NINTH AMENDMENT TO SENIOR SECURED, SUPER-PRIORITY
DEBTOR-IN-POSSESSION TERM LOAN CREDIT AGREEMENT

This Ninth Amendment to Senior Secured, Super-Priority Debtor-In-Possession Term Loan Credit Agreement (this "Agreement") is entered into as of October 19, 2011, by and among WHITE BIRCH PAPER HOLDING COMPANY, an unlimited liability company organized under the laws of Nova Scotia, WHITE BIRCH PAPER COMPANY, an unlimited liability company organized under the laws of Nova Scotia ("White Birch" or the "Company"), STADACONA L.P., a limited partnership organized under the laws of Quebec ("Stadacona"), F.F. SOUCY L.P., a limited partnership organized under the laws of Quebec ("Soucy 2"), PAPIER MASSON LTÉE, a corporation organized under the laws of Canada ("Papier Masson" and together with White Birch, Stadacona and Soucy 2, the "Canadian Borrowers") and BEAR ISLAND PAPER COMPANY, L.L.C., a limited liability company organized under the laws of Virginia (the "U.S. Borrower" or "Bear Island" and together with the Canadian Borrowers, collectively as the "Borrowers"), the other Loan Parties party hereto, the Lenders (as defined below) party hereto, BLACK DIAMOND COMMERCIAL FINANCE, L.L.C., as syndication agent (in such capacity and together with its successors, the "Syndication Agent") and CREDIT SUISSE AG, TORONTO BRANCH, as administrative agent (in such capacity and together with its successors, the "Administrative Agent").

WHEREAS, the Borrowers, the other Loan Parties, the Administrative Agent and the lenders party thereto from time to time (the "Lenders") have entered into that certain Senior Secured, Super-Priority Debtor-In-Possession Term Loan Credit Agreement, dated as of March 1, 2010 (as amended prior to the date hereof and as further amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

WHEREAS, the Borrowers and the other Loan Parties have requested that the Administrative Agent and Lenders agree to amend certain provisions of the Credit Agreement; and

WHEREAS, the Administrative Agent and the Lenders have agreed to amend certain provisions of the Credit Agreement, in each case on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I.
AMENDMENTS

Section 1.1 Amendments. Immediately upon the occurrence of the Effective Date:

(a) The following definitions shall be added to Section 1.1 of the Credit Agreement in proper alphabetical sequence:

"Ninth Amendment": that certain Ninth Amendment to Senior Secured, Super-Priority Debtor-in-Possession Term Loan Credit Agreement, dated as of October 19, 2011, among the Borrowers, the Syndication Agent, the Administrative Agent and the Lenders party thereto.

(b) The definition of "Maturity Date" located in Section 1.1 of the Credit Agreement is hereby amended such that the reference to "October 21, 2011" located therein is replaced with "October 31, 2011."

(c) Section 2.1 of the Credit Agreement is hereby amended by adding the following sentence to the end of such section:

> "Notwithstanding the foregoing, each of the parties party hereto acknowledges and agrees that, solely with respect to the $33,000,000 prepayment of DIP Loans made by the Canadian Borrower in satisfaction of the condition precedent to effectiveness of the Ninth Amendment, the original making and the subsequent prepayment of such DIP Loans in connection with the Ninth Amendment shall be deemed, solely for purposes of this Section 2.1, not to have occurred, such that the Delayed Draw Commitments shall be deemed not to have been reduced by the original making of such DIP Loans and such aggregate principal amount shall, subject to the terms and conditions set forth herein, remain available to be borrowed by the Borrowers (it being acknowledged and agreed that any actual re-borrowing of any such amounts shall also be subject to the prior written consent of the Majority Lenders). For the avoidance of doubt, (x) all interest required to be paid in respect of such prepaid DIP Loans upon and prior to the effectiveness of the Ninth Amendment shall be properly payable for the account of the applicable Lenders and (y) the calculation of any fees payable pursuant to Section 2.4(e) of this Agreement with respect to any periods occurring on or prior to the effectiveness of the Ninth Amendment shall be properly made in accordance with the provisions set forth therein, in each case of clause (x) and (y) without giving effect to the immediately preceding sentence."

(d) Section 2.8 of the Credit Agreement is hereby amended by amending and restating clause (ii) as follows: "no more than ten (10) Eurodollar Tranches plus the number of Eurodollar Tranches outstanding as of the date of the Ninth Amendment shall be outstanding at any one time."

(e) Section 5.19(b)(vi) of the Credit Agreement is hereby amended and restated in its entirety as follows: "On or before October 31, 2011, the transactions contemplated in the Winning Bid made by the Winning Bidder shall have been consummated."

(f) Section 6.1 of the Credit Agreement is hereby amended by amending and restating clause (a) as follows: "[Intentionally Omitted]"

(g) Section 6.1 of the Credit Agreement is hereby amended by adding the following at the end of such section:

> "(c) Minimum Canadian Borrower(s) Cash Balance. Permit the actual aggregate amount of unrestricted cash and Cash Equivalents of the Canadian Borrower(s) to be less than US $8,000,000 as of the close of business of the Friday of each week per the Cash Flow Forecast."

(h) Section 6 of the Credit Agreement is hereby amended by adding the following new Section 6.23 to the end of such Section:

> "Section 6.23 Limitation on Certain Intercompany Advances. Notwithstanding anything in this Agreement to the contrary, permit the aggregate amount of all loans, advances and other Investments made, directly or indirectly, by the U.S. Borrower to the Canadian Loan Parties to exceed, at any time outstanding, $1,000,000."

(i) Section 7 of the Credit Agreement is hereby amended by deleting the "or" from the end of clause (l)(xxiii) and by deleting and restating clause (m) in its entirety and adding a new clause (n), in each case as set forth below:

> "(m) either (i) a Purchase Agreement MAE shall occur, (ii) any Company Group Member shall default in the observance or performance of any term or condition contained in the Asset Sale Agreement, or (iii) any other event shall occur or condition shall exist, that shall permit BD White Birch Investment LLC to terminate the Asset Sale Agreement in accordance with the terms thereof, in any case with respect to clauses (i), (ii) or (iii) after the expiration of three (3) Business Days after written notice thereof shall have been delivered to the Borrowers by the Administrative Agent; or
>
> (n) there occurs (i) a strike or work stoppage against or affecting any Company Group Member, or (ii) an arbitration or labor dispute under any agreement with any union or collective bargaining agent, slowdown, lockout or picketing (other than a strike or work stoppage) against or affecting any Company Group Member and any such event in this clause (ii), together with all other such events or conditions, could reasonably be expected to have a Material Adverse Effect, in any case with respect to clauses (i) or (ii) after the expiration of three (3) Business Days after written notice thereof shall have been delivered to the Borrowers by the Administrative Agent."

Section 1.2 Reservation of Rights. It is understood and agreed that nothing herein affects in any way any of the rights and arguments which the parties in interest may wish to raise with respect to the eventual allocation and/or distribution of sale proceeds between the estates of the US Borrower and of the Canadian Borrowers and the repayment of the Credit Agreement. Except as expressly set forth in this Agreement, nothing contained in this Agreement shall, or shall be deemed to, (i) constitute a waiver of any Default or Event of Default that may heretofore or hereafter occur or have occurred and be continuing, or (ii) modify, amend, alter or affect any provision of the Credit Agreement or any other Loan Document. Except as expressly provided herein, the execution and delivery of this Agreement shall not: (i) extend the terms of the Credit Agreement or the due date of any of the Obligations; (ii) give rise to any obligation on the part of Administrative Agent or any Lender to extend, modify, alter, amend or waive any term or condition of the Credit Agreement or the other Loan Documents or otherwise prejudice any rights or remedies which the Administrative Agent and Lenders now have or may have in the future; or (iii) give rise to any defenses, setoffs, reductions or counterclaims to Administrative Agent's or any Lenders' right to compel payment of the Obligations or to otherwise enforce, exercise and enjoy the benefits of their respective rights and remedies under the Credit Agreement and the other Loan Documents.

ARTICLE II.
CONDITIONS OF EFFECTIVENESS

Section 2.1 Conditions of Effectiveness. This Agreement shall be effective as of the date first above written (the "Effective Date") upon the occurrence of the following conditions precedent: (i) the Administrative Agent shall have received a counterpart signature page of this Agreement duly executed by the Administrative Agent, the Syndication Agent, each of the Lenders party to the Credit Agreement, the Borrowers and each other Loan Party, (ii) this Agreement shall have been approved in writing by the Monitor and by final order of the Bankruptcy Court, in form and substance reasonably acceptable to the Administrative Agent and the Majority Lenders, (iii) the Administrative Agent shall have received from the Canadian Borrowers, for the account of the Lenders, on or after October 11, 2011, a prepayment in respect of the DIP Loans in an aggregate principal amount equal to $33,000,000 and (iv) the Administrative Agent shall have received from the Borrowers, for its own account, on or after October 11, 2011, a non-refundable administration fee in the amount of $8,333.

ARTICLE III.
MISCELLANEOUS

Section 3.1 Direction to Administrative Agent. In response to a request for instruction from the Administrative Agent, the Lenders party hereto hereby instruct the Administrative Agent pursuant to Section 8.4 of the Credit Agreement to execute and deliver this Agreement and to promptly and fully consummate the transactions contemplated by this Agreement.

Section 3.2 Full Force and Effect. Except as expressly provided by this Agreement, the Credit Agreement and other Loan Documents are and shall continue to be in full force and effect and are hereby in all respects ratified and reaffirmed. Except as expressly set forth in this Agreement, no other terms and conditions of the Credit Agreement or any other Loan Document are hereby waived, amended, altered or otherwise modified. Except as expressly set forth in this Agreement, the execution, delivery and effectiveness of this Agreement shall not operate as a waiver of any right, power or remedy of any party under the Credit Agreement or any other Loan Document, nor constitute a waiver of any provision of the Credit Agreement or any other Loan Document. Upon the effectiveness of this Agreement, each reference in the Credit Agreement to "this Credit Agreement," "hereunder," "hereof," "herein" or words of similar import shall mean and be a reference to the Credit Agreement as amended hereby.

Section 3.3 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH SECTION 9.11 OF THE CREDIT AGREEMENT.

Section 3.4 WAIVER OF JURY TRIAL. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 3.5 Integration. This Agreement (together with the other Loan Documents (each as amended, supplemented or otherwise modified from time to time)) sets forth in full the terms of agreement between the parties and is intended as the full, complete and exclusive contract governing the relationship between the parties with respect to the transactions contemplated herein, superseding all other discussions, promises, representations, warranties, agreements and understandings, whether written or oral, between the parties with respect thereto.

Section 3.6 No Amendment. No term of this Agreement may be waived, modified or amended except in a writing signed in accordance with Section 9.1 of the Credit Agreement.

Section 3.7 Execution in Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and each of the parties hereto may execute this Agreement by signing any such counterpart. A facsimile or electronic mail transmission of this Agreement bearing a signature on behalf of a party hereto shall be legal and binding on such party.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

WHITE BIRCH PAPER COMPANY

By: ______________________
Name: TIM BUTLER
Title: TREASURER

WHITE BIRCH PAPER HOLDING COMPANY

By: ______________________
Name: TIM BUTLER
Title: TREASURER

STADACONA L.P., by one of its general partners, WHITE BIRCH PAPER COMPANY

By: ______________________
Name: TIM BUTLER
Title: TREASURER

F.F. SOUCY L.P., by one of its general partners, WHITE BIRCH PAPER COMPANY

By: ______________________
Name: TIM BUTLER
Title: TREASURER

BEAR ISLAND PAPER COMPANY, L.L.C.

By: ______________________
Name: TIM BUTLER
Title: TREASURER

PAPIER MASSON LTÉE

By: ______________________
Name: TIM BUTLER
Title: TREASURER.

STADACONA GENERAL PARTNER INC.

By: ________________________

Name: TIM BUTLER

Title: TREASURER

MH

CREDIT SUISSE LOAN FUNDING LLC,
as a Lender

By:
Name: Douglas DiBella
Title: Authorized Signatory

By:
Name: Ronald Gotz
Title: Authorized Signatory

CREDIT SUISSE AG, TORONTO BRANCH,
as Administrative Agent

By: ______________________
Name: **Alain Daoust**
Title: **Director**

By: ______________________
Name: YASH BISARIA
Title: V.P

[Signature Page to Ninth Amendment to DIP Loan Agreement (White Birch)]

BLACK DIAMOND COMMERCIAL FINANCE,
L.L.C.,
as Syndication Agent

By: ______________________

Name: H. Gravenhorst

Title: M.D.

By: ______________________

Name:

Title:

[Signature Page to Ninth Amendment to DIP Loan Agreement (White Birch)]

Mariner LDC

______________________________________,
as a Lender

By: ______________________________
Name: David Corleto
Title: Authorized Signatory

By: ______________________________
Name:
Title:

Caspian Capital Partners, L.P.

_______________________________________,
as a Lender

By: ______________________________
Name: David Corleto
Title: Authorized Signatory

By: ______________________________
Name:
Title:

[Signature Page to Ninth Amendment to DIP Loan Agreement (White Birch)]

Caspian Select Credit Master Fund, LTD

____________________________________,
as a Lender

By: ____________________________
Name: David Corleto
Title: Authorized Signatory

By: ____________________________
Name:
Title:

Caspian Solitude Master Fund, L.P.

_______________________________,
as a Lender

By: _______________________
Name: David Corleto
Title: Authorized Signatory

By: _______________________
Name:
Title:

[Signature Page to Ninth Amendment to DIP Loan Agreement (White Birch)]

Caspian Alpha Long Credit Fund, L.P.

______________________________,
as a Lender

By: ______________________________
Name:
Title:
David Corleto
Authorized Signatory

By: ______________________________
Name:
Title:

[Signature Page to Ninth Amendment to DIP Loan Agreement (White Birch)]

CASPIAN HLSC1 LLC,
as a Lender

By: ______________________
Name: David Corleto
Title: Authorized Signatory

By: ______________________
Name:
Title:

Black Diamond CLO 2005-1 LTD.
By: Black Diamond CLO 2005-1 Adviser, L.L.C.,
As Its Collateral Manager

____________________________________,
as a Lender

By: ____________________________
Name: Stephen H. Deckoff
Title: Managing Principal

By: ____________________________
Name:
Title:

Black Diamond CLO 2005-2 LTD.
By: Black Diamond CLO 2005-2 Adviser, L.L.C.,
As Its Collateral Manager

______________________________,
as a Lender

By: ______________________________
Name: Stephen H. Deckoff
Title: Managing Principal

By: ______________________________
Name:
Title:

Black Diamond CLO 2006-1 (CAYMAN) LTD.
By: Black Diamond CLO 2006-1 Adviser, L.L.C.,
As Its Collateral Manager

______________________________,
as a Lender

By: ______________________
Name: Stephen H. Deckoff
Title: Managing Principal

By: ______________________
Name:
Title:

BDCM Opportunity Fund II, L.P.
By: BDCM Opportunity Fund II Adviser, L.L.C.
Its Investment Manager

______________________________,
as a Lender

By: ______________________
Name: Stephen H. Deckoff
Title: Managing Principal

By: ______________________
Name:
Title:

BDC Finance, L.L.C.
By: BDCM Fund Adviser, L.L.C.,
Its Investment Manager

______________________________,
as a Lender

By: ______________________
Name: Stephen H. Deckoff
Title: Managing Principal

By: ______________________
Name:
Title: