon request:

(i) **Documents** – any Documents of Title, and upon such delivery, where applicable, duly endorse the same for transfer in blank or as Collateral Trustee may direct;

(ii) **Contracts and Agreements** – all material Contracts; and

(iii) **Other Information** – such information concerning the Collateral, the Grantor and the Grantor's business and affairs as Collateral Trustee may reasonably request.

(f) **Changes and Other Names** – It shall not, without giving 30 days (or such lesser period as Collateral Trustee may agree) prior written notice to Collateral Trustee, (i) change its name nor add a French form of name as it appears in official filings in the jurisdiction of its organization; (ii) change its registered office, head office, chief executive office, places of business, domicile (within the meaning of the *Civil Code of Quebec*), corporate offices or warehouses or locations at which any Collateral is held or stored, or the location of the Collateral Records or its books and records; (iii) change the type of entity that it is; or (iv) change its jurisdiction of incorporation or organization. It shall provide Collateral Trustee with an revised Schedule 4.1(g) upon any change described in this Section 4.2(f) taking effect.

(g) **No Affecting the Security** – It shall not do, permit or suffer to be done anything to adversely affect the ranking, validity or perfection of the Security Interest.

(h) **Negative Pledge** – It shall not grant a security interest or other Lien, other than Permitted Liens, in any of the Collateral to any Person other than Collateral Trustee.

(i) **Defend Collateral** – It shall, at its own expense, take any and all actions necessary to (x) defend title to the Collateral; having a value of US$50,000 individually or in the aggregate, against any and all Persons, adverse claims or Liens, and against any and all suits, actions or proceedings, and (z) defend the Security Interest and the priority thereof against any Lien or adverse claim not expressly permitted to exist and to rank prior to the Security Interest.

(j) **No Transfer** – It shall not sell, dispose of, assign, convey or otherwise transfer any of the Collateral, or any rights thereunder except as permitted under the terms of the Indenture. For greater certainty, no such sale, disposition, assignment, conveyance or other transfer shall be to or in favour of any Restricted Subsidiary of Holdings unless such Restricted Subsidiary of Holdings is a Grantor hereunder.

(k) **Equipment**

(i) It shall not deliver any Document of Title in respect of any Equipment to any Person other than the issuer of such Document of Title to claim the Equipment evidenced therefor, to third parties who are transporting Equipment or who have purchased any Equipment pursuant to a transaction not prohibited by the Indenture, or Collateral Trustee;

(ii) If any Equipment in excess of US$25,000 individually or US$100,000 in the aggregate is in possession or control of any warehouseman, bailee or other third party (other than a consignee under a consignment for which such Grantor is the consignor or any Equipment in transit or in temporary possession of a third party who is repairing, improving or modifying such Equipment) located in Canada, it shall join with Collateral Trustee in notifying the third party of the Security Interest and shall obtain an acknowledgment from such third party that such third party is holding the Equipment for the benefit of Collateral Trustee and will permit Collateral Trustee to have access to the Equipment for purposes of inspecting such Equipment or, following a Fixed Asset Debt Default, to remove same from such premises if Collateral Trustee so elects; and with respect to any Equipment in excess of US$25,000 individually or US$100,000 in the aggregate subject to a consignment for which such Grantor is the consignor, it shall file appropriate financing statements against the consignee and take such other action as may be reasonably necessary to ensure that it has a first priority perfected security interest in such Equipment;

(iii) Other than Equipment in transit or Equipment in temporary possession of a third party for the purposes of repair, improvement or modification of such Equipment, it shall keep all Equipment located in Canada having a value in excess of US$25,000 in the aggregate and any Documents of Title evidencing such Equipment in the locations specified on Schedule 4.1(g) (as such schedule may be amended or supplemented from time to time in accordance with this Section 4.2(k)(iii)), unless it shall have notified Collateral Trustee in writing of any change in such locations at least thirty (30) days (or such lesser period as Collateral Trustee may agree) prior to any change in such, identifying such new locations and providing such other information in connection therewith as Collateral Trustee may reasonably request. It shall provide Collateral Trustee with an revised Schedule 4.1(g) upon any change described in this Section 4.2(k)(iii) taking effect; and

(iv) With respect to any Equipment located in Canada having a value in excess of US$50,000 individually or US$200,000 in the aggregate, which is a "serial numbered good", "motor vehicle" or other type of property in respect of which the PPSA permits the filing of a financing statement which includes the serial number, vehicle identification number or other similar description in order to better protect the interests of secured parties, upon the reasonable request of Collateral Trustee, it shall (A) provide information with respect to any such Equipment, and (B) file financing statements which include a description of such Equipment by serial number, vehicle identification number or other applicable description.

(l) **Pledged Securities**

(i) **Additional Certificates** – If any Grantor shall become entitled to receive or shall receive any security certificate, option or right in respect of the Pledged Securities, such Grantor shall accept such security certificates as Collateral Trustee's agent, hold such security certificates in trust for Collateral Trustee and forthwith deliver them to Collateral Trustee (or to Collateral Trustee's agent or nominee, as Collateral Trustee may direct) in the exact form received, together with the documents and effective endorsements to enable Collateral Trustee or its nominee to be registered as owner, to be held by Collateral Trustee as additional security for the Secured Obligations. Any sums paid in respect of the Pledged Securities upon the liquidation or dissolution of an Issuer shall be paid to Collateral Trustee to be held by it as part of the Pledged Securities. In case any distribution of capital shall be made in respect of the Pledged Securities or any property shall be distributed with respect to the Pledged Securities pursuant to the recapitalization, reclassification or reorganization of the capital of any Issuer, the property so distributed shall be delivered to Collateral Trustee or its agent or nominee as Collateral Trustee may direct to be held by it as part of the Pledged Securities. If any money or property paid or distributed in respect of the Pledged Securities shall be received by any Grantor, such Grantor shall, until such money or property is paid or delivered to Collateral Trustee, hold the money or property in trust for Collateral Trustee, segregated from other funds of such Grantor, as part of the Pledged Securities;

(ii) **No Granting of Control** – It shall not:

(A) deliver any Pledged Securities that constitute uncertificated securities to any Person other than Collateral Trustee; or

(B) consent to any agreement whereby any issuer of any Pledged Securities agrees to comply with instructions that are originated by any Person other than Collateral Trustee in respect of any Pledged Securities that constitute uncertificated securities.

(iii) **Change of Jurisdiction** – It shall forthwith notify Collateral Trustee of any change of jurisdiction (including a change in the jurisdiction of incorporation or organization), name, registered office, head office, chief executive office or principal place of business of an issuer of any Pledged Securities.

(m) **Intellectual Property Rights**

(i) It agrees that it will not do any act or omit to do any act whereby any Patent that is used in the conduct of such Grantor's business may become invalidated or dedicated to the public, and agrees that it shall continue to mark any products covered by a Patent with the relevant patent number as necessary to establish and preserve its rights under applicable patent laws;

(ii) It will, for each Trade-mark used in the conduct of such Grantor's business, (i) maintain such Trade-mark in full force free from any claim of abandonment or invalidity for non use, (ii) maintain the quality of products and services offered under such Trade-mark, (iii) display such Trade-mark with notice of any registration to the extent necessary to establish and preserve its rights under applicable law and (iv) not knowingly use or knowingly permit the use of such Trade-mark in violation of any third party rights;

(iii) It will, for each work covered by a Copyright, continue to publish, reproduce, display, adopt and distribute the work with appropriate copyright notice as necessary to establish and preserve its rights under applicable copyright laws;

(iv) It shall notify Collateral Trustee promptly if it knows or has reason to know that any Intellectual Property Rights used in the conduct of its business may become abandoned, lost or dedicated to the public, or of any final determination (including the institution of, or any such determination in, any proceeding at the CIPO or any court or similar office of any country) regarding such Grantor's ownership of any Intellectual Property Rights, its right to register the same, or its right to keep and maintain the same;

(v) In the event that any Grantor (i) files an application or registration for any Intellectual Property Rights with CIPO or any office or agency in any political subdivision of Canada or in any other country or any political subdivision thereof, either itself or through any agent, employee, licensee or designee or (ii) obtains rights to or develops any new Intellectual Property Rights or any reissue, division, continuation, renewal, extension or continuation-in-part of any existing Intellectual Property Rights, whether pursuant to any licence or otherwise; the provisions of Section 2.1 hereof shall automatically apply thereto and such Grantor shall give to Collateral Trustee prompt notice thereof and execute and deliver any and all agreements, instruments, documents and papers as necessary or desirable under applicable law to evidence Collateral Trustee's Security Interest in such Intellectual Property Rights, and each Grantor hereby appoints Collateral Trustee as its attorney in fact to execute and file such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable;

(vi) It will take all necessary steps that are consistent with the practice in any proceeding before CIPO or any office or agency in any political subdivision of Canada or in any other country or any political subdivision thereof, to maintain and pursue each material application relating to the Intellectual Property Rights of such Grantor (and to obtain the relevant grant or registration) and to maintain each issued Patent and each registration of the Trade-marks, Copyrights and Industrial Designs that is used in the conduct of any Grantor's business as conducted or proposed to be conducted, including timely filings of applications for renewal, affidavits of use, affidavits of incontestability and payment of maintenance fees, and, if consistent with good business judgment, to initiate opposition, interference and cancellation proceedings against third parties;

(vii) In the event that any Grantor has reason to believe that any Collateral consisting of Intellectual Property Rights used in the conduct of any Grantor's business has been infringed, misappropriated or diluted by a third party, such Grantor shall promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions as are appropriate under the circumstances to protect such Collateral and promptly shall notify Collateral Trustee of the initiation of such suit;

(viii) No Grantor shall abandon or otherwise permit any Intellectual Property Rights used in the conduct of any Grantor's business to become invalid, and each Grantor shall use its best efforts to obtain all requisite consents or approvals by the licensor of each licence that constitutes Collateral owned by such Grantor to effect the assignment of all such Grantor's right, title and interest thereunder to Collateral Trustee or its designee;

(ix) It shall execute, authenticate and deliver any and all assignments, agreements, instruments, documents and papers necessary or desirable under applicable law to evidence Collateral Trustee's Security Interest in such Intellectual Property Rights of such Grantor relating thereto or represented thereby, each Grantor hereby appoints Collateral Trustee as its attorney in fact to execute and file such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable; and

(x) It shall, at its own expense, as soon as practicable after the date hereof, make such filings and take such other actions as are reasonably necessary in each jurisdiction in which such Grantor owns any Intellectual Property Rights in order to perfect and protect the Security Interest with respect to such Intellectual Property Rights in such jurisdiction.

ARTICLE 5
RIGHT TO DEAL

5.1 Rights before Default

Until the occurrence of a Fixed Asset Debt Default and subject to the terms of this Agreement, each Grantor is entitled to deal with the Collateral in accordance with the Indenture; <u>provided</u> that no such action shall be taken which would impair the effectiveness of the Security Interest or the value of the Collateral or which would be inconsistent with or violate the provisions of this Agreement, any other Fixed Asset Debt Document. Upon the occurrence and during the continuance of a Fixed Asset Debt Default, each Grantor shall and shall be deemed to hold all Proceeds in trust, separate and apart from other property, for the benefit of Collateral Trustee, until all amounts owing by the Grantors to the Secured Parties have been paid in full.

5.2 Pledged Securities

Until the occurrence and during the continuance of a Fixed Asset Debt Default, the Grantors shall be entitled to exercise all voting rights in respect of the Pledged Securities and to give consents, waivers, directions, notices and ratifications and take other action in respect thereof, provided, however, that no votes shall be cast or consent, waiver, direction, notice or ratification given or action taken which would:

(a) be prejudicial to the Security Interest;

(b) impair or reduce the value of or restrict the transferability, in any material respect, of the Pledged Securities; or

(c) be inconsistent with or violate any provisions of this Agreement, any other Fixed Asset Debt Document.

5.3 Dividends and Distributions and Use of Pledged Securities

Until the occurrence and during the continuance of a Fixed Asset Debt Default, each Grantor shall be entitled to receive and deal with (except as restricted by this Agreement, any other Fixed Asset Debt Document) any interest and regular cash dividends and other distributions at any time payable on or with respect to the Pledged Securities held by such Grantor, and Collateral Trustee shall immediately deliver to such Grantor the interest or regular cash dividends received by Collateral Trustee; provided that any noncash dividends, interest, principal or other distributions that would constitute Pledged Securities, whether resulting from a subdivision, combination or reclassification of the outstanding Pledged Securities or received in exchange for Pledged Securities or any part thereof, or in redemption thereof, or as a result of any merger, consolidation, amalgamation, acquisition or other exchange of assets to which any Issuer may be a party or otherwise, shall be and become part of the Pledged Securities, and, if received by a Grantor, shall not be commingled by such Grantor with any of its other funds or property but shall be held separate and apart therefrom, shall be held in trust for the benefit of Collateral Trustee and shall be forthwith delivered to Collateral Trustee in the same form as so received (with any necessary endorsement reasonably requested by Collateral Trustee).

5.4 Rights and Duties of Collateral Trustee

Upon the occurrence and during the continuance of a Fixed Asset Debt Default, all of the Grantors' rights pursuant to Sections 5.1, 5.2 and 5.3 shall cease and Collateral Trustee may enforce any Grantor's rights with respect to the Pledged Securities held by such Grantor. Upon and during the continuance of a Fixed Asset Debt Default, such Grantor shall and shall be deemed to hold all Pledged Securities not under the control of Collateral Trustee in trust, separate and apart from other property and assets of such Grantor, for the benefit of Collateral Trustee until the payment in full of all Secured Obligations, and shall forthwith transfer control of such Pledged Securities to Collateral Trustee, or its nominee or agent, as Collateral Trustee may direct. Collateral Trustee and its nominee shall not have any duty of care with respect to the Pledged Securities other than to use the same care in the custody and preservation of the Pledged Securities as it would with its own property. Collateral Trustee or its nominee may take no steps to defend or preserve any Grantor's rights against the claims or demands of others. Collateral Trustee or its nominee, however, shall use reasonable efforts to give the applicable Grantor notice of any claim or demand of which it becomes aware to permit such Grantor to have a reasonable opportunity to defend or contest the claim or demand.

ARTICLE 6
REMEDIES

6.1 Collateral Trustee's Rights and Remedies

Upon the occurrence and during the continuance of a Fixed Asset Debt Default, all of the Secured Obligations shall, at Collateral Trustee's option and without notice to any Grantor, become immediately due and payable and Collateral Trustee may, in its discretion, proceed to enforce payment and performance of the Secured Obligations and to exercise any or all of the rights and remedies contained in this Agreement or otherwise afforded by law, in equity or otherwise. Collateral Trustee shall have the right to enforce one or more remedies successively or concurrently in accordance with applicable law and Collateral Trustee expressly retains all rights and remedies not inconsistent with the provisions in this Agreement including all the rights it may have under the PPSA. Without limitation, Collateral Trustee may, upon the occurrence and during the continuance of a Fixed Asset Debt Default and to the extent permitted by applicable law:

(a) **Appointment of Receiver** – Appoint by instrument in writing a receiver (which term shall for the purposes of the Fixed Asset Debt Documents include a receiver and manager or agent) of any Grantor and of all or any part of the Collateral and remove or replace such receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a receiver. Any such receiver appointed by Collateral Trustee, with respect to responsibility for its acts, shall, to the extent permitted by applicable law, be deemed the agent of the Grantors and not of Collateral Trustee. References to "Collateral Trustee" in this Article include, where the context permits, any receiver so appointed and the officers, employees, servants or agents of such receiver.

(b) **Enter and Repossess** – Immediately and without notice enter any Grantor's premises and repossess, disable or remove the Collateral.

(c) **Retain the Collateral** – Retain and administer the Collateral in Collateral Trustee's sole and unfettered discretion, which discretion each Grantor acknowledges is commercially reasonable.

(d) **Dispose of the Collateral** – Dispose of any Collateral by public auction, private tender or private contract with or without notice, advertising or any other formality, all of which are waived by each Grantor to the extent permitted by law. Collateral Trustee may, to the extent permitted by law, at its discretion, establish the terms of such disposition, including terms and conditions as to credit, upset, reserve bid or price. All payments made pursuant to such dispositions shall be credited against the Secured Obligations only as they are actually received. Collateral Trustee may, to the extent permitted by law, enter into, rescind or vary any contract for the disposition of any Collateral and may dispose of any Collateral again without being answerable for any related loss. Any such disposition may take place whether or not Collateral Trustee has taken possession of the Collateral.

(e) **Foreclosure** – Foreclose upon the Collateral.

(f) **Pledged Securities** –

(i) **Exercise of Rights** – Direct, by written notice to the applicable Grantor and to any issuer of Pledged Securities that all or part of the rights of the Grantors in the Pledged Securities, including the right to vote, give consents, entitlement orders, instructions, directions, waivers or ratifications and take other actions and receive interest or regular cash dividends, payments or other distributions shall cease, and upon such election all such rights shall become vested in Collateral Trustee or as it may direct;

(ii) **Rights as Owners** – Transfer and register in its name or in the name of its nominee the whole or any part of any Pledged Securities (if it has not already done so), exercise any or all of the rights and privileges attaching to the Pledged Securities and deal with the Pledged Securities as if Collateral Trustee were the absolute owner of the Pledged Securities (including the right to exchange at its discretion, any and all of the Pledged Securities upon the applicable Issuer's amalgamation, merger, consolidation, reorganization, recapitalization, restructuring or other readjustment or upon such issuer's exercise of any right, privilege or option pertaining to any of the Pledged Securities and to deposit and deliver any and all of the Collateral with any committee, depositary, transfer agent, registrar, securities intermediary, clearing agency or other designated agency upon such terms and conditions as it may determine) and collect, draw upon, receive, appropriate and sell all or any part of the Pledged Securities; and

(iii) **Application to Debt** – Apply any dividends, interest, distributions and other payments payable to Collateral Trustee in respect of the Pledged Securities to the Secured Obligations, accordance with Section 6.3.

(g) **Bankruptcy Claims** – File proofs of claims or other documents as may be necessary or desirable to have its claim lodged in any bankruptcy, winding-up, liquidation, arrangement, dissolution or other proceedings (voluntary or otherwise) relating to any Grantor.

(h) **Enforcing Third Party Obligations** – In any Grantor's name, perform, at such Grantor's expense, any and all of such Grantor's obligations or covenants relating to the Collateral and enforce performance by any other parties of their obligations in relation to the Collateral and settle any disputes with other parties upon terms that Collateral Trustee deems appropriate, in its discretion.

(i) **Carry on Business** – Carry on or concur in the carrying on of all or any part of the business of any Grantor and may, in any event, to the exclusion of all others, including such Grantor, enter upon, occupy and use all premises of or occupied or used by such Grantor and use any of the personal property (which shall include fixtures) of such Grantor for such time and such purposes as Collateral Trustee sees fit. Collateral Trustee shall not be liable to any Grantor for any neglect in so doing or in respect of any related rent, costs, charges, depreciation or damages.

(j) **Payment of Liens** – Pay any Liens or other claims that may exist or be threatened against the Collateral, and any amount so paid together with costs, charges and expenses incurred shall be added to the Secured Obligations.

(k) **Payment of Deficiency** – If the proceeds of realization are insufficient to pay all monetary Secured Obligations, the Grantors shall forthwith pay or cause to be paid to Collateral Trustee any deficiency and Collateral Trustee may sue any Grantor to collect the amount of such deficiency; and

(l) **Dealing with Collateral** – Subject to applicable law, seize, collect, realize, borrow money on the security of, release to third parties, sell (by way of public or private sale), lease or otherwise deal with the Collateral in such manner, upon such terms and conditions, at such time or times and place or places and for such consideration as may seem to Collateral Trustee advisable and without notice to any Grantor. Collateral Trustee may charge on its own behalf and pay to others sums for expenses incurred and for services rendered (expressly including legal, consulting, broker, management, receivership and accounting fees) in or in connection with seizing, collecting, realizing, borrowing on the security of, selling or obtaining payment of the Collateral and may add all such sums to the Secured Obligations.

6.2 Assemble the Collateral

To assist Collateral Trustee in the implementation of such rights and remedies, each Grantor will, at its own risk and expense and immediately upon Collateral Trustee's request, assemble and prepare for removal such items of the Collateral as are selected by Collateral Trustee as shall, in Collateral Trustee's sole judgment, have a value sufficient to cover all the Secured Obligations.

6.3 Allocation of proceeds

All monies collected or received by Collateral Trustee in respect of the Collateral shall be applied by Collateral Trustee in accordance with Section 3.3 of the Collateral Trust Agreement.

6.4 Waivers and Extensions by Collateral Trustee

Collateral Trustee may waive default or any breach by any Grantor of any of the provisions contained in this Agreement pursuant to the Collateral Trust Agreement. No waiver shall extend to a subsequent breach or default, whether or not the same as or similar to the breach or default waived and no act or omission of any Secured Party shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default of any Grantor or the rights of any Secured Party resulting therefrom. Any such waiver must be in writing and signed by Collateral Trustee.

Collateral Trustee may also grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release the Collateral to third parties and otherwise deal with any Grantor's guarantors or sureties and others and with the Collateral and other securities as Collateral Trustee may see fit without prejudice to the liability of such Grantor to the Secured Parties, or Collateral Trustee's rights, remedies and powers under this Agreement. No extension of time, forbearance, indulgence or other accommodation now, heretofore or hereafter given by Collateral Trustee to any Grantor shall operate as a waiver, alteration or amendment of the rights of Collateral Trustee or otherwise preclude Collateral Trustee from enforcing such rights.

6.5 Remedies Cumulative

For greater certainty, it is expressly understood and agreed that the rights and remedies of Collateral Trustee under this Agreement are cumulative, non-exclusive and are in addition to and not in substitution for any rights or remedies provided by law or equity; and any single or partial exercise by Collateral Trustee of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement shall not be deemed to be a waiver of, or to alter, affect or prejudice, any other right or remedy to which Collateral Trustee may be lawfully entitled for such default or breach.

6.6 Statutory Waivers by Grantors

To the fullest extent permitted by law, each Grantor waives all of the rights, benefits and protections given by the provisions of any existing or future statute which imposes limitations upon the powers, rights or remedies of Collateral Trustee or upon the methods of realization of security, including any seize or sue or anti-deficiency statute or any similar provisions of any other statute.

6.7 Effect of Possession or Receiver

As soon as Collateral Trustee takes possession of any Collateral or appoints a receiver, all powers, functions, rights and privileges of the Grantors with respect to the Collateral shall cease, unless specifically continued by the written consent of Collateral Trustee or the receiver.

6.8 Set-off or Compensation

In addition to and not in limitation of any rights granted now or after the date of this Agreement at law, upon the occurrence and during the continuance of a Fixed Asset Debt Default, Collateral Trustee may at any time and from time to time without notice to any Grantor (it being expressly waived by each Grantor) set-off and compensate and apply any and all securities accounts, futures accounts, deposits, general or special, term or demand, provisional or final, matured or unmatured, and any other indebtedness at any time owing by Collateral Trustee, or to appropriate any other properties or assets at any time held by Collateral Trustee, to or for the credit of or the account of any Grantor, against and on account of the Secured Obligations, even if any of them are contingent or unmatured.

6.9 Sale of Pledged Securities

Collateral Trustee shall give to the applicable Grantor notice of any sale pursuant to Subsection 6.1(d). Any sale pursuant to this Section 6.9 may be made, whether commercially reasonable or not, with or without any special condition as to the upset price, reserve bid, title or evidence of title or other matter and may be made from time to time as Collateral Trustee in its sole discretion deems fit, with power to vary or rescind any sale or buy in at any public sale and resell without being answerable for any loss. Collateral Trustee may sell the Pledged Securities for a consideration payable by instalments either with or without taking security for the payment of the instalments and may make and deliver to any purchaser good and sufficient conveyances of the Pledged Securities and give receipts for the purchase money, and the sale shall be a perpetual bar, both at law and in equity, against each Grantor and all those claiming an interest by, from, through or under such Grantor. If there is a sale pursuant to this Section 6.9, each Grantor agrees to provide all information, certificates and consents required under applicable securities laws or under the rules, by-laws or policies of the exchanges on which any of the Pledged Securities may be listed and posted for trading to permit the sale of the Pledged Securities in compliance with the applicable laws, rules, by-laws or policies.

Without limiting the generality of Section 6.1(d), each Grantor acknowledges that when disposing of any of the Pledged Securities, Collateral Trustee may be unable to effect a public sale of any or all of the Pledged Securities, or to sell any or all of the Pledged Securities as a control block sale at more than a stated premium to the "market price" of any securities forming part of the Pledged Securities, by reason of certain provisions contained in applicable securities laws and applicable securities laws of other jurisdictions but may be compelled to resort to one or more private sales to a restricted group of purchasers who will be obligated to agree, among other things, to acquire the Pledged Securities as principal and to comply with any other resale restrictions provided for in the applicable securities laws and other applicable securities laws. Each Grantor acknowledges and agrees that any private sale may result in prices and other terms less favourable to the seller than if the sale were a public sale or a control block sale and, notwithstanding such circumstances, agrees that any private sale shall not be deemed to have been made in a commercially unreasonable manner solely by reason of its being a private sale. Collateral Trustee shall be under no obligation to delay a sale of any of the Pledged Securities for the period of time necessary to permit the issuer of the Pledged Securities to qualify the Pledged Securities for public sale under the applicable securities laws or under applicable securities laws of other jurisdictions even if the issuer would agree to do so, or to permit a prospective purchaser to make a formal offer to all or substantially all holders of any class of securities forming any part of the Pledged Securities.

In addition, since United States federal and state securities laws may impose certain restrictions on the method by which a sale of the Pledged Securities may be effected, each Grantor agrees that Collateral Trustee may attempt to sell in the United States all or any part of the Pledged Securities by a private placement. In so doing, Collateral Trustee may solicit offers to buy all or any part of the Pledged Securities for cash, from a limited number of investors deemed by Collateral Trustee, in its sole discretion, to be responsible parties who might be interested in purchasing the Pledged Securities. If Collateral Trustee shall solicit offers from not less than five investors, then the acceptance by Collateral Trustee of the highest offer obtained shall be deemed to be a commercially reasonable method of disposition of the Pledged Securities.

6.10 Limitation of Liability

Collateral Trustee shall not be liable or accountable:

(a) by reason of any entry into or taking possession of all or any of the Collateral, to account as mortgagee in possession or for anything except actual receipts, or for any loss on realization or any act or omission for which a secured party in possession might be liable; or

(b) for any failure to (i) exercise or exhaust any of its rights and remedies, (ii) take possession of, seize, collect, realize, sell, lease or otherwise dispose of or obtain payment for the Collateral, or (iii) protect the Collateral from depreciating in value or becoming worthless, and shall not, in each case, be bound to institute proceedings for such purposes or for the purpose of preserving any rights, remedies or powers of Collateral Trustee, any Grantor or any other Person in respect of same.

Collateral Trustee shall not by virtue of these presents be deemed to be a mortgagee in possession of the Collateral. Each Grantor releases and discharges Collateral Trustee and the receiver from every claim of every nature, whether sounding in damages or not, which may arise or be caused to such Grantor or any Person claiming through or under such Grantor by reason or as a result of anything done or not done by Collateral Trustee or any successor or assign claiming through or under Collateral Trustee or the receiver under the provisions of this Agreement unless such claim be the result of gross negligence or wilful misconduct.

6.11 Redemption of Collateral

At any time before Collateral Trustee has: (a) disposed of the Collateral; or (b) elected irrevocably to retain all or part of the Collateral, a Grantor may redeem the Collateral by tendering payment of the aggregate amount of the outstanding Secured Obligations at such time.

6.12 Grant of License to Use Intellectual Property Rights

For the purpose of enabling Collateral Trustee to exercise rights and remedies under this Agreement at such time as Collateral Trustee shall be lawfully entitled to exercise such rights and remedies, each Grantor shall, upon request by Collateral Trustee at any time after and during the continuance of a Fixed Asset Debt Default, grant to Collateral Trustee an irrevocable non-exclusive license (exercisable without payment of royalty or other compensation to any Grantor) to use, license or, solely to the extent necessary to exercise such rights and remedies, sublicense any of the Grantors' Intellectual Property Rights, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof; provided, however, that nothing in this Section 6.12 shall require any Grantor to grant any license that is prohibited by any rule of law, statute or regulation or is prohibited by, or constitutes a breach or default under or results in the termination of or gives rise to any right of acceleration, modification or cancellation under any contract, license, agreement, instrument or other document evidencing, giving rise to a right to use or theretofore granted, to the extent permitted by the Indenture, with respect to such property; provided, further, that such licenses to be granted hereunder with respect to Trade-marks shall be subject to the maintenance of quality standards with respect to the goods and services on which such Trade-marks are used sufficient to preserve the validity of such Trade-marks. The use of such license by Collateral Trustee may be exercised, at the option of Collateral Trustee, during the continuation of a Fixed Asset Debt Default; provided that any permitted license, sublicense or other transaction entered into by Collateral Trustee in accordance herewith shall be binding upon Grantors notwithstanding any subsequent cure of a Fixed Asset Debt Default.

ARTICLE 7
POWER OF ATTORNEY

7.1 Grant

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Grantor irrevocably constitutes and appoints Collateral Trustee as the true and lawful attorney of such Grantor with power of substitution in the name of such Grantor to do any and all acts and things, complete any endorsements or registrations and execute and deliver all agreements, documents and instruments as Collateral Trustee, in its sole discretion, considers necessary or desirable to carry out the provisions and purposes of this Agreement or to exercise its rights and remedies, provided that such power of attorney shall not be exercised until a Fixed Asset Debt Default has occurred and is continuing. Each Grantor ratifies and agrees to ratify all acts of any attorney taken or done in accordance with this Section 7.1. This power of attorney being coupled with an interest shall not be revoked or terminated by any act and shall remain in full force and effect until this Agreement has been terminated.

ARTICLE 8
ADDITIONAL GRANTORS

8.1 Addition of New Grantors

Additional Persons may from time to time after the date of this Agreement become Grantors under this Agreement by executing and delivering to Collateral Trustee a supplemental agreement (together with all schedules thereto, a "**Joinder**") to this Agreement, in substantially the form attached hereto as Exhibit A. Effective from and after the date of the execution and delivery by any Person to Collateral Trustee of a Joinder:

(a) such Person shall be, and shall be deemed for all purposes to be, a Grantor under this Agreement with the same force and effect, and subject to the same agreements, representations (except that such representations shall be deemed to be given as of the date such Grantor executes a Joinder), indemnities, liabilities, obligations, liens and Security Interest, as if such Person had been an original signatory to this Agreement as a "Grantor"; and

(b) all Collateral of such Person shall be, and shall be deemed for all purposes to be, "Collateral" of such Person for the purposes of this Agreement and subject to the "Security Interest" granted by such Person in accordance with the provisions of this Agreement as security for the due payment and performance of the Secured Obligations of such Person.

The execution and delivery of a Joinder by any additional Person shall not require the consent of any Grantor and all of the liabilities and obligations of any Grantor under this Agreement, and the Security Interest granted by each Grantor shall remain in full force and effect and shall not be affected or diminished by the addition or release of any other Grantor hereunder.

ARTICLE 9
GENERAL

9.1 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement (in this Section referred to as a "**Notice**") shall be in writing and shall be sufficiently given if delivered in accordance with the Collateral Trust Agreement.

9.2 Continuing Security

The Security Interest is not in substitution for any other security for the Secured Obligations or for any other agreement between the parties creating a security interest in all or part of the Collateral, whether made before or after this Agreement, and such security and such agreements shall be deemed to be continuing and not affected by this Agreement unless Collateral Trustee and the Grantors expressly provide to the contrary in writing.

9.3 Amendment

No amendment, supplement, modification or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any party, shall be binding unless executed in writing by the necessary Persons as required pursuant to the Collateral Trust Agreement.

9.4 Assignment and Enurement

This Agreement may be assigned by Collateral Trustee in accordance with the Collateral Trust Agreement and any such assignee shall be entitled to exercise any and all discretions, powers and rights of Collateral Trustee under this Agreement. No Grantor may assign this Agreement or any of its rights or obligations under this Agreement. All of Collateral Trustee's rights under this Agreement shall enure to the benefit of its successors and assigns and all of any Grantor's obligations under this Agreement shall bind such Grantor and its successors.

9.5 Further Assurances

Each Grantor shall at all times do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and shall provide such further documents or instruments required by Collateral Trustee as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, and for the better granting, transferring, assigning, charging, setting over, assuring, confirming or perfecting the Security Interest and the priority accorded to them by law or under this Agreement.

9.6 Access; Right of Inspection

Collateral Trustee shall have full and free access during normal business hours and upon reasonable prior notice, to all Collateral Records and the books, correspondence and records of each Grantor; <u>provided</u> that, prior notice shall not be required upon the occurrence and during the continuance of any Fixed Asset Debt Default. Collateral Trustee and its representatives may examine the same, take extracts therefrom and make photocopies thereof, and each Grantor agrees to render to Collateral Trustee, at such Grantor's cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto. Collateral Trustee and its representatives shall at all times also have the right to enter any premises of each Grantor and inspect any property of each Grantor where any of the Collateral of such Grantor granted pursuant to this Agreement is located for the purpose of inspecting the same, observing its use or otherwise protecting its interests therein; <u>provided</u> that as long as no Fixed Asset Debt Default has occurred and is continuing, Collateral Trustee and/or its representatives shall enter such premises during normal business hours and upon reasonable prior notice. As long as no Fixed Asset Debt Default has occurred and is continuing, the Collateral Trustee shall, and shall cause its representatives to, endeavour to minimize the cost and disruption of the Grantors' business resulting from any such access and inspection.

9.7 Filings

Each Grantor will promptly effect all registrations, filings, recordings and all re-registrations, re-filings and re-recordings of or in respect of this Agreement and the Security Interest in all offices in all jurisdictions and at such times as may be necessary or of advantage in perfecting, maintaining and protecting the validity, effectiveness and priority of such Security Interest. Collateral Trustee is, however, authorized, at its option, to make such registrations, filings or recordings or such re-registrations, re-filings or re-recordings against such Grantor as it may deem necessary or appropriate to perfect, maintain or protect the Security Interest.

9.8 Execution and Delivery

This Agreement may be executed by the parties in counterparts and may be executed and delivered by facsimile or other electronic means and all such counterparts, facsimiles or other electronic means shall together constitute one and the same agreement.

Each Grantor acknowledges receiving a copy of this Agreement and hereby waives any right it has to receive a copy of any financing statement or financing change statement with respect to any registrations made at the Ontario Personal Property Registry, or any similar registries in other jurisdictions, pursuant hereto.

9.9 Security Interest Effective Immediately

Neither the execution of, nor any filing with respect to, this Agreement shall obligate any Lender to make any advance or loan or further advance, or bind any Lender to grant or extend any credit to the Grantors, but the Security Interest shall take effect forthwith (a) with respect to Grantors party hereto on the date hereof, upon the execution of this Agreement by such Grantors, and (b) with respect to any Person that becomes a Grantor after the date hereof, upon the execution of a Joinder by such Grantor.

9.10 Reasonableness

Each Grantor acknowledges that the provisions of this Agreement and, in particular, those respecting rights, remedies and powers of the Secured Parties and any receiver against any Grantor, its business and any Collateral upon the occurrence of a Fixed Asset Debt Default, are commercially reasonable and not manifestly unreasonable.

9.11 Discharge

Upon the occurrence of the conditions set forth in the Collateral Trust Agreement, the Security Interest shall automatically terminate and all rights to the Collateral shall revert to the Grantors. Upon such termination, Collateral Trustee shall upon request in writing by the Grantors deliver up this Agreement to the Grantors and shall at the expense of the Grantors cancel and discharge the Security Interest and execute and deliver to the Grantors such documents as shall be requisite to discharge the Security Interest.

9.12 Attornment

Each Grantor hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the Province of Ontario in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such courts. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that Collateral Trustee may otherwise have to bring any action or proceeding relating to this Agreement against any Grantor or its properties in the courts of any jurisdiction. Each Grantor hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defence of an inconvenient forum to the maintenance of such action or proceeding in any such court.

9.13 Paramountcy of Indenture, Collateral Trust Agreement and Intercreditor Agreement

(a) Notwithstanding anything herein to the contrary, the Security Interest granted to the Collateral Trustee pursuant to this Agreement and the exercise of any right or remedy by such Collateral Trustee hereunder are subject to the terms of the Collateral Trust Agreement. In the event of any conflict between the terms of the Collateral Trust Agreement and this Agreement, the terms of the Collateral Trust Agreement will govern.

(b) Notwithstanding anything herein to the contrary, this Agreement and the terms hereof are subject, in all respects, to the terms of Intercreditor Agreement, to the extent applicable hereto.

(c) If there is a conflict, inconsistency, ambiguity, or difference between any provision of this Agreement and the Indenture, the provision of the Indenture shall prevail, and such provision of this Agreement shall be amended to the extent only to eliminate any such conflict, inconsistency, ambiguity or difference; provided, that no right or remedy of or for the benefit of any Secured Party in this Agreement which may be in addition to the rights and remedies of or for the benefit of such Secured Party in the Indenture, nor any obligation (including, for the avoidance of any doubt, with respect to any representation, warranty, or covenant) of any Grantor in this Agreement which may be in addition to the obligations of such Grantor contained in the Indenture shall constitute a conflict, inconsistency, ambiguity or difference for the purposes of this Section 9.13.

9.14 US Collateral

Notwithstanding anything contained in this Agreement to the contrary, no representation, warranty or covenant provided in this Agreement shall apply to any personal property of any Grantor if at the time such representation or warranty is made or deemed to be made, or if at the time such covenant is to be performed, as the case may be, such personal property is US Collateral.

- remainder of page intentionally left blank -

IN WITNESS WHEREOF each Grantor and Collateral Trustee have duly executed this Agreement.

GRANTORS:

ABITIBI-CONSOLIDATED COMPANY OF CANADA
ABITIBI-CONSOLIDATED INC.
1508756 ONTARIO INC.
6169678 CANADA INCORPORATED
3834328 CANADA INC.
ABITIBI-CONSOLIDAED NOVA SCOTIA INCORPORATED
TERRA NOVA EXPLORATIONS LTD.
THE JONQUIERE PULP COMPANY
THE INTERNATIONAL BRIDGE AND TERMINAL COMPANY
SCRAMBLE MINING LTD.
ABITIBI-CONSOLIDATED CANADIAN OFFICE PRODUCTS HOLDINGS INC.
MARKETING DONOHUE INC.
3224112 NOVA SCOTIA LIMITED
DONOHUE RECYCLING INC.

By: ________________________
Name:
Title: Authorized Officer or Representative of Each of the Above

By: ________________________
Name:
Title: Authorized Officer or Representative of Each of the Above

PRODUITS FORESTIERS SAGUENAY INC.

By: ________________________
Name:
Title:

By: ________________________
Name:
Title:

COLLATERAL AGENT:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: ______________________
Name: Joseph P O'Donnell
Title: Vice President

By: ______________________
Name: Joseph P O'Donnell
Title: Vice President

EXHIBIT A

FORM OF JOINDER

JOINDER AGREEMENT

THIS JOINDER is made as of ________, 20___ in favour of Wells Fargo Bank, National Association, as Collateral Trustee for the benefit of the Secured Parties (together with its successors and assigns in such capacity, the "**Collateral Trustee**")

RECITALS:

A. Reference is made to that certain Canadian Security Agreement (as amended, supplemented, restated, extended, renewed or replaced from time to time, the "**Pledge**") dated as of April 1, 2008 by and among Abitibi-Consolidated Company of Canada, the other Grantors from time to time party thereto, Wells Fargo Bank, National Association, in its capacity as collateral trustee (together with its successors and assigns in such capacity, "**Collateral Trustee**").

B. Section 8.1 of the Pledge provides that additional Persons may from time to time after the date of the Pledge become Grantors under the Pledge by executing and delivering to the Agent a supplemental agreement to the Pledge in the form of this Joinder.

C. The undersigned (the "**New Grantor**") is a **[wholly-owned Subsidiary]** of the Issuer and has agreed to execute and deliver this Joinder to Collateral Trustee.

THEREFORE, the parties agree as follows:

1. Capitalized terms used but not otherwise defined in this Joinder have the meanings given to such terms in the Pledge.

2. The New Grantor has received a copy of, and has reviewed, the Pledge and is executing and delivering this Joinder to Collateral Trustee pursuant to Section 8.1 of the Pledge.

3. Effective from and after the date this Joinder is executed and delivered to Collateral Trustee by the New Grantor:

    (a) the New Grantor shall be, and shall be deemed for all purposes to be, a "Grantor" under the Pledge with the same force and effect, and subject to the same agreements, representations (except that such representations shall be deemed to be given as of the date hereof), indemnities, liabilities, obligations (including, without limitation, the granting of Security Interest thereunder), as if the New Grantor had been, as of the date of this Joinder, an original signatory to the Pledge as a "Grantor"; and

    (b) all Collateral of the New Grantor shall be, and shall be deemed for all purposes to be, "Collateral" of the New Grantor for the purposes of the Pledge and subject to the Security Interest granted by the New Grantor in accordance with the provisions of the Pledge as security for the due payment and performance of the Secured Obligations of the New Grantor to any Secured Party in accordance with the provisions of the Pledge.

In furtherance of the foregoing, the New Grantor, as continuing security for the repayment and the performance of each of the Secured Obligations, grants to Collateral Trustee, a first continuing, specific and fixed security interest in all of such New Grantor's Collateral. Each reference to a "Grantor" in the Pledge shall be deemed to include the New Grantor. The terms and provisions of the Pledge are incorporated by reference in this Joinder.

4. The New Grantor represents and warrants to Collateral Trustee that (a) this Joinder has been duly authorized, executed and delivered by the New Grantor and constitutes a legal, valid and binding obligation of the New Grantor enforceable against the New Grantor in accordance with its terms, subject to bankruptcy, insolvency and equitable remedies, (b) the attached supplements to the schedules to the Pledge completely set forth all additional information required pursuant to the Pledge and the New Grantor hereby agrees that such supplements to the schedules shall constitute part of the schedules to the Pledge, and (c) except as otherwise set forth in such supplements, each of the representations and warranties made or deemed to have been made by it under the Pledge as a "Grantor" thereunder are true and correct on the date of this Joinder.

5. Upon this Joinder bearing the signature of any Person claiming to have authority to bind the New Grantor coming into the possession of Collateral Trustee, this Joinder and the Pledge shall be deemed to be finally and irrevocably executed and delivered by, and be effective and binding on, and enforceable against, the New Grantor free from any promise or condition affecting or limiting the liabilities of the New Grantor and the New Grantor shall be, and shall be deemed for all purposes to be, a "Grantor" under the Pledge. No statement, representation, agreement or promise by any officer, employee or agent of Collateral Trustee or any Lender, unless expressly set forth in this Joinder, forms any part of this Joinder or has induced the New Grantor to enter into this Joinder, the Pledge or in any way affects any of the agreements, obligations or liabilities of the New Grantor under this Joinder and the Pledge.

6. This Joinder may be executed by the parties in counterparts and may be executed and delivered by facsimile or other electronic means and all such counterparts, facsimiles or other electronic means shall together constitute one and the same agreement.

7. This Joinder is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario without prejudice to or limitation of any other rights or remedies available under the laws of any jurisdiction where property or assets of any Grantor may be found.

8. This Joinder may be assigned by Collateral Trustee in accordance with the Collateral Trust Agreement and any such assignee shall be entitled to exercise any and all discretions, powers and rights of Collateral Trustee under this Joinder. No New Grantor may assign this Joinder or any of its rights or obligations under this Joinder. All of Collateral Trustee's rights under this Joinder shall enure to the benefit of its successors and assigns and all of any Grantor's obligations under this Joinder shall bind such Grantor and its successors.

9. The New Grantor hereby waives any right it has to receive a copy of any financing statement or financing change statement with respect to any registrations made at the Ontario Personal Property Registry, or any similar registries in other jurisdictions, pursuant hereto.

[Signature page follows.]

IN WITNESS OF WHICH the New Grantor has duly executed this Agreement.

[NEW GRANTOR]

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

SCHEDULE 4.1(F)

Fixed Asset Equity Interests:

Grantor	Issuer	Class of Shares/Units	Number of Shares/Units	Percentage of Outstanding Shares/Units
Abitibi-Consolidated Company of Canada	Manicouagan Power Company	Common Shares Preferred Shares	928,110 45,000	60%
	Abitibi-Consolidated Hydro Inc.	Class A Common Shares	75	75%
	ACH Limited Partnership	Common LP units Preferred units	14,250,000 1,000	75%

Issuers of Pledged Securities which are uncertificated:

NIL

SCHEDULE 4.1(g)

Relevant Jurisdictions

Grantor	Jurisdiction of Organization	Address	Chief Executive Office	Address at which Collateral Records and books and records are located or accounts are issued
Abitibi-Consolidated Inc.	Canada	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2
Abitibi-Consolidated Company of Canada	Québec	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2
Abitibi-Consolidated Canadian Office Products Holdings Inc.	Canada	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	79 Wellington Street West, Suite 3000, Toronto, Ontario, Canada M5K 1N2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2
1508756 Ontario Inc.	Ontario	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2
Donohue Recycling Inc.	Ontario	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2

[illegible] Grantor	Jurisdiction of Organization	[illegible] Address	Chief Executive Office	Address at which Collateral Records and books and records are located or accounts are issued
Marketing Donohue Inc.	Québec	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street Suite 800, Montreal, Quebec Canada H3B 5H2
6169678 Canada Incorporated	Canada	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2
3834328 Canada Inc.	Canada	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2
Abitibi-Consolidated Nova Scotia Incorporated	Nova Scotia	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2
Les Explorations Terra Nova Ltée	Québec	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2
La Compagnie de Pulpe de Jonquière	Québec	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2

Grantor	Jurisdiction of Organization	Address	Chief Executive Office	Address at which Collateral Records and books and records are located or statements are issued
The International Bridge and Terminal Company	Canada	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2
Scramble Mining Ltd.	Ontario	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2
3224112 Nova Scotia Limited	Nova Scotia	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2	1155 Metcalfe Street, Suite 800, Montreal, Quebec Canada H3B 5H2
Produits Forestiers Saguenay Inc.	Québec	4910,Boulevard Talbot, Laterrière, Québec G7N 1A3	4910,Boulevard Talbot, Laterrière, Québec G7N 1A3	4910, Boulevard Talbot, Laterrière, Québec G7N 1A3

OTHER PLACES OF BUSINESS

PAPER MILLS

Name	Address	Owner (Nominee)
Alma	1100 Mélançon Street West Alma, Québec G8B 7G2 Canada	Abitibi-Consolidated Company of Canada
Amos	801 des Papetiers Street Amos, Québec J9T 3X5 Canada	Abitibi-Consolidated Company of Canada
Baie-Comeau	20 Marquette Avenue Baie-Comeau, Québec G4Z 1K6 Canada	Abitibi-Consolidated Company of Canada
Beaupré	1 du Moulin Street Beaupré, Québec G0A 1E0 Canada	Abitibi-Consolidated Company of Canada (Abitibi-Consolidated Inc.)
Belgo (closed)	Cascades Avenue, P.O. 850 Shawinigan, Québec G9N 6W5 Canada	Abitibi-Consolidated Company of Canada (Abitibi-Consolidated Inc.)
Clermont	100 Donohue Street Clermont, Québec G4A 1A7 Canada	Abitibi-Consolidated Company of Canada
Fort Frances	145 Third Street West Fort Frances, Ontario P9A 3N2 Canada	Abitibi-Consolidated Company Of Canada (Abitibi-Consolidated Inc.)
Fort William (closed)	1735 City Road Thunder Bay, Ontario P7B 6T7 Canada	Abitibi-Consolidated Company of Canada (Abitibi-Consolidated Inc.)
Grand Falls	Grand Falls-Windsor 7 Mill Road, P.O. Box 500 Grand Falls, Newfoundland A2A 2K1 Canada	Abitibi-Consolidated Company of Canada (Abitibi-Consolidated Inc.)
Iroquois Falls	1 Park Street Iroquois Falls, Ontario P0K 1E0 Canada	Abitibi-Consolidated Company of Canada (Abitibi-Consolidated Inc.)
Kénogami	3750 Champlain Street Jonquière, Québec G7S 5J7 Canada	Abitibi-Consolidated Company of Canada (Abitibi-Consolidated Inc.)
Kenora (closed)	504 Ninth Street North Kenora, Ontario P9N 3Y1 Canada	Abitibi-Consolidated Company Of Canada (Abitibi-Consolidated Inc.)
Laurentide	100 and 255 -1st Street Shawinigan (Grand-Mère), Qc	Abitibi-Consolidated Company of

	G9T 7J1 Canada	Canada
Mackenzie (idled)	Donohue Way P.O. Box 250 Mackenzie, British Columbia V0J 2C0 Canada	Abitibi-Consolidated Company of Canada
Stephenville (closed)	1143 Connecticut DR P.O. Box 40 Stephenville, Newfoundland, A2N 2Y8 Canada	Abitibi-Consolidated Company of Canada (Abitibi-Consolidated Inc.)
Thorold	2 Allanburg Road, P.O. Box 1040 Thorold, Ontario L2V 3Z5 Canada	Abitibi-Consolidated Company of Canada (1508756 Ontario Inc.)

SAWMILLS

Sawmill	Location	Owner
Champneuf	241 Principale Street Champneuf, Québec J0Y 1E0 Canada	Abitibi-Consolidated Company of Canada
Château-Richer	7499, boulevard Sainte-Anne Château-Richer, Québec G0A 1N0 Canada	Abitibi-Consolidated Company of Canada
Chibougamau	Chibougamau, Québec Canada	Abitibi-Consolidated Company of Canada
Comtois	2050 Route N805 Lebel-sur-Quévillon, Québec J0Y 1X0 Canada	Abitibi-Consolidated Company of Canada
Outardes	1 Chemin de la Scierie Pointe-aux-Outardes, Québec G5C 2S9 Canada	Abitibi-Consolidated Company of Canada
Gestofor	Saint-Raymond, Québec	Abitibi-Consolidated Company of Canada
Girardville	2250 St-Joseph Line North Girardville, Québec G0W 1R0 Canada	Abitibi-Consolidated Company of Canada
La Doré	5850 Desjardins Avenue La Doré, Québec G8J 1B4 Canada	Abitibi-Consolidated Company of Canada
Laterrière	4910 and 5030 Talbot Boulevard, Saguenay (Borough Laterrière), Québec G7N 1A3 (4910) or G7N 1V4 (5030) Canada	Produits Forestiers Saguenay Inc.

Mackenzie (2)	Donohue Way, Mackenzie, Bristish Columbia V0J 2C0 Canada	Abitibi-Consolidated Company of Canada
Manseau	490 St-Georges, P.O. 39 Manseau, Québec G0X 1V0 Canada	Abitibi-Consolidated Company of Canada
Normandin	1165 Industrielle Avenue, Normandin, Québec G8M 4S9 Canada	Abitibi-Consolidated Company of Canada
Petit-Saguenay	225, Route 170 Petit-Saguenay, Québec G0V 1N0 Canada	Produits Forestiers Saguenay Inc.
Roberval	1181 Saint-Joseph Street Roberval, Québec G8H 2M3 Canada	Abitibi-Consolidated Company of Canada
Saint-Hilarion	130 Cartier South Drive Saint-Hilarion, Québec G0A 3V0 Canada	Abitibi-Consolidated Company of Canada
Saint-Prime	714 Principale Street Saint-Prime, Québec G8J 1T8 Canada	Abitibi-Consolidated Company of Canada
St-Fulgence	1903 Tadoussac Boulevard, Saint-Fulgence, Québec G0V 1S0 Canada	Produits Forestiers Saguenay Inc.
St-Raymond	175 St-Alexis Street Saint-Raymond, Québec G3L 1S1 Canada	Abitibi-Consolidated Company of Canada
Saint-Thomas	300 du Moulin Avenue Saint-Thomas-Didyme, Québec G0W 1P0 Canada	Abitibi-Consolidated Company of Canada
Scieries Saguenay (closed)	La Baie, Québec Canada	Produits Forestiers Saguenay Inc.
Senneterre	300 6th Avenue, P.O. 1179 Senneterre, Québec J0Y 2M0 Canada	Abitibi-Consolidated Company of Canada
Manseau	Manseau, Québec Canada	Abitibi-Consolidated Company of Canada

HYDRO ASSETS

Name	Location	Owner
Grand Falls	Grand Falls-Windsor, Newfoundland	Abitibi-Consolidated Company of Canada

Chicoutimi River Generating Station	Saguenay (Chicoutimi), Québec	Abitibi-Consolidated Company of Canada
Jonquière	Saguenay (Jonquière), Québec	Abitibi-Consolidated Company of Canada
Bésy	Saguenay (Jonquière), Québec	Abitibi-Consolidated Company of Canada
Jim-Gray Dam and Generating Station	St-David-de-Falardeau, Québec	Abitibi-Consolidated Company of Canada
Adam Cunningham Generating Station	St-David-de-Falardeau, Québec	Abitibi-Consolidated Company Of Canada
Murdock Wilson	Saguenay (Jonquière), Québec	Abitibi-Consolidated Company of Canada
Chutes-aux Galets Dam and Generating Station	St-David-de-Falardeau, Québec	Abitibi-Consolidated Company of Canada
Lake Onatchiway Dam and Reservoir	Saguenay, Québec	Abitibi-Consolidated Company of Canada

LEASES

Grantor	Name of the premises	Location
Donohue Recycling Inc.	Toronto Recycling Center	95 Commissionners Street, Toronto, Ontario, Canada M5A 1A6
Abitibi-Consolidated Inc.	Vancouver	1130 West Pender Street, Vancouver, British-Columbia V6E 4A4
Abitibi-Consolidated Inc.	Montreal Head Office	1155 Metcalfe Street (8th and 9th floors), Montréal, Québec H3B 5H2

OTHER LOCATIONS AT WHICH COLLATERAL IS HELD OR STORED (THIRD-PARTY OWNED WAREHOUSE)

Owner of Collateral	Warehouse	Location
Abitibi-Consolidated Company of Canada	Bison Warehouse	1817 Wellington Avenue Winnipeg, MB R3E 0K4 Canada
Abitibi-Consolidated Company of	Groupe Goyette (Entreposage	1300 Nobel

Owner of Collateral	Warehouse	Location
Canada	Maska)	Boucherville, QC J4B 5H3 Canada
Abitibi-Consolidated Company of Canada	Groupe Goyette (Entreposage Maska)	2985 Boul. Casavant Ouest St. Hyacinthe, QC Canada
Abitibi-Consolidated Company of Canada	Groupe Goyette	1465 Du Pont Shawinigan, QC G9N 8G9 Canada
Abitibi-Consolidated Company of Canada	Metro Canada Logisitics - BWW	767 Credistone Road Concord ON L4K 5P5 Canada
Abitibi-Consolidated Company of Canada	NorthGate Whsing. and Dist.	1331 Mckeen Ave. North Vancouver, BC V7P 3H9 Canada
Abitibi-Consolidated Company of Canada	Trealship Services Inc.	60 Highfield Park Halifax, NS B3A 4R9 Canada
Abitibi-Consolidated Company of Canada	Van Link	915 Cliveden Avenue Annacis Island Business Park, BC V3M 5R6 Canada
Abitibi-Consolidated Company of Canada	XTL Warehouse	75 Rexdale Etobicoke, ON M9W 1P1
Abitibi-Consolidated Company of Canada	XTL Warehouse	1700 Chemin St-Francois, Dorval, QC H9P 2P6 Canada
Abitibi-Consolidated Company of Canada	Abitibi-Consolidated Baie Comeau	20 Rue Marquette Baie-Comeau, QC G4Z 1K6 Canada
Abitibi-Consolidated Company of Canada	American Color Graphics	3565 Eagle Street Stevensville, ON L0S 1S0 Canada
Abitibi-Consolidated Company of Canada	Abitibi-Consolidated Mackenzie	F.F.I. Road (Bag 2800), Mackenzie, BC V0J 2C0 Canada
Abitibi-Consolidated Company of Canada	Agressive Trucking Terminal	19909 92 Eme Avenue Langley, BC V1M 3B6 Canada
Abitibi-Consolidated Company of Canada	Ceres Terminal	4755 Barrington St., P.O. Box 8958 Halifax, NS B3K 5M6 Canada
Abitibi-Consolidated Company of Canada	CN Tascherau	Hickmore St. Lachine, QC H8T 2J9 Canada
Abitibi-Consolidated Company of Canada	Cast Terminal	Port of Montreal Montreal, QC H3B 5H2

Owner of Collateral	Warehouse	Location
Abitibi-Consolidated Company of Canada	Centrem	555 Centennial Road, Vancouver, BC V6A 1A2 Canada
Abitibi-Consolidated Company of Canada	GT Precision Express	10000 Maurice Duplessis, Montreal, QC H1C 2A2 Canada
Abitibi-Consolidated Company of Canada	Halterm Ltd	Marginal Road P.O. Box 1057, Via Cornerbrook Halifax, NS B3J 2X1 Canada
Abitibi-Consolidated Company of Canada	Innovative Converting	2900 Loyalist Street Cornwall, ON K6H 6C8 Canada
Abitibi-Consolidated Company of Canada	Pro-Conversion	1050 Blvd Queen North, Sherbrooke, QC J1J 3T8 Canada
Abitibi-Consolidated Company of Canada	CP	2250 43rd Avenue Lachine, QC, H8T 2J9
Abitibi-Consolidated Company of Canada	Spedimar SRL	c/o Cis Spa, Via Delle Cateratte, 66 Livorno, IT 57122
Abitibi-Consolidated Company of Canada	Logistec	500 Chemin Du Havre Pointe-Au-Pic, QC G5A 2Y9 Canada
Abitibi-Consolidated Company of Canada	Racine Terminal	Port of Montreal Section 62, C.P. 360, Succ. K, Montreal, QC H1N 3L3 Canada
Abitibi-Consolidated Company of Canada	Terminal Systems Inc	2 Roberts Bank Delta, BC V4M 4G5 Canada
Abitibi-Consolidated Company of Canada	Termont - Shed 68	P.O. Box 36, Station K, Montreal, QC H1N 3K9
Abitibi-Consolidated Company of Canada	Vanterm	1300 Stewart Street Vancouver, BC V6C 2T8 Canada

SCHEDULE 4.1(H)

INTELLECTUAL PROPERTY RIGHTS

OWNER	PATENT/APP. NUMBER	FILING/ISSUE DATE	COUNTRY	TITLE	STATUS
ABITIBI-CONSOLIDATED INC.	2547276	May 19, 2006	Canada	Coated mechanical pulp paper	Pending
ABITIBI-CONSOLIDATED INC.	5560882	October 1, 1996	United States	Method of overmolding an underwater cable equipment	Issued

Patents Registered with the U.S. Patent and Trademark Office

Owner	Record Owner	Asset Type	Title	Registration/ Application Number	Issue/Filing Date	Outstanding Security Interests
Abitibi Consolidated Inc.	Abitibi-Price Corp.	Patent	Simulated ceramic tile	4,579,767	04/01/1986	
Abitibi Consolidated Inc.	Abitibi-Price, Inc.	Patent	Calendar hood	6,207,019	03/27/2001	
Abitibi Consolidated Inc.	Abitibi-Price Inc.	Patent	High consistency peroxide bleaching	4,938,842	07/03/1990	
Abitibi Consolidated Inc.	Abitibi-Price Inc.	Patent	Tin compounds for brightness improvement of jack pine ultra	4,549,929	10/29/1985	
Abitibi Consolidated Inc.	Abitibi-Price Inc.	Patent	METHOD FOR REDUCED SULFUR DOIXIDE FORMATION IN REFINER BLEACHING	5,607,547	03/04/1997	Co-assigned to Chemtrade Performance Chemicals US, LLC and Abitibi-Price; subject to a security interest granted in favor of the Bank of Nova Scotia on 12/30/2002

Owner	Record Owner	Asset Type	Title	Registration/ Application Number	Issue/Filing Date	Outstanding Security Interests
Abitibi Consolidated Inc.	Abitibi-Price Inc.	Patent	METHOD AND APPARATUS FOR COATING PULP PRODUCTS	5,622,599	04/22/1997	
Abitibi Consolidated Inc.	Abitibi Paper Company Ltd.	Patent	Microbial culture system	4,559,305	12/17/1985	
Abitibi Consolidated Inc.	Abitibi Paper Company Ltd.	Patent	Foam flotation activated sludge process	4,211,645	07/08/1980	
Abitibi Consolidated Inc.	Abitibi Paper Company Ltd.	Patent	Method for controlling caliper and edge and corner delamination of hardboard	4,168,200	09/18/1979	
Abitibi Consolidated Inc.	Abitibi Paper Company Ltd.	Patent	Short cycle pressed fiberboard manufacturing process	4,038,131	07/26/1977	
Abitibi Consolidated Inc.	Abitibi Paper Company Ltd.	Patent	Production of hardboard in a closed water system	4,009,073	02/22/1977	
Abitibi Consolidated Inc.	Abitibi Paper Company, Ltd.	Patent	Humidification of panels of cellulosic material	3,950,574	03/13/1976	
Abitibi-Consolidated Inc.	Abitibi Consolidated Inc.	Patent	Method and apparatus to remove inorganic scale from a supercritical water oxidation reactor	6,056,883	05/02/2000	
Abitibi-Consolidated Inc.	Abitibi-Consolidated Inc.	Patent	Coated Mechanical Pulp Paper	11/750,794	05/18/2007	

Copyrights

Copyright Title	Reg. No.	Status	Category of Work	Authors	Country	Owner
PQM – Paper Quality Management System	1018641	Registered. 2004-02-24	Literacy	David Maggs; Gurdip Sing Bhartt; Cynthia Hayward; Dmyto Gnidash; Marie Daez; Dave Keenan	Canada	Abitibi-Consolidated Inc.
La Compagnie Gaspesia Limitée, 1937-1987		Registered, 1987-08-17	Text	English/French version: Hilton J. Wilson, for hire of Abitibi-Price Inc.	United States	Abitibi-Consolidated Inc. (Registered under former name « Abitibi-Price Inc. »)
PDM system: a guide to pressroom data management		Registered, 1982-10-28	Visual Material	n/a	United States	Abitibi-Consolidated Inc. (Registered under former name « Abitibi-Price Sales Corporation»)
615 data and data structure for area commonly referred to as seine river forest	443148	Registered. 1995-05-17	Literary/Artistic	Kelly Mitchell	Canada	Abitibi-Consolidated Inc. (Registered under former name « Rainy River Forest Products Inc.»)
GIS data and data structure for area commonly referred to as the manitou forest	443318	Registered. 1995-05-23	Literary/Artistic	Kelly Mitchell	Canada	Abitibi-Consolidated Inc. (Registered under former name « Rainy River Forest Products Inc.»)
PDM system : a guide to pressroom data management	TX0001013612	10/28/1982			United States	Abitibi-Consolidated Inc. (Registered under former name « Abitibi-Price Sales Corp. »)
La Compagnie Gaspesia Limitee, 1937-1987.	TX0002144180	08/01/1987				Abitibi Consolidated Inc. (Registered under former name « Abitibi-Price, Inc. »)

SUPERIOR COURT
(Commercial Division)
DISTRICT OF MONTRÉAL
No.: 500-11-036133-094

IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF:
ABITIBIBOWATER INC.
and
ABITIBI-CONSOLIDATED INC.
and
BOWATER CANADIAN HOLDINGS INC.
and
The other Petitioners listed on Schedules "A", "B" and "C"
and
The other Petitioners listed on Schedules "A", "B" and "C"

Petitioners

AND
ERNST & YOUNG INC.

Monitor

AND
The Ad Hoc Committee of the Senior Secured Noteholders and U.S. Bank National Association, Indenture Trustee for the Senior Secured Notes

Respondents

EXHIBIT SN-5

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