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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

INTERNATIONAL FOREST PRODUCTS LLC (formerly known as INTERNATIONAL FOREST PRODUCTS CORPORATION)

Applicant

- and -

ST. MARYS PAPER CORP.

Respondent

APPLICATION UNDER SUBSECTION 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 AMENDE

SUPPLEMENTARY MOTION RECORD
To the Motion Record dated October 22, 2012
(Returnable February 6, 2013)

February 4, 2013

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Lawyers for Ernst & Young Inc., in its capacity as Receiver

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ONTARIO
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I N D E X

TAB 1

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

INTERNATIONAL FOREST PRODUCTS LLC (formerly known as INTERNATIONAL FOREST PRODUCTS CORPORATION)

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APPLICATION UNDER SUBSECTION 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

SUPPLEMENTARY NOTICE OF MOTION
(Returnable February 6, 2013)

Ernst & Young Inc., in its capacity as court-appointed receiver and receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of each of St. Marys Paper Corp. ("**St. Marys**") and SMP Resources Inc. ("**SMPR**") will make a supplementary motion to the Honourable Mr. Justice C. Campbell at 10:00 a.m. on February 6, 2013, or as soon after that time as the motions can be heard, at 330 University Avenue, Toronto, Ontario, to be heard together with the Receiver's Motion dated October 22, 2012 adjourned in part to February 6, 2013.

PROPOSED METHOD OF HEARING: The motion and supplementary motion are to be heard orally.

THE SUPPLEMENTARY MOTION IS FOR an order substantially in the form attached as Schedule "A" to this supplemental notice of motion:

(a) if necessary, abridging the time for, and validating service of, the Receiver's notice of motion dated October 22, 2012 (the "**Notice of Motion**") and this supplementary notice of motion dated February 4, 2013 (the "**Supplementary Notice of Motion**") and the materials filed in support of such motions and dispensing with further service thereof such that the motions are properly returnable on February 6, 2013;

(b) approving the Fifth Report of the Receiver dated February 4, 2013 (the "**Fifth Report**"), along with the conduct and activities of the Receiver as described therein;

(c) approving and authorizing the terms of the Settlement Agreement by and between the Receiver, Robert Dale, Air-Dale Flying Service Ltd, International Forest Products LLC, Ontario Wilderness Vacations Limited ("**OWVL**") and Great Northern Freight Forwarding Limited ("**GNFFL**") dated January 31, 2013 as redacted in part and appended to the Fifth Report at Appendix "A" (the "**Settlement Agreement**"); and

(d) such further and other relief as is just.

THE GROUNDS FOR THE MOTION ARE:

(a) the Receiver was appointed receiver and receiver and manager of all of the assets, undertaking and property of St. Marys pursuant to the Order of the Honourable Mr. Justice Campbell dated December 29, 2011 (the "**Appointment Order**"), effective December 30, 2011;

(b) by Order dated May 8, 2012, the Honourable Mr. Justice Campbell, among other things, expanded and amended the Appointment Order to include SMPR;

(c) the Receiver duly served its Notice of Motion on October 22, 2012, in which the Receiver requested certain relief from this Court, including the expansion of the terms of the Appointment Order to include OWVL as "Debtor";

(d) the Receiver's motion in respect of the Notice of Motion was heard in part on October 25, 2012 and the portion of the Receiver's Motion relating to the proposed receivership of OWVL was adjourned on consent;

(e) the Receiver has undertaken the activities as more particularly described in the Fifth Report;

(f) as more particularly described in the Fifth Report, the Receiver has agreed to the terms of the Settlement Agreement, subject to the approval of this Court;

(g) the Receiver recommends and requests that its receivership mandate be expanded to include the assets, property and undertaking of OWVL, subject to the terms of the Settlement Agreement;

(h) the Receiver also recommends and requests that the terms of the Settlement Agreement be authorized and approved by the Court;

(i) a receivership of OWVL and the terms of the Settlement Agreement are in the best interests of the stakeholders of OWVL as a whole;

(j) the further grounds as set out in the Fourth Report of the Receiver dated October 22, 2012 **(**the "**Fourth Report**"**)** and the Fifth Report;

(k) section 101 of the *Courts of Justice Act*, R.S.O. 1990, C. C.43, as amended, Rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and

(l) such further grounds as are just.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion and supplementary motion:

(a) the Fifth Report, together with the appendices thereto;

(b) the Receiver's Motion Record dated October 22, 2012, including the Fourth Report together with the appendices thereto; and

(c) such further materials as is required.

February 4, 2013

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TAB 1A

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	WEDNESDAY, THE 6TH
	)	
JUSTICE C. CAMPBELL	)	DAY OF FEBRUARY, 2013

B E T W E E N:

INTERNATIONAL FOREST PRODUCTS LLC (formerly known as INTERNATIONAL FOREST PRODUCTS CORPORATION)

Applicant

- and -

ST. MARYS PAPER CORP.

Respondent

ORDER
(Expansion of Appointment Order to OWVL and Approval of Settlement Agreement)

THIS MOTION AND SUPPLEMENTARY MOTION, made by Ernst & Young Inc., in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of each of St. Marys Paper Corp. ("**St. Marys**") and SMP Resources Inc. ("**SMPR**"), for an order: (a) if necessary, abridging the time for, and validating service of, the Receiver's notice of motion and supplementary notice of motion and the materials filed in support of such motions and dispensing with further service thereof such that such motions are properly returnable on February 6, 2013; (b) approving the Fifth Report of the Receiver dated February 4, 2013 (the "**Fifth Report**"), along with the conduct and activities of the Receiver as described therein; (c) expanding

expanding the terms of the Receiver's appointment to include Ontario Wilderness Vacations Limited ("**OWVL**") as "Debtor" and (d) approving and authorizing the terms of the Settlement Agreement by and between the Receiver, Robert Dale ("**Dale**"), Air-Dale Flying Service Ltd, International Forest Products LLC, OWVL and Great Northern Freight Forwarding Limited dated January 31, 2013 as redacted and appended to the Fifth Report at Appendix "A" (the "**Settlement Agreement**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Receiver's Notice of Motion dated October 22, 2012 (the "**Notice of Motion**"), the Receiver's Supplementary Notice of Motion dated February 4, 2013 (the "**Supplementary Notice of Motion**"), the Fourth Report of the Receiver dated October 22, 2012 (the "**Fourth Report**"), the Fifth Report, and on hearing the submissions of counsel for the Receiver, counsel for International Forest Products LLC, counsel for Dale, and counsel for ______________________________, no one else appearing although served as evidenced by the affidavit of Deborah Ferguson sworn October 22, 2012 and the affidavit of Mary Allison sworn February 4, 2013, filed.

Service

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Supplementary Notice of Motion, the Motion Record dated October 22, 2012, the Supplementary Motion Record dated February 4, 2013, the Fourth Report and the Fifth Report, be and is hereby abridged and that the motion and the supplementary motion are properly returnable today and further that the requirement for service of such court materials, upon interested parties, other than those served, is hereby dispensed with and that the service of such court materials, as effected by the Receiver, is hereby validated in all respects.

Approval of the Fifth Report

2. **THIS COURT ORDERS** that the Fifth Report, along with the conduct and activities of the Receiver as set out therein, be and are hereby approved.

Expansion of the Appointment Order

3. **THIS COURT ORDERS** that the Order of the Honourable Mr. Justice C. Campbell dated December 29, 2011 (the "**Appointment Order**") be and is hereby amended to add OWVL within the meaning of "Debtor" for all purposes of the Appointment Order.

4. **THIS COURT ORDERS** that the Receiver's appointment as receiver and receiver and manager of OWVL pursuant to paragraph 3 hereof will take effect and commence as at the date of this Order.

5. **THIS COURT ORDERS** that, for greater certainty and without limiting the generality of paragraph 3 hereof, the provisions of paragraphs 7 through 11 (inclusive) of the Appointment Order apply to OWVL as "Debtor" with effect as at the date of this Order.

6. **THIS COURT ORDERS** that the Receiver shall not be obligated to take physical possession or control of the Property of OWVL and shall not manage, operate or carry on the business of OWVL.

Approval of Settlement Agreement

7. **THIS COURT ORDERS** that the Settlement Agreement be and is hereby approved and that the Receiver's appointment as receiver and receiver and manager of OWVL pursuant to paragraph 3 hereof shall be subject to the terms of the Settlement Agreement.

8. **THIS COURT ORDERS** that the parties to the Settlement Agreement be and are hereby authorized and directed to carry out its terms including, without limitation, that:

a) Dale be and is hereby authorized, as broker and agent for OWVL, to sell the Assets (as such term is defined in the Settlement Agreement) in accordance with and subject to the terms of the Settlement Agreement without further order of this Court; and

b) the Receiver be and is hereby authorized and directed to hold and distribute any Escrow Funds (as such term is defined in the Settlement Agreement) in accordance with and subject to the terms of the Settlement Agreement without further order of this Court.

9. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

INTERNATIONAL FOREST PRODUCTS LLC (formerly known as INTERNATIONAL FOREST PRODUCTS CORPORATION) -and- **ST. MARYS PAPER CORP.**

Applicant | Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

ORDER
(OWVL Expansion of Appointment Order)

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Lawyers for Ernst & Young Inc., in its capacity as Receiver

INTERNATIONAL FOREST PRODUCTS LLC (formerly known as INTERNATIONAL FOREST PRODUCTS CORPORATION)	and	ST. MARYS PAPER CORP.
Applicant		Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

SUPPLEMENTARY NOTICE OF MOTION (RETURNABLE FEBRUARY 6, 2013)

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Lawyers for Ernst & Young Inc., in its capacity as Receiver

TAB 2

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

INTERNATIONAL FOREST PRODUCTS LLC
(formerly known as INTERNATIONAL FOREST PRODUCTS CORPORATION)

Applicant

- and -

ST. MARYS PAPER CORP.

Respondent

APPLICATION UNDER SUBSECTION 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

FIFTH REPORT OF THE RECEIVER OF
ST. MARYS PAPER CORP. AND SMP RESOURCES INC.
DATED FEBRUARY4, 2013

INTRODUCTION

1. Pursuant to the Order of the Honourable Mr. Justice Campbell dated December 29, 2011, effective December 30, 2011, Ernst & Young Inc. ("**EYI**") was appointed as the receiver and receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of St. Marys Paper Corp. ("**St. Marys**") acquired for, or used in relation to St. Marys' business, including all proceeds (the "**Property**") pursuant to 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 (the "**Appointment Order**"). A copy of the Appointment Order is attached as Appendix "A" to the Fourth Report of the Receiver dated October 22, 2012 (the "**Fourth Report**").

2. Pursuant to the Order of the Honourable Mr. Justice Campbell dated May 8, 2012 (the "**SMPR Order**"), the Court, *inter alia*, expanded and amended the Appointment Order to include SMP Resources Inc. ("**SMPR**"), a related entity to St. Marys in which St. Marys owns 100% of the shares. The SMPR Order also specifically authorized the Receiver to market and sell all or part of the property of SMPR subject to section 3(1) of the Appointment Order. A copy of the SMPR Order is attached at Appendix "B" of the Fourth Report.

3. The Receiver served and filed a Notice of Motion dated October 22, 2012, in which the Receiver requested certain relief from this Court, including the expansion of the terms of the Appointment Order to include Ontario Wilderness Vacations Limited ("**OWVL**"), a related entity to St. Marys and SMPR in which SMPR owns 60% of the shares.

4. The Receiver's motion in respect of the Notice of Motion was heard in part on October 25, 2012, and the portion of the Receiver's motion relating to the proposed receivership of OWVL was adjourned on consent. That motion has since been further adjourned on consent several times to facilitate discussions between the interested parties to determine if a consensual resolution to the motion could be achieved.

5. As discussed further below, a settlement agreement has been reached between certain interested parties with respect to the proposed receivership of OWVL and the liquidation of OWVL's assets.

PURPOSE

6. This Fifth Report is the Receiver's fifth report to the Court in connection with the receivership of St. Marys and its second report to the Court in connection with the receivership of SMPR.

7. The purpose of this Fifth Report is to report to this Court with respect to:

   a) a summary of the activities of the Receiver from October 23, 2012 to date;

   b) the Receiver's motion before the Court to further expand and amend the Appointment Order to include OWVL (the "**OWVL Motion**"); and

c) the Receiver's supplementary motion seeking an Order: (i) approving this Fifth Report along with the conduct and activities of the Receiver as described herein and (ii) in conjunction with an expansion of the receivership to OWVL, approving and authorizing the terms of the Settlement Agreement dated January 31, 2013 (the "**Settlement Agreement**") discussed in detail below. A redacted executed copy of the Settlement Agreement is attached as Appendix "A" to this Fifth Report.

TERMS OF REFERENCE

8. In preparing this Fifth Report, the Receiver has been provided with, and, in making the comments herein, relied upon, unaudited financial information, St. Marys' and SMPR's books and records, financial information prepared by St. Marys and SMPR, and discussions with management of St. Marys and SMPR. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Further, the Receiver has not had access to any of the books and records of OWVL, but relies herein on the information provided to it by Mr. Robert Dale ("**Dale**"). Accordingly, the Receiver expresses no opinion or other form of assurance in respect of such information contained in this Fifth Report.

9. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian Dollars.

SUMMARY OF THE ACTIVITIES OF THE RECEIVER

10. The activities of the Receiver since its appointment are more fully described in the First Report of the Receiver dated January 13, 2012 (the "**First Report**"), the Second Report dated March 20, 2012 (the "**Second Report**"), the Third Report of the Receiver dated May 3, 2012 (the "**Third Report**"), and the Fourth Report.

11. Since the Fourth Report, the Receiver took the following steps in conjunction with its mandate:

a) continued to work with St. Marys' property tax consultant and legal counsel to the Receiver with respect to an appeal of certain property tax assessments related to the period prior to the closing of the transaction related to the sale of St. Marys' mill in Sault Ste. Marie;

b) made a distribution of $550,000 to IFP as authorized and directed in the Order of the Honourable Mr. Justice Campbell dated October 25, 2012. Accordingly, to date, the Receiver has made total distributions of approximately $4.5 million to IFP, all as approved by this Court;

c) continued to work with the Ministry of Natural Resources to sell certain wood that was located in the yard of the mill. This sale was completed during the week of December 17, 2012;

d) continued to work towards completing the tax returns of St. Marys and SMPR, which have been filed with the Canada Revenue Agency; and

e) continued to pursue opportunities to realize on the remaining assets of St. Marys and SMPR.

ONTARIO WILDERNESS VACATIONS LIMITED

12. The background concerning OWVL and the Receiver's motion seeking an expansion of the receivership to include OWVL is described in the Fourth Report, and in particular paragraphs 41 to 59 thereof, and will therefore not be repeated in this Fifth Report.

13. The Receiver was advised that the OWVL Motion was opposed by Dale. As described in the Fourth Report, Dale is the 40% shareholder of OWVL (SMPR being the 60% shareholder) and is the principal of Great Northern Freight Forwarding Limited ("**GNFFL**"), a purported judgment creditor of OWVL in the amount of $312,067.55.

14. Since the filing of the Fourth Report and the adjournment of the OWVL Motion, IFP, the Receiver and Dale have engaged in extensive discussions and negotiations seeking a

potential settlement of the OWVL Motion and the establishment of a cooperative process to deal with the assets of OWVL.

15. As described in the Fourth Report, OWVL owns and operates remote wilderness fly-in fishing and hunting camps in Northern Ontario. Dale is the controlling mind of OWVL and has been intimately involved in its management and operations since the company's inception. In addition, through float planes owned by GNFFL, Dale is the only readily available source of transportation to OWVL's camps which the Receiver understands are only practically accessible by air.

16. Therefore given the property access issues and Dale's historical knowledge and involvement with OWVL, IFP and the Receiver were of the view that the best and most efficient manner to realize upon OWVL's assets (primarily being its wilderness campsites) would be through a cooperative process which would directly include Dale.

17. Extensive discussions occurred between IFP and Dale (with the involvement of the Receiver) concerning the terms of such a cooperative process. Those discussions have resulted in an agreement between the Receiver, Dale, Air-Dale Flying Service Ltd, IFP, OWVL and GNFFL, in the form of the Settlement Agreement. A redacted copy of the Settlement Agreement is attached at Appendix "A" to this Fifth Report in order to keep confidential certain threshold amounts with respect to the sale of the assets as described further below.

18. The Settlement Agreement contemplates that it will become effective in conjunction with an expansion of the receivership to OWVL and requires that it be approved by this Court in order to be effective on the parties.

19. A summary of the key terms of the Settlement Agreement are as follows (all defined terms used in this section have the meanings ascribed to them in the Settlement Agreement):

a) **Sale of Assets**: Dale shall serve as broker and agent for OWVL in the sale of the Campsites and Other Assets owned by OWVL (collectively, the "**Assets**"). Dale will receive a 2% commission on the proceeds of sale of any Campsites. A sale of any of the Assets shall require the approval of the Receiver and Mr. Dan Moore on behalf of IFP ("**Moore**"). However, for the sale of the Campsites, Dale is permitted to sell any Campsite without such prior consent if the offer equals or exceeds the Threshold Amount (defined below) for such Campsite as specified in section II.A.(i) of the Settlement Agreement.

b) **Threshold Amounts and Authorization to Sell**: A Threshold Amount has been established for all of the Campsites, which amount is based on Dale's estimate of the minimum sale price amount that he believes he can achieve for sales of the Campsites. The Receiver and IFP believe that the Threshold Amounts are a reasonable base level sale price to be set for the Campsites and have, subject to approval by the Court, agreed with Dale that if such Threshold Amounts are achieved, Dale can agree to a sale of the Campsite without further approval of the sale price by the Receiver and IFP. However, the Settlement Agreement provides that Dale may still only accept such an offer if it provides for payment, in cash, in full on or before the Closing Deadline and provided that all other terms and conditions of the offer are acceptable to the Receiver and Moore, acting reasonably.

c) **Deadlines**: The Offer Deadline for offers to be received on the Campsites is December 31, 2013. The Closing Deadline for the closing of the Campsite Sales is May 31, 2014. The lengthy offer and sale periods for the Offer Deadline and Closing Deadline are due to the logistical difficulties raised by the remote location of the properties, the fact that the locations are not accessible during the winter, and the fact that certain third party consents and approvals will likely be required to close the transactions.

d) **Escrow Account**: The Receiver shall act as the escrow agent and shall establish and maintain an Escrow Account. Dale shall cause the Net Sale Proceeds from the sale of any Campsites or Other Assets to be immediately deposited into the Escrow Account. "Net Sale Proceeds" means the amount of the sale price of an

Asset after payment of (i) the reasonable and documented costs incurred by Dale in connection with the sale as approved in advance by the Receiver, Moore and Dale, and (ii) the amount required to discharge any mortgage(s) or any other encumbrance(s) on the Asset being sold.

e) **Distribution of Escrow Funds**: The Settlement Agreement provides that the Escrow Funds shall be distributed in the order of priority set forth in Section II.E of the Settlement Agreement as reproduced below:

(i) First, two percent (2%) of the sale price of a Campsite to Dale, or to GNFFL as directed by Dale, such amount representing payment in full of the commission due to Dale on such sale if such amount has not already been paid;

(ii) Second, to Royal Bank of Canada as payment in full of the RBC Debt if it has not already been paid in full from the proceeds of sale of any Asset;

(iii) Third, an amount equal to the estimated tax liability of OWVL shall be set aside for remittance by the Receiver when due;

(iv) Fourth, payment of lease arrears to enable sale of leased Campsites for which an Offer has been received;

(v) Fifth, an amount equal to the then outstanding severance payments due to employees of OWVL, which is currently estimated not to exceed Forty Thousand and 00/100 Dollars ($40,000.00);

(vi) Sixth, any amounts owed by OWVL to other creditors of OWVL (other than SMPR, GNFFL, Air-Dale or other related parties), including in respect of lease arrears not paid in (iv), as agreed upon by the Receiver, Dale and Moore or as determined by the Court on notice to the Parties;

(vii) Seventh, Sixty Thousand and 00/100 Dollars ($60,000.00) to the Receiver (on behalf of SMPR), which shall constitute payment in full of all debt owed by OWVL to SMPR; and

(viii) Eighth, the amount remaining in the Escrow Account after the payments referenced in subsections (i) through (vii) above paid as follows: (a)thirty percent (30%) shall be paid to GNFFL, up to a maximum of Three Hundred Thirteen Thousand Two-Hundred Fifty and 00/100 Dollars ($313,250.00) and (b) the remaining seventy percent (70%) shall be divided and paid as follows: (A) sixty percent (60%) to the Receiver (on behalf of SMPR) and (B) forty percent (40%) to Dale or to GNFFL as Dale may direct.

f) **Liquidation of Remaining Assets**: Upon the Closing Deadline or such earlier date agreed to by the Parties, all remaining assets, undertakings, and properties of OWVL will be liquidated or otherwise dealt with by the Receiver in the Receiver's sole discretion. Any proceeds from such liquidation shall be placed into the Escrow Account and distributed in accordance with the provisions set forth in Section II.E.

g) **Mutual Release**: Each of the parties have agreed to deliver to the others a mutual release of all obligations owing as between them, except those specific obligations arising solely under the Settlement Agreement.

20. For the reasons set out herein and in the Fourth Report, the Receiver believes that an expansion of the receivership to include the property, assets and undertaking of OWVL, subject to the terms of the Settlement Agreement, is just and convenient and in the best interests of the stakeholders of OWVL as a whole in the circumstances.

21. Accordingly, the Receiver is seeking an order of this Court expanding and amending the Appointment Order to include OWVL and approval of this Court of the Settlement

Agreement, on the basis that the Receiver's mandate as receiver of OWVL be made subject to the terms of the Settlement Agreement.

22. The parties to the Settlement Agreement have each agreed to consent to the relief sought by the Receiver on condition that the terms of the Settlement Agreement are approved by the Court and form part of the Order expanding the receivership.

23. In connection therewith, the Receiver requests that the Court specifically order, among other things, that:

a) Dale be authorized, as broker and agent for OWVL, to sell the Assets in accordance with and subject to the terms of the Settlement Agreement without further order of this Court; and

b) the Receiver be authorized and directed to hold and distribute any Escrow Funds in accordance with and subject to the terms of the Settlement Agreement without further order of this Court.

24. The Receiver believes that a sale of the Assets, subject to the controls and restrictions established in the Settlement Agreement, would be most efficient and effective without the requirement to return to Court for specific approval of the sale of each particular Asset.

25. Further, the provisions of the Settlement Agreement providing for the distribution of the Escrow Funds requires that all secured debt and unrelated unsecured debt be paid before any distributions are made on account of debts owing to SMPR or GNFFL or an account of shareholder equity of SMPR and Dale. The Receiver intends to publically call for claims against OWVL prior to any distribution of the Escrow Funds to ensure that all creditors have an opportunity to submit their claim(s) against OWVL.

26. Further, an estimate of all of the debts of OWVL provided to the Receiver by Dale are substantially less than the total Threshold Amounts in proceeds that Dale expects from the sale of the Campsites.

RECOMMENDATION

27. For the reasons detailed above and in the Fourth Report, the Receiver respectfully recommends and requests that this Court grant the relief requested by the Receiver substantially in the form of the draft Order attached at Schedule "A" to the Receiver's Supplementary Notice of Motion.

All of which is respectfully submitted this 4th day of February, 2013.

ERNST & YOUNG INC.
in its capacity as Court Appointed Receiver and
Receiver and Manager of St. Mary's Paper Corp. and
SMP Resources Inc.

Per:

Alex Morrison
Senior Vice President

Simone Carvalho
Vice President

TAB 2A

SETTLEMENT AGREEMENT

This Settlement Agreement (this "Agreement") is made as of this 31st day of January 2013 , by and between (i) Ernst and Young Inc., the Court appointed receiver and receiver and manager (the "Receiver") of SMP Resources Inc. ("SMPR") pursuant to the Order of the Honourable Mr. Justice C. Campbell of the Ontario Superior Court of Justice (Commercial List)(the "Court") dated December 29, 2011 as amended by Order of the Court dated May 8, 2012 (Court File No. CV-11-9367-00CL) (as amended, the "Receivership Order"), (ii) Robert Dale, an individual with an address at 628 Second Line West, Sault Ste. Marie, Ontario, P6C 2K7 ("Dale"), (iii) Air-Dale Flying Service Ltd., an Ontario limited liability company with an address at 235 River Road, Sault Ste. Marie, Ontario, P6A 6C3 ("Air-Dale"), (iv) International Forest Products LLC, a Delaware limited liability company with an address at One Patriot Place, Foxborough, Massachusetts, 02035 ("IFP"), (v) Ontario Wilderness Vacations, Limited, an Ontario limited liability company with an address at 235 River Road, Sault Ste. Marie, Ontario, P6A 6C3 ("OWVL"), and (vi) Great Northern Freight Forwarding Ltd., an Ontario limited liability company with an address at 235 River Road, Sault Ste. Marie, Ontario, P6A 6C3 ("GNFFL" and, together with the Receiver, Dale, Air-Dale, OWVL, and IFP, each a "Party" and collectively the "Parties"). All monetary amounts specified herein are in Canadian Dollars.

I. RECITALS

A. SMPR, a wholly-owned subsidiary of St. Marys Paper Corp. ("SMP"), was a wood sales business with its principal place of business located in Sault Ste. Marie, Ontario. SMPR became insolvent and was placed into receivership pursuant to the Receivership Order. The Receiver was appointed as the receiver and receiver and manager of all of SMPR's assets, undertakings, and properties pursuant to the Receivership Order (the "Receivership").

B. IFP is engaged in the business of buying, selling and trading forest products throughout the world and provided SMP with loans, extensions of credit and other financial accommodations prior to the Receivership.

C. OWVL is an operator of fishing and hunting camps in Ontario, with its principal place of business located in Wawa, Ontario. SMPR is the majority shareholder of OWVL, holding a sixty percent (60%) ownership interest in OWVL. Dale is the sole minority shareholder of OWVL, holding a forty percent (40%) ownership interest in OWVL.

D. The Parties agree that OWVL is indebted to SMPR in the amount of Sixty Thousand and 00/100 Dollars ($60,000.00) as of December 31, 2011.

E. The Parties agree that OWVL is indebted to the Royal Bank of Canada in the principal amount of Sixty-Five Thousand and 00/100 Dollars ($65,000.00) (together with accrued, but unpaid interest on such amount and fees and expenses due in connection therewith, the "RBC Debt").

F. Air-Dale provides flying services for OWVL and has a principal place of business located in Wawa, Ontario. Air-Dale is a wholly owned subsidiary of OWVL. GNFFL leased planes to Air-Dale and maintained the aircraft at Air-Dale's expense.

G. Notwithstanding the written objections and opposition of the Receiver and IFP, GNFFL has obtained a default judgment in the Superior Court of Justice against OWVL and Air-Dale dated October 4, 2012 in the total amount of $313,250.34 inclusive of costs. The judgment bears interest at the rate of 3% per annum (the "Judgment").

H. A dispute arose between certain of the Parties as to whether OWVL is indebted to GNFFL, which, together with the Judgment, resulted in the Receiver bringing a motion to expand the Receivership Order to the assets of OWVL (the "Motion").

I. Each of Dale, Air-Dale, OWVL, GNFFL and IFP agree to consent to the Motion on condition that the terms of this Agreement are approved by the Court as part of the order granting the Motion.

II. AGREEMENT

NOW THEREFORE, in consideration of the mutual promises, covenants, acknowledgements, and releases set forth herein, the Parties agree as follows:

A. Sale of Assets.

(i) OWVL Campsites and Bases. Dale shall serve as broker and agent for OWVL in the sale of the four (4) campsites/bases owned or leased by OWVL and more particularly described in Schedule A attached hereto (such campsites/bases to be referred to herein each individually as a "Campsite" and collectively as the "Campsites"). Dale estimates that he can obtain offers and achieve sales of the Campsites (such sales to be referred to herein each individually as a "Campsite Sale" and collectively as the "Campsite Sales") for the following respective amounts (such amounts to be referred to herein each individually as a "Threshold Amount" and collectively as the "Threshold Amounts"): Goulais Lake – [redacted]; Ranger Lake – [redacted], Hawk Lake – [redacted]; Blue Lake – [redacted]. The total of these Threshold Amounts is [redacted] (the "Total Threshold Amount").

(ii) Other Assets. In addition to Dale's service as broker and agent for OWVL in the sale of the Campsites, Dale shall serve as broker and agent for OWVL in the sale of all other assets and properties of OWVL (the "Other Assets" and, together with the Campsites, the "Assets").

B. Effectiveness and Deadlines.

(i) This Agreement shall not become effective and shall not be binding on any Party and shall be without prejudice to any position that any Party wishes to take on the Motion unless and until (i) each and every Party has executed and delivered to the other Parties a counterpart to this Agreement and (ii) the Honourable Mr. Justice Campbell or another Judge of the Court with jurisdiction over the Receivership has granted the Motion and approved the provisions of this Agreement. This Agreement shall become effective on the date such conditions are met (the "Effective Date"). Nothwithstanding the foregoing, the Parties hereby consent to the Motion on condition that the terms of this Agreement are approved by the Court as part of the order granting the Motion. This Agreement shall be null and void and of no force and effect if the Effective Date does not occur on or before February 15, 2013.

(ii) The deadline for offers to be received on the Campsites is December 31, 2013 (the "Offer Deadline"). The deadline for the closing of the Campsite Sales is May 31, 2014 (the "Closing Deadline").

C. Authority to Sell Asset(s).

(i) Authorization Required; Offer Process. Except as expressly excepted in subsection (iii) below, Dale shall have no authority to accept, and shall not sell any Asset(s), including without limitation any Campsites, without obtaining the prior express written consent of Mr. Dan Moore on behalf of IFP ("Moore") and the Receiver, such consent not to be unreasonably delayed or withheld. If Dale obtains an offer for the purchase of any Asset, Dale shall promptly provide a copy of such offer to Moore and the Receiver.

(ii) Documentation. If Dale accepts an offer in accordance with the provisions of this Agreement, the other Parties shall execute and deliver all documentation reasonably necessary or desirable to convey title to the relevant Campsite or Other Asset(s) to the person purchasing such Asset. Dale shall cause the net proceeds from the sale of any Asset(s), including without limitation the Campsites, to be immediately deposited into the Escrow Account (defined below). For the purposes of this Agreement, "Net Sale Proceeds" shall mean the amount of the sale price of such Asset remaining after payment of (I) the reasonable, documented, usual and customary costs incurred by Dale in connection with the provision of goods and services by third parties to complete such sale and (II) the amount required to discharge any mortgage or encumbrance on the Asset being sold. All amounts to be paid to Dale or any affiliate of Dale must be approved in advance by Moore, the Receiver and Dale before being incurred, such approval not to be unreasonably delayed or withheld.

(iii) Campsite Sales Above Threshold Amount(s). If the Net Sales Proceeds for any Campsite set forth in any offer equals or exceeds the Threshold Amount for such

Campsite, Dale may accept such offer on behalf of OWVL without obtaining the further consent of any other Party provided that such offer provides for payment, in cash, in full on or before the Closing Deadline and provided that all other terms and conditions of the offer are acceptable to the Receiver and Moore, acting reasonably.

D. Escrow. The Receiver shall act as the escrow agent and agrees to deposit the Net Sale Proceeds into an interest bearing account at a bank or other financial institution selected by the Receiver (the "Escrow Account"), subject to the terms of this Agreement. The Receiver shall establish and maintain the Escrow Account.

E. Distribution of Proceeds. The Parties (including, without limitation, Dale and GNFFL) acknowledge and agree that effective on the Effective Date the Parties have liquidated and quantified all amounts owed or claimed to be owed or due to such Party by OWVL, Air-Dale or any other Party, in exchange for the right to receive payments under this Section II.E. Subject and pursuant to order of the Court, the Receiver shall apply and distribute the funds held in the Escrow Account (the "Escrow Funds") in the following order of priority, in the following amounts and at such intervals as are agreed upon between the Receiver, Dale and Moore, acting reasonably, or as determined by the Court:

(i) First, two percent (2%) of the sale price of a Campsite to Dale, or to GNFFL as directed by Dale, such amount representing payment in full of the commission due to Dale on such sale if such amount has not already been paid;

(ii) Second, to Royal Bank of Canada as payment in full of the RBC Debt if it has not already been paid in full from the proceeds of sale of any Asset.

(iii) Third, an amount equal to the estimated tax liability of OWVL shall be set aside for remittance by the Receiver when due.

(iv) Fourth, payment of lease arrears to enable sale of leased Campsites for which an Offer has been received.

(v) Fifth, an amount equal to the then outstanding severance payments due to employees of OWVL, which is currently estimated not to exceed Forty Thousand and 00/100 Dollars ($40,000.00).

(vi) Sixth, any amounts owed by OWVL to other creditors of OWVL (other than SMPR, GNFFL, Air-Dale or other related parties), including in respect of lease arrears not paid in (iv), as agreed upon by the Receiver, Dale and Moore or as determined by the Court on notice to the Parties.

(vii) Seventh, Sixty Thousand and 00/100 Dollars ($60,000.00) to the Receiver (on behalf of SMPR), which shall constitute payment in full of all debt owed by OWVL to SMPR.

(viii) Eighth, the amount remaining in the Escrow Account after the payments referenced in subsections (i) through (vii) above (the "Balance") paid as follows: (a)thirty percent (30%) shall be paid to GNFFL, up to a maximum of Three Hundred Thirteen Thousand Two-Hundred Fifty and 00/100 Dollars ($313,250.00) and (b) the remaining seventy percent (70%) shall be divided and paid as follows: (A) sixty percent (60%) to the Receiver (on behalf of SMPR) and (B) forty percent (40%) to Dale or to GNFFL as Dale may direct.=

F. Liquidation and Distribution of Remaining OWVL Assets. Upon the Closing Deadline or such earlier date agreed to by the Parties, all remaining assets, undertakings, and properties of OWVL will be liquidated or otherwise dealt with by the Receiver in the Receiver's sole discretion. Any proceeds from such liquidation shall be placed into the Escrow Account and distributed in accordance with the provisions set forth in Section II.E.

G. Obligation to provide transportation. GNFFL may utilize Air-Dale's commercial flying licence and operating certificate to transport prospective purchasers to and from the Campsites. GNFFL agrees to retain one Beaver aircraft until the Closing Deadline. Cost of the use of the aircraft for sales purposes is covered by the sales commission payable to Dale pursuant to section II.E(i) above. Cost for other uses will be negotiated by the Receiver, Dale and Moore.

III. MISCELLANEOUS

A. Mutual Release.

(i) In consideration of the mutual promises, covenants, acknowledgements, and releases contained herein, Dale and GNFFL, and all of their respective successors and assigns irrevocably and unconditionally release, acquit and forever discharge on the Effective Date SMP, SMPR, the Receiver, IFP, Air-Dale and OWVL and all of such parties' respective owners, shareholders, directors, officers, employees, agents, representatives, attorneys, insurers, divisions, subsidiaries, affiliates, successors, and all persons acting by, through, under or in concert with any of them (collectively the "SMPR Releasees"), from any and all damages, claims, complaints, liabilities, obligations, promises, agreements, controversies, causes of action, suits, and demands of any nature whatsoever (including those for attorneys' fees, experts fees, or any other damages), existing as of the date of this Agreement, whether known or unknown, suspected or unsuspected, which any Party now has or claims to have or which any Party has asserted or hereafter may assert against any of the SMPR Releasees that in any way relate to the Dispute or the subject matter of this Agreement. This release shall not cover the Parties' obligations arising solely under this Agreement.

(ii) In consideration of the mutual promises, covenants, acknowledgements, and releases contained herein, the Receiver (on behalf of SMPR), IFP, and OWVL and all of their successors and assigns irrevocably and unconditionally release, acquit and forever discharge on the Effective Date Dale and GNFFL from any and all damages, claims, complaints, liabilities, obligations, promises, agreements, controversies, causes of action, suits, and demands of any nature whatsoever (including those for attorneys' fees, experts fees, or any other damages), existing as of the date of this Agreement, whether known or unknown, suspected or unsuspected, which any Party now has or claims to have or which any Party has asserted or hereafter may assert against Dale or GNFFL that in any way relate to the Dispute or the subject matter of this Agreement. This release shall not cover the Parties' obligations arising solely under this Agreement.

(iii) In consideration of the mutual promises, covenants, acknowledgements, and releases contained herein, OWVL and Air-Dale and all of their successors and assigns irrevocably and unconditionally release, acquit and forever discharge on the Effective Date IFP, SMPR, the Receiver, Dale, GNFFL and all of such parties' respective owners, shareholders, directors, officers, employees, agents, representatives, attorneys, insurers, divisions, subsidiaries, affiliates, successors, and all persons acting by, through, under or in concert with any of them (collectively the "Releasees"), from any and all damages, claims, complaints, liabilities, obligations, promises, agreements, controversies, causes of action, suits, and demands of any nature whatsoever (including those for attorneys' fees, experts fees, or any other damages), existing as of the date of this Agreement, whether known or unknown, suspected or unsuspected, which any Party now has or claims to have or which any Party has asserted or hereafter may assert against any of the Releasees that in any way relate to the Dispute or the subject matter of this Agreement. This release shall not cover the Parties' obligations arising solely under this Agreement.

B. No Admission of Liability. This Agreement is entered into in compromise of disputed claims. The Parties acknowledge that the execution of this Agreement is not and shall not be construed in any way as an admission of liability of any Party.

C. Ontario Law Controls. This Agreement shall be governed by, construed and interpreted according to the laws of the province of Ontario without regard to Ontario's choice of law principles. Any action regarding this Agreement shall be subject to the exclusive jurisdiction and venue of the Court.

D. Representation by Counsel. The Parties warrant that they are represented by separate attorneys with respect to this Agreement and all matters contained in it, that their respective attorneys have fully advised them concerning their rights with respect to its execution and effects, and that they understand the same.

E. Execution. This Agreement may be executed in counterparts, and each executed counterpart shall have the same force and effect as the original instrument as if all of the

Parties to such counterparts had signed the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile transmission, by electronic mail in portable document format (.PDF), or by any other electronic means shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes.

F. Amendment. This Agreement may be amended only by a writing duly executed by each Party.

G. Entire Agreement. This Agreement reflects the entire agreement between the Parties relative to the subject matter, and supersedes all prior or contemporaneous oral or written understandings, statements, representations or promises.

H. Duly Authorized. Each person affixing his or her signature hereto represents and warrants that he or she is duly authorized to execute this Agreement on behalf of the Party indicated.

I. Costs.

The Parties agree that:

i) this Settlement Agreement has been made on a without costs basis;

ii) should any litigation between the Parties arise out of or in connection with this Agreement after it has become effective on the Effective Date, the substantially prevailing or successful Party shall, unless otherwise ordered in the discretion of the trial judge, be entitled to recover from the non-prevailing Party the costs incurred by the prevailing Party related to such litigation on a partial indemnity basis in addition to other relief that may be granted; and

iii) all of the fees and disbursements of the Receiver shall be paid from funds other than Escrow Funds. Neither Dale nor GNFFL shall be liable for payment of any fees or disbursements to the Receiver arising hereunder.

[*SIGNATURES ON FOLLOWING PAGE*]

WE, THE UNDERSIGNED, HAVE COMPLETELY READ THIS SETTLEMENT AGREEMENT AND FULLY UNDERSTAND AND VOLUNTARILY ACCEPT IT.

ERNST & YOUNG INC., solely in its capacity as **RECEIVER** for **SMP RESOURCES, INC.** and not in its personal or corporate capacity

By: Alex Morrison
Name: Alex Morrison
Title: Senior Vice President
Hereunto duly authorized

INTERNATIONAL FOREST PRODUCTS LLC

By: ____________________
Name: ____________________
Title: ____________________
Hereunto duly authorized

AIR-DALE FLYING SERVICE LTD.

By: ____________________
Name: ____________________
Title: ____________________
Hereunto duly authorized

ONTARIO WILDERNESS VACATIONS, LIMITED

By: ____________________
Name: ____________________
Title: ____________________
Hereunto duly authorized

ROBERT DALE, individually

By: ____________________
Name: ____________________

GREAT NOTHERN FREIGHT FORWARDING LIMITED

By: ____________________
Name: ____________________
Title: ____________________
Hereunto duly authorized

WE, THE UNDERSIGNED, HAVE COMPLETELY READ THIS SETTLEMENT AGREEMENT AND FULLY UNDERSTAND AND VOLUNTARILY ACCEPT IT.

ERNST & YOUNG INC., solely in its capacity as RECEIVER for SMP RESOURCES, INC. and not in its personal or corporate capacity

By: ______________________
Name: ______________________
Title: ______________________
Hereunto duly authorized

INTERNATIONAL FOREST PRODUCTS LLC

By: [signature]
Name: Daniel Moore
Title: COO
Hereunto duly authorized

AIR-DALE FLYING SERVICE LTD.

By: [signature]
Name: ROBERT A. DALE
Title: DIRECTOR
Hereunto duly authorized

ONTARIO WILDERNESS VACATIONS, LIMITED

By: [signature]
Name: ROBERT A. DALÉ
Title: DIRECTOR
Hereunto duly authorized

ROBERT DALE, individually

By: ______________________
Name: ______________________

GREAT NOTHERN FREIGHT FORWARDING LIMITED

By: ______________________
Name: ______________________
Title: ______________________
Hereunto duly authorized

WE, THE UNDERSIGNED, HAVE COMPLETELY READ THIS SETTLEMENT AGREEMENT AND FULLY UNDERSTAND AND VOLUNTARILY ACCEPT IT.

ERNST & YOUNG INC., solely in its capacity as RECEIVER for SMP RESOURCES, INC. and not in its personal or corporate capacity

By: ____________________
Name: ____________________
Title: ____________________
Hereunto duly authorized

INTERNATIONAL FOREST PRODUCTS LLC

By: ____________________
Name: Daniel Moore
Title: CEO
Hereunto duly authorized

AIR-DALE FLYING SERVICE LTD.

By: ____________________
Name: ____________________
Title: ____________________
Hereunto duly authorized

ONTARIO WILDERNESS VACATIONS, LIMITED

By: ____________________
Name: ____________________
Title: ____________________
Hereunto duly authorized

ROBERT DALE, individually

By: ____________________
Name: ROBERT A. DALE

GREAT NORTHERN FREIGHT FORWARDING LIMITED

By: ____________________
Name: ROBERT A. DALE
Title: PRESIDENT
Hereunto duly authorized

Schedule A

Campsites

1. ISLAND IN GOULAIS LAKE

Parcel 4838 Sec ACS; Island in Goulais Lake Hoffman/Butcher Summer Resort location JC334; District of Algoma and being PIN 31257-0001

2. LAND USE PERMITS

Blue Lake Camp – MNR Permit No. LUP 1596-1010959

Ranger Lake Seaplane Base – MNR Permit No. LUP 1594-1003394*

3. HAWK LAKE LEASE

(copy to be provided)

4. OTHER LAND USE PERMITS

Name of Lake	MNR Permit No.
Fred	LUP 1524-1001502
Medhurst – west shore	LUP 1524-1001505
Otter	LUP 1524-1001496
Craig – west shore	LUP 1524-1001459
Upper Dingman – south of	LUP 1405-1002680
	LUP 1405-1002822
Nameigos – southwest end	LUP 1524-1001418
Crescent – north shore	LUP 1524-1001427
Missing – south of Mishibishu	LUP 1526-1001239
Apisabigo	LUP 1524-1001458
Poison	LUP 1596-1010958
Skirl – P261	LUP 1596-1010960
Little Missinabi – part island	LUP 1406-1002827*
Prairie Grass – east shore	LUP 1405-1002679*
Gord	LUP 1594-1003430*
Ermine	LUP 1524-1001312*

Advertising sign – east side Ranger Lake road – LUP 15941003484

***Note: LUPs have expired on their face but are still being used**

TAB 3

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	WEDNESDAY, THE 6^{TH}
	)	
JUSTICE C. CAMPBELL	)	DAY OF FEBRUARY, 2013

B E T W E E N:

INTERNATIONAL FOREST PRODUCTS LLC (formerly known as INTERNATIONAL FOREST PRODUCTS CORPORATION)

Applicant

- and -

ST. MARYS PAPER CORP.

Respondent

ORDER
(Expansion of Appointment Order to OWVL and Approval of Settlement Agreement)

THIS MOTION AND SUPPLEMENTARY MOTION, made by Ernst & Young Inc., in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of each of St. Marys Paper Corp. ("**St. Marys**") and SMP Resources Inc. ("**SMPR**"), for an order: (a) if necessary, abridging the time for, and validating service of, the Receiver's notice of motion and supplementary notice of motion and the materials filed in support of such motions and dispensing with further service thereof such that such motions are properly returnable on February 6, 2013; (b) approving the Fifth Report of the Receiver dated February 4, 2013 (the "**Fifth Report**"), along with the conduct and activities of the Receiver as described therein; (c) expanding the terms of the Receiver's appointment to include Ontario Wilderness Vacations Limited ("**OWVL**") as "Debtor" and (d) approving and authorizing the terms of the Settlement Agreement by and between the Receiver, Robert Dale ("**Dale**"), Air-Dale Flying Service Ltd, International Forest Products LLC, OWVL and Great Northern Freight Forwarding Limited dated January 31, 2013 as redacted and appended to the Fifth Report at Appendix "A" (the "**Settlement Agreement**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Receiver's Notice of Motion dated October 22, 2012 (the "**Notice of Motion**"), the Receiver's Supplementary Notice of Motion dated February 4, 2013 (the "**Supplementary Notice of Motion**"), the Fourth Report of the Receiver dated October 22, 2012 (the "**Fourth Report**"), the Fifth Report, and on hearing the submissions of counsel for the Receiver, counsel for International Forest Products LLC, counsel for Dale, and counsel for ____, no one else appearing although served as evidenced by the affidavit of Deborah Ferguson sworn October 22, 2012 and the affidavit of Mary Allison sworn February 4, 2013, filed.

Service

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Supplementary Notice of Motion, the Motion Record dated October 22, 2012, the Supplementary Motion Record dated February 4, 2013, the Fourth Report and the Fifth Report, be and is hereby abridged and that the motion and the supplementary motion are properly returnable today and further that the requirement for service of such court materials, upon interested parties, other than those served, is hereby dispensed with and that the service of such court materials, as effected by the Receiver, is hereby validated in all respects.

Approval of the Fifth Report

2. **THIS COURT ORDERS** that the Fifth Report, along with the conduct and activities of the Receiver as set out therein, be and are hereby approved.

Expansion of the Appointment Order

3. **THIS COURT ORDERS** that the Order of the Honourable Mr. Justice C. Campbell dated December 29, 2011 (the "**Appointment Order**") be and is hereby amended to add OWVL within the meaning of "Debtor" for all purposes of the Appointment Order.

4. **THIS COURT ORDERS** that the Receiver's appointment as receiver and receiver and manager of OWVL pursuant to paragraph 3 hereof will take effect and commence as at the date of this Order.

5. **THIS COURT ORDERS** that, for greater certainty and without limiting the generality of paragraph 3 hereof, the provisions of paragraphs 7 through 11 (inclusive) of the Appointment Order apply to OWVL as "Debtor" with effect as at the date of this Order.

6. **THIS COURT ORDERS** that the Receiver shall not be obligated to take physical possession or control of the Property of OWVL and shall not manage, operate or carry on the business of OWVL.

Approval of Settlement Agreement

7. **THIS COURT ORDERS** that the Settlement Agreement be and is hereby approved and that the Receiver's appointment as receiver and receiver and manager of OWVL pursuant to paragraph 3 hereof shall be subject to the terms of the Settlement Agreement.

8. **THIS COURT ORDERS** that the parties to the Settlement Agreement be and are hereby authorized and directed to carry out its terms including, without limitation, that:

a) Dale be and is hereby authorized, as broker and agent for OWVL, to sell the Assets (as such term is defined in the Settlement Agreement) in accordance with and subject to the terms of the Settlement Agreement without further order of this Court; and

b) the Receiver be and is hereby authorized and directed to hold and distribute any Escrow Funds (as such term is defined in the Settlement Agreement) in accordance with and subject to the terms of the Settlement Agreement without further order of this Court.

9. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

INTERNATIONAL FOREST PRODUCTS LLC (formerly known as INTERNATIONAL FOREST PRODUCTS CORPORATION)
Applicant

-and-

ST. MARYS PAPER CORP.
Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

ORDER
(OWVL Expansion of Appointment Order)

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Lawyers for Ernst & Young Inc., in its capacity as Receiver

INTERNATIONAL FOREST PRODUCTS LLC (formerly known as INTERNATIONAL FOREST PRODUCTS CORPORATION)

Applicant

-and-

ST. MARYS PAPER CORP.

Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

SUPPLEMENTARY MOTION RECORD
(Returnable February 6, 2013)

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