Court File No. CV-11-9367-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

INTERNATIONAL FOREST PRODUCTS CORPORATION

Applicant

- and -

ST. MARYS PAPER CORP.

Respondent

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED

AFFIDAVIT OF DANIEL J. MOORE
(Sworn August 31, 2011)

I, DANIEL J. MOORE, of the Town of Needham, in the Commonwealth of Massachusetts, in the United States of America, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the Chief Operating Officer of the Applicant, International Forest Products Corporation ("**IFP**"). As such, I have knowledge of the matters deposed to in this affidavit. Where this affidavit is not based on personal knowledge, it is based on information and belief and I verily believe such information to be true.

2. This affidavit is sworn in support of an application by IFP for the appointment of Ernst & Young Inc. ("**E&Y**") as receiver and receiver and manager (in such capacity, the "**Receiver**") of all of the property, assets and undertaking of the Respondent St. Marys Paper Corp. ("**St. Marys**"), pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") and section 101 of the *Courts of Justice Act* (Ontario).

Overview

3. St. Marys is a corporation incorporated pursuant to the laws of the Province of Ontario with its head office located in the City of Sault Ste. Marie, Ontario. St. Marys operates a groundwood pulp and supercalendered specialty paper mill (the "**Mill**") producing quality paper grades used mainly by magazine publishers and retailing companies for high quality advertising inserts, flyers and catalogues.

4. St. Marys operates the Mill at owned premises located at 75 Huron Street, Sault Ste. Marie, Ontario. The Mill, and the equipment, inventory and other personal property located at or relating to the operations of the Mill are St. Marys primary assets.

5. St. Marys employs approximately 200 hourly employees, represented by the Communications, Energy and Paperworkers Union Locals 133, 67, 69 and 47). St. Marys also employs salaried employees. On or about August 10, 2011, Sault This Week reported that Local 133 is seeking a lien against St. Marys to secure payment of St. Marys severance obligations.

6. As described below, on or about March 28, 2011, the Mill ceased operations due to numerous expensive, unexpected and repeated mechanical defects and component failures on its largest paper machine. The Mill remains idle as of the date of this affidavit, all hourly employees are on indefinite layoff, and salaried employees have been reduced to a skeleton staff of fewer than ten.

7. St. Marys is also planning the development, through its related party St. Marys Renewable Energy Corp., of a co-generation facility at the Mill to produce biomass-fueled, renewable, electrical energy (the "**Co-Generation Facility**"). I have been advised by St. Marys that it has provided start-up capital to the project in the approximate amount of $4,000,000 and is currently seeking to secure $130 million in additional financing to construct and develop the Co-Generation Facility. I have also been advised by St. Marys Renewable Energy Corp. that it has entered into a ten year power purchase agreement with Ontario Power Authority for a 35 megawatt facility, which is conditional upon the restart of the Mill. The Co-Generation Facility, if successfully completed, would provide electricity to the Mill and additional income to St. Marys.

8. I have been advised by E&Y, in its capacity as financial advisor to IFP, that as at August 13, 2011, St. Marys had only approximately $260,000 in cash and has no access to further credit facilities to fund future operating costs or ordinary expenses incurred in keeping the Mill idle, and unless additional financing is secured, St. Marys will consume its diminished cash reserves by early to mid-September. I understand that St. Marys is seeking a property tax refund through arbitration in the approximate amount of $1.4 to 1.6 million, net of costs, certain

Scientific Research & Experimental Development tax credits from the Province of Ontario in the approximate amount of $200,000, and other short-term cash receipts to generate additional working capital while they continue to pursue additional financing. It is uncertain when these additional funds will be received, if at all. Accordingly, St. Marys faces an immediate liquidity crisis.

9. IFP is a corporation incorporated pursuant to the laws of the State of Delaware with its head office located in the Town of Foxborough, Massachusetts, which is in the business of sourcing and selling forest products. IFP is the first priority secured creditor of St. Marys.

10. As at August 31, 2011, St. Marys is indebted to IFP in the aggregate amount of $7,621,606.13, (which includes interest accrued to the date of this affidavit), plus any other discounts, expenses, costs, fees and/or other amounts that are or may be recoverable by IFP (collectively, the "**Current Indebtedness**"). As described below, the Current Indebtedness has been incurred pursuant to certain loan agreements, pulp supply contracts and sales and marketing agreements with IFP and interest continues to accrue on the Current Indebtedness at the rates set out in the applicable agreements. The obligations of St. Marys to IFP are secured by a mortgage on the Real Property and comprehensive personal property security.

11. St. Marys has been in default of its obligations to IFP since on or about April 1, 2011. Since the shutdown of the Mill, IFP has refrained from enforcing its security in order to provide St. Marys with an opportunity to secure additional

financing in order to re-start the Mill, and to attempt to raise capital to complete the Co-Generation Facility.

12. Notwithstanding the cooperation and forbearance of IFP, St. Marys has not been successful in obtaining sufficient funding to restart the Mill. St. Marys has made some progress towards obtaining financing for the Co-Generation Facility but have not concluded any transactions or received any funds. The Mill remains closed and there is no realistic prospect that St. Marys will be able to raise sufficient new debt and/or equity to restart the Mill or to complete the Co-Generation facility in the immediate future. The Current Indebtedness remains outstanding and, based on discussions with E&Y, in its capacity as financial advisor, it is IFP's position that the value of its collateral may be insufficient to satisfy St. Marys' outstanding obligations to IFP.

13. IFP seeks the appointment of a receiver and receiver and manager to pursue a going concern sale of St. Marys and/or to canvass additional sources of financing for the Mill and the Co-Generation Facility, and to consider additional strategic options. As a result of St. Marys liquidity crisis, a going concern sale or refinancing must be completed in the immediate future, or St. Marys will be forced to liquidate.

14. IFP believes that it is just, convenient and necessary to appoint the Receiver in order to protect the interests of all of St. Marys' creditors, including IFP, and to provide an orderly, court-supervised forum for the realization upon St. Marys' assets, including a potential going concern sale. As E&Y has already been

engaged by IFP as financial advisor and completed an initial review of St. Marys' operations, and is familiar with the financial affairs and challenges facing St. Marys, it is best positioned to act as receiver and receiver and manager of St. Marys' property, assets and undertaking, and has consented to such appointment.

Obligations Owing to IFP

15. St. Marys is indebted to IFP pursuant to the Loan Agreement (as defined below), as further evidenced by the Term Note (as defined below) and the Pulp Supply Contract (as defined below). St. Marys has granted both real property and personal property security to IFP to secure all obligations owing to IFP, including the obligations owing under the Loan Agreement, the Pulp Supply Contract and the Sales and Remarketing Agreement (as defined below). As of the date of this affidavit, St. Marys is indebted to IFP in the amount of the Current Indebtedness, including indebtedness in the approximate amount of US$3,215,497.44 under the Loan Agreement, and indebtedness in the approximate amount of $4,406,108.69 under the Pulp Supply Contract. IFP is currently holding US$843,365 under the terms of the Sales and Remarketing Agreement, which will be offset against the indebtedness owing to IFP under the Loan Agreement and the Pulp Supply Contract. Certain of the obligations of St. Marys to IFP have been guaranteed on a joint and several basis by the Guarantors (as defined below).

Loan Agreement

16. Pursuant to the Loan Agreement dated December 8, 2010, between St. Marys, as borrower, and IFP, as lender (as amended, the "**Loan Agreement**") a term loan in favour of St. Marys was established in the amount of USD $3,000,000. A true copy of the Loan Agreement is attached hereto as **Exhibit "A"**.

17. The obligations of St. Marys under the Loan Agreement are further evidenced by a Term Note dated December 8, 2010 (the "**Term Note**"). A true copy of the Term Note is attached hereto as **Exhibit "B"**.

Pulp Supply Contract

18. Pursuant to the Pulp Supply Contract made as of December 8, 2010, between St. Marys, as buyer, and IFP, as Seller (the "**Pulp Supply Contract**"), IFP was appointed by St. Marys as exclusive supplier of northern bleached softwood kraft pulp ("**Pulp**") for St. Marys' paper production at the Mill. A true copy of the Pulp Supply Contract is attached hereto as **Exhibit "C"**.

Sales and Remarketing Agreement

19. Pursuant to the Purchase and Sale Agreement dated December 8, 2010 between IFP and St. Marys (the "**Sales and Remarketing Agreement**"), IFP was appointed as exclusive distributor of all super calendared or other printing and writing paper produced by St. Marys at the Mill. IFP is required to collect and remit payments to St. Marys from third parties on each sale and is entitled to

collect a commission. A true copy of the Sales and Remarketing Agreement is attached hereto as **Exhibit "D**.

20. Pursuant to section III(b)(4) of the Sales and Remarketing Agreement, IFP is entitled to offset any balances held by it or any other amount payable by IFP to St, Marys against any amount payable by St. Marys to IFP under the Sales and Remarketing Agreement or any other agreements between St. Marys. IFP has exercised its offset rights and is currently holding US$843,365 which will be offset against the indebtedness owed by St. Marys under the Loan Agreement and the Pulp Supply Contract.

IFP Security

21. St. Marys has granted personal property and real property security to IFP to secure all obligations owing to IFP, including the Current Indebtedness.

Personal Property Security

22. Pursuant to the General Security Agreement dated as of December 8, 2010 (the "**General Security Agreement**"), St. Marys granted a security interest to IFP over all of its presently owned or held and after-acquired or held personal property, assets and undertaking, of whatever nature or kind and wherever situate, and all proceeds derived directly or indirectly thereof and therefrom. The General Security Agreement secures payment and performance of all indebtedness, obligations and liabilities of St. Marys to IFP, including the indebtedness, obligations and liabilities of St. Marys to IFP under or pursuant to the Loan

Agreement, the Pulp Supply Contract and the Sales and Remarketing Agreement. A true copy of the General Security Agreement is attached hereto as **Exhibit "E"**.

23. Financing statements in respect of IFP's personal property security interests are registered against St. Marys under the *Personal Property Security Act* (Ontario) (the "**PPSA**"). A true copy of the searches against St. Marys under the PPSA, current as of August 30, 2011, are attached hereto as **Exhibit "F".**

Real Property Security

24. Pursuant to the Charge/Mortgage in the principal amount of $12,000,000 registered on March 3, 2011 (the "**Mortgage**"), St. Marys granted a charge over 17 parcels of land located at 75 Huron Street, Sault Ste. Marie, Ontario (collectively, the "**Real Property**") as continuing security for the payment of all present and future indebtedness and liabilities of St. Marys to IFP, including the obligations of St. Marys under the Loan Agreement. A true copy of the Mortgage is attached hereto as **Exhibit "G"**.

25. A copy of the Land Registry Office Parcel Register for the Real Property, current as of August 29, 2011, is attached hereto as **Exhibit "H"**.

Guarantors

26. Pursuant to the Guaranty dated December 8, 2010 (the "**Guaranty**"), the obligations of St. Marys under the Transaction Documents (as defined in the Loan Agreement) are guaranteed on a joint and several basis by SMP Equity Corp., Marc Dube, Pauline Henderson, Todd Black, Robert Yrjola, Henson and

Tregonning Logging Ltd., Avery Construction Limited, 1022013 Ontario Inc., Knut Holdings Inc. and Acton Exploration and Resources Inc. (collectively, the "**Guarantors**"), in an amount not exceeding $500,000, plus all taxes, fees and expenses (including legal fees) incurred by IFP in connection with the collection of all or any part of the Obligations (as defined in the Guaranty), and any and all late charges and interest accruing on any past due amount and all other additional sums which may or shall become due or payable with respect to such overdue amounts. The Guaranty is unsecured. A true copy of the Guaranty is attached hereto as **Exhibit "I"**.

27. As of the date of this affidavit, IFP has not made demand for payment on the Guaranty from the Guarantors.

Other Secured Creditors

PPSA Secured Creditors

28. In addition to IFP, St. Marys is indebted to and has granted security under the PPSA to Her Majesty the Queen in Right of the Province of Ontario, as represented by the Minister of Northern Development, Mines and Forestry (formerly the Minister of Northern Development and Mines) (the "**Province**"), Royal Bank of Canada ("**RBC**"), Assetlinx Capital Inc. ("**Assetlinx**"), and New North Fuels Inc. ("**NNF**"). The priority of the security interests granted to the Province and RBC are subject to intercreditor agreements with IFP, as more particularly described below.

Intercreditor Agreement with the Province

29. IFP and the Province have entered into an Amended and Restated Intercreditor Agreement dated as of December 8, 2010 (the "**Intercreditor Agreement**"). A true copy of the Intercreditor Agreement is attached hereto as **Exhibit "J"**.

30. Pursuant to the Intercreditor Agreement, the Province has postponed and subordinated all present and future personal property and real property security granted by St. Marys to the Province to all present and future security granted by St. Marys to IFP, to the extent of the obligations owing by St. Marys to IFP up to a maximum principal amount of $21,600,000.00, together with interest, fees (including prepayment fees) and similar charges and costs and expenses incurred by or on behalf of IFP which St. Marys is required to pay. The Intercreditor Agreement does not restrict payment of principal and interest to the Province prior to enforcement by IFP.

31. I have been advised by E&Y, in its capacity as financial advisor to IFP, that as at June 30, 2011, St. Marys' aggregate indebtedness to the Province is approximately $18,883,000.

Intercreditor Agreement with RBC

32. IFP and RBC are party to a letter agreement dated as of December 3, 2010 (the "**RBC Agreement")**. A true copy of the RBC Agreement is attached hereto as **Exhibit "K"**.

33. Pursuant to the RBC Agreement, IFP has subordinated and postponed its security against St. Marys in all respects to RBC's security in certain cash collateral on deposit with RBC, in an amount not to exceed CDN $3,045,000 (the "**RBC Deposits**"). RBC has subordinated and postponed its security against St. Marys in all present and future property of St. Marys to IFP, save and except for its security in the RBC Deposits, and RBC has confirmed that its PPSA registrations do not perfect a security interest in any property other than the RBC Deposits.

NNF Security

34. Pursuant to a letter dated December 17, 2010, NNF has confirmed and agreed that its PPSA registrations only perfect a security interest in limited collateral described therein as a "card lock fuelling system with tankage and all appurtenances" (the "NNF Agreement"). A true copy of the NNF Agreement is attached hereto as **Exhibit "L"**.

35. NNF has confirmed in writing to IFP that its security interest is limited to specific collateral, as more particularly described below.

Assetlinx Security

36. The security interest obtained by Assetlinx corporation is limited to certain printers and other equipment, as set out in its PPSA financing statement.

CFSL Notice

37. By PPSA notice dated July 25, 2011, Caterpillar Financial Services Limited ("**CFSL**") has also asserted a security interest and repossessed certain equipment of St. Marys. As more particularly set out in Exhibit "F", CFSL does not have a current PPSA registration against St. Marys.

Other Registrations

38. In addition to IFP, the secured creditors listed in paragraph 28 of this affidavit and CFSL, as set out in Exhibit "F", PPSA registrations have been made against St. Marys by Her Majesty the Queen in Right of Ontario as Represented by the MOR in the amount of $122,713, and by TMS Truck Centre Ltd. under the *Repair and Storage Liens Act* in the amount of $5,500.

Real Property Security Creditors

39. In addition to IFP, St. Marys is indebted to and has given real property security to the Province.

40. The Province's security over the Real Property has been subordinated to IFP's security pursuant to the Intercreditor Agreement, as described in paragraphs 29-31 of this affidavit.

Lien on Real Property

41. By instrument dated July 4, 2011, Her Majesty the Queen in Right of Ontario as represented by the Minister of Revenue has registered a lien against the Real Property in the amount of $122,834.00.

Other Outstanding Debts

42. In addition to the amounts owing to IFP, the Province and the other secured creditors, as at June 30, 2011, St. Marys is also indebted to a number of other creditors in the approximate amount of $15,000,000. This indebtedness includes property tax arrears to the City of Sault Ste. Marie in the approximate amount of $5,234,000, unpaid stumpage fees in the approximate amount of $387,000, which may be a secured claim pursuant to a statutory lien in favour of the Province of Ontario, and approximately $8,000,000 in trade accounts payable. The majority of the trade account payables have been outstanding for more than 60 days.

43. I have been advised by E&Y, in its capacity as financial advisor, that St. Marys is currently involved in arbitration with the Municipal Property Assessment Corporation, which, if successful, would result in a refund of property taxes in the approximate amount of $1.4 to $1.6 million, net of costs.

Vacation Pay and other Employee Claims

44. As at June 30, 2011, St. Marys owes approximately $587,000 in vacation pay arrears to management, Mill workers and staff. I have been advised by E&Y, in its capacity as financial advisor, that certain management personnel have deferred

their salaries to conserve cash flow and St. Marys may be indebted to such personnel in the amount of the deferral.

St. Marys Liquidity Crisis

Mill Shutdown

45. On or about March 28, 2011, St. Marys was forced to shut down the Mill as a result of numerous expensive, unexpected and repeated mechanical defects and component failures on its largest paper machine. The paper machine provides more than half of its annual output capacity. I have been advised by E&Y, in its capacity as financial advisor, that the remaining two paper machines have been offline since December 2009.

Default by St. Marys

46. On or about April 1, 2011, St. Marys failed to make payments due to IFP in the amount of US $122,125 under the Loan Agreement. These payments remain outstanding.

47. During the month of April, 2011, St. Marys advised IFP that it expected to obtain a grant from the Province of Ontario with respect to the Co-Generation Facility and certain development fees from a third party with respect to the Co-Generation Facility. St. Marys also advised IFP that it had requested additional financial support from the Province of Ontario with respect to the Co-Generation Facility in the approximate amount of $4,000,000. In addition, St. Marys advised IFP that it was seeking additional support from the Province in the form of a forbearance

under the loan entered into by St. Marys with the Province. St. Marys further advised that a meeting of the Treasury Board of the Province of Ontario was scheduled for May 19, 2011 to consider St. Marys requests.

48. On April 28, 2011, IFP received St. Marys unaudited first quarter financial results as of March 31, 2011, showing a net loss in excess of \$4,000,000. A true copy of the March 31, 2011 financial statements are attached hereto as **Exhibit "M"**

49. On April 29, 2011, IFP sent a notice of default to St. Marys under the Loan Agreement and the Pulp Supply Contract. The notice of default requested that St. Marys provide an update on their financial and operational circumstances, a revised business plan, and a target date for restarting the Mill. On or about May 19, 2011, IFP provided a copy of the notice of default to the Province. A true copy of the notice of default is attached hereto as **Exhibit "N"**.

50. St. Marys has not made the required payments under the Loan Agreement due on May 1, June 1, July 1 and August 1, 2011 in the aggregate amount of US \$527,997.44.

Request for IFP Forbearance

51. On or about May 12, 2011, St. Marys requested that IFP forbear from collecting all amounts owing by St. Marys until January 1, 2012.

52. On or about May 17, 2011, St. Marys provided revised pro forma financial statements projecting a \$6,000,000 loss in fiscal 2011. A true copy of the pro forma financial statements are attached hereto as **Exhibit "O"**

53. On or about May 20, 2011, in response to St. Marys' request for forbearance by IFP, IFP provided a draft forbearance agreement, an amendment to the Loan Agreement, and an amendment to the Guaranty specifying the terms and conditions under which IFP would agree to forbear from collecting the indebtedness owed by St. Marys. A true copy of the draft forbearance, amendment to the Loan Agreement and amendment to the Guaranty are attached hereto as **Exhibit "P"**

54. In or about June and July, 2011, IFP provided St. Marys with several revised drafts of the forbearance agreement and the Guaranty. IFP received no response or comment on its forbearance terms until August 23, 2011.

55. The response received from St. Marys dated August 23, 2011 proposes a recapitalization of St. Marys, to be completed no earlier than the middle of October, 2011, and proposes revisions to several material terms of the forbearance proposed by IFP. A true copy of the timetable proposed by St. Marys for a recapitalization is attached hereto as **Exhibit "Q"**. These proposed terms are unacceptable to IFP.

56. As IFP and St. Marys have been unable to negotiate mutually acceptable forbearance terms and, due to the liquidity crisis facing St. Marys and the potential losses IFP may suffer upon realization on its collateral, IFP is not prepared to consider continuing to forbear from exercising its rights under its agreements with St. Marys.

New Sources of Financing

57. From May to August, 2011, IFP has received numerous financial updates from St. Marys. As part of these updates, St. Marys advised IFP that it was pursuing a number of options to finance a restart of the Mill, a completion of the Co-Generation Facility, and a reduction of its liabilities. These potential options have included: a funding grant from the Northern Industrial Energy Rate Program in the amount of $1,500,000; development fees from third parties; grants from the Province of Ontario; credit support and forbearance from the Province; equity investments from new investors through the issuance of new shares with certain tax attributes; new capital provided by private equity investors; and new financing from high yield investors.

58. We have been advised by E&Y, in its capacity as financial advisor that, with the exception of a funding grant from the Northern Industrial Energy Rate Program in the amount of $300,000 (after the Province set off the balance of the grant to reduce obligations owing by St. Marys to the Province), none of these potential funding sources identified by St. Marys resulted in any new funds being made available to St. Marys.

59. I am advised by E&Y, in its capacity as financial advisor, that on or about July 26, 2011, St. Marys received a corporate tax refund in the amount of $926,000 which has been the primary source of funding used by St. Marys to fund its operations since that date.

60. As set out in paragraph 55 of this affidavit, St. Marys has acknowledged that a recapitalization will not be completed until the middle of October, 2011, at the

earliest. As such, St. Marys will be unable to secure sufficient financing prior to the beginning to the middle of September 2011, when I have been advised by St. Marys and E&Y, in its capacity as financial advisor, that St. Marys is expected run out of operating capital. The short term cash receipts identified by St. Marys as sources of additional operating capital beyond the middle of September 2011 are uncertain and, even if received, will not be sufficient to cover the expenses necessary to power the Mill, for security, and to insure or otherwise preserve St. Marys' assets. As such, the short term cash receipts will only serve to delay the liquidity crisis St. Marys faces, and during such delay, IFP's collateral value will continue to deteriorate. Without any significant additional operating capital, St. Marys will be unable to restart the Mill to generate operating revenue or complete the Co-Generation Facility. I have been advised by E&Y, in its capacity as financial advisor, that even with sufficient operating funds in the short term, it is unlikely that the Mill could be restarted until November 2011 at the earliest.

Engagement of E&Y as Financial Advisor

61. By letter dated July 19, 2011, IFP retained E&Y as financial advisor to conduct a general review of St. Marys' business affairs, including its operations, assets and financial position. St. Marys provided its consent to such appointment on August 18, 2011. In the course of its duties as advisor, E&Y was granted access to St. Marys' business operations, assets and books and records. A true copy of the executed engagement letter and acknowledgement of St. Marys is attached hereto as **Exhibit "R"**.

Demand for Payment and Notice of Intention to Enforce Security

62. By letter dated July 28, 2011, IFP demanded payment in full of all outstanding indebtedness of St. Marys to IFP. The demand letter enclosed a Notice of Intention to Enforce Security under subsection 244(1) of the BIA. By letter dated August 4, 2011, IFP delivered an Amended Notice of Intention to Enforce Security to include certain HST owing that was inadvertently omitted from the original s. 244 notice. (collectively, the "**244 Notices**"). True copies of the letters dated July 28, 2011 and August 4, 2011 and the 244 Notices addressed to St. Marys are attached hereto as **Exhibit** "S".

IFP Security is Currently Enforceable

63. No payment has been received in response to IFP's demand letter. I am advised by counsel that as the ten-day notice period under the BIA required to be given by a secured creditor prior to enforcing its security has expired, the security granted by St. Marys to IFP is currently enforceable by IFP.

Need for Relief

64. St. Marys has not made any payments in respect of its indebtedness to IFP and it has failed in its attempt to secure sufficient new financing. The Mill cannot be restarted and the Co-Generation Facility cannot be completed without additional financing in the immediate future. As such, St. Marys faces an immediate liquidity crisis.

65. The value of the collateral subject to IFP's security may not be sufficient to satisfy the Current Indebtedness in full. In addition, as described above, St. Marys has significant outstanding indebtedness to other creditors.

66. IFP seeks the appointment of a receiver and receiver and manager to pursue a going concern sale of St. Marys and/or to canvass additional sources of financing for the Mill and the Co-Generation Facility, and to consider additional strategic options. IFP understands that the Province has made a substantial investment in St. Marys' business and that a permanent shutdown would affect the livelihoods of a number of employees and other businesses in the region. As a result of St. Marys liquidity crisis, a going concern sale or refinancing must be completed immediately, or St. Marys will be forced to liquidate.

67. For all of the foregoing reasons, IFP believes that it is necessary to appoint a receiver in order to allow for an orderly, court-supervised forum for the realization upon St. Marys' assets, including a potential going concern sale, for the benefit of all stakeholders and to prevent any further erosion of IFP's security position.

68. The Applicant seeks the appointment of E&Y as Receiver. As E&Y has already begun a review of St. Marys' operations, E&Y is best positioned to act as receiver and receiver and manager of St. Marys' property, assets and undertaking, and has consented to such appointment.

69. This affidavit is made in support of IFP's application for the appointment of a receiver and receiver and manager of St. Marys, and for no other or improper purpose.

SWORN BEFORE ME at the Town of Foxborough in the Commonwealth of Massachusetts this 31 day of August, 2011	
A Commissioner of Oaths, etc.	DANIEL J. MOORE

AIMEE L DESJOURDY
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
April 7, 2017

EXHIBIT "A"

LOAN AGREEMENT

by and among

ST. MARY'S PAPER CORP.,

AS BORROWER

and

INTERNATIONAL FOREST PRODUCTS CORPORATION

AS LENDER

Dated as of December 8th, 2010

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Loan agreement

This agreement (the "Agreement") is made as of the 8th day of December, 2010, by and among St. Mary's Paper Corporation, a company organized in accordance with the laws of the province of Ontario, Canada (the "*Borrower*") and International Forest Products Corporation, a Delaware corporation (the "*Lender*"). All capitalized terms used herein without definition shall have the same meanings herein as such terms are defined in Section 1 hereof.

Section 1. Definitions - The terms hereinafter set forth when used herein shall have the following meanings, such definitions to be equally applicable to the singular or plural of terms defined:

"Affiliate" shall mean any Person, directly or indirectly controlling or controlled by, or under direct or indirect common control with, another Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

"Agreement" shall mean this Loan Agreement as supplemented and amended from time to time.

"Authorized Representative" shall mean any of the following and such other Persons as may be designated as such from time to time by the Borrower in a written notice to the Lender, the Chairman, President, Chief Financial Officer or Treasurer of the Borrower.

"Borrower" shall have the meaning set forth in the preamble hereto.

"Business Day" shall mean any day except Saturday or Sunday on which banks are open for business in New York, New York.

"Capital Expenditures" shall mean the capital expenditures of the Borrower for the period in question determined in accordance with GAAP but including in any event all Capitalized Lease Obligations.

"Capitalized Lease" shall mean any lease or obligation for rentals which is required to be capitalized on a consolidated balance sheet of the Borrower in accordance with GAAP.

"Capitalized Lease Obligation" shall mean the present discounted value of the rental obligations (exclusive of amounts in reimbursement for insurance, taxes, maintenance, repairs and similar charges, whether or not denominated as rent) under any Capitalized Lease determined on a consolidated basis in accordance with GAAP.

"Closing Date" shall mean the date on which all of the conditions precedent have been satisfied as described in Section 8.1.

"Collateral" is defined in Section 6.

"Collateral Documents" shall mean all guaranties, pledges, security agreements, leasehold mortgages, financing statements and other documents as shall from time to time secure or guaranty the Obligations.

"Control Group" shall mean SMP Equity Corp (this is the owner of 100% of the outstanding shares of the borrower), and each of the following entities Acton Exploration and Resources Ltd., Knut Holdings Inc., Avery Construction Limited, Henson and Tregonning Logging Ltd, 10222013 Ontario Inc. comprising 75% of the shareholders of SMP Equity Corp

"Debt" of any Person shall mean as of any time the same is to be determined, the aggregate (without duplication) of:

(a) all indebtedness with respect to borrowed money;

(b) all reimbursement and other obligations with respect to letters of credit, payment or performance bonds, banker's acceptances, customer advances and other extensions of credit whether or not representing obligations for borrowed money;

(c) the aggregate amount of Capitalized Lease Obligations;

(d) all indebtedness secured by any lien or any security interest on any Property or assets of such Person, whether or not the same would be classified as a liability on a balance sheet;

(e) all indebtedness representing the deferred purchase price of Property;

(f) liabilities under so called synthetic leases or other arrangements under which such Person retains the tax benefits attributable to the asset in question;

(g) all guaranties, endorsements (other than any liability arising out of the endorsement of items for deposit or collection in the ordinary course of business) and other contingent obligations in respect of or designed to assure payment of, or any obligations to purchase or otherwise acquire any of the foregoing;

(h) all obligations in respect of which interest charges are customarily paid by such person;

(i) all obligations of such person for borrowed money which are convertible into shares of stock or other equity interests of such person (whether at the option of such person or of the holder), until any such conversion is actually made; and

(j) all shares of stock or other equity interests of such person that are required to be redeemed or repurchased by such person at the option of the holder thereof, whether upon the happening of any event or contingency or otherwise.

Provided however, that trade payables and similar obligations incurred in the ordinary course of business shall not be considered Debt.

"*Effective Date*" is defined in Section 8.1 hereof.

"*Environmental Laws*" shall mean all federal, provincial and local environmental, health and safety statutes and regulations, including without limitation all statutes and regulations establishing quality criteria and standards for air, water, land and toxic or hazardous wastes and substances.

"*Event of Default*" shall mean any event or condition identified as such in Section 10.1 hereof.

"*GAAP*" shall mean generally accepted accounting principles in Canada as in effect from time to time.

"*Governmental Body*" shall mean any government (including without limitation any federal, state, provincial, municipal or local government) or political subdivision or any agency, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court or tribunal, whether foreign or domestic.

"*Governmental Requirements*" shall mean any Law, ordinance, order, rule or regulation by a Governmental Body.

"*Guaranty)*" shall mean the joint and several guaranty of the major shareholders of the Borrower in the maximum principal amount of five hundred thousand dollars ($500,000 USD).

"*Intercreditor Agreement*" shall mean that certain Intercreditor Agreement, dated as of December 8, 2010, among the Borrower, the Lender, , and Her Majesty the Queen in right of Ontario, as represented by the Minister of Northern Development, Mines and Forestry (formerly the Minister of Northern Development and Mines).

"*Law*" shall mean any law (including common law and equity), constitution, statute, order, treaty, regulation or rule of any Governmental Body.

"Loan Documents" shall mean this Agreement, the Term Note, the Collateral Documents, and all instruments and documents delivered by the Borrower under or pursuant to any of the foregoing, all as amended or modified from time to time pursuant to the terms hereof or thereof.

"Loan" shall mean the Term Loan.

"Material Adverse Effect" shall mean any material adverse effect on the financial condition, results of operations or business prospects of the Borrower other than changes in business prospects caused by changes in general economic or industry conditions.

""*"Mill"* shall refer to the Borrower's paper mill located in Sault Ste. Marie, Ontario, Canada.

"Note" shall have the meaning set forth in Section 10.2.

"Obligations" shall mean all indebtedness, obligations and liabilities of the Borrower under the Transaction Documents.

"Permitted Liens" shall have the meaning set forth in Section 9.10.

"Person" shall mean any individual, corporation, limited liability company, voluntary association, partnership, joint venture, trust, unincorporated organization or government (or any agency, instrumentality or political subdivision thereof).

"Potential Default" shall mean any event or condition which, with the lapse of time, or giving of notice, or both, would constitute an Event of Default.

"Property" shall mean all assets and properties of the Borrower of any nature whatsoever, whether real or personal, tangible or intangible, including without limitation intellectual property.

"Pulp Supply Contract" shall mean the Pulp Supply Contract between Borrower and Lender dated December 8, 2010

"Purchase and Sale Agreement" shall mean the Purchase and Sale Agreement dated as of December 8, 2010

"Subsidiary" shall mean, for any Person, any Person of which more than fifty percent (50%) of the outstanding stock or comparable equity interests having ordinary voting power for the election of the Board of Directors, Board of Managers or similar governing body (irrespective of whether or not, at the time, stock or other equity interests of any other class or classes of such corporation or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned by such Person or by one or more of its Subsidiaries. Unless otherwise expressly

provided, all references herein to a *"Subsidiary"* or *"Subsidiaries"* shall mean a Subsidiary or Subsidiaries of the Borrower.

"Taxes" shall mean any and all present or future taxes (including without limitation all stamp, documentary, excise or property taxes), levies, imposts, deductions, charges or withholdings and liabilities with respect thereto.

"Term Loan" See Section 3 hereof.

"Term Loan Interest Rate" The rate per annum equal to the US prime rate as quoted by the Wall Street Journal plus three and ½ percent (3.5%).

"Term Loan Maturity Date" shall mean April 1, 2015.

"Term Note" See Section 4 hereof.

"Total Interest Expense" shall mean, for any period, the aggregate amount of interest required to be paid or accrued by the Borrower during such period on all Debt of the Borrower outstanding during all or any part of such period on all Debt of the Borrower outstanding during all or any part of such period, whether such interest was or is required to be reflected as an item of expense or capitalized.

"Transaction Documents" shall refer to all Loan Documents, Collateral Documents, the Pulp Supply Contract, the Purchase and Sale Agreement and all instruments and documents delivered by the Borrower under or pursuant to any of the foregoing, all as amended or modified from time to time pursuant to the terms hereof or thereof.

SECTION 2. ACCOUNTING TERMS.

Any accounting term not otherwise specifically defined in this Agreement shall have the meaning customarily given to such term in accordance with GAAP as in effect on the date hereof. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purpose of this Agreement, it shall be done in accordance with GAAP, to the extent applicable, except where such principles are inconsistent with the requirements of this Agreement.

SECTION 3. THE TERM LOAN.

Subject to all of the terms and conditions hereof, the Lender agrees to lend to the Borrower on the Closing Date the aggregate amount of Three Million Dollars USD ($3,000,000).

SECTION 4. THE TERM NOTE.

The Term Loan shall be evidenced by a promissory note of the Borrower in substantially the form of **Exhibit A** hereto dated the Closing Date and completed with appropriate insertions. The Term Note shall bear interest at the Term Loan Interest Rate determined on the first day of each calendar quarter and in effect from time to time. Except as provided in Section 5.4 hereof, the amount of the Term Loan shall bear interest at the Term Loan Interest Rate as in effect from time to time from the Closing Date. Interest shall be payable in arrears on the first day of each calendar month for the immediately preceding calendar month; provided, however, that the first interest payment shall be made on April 1, 2011 for the immediately preceding three months. Thereafter, interest shall be payable monthly in arrears.

SECTION 5. SCHEDULE OF INSTALLMENT PAYMENTS OF PRINCIPAL OF TERM LOAN.

Section 5.1. Installments.

The Borrower promises to pay to the Lender the principal amount of the Term Loan in forty eight (48) consecutive monthly payments of $62,500.00 USD such installments to be due and payable on the first day of each calendar month commencing on April 1, 2011 with a final payment on the Term Loan Maturity Date in an amount equal to the unpaid balance of the Term Loan.

Section 5.2. Place and Application of Payments.

(a) *General Principles.* All payments hereunder shall be by wire transfer to an account designated by Lender, and in immediately available funds, prior to 2:00 p.m. (Eastern U.S. time) on the date of such payment. All such payments shall be made without setoff or counterclaim, and without reduction for, and free from, any and all present and future levies, imposts, duties, fees, charges, deductions, withholdings, restrictions or conditions of any nature imposed by any Governmental Body. Any payments received after 2:00 p.m. (Eastern U.S. time) shall be deemed received on the following Business Day.

(b) *Post Event of Default Applications.* Anything contained herein to the contrary notwithstanding, all payments and collections in respect of the Loan Documents received by the Lender after acceleration or final maturity of the Obligations shall be remitted to the Lender and distributed as follows:

(i) first, to the payment of the reasonable outstanding costs and expenses incurred by the Lender in monitoring, verifying, protecting, preserving or enforcing the liens on the Collateral or in protecting, preserving or enforcing rights under the Loan Documents;

(ii) second, to the Lender (and its Affiliates) for the payment of any other indebtedness, obligations or liabilities of the Borrower owed and secured by the Collateral Documents unless and until all such indebtedness, obligations and liabilities have been fully paid and satisfied;

(iii) third, to the payment of any outstanding interest or other fees or amounts due under this Agreement other than for principal;

(iv) fourth, to the payment of the principal owed under this Agreement; and

(v) fifth, to the Borrower or whoever may be lawfully entitled thereto.

Section 5.3. Change of Law. If the Lender shall determine that any change after the date hereof in applicable Law, or any change in the interpretation or administration thereof by any Governmental Body has or would have the effect of reducing the rate of return on the Lender's capital as a consequence of its obligations hereunder or its participation therein to a level below that which the Lender could have achieved but for such change in Law in an amount deemed by the Lender to be material, then from time to time as specified by the Lender, the Borrower shall either (a) pay such additional amount or amounts as will compensate the Lender for such reduction or (b) terminate the Term Loan hereunder and repay all Obligations.

Section 5.4. Interest After Default. Overdue principal and (to the extent permitted by applicable Law) interest on the Term Loan and all other overdue amounts payable hereunder or under any of the Loan Documents shall bear interest compounded monthly and payable on demand at a rate per annum equal to five percent (5%) above the Term Loan Interest Rate]until such amount shall be paid in full (after as well as before judgment).

Section 5.5. Interest Act (Canada). For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest or any fee to be paid hereunder or in connection herewith is to be calculated on the basis of a 360-day or 365-day year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360 or 365, as applicable. The rates of interest under this Agreement are nominal rates, and not effective rates or yields. The principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement.

Section 5.6. Criminal Code (Canada). If any provision of this Agreement would oblige the Borrower to make any payment of interest or other amount payable to the Lender in an amount or calculated at a rate which would be prohibited by applicable Law or would result in a receipt by the Lender of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code* (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by Law or so result in a receipt by the Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows: (a) first, by reducing the amount or rate of interest; and (b) thereafter, by reducing any fees, costs, expenses and other amounts required to be paid to the Lender which would constitute interest for purposes of section 347 of the *Criminal Code* (Canada).

SECTION 6. THE COLLATERAL.

The Obligations shall be secured by valid and perfected first priority security interest (subject only to Permitted Liens entitled to priority under applicable law) in all of the assets of the Borrower together with the proceeds thereof whether now owned or hereafter acquired (collectively the *"Collateral"*). The Borrower will, from time to time at the request of the Lender execute and deliver such documents and do such acts and things as the Lender may reasonably request to provide for or perfect such liens.

SECTION 7. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender as follows:

Section 7.1. Organization and Qualification. The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the province of Ontario, Canada, has full and adequate power to carry on its business as now conducted and is duly licensed or qualified in all jurisdictions wherein the nature of its activities requires such licensing or qualifying and in which the failure to be so licensed or qualified could result in a Material Adverse Effect. The Borrower has full right, power and authority to enter into this Agreement and the other Loan Documents to which it is a party, to make the borrowings herein provided for and to execute and issue its Term Note in evidence thereof and to perform each and all of the matters and things herein and therein provided for. The Borrower has one Subsidiary, SMP Resources Ltd., and all references to Borrower in this agreement include such Subsidiary.

Section 7.2. Litigation; Tax Returns; Approvals. Except as set forth on Schedule 7.2, there is no litigation, labor controversy or governmental proceeding pending, nor to the knowledge of the Borrower threatened, against the Borrower involving a reasonable possibility of an outcome which could result in a Material Adverse Effect. All federal, provincial and local income tax returns for the Borrower required to be filed have been or will be filed on a timely basis (taking into account any extension of time within which to file), and all amounts required to be paid as shown by said returns have been or will be paid, except for amounts that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP. Except as set forth on Schedule 7.2, there are no claims for taxes being asserted against the Borrower for any fiscal year involving a reasonable possibility of an outcome which could result in a Material Adverse Effect. No authorization, consent, license, exemption or filing or registration is or will be necessary to the valid execution, delivery or performance by the Borrower of the Loan Documents to which it is a party.

Section 7.3 No Default. No Potential Default or Event of Default exists.

Section 7.4. Remittances. The Borrower has to its knowledge remitted all amounts required to be remitted by it to any Governmental Body, including without limitation all employee source deductions for income taxes, unemployment insurance and pension plan remittances, sales taxes, excise taxes, goods and services taxes, payroll taxes and workers' compensation assessments.

Section 7.5. Enforceability. This Agreement and the other Loan Documents are the legal, valid and binding agreements of the Borrower enforceable against it in accordance with their terms, except as may be limited by (a) bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or other similar laws or judicial decisions for the relief of debtors or the limitation of creditors' rights generally and (b) any equitable principles relating to or limiting the rights of creditors generally.

Section 7.6 Restrictive Agreements. The Borrower is not a party to any contract or agreement, or subject to any charge or other corporate restriction, which affects its ability to execute, deliver and perform the Loan Documents to which it is a party and repay its indebtedness, obligations and liabilities under the Loan Documents or which materially and adversely affects or, insofar as the Borrower can reasonably foresee, could result in a Material Adverse Effect or would in any respect materially and adversely affect the Borrower's ability to repay the indebtedness, obligations and liabilities under the Loan Documents, or any rights of the Lender under the Loan Documents.

Section 7.7.No Default Under Other Agreements. The Borrower is not in default with respect to any note, indenture, loan agreement, mortgage, lease, deed, or other agreement to which it is a party or by which it or its Property is bound, which default could materially and adversely affect the Lender's rights under the Loan Documents or result in a Material Adverse Effect.

Section 7.8. Compliance with Law. The Borrower is not in default under any Governmental Requirement, license or demand of any Governmental Body, default with respect to or under which might have consequences which may result in a Material Adverse Effect.

Section 7.9. Governmental Requirements. All material permits, consents, approvals or authorizations by or registrations, declarations, withholdings of objection or filings with any Governmental Body required for the operation of the Borrower's business and Mill have been obtained, or have been applied for, and are in full force and effect.

Section 7.10.Outstanding Debt. Schedule 7.10 attached hereto correctly describes, as of the date hereof, all Debt of the Borrower and its Subsidiaries and identifies all liens securing such Debt.

Section 7.11. Title to Properties. The Borrower has good and marketable title in fee simple (or its equivalent under applicable law) to all the real property (including leasehold interests) and good title to all the other property it purports to own, except as sold or otherwise disposed of in the ordinary course of business, subject only to Permitted Liens and to survey exceptions, encumbrances, easements, reservations, rights of others for rights-of-way, utilities and other similar purposes or zoning or other restrictions as to use of real properties and not arising in connection with the borrowing of money or the obtaining of advances or credit and which do not in any event impair the use or value of the property in the business of the Borrower or a Subsidiary in any respect material to the Borrower.

Section 7.12. Patents, Trademarks and Franchises. The Borrower owns, possesses or licenses, all patents, industrial designs, trademarks, trade names, service marks, copyrights, licenses, franchises and other rights necessary in any respect material to the Borrower for the present and presently planned future conduct of its business and the operation of its facilities for their intended purposes, without any known conflict with the rights of others.

Section 7.13. Burdensome Contracts with Affiliates. The Borrower is not a party to any contracts or agreement with Affiliates on terms less favorable to it than would be usual and customary in similar contracts and agreements between parties not affiliated with each other.

Section 7.14. Borrower's Projections. The projections of the annual operating budgets of the Borrower have been delivered to the Lender and disclose all assumptions made with respect to general economic, financial and market conditions used in formulating such projections. To the knowledge of the Borrower, no facts exist that would result in any material change in any of such projections. The projections are based upon reasonable estimates and assumptions, have been prepared on the basis of the assumptions stated therein and reflect the reasonable estimates of the Borrower of the results of operations and other information projected therein.

SECTION 8. CONDITIONS PRECEDENT

Section 8.1. General Conditions Precedent. The obligation of the Lender to provide the Borrower with the Term Loan under the Agreement will become effective on the date (the "*Effective Date*") when each of the following conditions precedent have been satisfied:

(a) the Lender shall have received and approved the following, in each case fully executed and delivered:

  (i) the Term Note;

  (ii) this Agreement;

  (iii) the Purchase and Sale Agreement;

  (iv) the Pulp Supply Agreement;

  (v) copies (executed or certified as may be appropriate) to the Lender of all legal documents or proceedings taken in connection with the execution and delivery of the Transaction Documents, to the extent the Lender or its counsel may reasonably request, together with appropriate certificates of incumbency;

  (vi) the Collateral Documents and any financing statements reasonably requested by the Lender in connection therewith;

  (vii) the organizational documents of the Borrower;

  (viii) evidence of the maintenance of insurance by the Borrower as required hereby or by the Collateral Documents together with loss payable, additional insured and notice of cancellation clauses, acceptable to the Lender;

  (ix) evidence of the Borrower's receipt of funding of \$8,800,000.00 (Canadian Dollars) from the Province of Ontario;

(b) the liens of the Collateral Documents shall have been duly perfected in the manner required by law or such perfection shall have been provided for in a manner acceptable to the Lender;

(c) arrangements shall have been made satisfactory to the Lender for the discharge of all Debt and liens on the Collateral;

(d) no change shall have occurred in the financial condition or operations of the Borrower from that reflected in its financial statements previously delivered to and reviewed by the Lender which the Lender reasonably believes may have a Material Adverse Effect;

(e) all legal matters incident to the transactions contemplated hereby shall be acceptable to the Lender and its counsel and the Lender shall have received, prior to making the initial Loan, for its account the favorable written opinion of acceptable counsel in form and substance covering such matters and subject to such conditions, qualifications and assumptions as shall be reasonably satisfactory to the Lender and its counsel;

(f) each of the representations and warranties set forth in Section 7 hereof shall be and remain true and correct as of said time, except to the extent of changes resulting from transactions contemplated or permitted by this Agreement and the other Collateral Documents and changes occurring in the ordinary course of business that singly or in the aggregate are not materially adverse, and to the extent that such representations and warranties relate expressly to an earlier date; and

(g) no Potential Default or Event of Default shall have occurred and be continuing.

SECTION 9. COVENANTS.

It is understood and agreed that so long as this Agreement is in effect, except to the extent compliance in any case or cases is waived in writing by the Lender:

Section 9.1. Maintenance of Property. The Borrower will keep and maintain its Properties in good condition, and make all reasonable and necessary renewals, replacements, additions, betterments and improvements thereto so that the efficiency and usefulness of same, taken as a whole, is maintained.

Section 9.2. Maintenance of Existence. The Borrower shall maintain its legal existence.

Section 9.3. Taxes. The Borrower will duly pay and discharge all material taxes, rates, assessments, fees and governmental charges upon or against the Borrower or against its Properties in each case before the same becomes delinquent and before penalties accrue thereon unless and to the extent that the same is being contested in good faith and by appropriate proceedings.

Section 9.4. *Maintenance of Insurance.* The Borrower will (i) maintain insurance with insurers recognized as financially sound and reputable by prudent business persons in such forms and amounts and against such risks as is usually carried by companies engaged in similar business and owning similar Properties in the same general areas in which the Borrower operates and (ii) comply with the insurance requirements of the Collateral Documents. The Borrower shall provide the Lender with copies of all insurance policies maintained by it upon the Lender's request.

Section 9.5. *Financial Reports.* The Borrower will maintain a system of accounting in accordance with GAAP and will furnish promptly to the Lender and its duly authorized representatives such information respecting the business and financial condition of the Borrower as may be reasonably requested and, without any request, will furnish the Lender:

(a) as soon as available, and in any event within 30 days after the close of each calendar month occurring no later than 90 days after Closing, mutually agreeable, management prepared financial statements, certified by an officer of the Borrower;

(b) as soon as available, and in any event within 120 days after the close of each fiscal year of the Borrower, the audited consolidated balance sheet of the Borrower as at the end of such year, and the related consolidated statement of income and cash flows for such year, each setting forth in comparative form the figures for the previous fiscal year and all such consolidated statements to be in reasonable detail, prepared in accordance with GAAP, and certified without qualification by an independent certified public accountant satisfactory to the Lender; and

(c) promptly after knowledge thereof shall have come to the attention of any responsible officer of the Borrower, written notice of (i) any threatened or pending litigation or governmental proceeding against the Borrower which could result in a Material Adverse Effect and (ii) the occurrence of any Potential Default or Event of Default.

Section 9.6. *Inspection.* The Borrower shall permit the Lender, by its representatives and agents, to inspect any of its Properties, corporate books and financial records to examine and make copies of the books of accounts and other financial records of the Borrower and to discuss the affairs, finances and accounts of the Borrower with, and to be advised as to the same by, its officers at such reasonable times and reasonable intervals as the Lender may request. The Borrower shall pay the reasonable costs and expenses of the Lender in connection with any audit or inspection of the Borrower's books and records which occurs while an Event of Default is continuing.

Section 9.7. *Transactions with Affiliates.* The Borrower will not enter into any transaction, including without limitation, the purchase, sale, lease or exchange of any Property, or the rendering of any service, with any Affiliate of the Borrower except pursuant to the reasonable requirements of the Borrower's business and upon fair and reasonable terms no less favorable to

Borrower than would be obtained in a comparable arm's-length transaction with a Person not an Affiliate of the Borrower.

Section 9.8. Capital Expenditures. The Borrower will not expend or become obligated for Capital Expenditures in any calendar year in excess of $7,000,000.

Section 9.9. Restricted Payments. The Borrower will not make any distribution or repayment to its equity holders, or purchase, redeem, retire or otherwise acquire any equity holder's interest in the Borrower or any option, warrant or other right to acquire such an interest or, except in accordance with the provisions of the Intercreditor Agreement, make any payment on any Debt or any trade payable of the Borrower existing on the Effective Date (collectively *"Restricted Payments"*).

Section 9.10. Liens. The Borrower will not pledge, mortgage or otherwise encumber or subject to or permit to exist upon or be subjected to any lien, charge or security interest of any kind (including any conditional sale or other title retention agreement and any lease in the nature thereof), on any of the Collateral or on any real property owned by the Borrower of any kind or character at any time owned by the Borrower, other than:

(a) liens, pledges or deposits for worker's compensation, unemployment insurance, old age benefits or social security obligations, taxes, assessments, statutory obligations, statutory liens or other similar charges, provided in each case the obligation secured is not overdue or, if overdue, is being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves have been provided therefor in accordance with GAAP and that the obligation is not for borrowed money; and

(b) liens securing the outstanding Debt listed on Schedule 7.10 to the extent such liens and Debt are subject to subordination and/or Intercreditor agreements containing terms and provisions acceptable to the Lender in its sole discretion; and

(c) liens created under the Collateral Documents ((a), (b) and (c), collectively "Permitted Liens").

Section 9.11. Consolidation and Merger. The Borrower will not consolidate with or merge into any Person, or permit any other Person to merge into it.

Section 9.12. Sale of Collateral. Except for the sale of inventory in the ordinary course of business, the Borrower will not sell, lease, assign, transfer or otherwise dispose of, or turn over the management and/or operation of, all or a material part of its Collateral to any other Person.

Section 9.13. Defend Legal Proceedings. The Borrower will actively and diligently contest or cause to be contested in good faith, by appropriate and timely proceedings, or effect a timely and provident settlement of, any action, suit, litigation or other proceeding the result of which could reasonably be expected to have a Material Adverse Effect.

Section 9.14. Fiscal Year. The Borrower shall have a calendar fiscal year ending on December 31.

Section 9.15. Compliance with Laws, etc. The Borrower will observe and comply in all material respects at all times with the provisions of all Laws (including Environmental Laws), non-compliance with what could have a Material Adverse Effect.

Section 9.16. Change in the Nature of Business. The Borrower shall not engage in any business or activity other than the manufacture, sale and distribution of super calendared paper and businesses reasonably incidental thereto.

Section 9.17. Notice of Environmental Events. The Borrower will, as soon as practicable after it becomes aware thereof, provide the Lender with prompt notice of: any spills of contaminants which are required to be reported to any Governmental Body; and any special investigations, control orders, stop orders, injunctions, prosecutions or lawsuits under any Environmental Law; and which, in either such case, could reasonably be expected to have a Material Adverse Effect.

Section 9.18. Restriction on Ownership and Capital Changes. The Borrower will not permit any change in the equity ownership of the Borrower that would result in the Control Group holding or controlling, directly or indirectly, less than fifty-one percent (51%) of the issued and outstanding equity of the Borrower.

Section 9.19. Debt Service Coverage. The Borrower will not, during any fiscal quarter ending during any period described below for the period then ended, permit the ratio of (I) the sum of (A) earnings before interest and taxes plus (B) depreciation plus (C) amortization to (II) the sum of (A) Total Interest Expense plus (B) all repayments of principal of any Debt to be less than the ration set forth opposite such period in such table:

Period	Ratio
Effective Date through 3/31/11	.7 TO 1
Effective Date through 6/30/11	1.0 TO 1
EFFECTIVE DATE through 9/30/11	1.10 to 1
Thereafter, period of four fiscal quarters ending on such date	1.20 to 1

SECTION 10. EVENTS OF DEFAULT AND REMEDIES.

Section 10.1. Events of Default. Any one or more of the following shall constitute an Event of Default:

(a) Default in the payment when due (whether by lapse of time, acceleration, or otherwise) of the principal of the Term Loan, whether at the stated maturity thereof or at any other time provided in this Agreement or default in the payment when due of any interest, fee or other amount payable by the Borrower pursuant to this Agreement or any other Loan Document;

(b) Default in the observance or performance of any covenant set forth in Sections 9.4, 9.9, 9.10, 9.11, 9.12, 9.13 9.15 or 9.19 hereof, or of any provision of any Collateral Document requiring the maintenance of insurance on the Collateral subject thereto or dealing with the use or remittance of proceeds of such Collateral;

(c) Default in the observance or performance of any other covenant, condition, agreement or provision hereof or any of the other Loan Documents and such default shall continue for 30 days after written notice thereof to the Borrower by the Lender;

(d) Default shall occur under any evidence of Debt issued, assumed or guaranteed by the Borrower or under any mortgage, agreement or other similar instrument under which the same may be issued or secured and such default shall continue for a period of time sufficient to permit the acceleration of maturity of any indebtedness evidenced thereby or outstanding or secured thereunder or default in the payment when due on any such Debt subject to the lapse of any period of grace (provided that the Borrower shall not be deemed in default of any Debt owing to a supplier of goods and services and representing an obligation to pay the deferred purchase price thereof if and so long as the Borrower is disputing same in good faith or has a good faith defense thereto);

(e) Any representation or warranty made herein or in any Loan Document or in any statement or certificate furnished by it pursuant hereto or thereto, proves untrue in any material respect as of the date made or deemed made pursuant to the terms hereof;

(f) Any judgment or judgments, writ or writs, or warrant or warrants of attachment, or any similar process or processes in an aggregate amount in excess of $100,000 or which could reasonably be expected to have a Material Adverse Effect shall be entered or filed against the Borrower or against any of its Property or assets and remain unstayed or undischarged for a period of 60 days from the date of its entry;

(g) The Borrower thereof shall (i) have entered involuntarily against it an order for relief under applicable insolvency Laws, (ii) become insolvent or become unable to pay, or not pay, its debts generally as they become due or suspend payment of its obligations, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, monitor custodian, trustee, conservator, liquidator or similar official for it or any substantial part of its Property, (v) file a petition seeking relief or institute any proceeding seeking to have entered against it an order for relief under applicable insolvency Laws, or any similar statute, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, marshalling of assets, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors (including the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada) and any applicable corporations legislation) or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, or (vi) fail to contest in good faith any appointment or proceeding described in Section 10.1(h) hereof;

(h) A custodian, receiver, trustee, conservator, liquidator, monitor or similar official shall be appointed for the Borrower or any substantial part of its Property, or a proceeding described in Section 10.1(g) shall be instituted against the Borrower and such appointment continues undischarged or any such proceeding continues undismissed or unstayed for a period of 60 days; or

(i) The Borrower shall have failed to perform any material term or provision contained in any Transaction Document and failed to cure such default within any applicable cure period, or either of the Pulp Sales Agreement or the Purchase and Sale Agreement shall have expired or been terminated, or an event or condition then exists that permits either party to terminate any Transaction Document.

Section 10.2. Remedies for Non-Bankruptcy Defaults. When any Event of Default, other than an Event of Default described in subsections (g) and (h) of Section 10.1 hereof, has occurred and is continuing, the Lender, shall give notice to the Borrower and may take any or all of the following actions: (a) declare the principal of and the accrued interest on the Term Note to be forthwith due and payable and thereupon the Term Note including both principal and interest and all other Obligations, shall be and become immediately due and payable without further demand, presentment, protest or notice of any kind, and the Term Loan shall immediately begin accruing interest at the applicable interest rate plus five percent (5%), and (b) may take any action or exercise any remedy under any of the Loan Documents or exercise any other action, right, power or remedy permitted by law. The Lender may exercise the right of set off with regard to any deposit accounts or investments maintained by the Borrower or any guarantor of the obligations to the Lender.

Section 10.3. Remedies for Bankruptcy Defaults. When any Event of Default described in subsections (g) or (h) of Section 10.1 hereof has occurred and is continuing, then the obligations under the Term Note and other Obligations shall immediately become due and payable without presentment, demand, protest or notice of any kind, and the obligations of the Lender shall immediately terminate.

SECTION 11. MISCELLANEOUS.

Section 11.1. Holidays. If the due date for payment of any principal shall fall due on a Saturday, Sunday or on another day which is a legal holiday for lenders, interest at the rates the Term Note bears for the period prior to maturity shall continue to accrue on such principal from the stated due date thereof to and including the next succeeding Business Day on which the same is payable.

Section 11.2. No Waiver. No delay or failure on the part of the Lender in the exercise of any power or right shall operate as a waiver thereof, nor as an acquiescence in any default nor preclude any other or further exercise thereof, or the exercise of any other power or right.

Section 11.3. Waivers, Modifications and Amendments. Any provision of the Loan Documents may be amended, modified, waived or released and any Potential Default or Event of Default and its consequences may be rescinded and annulled upon the written consent of Borrower and the Lender. The Lender may (i) release its lien on any portion of the Collateral which is being sold or disposed of by the Borrower if any prepayment required as a result of such sale is made and (ii) subordinate its lien to easements and possessory rights and enter into other arrangements concerning its liens which will not in its reasonable judgment materially impair the value thereof.

Section 11.4. Costs and Expenses. The Borrower agrees to pay on demand all reasonable out-of-pocket costs and expenses which Lender pays in connection with the negotiation, preparation, execution, delivery, recording and/or filing and/or release of the Loan Documents and the other instruments and documents to be delivered hereunder or thereunder or in connection with the transactions contemplated hereby or thereby or in connection with any consents hereunder or thereunder or waivers or amendments hereto or thereto, including the reasonable fees and out-of-pocket expenses of counsel for the Lender with respect to all of the foregoing, and all recording, filing, title insurance, subagent's or other fees, costs and taxes incident to perfecting a lien upon the Collateral, and all costs and expenses incurred by the Lender in the protection and/or preservation of the Collateral, and all costs and expenses (including reasonable attorneys' fees), incurred by the Lender in connection with a default or the enforcement of the Loan Documents or the protection of its rights thereunder after a default. The Borrower agrees to indemnify and hold the Lender harmless from any and all liabilities, losses, reasonable costs and expenses incurred by the Lender in connection with any action, suit or proceeding brought against the Lender by any Person, other than Borrower, which arises out of the transactions contemplated or financed hereby or by the other Loan Documents or the Collateral or out of any action or inaction by the Lender hereunder or thereunder, except for such thereof as is caused by the gross negligence or willful misconduct of the Lender. The provisions of this Section 11.4 and the other protective provisions of this Agreement hereof shall survive payment of the Term Note.

Section 11.5. Stamp Taxes. The Borrower agrees that they will pay such documentary or similar taxes, including interest and penalties, in the event any such documentation or similar taxes are assessed, irrespective of when such assessment is made and whether or not the Term Loan is outstanding to it is then in use or available.

Section 11.6. Survival of Representations. All representations and warranties made in the Loan Documents or in certificates given pursuant hereto shall survive the execution and delivery of the Loan Documents, and shall continue in full force and effect with respect to the date as of which they were made as long as any the Term Loan is outstanding is in use or available hereunder.

Section 11.7. Construction. The parties hereto acknowledge and agree that the Loan Documents shall not be construed more favorably in favor of one than the other based upon which party drafted the same, it being acknowledged that all parties hereto contributed substantially to the negotiation and preparation of this Agreement and the Loan Documents.

Section 11.8. Accounting Principles. All computations of compliance with the financial terms hereof shall be made in a form mutually acceptable to the Parties.

Section 11.9. Headings. Article and Section headings used in this Agreement are for convenience of reference only and are not a part of this Agreement for any other purpose.

Section 11.10. Severability of Provisions. Any provision of this Agreement which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. All rights, remedies and powers provided in the Loan Documents may be exercised only to the extent that the exercise thereof does not violate any applicable mandatory provisions of law, and all the provisions of the Loan Documents are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render the Loan Documents invalid or unenforceable.

Section 11.11. Counterparts. This Agreement may be executed in any number of counterparts, and by different parties hereto on separate counterparts, and all such counterparts taken together shall be deemed to constitute one and the same instrument.

Section 11.12. Binding Nature, Governing Law. This Agreement shall be binding upon the Borrower and its successors and assigns, and shall inure to the benefit of the Lender and the benefit of its successors and assigns, including any subsequent holder of the Term Note. This Agreement and the Term Note and the rights and duties of the parties hereto shall be construed and determined in accordance with, and shall be governed by the internal laws of the Commonwealth of Massachusetts without regard to principles of conflicts of law. The Borrower may not assign its rights or obligations hereunder without the written consent of the Lender.

Section 11.13. Notices. All communications provided for herein shall be in writing or by email or by fax, except as otherwise specifically provided for hereinabove, addressed to the appropriate party at their respective addresses set forth below their respective signatures hereto or on an assignment agreement to which they are a party, or at such other address as shall be designated by any party hereto in a written notice to each other party pursuant to this Section 11.13. Any notice shall be in writing and shall be deemed to have been given or made when served personally or when received if sent by mail, and any notice given by email or fax means shall be deemed given when transmitted (receipt confirmed by the sender's transmission equipment); provided that any notice to the Lender under Sections 5.5 hereof shall only be effective upon receipt.

Section 11.14. Submission and Waiver of Jury Trial. EACH PARTY HERETO HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE SUPERIOR COURT FOR THE COMMONWEALTH OF

MASSACHUSETTS AND OF ANY MASSACHUSETTS COURT SITTING IN BOSTON FOR THE PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE BORROWER AND THE LENDER HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY

Section 11.15. Entire Agreement. This Agreement and the other Loan Documents constitute the entire understanding of the parties with respect to the subject matter hereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby.

Section 11.16. Collateral Documents Not Superseded. Nothing herein contained shall be construed to permit anything prohibited by the Collateral Documents.

Section 11.17. Time is of the Essence. With respect to each party's obligations hereunder, time shall be of the essence.

Section 11.18 Permitted Liens. Any reference in any of the Loan Documents to a Permitted Lien is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any lien created by any of the Loan Documents to any Permitted Lien.

Section 11.19 Currency Indemnity. The Borrower shall make payment relative to any Obligations in the currency (the "Original Currency") in which the Debtor is required to pay such Obligations. If the Borrower makes payment relative to any Obligations in a currency (the "Other Currency") other than the Original Currency (whether voluntarily or pursuant to an order or judgment of a court or tribunal of any jurisdiction), such payment shall constitute a discharge of the Obligations of the Borrower only to the extent of the amount of the Original Currency which the Lender is able to purchase at Foxborough, Massachusetts with the amount it receives on the date of receipt. If the amount of the Original Currency which the Lender is able to purchase is less than the amount of such currency originally due to it in respect to the relevant Obligations, the Borrower shall indemnify and save the Lender harmless from and against any loss or damage arising as a result of such deficiency. This indemnity constitutes an obligation separate and independent from the other obligations contained in this Agreement, gives rise to a separate and independent cause of action, applies irrespective of any indulgence granted by the Lender and continues in full force and effect notwithstanding any judgment or order in respect of any amount due hereunder or under any judgment or order.

[SIGNATURE PAGE TO FOLLOW]

Upon your acceptance hereof in the manner hereinafter set forth, this Agreement shall be a contract between us for the purposes hereinabove set forth.

Dated as of December 8, 2010

ST MARY'S PAPER CORP., as the Borrower

By [signature]
Name Dennis Bunnell
Title CEO; Chairman of the Board

Accepted and agreed to as of the day and year last above written.

INTERNATIONAL FOREST PRODUCTS CORPORATION

as the Lender

By [signature]
Name Daniel Kraft
Title President CEO

One Patriot Place
Foxboro, Massachusetts 02035
Attn: President

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SCHEDULE 7.2
PENDING AND THREATENED PROCEEDINGS AND BREACHES

LITIGATION: SMS ENERGY- ENGINEERING I NC. VS ST MARYS RENEWABLE ENERGY CORP. AND ST MARYS PAER CORP. CLAIMING PAYMENT OF $101, 922.41 CAD FOR ENGINEERING SERVICES, CLIM BEING DEFENDED AND A COUNTER CLAIM FOR $500,000.00 CAD AGAINST THE PLAINTIFF SMS

TAXES; AN APPEAL OF MUNICIPAL REALTY TAX ASSESMENT FOR THE YEARS 2006 THRU 2010; HEARING TO COMMENCE JAN 10^{TH} THRU 21^{ST} 2011

GOVERNMENT FILINGS: NONE

DEFAULTS UNDER OTHER AGREEMENTS: NONE

SCHEDULE 7.10
OUTSTANDING DEBT

$11 million CAD to Her Majesty the Queen in the Right of Ontario, as represented by the Minister of Northern Development and Mines, subject to an Intercreditor agreement among the Borrower, the Lender and certain other parties, and to be repayable on terms to be negotiated upon commissioning of the biomass co generation facility of St Marys Renewable Energy Corp.

$8.8 million CAD to Minister of Northern Development and Mines, subject to an Intercreditor agreement among the Borrower, the Lender and certain other parties, and repayable in blended monthly installments as set out in the Borrowers projections

Photocopier/printer lease to Assetlinx Capital Inc.

Card lock diesel fuelling system with above ground double walled and protected tankage and all appurtenances to New North Fuels Inc.

EXHIBIT “B”

TERM NOTE

USD $3,000,000 December 8, 2010

FOR VALUE RECEIVED, the undersigned, St. Mary's Paper Corp., an Ontario company (the "*Borrower*"), hereby unconditionally promises to pay to the order of International Forest Products Corporation, (the "*Lender*") at the Lender's office at One Patriot Place, Foxoborough, MA 02035 or such other place as the Lender may direct in writing:

(a) prior to or on the Maturity Date the principal amount of THREE MILLION UNITED STATES DOLLARS (USD $3,000,000), evidencing the Term Loan made by the Lender to the Borrower pursuant to the Loan Agreement dated as of December, 6, 2010 (as amended and in effect from time to time, the "Loan Agreement"), among the Borrower and the Lender hereto,

(b) the principal outstanding hereunder from time to time at the times provided in the Loan Agreement; and

(c) interest from the date hereof on the principal amount from time to time outstanding to and including the maturity hereof at the rates and terms and in all cases in accordance with the terms of the Loan Agreement.

This Note evidences borrowings under and has been issued by the Borrower in accordance with the terms of the Loan Agreement. The Lender and any holder hereof is entitled to the benefits of the Loan Agreement, the Security Agreement and the other Loan Documents, and may enforce the agreements of the Borrower contained therein, and any holder hereof may exercise the respective remedies provided for thereby or otherwise available in respect thereof, all in accordance with the respective terms thereof. All capitalized terms used in this Note and not otherwise defined herein shall have the same meanings herein as in the Loan Agreement.

The Borrower irrevocably authorizes the Lender to make or cause to be made, at the time of receipt of any payment of principal of this Note, an appropriate notation on the grid attached to this Note, or the continuation of such grid, or any other similar record, including computer records, reflecting the receipt of such payment. The outstanding amount of the Term Loan set forth on the grid attached to this Note, or the continuation of such grid, or any other similar record, including computer records, maintained by the Lender with respect to the Term Loan shall be prima facie evidence of the principal amount of the Term Loans owing and unpaid to the Lender, but the failure to record, or any error in so recording, any such amount on any such grid, continuation or other record shall not limit or otherwise affect the obligation of the Borrower hereunder or under the Loan Agreement to make payments of principal of and interest on this Note when due.

The Borrower has the right in certain circumstances and the obligation under certain other circumstances to prepay the whole or part of the principal of this Note on the terms and conditions specified in the Loan Agreement.

If any one or more of the Events of Default shall occur, the entire unpaid principal amount of this Note and all of the unpaid interest accrued thereon may become or be declared due and payable in the manner and with the effect provided in the Loan Agreement.

No delay or omission on the part of the Lender or any holder hereof in exercising any right hereunder shall operate as a waiver of such right or of any other rights of the Lender or such holder, nor shall any delay, omission or waiver on any one occasion be deemed a bar or waiver of the same or any other right on any future occasion.

The Borrower and every endorser and guarantor of this Note or the obligation represented hereby waives presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note, and assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of collateral and to the addition or release of any other party or person primarily or secondarily liable.

THIS NOTE AND THE OBLIGATIONS OF THE BORROWER HEREUNDER SHALL FOR ALL PURPOSES BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE COMMONWEALTH OF MASSACHUSETTS (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW). THE BORROWER AGREES THAT ANY SUIT FOR THE ENFORCEMENT OF THIS NOTE MAY BE BROUGHT IN THE COURTS OF THE COMMONWEALTH OF MASSACHUSETTS OR ANY FEDERAL COURT SITTING THEREIN AND THE CONSENT TO THE NONEXCLUSIVE JURISDICTION OF SUCH COURT AND THE SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON THE BORROWER BY MAIL AT THE ADDRESS SPECIFIED IN SECTION 11.13 OF THE LOAN AGREEMENT. THE BORROWER HEREBY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT IS BROUGHT IN AN INCONVENIENT COURT.

This Note shall be deemed to take effect as a sealed instrument under the laws of the Commonwealth of Massachusetts.

IN WITNESS WHEREOF, the undersigned has caused this Note to be signed in its corporate name and its corporate seal to be impressed thereon by its duly authorized officer as of the day and year first above written.

ST. MARY'S PAPER CORP.

By [signature]
Name Dennis R. Bunnell
Title Chairman and CEO

Term Note-St. Mary's_Revised_7 Dec.

EXHIBIT "C"

PULP SUPPLY CONTRACT

This PULP SUPPLY CONTRACT (this "Agreement") is made as of December 8, 2010 (the "Effective Date") by and between ST. MARY'S PAPER CORPORATION, having a principal place of business at 75 Huron Street, Sault Ste. Marie, Ontario, Canada, fax: c/o 705-949-2465, email address c/o: gacton@wishartlaw.com (the "Buyer"), and INTERNATIONAL FOREST PRODUCTS CORPORATION, having a principal place of business at One Patriot Place, Foxboro, MA, USA, fax: 508-698-1500 email address c/o: JimC@The KraftGrouop.comthe and DANM@ifpcorp.com ("Seller"). The Buyer owns and operates a mill located in Sault Ste. Marie, Ontario, Canada (the "Mill"). The Buyer and the Seller have agreed upon a pulp supply arrangement under which the Seller will sell pulp to the Buyer on the following terms and conditions:

1. **QUALITY**: All pulp delivered by the Seller to the Buyer under this Agreement shall be northern bleached softwood kraft pulp, consistent with standard industry specifications and the Buyers required specifications as discussed with the Seller prior to purchase ("Pulp"). The Buyer represents and covenants that this is the only type of pulp that the Buyer shall require at the Mill. The Buyer may at its discretion trial and subsequently utilize others types of pulp which would subsequently be included in this agreement.

2. **PURCHASES**: Subject to the terms and conditions set forth in this Agreement and so long as no Event of Default or potential Event of Default has occurred, the Buyer agrees to and shall buy all of its pulp requirements exclusively from the Seller, and the Seller agrees to and shall sell to the Buyer, all pulp required by the Mill, provided however that the Seller shall not be required to ship Pulp to the Buyer at any time when all amounts owed to Seller under this Agreement exceed Three Million Six Hundred U.S. Dollars (US $3,600,000), in which event, the Seller may, but shall not be required to, ship additional Pulp on mutually agreeable written terms and conditions. The Seller understands that the Mill's estimated requirements are approximately 24,000 air dry metric tons of Pulp per year on a one paper machine operation and agrees to make shipments of such Pulp approximately evenly throughout each year. The Buyer shall notify the Seller of its specific monthly requirements at least 30 days prior to the beginning of any month. All sales from the Seller to the Buyer made under this Agreement shall be deemed to have been sales made in Canada. The Buyer shall be responsible for any and all import, export, excise, use, value added or other taxes, tariffs or duties that may be applicable to the sale of the Pulp from the Seller to the Buyer hereunder.

3. **THIRD PARTY PROPOSALS TO SUPPLY PULP**: Periodically, the Buyer may receive offers or proposals from third parties to sell Pulp to the Mill. The Buyer shall not purchase pulp of any kind from any third party except pursuant to this Section 3. The Buyer shall submit the third party offer, which must contain all relevant information including without limitation price, payment terms and delivery terms (the "Offer"), to the Seller. The Buyer shall also advise the Seller in writing at the time of delivery of the Offer of the impact a purchase of Pulp pursuant to the Offer would have on future purchases of Pulp from the Seller. Upon receipt by the Seller of the Offer and such impact notification, the Seller shall notify the Buyer in writing that either (i) the Seller shall waive its rights under this Agreement with respect to the Buyer's proposed purchase of the Pulp on the terms specified in the Offer, in which event the Buyer may accept or reject the Offer and will advise the Seller in writing of such decision, or (ii) the Seller will not waive its rights under this Agreement with respect to the Buyer's proposed purchase of Pulp on the terms specified in the Offer, in which case the Buyer will reject the Offer and the Seller shall sell Pulp to the Buyer on the same terms contained in the Offer. Any pulp purchased by the Buyer from the Seller under this Section 4 shall be subject to the security interest of the Seller and the Buyer shall mark, segregate and store such Pulp as described in Section 13.

4. **DELIVERIES**: The Seller shall arrange all transportation at the cost and expense of the Buyer. The Seller shall ensure that each transporter that takes delivery of Pulp has obtained and has in place insurance policies customarily obtained and maintained by transporters of Pulp at the transporter's sole expense. The Buyer shall coordinate all appointments at the Mill's receiving dock. At the time of delivery, the Seller shall deliver a bill of sale pursuant to which the Seller shall convey to the Buyer unencumbered title to such Pulp. The Seller shall maintain complete and accurate books and records reflecting its sales of Pulp to the Buyer under this Agreement.

5. **AMOUNTS DUE THE SELLER; TARIFFS, TAXES AND DUTIES**: For each shipment of Pulp purchased by the Buyer pursuant to Section 2, the Buyer agrees to pay to the Seller within sixty (60) days of shipment an amount equal to the sum of:

A. **Purchase Price for the Pulp Shipped.** The purchase price per ton for Pulp shipments during a month will be set at the beginning of each month by mutual agreement between the Buyer and the Seller. For each shipment, the purchase price shall be calculated by multiplying the number of tons of Pulp shipped by such published price per ton.

B. **Certain Costs and Expenses**. The Buyer shall pay the Seller the amount paid or payable by the Seller for freight, transportation, and warehouse charges, as reflected on invoices therefor, as well as any taxes, tariffs or the like paid or payable by the Seller with respect to the Seller's sale of such Pulp as calculated by the Seller and communicated to the Buyer prior to delivery of the pulp to the Buyer.

6. **INVOICES:** The Seller shall invoice the Buyer for all amounts due to the Seller under Section 5 at the time each shipment departs from the point of origin for delivery to the Buyer, or such later time as Seller shall determine in its sole discretion.

7. **PAYMENT TERMS:** The Buyer will make all payments in U.S. dollars in funds which are immediately available at the location specified in the invoice. The Buyer will make payments to the Seller within sixty (60) days of the invoice date by wire transfer to the Seller at:

KEYBANK NATIONAL ASSOCIATION

1 Canal Plaza, Portland, ME 04101

Domestic Routing Number: 011200608 (KEYBANK MAINE)

Account Name: International Forest Products Corporation

Account Number: 199681006391

INTL: (KEYBRANK OF MAIN E) SWIFT CODE: KEYBUS33

The Buyer shall pay Seller interest on payments made after 60 days at a rate equal to US Prime Rate as quoted by the Wall Street Journal plus 3.5% per annum

8. OFFSETS: The Seller shall be entitled, at its sole option, to offset any balances held by it or any other amount payable by the Seller to the Buyer against any amount payable by the Buyer to the Seller under this Agreement or any of the other Transaction Documents (defined in Section 16 hereof).

9. GENERAL TRADE RULES: The General Trade Rules for Wood Pulp shall apply except to the extent expressly stated in this Agreement.

10. TITLE AND RISK OF LOSS: Title to the Pulp on each shipment shall pass at the time specified in the Seller's order acknowledgement and invoice.

11. SECURITY INTEREST IN PULP: The Buyer agrees that it will grant the Seller a security interest in the Pulp under a separate agreement to be provided by the Seller.

12. STORAGE OF PULP; INSURANCE: The Buyer shall bear all risk of loss of the Pulp at Mill's facility, and shall maintain adequate insurance to insure against such risk of loss.

13. TERM: Subject to early termination pursuant to Section 14 below, the term of this Agreement (the "Term") shall commence on the Effective Date, and shall continue until the date which is eight (8) years from the Effective Date. The Term shall be automatically extended for successive five (5) year terms unless either party gives written notice of termination to the other party at least six (6) months prior to the expiration of the initial term or any renewal term.

14. EARLY TERMINATION:

A. Event of Default. A non-defaulting party may terminate this Agreement early in accordance with the provisions of this Section 14.A, immediately upon the delivery of written notice to the defaulting party specifying the existence of an Event of Default. An "Event of Default" means:

i. a failure by either party to perform any material term or provision, or a breach of any representation made in this Agreement, which breach or default is not cured within fifteen (15) days after receipt of a written notice from the notifying party specifying the existence of such breach or default;

ii. The Buyer sells or attempts to sell all or substantially all of the land and property owned by the Buyer and currently known as the Mill to a third party prior to the second anniversary of the Effective Date, any such attempted sale to be null and void; or

iii. The Buyer fails to perform any material term or provision contained in any other Transaction Document (defined in Section 16 hereof) and fails to cure such default within any applicable cure period or an event or condition then exists under the Transaction Documents that permits either party to terminate any Transaction Document or any Transaction Document shall have expired or been terminated.

B. **Sale of the Mill**. At any time after the second anniversary of the Effective Date, the Buyer may terminate this Agreement and sell all or substantially all of the land and property owned by the Buyer and currently known as the Mill to a third party subject to the terms and conditions of this Agreement (including, without limitation, Section 14.C), by providing thirty (30) days written notice to the Seller.

C. **Condition Precedent to Termination**. The Buyer shall not terminate or attempt to terminate this Agreement for any reason without paying in full all amounts due and owing to the Seller under this Agreement or any of the Transaction Documents. Any attempt to terminate this Agreement prior to the satisfaction in full of all such obligations shall be void ab initio.

D. **Amounts Payable to Seller**. If either the Buyer or the Seller terminates this Agreement, the Buyer shall promptly pay to the Seller all amounts required to make the Seller whole for any costs, expenses and loss of profits arising from any arrangements into which the Seller entered to fulfill its obligations under this Agreement consistent with the term of this Agreement prior to such termination. The Seller shall provide the Buyer with an itemized list of those costs, expenses and losses, and the Buyer shall pay the Seller therefor within thirty (30) days of the receipt of such itemized list.

E. **Certain Rights Not Affected by Termination.** A termination of this Agreement shall not affect any rights or obligations of either party accrued or existing at the time of the termination, or which are intended to survive termination, or which arise out of such termination.

F. **Force Majeure.** Except for the obligation of either party to pay amounts owing to the other party under this Agreement, nonperformance by either party shall be excused to the extent that performance is rendered impossible by fire, flood, earthquake, labor dispute or disruption, acts of terrorism, governmental acts or order or restrictions, or any other reason when failure to perform is beyond the reasonable control of the non-performing party (a "Force Majeure Event"). Each party shall promptly notify the other of any Force Majeure Event which may affect such party's performance under this Agreement. During the period of any Force Majeure Event, the party whose performance is not excused or suspended pending the Force Majeure Event may sell or buy, as the case may be, Pulp in transactions with third parties and not be in breach of this Agreement, provided however, that if a Force Majeure Event affecting the Buyer causes the Seller to incur out of pocket expenses, the Buyer shall promptly reimburse the Seller for all such out of pocket expenses.

15. DISPUTES, GOVERNING LAW AND ARBITRATION: This Agreement shall be governed and interpreted in accordance with the laws of the Commonwealth of Massachusetts and any dispute arising out of this Agreement shall be finally settled by arbitration pursuant to the Rules of Arbitration of the American Arbitration Association in Massachusetts. Arbitration shall be held in Boston, Massachusetts and conducted in English.

16. TRANSACTION DOCUMENTS: The Buyer and the Seller are parties to certain other arrangements which are contained in the following documents and instruments, which together with this Pulp Supply Agreement are referred to as the "Transaction Documents": (i) the Loan Documents (as defined below), (ii) the Collateral Documents (as defined below), (iii) the Purchase and Sale Agreement between the parties dated as of the date hereof (the "Sales Agreement"), and (iv) all instruments and documents delivered by the Buyer under or pursuant to any of the foregoing, all as amended or modified from time to time pursuant to the terms hereof or thereof. "Loan

Documents" shall mean the Loan Agreement by and between the Buyer and the Seller, the Three Million U.S. Dollars ($3,000,000) Term Note executed by the Buyer in connection therewith and all instruments and documents other than the Collateral Documents delivered by the Buyer under or pursuant to any of the foregoing. "Collateral Documents" shall mean all guaranties, pledges, security agreements, mortgages, financing statements and other documents as shall from time to time secure or guaranty all the indebtedness, obligations and liabilities of the Buyer to the Seller under this Agreement or under any of the other Transaction Documents.

17. SUBCONTRACTORS: The Seller may in its sole discretion utilize subcontractors to fulfill its obligations hereunder.

18. INDEMNIFICATION:

A. Indemnity. Each Party (the "Indemnifying Party") shall defend, indemnify and save harmless the other party and each of its respective owners, members, partners, shareholders, affiliated persons and entities, and each of the directors, officers, employees, agents, representatives, successors and assigns of such persons or entities (collectively, the "Indemnified Parties") from and against any and all third party claims, liabilities, losses, damages, penalties, recoveries, suits, judgments, executions, costs and expenses (including, without limitation, reasonable attorney's fees and costs) of any kind whatsoever ("Claims") arising from (i) any actual or alleged misrepresentation, breach of warranty or non-fulfillment of any obligation or covenant made by the Indemnifying Party in this Agreement, or (ii) any actual or alleged negligent or grossly negligent act or omission of, or any misconduct by, the Indemnifying Party or its representatives, agents, guests, employees or contractors occurring, directly or indirectly, in connection with the performance of the transactions contemplated by this Agreement, except to the extent that any such Claim was caused by the gross negligence or willful misconduct of the Indemnified Parties. In addition, the Buyer shall indemnify and hold harmless the Seller Indemnified Parties from all Claims that they, or any of them, may sustain or incur as a result of any claims of any nature by the Buyer's customers, including but not limited to claims related to the quality, quantity or condition of products made with the Pulp, other than those caused by the acts or omissions of the Seller.

B. Claim Procedure. Promptly after the receipt by an Indemnified Party of notice of any Claim, such Indemnified Party will, if a claim with respect thereto is to be made against an Indemnifying Party, give such Indemnifying Party written notice within a reasonable period of such asserted liability or commencement of such action or proceeding. The Indemnifying Party shall have the right, at its option, to compromise, settle or defend, at its own expense and with its own counsel, such Claim; provided, however, such right shall apply only to Claims for monetary damages and not to Claims for injunction or other equitable relief, and provided further that no party shall have the right to bind the other party under the terms of a settlement without the consent of such party. If the Indemnifying Party undertakes to compromise, settle or defend any such Claim, it shall promptly notify the Indemnified Party. The Indemnified Party shall cooperate reasonably with the Indemnifying Party and its counsel, at the sole expense of the Indemnifying Party, in the compromise or settlement of, or defense against, any such Claim.

19. **NOTICE:** All notices and other communications hereunder shall be in writing, in English and shall be deemed to have been given (i) when personally delivered or delivered by facsimile with a confirmation of successful transmission to the respective fax number set forth in the preamble to this Agreement; (ii) four (4) business days after mailing to the respective address set forth in the preamble to this Agreement, postage prepaid, by certified mail; (iii) when delivered (and receipted for) by a courier service to the respective address set forth in the preamble to this Agreement, or (iv) when delivered by email to the respective address set forth in the preamble to this Agreement with a copy to the principal contact at the other party at the time the notice is delivered (if different) at the most recent email address for such contact, provided that the recipient, by an email sent to the email address for the sender, or by a notice delivered by another method in accordance with this Section 19, acknowledges having received such email, with an automatic "read receipt" not constituting acknowledgement of an email for purposes of this Section 19. Each party may change the address(es) for the giving of notices and communications to it, and/or copies thereof, by written notice to the other party in conformity with the foregoing.

20. **WAIVER OF JURY TRIAL:** EACH OF THE PARTIES HEREBY WAIVES ANY RIGHT IT MAY HAVE TO A JURY TRIAL IN ANY SUIT, ACTION OR PROCEEDING EXISTING UNDER OR RELATING TO THIS AGREEMENT.

21. **SEVERABILITY:** If any provision hereof is invalid or unenforceable in any jurisdiction, to the fullest extent permitted by law, that provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable in such jurisdiction and shall be construed in order to carry out the intentions of the parties as nearly as possible. The invalidity or unenforceability of any provision hereof in one jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

22. **MISCELLANEOUS:** Each party shall comply with all laws and regulations applicable to its obligations under this Agreement. Each party will notify the other in writing of (a) any

legislation, rule, regulation or other law (including without limitation any customs, tax, trade, intellectual property or tariff law) or any other occurrence of which it becomes aware which is in effect or which may come into effect or which occurs during the Term anywhere in the world which has or could have a material adverse effect on the business arrangements contemplated by this Agreement. Except as provided in this Agreement, neither party shall be liable for any consequential, incidental, lost profits or special damages of any kind whatsoever, whether for breach of warranty or any other breach by the party hereunder. The relationship of the parties under this Agreement shall be and at all times remain one of independent contractors. Neither party shall have the authority to bind the other. This Agreement shall not be assignable by either party without the other party's prior written consent. This Agreement contains the entire understanding of the parties relating to the subject matter herein contained and supersedes all prior agreements, arrangements or understandings, whether written or oral, with respect to the subject matter contained herein. Any amendment or waiver of a provision of this Agreement must be made in writing signed by the parties. The following provisions will survive the termination or expiration of this Agreement: Section 2 (final sentence regarding taxes, etc.); Section 12 (Storage of Pulp, Insurance); Section 14.C. D and E (termination provisions); Section 15 (Disputes; Governing Law; Arbitration); Section 18 (Indemnification), Section 19 (Notice); Section 20 (Waiver of Jury Trial); Section 21 (Severability); and Section 22 (provisions regarding damages, independent contractors).

The parties have executed this PULP SUPPLY CONTRACT as of the date set forth above.

SELLER: INTERNATIONAL FOREST PRODUCTS CORPORATION

By: ______________________

Title: President/CEO

BUYER: ~~SAINT~~ ST MARY'S PAPER CORPORATION

By: ______________________

Title: CEO + Chairman

EXHIBIT “D”

PURCHASE AND SALE AGREEMENT

PARTIES: This Purchase and Sale Agreement (the "Agreement") is entered into as of December 8, 2010 (the "Effective Date") by and between:

IFP: International Forest Products Corporation, a Delaware corporation with its offices and principal place of business at One Patriot Place, Foxboro, Massachusetts 02035 U.S.A., Attn: Daniel Kraft ("IFP")

and

Company: St. Mary's Paper Corporation, 73 Huron Street, Sault Ste. Marie, Ontario, Canada, Attn: Dennis Bunnell (the "Company").

WHEREAS, IFP is in the business of assisting producers of pulp, paper and other wood fiber based raw materials to sell their products to customers located throughout the world; and

WHEREAS, Company plans to manufacture super calendared or other printing and writing paper (the "Product") at its facility in Sault Ste. Marie Ontario, Canada (the "Facility"), and subject to and in accordance with the terms and conditions of this Agreement, the Company desires to engage IFP to distribute and sell the Product produced by the Facility.

NOW THEREFORE, in consideration of the mutual promises made herein, the parties hereto hereby promise and agree as follows:

I. **APPOINTMENT.** The Company hereby designates and appoints IFP, and IFP hereby accepts appointment, as the Company's exclusive distributor for the sale throughout the world of the Product produced by the Facility during the Term (as defined below) in accordance with the terms and conditions of this Agreement. IFP, as the exclusive distributor for Company's Product purchased hereunder, shall promote such Product on behalf of the Company. In addition, IFP shall periodically advise the Company of material changes in market conditions for such Product. IFP shall use commercially reasonable efforts to sell Product at the then-prevailing price and on the then prevailing terms, in each case in the market in which IFP's customer is located. The Company will provide IFP with its relative costs to produce the Company's Product.

II. **PURCHASE AND SALE OF PRODUCT.** The Company agrees to sell on an exclusive basis, and IFP agrees to purchase from the Company, in accordance with the terms and conditions of this Agreement, all Product produced by all of the papermachines at the Facility that complies with the warranties set forth on Schedule 2 attached hereto. Unless otherwise agreed by the parties in writing, the terms of delivery for shipment of Product are FOB the Facility.

III. **PAYMENT.**

a. Definitions. For purposes of this Section III, the following capitalized terms shall have the meanings set forth below:

1. "Base Payment" shall mean: (a) with respect to Made-to-Order Product, a payment equal to ninety-five percent (95%) of the Mill Net Price for such Product, and (b) with respect to Made-for-Inventory Product, a payment equal to fifty percent (50%) of the average during the immediately preceding one month period of the Mill Net Price for Product of the same grade and specification sold by IFP to third party customers.

2. "Financing Costs" shall mean interest, calculated at a rate per annum equal to US prime rate as quoted by the Wall Street Journal plus 3.5%, on the Base Payment, plus any freight, storage, insurance, taxes or other direct costs incurred by IFP; and on any Reconciliation Payment, in each case from the date on which such amounts are paid to or on behalf of the Company through the due date of the underlying customer receivable to IFP.

3. "IFP Commission" shall mean a sum equal to four percent (4%) of the Net Price, unless reduced for specific Orders upon written agreement by IFP and SMP for strategic purposes

4. "Made-for-Inventory Product" shall mean all Product manufactured by the Company that is not "Made-to-Order Product."

5. "Made-to-Order Product" shall mean Product manufactured by the Company at the request of IFP in order to fulfill a purchase order submitted to IFP by a third-party customer.

6. "Mill Net Price" shall mean the Net Price, less the IFP Commission.

7. "Net Price" shall mean, for each Order, the price for the Product set forth in such Order, net of freight, transportation insurance, taxes, Financing Costs, and other direct costs.

8. "Order" shall mean an order from a third party customer to purchase Product that has been accepted by IFP.

9. "Reconciliation Payment" shall mean a payment in the amount of the Mill Net Price less the amount of the Base Payment.

b. Price and Payment. IFP agrees to pay the Company the Mill Net Price for the Product in two installments, first a Base Payment and then a Reconciliation Payment. All payments shall be deposited to a bank account designated in writing by the Company from time to time and shall be made in accordance with the following payment schedule and terms:

1. Base Payment. The Base Payment for all Product produced during immediately preceding calendar week shall be due on the Tuesday of the following week; provided, however, that the aggregate amount of all Base Payments made to the Company with respect to Made-for-Inventory Product and for which corresponding Reconciliation Payments have not been made shall not exceed $2,500,000 at any time.

2. Reconciliation Payment. The Reconciliation Payment for all Product shall be due on the 15th day of the month following the month in which the Product was shipped to IFP's customer.

3. Risks of Collection. Except with respect to Customer Claims (as defined in Section 4 of Schedule 2 to the Agreement), all risks of collection from IFP's customers shall be borne by IFP and, accordingly, IFP shall, provided the Product is not subject to a Customer Claim, make all payments when due regardless of collection from its customer.

4. Offset: IFP shall be entitled, at its sole option, to offset any balances held by it or any other amount payable by IFP to the Company against any amount payable by the Company to IFP under this Agreement or under any other agreements between the Company and IFP.

IV. **TERM:** The initial term of this Agreement shall be for eight (8) years from the Effective Date of this Agre "Initial Term"), and shall automatically renew for successive terms of five (5) years each (each a "Renev and together with the Initial Term, the "Term"), unless either Party gives to the other Party written nc intention not to renew at least six (6) months prior to the expiration of the current Term, or unless this Ag otherwise terminated in accordance with the Master Terms attached hereto. Notwithstanding the terminat Agreement, the Company shall continue to honor any orders pending at the time of such termination.

V. **TERMINATION UPON SALE OF THE FACILITY.** Notwithstanding anything to the contrary set fortl the event that the Company sells the Facility on or before the second anniversary of the Effective Dat pursuant to an asset sale, merger, consolidation or acquisition, this Agreement shall be binding upon the (successor in interest in the Facility. In the event that the Company sells the Facility after the second ann the Effective Date, but prior to the expiration of the Term, the Company shall pay to IFP all outstandir owed by the Company to IFP plus an amount calculated as follows (the "Termination Fee") (as used below Annual Commission" shall mean the average of the total amount of IFP Commissions received by IFP on a since the Effective Date):

a. If the sale of the Facility occurs after the second anniversary of the Effective Date, the Term shall be an amount equal to the greater of (i) three multiplied by the Average Annual Com (ii) Four Million Dollars ($4,000,000.00).

b. If the sale of the Facility occurs after the third anniversary of the Effective Date, the Term shall be an amount equal to the greater of (i) two multiplied by the Average Annual Com (ii) Two Million Six Hundred Thousand Dollars ($2,600,000.00).

c. If the sale of the Company occurs after the fourth anniversary of the Effective Date, the Terr shall be an amount equal to the greater of (i) the Average Annual Commission, or (ii) One M Hundred Thousand Dollars ($1,300,000.00).

VI. **STANDARD TERMS AND CONDITIONS.** Incorporated herein by reference are the Master Terms atta as Schedule 1, and the Supplemental Provisions attached hereto as Schedule 2. The Parties agree that below they agree to be bound by the terms and conditions of this Agreement, including Schedule 1 and All notices will be delivered to the addresses listed above in accordance with the provisions set forth in Terms.

INTERNATIONAL FOREST PRODUCTS CORPORATION	ST. MARY'S PAPER CORPORATION
By: [signature]	By: [signature]
Name: Daniel Kraft	Name: Dennis Bunnell
Title: President/CEO	Title: CEO + Chairman

SCHEDULE 1

MASTER TERMS

1. **Definitions**. As used in these Master Terms (these "Master Terms"), and unless otherwise required by the context, the following terms have the following meanings (each term defined in this Section 1 or in any other provision of this Agreement in the singular to have the same meaning when used in the plural and vice versa):

"Affiliate" shall mean any Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another Person.

"Agreement" shall mean the agreement to which these Master Terms are attached, and all exhibits and schedules attached thereto, including these Master Terms and any Supplemental Terms.

"Applicable Law(s)" shall mean any law (including common law), statute, act, decree, ordinance, rule, directive (to the extent having the force of law), order, treaty, code or regulation or any interpretation of any of the foregoing, as enacted, issued or promulgated by any Governmental Authority and as amended, supplemented or otherwise modified and in effect from time to time, including any replacement thereof.

"Change of Control" shall mean any transfer or change of a controlling interest in the capital stock, partnership interest or any other equity interests of a Party, by operation of law or otherwise, including without limitation the sale of all or substantially all of the assets of such Party, any merger, consolidation or acquisition involving Party.

"Claims" shall have the meaning set forth in Section 6.a of these Master Terms.

"Event of Default" shall have the meaning set forth in Section 3.a of these Master Terms.

"Force Majeure" shall mean an act of God or of the public enemy, public emergency, fires, storms, floods, wars, riots or civil disorder, acts of civil or military authorities, embargo, strike, lockout or other labor dispute, restriction imposed by Applicable Law, any Governing Body Restriction, mechanical breakdown, the unavailability of utilities, including electricity, unforeseen causes interfering with source of supplies, production, transportation or delivery, or any other similar or dissimilar cause beyond the applicable Person's reasonable control.

"Governing Body(ies)" shall mean each Person who is charged by members of a particular business classification or industry with responsibility for establishing the rules pursuant to which the members of such business classification or industry interact with each other or with members of the general public.

"Governing Body Restrictions" shall mean (i) any act, order, regulation, rule, ruling, resolution, guideline, policy, decision or interpretation (formal or informal) issued or promulgated by, or agreement entered into with, any of the Governing Bodies, or (ii) any organizational documents of any Governing Body, including without limitation, Constitution or By-laws.

"Governmental Authority" shall mean the government of the United States, any state of the United States or political subdivision thereof, and any other governmental authority, instrumentality, agency, or commission, domestic or foreign, including without limitation any court, tribunal, administrative agency or board thereof.

"Materially Adverse Effect" shall mean, with respect to a particular Party, any change, event or effect that, individually or in the aggregate, has had or is reasonably expected to have a material adverse effect upon (i) the business, operations, assets (including intangible assets), liabilities, condition (financial or otherwise), property, prospects or results of operation of such Party, (ii) the validity or enforceability of this Agreement, or (iii) the ability of such Party to perform its obligations or exercise its rights under this Agreement.

"Party" shall mean each party that executes and delivers a signature page to this Agreement, and "Parties" shall refer to all parties that execute and deliver a signature page to this Agreement.

"Person" shall mean any individual, corporation, company, limited liability company, voluntary association, partnership, joint venture, trust, unincorporated organization or Governmental Authority.

"Published Governing Body Restrictions" shall mean Governing Body Restrictions made available to members of the general public by any Governing Body and any other Governing Body Restrictions that are known to the applicable Person.

"Supplemental Terms" shall mean those terms and conditions attached to this Agreement as a schedule bearing a unique number (e.g., Schedule 2).

2. **Representations And Warranties**

a. Representations and Warranties. Each Party hereby represents and warrants to the other Party(ies), as of the effective date of this Agreement, as follows:

i. Such Party is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is established;

ii. The execution, delivery and performance of this Agreement and the transactions contemplated hereby (a) are within the authority of such Party, (b) have been duly authorized by all necessary proceedings, (c) do not conflict with or result in any breach or contravention of any provision of any Applicable Law or Governing Body Restriction to which such Party is subject, and (d) do not conflict with any provision of any agreement or instrument binding upon such Party;

iii. The execution and delivery of this Agreement will result in valid and legally binding obligations of such Party, enforceable against such Party in accordance with the terms and provisions hereof, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought;

iv. There are no actions, suits, proceedings or investigations of any kind pending or threatened against such Party with respect to the transactions contemplated by this Agreement before any Governmental Authority that, if adversely determined, would have a Materially Adverse Effect; and

v. Such Party is not in violation of any provision of its charter documents, or any agreement or instrument to which it may be subject or by which it or any of its properties may be bound, or any Governing Body Restriction or Applicable Law, in any of the foregoing cases in a manner that could have a Materially Adverse Effect.

b. Disclaimer. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS SECTION 2 AND EXCEPT FOR ANY REPRESENTATION OR WARRANTY MADE ELSEWHERE IN THIS AGREEMENT THAT, BY ITS EXPRESS TERMS, IS MADE SUPPLEMENTAL TO THIS SECTION, NEITHER PARTY MAKES ANY OTHER REPRESENTATIONS OR WARRANTIES, AND EACH PARTY HEREBY DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

3. Termination; Remedies.

a. Definition. Except as otherwise provided in this Section, an event of default ("Event of Default") under this Agreement shall be deemed to exist upon the occurrence of any one or more of the following events:

i. failure by either Party to make any payments on the due date therefor in accordance with the provisions of this Agreement.

ii. failure on the part of either Party to observe and perform fully any other material term, covenant or agreement contained in this Agreement on its part to be performed and such failure continues for a period of thirty (30) days after the defaulting Party is given written notice specifying the nature of such failure and requesting that it be remedied;

iii. either Party makes an assignment for the benefit of creditors, files a petition in bankruptcy, is adjudicated insolvent or bankrupt, petitions or applies to any tribunal for any receiver or trustee for it or a substantial part of its property, commences any proceeding relating to it under any reorganization, arrangement, readjustment of debt, dissolution or liquidating law or statute of any jurisdiction, or if there is commenced against it any such bankruptcy proceeding that remains undismissed for a period of sixty (60) days, or if by any act indicates its consent to, approval of or acquiescence in any such proceeding or the appointment of any receiver of or any trustee for it or a substantial part of its property or suffers any such receivership or trusteeship to continue undischarged for a period of sixty (60) days; or

iv. breach by either Party or any Affiliate of either Party of any material term or condition of any other agreement it may have with the other Party at any time during the term of this Agreement, which breach continues beyond any applicable grace period.

b. Remedies for Breach. Upon the occurrence of an Event of Default, the Party not in default shall have the right to terminate this Agreement upon providing written notice to the other Party and/or to pursue any other remedy permitted in accordance with this Agreement

c. Equitable Relief. Each Party shall be entitled to a decree compelling specific performance with respect to, and shall be entitled, without the necessity of filing any bond, to the restraint by injunction or temporary restraining order of any actual or threatened breach of any material obligation of the other Party under this Agreement to the extent permitted by a court of competent jurisdiction.

d. Effect of Force Majeure. If either Party is rendered wholly or partially unable to perform its obligations under this Agreement (except an obligation to make payments hereunder) because of a Force Majeure event, that Party shall be excused from whatever performance is affected by the Force Majeure event to the extent so affected, for a maximum period of one hundred and eighty (180) consecutive days from the commencement of the Force Majeure event (or such shorter period specified in this Agreement), provided that:

i. the non-performing Party within five (5) business days after the occurrence of the inability to perform due to a Force Majeure event provides written notice to the other Party of the particulars of the occurrence including an estimation of its expected duration and probable impact on the performance of its obligations hereunder, and continues to furnish timely regular reports with respect thereto during the period of Force Majeure, except that if a Party has actual notice of Force Majeure the failure of the non-performing Party to give written notice thereof shall not be a breach of the Agreement;

ii. the non-performing Party shall use its best efforts to continue to perform its obligations hereunder and to remedy its inability to so perform;

iii. the non-performing Party shall provide the other Party with prompt notice of the cessation of the event of Force Majeure giving rise to the excuse from performance;

iv. no obligations of either Party that arose prior to the occurrence of the event of Force Majeure, and no payment obligations whenever arising, shall be excused as a result of such occurrence;

v. the burden of proof as to whether an event of Force Majeure has occurred shall be upon the Party claiming an event of Force Majeure.

4. Compliance with Laws. Each Party shall, and shall cause its employees, agents and invitees to, comply fully with all Applicable Laws and all Published Governing Body Restrictions in connection with the exercise of its rights and fulfillment of its obligations under this Agreement. No provision of the Agreement shall require either Party to take any action inconsistent with or which would violate any Applicable Law or any Governing Body Restrictions.

5. Insurance. Each Party shall have and maintain, at its sole expense, commercial general liability insurance with limits of at least $2,000,000 per occurrence and $2,000,000 in the aggregate, such limits may be provided through a combination of umbrella and primary policies, in form no less broad than a standard ISO Commercial General liability policy (CG 00 01 most current edition). The following exclusionary endorsements may be attached: Nuclear Energy Exclusion, Asbestos Exclusion and Employment Practices Exclusion. Any other exclusionary endorsements must be approved by the other Parties. Each Party's commercial general liability policies shall name as additional insureds, the other Parties and their respective owners, members, partners, shareholders and affiliated persons and entities, successors and assigns. All coverage as required above shall be written by insurers with AM Best's Ratings of A VI or higher. If either Party is required have workers present on the premises of the other Party to perform its obligations under this Agreement, such Party will maintain Worker's Compensation insurance in compliance with all statutory requirements, as well as Employer's Liability Insurance in commercially reasonable amounts but not less than $100,000. If either Party is required to have vehicles present on the premises of the other Party to perform its obligations under this Agreement, such Party shall maintain hired, owned and non-owned automobile insurance in commercially reasonable amounts, but not less than combined bodily injury and property damage, single limits not less than $1,000 per occurrence. Each Party will provide the other Parties with certificate(s) of insurance showing that the required coverage is in effect within thirty (30) days of written request. Each such policy shall be noncancellable with respect to the interests of the additional insureds without at least thirty (30) days' prior written notice thereto.

6. **Indemnification.**

a. Indemnity. Each Party (the "Indemnifying Party") shall defend, indemnify and save harmless the other Party and each of its respective owners, members, partners, shareholders, Affiliates, and each of the directors, officers, employees, agents, representatives, successors and assigns of such Persons (collectively, the "Indemnified Parties") from and against any and all third party claims, liabilities, losses, damages, penalties, recoveries, suits, judgments, executions, costs and expenses (including, without limitation, reasonable attorney's fees and costs) of any kind whatsoever ("Claims") arising from (i) any actual or alleged misrepresentation, breach of warranty or non-fulfillment of any obligation or covenant made by the Indemnifying Party in this Agreement, or (ii) any actual or alleged negligent or grossly negligent act or omission of, or any misconduct by, the Indemnifying Party or its representatives, agents, guests, employees or contractors occurring, directly or indirectly, in connection with the performance of the transactions contemplated by this Agreement, except to the extent that any such Claim was caused by the gross negligence or willful misconduct of the Indemnified Parties.

b. Claim Procedure. Promptly after the receipt by an Indemnified Party of notice of any Claim, such Indemnified Party will, if a claim with respect thereto is to be made against an Indemnifying Party, give such Indemnifying Party written notice within a reasonable period of such asserted liability or commencement of such action or proceeding. The Indemnifying Party shall have the right, at its option, to compromise, settle or defend, at its own expense and with its own counsel, such Claim; provided, however, such right shall apply only to Claims for monetary damages and not to Claims for injunction or other equitable relief, and provided further that no Party shall have the right to bind the other Party under the terms of a settlement without the consent of such Party. If the Indemnifying Party undertakes to compromise, settle or defend any such Claim, it shall promptly notify the Indemnified Party. The Indemnified Party shall cooperate reasonably with the Indemnifying Party and its counsel, at the sole expense of the Indemnifying Party, in the compromise or settlement of, or defense against, any such Claim.

7. **Relationship of the Parties; Third-Party Beneficiaries**. Each of the Parties is, and shall at all times be deemed to be, an independent contracting party, and nothing contained herein or done pursuant hereto shall be construed to create any relationship of principal and agent or employer and employee among any of them or to make any of them partners or joint venturers. All Indemnified Parties that are not parties to the Agreement shall be third-party beneficiaries of the Agreement.

8. **Assignment; Binding Effect**. Except as otherwise expressly set forth in this Agreement, none of the Parties shall have any right to transfer, assign, participate out or encumber its rights under this Agreement to any other party, directly or indirectly, without the prior written consent of the other Parties. Any Change in Control shall be deemed to be an assignment of the Agreement. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their successors and assigns.

9. **Headings; Interpretation**. Headings are supplied for convenience only and are not to be construed as an interpretation of any of the language of this Agreement. The parties agree that this Agreement shall not be construed against the drafter.

10. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Massachusetts, without regard to the conflicts of laws provisions thereof. Any legal proceeding arising out of or relating to the Agreement shall be instituted and decided conclusively and exclusively in the courts of the Commonwealth of Massachusetts or the United States of America for the District of Massachusetts.

11. Notice. All notices and other communications hereunder shall be in writing, in English and shall be deemed to have been given (i) when personally delivered or delivered by facsimile with a confirmation of successful transmission to the respective fax number set forth in the preamble to the Agreement; (ii) four (4) business days after mailing to the respective address set forth in the preamble to the Agreement, postage prepaid, by certified mail; (iii) when delivered (and receipted for) by a courier service to the respective address set forth in the preamble to the Agreement, or (iv) when delivered by email to the respective address set forth in the preamble to the Agreement with a copy to the principal contact at the other Party at the time the notice is delivered (if different) at the most recent email address for such contact, provided that the recipient, by an email sent to the email address for the sender, or by a notice delivered by another method in accordance with this Section 11, acknowledges having received such email, with an automatic "read receipt" not constituting acknowledgement of an email for purposes of this Section 11. Each party may change the address(es) for the giving of notices and communications to it, and/or copies thereof, by written notice to the other Party in conformity with the foregoing.

12. **Consent to Jurisdiction; Service of Process**. THE PARTIES HEREBY AGREE TO SUBMIT TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COMMONWEALTH OF MASSACHUSETTS FOR THE PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT AND/OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH PARTY HEREBY AGREES THAT SERVICE OF PROCESS WITH RESPECT TO ALL STATE AND FEDERAL COURTS LOCATED IN THE COMMONWEALTH OF MASSACHUSETTS MAY BE MADE BY REGISTERED MAIL TO IT IN THE MANNER SET FORTH IN THIS AGREEMENT.

13. **Waiver of Jury Trial**. EACH OF THE PARTIES HEREBY WAIVES ANY RIGHT IT MAY HAVE TO A JURY TRIAL IN ANY SUIT, ACTION OR PROCEEDING EXISTING UNDER OR RELATING TO THIS AGREEMENT.

14. **Entire Understanding**. This Agreement contains the entire understanding of the Parties relating to the subject matter herein contained and supersedes all prior agreements, arrangements or understandings, whether written or oral, with respect to the subject matter contained herein.

15. **Waivers; Amendments**. No failure or delay by a Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof. A waiver of any provision of this Agreement shall be effective only if in writing and signed by the Party to be charged. A waiver of any term or condition of this Agreement in any one or more instances shall not be construed to be a general waiver or a waiver of any other term or condition or a waiver of any subsequent breach. This Agreement may only be amended by a writing signed by all Parties.

16. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement.

The exchange of copies of this Agreement and of signature pages by facsimile or email shall constitute effective execution and delivery of this Agreement and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile and/or by email shall be deemed to be original signatures for all purposes.

17. **Severability**. If any provision hereof is invalid or unenforceable in any jurisdiction, to the fullest extent permitted by law, that provision shall be limited or eliminated to the minimum extent necessary so that the Agreement shall otherwise remain in full force and effect and enforceable in such jurisdiction and shall be construed in order to carry out the intentions of the Parties as nearly as possible. The invalidity or unenforceability of any provision hereof in one jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

18. **Limitation of Liability; Cumulative Rights**.

a. Except with respect to claims for indemnification arising under Section 6 of these Master Terms, under no circumstances shall any Party be liable to the other Party for any lost profits, loss of business opportunity, or any indirect, consequential, punitive or special damages suffered by such Party from any cause whatever. No member, owner, agent, or employee of any Party hereto shall be personally liable on account of any claim another Party may have under or in connection with the matters contemplated by the Agreement.

b. Except if an exclusive or sole remedy is expressly set forth in these Master Terms or elsewhere in the Agreement with respect to a particular situation, the rights of the Parties under this Agreement are cumulative and no exercise or enforcement by any Party of any remedy hereunder shall preclude the exercise or enforcement by it of any other right or remedy hereunder or to which any Party is entitled by law or in equity.

19. **Attorney's Fees**. In the event that either Party hereto brings an action or proceeding against the other Party to enforce or interpret any of the covenants, conditions, agreements or provisions of this Agreement, the prevailing Party in such action or proceeding shall be entitled to recover all reasonable costs and expenses of such action or proceeding, including without limitation, reasonable attorney's fees, charges, disbursements and the fees and costs of expert witnesses.

20. **Default Interest**. Any fees or any other monetary obligations under this Agreement, including but not limited to attorney's fees, not paid by the date specified in this Agreement shall bear interest accruing from such date at the rate of twelve percent (12%) per annum.

21. **Survival**. The provisions of Sections 3 (Termination; Remedies), 5 (Insurance); 6 (Indemnification), 7 (Relationship of the Parties; Third-Party Beneficiaries); 10 (Governing Law); 11 (Notice); 12 (Consent to Jurisdiction; Service of Process); 13 (Waiver of Jury Trial); 17 (Severability); 18 (Limitation of Liability; Cumulative Rights); 23 (Publicity); and 25 (Use of Trademarks, Service Marks, Etc.) hereof shall survive the termination and/or expiration of this Agreement.

22. **Consent**. Except as explicitly stated herein, any consent or approval required to be given by a Party hereunder shall not be unreasonably withheld or delayed by such Party.

23. **Publicity.**

a. Publicity. No press release or other public announcement of this Agreement or the subject matter hereof including reference to a Party or its products will be made without such Party's prior written consent. If any such press release or other public announcement is made, the Parties will consult with one another concerning the form and substance of any press release or other public disclosure of the matters covered by this Agreement, and will mutually agree on the form and substance of any such disclosure before any such disclosure is made; provided, however, that this obligation will not be deemed to prohibit any Party from making any disclosure which its counsel deems necessary in order to fulfill such party's obligations under any Applicable Law.

24. **Purchase Order Terms.** Acceptance by a Party of another Party's purchase orders or confirmations shall not, insofar as such purchase orders or confirmations may be inconsistent herewith or additional hereto, alter, vary or add to the terms of this Agreement.

25. **Use of Trademarks, Services Marks, Etc.** Except to the extent expressly authorized by the Agreement, neither Party is authorized to use the name of, or any trademarks, trade names or logos owned by, the other Party or any of its Affiliates in any way, including without limitation, in any marketing presentations or written marketing materials without the prior written approval of the owner of such trademark, service mark, logo or the like.

Schedule 2
Supplemental Terms and Conditions

Capitalized terms used herein shall have the meanings given to such terms in the Agreement to which this Schedule 2 is attached (including any exhibits or other schedules attached thereto).

1. Warranties.
   a. The Company warrants that (a) all Products sold hereunder shall conform to the Company's published specifications and standard industry specifications or other such specifications approved by IFP from time to time, and (b) that the Company will convey to IFP unencumbered title to the Products sold by the Company to IFP.
   b. The Company shall extend to third party customers for the Products sold hereunder the product warranty set forth above.

2. Currency and Bank Account. All amounts payable pursuant to this Agreement shall be in U.S. dollars. Unless otherwise agreed, all payments to be made pursuant to this Agreement shall be made by wire transfer, at the Company's sole expense, to a bank account in the United States nominated in writing by the Company by way of standing instruction to IFP.

3. Marketing.
   a. IFP will provide an annual marketing plan to the Company estimating the quantity of Product to be sold, markets to be serviced and pricing. IFP will work with the Company to implement this plan and will report quarterly to the Company variances from the plan. IFP will report regularly to the Company information supporting the sales volumes and prices obtained for the Product including competitive and published information.
   b. The Company will report regularly to IFP the status of mill production and shipments to allow the effective implementation of the marketing plan.
   c. IFP will use commercially reasonable efforts to create market recognition for the Product.

4. Customer Service.
   a. Customer claims, including but not limited to, Product quality, quantity shipped, specifications, damage, or late or nondelivery of the Product (collectively, "Customer Claims"), shall be handled by IFP on behalf of the Company. Both parties will then confer and agree on the handling of the claim. The Company agrees to indemnify and hold harmless IFP for all costs and expenses related to Customer Claims.
   b. The Company will provide accurate and timely shipping documents and customer service and follow-up services necessary for IFP to adequately service the end user of the product.

EXHIBIT "E"

GENERAL SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made as of December 8, 2010.

BETWEEN: **ST. MARY'S PAPER CORP.** having an address at 75 Huron Street in Sault Ste. Marie, Ontario, Canada P6A5P4

(the "Debtor")

AND:

INTERNATIONAL FOREST PRODUCTS CORPORATION,
having an address at One Patriot Place, Foxborough,
Massachusetts, 02035

(the "Secured Party")

The following numbering is done with the Alt NB numbering macro. There are 6 levels (Heading 1 to Heading 6 styles); shortcut keys Ctrl Alt 1 to Ctrl Alt 6.

1. SECURITY INTEREST

For good and valuable consideration, the receipt and adequacy of which are acknowledged by the Debtor, and as general and continuing security for the due payment and performance of the Obligations (defined in Clause 2 hereof), the Debtor hereby mortgages, charges, assigns and transfers (by way of security) to the Secured Party, and grants to the Secured Party a security interest in, all the Debtor's right, title and interest in and to all presently owned or held and after acquired or held personal property, assets and undertaking of the Debtor, of whatever nature or kind and wheresoever situate and all proceeds derived directly or indirectly thereof and therefrom, and all substitutions therefor and accretions thereto including, without limiting the generality of the foregoing:

(a) Equipment - all equipment, including, without limiting the generality of the foregoing, all machinery, tools, fixtures, furniture, furnishings, chattels, motor vehicles, vessels and other tangible personal property that is not Inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the foregoing (all of which is herein collectively called the "Equipment");

(b) Inventory - all inventory, including without limiting the generality of the foregoing, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is herein collectively called the "Inventory");

(c) Accounts - all debts, accounts, claims, monies and choses in action which now are; or which may at any time hereafter be, due or owing to or owned by the Debtor and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the said debts, accounts, claims, monies and choses in action or any part thereof (all of which is herein collectively called the "Accounts");

(d) Other Personal Property - all books and records, documents of title, chattel paper, instruments, investment property, securities and money, and all other goods of the Debtor that are not Equipment, Inventory or Accounts;

(e) Intangibles - all contractual rights, permits, licenses, goodwill, patents, trademarks, trade names, copyrights and other intellectual property of the Debtor, all other choses in action of the Debtor of every kind which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor, and all other intangible property of the Debtor that is not Accounts, chattel paper, instruments, documents of title, securities or money; and

(f) Proceeds - all proceeds derived directly or indirectly from any use or dealing with the collateral referred to in subsections (a) through (e) hereof including, without limiting the generality of the foregoing, proceeds of sale, lease or other dispositions of any such collateral, proceeds of a kind similar to the above described items, and money, cheques or deposit accounts in deposit taking institutions (herein collectively referred to as "Proceeds");

and for the same consideration, the Debtor hereby mortgages, charges, pledges and assigns, as and by way of a floating charge, all of the Debtor's other properties, assets and undertaking for the time being and from time to time, real and personal, moveable and immoveable, both present and future, now owned or hereafter acquired of whatsoever nature and kind and wheresoever situate.

All of the foregoing mentioned property is herein collectively referred to as the "Collateral".

2. OBLIGATIONS SECURED

This Security Agreement and the security interests hereby created are in addition to and not in substitution for any other security interest now or hereafter held by the Secured Party from the Debtor or from any other person whomsoever and shall be general and continuing security for the payment of all indebtedness, obligations and liabilities of the Debtor to the Secured Party (including interest thereon), present and future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wheresoever and howsoever incurred, and any ultimate balance thereof, including all future advances and re-advances, and for the performance of all obligations and covenants of the Debtor to the Secured Party, whether or not contained in this Security Agreement or in any other agreement between the Debtor and the Secured Party including, without in any way limiting the generality of the foregoing, the indebtedness, obligations and liabilities of the Debtor to the Secured Party under the Loan Agreement dated as of December 8, 2010 (the "Loan Agreement") by and among the Debtor and the Secured Party, the Pulp Purchase Agreement dated as of December 8, 2010 ("the Pulp Purchase Agreement") by and among the Debtor and the Secured Party, and the Sales and Remarketing Agreement dated as of December 8, 2010 ("the Sales Agreement") by and among the Debtor and the Secured Party (all of which indebtedness, obligations and liabilities are herein collectively called the "Obligations").

3. PROHIBITIONS

Without the prior written consent of the Secured Party the Debtor shall not have power to:

(a) create or permit to exist any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets, or undertakings which ranks or could in any event rank in priority to or pari passu with any security interest created by this Security Agreement; or

(b) grant, sell, or otherwise assign its chattel paper.

4. ATTACHMENT

The Debtor acknowledges that the security interests hereby created attach upon the execution of this Security Agreement (or in the case of any after acquired property, upon the date of acquisition thereof), that value has been given, and that the Debtor has, or in the case of after acquired property will have, rights in the Collateral.

5. REPRESENTATIONS AND WARRANTIES

5.1 The Debtor represents and warrants that this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Debtor and all other matters and things have been done and performed so as to authorize and make the execution and delivery of this Security Agreement, and the performance of the Debtor's obligations hereunder, legal, valid and binding.

5.2 The Debtor represents and warrants that the Debtor lawfully owns and possesses all presently held Collateral and has good title thereto, free from all security interests, charges, encumbrances, liens and claims, except for Permitted Liens and the Debtor has good right and lawful authority to grant a security interest in the Collateral as provided by this Security Agreement.

5.3 All of the information set out in Schedule A hereto is accurate and complete.

6. COVENANTS OF THE DEBTOR

6.1 The Debtor covenants that at all times while this Security Agreement remains in effect the Debtor will:

(a) defend the title to the Collateral for the benefit of the Secured Party against the claims and demands of all persons;

(b) fully and effectually maintain and keep maintained the security interest hereby created valid and effective;

(c) maintain insurance on the Collateral with an insurer, of kinds, for amounts and payable to such person or persons, all as the Secured Party may reasonably require and provide such proof of insurance as the Secured Party may reasonably require;

(d) maintain the Collateral in good order and repair and maintain accurate and complete records of the Collateral;

(e) forthwith pay:

   (i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish such security as the Secured Party may require; and

   (ii) all security interests, charges, encumbrances, liens and claims which rank or could in any event rank in priority to any security interest created by this Security Agreement, Permitted Liens hereto and those consented to in writing by the Secured Party;

(f) forthwith pay all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) which may be incurred by the Secured Party in:

   (i) inspecting the Collateral;

   (ii) negotiating, preparing, perfecting and registering this Security Agreement and other documents, whether or not relating to this Security Agreement;

   (iii) investigating title to the Collateral;

   (iv) taking, recovering, keeping possession of and insuring the Collateral; and

   (v) all other actions and proceedings taken in connection with the preservation of the Collateral and the enforcement of this Security Agreement and of any other security interest held by the Secured Party as security for the Obligations;

(g) at the Secured Party's request at any time and from time to time execute and deliver such further and other documents and instruments and do all acts and things as the Secured Party in its absolute and discretion requires in order to confirm and perfect, and maintain perfection of, the security interests and charges hereby created in favour of the Secured Party upon any of the Collateral;

(h) notify the Secured Party promptly of:

(i) any change to the information contained herein relating to the Debtor, its address, its business or the Collateral including the information set out in Schedule A hereto;

(ii) the details of any material acquisition of the Collateral;

(iii) any material loss of or damage to the Collateral;

(iv) any material default by any account debtor in payment or other performance of his obligations to the Debtor with respect to any Accounts; and

(v) the return to or repossession by the Debtor of the Collateral where such return or repossession of the Collateral is material in relation to the business of the Debtor;

(i) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement and not create, incur or permit to exist and will defend the Collateral against any and all liens and security interests other than the Permitted Liens;

(j) permit the Secured Party and its representatives, at all reasonable times, access to all its property, assets and undertakings and to all its books of account and records for the purpose of inspection and render all assistance necessary for such inspection; and

(k) deliver to the Secured Party from time to time promptly upon request:

(vi) any documents of title, instruments, securities and chattel paper constituting, representing or relating to Collateral;

(vii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same;

(viii) all financial statements prepared by or for the Debtor regarding the Debtor's business;

(ix) all policies and certificates of insurance relating to the Collateral; and

(x) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Secured Party may require.

7. PERFORMANCE OF OBLIGATIONS

If the Debtor fails to perform its obligations hereunder or under the Loan Agreement, the Secured Party may, but shall not be obliged to, perform any or all of such obligations without prejudice to any other rights and remedies of the Secured Party hereunder, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred in connection therewith shall be payable by the Debtor to the Secured Party forthwith with interest until paid at the highest rate borne by any of the Obligations and such amounts shall be a charge upon and security interest in the Collateral in favour of the Secured Party prior to all claims subsequent to this Security Agreement.

8. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

8.1 Except as herein provided, without the prior written consent of the Secured Party the Debtor will not:

(a) sell, lease or otherwise dispose of the Collateral;

(b) release, surrender or abandon possession of the Collateral; or

(c) move or transfer the Collateral from its present location.

8.2 Provided that the Debtor is not in default under this Security Agreement or under the Loan Agreement, at any time without the consent of the Secured Party the Debtor may lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business and for the purposes of carrying on its business.

9. DEFAULT

The Debtor shall be in default under this Security Agreement, unless waived by the Secured Party, in any of the following events:

(a) the Debtor makes default in payment when due of any indebtedness or liability of the Debtor to the Secured Party; or

(b) the Debtor is in breach of any term, condition, obligation or covenant to the Secured Party, or any representation or warranty to the Secured Party is untrue, whether or not contained in this Security Agreement, the Loan Agreement or otherwise; or

(c) the Debtor makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of provisions for relief under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment; or

(d) a receiver, receiver and manager or receiver-manager of all or any part of the Collateral is appointed; or

(e) an order of execution against the Collateral or any part thereof remains unsatisfied for a period of 10 days; or

(f) without the prior written consent of the Secured Party, the Debtor creates or permits to exist any charge, encumbrance or lien on or claim against or any security interest in, any of the Collateral , other than the Permitted Liens, which ranks or could in any event rank in priority to or pari passu with any security interest or charge created by this Security Agreement; or

(g) the holder of any other charge, encumbrance or lien on or claim against, or security interest in, any of the Collateral does anything to enforce or realize on such charge, encumbrance, lien, claim or security interest; or

(h) an order is made or an effective resolution is passed for winding up the Debtor; or

(i) the Debtor enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement with any other person; or

(j) the Secured Party in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance of any of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy.

10. ENFORCEMENT

10.1 The Secured Party may demand payment at any time of any or all of the Obligations that are payable on demand (whether or not the Debtor is in default under this Security Agreement) and upon any default under this Security Agreement the Secured Party may declare any or all of the Obligations not payable on demand to become immediately due and payable and upon said demand or declaration being made the security hereby constituted will immediately become enforceable. To enforce and realize on the security constituted by this Security Agreement the Secured Party may take any action permitted by law or in equity, as it may deem expedient, and in particular without limiting the generality of the foregoing, the Secured Party may do any of the following:

(a) appoint by instrument a receiver, receiver and manager or receiver-manager (the person so appointed is herein called the "Receiver") of the Collateral, , and from time to time in its absolute discretion remove such Receiver and appoint another in its stead;

(b) enter upon any premises of the Debtor and take possession of the Collateral with power to exclude the Debtor, its agents and its servants therefrom, without becoming liable as a mortgagee in possession;

(c) preserve, protect and maintain the Collateral and make such replacements thereof and repairs and additions thereto as the Secured Party may deem advisable;

(d) sell, lease or otherwise dispose of all or any part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained therefore and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as the Secured Party may seem reasonable, provided that if any sale is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies therefore are actually received; and

(e) exercise all of the rights and remedies of a secured party under the Act.

10.2 A Receiver appointed pursuant to this Security Agreement shall be the agent of the Debtor and not of the Secured Party and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of the Secured Party hereunder, and in addition shall have power to carry on the business of the Debtor and for such purpose from time to time to borrow money either secured or unsecured, and if secured by a security interest on any of the Collateral; such security interest may rank before or pari passu with or behind any security interest created by this Security Agreement, and if it does not so specify such security interest shall rank before the security interests created by this Security Agreement.

10.3 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Security Agreement, all amounts realized from the disposition of Collateral pursuant to this Security Agreement will be applied as the Secured Party, in its absolute discretion, may direct as follows:

(a) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and his own client basis) incurred by the Secured Party in connection with or incidental to:

(i) the exercise by the Secured Party of all or any of the powers granted to it pursuant to this Security Agreement; and

(ii) the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to it pursuant to this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;

(b) in or toward payment to the Secured Party of all principal and other monies (except interest) due in respect of the Obligations;

(c) in or toward payment to the Secured Party of all interest remaining unpaid in respect of the Obligations.

Subject to applicable law and the claims, if any, of other creditors of the Debtor, any surplus will be paid to the Debtor.

11. DEFICIENCY

If the amounts realized from the disposition of the Collateral are not sufficient to pay the Obligations in full the Debtor will immediately pay to the Secured Party the amount of such deficiency. – secured by security ?

12. RIGHTS CUMULATIVE

All rights and remedies of the Secured Party set out in this Security Agreement are cumulative and no right or remedy contained herein is intended to be exclusive but each will be in addition to every other right or remedy contained herein or in any existing or future security agreement or now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Debtor and the Secured Party that may be in effect from time to time.

13. LIABILITY OF SECURED PARTY

The Secured Party shall not be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when the Secured Party shall manage the Collateral upon entry, as herein provided, nor shall the Secured Party be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. The Secured Party shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor nor shall the Secured Party, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall the Secured Party be obliged to keep any of the Collateral identifiable. The Debtor hereby waives any applicable provision of law permitted to be waived by it which imposes higher or greater obligations upon the Secured Party than aforesaid.

14. APPOINTMENT OF ATTORNEY

The Debtor hereby irrevocably appoints the Secured Party or the Receiver, as the case may be, with full power of substitution, to be the attorney of the Debtor for and in the name of the Debtor to sign, endorse or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute and generally to use the name of the Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Secured Party or the Receiver, as the case may be, pursuant to this Security Agreement.

15. APPROPRIATION OF PAYMENTS

Any and all payments made in respect of the Obligations from time to time and monies realized from any security interests held therefor (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations in accordance with the terms of the Loan Agreement. conflict with 10.3 ?

16. LIABILITY TO ADVANCE

None of the preparation, execution, perfection and registration of this Security Agreement or the advance of any monies shall bind the Secured Party to make any advance or loan or further advance or loan, or renew any note or extend any time for payment of any indebtedness or liability of the Debtor to the Secured Party.

17. WAIVER

The Secured Party may from time to time and at any time waive in whole or in part any right, benefit or default under any clause of this Security Agreement but any such waiver of any right, benefit or default on any occasion shall be deemed not to be a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default, as the case may be. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Secured Party.

18. NOTICE

Notice may be given to either party by sending it through the post in prepaid mail or delivered to the party for whom it is intended, at the principal address of such party provided herein or at such other address as may be given in writing by such party to the other, and any notice if posted shall be deemed to have been given at the expiration of three business days after posting and if delivered, on delivery.

19. EXTENSIONS

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests, and otherwise deal with the Debtor, account debtors of the Debtor, sureties and others and with respect to the Obligations and the Collateral and other security interests as the Secured Party may see fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize on the security constituted by this Security Agreement.

20. NO MERGER

This Security Agreement shall not operate so as to create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may hereafter be held by the Secured Party from the Debtor or from any other person whomsoever. The taking of a judgment with respect to any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

21. ASSIGNMENT

The Secured Party may, without further notice to the Debtor, at any time assign, transfer or grant a security interest in this Security Agreement and the security interests granted hereby. The Debtor expressly agrees that the assignee, transferee or secured party, as the case may be, shall have all of the Secured Party's rights and remedies under this Security Agreement and the Debtor will not assert any defense, counterclaim, right of set-off or otherwise any claim which it now has or hereafter acquires against the Secured Party in any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the Obligations to the assignee, transferee or secured party, as the case may be, as the Obligations become due.

22. SATISFACTION AND DISCHARGE

Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to the Secured Party, shall be deemed not to be a redemption or discharge of this Security Agreement. The Debtor shall be entitled to a release and discharge of this Security Agreement only upon full payment and satisfaction of all Obligations and upon written request by the Debtor and payment to the Secured Party of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his client basis) incurred by the Secured Party in connection with the Obligations and such release and discharge.

23. TERM

This Security Agreement shall be a continuing agreement in every respect for the payment in full of the Obligations and it shall remain in full force and effect until all of the Obligations shall be paid and satisfied in full. In the event any provisions of this Security Agreement shall be deemed invalid or void by any court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect. All rights and remedies of the Secured Party set out in this Security Agreement are cumulative and no right or remedy contained herein is intended to be exclusive but each will be in addition to every other right or remedy contained herein or in any existing or future Security Agreement or now or hereafter existing at law, in equity or by statute or pursuant to any other agreement between the Debtor and the Secured Part that may be in effect from time to time. No delay or omission by the Secured Party in exercising any right or remedy herein or with respect to the Obligations shall operate as a waiver thereof.

24. SET-OFF

Without limiting any other right of the Secured Party, whenever the Obligations are immediately due and payable or the Secured Party has the right to declare the Obligations to be immediately due and payable (whether or not it has so declared), the Secured Party may, in its sole discretion, set off against the Obligations any and all monies then owed to the Debtor by the Secured Party in any capacity, whether or not due including without in any way limiting this right of set-off, amounts due by the Secured Party to the Debtor, and the Secured Party shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on the Secured Party's records subsequent thereto.

25. ENUREMENT

This Security Agreement shall enure to the benefit of the Secured Party and its successors and assigns, and shall be binding upon the respective heirs, executors, personal representatives, successors and permitted assigns of the Debtor.

26. INTERPRETATION

26.1 In this Security Agreement:

(a) "Collateral" has the meaning set out in Clause 1 hereof and any reference to Collateral shall, unless the context otherwise requires, be deemed a reference to Collateral as a whole or any part thereof;

(b) "Debtor" and the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations or partnerships and, if more than one, shall apply and be binding upon each of them jointly and severally;

(c) "Permitted Lien" has the meaning set out in the Loan Agreement;

(d) "the Act" means the *Personal Property Security Act* (Ontario) and all regulations thereunder as amended from time to time.

26.2 Words and expressions used herein that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined herein or unless the context otherwise requires.

26.3 The invalidity or unenforceability of the whole or any part of any clause of this Security Agreement shall not affect the validity or enforceability of any other clause or the remainder of such clause.

26.4 The headings of the clauses of this Security Agreement have been inserted for reference only and do not define, limit, later or enlarge the meaning of any provision of this Security Agreement.

26.5 This Security Agreement shall be governed by and construed in accordance with the laws of the province of Ontario and the federal laws of Canada applicable thereto.

27. COPY OF AGREEMENT AND FINANCING STATEMENT

The Debtor hereby:

(a) acknowledges receiving a copy of this Security Agreement, and

(b) waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement or verification statement filed at any time in respect of this Security Agreement.

IN WITNESS WHEREOF the Debtor has executed this Security Agreement as of the 8th day of December, 2010.

ST. MARY'S PAPER CORP.
by its authorized signatory:

Authorized Signatory

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SCHEDULE A

DEBTOR INFORMATION

Full legal name: St Marys Paper Corp.

Prior names: St Marys Paper (2007) Ltd.

Predecessor companies: none

Jurisdiction of incorporation or organization: Ontario

Address of chief executive office: 75 Huron Street, Sault St Marie ON

Addresses of all places where business is carried on or tangible Personal Property is kept: 75 Huron Street, and 486 Gran Street, Sault St Marie Ontario

Jurisdictions in which all material account debtors are located: Canada and the United States of America

Addresses of all owned real property: 75 Huron Street, Sault St Marie Ontario

Addresses of all leased real property: 75 Huron Street, Sault St Marie Ontario

Description of all "serial number" goods (i.e. motor vehicles, trailers, aircraft, boats and outboard motors for boats): See attached Schedule A-1

Description of all material Permits:

1. Timber Supply Agreement #536216, entered into pursuant to section 4 of the Crown Timber Act, dated October 13, 1994 between Her Majesty the Queen, as represented by the Minister of Natural Resources and St. Marys Paper Ltd. The Timber Supply Agreement was in effect from April 1, 1994 to March 31, 2005.

2. Conifer Commitment Letter, dated December 15, 1998, from the Minister of Natural Resources to Mr. Ronald M. Stern, Chief Executive Officer, Belgravia Investments Ltd.

3. Non-Veneer Quality Aspen Poplar Commitment Letter, dated December 15, 1998, from the Minister of Natural Resources to Mr. Ronald M. Stern, Chief Executive Officer, Belgravia Investments Ltd.

4. Letter of Provincial Support, dated May 18, 2007, from the Minister of Northern Development and Mines, Rick Bartolucci, to Mr. Gordon P. Acton, Wishart Law Firm LLP

5. White River Forest letters from the Assistant Deputy Minister Forests Division, Ministry of Natural Resources, dated April 15, 2009 to Marc Dube, St. Marys Paper

Corp., and March 30, 2009 to Marc Dube, St. Marys Paper Corp. and Jean-Francois Mérette, Domtar Inc.

6. Nipissing Forest No. 542053	Approved by Order-in-Council No. 1314/96, dated July 3, 1996 And as most recently amended by Order-in-Council No. 1284/2006, dated June 14, 2006	2) To make available annually to St. Marys Paper Ltd., for use in their paper mill in Sault Ste. Marie, Ontario, through a long term MOA, a target volume of 48,000 m^3 of conifer timber. The supply of conifer timber is made available consistent with a letter dated December 15, 1998 from the Minister of Natural Resources to Mr. Ronald M. Stern, Chief Executive Officer, Belgravia Investments Ltd., hereafter referred to as the "St. Marys Conifer Commitment Letter".
7. Algoma Forest No. 542257	Approved by Order-in-Council No. 2242/97, dated December 10, 1997 And as most recently amended by Minister's Approval dated June 29, 2009	1) To make available annually to St. Marys Paper Ltd.'s Sault Ste. Marie, Ontario paper facility, through a long term memorandum of agreement (MOA) in accordance and consistent with a letter dated December 15, 1998 from the Minister of Natural Resources to Mr. Ronald M. Stern, Chief Executive Officer, Belgravia Investments Ltd., and with Supply Agreement 536216, dated October 13, 1994, a target volume of 127,000 m^3 of jack pine, spruce and balsam fir conifer logs. 2) To make available annually to St. Marys Paper Ltd.'s Sault Ste. Marie, Ontario paper facility, through a long term MOA in accordance and consistent with a letter dated December 15, 1998 from the Minister of Natural Resources to Mr. Ronald M. Stern, Chief Executive Officer, Belgravia Investments Ltd., a target volume of 18,600 m^3 of non-veneer quality aspen poplar logs.
8. Northshore Forest No. 542521	Approved by Order-in-Council No. 179/99, dated January 27, 1999 And as most recently amended by Minister's Approval, dated June 29, 2009	2) To make available annually to St Mary Paper Corp., for use in their paper mill at Sault Ste. Marie, Ontario, through a long term MOA, a target volume of 70,000 m3 of non-veneer quality aspen poplar towards their aggregate total volume from all management units. This poplar supply is provided consistent with the intent of a letter dated December 15, 1998 from the Minister of Natural Resources to Mr. Ronald M. Stern, Chief Executive Officer, Belgravia Investments Ltd., referred to as the "St. Marys Hardwood Commitment Letter". 3) To make available annually to St Mary Paper Corp., for their paper mill at Sault Ste. Marie, Ontario, from

		the portion of the Northshore Forest within Sault Ste. Marie District, through a long term MOA, a target volume of 50,000 m3 of spruce and/or balsam fir towards their aggregate volume from all management units. This timber supply is provided consistent with a letter dated December 15, 1998 from the Minister of Natural Resources to Mr. Ronald M. Stern, Chief Executive Officer, Belgravia Investments Ltd., referred to as the "St. Marys Conifer Commitment Letter".
9. Gordon Cosens Forest No.550039	Approved by Order-in-Council No. 1158/2001, dated May 9, 2001 And as amended as most recently amended by Minister's Approval, dated 3 June 2006	6. To make available annually to St. Mary's Paper Ltd. for use in their mill at Sault Ste. Marie, Ontario, through long-term MOAs, an annual aggregate target volume of 15,000 m3 of spruce and balsam fir towards their aggregate total from all management units, from the area previously known as the Kapuskasing Management Unit. All, or part of the aggregate volume can be harvested from any other part of the Gordon Cosens Forest if agreed to by both parties. This supply of spruce and balsam fir is consistent with the intent of a letter dated December 15, 1998, from the Minister of Natural Resources to Mr. Ronald M. Stern, Chief Executive Officer, Belgravia Investments Limited.

10. Certificate of Approval for Air and Water Intake ; Ministry of Energy Global Ajustment Energy Program, Northern Industrial Electrical Reduction Program of the Ministry of Energy; Demand Response II- Electrical Load Shifting Program of the Ontario Power Authority

Subsidiaries of the Debtor: SMP Resources Inc

Instruments, Documents of Title and Chattel Paper of the Debtor:

Pledged Certificated Securities:

Pledged Issuer	Securities Owned	% of issued and outstanding Securities of Pledged Issuer	Security Certificate Numbers	Security Certificate Location

Pledged Securities Accounts:

Pledged Securities Intermediary	**Securities Account Number**	**Pledged Securities Intermediary's Jurisdiction**	**Pledged Security Entitlements**

Pledged Uncertificated Securities:

Pledged Issuer	**Pledged Issuer's Jurisdiction**	**Securities Owned**	**% of issued and outstanding Securities of Pledged Issuer**

Pledged Futures Accounts:

Pledged Futures Intermediary	**Futures Account Number**	**Pledged Futures Intermediary's Jurisdiction**	**Pledged Futures Contracts**

Registered trade-marks and applications for trademark registrations:

Country	*Trade-mark*	*Application No.*	*Application Date*	*Registration No.*	*Registration Date*	*Licenced to or by Debtor*
Canada	TMA 313154				September 18th 1984	no

Patents and patent applications:

Country	*Title*	*Patent No.*	*Application Date*	*Date of Grant*	*Licenced to or by Debtor*
none					(Y/N)

Copyright registrations and applications for copyright registrations:

Country	*Work*	*Application No.*	*Application Date*	*Registration No.*	*Licenced to or by Debtor*
none					(Y/N)

Industrial designs/registered designs and applications for registered designs:

Country	*Design*	*Application No.*	*Application Date*	*Registration No.*	*Issue Date*	*Licenced to or by Debtor*
						(Y/N)

SCHEDULE A-1

caeqm_equip_id	caeqm_equip_name	caeqm_create_ts	eqem_description	eqem_model_num	eqem_size	eqem_serial_num	eqem_parent_id
0BRDM-MBL-001	BOARDMILL,MOBILE,FORK TRUCK *	1/5/2001 17:02:00	BOARDMILL,MOBILE,FORK TRUCK□ SEE SUBASSEMBLY FOR DETAILS				00BOARDMILL
0BTRM-MBL-001	BEATERROOM,FORK TRUCK,CHEMICAL LOADING *	1/5/2001 17:02:00	BEATERROOM,FORK TRUCK,CHEMICAL LOADING□ MODEL 52-6FGU30 V A400, FRAME NO. 506FGU30 61104, ENGINE NO. 6FGU30, GM 4181 LIFTING HEIGHT 3300 MM, 6000#, 2 SPEED POWER SHIFT TRANS, CATALYTIC MUFFLER, LPG FUEL SYSTEM. 00028032 P.O.			52-6FGU30	00BEATERROOM
0CORM-MBL-001	COREROOM,PALLET TRUCK,#1	1/12/2010 14:23:55:966	COREROOM,PALLET TRUCK,#1				00COREROOM
0CORM-MBL-002	COREROOM,PALLET TRUCK,#2 *	1/5/2001 17:02:00	COREROOM,PALLET TRUCK,#2				00COREROOM
0CORM-MBL-003	COREROOM,PALLET TRUCK,#3 *	1/5/2001 17:02:00	COREROOM,PALLET TRUCK,#3□ SEE SUBASSEMBLY FOR DETAILS				00COREROOM
0FNSH-MBL-001	FINISHING,PALLET TRUCK,ROLL MOVING,#1 *	1/5/2001 17:02:00	FINISHING,PALLET TRUCK,ROLL MOVING,#1□ SEE SUBASSEMBLY FOR DETAILS				00FINISHING
0FNSH-MBL-002	FINISHING,PALLET TRUCK,ROLL MOVING,#2 *	1/5/2001 17:02:00	FINISHING,PALLET TRUCK,ROLL MOVING,#2□ SEE SUBASSEMBLY FOR DETAILS				00FINISHING
0FNSH-MBL-003	FINISHING,MOBILE,EAST JUMBO ROLL CART *	1/5/2001 17:02:00	FINISHING,MOBILE,EAST JUMBO ROLL CART□ ROLL TRANSFER CART FROM PM5 TO SC3 AND SC4 SEE SUB-ASSEMBLY FOR DETAILS AND PARTS				00FINISHING
0FNSH-MBL-004	FINISHING,MOBILE,ROLL MOVER	1/5/2001 17:02:00	FINISHING,MOBILE,ROLL MOVER	1250A			00FINISHING
0FNSH-MBL-005	FINISHING,MOBILE,WEST JUMBO ROLL CART *	1/5/2001 17:02:00	FINISHING,MOBILE,WEST JUMBO ROLL CART□ ROLL TRANSFER CART FROM WINDER 6 TO WINDER 7□ TRAILING CABLE LENGTH IS 110FT ORDER 115FT				00FINISHING

0GRWD-MBL-001	GROUNDWOOD,TRUCK,LEGEND TOW-TUG *	1/5/2001 17:02:00	GROUNDWOOD,TRUCK,LEGEND TOW-TUG *				00GROUNDWOOD
0HTPD-MBL-001	HOTPOND,FORK TRUCK,MW USE. *	1/5/2001 17:02:00	HOTPOND,FORK TRUCK,MW USE.□ DUAL FUEL GAS/PROPANE.	5FB30-A30V	6000LB	11427	00HOTPOND
0HTPD-MBL-002	HOTPOND,MANLIFT,MILL USE *	1/5/2001 17:02:00	HOTPOND,MANLIFT,MILL USE□ DUAL FUEL FORD VXG-411 ENGINE, MOTOR WISCONSIN, W4-1770, SERIAL NO. 6211300,	TB-37	600 LB.	881350288	00HOTPOND
0KRFT-MBL-001	KRAFT,FORK TRUCK,MAIN *	1/5/2001 17:02:00	KRAFT,FORK TRUCK,MAIN□ SEE SUBASSEMBLY FOR DETAILS				00KRAFT
0KRFT-MBL-002	KRAFT,FORK TRUCK,SPARE *	1/5/2001 17:02:00	KRAFT,FORK TRUCK,SPARE□ SEE SUBASSEMBLIES				00KRAFT
0MTRS-MBL-001	MOTORSTORAGE,STACKER *	1/5/2001 17:02:00	MOTORSTORAGE,STACKER□ SEE SUBASSEMBLY FOR DETAILS				00MOTORSTORAGE
0PMC4-MBL-001	PM4,MOBILE,FORK TRUCK,TRANSFER RAILS *	1/5/2001 17:02:00	PM4,MOBILE,FORK TRUCK,TRANSFER RAILS□ SEE SUBASSEMBLY FOR DETAILS				00PM4
0PMC5-MBL-001	PM5,MOBILE,CLAMP TRUCK,SWIPER USE *	1/5/2001 17:02:00	PM5,MOBILE,CLAMP TRUCK,SWIPER USE *** SEE SUBASSEMBLY FOR DETAILS **				00PM5
0PMGN-MBL-001	PMGENERAL,ROLL PUSHER,"EASY MOVER"	1/5/2001 17:02:00	PMGENERAL,ROLL PUSHER,"EASY MOVER"	P1200			00PMGENERAL
0SCL3-MBL-001	SC3,CART,ROLL CHANGE CART & RAILS *	1/5/2001 17:02:00	SC3,CART,ROLL CHANGE CART & RAILS□ SEE SUBASSEMBLY FOR DETAILS				00SC3
0SCL5-MBL-001	SC5,CART,ROLL CHANGE CART & RAILS *	1/5/2001 17:02:00	SC5,CART,ROLL CHANGE CART & RAILS□ SEE SUBASSEMBLY FOR DETAILS				00SC5
0SCL6-MBL-001	SC6,CART,ROLL CHANGE CART & RAILS *	1/5/2001 17:02:00	SC6,CART,ROLL CHANGE CART & RAILS□ SEE SUBASSEMBLY FOR DETAILS				00SC6
0SHOP-MBL-001	SHOP,FORK TRUCK,MILL USE,#1 *	1/5/2001 17:02:00	SHOP,FORK TRUCK,MILL USE,#1□ SEE SUBASSEMBLY FOR DETAILS				00SHOPS
0SHOP-MBL-002	SHOP,FORK TRUCK,MILL USE,#2 *	1/5/2001 17:02:00	SHOP,FORK TRUCK,MILL USE,#2□ SEE SUBASSEMBLY FOR DETAILS				00SHOPS

0SHOP-MBL-003	SHOP,FORK TRUCK,MILL USE,#3 •	1/5/2001 17:02:00	SHOP,FORK TRUCK,MILL USE,#3□ SEE SUBASSEMBLY FOR MORE DETAILS				00SHOPS
0SHOP-MBL-004	SHOP,MANLIFT,MILL USE •	1/5/2001 17:02:00	SHOP, MANLIFT, MILL USE □ SEE SUBASSEMBLY FOR DETAILS				00SHOPS
0SHOP-MBL-005	SHOP,SERVICE TRUCK,SHIFT MWs •	1/5/2001 17:02:00	SHOP, SERVICE TRUCK, SHIFT MWs □ SEE SUBASSEMBLY FOR DETAILS				00SHOPS
0SHOP-MBL-006	SHOP,TOW VEHICLE,COTTON CLUB •	1/5/2001 17:02:00	SHOP,TOW VEHICLE,COTTON CLUB□ SEE SUBASSEMBLY FOR DETAILS				00SHOPS
0SHOP-MBL-007	SHOP,PERSONNEL CARRIER,SHIFT MWs •	1/5/2001 17:02:00	SHOP, PERSONNEL CARRIER, SHIFT MWs □ SEE SUBASSEMBLY FOR DETAILS				00SHOPS
0SHOP-MBL-008	SHOP,FORK,TRUCK,MILL USE •	1/5/2001 17:02:00	SHOP,FORK,TRUCK,MILL USE□ SEE SUBASSEMBLY FOR DETAILS				00SHOPS
0SHOP-MBL-009	SHOP,PALLET,TRUCK,OIL BRL TRANSPORT •	1/5/2001 17:02:00	SHOP, PALLET, TRUCK, OIL BRL TRANSPORT□ SEE SUBASSEMBLY FOR DETAILS				00SHOPS
0SHOP-MBL-010	SHOP,MANLIFT,MILLUSE	1/5/2001 17:02:00	SHOP,MANLIFT,MILLUSE□ SUBASSEMBLY MBL-LFT-000038				00SHOPS
0SLSH-MBL-008	SLASHER,LOG LOADER,WOOD HANDLING	9/15/2004 15:46:34:186	SLASHER,LOG LOADER,CARRY LIFT				00SLASHER
0SLSH-MBL-022	SLASHER,LOG LOADER,WOOD HANDLING	8/2/2006 14:38:32:986	SLASHER,LOG LOADER,CARRY LIFT				00SLASHER
0SLSH-MBL-024	SLASHER,LOADER,FRONT END •	9/15/2004 15:16:02:526	SLASHER,LOADER,FRONT END□ SEE SUBASSEMBLY FOR DETAILS				00SLASHER
0SLSH-MBL-025	SLASHER,LOADER,FRONT END •	9/15/2004 15:32:15:266	SLASHER,LOADER,FRONT END□ SEE SUBASSEMBLY FOR DETAILS				00SLASHER
0STMP-MBL-002	STEAMPLANT,LIFT TRUCK •	1/5/2001 17:02:00	STEAMPLANT,LIFT TRUCK□ SEE SUBASSEMBLY FOR DETAILS				00STEAMPLANT
0STMP-MBL-003	STEAMPLANT,LIFT TRUCK*	4/25/2001 20:21:48:266					00STEAMPLANT
0STMP-MBL-004	STEAMPLANT,LIFT TRUCK	1/9/2002 17:05:56:733					00STEAMPLANT
0STMP-MBL-005	STEAMPLANT,BARK CELL CLEANING MACH,	10/16/2002 14:47:47:97	STEAMPLANT, BARK CELL CLEANING MACHINE, KABOTA				00STEAMPLANT

0STOR-MBL-001	STORES,FORK TRUCK *	1/5/2001 17:02:00	STORES,FORK TRUCK□ SEE SUBASSEMBLY FOR DETAILS				00STORES
0STOR-MBL-002	STORES,STACKER *	1/5/2001 17:02:00	STORES,STACKER, SEE SUBASSEMBLY FOR MORE DETAILS				00STORES
0STOR-MBL-003	STORES,FORK TRUCK,ELECTRIC,TOYOTA *	1/5/2001 17:02:00	STORES, FORK TRUCK, ELECTRIC,TOYOTA□ SEE SUBASSEMBLY FOR MORE DETAILS				00STORES
0TRMT-MBL-001	TREATMENT,STACKER,SWITCHGEAR HANDLING	1/5/2001 17:02:00	TREATMENT,STACKER,SWITCHGEAR HANDLING, HYDRAULIC STACKER				00TREATMENT
0WDRM-MBL-001	WOODROOM,TRUCK,SUPERVISOR'S PICKUP *	1/5/2001 17:02:00	WOODROOM,TRUCK,SUPERVISOR'S PICKUP, SEE SUBASSEMBLY FOR DETAILS				00WOODROOM
0WDWS-MBL-002	WOODWASTE,LOADER,FRONT END *	2/11/2002 09:16:38:03	WOODWASTE,LOADER,FRONT END□ SEE SUBASSEMBLY FOR DETAILS				00NOPARENT
0WDWS-MBL-004	WOODWASTE,LOADER,SKID STEER *	1/5/2001 17:02:00	WOODWASTE,LOADER,SKID STEER□ SEE SUBASSEMBLY FOR DETAILS				00WOODWAST E
0WHSE-MBL-001	WAREHOUSE,CLAMP TRUCK,#1 *	1/5/2001 17:02:00	WAREHOUSE,CLAMP TRUCK,#1□ SEE SUBASSEMBLY FOR DETAILS				00WAREHOUSE
0WHSE-MBL-002	WAREHOUSE,CLAMP TRUCK,#2 *	1/5/2001 17:02:00	WAREHOUSE,CLAMP TRUCK,#2□ SEE SUBASSEMBLY FOR MORE DETAILS				00WAREHOUSE
0WHSE-MBL-003	WAREHOUSE,CLAMP TRUCK,#3 *	1/5/2001 17:02:00	WAREHOUSE,CLAMP TRUCK,#3□ SEE SUBASSEMBLY FOR MORE DETAILS				00WAREHOUSE
0WHSE-MBL-004	WAREHOUSE,CLAMP TRUCK,#4 *	1/5/2001 17:02:00	WAREHOUSE,CLAMP TRUCK,#4□ SEE SUBASSEMBLY FOR MORE DETAILS				00WAREHOUSE
0WHSE-MBL-006	WAREHOUSE,FORK TRUCK,DOCK PLATES *	1/5/2001 17:02:00	WAREHOUSE,FORK TRUCK,DOCK PLATES□ SEE SUBASSEMBLY FOR DETAILS				00WAREHOUSE
0WHSE-MBL-007	WAREHOUSE,CLAMP TRUCK (OFF SITE USE) *	1/5/2001 17:02:00	WAREHOUSE,CLAMP TRUCK (OFF SITE USE), SEE SUBASSEMBLY FOR MORE DETAILS, (CURRENTLY OFF-SITE LEASE AT ALGOMA PRODUCE WITH NORTHERN CONVERTERS 07/12/94)				00WAREHOUSE

0WHSE-MBL-008	WAREHOUSE,POWER SWEEPER *	1/5/2001 17:02:00	WAREHOUSE,POWER SWEEPER □ SEE SUBASSEMBLY FOR DETAILS, MBL-SWP-000001				00WAREHOUSE
0WHSE-MBL-009	WAREHOUSE,CLAMP TRUCK,#9 *	1/5/2001 17:02:00	WAREHOUSE,CLAMP TRUCK,#9□ SEE SUBASSEMBLY FOR DETAILS				00WAREHOUSE
0YARD-MBL-001	YARD,TRUCK,MILL USE,#1 *	1/5/2001 17:02:00	YARD,TRUCK,MILL USE, #1□ SEE SUBASSEMBLY FOR MORE DETAILS				00YARDS
0YARD-MBL-002	YARD,TRUCK,MILL USE,#2 *	1/5/2001 17:02:00	YARD, TRUCK, MILL USE, #2□ SEE SUBASSEMBLY FOR MORE DETAILS				00YARDS
0YARD-MBL-003	YARD,TRUCK,TRACTOR AND TRAILER *	1/5/2001 17:02:00	YARD,TRUCK,TRACTOR AND TRAILER□ SEE SUBASSEMBLY FOR DETAILS				00YARDS
0YARD-MBL-004	YARD,GRADER,MILL USE *	1/5/2001 17:02:00	YARD, GRADER, MILL USE □ SEE SUBASSEMBLY FOR DETAILS				00YARDS
0YARD-MBL-005	YARD,LOCOMOTIVE *	1/5/2001 17:02:00	YARD, LOCOMOTIVE □ SEE SUBASSEMBLY FOR DETAILS				00YARDS
0YARD-MBL-007	YARD,LOADER,SKID STEER *	1/5/2001 17:02:00	YARD, LOADER, SKID STEER□ KAT TRAK TIRES, 24 PLY, KUBOTA DIESEL,	753	43H.P./1350 LBS	515812470	00YARDS
0YARD-MBL-008	YARD,LOADER,SKID STEER *	1/5/2001 17:02:00	YARD,LOADER,SKID STEER *				00YARDS
0YARD-MBL-009	YARD,TRUCK,MILL USE *	1/5/2001 17:02:00	YARD,TRUCK,MILL USE *				00YARDS
0YARD-MBL-010	YARD,LOADER... *	1/5/2001 17:02:00	YARD,LOADER... *				00YARDS
0YARD-MBL-011	YARD,RAILCAR *	1/5/2001 17:02:00	YARD,RAILCAR *			1	00YARDS
0YARD-MBL-012	YARD,RAILCAR	1/5/2001 17:02:00	YARD,RAILCAR			2	00YARDS
0YARD-MBL-013	YARD,RAILCAR *	1/5/2001 17:02:00	YARD,RAILCAR *			3	00YARDS
0YARD-MBL-014	YARD,RAILCAR *	1/5/2001 17:02:00	YARD,RAILCAR *			4	00YARDS
0YARD-MBL-015	YARD,RAILCAR *	1/5/2001 17:02:00	YARD,RAILCAR *			5	00YARDS
0YARD-MBL-016	YARD,RAILCAR *	1/5/2001 17:02:00	YARD,RAILCAR *			6	00YARDS
0YARD-MBL-017	YARD,RAILCAR *	1/5/2001 17:02:00	YARD,RAILCAR *			7	00YARDS
0YARD-MBL-018	YARD,RAILCAR *	1/5/2001 17:02:00	YARD,RAILCAR *			8	00YARDS
0YARD-MBL-019	YARD,RAILCAR *	1/5/2001 17:02:00	YARD,RAILCAR *			9	00YARDS
0YARD-MBL-020	YARD,RAILCAR *	1/5/2001 17:02:00	YARD,RAILCAR *			10	00YARDS
0YARD-MBL-021	YARD,RAILCAR *	1/5/2001 17:02:00	YARD,RAILCAR *			11	00YARDS
0YARD-MBL-022	YARD,RAILCAR *	1/5/2001 17:02:00	YARD,RAILCAR *			12	00YARDS
0YARD-MBL-023	YARD,RAILCAR *	1/5/2001 17:02:00	YARD,RAILCAR *			13	00YARDS
0YARD-MBL-024	YARD,RAILCAR *	1/5/2001 17:02:00	YARD,RAILCAR *			14	00YARDS

0YARD-MBL-025	YARD,LOCOMOTIVE	1/5/2001 17:02:00	YARD,LOCOMOTIVE				00YARDS
0YARD-MBL-026	YARD,LOADER,SKID STEER*. . .	4/25/2001 20:44:32:53					00YARDS
0YARD-MBL-027	TRUCK, SERVICE	12/7/2007 10:23:46:17	1989 DODGE 150 POWER RAM	150 POWER RAM	1/2 TON	IB7HM16Y3K501 5786	00YARDS
0YARD-MBL-028	CAR,SECURITY	12/7/2007 10:52:42:376	99 FORD CONTOUR SE	CONTOUR SE	FOR DOOR SEDAN	1FAFP6631XK11 3096	00YARDS
HST-MBL-000001	HOIST,MBL,CRANE,RBC 7000 SPW	3/10/2003 15:54:43:393		CRANE,RB C 7000 SPW		62953	0BTRM-HST-008
MBL-CAR-000001	RAILCAR,1	1/5/2001 17:02:00	RAILCAR,1			1	0YARD-MBL-011
MBL-CAR-000002	RAILCAR,2	1/5/2001 17:02:00	RAILCAR,2			2	0YARD-MBL-012
MBL-CAR-000003	RAILCAR,3	1/5/2001 17:02:00	RAILCAR,3			3	0YARD-MBL-013
MBL-CAR-000004	RAILCAR,4	1/5/2001 17:02:00	RAILCAR,4			4	0YARD-MBL-014
MBL-CAR-000005	RAILCAR,5	1/5/2001 17:02:00	RAILCAR,5			5	0YARD-MBL-015
MBL-CAR-000006	RAILCAR,6	1/5/2001 17:02:00	RAILCAR,6			6	0YARD-MBL-016
MBL-CAR-000007	RAILCAR,7	1/5/2001 17:02:00	RAILCAR,7			7	0YARD-MBL-017
MBL-CAR-000008	RAILCAR,8	1/5/2001 17:02:00	RAILCAR,8			8	0YARD-MBL-018
MBL-CAR-000009	RAILCAR,9	1/5/2001 17:02:00	RAILCAR,9			9	0YARD-MBL-019
MBL-CAR-000010	RAILCAR,10	1/5/2001 17:02:00	RAILCAR,10			10	0YARD-MBL-020
MBL-CAR-000011	RAILCAR,11	1/5/2001 17:02:00	RAILCAR,11			11	0YARD-MBL-021
MBL-CAR-000012	RAILCAR,12	1/5/2001 17:02:00	RAILCAR,12			12	0YARD-MBL-022

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MBL-CAR-000013	RAILCAR,13	1/5/2001 17:02:00	RAILCAR,13			13	0YARD-MBL-023
MBL-CAR-000014	RAILCAR,14	1/5/2001 17:02:00	RAILCAR,14			14	0YARD-MBL-024
MBL-CRT-000001	MOBILE,CART,ROLL,EAST JUMBO ROLL CART TRANSFER	2/17/2003 11:47:47:706	MOBILE,CART,ROLL,EAST JUMBO ROLL TRNSFR ROLL TRANSFER CART FROM PM5 TO WND5 AND WND6. NEED 17 CONDUCTORS (WITH GREEN GND) FOR REEL (30 METERS)				0FNSH-MBL-003
MBL-CRT-000002	MOBILE,CART,ROLL,SC FILLED ROLL CART	1/5/2001 17:02:00	MOBILE,CART,ROLL,SC FILLED ROLL CART				0SCL3-MBL-001
MBL-CRT-000003	MOBILE,CART,ROLL,SC FILLED ROLL CART	1/5/2001 17:02:00	MOBILE,CART,ROLL,SC FILLED ROLL CART				0SCL5-MBL-001
MBL-CRT-000004	MOBILE,CART,ROLL,SC FILLED ROLL CART	1/5/2001 17:02:00	MOBILE,CART,ROLL,SC FILLED ROLL CART				0SCL6-MBL-001
MBL-CRT-000005	MOBILE,CART,ROLL,WEST JUMBO ROLL CART TRANSFER	2/17/2003 11:48:06:503	MOBILE,CART,ROLL,WEST JUMBO ROLL TRNSFR ROLL TRANSFER CART FROM WINDER6 TO WINDER7				0FNSH-MBL-005
MBL-GRD-000002	GRADER,CHAMPION,MODEL720,1986,OWNED	1/5/2001 17:02:00	GRADER,CHAMPION,MODEL720,1986,OWNED□ YEAR: 1986,ENGINE-CUMMINS 505,#44136432 SERIES C,CPL-0602,TRANSMISSION-GEARCO MODEL 8400,S/N 29953-132 PURCHASED FROM JIM CLARIDA AND SONS	720		720-187-03-16829	0YARD-MBL-004
MBL-LDR-000011	LOADER,1998,966F,1S03021,OWNED	1/5/2001 17:02:00	LOADER,1998,966F,1S03021,OWNED□ ENGING 3306B, SERIAL NO. 6NC04923,PERF SPEC 2T8356, ENG FAM. WCPXL 10.5,MRG TRANS. SERIAL NO. 2AX02833, ARRAG NO. 8E7564, TIRES 26.5 R 25 .	966F		1SL03021	0SLSH-MBL-024
MBL-LDR-000015	LOADER,2001, 515836200,OWNED	1/11/2001 14:55:12:143	ENGINE KABOTA 2.2, SERIAL NO MOTOR OYU1059, DIESEL, ENGINE V2203-E, FAMILY YKBXL02FCD., TIRES 30X11.50-14.5	753		515836200	0YARD-MBL-007

MBL-LDR-000020	LOADER,2004,966G,ANT00266,OWNED	9/7/2004 13:23:28:843	3 YR LEASE, 07/19/04, ENGINE S/N 3PD009280, BUCKET, 8 YARD, S/N ATK00537, TIRE SIZE 26.5X25	966G	966G11	ANT00266	0SLSH-MBL-025
MBL-LDR-000021	LOADER,OVERHEAD,2004,980G,SERIES 11	8/2/2006 14:46:59:003	TORMONT, LEASE, 3 YEARS,SERIAL NO. 0155-PL55-7, ENGINE 3406 SERIAL NO. BETO-3681, TIRES-GOODYEAR 29.5x25	980G		0155-PL55-7	0SLSH-MBL-022
MBL-LDR-000022	LOADER,OVERHEAD,2006,980H	8/2/2006 14:55:03:096	TORMONT, LEASE, 3 YEARS,SERIAL NO. JHS01056, DENARCO PARALIFT SERIAL NO. 0145-PL55-7, TIRES-GOODYEAR 29.5x25	980H		JHS01056	0SLSH-MBL-008
MBL-LFT-000001	LIFT,TRUCK,1998,5FG30-118V,OWNED	1/5/2001 17:02:00	LIFT,TRUCK,1998,5FG30-118V,OWNED □ PO 00047300, MAX HEIGHT 118 IN. ENG NO. 4Y0311428	5FG30-118V	9950 LB	4Y0311428	0BRDM-MBL-001
MBL-LFT-000002	LIFT,TRUCK,19??,V50D,3EC939,OWNED	1/5/2001 17:02:00	LIFT,TRUCK,19??,V50D,3EC939,OWNED□ YEAR; CAPACITY: 4800 lbs @ 188"	V50D		3EC939	0SHOP-MBL-008
MBL-LFT-000006	LIFT,TRUCK,1981,LSV-1200,124470,OWNED	1/5/2001 17:02:00	LIFT,TRUCK,1981,LSV-1200,124470,OWNED YEAR: 1981, PO #L-77903 CAPACITY: 2640 lbs. @ 114" SEE TEXT FOR MORE DETAILS	LSV-1200 STACKR	114"	124470	0MTRS-MBL-001
MBL-LFT-000013	MANLIFT,1988,45KB,23785-127M3096,OWNED	1/5/2001 17:02:00	MANLIFT,1988,45KB,23785-127M3096,OWNED YEAR: 1988, PO #SM9690, INCL: BATTERIES AND CHARGER, TRAVEL HORN, ROTATING BEACON, 110V AC OUTLET AT PLATFORM, LIFTING LUGS (PURCHASED NEW AFTER 1 MONTH TRIAL)	45 KB	500 LB	23785-127M3096	0SHOP-MBL-004
MBL-LFT-000014	LIFT,TRUCK,1981,LSV-1200,126302,OWNED	12/2/2002 11:54:34:046	LIFT,TRUCK,1981,LSV-1200,126302,OWNED YEAR: 1981 CAPACITY: 2640 lbs. @ 114", SEE TEXT FOR MORE DETAILS	LSV-1200 STACKR	114"	126302	0STOR-MBL-002
MBL-LFT-000015	LIFT,TRUCK,1952,LT390,390-5,OWNED	1/5/2001 17:02:00	LIFT,TRUCK,1952,LT390,390-5,OWNED, YEAR: 1952, PO #L-6522 LIFT: 84"	LT390	3000 LB	390-5231	0STOR-MBL-001

MBL-LFT-000021	LIFT TRUCK,1979,83C-050-SAS-083,OWNED	1/5/2001 17:02:00	LIFT TRUCK,1979,83C-050-SAS-083,OWNED YEAR: 1979, PO #L-71727 LIFT: 106"	L833C050S AS083	4100 LB	A357675	0WHSE-MBL-006
MBL-LFT-000022	LIFT TRUCK,1994,GC25,4EM00806,OWNED	1/5/2001 17:02:00	LIFT TRUCK,1994,GC25,4EM00806,OWNED YEAR: 1994, DRIVE TIRE: 21X7X15", PO #, STEER TIRE: 16X6X10.5", WEIGHT: 8640 LBS	GC25	5000 LB	4EM00806	0STMP-MBL-002
MBL-LFT-000026	LIFT,TRUCK,1997,52-6FGU30,OWNED	1/5/2001 17:02:00	LIFT,TRUCK,1997,52-6FGU30,OWNED, FRAME NO. 506FGU30 61104, ENGINE NO 6FGU30	52-6FGU30	6000#	52-6FGU30 V A400	0BTRM-MBL-001
MBL-LFT-000027	LIFT,TRUCK,1998,5FB30-13V,OWNED	1/5/2001 17:02:00	LIFT,TRUCK,1998,5FB30-13V,OWNED, DUAL FUEL GAS/PROPANE	5FB30-130Y	6000 LB.	11427	0HTPD-MBL-001
MBL-LFT-000028	LIFT TRUCK,1998,GC30,GEM01992.OWNED	1/5/2001 17:02:00	LIFT TRUCK,1998,GC30,GEM01992.OWNED, A6X6X10 STEERING TIRES, 21X8X15 DRIVE TIRES, CASCADE BAIL CLAMP 50PHP.3 YEAR LEASE	GC30	6000LB.	GEM01992	00NOPARENT
MBL-LFT-000029	MANLIFT,1998,TB-37,OWNED	1/5/2001 17:02:00	MANLIFT,1998,TB-37,OWNED, DUAL FUEL FORD VXG-411 ENGINE, MOTOR WISCONSIN, W4-1770, SERIAL NO. 6211300 TIRES JUMBO GLT, ROTATION BRG. KAYDON 11054 001, BALDERSON TURNTABLE 017-0328 TOPEKA CHASSIS 007-0100,SEE REPR MANUAL	TB-37	600LB.	881350288	0HTPD-MBL-002
MBL-LFT-000033	LIFT,TRUCK,1998,5FBE20-130V,OWNED	1/5/2001 17:02:00	LIFT,TRUCK,1998,5FBE20-130V,OWNED TOYOTA ELECTRIC FORKLIFT,WEIGHT-6580 LB,LIFTING HEIGHT 189 INCHES PURCHASED, PO#00044832,D000060169,COMES WITH CASCADE SIDE SHIFTER WITH INTERNAL D000060170	5FBE20-189 FSV	4000 LB.	10792	0STOR-MBL-003
MBL-LFT-000034	LOADER,SKID,1999,SL4625,OWNED	1/5/2001 17:02:00	LOADER,SKID,1999,SL4625,OWNED TIRES 700-15 TIRES, 4 CYL. KUBOTA ENGINE 134 CID.	SL 4625		27194	0YARD-MBL-008
MBL-LFT-000035	LOADER,CASE,#721B,	1/5/2001 17:02:00	LOADER,CASE,#721B,	721B		3882685-000035	0YARD-MBL-010

MBL-LFT-000036	LIFT,TRUCK,1997,6FGU25,OWNED	1/5/2001 17:02:00	LIFT,TRUCK,1997,6FGU25,OWNED	6FGU25		62817	0SHOP-MBL-002
MBL-LFT-000037	LIFT,TRUCK,1991,5FGCU15,OWNED	1/5/2001 17:02:00	LIFT,TRUCK,1991,5FGCU15,OWNED	5FGCU15		70063	0WHSE-MBL-006
MBL-LFT-000038	MANLIFT,2000,GS2032,OWNED	10/24/2003 08:23:03:796	MANLIFT,2000,GS2032,OWNED PURCHASE FOR ROPE SHEAVE INSPECTION ON PM5 AND GENERAL MILL USE	GS2032		21324	0SHOP-MBL-010
MBL-LFT-000039	LIFT,TRUCK,2000,F180,213832,OWNED	1/5/2001 17:02:00	LIFT,TRUCK,2000,F180,213832,OWNED DRIVE TIRE SIZE 28x12X22,STEER TIRE SIZE 22X8X16,CLAMP SERIAL #151011,MODLE #RA-700NF	F180		21382	00WAREHOUSE
MBL-LFT-000040	LIFT TRUCK,2001,GC30K,AT83C01737.OWNED	9/27/2001 10:46:26:17	LIFT TRUCK,2001,GC30K,AT83C01737.OWNED 16X6X10.5 STEERING TIRES, 21X8X15 DRIVE TIRES. CLAMP MODLE# 50DBCS-SD □ SERIAL # ICSP11526-TI	GC30K			0KRFT-MBL-002
MBL-LFT-000041	LIFT TRUCK,2001,GC45K-SWB,AT8701783.OWNED*DELETED	2/28/2005 10:52:48:876	LIFT TRUCK,2001,GC45K-SWB,AT8701783.OWNED □ 18X7X12-1/8 STEERING TIRES, 22X9X16 DRIVE TIRES. □ CLAMP MODLE# 77F-RCP-07B SERIAL # 219736-1RO	GC45K-SWB		AT8701783	00SURPLUS
MBL-LFT-000042	LIFT TRUCK,2001,GC45K-SWB,AT8701784.OWNED	9/27/2001 11:11:10:483	LIFT TRUCK,2001,GC45K-SWB,AT8701784.OWNED □ 18X7X12-1/8 STEERING TIRES, 22X9X16 DRIVE TIRES. □ CLAMP MODLE# 77F-RCP-07B SERIAL # 219736-2RO	GC45K-SWB		AT8701784	0WHSE-MBL-003
MBL-LFT-000043	LIFT TRUCK,2001,GC45K-SWB,AT8701785.OWNED	9/27/2001 11:13:21:016	LIFT TRUCK,2001,GC45K-SWB,AT8701785.OWNED □ 18X7X12-1/8 STEERING TIRES, 22X9X16 DRIVE TIRES. □ CLAMP MODLE# 77F-RCP-07B SERIAL # 219736-3RO	GC45K-SWB		AT8701785	0WHSE-MBL-004

MBL-LFT-000044	LIFT TRUCK,2001,42-7FG25,14784	1/9/2002 16:53:50:313	LIFT TRUCK, 2001, (EQUIPMENT WORLD), DRIVE TIRE 700-12-12PR, LIFT HEIGHT 185", ENGINE-4Y, SIDE SHIFT 3700 LB/24" LOAD CENTER.	42-7FG25	5000 LB	14784	0STMP-MBL-004
MBL-LFT-000045	LIFT,TRUCK,3FGC15,OWNED	4/12/2004 15:36:29:833	LIFT,TRUCK,3FGC15,OWNED	3FGC15			0PMC5-MBL-001
MBL-LFT-000046	LIFT TRUCK,2005,GC55K-LP-STR,AT88A00176,OWNED	2/28/2005 10:58:13:07	LIFT TRUCK,2005,GC55K-LP-STR,AT88A00176,OWNED □ 18X8X12-1/4 STEERING TIRES, 22X12X16 DRIVE TIRES. □ CLAMP MODLE# 90F-RCP-318R-0 SERIAL # 431452-1	GC55K-LP-STR		AT88A00176	0WHSE-MBL-002
MBL-LFT-000047	LIFT,TRUCK,2006,GC55KS1-721224,AT88A00388,OWNED	3/30/2006 16:05:02:81	LIFT,TRUC,2006,GC55KS1-721224,AT88A00388,OWNED□ 18X8X12-1/8 STEERING TIRES, 22X12X16 DRIVE TIRES□ CLAMP (CASCADE) MODEL #80F-RCP-344, SERIAL NO.PTL570659-1	GC55KS1-721224		AT88A00388	0WHSE-MBL-001
MBL-LFT-000048	LIFT,TRUCK,2006,C6000,CATERPILLAR,AT83F01680,LEASE	9/4/2008 09:58:17:813	LIFT,TRUCK,2006,C6000,CATERPILLAR,AT83F01680,OWNED□ 16x6x10.5 STEERING TIRES, 21x8x15 DRIVE TIRES□ CLAMP (CASCADE), MODEL 50D-BCS-61487, SER#599112-T1	C6000		AT83F01680	0KRFT-MBL-001
MBL-LFT-000049	LIFT,TRUCK,2006,GC55KS1,AT88A00552,OWNED	11/15/2006 14:08:43:533	LIFT,TRUC,2006,GC55KS1,AT88A00552,OWNED□ 18X8X12-1/8 STEERING TIRES, 22X12X16 DRIVE TIRES□ CLAMP (CASCADE) MODEL #90F-RCP-344, SERIAL NO.PTL648917-1	GC55KS1		AT88A0552	0WHSE-MBL-009
MBL-LOC-000001	LOCOMOTIVE,GE,BB+60/160-4GE 747, 31540	1/5/2001 17:02:00	LOCOMOTIVE,GE,BB+60/160-4GE 747, 31540 470 H.P. S/N 31540 MFG DATE APRIL 1952, ENGINES MODEL NT 855L, I.D. NO. D009- 0069 SO NO. 2004, S/N 30109023, 30109024. ** SEE ADDITIONAL TEXT FOR DETAILS **	BB+60/160	80 TON	39002	0YARD-MBL-005

MBL-LOC-000002	LOCOMOTIVE,GE,B-B 220/220 4GE763,39002	1/5/2001 17:02:00	LOCOMOTIVE,GE,B-B 220/220 4GE763,39002, CLASS B-B 220/220 4 GE 763 H.P. 670/600 S/N 39002 MANUFACTURED JANUARY 1975 #1 CPL-256, MODEL N.T. 855C335, SERIAL NO. 1043744, #2 CPL -256 MODEL NT. 855C335 SERAIL NO. ?	B-B 220/220		39002	0YARD-MBL-025
MBL-PLT-000004	PALLET,TRUCK,1996,PTW80,96300,OWNED	1/5/2001 17:02:00	PALLET,TRUCK,1996,PTW80,96300,OWNED, YEAR: 1996, 24 VOLT WEIGHT: lbs, CAPACITY: 8000 lbs	PTW 80	8000 LB	9630034	0FNSH-MBL-001
MBL-PLT-000005	PALLET,TRUCK,1996,PTW60,96301,OWNED	1/5/2001 17:02:00	PALLET,TRUCK,1996,PTW60,96301,OWNED, YEAR: 1996, 24 VOLT WEIGHT: 1100 lbs, CAPACITY: 6000 lbs	PTW 60		9630179	0CORM-MBL-002
MBL-PLT-000006	PALLET,TRUCK,1996,PTW80,96303,OWNED	1/5/2001 17:02:00	PALLET,TRUCK,1996,PTW80,96303,OWNED, YEAR: 1996, 24 VOLT WEIGHT: lbs, CAPACITY: 8000 lbs	PTW 80	8000 LB	9630332	0FNSH-MBL-002
MBL-PLT-000007	PALLET,TRUCK,1996,PTW60,9030262,OWNED	1/5/2001 17:02:00	PALLET,TRUCK,1996,PTW60,9030262,OWNED YEAR: 1996, 24 VOLT WEIGHT: 1100 lbs, CAPACITY: 6000 lbs	PTW 60		9030262	0CORM-MBL-003
MBL-PLT-000008	PALLET,TRUCK,RAYMOND 8400,840-09-83798,OWNED	1/12/2010 14:09:46:16	PALLET,TRUCK,RAYMOND 8400,840-09-83798,OWNED PO 213012, OCT 14/09	8400 FRE60L	6000#, 24V	840-09-83798	0CORM-MBL-001
MBL-PLT-000009	PALLET TRUCK,2000,PTW60,S/N9939150,OWNED	1/5/2001 17:02:00	PALLET TRUCK,2000,PTW60,S/N9939150,OWNEDYEAR: 2000, 24 VOLT WEIGHT: 1200 lbs, OILER PALLET TRUCK, CAPACITY: 6000 lbs	PTW 60	6000 LBS	9939150	0SHOP-MBL-009
MBL-PLT-000010	PALLET TRUCK,PWH150,R-11853,OWNED	1/5/2001 17:02:00	PALLET TRUCK,PWH150,R-11853,OWNED, 24 VOLT	PWH150	15000LBS	R-11853	00WAREHOUSE
MBL-SWP-000001	POWER SWEEPER,1995,2160,4703,OWNED	1/5/2001 17:02:00	POWER SWEEPER,1995,2160,4703,OWNED, MODEL 578-601	2160		470319	0WHSE-MBL-008
MBL-TRK-000004	TRUCK,1985,#1954,IHTLDTVRFHA211951,OWNED	1/5/2001 17:02:00	TRUCK,1985,#1954,IHTLDTVRFHA211951,OWNEDYEAR: 1985 SEE ADDITONAL TEXT FOR MORE INFORMATION	1954	5 TON	IHTLDTVRFHA21951	0YARD-MBL-001

MBL-TRK-000006	TRUCK,1984,4842-1,2WKNBCJE1EK909710,OWN	1/5/2001 17:02:00	TRUCK,1984,4842-1,2WKNBCJE1EK909710,OWN YEAR: 1984 FRONT AXLE: FF931 - 2110 012 10, ENGINE: F300 - 1020 029 5 REAR AXLE: 23121 - 1240 148 1, TRANNY: RT11610 - 27001 3443	4842-1	15,445 GVW	2WKNBCJE1EK 909710	0YARD-MBL-003
MBL-TRK-000007	TRUCK,1996,F800,1FDRF80C4TV,A15845,OWNED	1/5/2001 17:02:00	TRUCK,1996,F800,1FDRF80C4TV,A15845,OWNED YEAR: 1996 FRONT AXLE: 12,000 FORD FORGED STEEL, ENGINE: CUMMINS DIESEL □ REAR AXLE: 23,000 ROCKWELL RS-23-160 □ TRANNY: EATON FS 5306A 6-SPEED	F800	33,200 GVW	1FDRF80C4TV A15845	0YARD-MBL-002
MBL-TRK-000008	TRUCK,1997,898320B,OWNED	1/5/2001 17:02:00	TRUCK,1997,898320B,OWNED,YEAR: 1997 CUSHMAN "ELECTRIC MINUTE MISER" PERSONNEL CARRIER	898320B		97018447	0SHOP-MBL-007
MBL-TRK-000009	TRUCK,1999,99E280H001,OWNED	1/5/2001 17:02:00	TRUCK,1999,99E280H001,OWNED, YEAR: 1999 □ SMP PO#55095, LEGEND ELECTRIC CUSTOM MADE 280H CARRY-ALL FOR PULLING THE COTTON ROLL WAGON #543 GEAR OPTION TO INCREASE TORQUE	280H CARRY-ALL		99E280H001	0SHOP-MBL-006
MBL-TRK-000011	TRUCK,TOW,1999,280B,99H280B019,OWNED	1/5/2001 17:02:00	TRUCK,TOW,1999,280B,99H280B019,OWNED 36 VOLT	280B		#99H280B019	0GRWD-MBL-001
OSLSH-MBL-009	STEAMPLANT,LOADER,FRONT END *	9/15/2004 14:26:31:486	STEAMPLANT,LOADER,FRONT END□ SEE SUBASSEMBLY FOR DETAILS				
MBL-TRK	STERLING CARGO TRUCK, 2005		TRUCK, 2005 STERLING, OWNED PLATED 4630VM			2FZACGDD35A U04944	0WHSE-MBL

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caeqm_equip_id	caeqm_equip_name	caeqm_create_ts	eqem_description	eqem_model_num	eqem_size	eqem_serial_num	eqem_parent_id
0BTRM-MBL-001	BEATERROOM,FORK TRUCK,CHEMICAL LOADING *	1/5/2001 17:02:00	BEATERROOM,FORK TRUCK,CHEMICAL LOADING□ MODEL 52-6FGU30 V A400, FRAME NO. 506FGU30 61104, ENGINE NO. 6FGU30, GM 4181 LIFTING HEIGHT 3300 MM, 6000#, 2 SPEED POWER SHIFT TRANS, CATALYTIC MUFFLER, LPG FUEL SYSTEM. 00028032 P.O.			52-6FGU30	00BEATERROOM
0HTPD-MBL-001	HOTPOND,FORK TRUCK,MW USE. *	1/5/2001 17:02:00	HOTPOND,FORK TRUCK,MW USE.□ DUAL FUEL GAS/PROPANE.	5FB30-A30V	6000LB	11427	00HOTPOND
0HTPD-MBL-002	HOTPOND,MANLIFT,MILL USE *	1/5/2001 17:02:00	HOTPOND,MANLIFT,MILL USE□ DUAL FUEL FORD VXG-411 ENGINE, MOTOR WISCONSIN, W4-1770, SERIAL NO. 6211300,	TB-37	600 LB.	881350288	00HOTPOND
0YARD-MBL-007	YARD,LOADER,SKID STEER *	1/5/2001 17:02:00	YARD, LOADER, SKID STEER□ KAT TRAK TIRES, 24 PLY, KUBOTA DIESEL,	753	43H.P./1350 LBS	515812470	00YARDS
0YARD-MBL-027	TRUCK, SERVICE	12/7/2007 10:23:46:17	1989 DODGE 150 POWER RAM	150 POWER RAM	1/2 TON	IB7HM16Y3K50 15786	00YARDS
0YARD-MBL-028	CAR,SECURITY	12/7/2007 10:52:42:376	99 FORD CONTOUR SE	CONTOUR SE	FOR DOOR SEDAN	1FAFP6631XK1 13096	00YARDS
HST-MBL-000001	HOIST,MBL,CRANE,RBC 7000 SPW	3/10/2003 15:54:43:393		CRANE,RBC 7000 SPW		62953	0BTRM-HST-008
MBL-GRD-000002	GRADER,CHAMPION,MODEL720,1986,OWNED	1/5/2001 17:02:00	GRADER,CHAMPION,MODEL720,1986,OWNED□ YEAR: 1986,ENGINE-CUMMINS 505,#44136432 SERIES C,CPL-0602,TRANSMISSION-GEARCO MODEL 8400,S/N 29953-132 PURCHASED FROM JIM CLARIDA AND SONS	720		720-187-03-16829	0YARD-MBL-004
MBL-LDR-000011	LOADER,1998,966F,1S03021,OWNED	1/5/2001 17:02:00	LOADER,1998,966F,1S03021,ENGING 3306B, SERIAL NO. 6NC04923,PERF SPEC 2T8356, ENG FAM. WCPXL 10.5 MRG TRANS. SERIAL NO. 2AX02833, ARRAG NO. 8E7564, TIRES 26.5 R 25 .	966F		1SL03021	0SLSH-MBL-024
MBL-LDR-000015	LOADER,2001, 515836200,OWNED	1/11/2001 14:55:12:143	ENGINE KABOTA 2.2, SERIAL NO MOTOR OYU1059, DIESEL, ENGINE V2203-E, FAMILY YKBXL02FCD., TIRES 30X11.50-14.5	753		515836200	0YARD-MBL-007
MBL-LDR-000020	LOADER,2004,966G,ANT00266,OWNED	9/7/2004 13:23:28:843	ENGINE S/N 3PD009280, BUCKET, 8 YARD, S/N ATK00537, TIRE SIZE 26.5X25	966G	966G11	ANT00266	0SLSH-MBL-025

MBL-LDR-000021	LOADER,OVERHEAD,2004,980G,SERIES 11	8/2/2006 14:46:59:003	TORMONT,SERIAL NO. 0155-PL55-7, ENGINE 3406 SERIAL NO. BETO-3681, TIRES-GOODYEAR 29.5x25	980G		0155-PL55-7	0SLSH-MBL-022
MBL-LDR-000022	LOADER,OVERHEAD,2006,980H	8/2/2006 14:55:03:096	TORMONT, 3 YEARS,SERIAL NO. JHS01056, DENARCO PARALIFT SERIAL NO. 0145-PL55-7, TIRES-GOODYEAR 29.5x25	980H		JHS01056	0SLSH-MBL-008
MBL-LFT-000001	LIFT,TRUCK,1998,5FG30-118V,OWNED	1/5/2001 17:02:00	LIFT,TRUCK,1998,5FG30-118V,OWNED □ PO 00047300, MAX HEIGHT 118 IN. ENG NO. 4Y0311428	5FG30-118V	9950 LB	4Y0311428	0BRDM-MBL-001
MBL-LFT-000002	LIFT,TRUCK,19??,V50D,3EC939,OWNED	1/5/2001 17:02:00	LIFT,TRUCK,19??,V50D,3EC939,OWNED□ YEAR: CAPACITY: 4800 lbs @ 188"	V50D		3EC939	0SHOP-MBL-008
MBL-LFT-000006	LIFT,TRUCK,1981,LSV-1200,124470,OWNED	1/5/2001 17:02:00	LIFT,TRUCK,1981,LSV-1200,124470,OWNED YEAR: 1981, PO #L-77903 CAPACITY: 2640 lbs. @ 114" SEE TEXT FOR MORE DETAILS	LSV-1200 STACKR	114"	124470	0MTRS-MBL-001
MBL-LFT-000013	MANLIFT,1988,45KB,23785-127M3096,OWNED	1/5/2001 17:02:00	MANLIFT,1988,45KB,23785-127M3096,OWNED YEAR: 1988, PO #SM9690, INCL: BATTERIES AND CHARGER, TRAVEL HORN, ROTATING BEACON, 110V AC OUTLET AT PLATFORM, LIFTING LUGS (PURCHASED NEW AFTER 1 MONTH TRIAL)	45 KB	500 LB	23785-127M3096	0SHOP-MBL-004
MBL-LFT-000014	LIFT,TRUCK,1981,LSV-1200,126302,OWNED	12/2/2002 11:54:34:046	LIFT,TRUCK,1981,LSV-1200,126302,OWNED YEAR: 1981 CAPACITY: 2640 lbs. @ 114", SEE TEXT FOR MORE DETAILS	LSV-1200 STACKR	114"	126302	0STOR-MBL-002
MBL-LFT-000015	LIFT,TRUCK,1952,LT390,390-5,OWNED	1/5/2001 17:02:00	LIFT,TRUCK,1952,LT390,390-5,OWNED, YEAR: 1952, PO #L-6522 , LIFT: 84"	LT390	3000 LB	390-5231	0STOR-MBL-001
MBL-LFT-000021	LIFT TRUCK,1979,83C-050-SAS-083,OWNED	1/5/2001 17:02:00	LIFT TRUCK,1979,83C-050-SAS-083,OWNED YEAR: 1979, PO #L-71727 LIFT: 106"	L833C050SAS083	4100 LB	A357675	0WHSE-MBL-006
MBL-LFT-000022	LIFT TRUCK,1994,GC25,4EM00806,OWNED	1/5/2001 17:02:00	LIFT TRUCK,1994,GC25,4EM00806,OWNED YEAR: 1994, DRIVE TIRE: 21X7X15", PO #, STEER TIRE: 16X6X10.5", WEIGHT: 8640 LBS	GC25	5000 LB	4EM00806	0STMP-MBL-002
MBL-LFT-000026	LIFT,TRUCK,1997,52-6FGU30,OWNED	1/5/2001 17:02:00	LIFT,TRUCK,1997,52-6FGU30,OWNED, FRAME NO. 506FGU30 61104, ENGINE NO 6FGU30	52-6FGU30	6000#	52-6FGU30 V A400	0BTRM-MBL-001
MBL-LFT-000027	LIFT,TRUCK,1998,5FB30-13V,OWNED	1/5/2001 17:02:00	LIFT,TRUCK,1998,5FB30-13V,OWNED, DUAL FUEL GAS/PROPANE	5FB30-130Y	6000 LB.	11427	0HTPD-MBL-001
MBL-LFT-000028	LIFT TRUCK,1998,GC30,GEM01992,OWNED	1/5/2001 17:02:00	LIFT TRUCK,1998,GC30,GEM01992,OWNED, A6X6X10 STEERING TIRES, 21X8X15 DRIVE TIRES, CASCADE BAIL CLAMP 50PHP.	GC30	6000LB.	GEM01992	00NOPARENT

MBL-LFT-000029	MANLIFT,1998,TB-37,OWNED	1/5/2001 17:02:00	MANLIFT,1998,TB-37,OWNED, DUAL FUEL FORD VXG-411 ENGINE, MOTOR WISCONSIN, W4-1770, SERIAL NO. 6211300 TIRES JUMBO GLT, ROTATION BRG. KAYDON 11054 001, BALDERSON TURNTABLE 017-0328 TOPEKA CHASSIS 007-0100,SEE REPR MANUAL	TB-37	600LB.	881350288	0HTPD-MBL-002
MBL-LFT-000033	LIFT,TRUCK,1998,5FBE20-130V,OWNED	1/5/2001 17:02:00	LIFT,TRUCK,1998,5FBE20-130V,OWNED TOYOTA ELECTRIC FORKLIFT,WEIGHT-6580 LB,LIFTING HEIGHT 189 INCHES PURCHASED PO#00044832,D000060169,COMES WITH CASCADE SIDE SHIFTER WITH INTERNAL D000060170	5FBE20-189-FSV	4000 LB.	10792	0STOR-MBL-003
MBL-LFT-000034	LOADER,SKID,1999,SL4625	1/5/2001 17:02:00	LOADER,SKID,1999,SL4625, TIRES 700-15 TIRES, 4 CYL. KUBOTA ENGINE 134 CID.	SL 4625		27194	0YARD-MBL-008
MBL-LFT-000035	LOADER,CASE,#721B,	1/5/2001 17:02:00	LOADER,CASE,#721B,	721B		3882685-	0YARD-MBL-
MBL-LFT-000036	LIFT,TRUCK,1997,6FGU25,OWNED	1/5/2001 17:02:00	LIFT,TRUCK,1997,6FGU25,OWNED	6FGU25		62817	0SHOP-MBL-
MBL-LFT-000037	LIFT,TRUCK,1991,5FGCU15,OWNE	1/5/2001 17:02:00	LIFT,TRUCK,1991,5FGCU15,OWNED	5FGCU15		70063	0WHSE-MBL-
MBL-LFT-000038	MANLIFT,2000,GS2032,OWNED	10/24/2003 08:23:03:796	MANLIFT,2000,GS2032;OWNED PURCHASE FOR ROPE SHEAVE INSPECTION ON PM5 AND GENERAL MILL USE	GS2032		21324	0SHOP-MBL-010
MBL-LFT-000039	LIFT,TRUCK,2000,F180,213832	1/5/2001 17:02:00	LIFT,TRUCK,2000,F180,213832, DRIVE TIRE SIZE 28x12X22,STEER TIRE SIZE 22X8X16,CLAMP SERIAL #151011,MODLE #RA-700NF	F180		21382	00WAREHOUSE
MBL-LFT-000041	LIFT TRUCK,2001,GC45K-SWB,AT8701783.	2/28/2005 10:52:48:876	LIFT TRUCK,2001,GC45K-SWB,AT8701783. 18X7X12-1/8 STEERING TIRES, 22X9X16 DRIVE TIRES. □ CLAMP MODLE# 77F-RCP-07B SERIAL # 219736-1RO	GC45K-SWB		AT8701783	00SURPLUS
MBL-LFT-000042	LIFT TRUCK,2001,GC45K-SWB,AT8701784.	9/27/2001 11:11:10:483	LIFT TRUCK,2001,GC45K-SWB,AT8701784.18X7X12-1/8 STEERING TIRES, 22X9X16 DRIVE TIRES. □ CLAMP MODLE# 77F-RCP-07B SERIAL # 219736-2RO	GC45K-SWB		AT8701784	0WHSE-MBL-003

MBL-LFT-000043	LIFT TRUCK,2001,GC45K-SWB,AT8701785	9/27/2001 11:13:21:016	LIFT TRUCK,2001,GC45K-SWB,AT8701785, 18X7X12-1/8 STEERING TIRES, 22X9X16 DRIVE TIRES. □ CLAMP MODLE# 77F-RCP-07B SERIAL # 219736-3RO	GC45K-SWB		AT8701785	0WHSE-MBL-004
MBL-LFT-000044	LIFT TRUCK,2001,42-7FG25,14784	1/9/2002 16:53:50:313	LIFT TRUCK, 2001, (EQUIPMENT WORLD), DRIVE TIRE 700-12-12PR, LIFT HEIGHT 185", ENGINE-4Y, SIDE SHIFT 3700 LB/24" LOAD CENTER.	42-7FG25	5000 LB	14784	0STMP-MBL-004
MBL-LFT-000046	LIFT TRUCK,2005,GC55K-LP-STR,AT88A00176,	2/28/2005 10:58:13:07	LIFT TRUCK,2005,GC55K-LP-STR,AT88A00176,18X8X12-1/4 STEERING TIRES, 22X12X16 DRIVE TIRES. □ CLAMP MODLE# 90F-RCP-318R-0 SERIAL # 431452-1	GC55K-LP-STR		AT88A00176	0WHSE-MBL-002
MBL-LFT-000047	LIFT,TRUCK,2006,GC55KS1-721224,AT88A00388,	3/30/2006 16:05:02:81	LIFT,TRUC,2006,GC55KS1-721224,AT88A00388, 18X8X12-1/8 STEERING TIRES, 22X12X16 DRIVE TIRES□ CLAMP (CASCADE) MODEL #80F-RCP-344, SERIAL NO.PTL570659-1	GC55KS1-721224		AT88A00388	0WHSE-MBL-001
MBL-LFT-000048	LIFT,TRUCK,2006,C6000,CATERPILLAR,AT83F01680,	9/4/2008 09:58:17:813	LIFT,TRUCK,2006,C6000,CATERPILLAR,AT83F01680, 16x6x10.5 STEERING TIRES, 21x8x15 DRIVE TIRES□ CLAMP (CASCADE), MODEL 50D-BCS-61487, SER#599112-T1	C6000		AT83F01680	0KRFT-MBL-001
MBL-LFT-000049	LIFT,TRUCK,2006,GC55KS1,AT88A00552,	11/15/2006 14:08:43:533	LIFT,TRUC,2006,GC55KS1,AT88A00552, 18X8X12-1/8 STEERING TIRES, 22X12X16 DRIVE TIRES□ CLAMP (CASCADE) MODEL #90F-RCP-344, SERIAL NO.PTL648917-1	GC55KS1		AT88A0552	0WHSE-MBL-009
MBL-LOC-000001	LOCOMOTIVE,GE,BB+60/160-4GE 747, 31540	1/5/2001 17:02:00	LOCOMOTIVE,GE,BB+60/160-4GE 747, 31540 470 H.P. S/N 31540 MFG DATE APRIL 1952, ENGINES MODEL NT 855L, I.D. NO. D009- 0069 SO NO. 2004, S/N 30109023, 30109024. ** SEE ADDITIONAL TEXT FOR DETAILS **	BB+60/160	80 TON	39002	0YARD-MBL-005

MBL-LOC-000002	LOCOMOTIVE,GE,B-B 220/220 4GE763,39002	1/5/2001 17:02:00	LOCOMOTIVE,GE,B-B 220/220 4GE763,39002, CLASS B-B 220/220 4 GE 763 H.P. 670/600 S/N 39002 MANUFACTURED JANUARY 1975 #1 CPL-256, MODEL N.T. 855C335, SERIAL NO. 1043744, #2 CPL -256 MODEL NT. 855C335 SERAIL NO. ?	B-B 220/220		39002	0YARD-MBL-025
MBL-PLT-000004	PALLET,TRUCK,1996,PTW80,96300,OWNED	1/5/2001 17:02:00	PALLET,TRUCK,1996,PTW80,96300,OWNED, YEAR: 1996, 24 VOLT WEIGHT: lbs, CAPACITY: 8000 lbs	PTW 80	8000 LB	9630034	0FNSH-MBL-001
MBL-PLT-000005	PALLET,TRUCK,1996,PTW60,96301,OWNED	1/5/2001 17:02:00	PALLET,TRUCK,1996,PTW60,96301,OWNED, YEAR: 1996, 24 VOLT WEIGHT: 1100 lbs, CAPACITY: 6000 lbs	PTW 60		9630179	0CORM-MBL-002
MBL-PLT-000006	PALLET,TRUCK,1996,PTW80,96303,OWNED	1/5/2001 17:02:00	PALLET,TRUCK,1996,PTW80,96303,OWNED, YEAR: 1996, 24 VOLT WEIGHT: lbs, CAPACITY: 8000 lbs	PTW 80	8000 LB	9630332	0FNSH-MBL-002
MBL-PLT-000007	PALLET,TRUCK,1996,PTW60,9030262,OWNED	1/5/2001 17:02:00	PALLET,TRUCK,1996,PTW60,9030262,OWNED YEAR: 1996, 24 VOLT WEIGHT: 1100 lbs, CAPACITY: 6000 lbs	PTW 60		9030262	0CORM-MBL-003
MBL-PLT-000008	PALLET,TRUCK,RAYMOND 8400,840-09-83798,OWNED	1/12/2010 14:09:46:16	PALLET,TRUCK,RAYMOND 8400,840-09-83798,PO 213012, OCT 14/09	8400 FRE60L	6000#, 24V	840-09-83798	0CORM-MBL-001
MBL-PLT-000009	PALLET TRUCK,2000,PTW60,S/N9939150,OWNED	1/5/2001 17:02:00	PALLET TRUCK,2000,PTW60,S/N9939150,OWNEDYEAR: 2000, 24 VOLT WEIGHT: 1200 lbs, OILER PALLET TRUCK, CAPACITY: 6000 lbs	PTW 60	6000 LBS	9939150	0SHOP-MBL-009
MBL-PLT-000010	PALLET TRUCK,PWH150,R-11853,OWNED	1/5/2001 17:02:00	PALLET TRUCK,PWH150,R-11853,OWNED, 24 VOLT	PWH150	15000LBS	R-11853	00WAREHOUSE
MBL-SWP-000001	POWER SWEEPER,1995,2160,4703,OWNED	1/5/2001 17:02:00	POWER SWEEPER,1995,2160,4703,OWNED, MODEL 578-601	2160		470319	0WHSE-MBL-008
MBL-TRK-000004	TRUCK,1985,#1954,IHTLDTVRFHA211951,OWNED	1/5/2001 17:02:00	TRUCK,1985,#1954,IHTLDTVRFHA211951,OWNED YEAR: 1985 SEE ADDITONAL TEXT FOR MORE INFORMATION	1954	5 TON	IHTLDTVRFHA21951	0YARD-MBL-001
MBL-TRK-000006	TRUCK,1984,4842-1,2WKNBCJE1EK909710,OWN	1/5/2001 17:02:00	TRUCK,1984,4842-1,2WKNBCJE1EK909710,OWN YEAR: 1984 FRONT AXLE: FF931 - 2110 012 10, ENGINE: F300 - 1020 029 5 REAR AXLE: 23121 - 1240 148 1, TRANNY: RT11610 - 27001 3443	4842-1	15,445 GVW	2WKNBCJE1EK909710	0YARD-MBL-003

MBL-TRK-000007	TRUCK,1996,F800,1FDRF80C4TV,A15845,OWNED	1/5/2001 17:02:00	TRUCK,1996,F800,1FDRF80C4TV,A15845,OWNED YEAR: 1996 FRONT AXLE: 12,000 FORD FORGED STEEL, ENGINE: CUMMINS DIESEL □ REAR AXLE: 23,000 ROCKWELL RS-23-160 □ TRANNY: EATON FS 5306A 6-SPEED	F800	33,200 GVW	1FDRF80C4TV A15845	0YARD-MBL-002
MBL-TRK-000008	TRUCK,1997,898320B,OWNED	1/5/2001 17:02:00	TRUCK,1997,898320B,OWNED,YEAR: 1997 CUSHMAN "ELECTRIC MINUTE MISER" PERSONNEL CARRIER	898320B		97018447	0SHOP-MBL-007
MBL-TRK-000009	TRUCK,1999,99E280H001,OWNED	1/5/2001 17:02:00	TRUCK,1999,99E280H001,OWNED, YEAR: 1999 □ SMP PO#55095, LEGEND ELECTRIC CUSTOM MADE 280H CARRY-ALL FOR PULLING THE COTTON ROLL WAGON #543 GEAR OPTION TO INCREASE TORQUE	280H CARRY-ALL		99E280H001	0SHOP-MBL-006
MBL-TRK-000011	TRUCK,TOW,1999,280B,99H280B019,OWNED	1/5/2001 17:02:00	TRUCK,TOW,1999,280B,99H280B019,OWNED 36 VOLT	280B		#99H280B019	0GRWD-MBL-001
OSLSH-MBL-009	STEAMPLANT,LOADER,FRONT END	9/15/2004 14:26:31:486	STEAMPLANT,LOADER,FRONT END□ SEE SUBASSEMBLY FOR DETAILS				
MBL-TRK	STERLING CARGO TRUCK, 2005		TRUCK, 2005 STERLING, OWNED PLATED 4630VM			2FZACGDD35A U04944	0WHSE-MBL

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : ST. MARYS PAPER CORP.

FILE CURRENCY : 29AUG 2011

ENQUIRY NUMBER 20110830151133.00 CONTAINS 19 PAGE(S), 8 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

BLAKE, CASSELS & GRAYDON LLP (ATTN: FINANCIAL SERVICES/L KOM
IS)
199 BAY STREET, SUITE 4000
TORONTO ON M5L 1A9

CERTIFIED BY/CERTIFIÉES PAR
K. [signature]
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crfj2 11/2009)

CONTINUED... 2

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ST. MARYS PAPER CORP.
FILE CURRENCY : 29AUG 2011

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 670874229

01 CAUTION FILING | PAGE NO. 001 | OF | TOTAL PAGES 001 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20110622 1146 1031 7422 | REGISTERED UNDER P PPSA | REGISTRATION PERIOD 05

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME

02 DEBTOR
03 NAME BUSINESS NAME ST. MARYS PAPER CORP.
ONTARIO CORPORATION NO.
04 ADDRESS 75 HURON ST SAULT STE MARIE ON P6A 5P9

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME

05 DEBTOR
06 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MOR
09 ADDRESS 33 KING ST. W 6TH FLR OSHAWA ON L1H 8H5

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X	X	X		122713	22JUN2016		

YEAR MAKE | MODEL | V.I.N.

11 MOTOR
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT MINISTRY OF REVENUE, REVENUE COLLECTIONS BRANCH (1000241795)T610/T263
17 ADDRESS 33 KING ST. W 6TH FLR OSHAWA ON L1H 8H5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
K. —— Ay
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SURETÉS MOBILIÈRES
(crj1fr 11/2008)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ST. MARYS PAPER CORP.
FILE CURRENCY : 29AUG 2011

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00	FILE NUMBER 669822084							
	CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD	
01		001	1		20110512 1409 7036 3903	R PSLA	1	

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
02	DEBTOR							
03	NAME	BUSINESS NAME	ST. MARY'S PAPER CORP.			ONTARIO CORPORATION NO.		
04		ADDRESS	75 HURON ST.		SAULT STE. MARIE		ON	P6A5P4
		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
05	DEBTOR							
06	NAME	BUSINESS NAME				ONTARIO CORPORATION NO.		
07		ADDRESS						
08	SECURED PARTY / LIEN CLAIMANT		TMS TRUCK CENTRE LTD.					
09		ADDRESS	987 GRT. NORTHERN RD.		SAULT STE. MARIE		ON	P6A5K7

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10						X	5500			X

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR	2005	STERLING	ACTERRA	2FZACGDD35AU04944
12	VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16	REGISTERING AGENT		TMS TRUCK CENTRE LTD.			
17		ADDRESS	987 GRT. NORTHERN RD.	SAULT STE. MARIE	ON	P6A5K7

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 4

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fr 11/2008)

Ontario

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TYPE OF SEARCH          : BUSINESS DEBTOR
SEARCH CONDUCTED ON     : ST. MARYS PAPER CORP.
FILE CURRENCY           : 25AUG 2011

   FORM 1C  FINANCING STATEMENT / CLAIM FOR LIEN

      FILE NUMBER
00    666681291

      CAUTION    PAGE    TOTAL       MOTOR VEHICLE    REGISTRATION          REGISTERED   REGISTRATION
      FILING     NO. OF  PAGES       SCHEDULE         NUMBER                UNDER        PERIOD
01               01      001                          20101220 1941 1531 5230  P PPSA     5

              DATE OF BIRTH     FIRST GIVEN NAME    INITIAL   SURNAME
02  DEBTOR
03  NAME        BUSINESS NAME   ST. MARYS PAPER CORP.
                                                                          ONTARIO CORPORATION NO.
04                  ADDRESS     75 HURON ST                     SAULT STE. MARIE        ON     P6A 5P9

              DATE OF BIRTH     FIRST GIVEN NAME    INITIAL   SURNAME
05  DEBTOR
06  NAME        BUSINESS NAME
                                                                          ONTARIO CORPORATION NO.
07                  ADDRESS

08  SECURED PARTY /             ROYAL BANK OF CANADA
    LIEN CLAIMANT
09                  ADDRESS     180 WELLINGTON ST W  3RD FLR    TORONTO                 ON     M5J 1J1

    COLLATERAL CLASSIFICATION
      CONSUMER                                     MOTOR VEHICLE  AMOUNT   DATE OF          NO FIXED
      GOODS   INVENTORY EQUIPMENT ACCOUNTS OTHER   INCLUDED                MATURITY   OR    MATURITY DATE
10                                 X        X

              YEAR MAKE                   MODEL                   V.I.N.
11  MOTOR
12  VEHICLE

13  GENERAL
14  COLLATERAL
15  DESCRIPTION

16  REGISTERING                 CANADIAN SECURITIES REGISTRATION SYSTEMS
    AGENT
17                  ADDRESS     4126 NORLAND AVENUE             BURNABY                 BC     V5G 3S8

                 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
                                                                          CONTINUED...    5
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CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

(crj1fr 11/2003)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ST. MARYS PAPER CORP.
FILE CURRENCY : 29AUG 2011

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 666446599

	CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	001		20101208 1516 1862 7735	P PPSA	7

			DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME			
02	DEBTOR					
03	NAME	BUSINESS NAME	ST. MARYS PAPER CORP.	ONTARIO CORPORATION NO.		
04		ADDRESS	75 HURON STREET	SAULT STE. MARIE	ON	P6A 5P4
05	DEBTOR		DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME			
06	NAME	BUSINESS NAME	ST. MARYS PAPER CORP.	ONTARIO CORPORATION NO.		
07		ADDRESS	390 BAY STREET	SAULT STE. MARIE	ON	P6A 1X2
08	SECURED PARTY / LIEN CLAIMANT		INTERNATIONAL FOREST PRODUCTS CORPORATION			
09		ADDRESS	ONE PATRIOT PLACE	FOXBORO	MA	02035

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR NO FIXED MATURITY DATE
10		X	X	X	X	X			

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16	REGISTERING AGENT		BLAKE, CASSELS & GRAYDON LLP (B. POSNO/LLB)			
17		ADDRESS	BOX 25, COMMERCE COURT WEST	TORONTO	ON	M5L 1A9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SURETÉS MOBILIÈRES

(crj1fr 11/2008)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ST. MARYS PAPER CORP.
FILE CURRENCY : 29AUG 2011

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 666417546

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001		002		20101207 1534 1862 7655	P PPSA	5

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
02 DEBTOR
03 NAME BUSINESS NAME ST. MARYS PAPER CORP.
ONTARIO CORPORATION NO. 2136230
04 ADDRESS 75 HURON STREET SAULT STE. MARIE ON P6A 5P4

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR
06 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO, AS REPRESENT
09 ADDRESS SUITE 210, 70 FOSTER DR. SAULT STE. MARIE ON P6A 6V5

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X	X	X	X				

YEAR MAKE MODEL V.I.N.
11 MOTOR
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT MIN. OF NORTHERN DEVELOPMENT, MINES & FORESTRY - LEGAL SERVICES BR.
17 ADDRESS RM M2 24, 900 BAY STREET TORONTO ON M7A 1C3

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 7

CERTIFIED BY/CERTIFIÉES PAR
K. [signature]
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SURETÉS MOBILIÈRES
(crj1fr 11/2009)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ST. MARYS PAPER CORP.
FILE CURRENCY : 29AUG 2011

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 666417546

CAUTION FILING | PAGE NO. | OF | TOTAL PAGES | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER | REGISTERED UNDER | REGISTRATION PERIOD
01 | 002 | | 002 | | 20101207 1534 1862 7655 | |

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
02 DEBTOR
03 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
04 ADDRESS

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
05 DEBTOR
06 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / ED BY THE MINISTER OF NORTHERN DEVELOPMENT, MINES AND FORESTRY
LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE
10

YEAR MAKE | MODEL | V.I.N.
11 MOTOR
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 8

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ST. MARYS PAPER CORP.
FILE CURRENCY : 29AUG 2011

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
637427385

01 CAUTION FILING | PAGE NO. 001 | OF TOTAL PAGES 1 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20070719 1315 2639 0010 | REGISTERED UNDER P PPSA | REGISTRATION PERIOD 05

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
02 DEBTOR
03 NAME BUSINESS NAME ST. MARYS PAPER CORP.
ONTARIO CORPORATION NO.
04 ADDRESS 75 HURON STREET SAULT STE. MARIE ON P6A 5P4

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
05 DEBTOR
06 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT ASSETLINX CAPITAL INC.
09 ADDRESS 15-6400 MILLCREEK DRIVE MISSISSAUGA ON L5N 3E7

COLLATERAL CLASSIFICATION

CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X				114711	01AUG2012		

YEAR MAKE | MODEL | V.I.N.
11 MOTOR
12 VEHICLE

13 GENERAL SHARP ELECTRONICS DIGITAL COLOUR AND DIGITAL BLACK & WHITE MULTI
14 COLLATERAL FUNCTION PRINTERS (COPIERS) 3- MX4501N, 3-MXFNX1, 3- MXTRX2,
15 DESCRIPTION 3-MXDEX4, 3- MXLCX1, 3- MXPKX1, 2-MXFXX1, 3- CAD5133NT

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 9

CERTIFIED BY/CERTIFIÉES PAR
K. ——Ey
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fr 11/2008)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ST. MARYS PAPER CORP.
FILE CURRENCY : 29AUG 2011

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 636000867

	CAUTION FILING	PAGE NO.	OF PAGES TOTAL	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	001		20070605 1532 1862 7208	P PPSA	5

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME		
02	DEBTOR						
03	NAME	BUSINESS NAME	ST. MARYS PAPER CORP.			ONTARIO CORPORATION NO. 002135230	
04		ADDRESS	390 BAY STREET	SAULT STE. MARIE	ON	P6A 1X2	
		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME		
05	DEBTOR						
06	NAME	BUSINESS NAME				ONTARIO CORPORATION NO.	
07		ADDRESS					
08	SECURED PARTY / LIEN CLAIMANT		NORTHERN ONTARIO HERITAGE FUND CORPORATION				
09		ADDRESS	70 FOSTER DRIVE, SUITE 200	SAULT STE. MARIE	ON	P6A 6V3	

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10		X	X	X	X				

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT WISHART LAW FIRM LLP
17 ADDRESS 390 BAY STREET, 5TH FLOOR SAULT STE. MARIE ON P6A 1X2

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 10

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(cr) 1fr 11/2009)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ST. MARYS PAPER CORP.
FILE CURRENCY : 29AUG 2011

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

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      CAUTION    PAGE    TOTAL   MOTOR VEHICLE   REGISTRATION          REGISTERED
      FILING     NO. OF  PAGES   SCHEDULE        NUMBER                UNDER
01               001     002                     20070605 1721 1862 7234
21  RECORD       FILE NUMBER     636000867
    REFERENCED                                                        RENEWAL  CORRECT
                 PAGE AMENDED    NO SPECIFIC PAGE AMENDED  CHANGE REQUIRED  YEARS  PERIOD
22               1                                         A  AMENDMENT
                                 FIRST GIVEN NAME   INITIAL   SURNAME
23  REFERENCE
24  DEBTOR/      BUSINESS NAME   ST. MARYS PAPER CORP.
    TRANSFEROR

25  OTHER CHANGE
26  REASON/      TO CORRECT THE NAME OF THE SECURED PARTY
27  DESCRIPTION
28
02/          DATE OF BIRTH       FIRST GIVEN NAME   INITIAL   SURNAME
05  DEBTOR/
03/ TRANSFEREE   BUSINESS NAME
06                                                                   ONTARIO CORPORATION NO.
04/07                ADDRESS

29  ASSIGNOR
    SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08                         HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO, AS REPRESENTED BY THE MINIST
09                   ADDRESS  SUITE 200, 70 FOSTER DRIVE          SAULT STE. MARIE     ON   P6A 6V8
    COLLATERAL CLASSIFICATION
         CONSUMER                                      MOTOR VEHICLE           DATE OF          NO FIXED
          GOODS  INVENTORY EQUIPMENT ACCOUNTS OTHER    INCLUDED        AMOUNT  MATURITY   OR    MATURITY DATE
10
             YEAR  MAKE                    MODEL                  V.I.N.
11  MOTOR
12  VEHICLE
13  GENERAL
14  COLLATERAL
15  DESCRIPTION
16  REGISTERING AGENT OR       WISHART LAW FIRM  LLP
17  SECURED PARTY/   ADDRESS   390 BAY STREET, 5TH FLOOR          SAULT STE. MARIE     ON   P6A 1X2
    LIEN CLAIMANT
```

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj2fr 11/2008)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ST. MARYS PAPER CORP.
FILE CURRENCY : 29AUG 2011

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		002	002		20070605 1721 1862 7234	

21 RECORD REFERENCED FILE NUMBER 636000867

PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL YEARS CORRECT PERIOD

22

FIRST GIVEN NAME INITIAL SURNAME

23 REFERENCE
24 DEBTOR/ BUSINESS NAME
TRANSFEROR

25 OTHER CHANGE
26 REASON/
27 DESCRIPTION
28
02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME
06 ONTARIO CORPORATION NO.
04/07 ADDRESS

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08 ER OF NORTHERN DEVELOPMENT AND MINES
09 ADDRESS
COLLATERAL CLASSIFICATION
CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE INCLUDED AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE
10
YEAR MAKE MODEL V.I.N.
11 MOTOR
12 VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR
17 SECURED PARTY/ ADDRESS
LIEN CLAIMANT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fr 11/2008)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ST. MARYS PAPER CORP.
FILE CURRENCY : 29AUG 2011

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		001	001		20070607 1134 1862 7386	

21 RECORD REFERENCED FILE NUMBER 636000667

	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
22		X	B RENEWAL	1	

23 REFERENCE FIRST GIVEN NAME INITIAL SURNAME
24 DEBTOR/ TRANSFEROR BUSINESS NAME ST. MARYS PAPER CORP.

25 OTHER CHANGE
26 REASON/
27 DESCRIPTION
28
02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME ONTARIO CORPORATION NO.
06
04/07 ADDRESS

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS
COLLATERAL CLASSIFICATION
CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE INCLUDED AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE
10
YEAR MAKE MODEL V.I.N.
11 MOTOR
12 VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR WISHART LAW FIRM LLP
17 SECURED PARTY/ ADDRESS 390 BAY STREET, 5TH FLOOR SAULT STE. MARIE ON P6A 1X2
LIEN CLAIMANT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 13

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ST. MARYS PAPER CORP.
FILE CURRENCY : 29AUG 2011

FORM 3C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

REGISTRATION
NUMBER
01 20101207 1534 1862 7553

31 RECORD REFERENCED FILE NUMBER 636000867 CHANGE REQUIRED B RENEWAL RENEWAL YEARS 6

32 INDIVIDUAL DEBTOR
33 BUSINESS DEBTOR ST. MARYS PAPER CORP. ONTARIO CORPORATION NO.

SECURED PARTY/LIEN CLAIMANT/REGISTERING AGENT
08/16 NAME MIN. OF NORTHERN DEVELOPMENT, MINES & FORESTRY - LEGAL SERVICES BR.
09/17 ADDRESS RM M2-24, 900 BAY STREET TORONTO ON M7A 1C3

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CERTIFIED BY/CERTIFIÉES PAR
K. ——— Ay
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SURETÉS MOBILIÈRES
(cr)3fr 11/2008)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ST. MARYS PAPER CORP.
FILE CURRENCY : 29AUG 2011

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING | PAGE NO. | OF | TOTAL PAGES | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER | REGISTERED UNDER

01 001 002 20101207 1534 1862 7654

21 RECORD REFERENCED FILE NUMBER 636000867 RENEWAL YEARS CORRECT PERIOD

PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED

22 X A AMENDMENT

FIRST GIVEN NAME INITIAL SURNAME

23 REFERENCE
24 DEBTOR/ BUSINESS NAME ST. MARYS PAPER CORP.
TRANSFEROR

25 OTHER CHANGE
26 REASON/ TO AMEND THE NAME AND ADDRESS OF THE SECURED PARTY ON LINES 08 AND
27 DESCRIPTION 09 OF PAGE 1 OF REGISTRATION NO. 20070605 1532 1862 7208 TO "HER
28 MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO, AS
02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME
06 ONTARIO CORPORATION NO.
04/07 ADDRESS

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08 HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO, AS REPRESENTED BY THE MINIST
09 ADDRESS SUITE 210, 70 FOSTER DRIVE SAULT STE. MARIE ON P6A 6V5
COLLATERAL CLASSIFICATION
CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE INCLUDED AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE
10

YEAR MAKE MODEL V.I.N.
11 MOTOR
12 VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR MIN. OF NORTHERN DEVELOPMENT, MINES & FORESTRY - LEGAL SERVICES BR.
17 SECURED PARTY/ ADDRESS RM M2 24, 900 BAY STREET TORONTO ON M7A 1C3
LIEN CLAIMANT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 15

CERTIFIED BY/CERTIFIÉES PAR
K. [signature]
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj2fr 11/2008)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ST. MARYS PAPER CORP.
FILE CURRENCY : 29AUG 2011

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

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        CAUTION   PAGE   TOTAL  MOTOR VEHICLE   REGISTRATION          REGISTERED
        FILING    NO. OF PAGES  SCHEDULE        NUMBER                UNDER
01                002    002                    20101207 1534 1862 7654
21  RECORD     FILE NUMBER  636000867
    REFERENCED                                                   RENEWAL  CORRECT
               PAGE AMENDED  NO SPECIFIC PAGE AMENDED  CHANGE REQUIRED  YEARS  PERIOD
22
                             FIRST GIVEN NAME   INITIAL  SURNAME
23  REFERENCE
24  DEBTOR/       BUSINESS NAME
    TRANSFEROR

25  OTHER CHANGE
26  REASON/       REPRESENTED BY THE MINISTER OF NORTHERN DEVELOPMENT, MINES AND
27  DESCRIPTION   FORESTRY" AND "SUITE 210, 70 FOSTER DR., SAULT STE. MARIE, ON P6A
28                6V5".
02/          DATE OF BIRTH    FIRST GIVEN NAME   INITIAL  SURNAME
05  DEBTOR/
03/ TRANSFEREE    BUSINESS NAME
06                                                         ONTARIO CORPORATION NO.
04/07                 ADDRESS

29  ASSIGNOR
    SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08                          ER OF NORTHERN DEVELOPMENT, MINES AND FORESTRY
09                    ADDRESS
    COLLATERAL CLASSIFICATION
        CONSUMER                                MOTOR VEHICLE          DATE OF      NO FIXED
        GOODS  INVENTORY EQUIPMENT ACCOUNTS OTHER  INCLUDED   AMOUNT  MATURITY  OR  MATURITY DATE
10
           YEAR  MAKE                 MODEL                   V.I.N.
11  MOTOR
12  VEHICLE
13  GENERAL
14  COLLATERAL
15  DESCRIPTION
16  REGISTERING AGENT OR
17  SECURED PARTY/        ADDRESS
    LIEN CLAIMANT
```

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 16

CERTIFIED BY/CERTIFIÉES PAR
K. —— Cy
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SURETÉS MOBILIÈRES
(crj2fr 11/2005)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ST. MARYS PAPER CORP.
FILE CURRENCY : 29AUG 2011

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 631641798

	CAUTION FILING	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		01	001		20061221 1945 1531 2630	P PPSA	5

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
02 DEBTOR
03 NAME BUSINESS NAME ST. MARYS PAPER LTD.
ONTARIO CORPORATION NO.
04 ADDRESS 75 HURON STREET SAULT STE. MARIE ON P6A 5P9

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR
06 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT NEW NORTH FUELS INC.
09 ADDRESS 1000 BARRYDOWNE ROAD SUDBURY ON P3A 3V3

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR NO FIXED MATURITY DATE
10			X	X	X				

YEAR MAKE MODEL V.I.N.
11 MOTOR
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT DESMARAIS, KEENAN LLP
17 ADDRESS #100-30 DURHAM STREET SUDBURY ON P3C 5E5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 17

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SURETÉS MOBILIÈRES
(crj1fr 11/2008)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ST. MARYS PAPER CORP.
FILE CURRENCY : 29AUG 2011

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

		CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01			01		001		20061222 1447 1530 8830	

21 RECORD REFERENCED FILE NUMBER 631641798

	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
22		X	A AMENDMENT		

FIRST GIVEN NAME INITIAL SURNAME

23 REFERENCE
24 DEBTOR/ BUSINESS NAME ST. MARYS PAPER LTD.
TRANSFEROR

25 OTHER CHANGE
26 REASON/ AMENDMENT TO CORRECT POSTAL CODE AND TO INCLUDE GENERAL COLLATERAL
27 DESCRIPTION DESCRIPTION.
28
02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME ST MARYS PAPER LTD.
06 ONTARIO CORPORATION NO.
04/07 ADDRESS 75 HURON STREET SAULT STE. MARIE ON P6A 5P4

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS
COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

	YEAR	MAKE	MODEL	V.I.N.
11 MOTOR				
12 VEHICLE				

13 GENERAL CARD LOCK FUELLING SYSTEM WITH TANKAGE AND ALL APPURTENANCES.
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR DESMARAIS, KEENAN LLP
17 SECURED PARTY/ ADDRESS #100-30 DURHAM STREET SUDBURY ON P3C 5E5
LIEN CLAIMANT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 18

CERTIFIED BY/CERTIFIÉES PAR
K. —— Ey
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj2fr 11/2008)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ST. MARYS PAPER CORP.
FILE CURRENCY : 29AUG 2011

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER		
01		01	001		20070801 1455 1530 8943			
21	RECORD REFERENCED	FILE NUMBER	631641798					
		PAGE AMENDED	NO SPECIFIC PAGE AMENDED		CHANGE REQUIRED		RENEWAL YEARS	CORRECT PERIOD
22			X		E TRANSFER			

			FIRST GIVEN NAME	INITIAL	SURNAME
23	REFERENCE				
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	ST. MARYS PAPER LTD.		

25 OTHER CHANGE
26 REASON/
27 DESCRIPTION
28

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
02/ 05	DEBTOR/							
03/ 06	TRANSFEREE	BUSINESS NAME	ST. MARYS PAPER CORP.			ONTARIO CORPORATION NO.		
04/07		ADDRESS	75 HURON STREET		SAULT STE. MARIE		ON	P6A 5P4

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10									

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16	REGISTERING AGENT OR		DESMARAIS, KEENAN LLP			
17	SECURED PARTY/ LIEN CLAIMANT	ADDRESS	#100-30 DURHAM STREET	SUDBURY	ON	P3C 5E5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CERTIFIED BY/CERTIFIÉES PAR

K. —— [signature]

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SURETÉS MOBILIÈRES

(crj2fr 11/2008)

Ontario

RUN NUMBER : 242
RUN DATE : 2011/08/30
ID : 20110830151133.00

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ST. MARYS PAPER CORP.
FILE CURRENCY : 29AUG 2011

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
670874229	20110622 1146 1031 7452			
669822084	20110512 1409 7036 3903			
666681291	20101220 1941 1531 5230			
666446589	20101208 1516 1862 7735			
666417546	20101207 1534 1862 7655			
637427385	20070719 1315 2639 0010			
636000867	20070605 1532 1862 7208	20070605 1721 1862 7234	20070607 1134 1862 7386	20101207 1534 1862 7653
	20101207 1534 1862 7654			
631641799	20061221 1945 1531 2630	20061222 1447 1530 8830	20070801 1405 1530 8943	

14 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crfj2 11/2008)

Ontario