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

EIGHTH REPORT OF THE RECEIVER OF ST. MARYS PAPER CORP., SMP RESOURCES INC. AND ONTARIO WILDERNESS VACATIONS LIMITED DATED DECEMBER 2, 2016

INTRODUCTION

1. Pursuant to the Order of the Honourable Mr. Justice Campbell dated December 29, 2011, effective December 30, 2011, Ernst & Young Inc. ("**EY**") 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**").

2. Pursuant to the Order of the Honourable Mr. Justice Campbell dated May 8, 2012, the Court, *inter alia*, expanded and amended the Appointment Order to include SMP Resources Inc. ("**SMPR**"), a wholly owned subsidiary of St. Marys.

3. On May 8, 2012, International Forest Products LLC (formerly known as International Forest Products Corporation) (**"IFP"**) brought a bankruptcy application (the **"Bankruptcy Application"**) with respect to St. Marys, the hearing of which was initially adjourned and was ultimately granted by the Court on June 6, 2012. EY was appointed trustee of the bankruptcy estate of St. Marys.

4. Pursuant to the Order of the Honourable Mr. Justice Campbell dated February 6, 2013 (the "**OWVL Appointment Order**"), the Court, *inter alia*, expanded and amended the Appointment Order to include Ontario Wilderness Vacations Limited ("**OWVL**", and together with SMPR and St. Marys, the "**Debtors**"), a related entity to SMPR in which SMPR owns 60% of the shares. The remaining 40% of the shares of OWVL are owned by Mr. Robert Dale of Sault Ste. Marie ("**Dale**").

PURPOSE

5. This is the Receiver's eighth report to the Court in connection with the receivership of St. Marys, its fifth report to the Court in connection with the receivership of SMPR and its third report to the Court in connection with the receivership of OWVL (referred herein after as the "**Eighth Report**").

6. The purpose of this Eighth Report is to report to the Court with respect to:

   a) a summary of the activities of the Receiver since the Seventh Report of the Receiver dated May 27, 2014 (the "**Seventh Report**");

   b) a summary of the Statements of Receipts and Disbursements for each of the Debtors as of November 15, 2016; and

   c) the Receiver's motion for an Order (the "**Distribution and Discharge Order**"):

      i. approving this Eighth Report, along with the conduct and activities of the Receiver as described herein;

      ii. approving the distributions in respect of OWVL, SMPR and St. Marys as set out herein; and

iii. discharging and releasing EY as Receiver of the Debtors upon completion of the proposed distributions.

TERMS OF REFERENCE

7. In preparing this Eighth Report and making the comments herein, the Receiver has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the Debtors' books and records, and information from other third-party sources (collectively, the "**Information**"). Except as described in this Eighth Report:

a) The Receiver has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

b) Some of the information referred to in this Eighth Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in *Chartered Professional Accountants Canada Handbook*, has not been performed.

8. Unless otherwise indicated, the Receiver's understanding of factual matters expressed in this Eight Report concerning the Debtors and their business is based on the Information, and not independent factual determinations made by the Receiver.

9. The Receiver has prepared this Eighth Report in its capacity as a court-appointed officer solely for the use of the Court and the Debtors' stakeholders, and will make a copy of this Eighth Report available on the Receiver's website at www.ey.com/ca/smp (the "**Receiver's Website**").

10. Copies of all of the Receiver's previous reports, the Orders made by the Court, and other documents related to the receivership proceedings are also available on the Receiver's Website.

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

BACKGROUND

St. Marys

12. St. Marys is an Ontario corporation with its head office located in Sault Ste. Marie, Ontario. Prior to March 2011, St. Marys operated a groundwood pulp and super calendar specialty paper mill (the "**Mill**") producing paper grades used mainly by magazine publishers and retailing companies for high quality advertising inserts, flyers and catalogues.

13. As discussed in the Second Report of the Receiver dated March 20, 2012 (the "**Second Report**"), St. Marys was forced to shut down the Mill in March 2011.

14. The shutdown resulted in, among other things, a liquidity crisis which ultimately led to the appointment of the Receiver by the Court at the request of IFP.

15. The Receiver has marketed and sold the majority of the property of St. Marys in accordance with the sales process protocol approved by this Court pursuant to the Order of the Honourable Mr. Justice Campbell dated January 18, 2012.

16. In particular, the sale transaction with respect to the Mill (the "**Mill Transaction**") contemplated in the agreement of purchase and sale (the "**Mill Sale Agreement**") between St. Marys, by the Receiver, and 2319839 Ontario Inc. (the "**Mill Purchaser**") dated March 15, 2012 closed and the purchased assets described in the Mill Sale Agreement vested in the Mill Purchaser pursuant to the Order of the Honourable Mr. Justice Campbell dated March 26, 2012. Further details with respect to the Mill Transaction are described in the Second Report.

SMPR

17. SMPR's primary business was harvesting timber for St. Marys and other third parties. SMPR last operated in 2012. SMPR's primary assets included a warehouse building located in Sault Ste. Marie in Ontario, a 60% holding in OWVL and certain other assets including certain portable bridges.

18. Pursuant to extensive negotiations with interested parties, a potential purchaser and the lessor of the land on which SMRP's warehouse building was located on, the warehouse building was sold as approved by this Court pursuant to the Order of the Honourable Mr. Justice Morawetz dated February 14, 2014. The remaining assets of SMPR were realized upon by the Receiver as described in the statement of receipts and disbursements attached at Appendix "A" to this Eighth Report below.

OWVL

19. OWVL owned certain wilderness campsites and, prior to its receivership, operated fly-in fishing and hunting camps in northern Ontario and offered hunting and fishing excursion packages for camp patrons. OWVL has not operated subsequent to the Receiver's appointment. As a result of, among other things, the remoteness of OWVL's assets and the fact that Dale had previously operated the OWVL business and would be coordinating the sale of such assets (as discussed further below), the Receiver did not take possession of the OWVL assets.

20. The OWVL Appointment Order approved and authorized the terms of a settlement agreement between the Receiver, Dale and certain other parties dated January 31, 2013 (the "**OWVL Settlement Agreement**"), a redacted copy of which was attached to and summarized in detail in the Fifth Report of the Receiver dated February 4, 2013 (the "**Fifth Report**"). Among other things, the OWVL Settlement Agreement and the OWVL Appointment Order authorized Dale to be the broker and agent for OWVL to sell OWVL's assets in accordance with the terms of the OWVL Settlement Agreement, including a number of wilderness campsites owned by OWVL.

21. Since the approval of the OWVL Settlement Agreement, as detailed in the Sixth Report of the Receiver dated February 12, 2014 (the "**Sixth Report**") and the Seventh Report, Dale negotiated, with the oversight of the Receiver, the sale of the majority of OWVL's assets.

22. As part of a subsequent agreement between the parties to the OWVL Settlement Agreement (discussed further below), the Receiver agreed to release and transfer to Great Northern Freight Forwarding Ltd. ("**GNFFL**"), a company owned or controlled by Dale, the Receiver's interest in the remaining unsold assets of OWVL for gross consideration of $90,000. Those assets primarily consisted of (i) a promissory note in the amount of $50,000 issued in partial satisfaction of the purchase price of one of the campsites of OWVL sold pursuant to the OWVL Settlement Agreement, (ii) certain remaining owned or leased campsites, and (iii) shares held by OWVL in Air-Dale Flying Service Ltd., a company operated by Dale and/or his relatives (collectively, the "**Unsold OWVL Assets**").

Claims Procedure

23. On February 14, 2014, the Court granted an Order (the "**Claims Procedure Order**") authorizing the Receiver to conduct a claims process (the "**Claims Process**") to identify and determine claims (the "**Claims**") against SMPR and OWVL, as discussed further below.

SUMMARY OF THE ACTIVITIES OF THE RECEIVER

24. The activities of the Receiver since its appointment are more fully described in previous reports of the Receiver.

25. Since the Seventh Report, the Receiver has taken the following steps in conjunction with its mandate:

    a) worked extensively with Dale with respect to the sale of OWVL's assets;

    b) completed the Claims Process to identify and determine claims against SMPR and

OWVL as described further herein;

c) worked extensively with the key stakeholders to determine and agree upon the distribution of OWVL's funds (including the proceeds from the sale of OWVL's assets) to OWVL's creditors with proven claims and the remaining funds to OWVL's shareholders as described further herein;

d) responded to queries from creditors and stakeholders of OWVL and SMPR;

e) completed the tax returns for OWVL in consultation with Dale and his financial advisor; and

f) worked with Canada Revenue Agency ("**CRA**") to obtain a comfort letter in respect of the tax status of OWVL as described further below in order to facilitate the distributions proposed herein.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

26. Attached as **Appendix "A"** to this Eighth Report is the Receiver's Statements of Receipts and Disbursements for each of St. Marys, SMPR and OWVL for the period from December 30, 2011 to November 15, 2016. As described in previous reports of the Receiver, except as expressly detailed below, the costs of OWVL and certain costs of SMPR are effectively being funded by the receivership estate of St. Marys.

THE CLAIMS PROCESS

27. As discussed above, on February 14, 2014, the Court granted the Claims Procedure Order to establish the Claims Process to identify and determine claims against SMPR and OWVL.

28. As described in the Seventh Report, the security interests of IFP, the first secured lender of St. Marys, do not directly include the assets of SMPR and OWVL. Based on the books and records of SMPR and OWVL, as of the date of its receivership for each of SMPR and OWVL, SMPR and OWVL owed certain amounts to related entities and certain other

creditors. Accordingly, the Claims Process was conducted by the Receiver to identify any creditor claims with respect to SMPR and OWVL.

29. Pursuant to the Claims Procedure Order:

a) on February 27, 2014, the Receiver sent by ordinary mail a copy of the Claims Procedure Order, a proof of claim form and an instruction letter to all known creditors of SMPR and OWVL;

b) a copy of the Claims Procedure Order was posted on the Receiver's Website;

c) a copy of the proof of claim form and instruction letter for each of SMPR and OWVL were posted on the Receiver's Website; and

d) on March 1, 2014, a newspaper advertisement was published for one day in the Sault Star newspaper with respect to the Claims Process of SMPR and OWVL. A copy of the newspaper advertisement is attached as **Appendix 'B'** to this Eighth Report.

SMPR

30. One claim was received against SMPR by KPMG LLP (who also filed a claim against OWVL as detailed below). However, the claim was filed for $Nil value.

31. Accordingly, there are no proven creditor claims against SMPR.

OWVL

32. Eleven Claims were filed against OWVL. The Claims filed were reviewed by the Receiver and its counsel, in consultation with IFP and Dale.

33. Two of the claims filed were subsequently withdrawn by the claimants following discussions with the Receiver.

34. The following Claims were accepted in full by the Receiver (the "**OWVL Creditor**

Claims"):

a) Claims from three former employees and OWVL's external accountant totalling $76,452;

b) A claim from KPMG LLP in the amount of $1,865;

c) Claims totalling $20,975 from FACTS Ltd. in its capacity as property manager for Josephine Forest Resources Ltd. ("**Josephine Forest**") and Cedar Falls Forest Resources ("**Cedar Forest**") in respect of campsites leased by OWVL; and

d) Claims from Dale's counsel, Laidlaw Paciocco Spadafora LLP., in the amount of $7,487.

35. In addition to the OWVL Creditor Claims, a claim in the amount of $313,250 was filed by GNFFL in connection with a default judgement obtained against OWVL by GNFFL prior to the OWVL Appointment Order. Following extensive discussions between the IFP, Dale, GNFFL and the Receiver, a settlement was reached in which GNFFL would receive 30% of the remaining funds of OWVL after the payment of (i) the OWVL Creditor Claims and (ii) $60,000 owed to SMPR by OWVL for loans previously provided by SMPR to OWVL. As detailed below, that amounts to $121,398 payable to GNFFL on account of its Claim.

OWVL DISTRIBUTIONS

36. As described above, Dale, in consultation and coordination with the Receiver, realized upon the majority of OWVL's real estate assets and equipment. Net proceeds from the sale of such assets totalled approximately $577,292 (the "**OWVL Net Proceeds**").

37. Following extensive discussions and negotiations, on December 23, 2014, an agreement was reached between the Receiver, IFP, Dale and GNFFL and other related parties with respect to the distribution of the OWVL Net Proceeds (the "**Distribution Agreement**").

38. The following is a summary of the distributions agreed to in the Distribution Agreement:

	Amount ($)	Amount ($)
Net Proceeds		577,292
Less:		
Employee Claims	76,452	
KPMG	1,865	
Tank Removal/testing (paid)	5,852	
Josephine Forest/Cedar Forest	20,975	
Laidlaw Paciocco Spadafora LLP	7,487	
	112,631	112,631
Remaining Funds		464,661
Less: Repayment of loan to SMPR		60,000
Funds availbale for distribution		404,661
Less: Distribution to GNFFL		121,398
(30% of funds for distribution)		
Remaining funds for shareholders		283,263
Dale	40%	113,305
SMPR	60%	169,958
		283,263

39. As described above, under the Distribution Agreement, the Receiver also agreed to transfer its interest in the Unsold OWVL Assets to GNFFL for gross consideration of $90,000 and the parties to the Distribution Agreement agreed that the payment of the $90,000, would be satisfied by reducing the amount to be distributed to GNFFL and adding such amount to the distribution to SMPR.

40. Under the Distribution Agreement, Dale and GNFFL also agreed that certain costs (including general insurance costs) totalling $13,335 would be to the account of GNFFL and would accordingly be reduced from the distribution payable to GNFFL and added to the distribution to SMPR.

41. Finally, the Distribution Agreement provided that any amount payable to Dale as shareholder of OWVL would be paid directly to GNFFL.

42. On October 18, 2016, the Receiver received a comfort letter from CRA confirming that no taxes are owing by OWVL, a copy of which is attached at **Appendix "C"**.

43. Accordingly, based on the foregoing and in accordance with the terms of the Distribution

Agreement, the Receiver proposes to (i) pay each of the OWVL Creditor Claims in full (less any required government deductions or withholdings in the case of employee Claims), (ii) repay the $60,000.00 in loans owing to the receivership estate of SMPR, (iii) distribute to GNFFL the amount of $131,369 and (iv) distribute to the receivership estate of SMPR the amount of $333,293.

44. The Receiver will also include any interest earned in the receivership estate (not already accounted for in the OWVL Net Proceeds) as part of the distributions to the shareholders, unless directed otherwise by the shareholders.

45. The Receiver therefore seeks the approval of this Court to make the distributions summarized above to the creditors and shareholders of OWVL and seeks an order that upon completion of such distributions, all claims of any person against OWVL or in or to the receivership estate of OWVL be forever discharged and released.

SMPR DISTRIBUTIONS

46. Upon receipt of the funds from OWVL, SMPR will complete SMPR's final tax returns. Upon receipt of the tax assessment from CRA, SMPR will file an application for a comfort letter from CRA to determine SMPR's tax status.

47. As discussed above, no Claims against SMPR were received in the Claims Process. Accordingly, the Receiver proposes that, upon receipt of the comfort letter from CRA confirming that no taxes are owing by SMPR, all available funds in the receivership estate of SMPR (net of the costs of the receivership proceedings) be distributed to the receivership estate of St. Marys, being the 100% shareholder of SMPR.

48. The Receiver therefore seeks this Court's approval to distribute all funds in the SMPR estate (net of costs) to the receivership estate of St. Marys, and that, upon completion of such distribution, all claims of any person against SMPR or in or to the receivership estate of SMPR be forever discharged and released.

FINAL DISTRIBUTION TO IFP

49. As described in the Third Report, the Receiver received a legal opinion from its independent counsel, Cassels Brock & Blackwell LLP, that the security granted by St. Marys to IFP creates valid and perfected security interests in the real and personal property of St. Marys, subject to certain usual qualifications and assumptions in opinions of this nature.

50. Pursuant to previous Orders of the Court, the Receiver has made distributions totalling approximately $5,522,000 to IFP as follows:

a) Payments totalling $3,377,596 to IFP or its counsel on June 21 and 22, 2012, as authorized and directed in the Order of the Honourable Mr. Justice Campbell dated June 6, 2012;

b) Payment of $576,404 to IFP on August 8, 2012, also authorized and directed in the Order dated June 6, 2012;

c) Payments totalling $550,000 to IFP or its counsel as authorized and directed in the Order of the Honourable Mr. Justice Campbell dated October 25, 2012;

d) Payments totalling $600,000 to IFP or its counsel as authorized and directed in the Order of the Honourable Mr. Justice Morawetz dated February 14, 2014; and

e) Payments totalling $418,000 to IFP or its counsel as authorized and directed in the Order of the Honourable Mr. Justice D.M. Brown dated June 2, 2014.

51. Upon receipt of the funds from SMPR as described above, the Receiver will complete these receivership proceedings and proposes to distribute to IFP the amount then held by the Receiver in the receivership estate of St Marys, after payment of (i) all costs related to these receivership proceedings including costs with respect to certain employee priority claims, (ii) the costs of St Marys' bankruptcy proceedings, and (iii) all remaining fees and costs of the Receiver and its legal counsel.

52. Accordingly, the Receiver seeks the approval of this Court to make the final distribution to IFP as described above.

DISCHARGE AND RELEASE OF RECEIVER

53. Upon completion of the distributions detailed above, along with any related and ancillary work required, the administration of the receivership estates of each of the Debtors will be complete.

54. The Receiver therefore requests an order of the Court discharging and releasing the Receiver as set out in the form of Distribution and Discharge Order attached to the Receiver's motion record, which is substantially in the form of the Court's form of receiver discharge order.

RECOMMENDATION

55. For the reasons detailed above, the Receiver respectfully recommends that this Court grant the relief requested in paragraph 6(c) of this Eighth Report substantially in the draft form of the Distribution and Discharge Order attached to the Receiver's motion record.

All of which is respectfully submitted this 2nd day of December, 2016.

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

Per:

Alex Morrison
Senior Vice President

TAB 2A

APPENDIX "A"
TO THE EIGHT REPORT OF THE RECEIVER OF ST. MARYS PAPER CORP., SMP RESOURCES INC. AND ONTARIO WILDERNESS VACATIONS LIMITED DATED DECEMBER 2, 2016

ST. MARY'S PAPER CORP.
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD DECEMBER 30, 2011 TO NOVEMBER 15, 2016

Canadian Currency Account:

	Note		Amount
Receipts:			
Funding from IFP through Receiver's Certificates	1	$	1,045,000
Transfer of funds from St. Marys' Account	2		84,659
Return of L/C collateral	3		704,720
Property tax refund	4		1,044,553
Caterpillar Settlement	5		50,000
Other Receipts	6		6,803,989
Total Receipts			**9,732,920**
Disbursements:			
Distributions to IFP	7		5,522,033
Repayment of Receiver's Certificates with interest	1		1,083,673
Payroll and payroll related remittances	8		428,079
Property tax allocation to the new owner	4		286,803
PS Johnson Settlement	9		40,000
Settlement with prior management	9		80,000
Independent Contractor Costs	10		13,838
Insurance	11		82,109
Repairs and maintenance of the mill	12		27,878
Payments to the IESO for electricity	13		149,566
Other Utilities	14		21,192
Consulting fees	15		196,284
Pre-receivership advisory services	16		39,965
Legal Counsel fees and disbursements	17		302,659
Receiver's fees and disbursements	18		763,730
Miscellaneous expenses	19		717
Registrar's fees	20		70
HST Paid	21		189,248
Advances to Trustee	22		91,749
Advances to OWVL Receivership	23		146,756
Transfer to U.S. Account	24		16,327
Total Disbursements			9,482,673
Remaining funds available in Canadian Currency		$	250,246

U.S. Currency Account:

	Note		Amount
Receipts:			
Transfer of funds from St. Marys' Account	2	$	14,939
Transfer from CDN Account	24		16,454
Other Receipts	6		10,160
Total Receipts			41,553
Disbursements:			
Bank Charges			263
Remaining funds available in U.S. Currency		$	41,290

In the Matter of the Receivership of St Mary's Paper Corp. ("St. Marys").
Notes to the Statement of Receipts and Disbursements as of November 15, 2016.

Actual receipts and disbursements are denominated in Canadian dollars. The following receipts and disbursements relate to the period from the commencement of the receivership on December 30, 2011 until November 15, 2016.

1) **Funding from IFP through Receiver's Certificates:**
Funding was provided to the Receiver pursuant to Receiver's Certificates issued by the Receiver as described in the Appointment Order. Pursuant to the Appointment Order, the Receiver borrowed $1,045,000 through three Receiver's Certificates.

   On April 20, 2012, the Receiver repaid to IFP the total principal borrowed of $1,045,000 along with interest of $38,672.95.

2) **Transfer of funds from St. Marys' account:**
Pursuant to the Receivership Order, the Receiver advised Royal Bank of Canada ("**RBC**") to freeze the Company's bank accounts and the Receiver opened a separate bank account, following which the Receiver requested that Royal Bank transfer the funds in the Company's account to the Receiver's account. As a result of this transfer, the Receiver received approximately $84,659 in Canadian currency and approximately $14,939 in U.S. currency.

3) **Return of Collateral from Letters of Credit:**
St. Marys had outstanding letters of credit totalling over $1 million with RBC. These letters of credit were primarily in favour of utilities and a power cogeneration project. Further to the cancellation of the letters of credit, RBC paid the Receiver $688,756.35, net of draws on the letters of credit and RBC's fees. A further amount of approximately $15,963 was subsequently received from RBC.

4) **Property tax refund:**
The Receiver filed a vacancy rebate application for a refund of certain property taxes paid by St. Marys for the period prior to the closing of the transaction related to the sale of the mill, during which St. Marys was not operating. As a result of the vacancy rebate application, the Receiver received a refund of property taxes of $125,325.05. Further, as discussed in the Seventh Report, the Receiver, with the assistance of a property tax consultant negotiated a refund of certain property taxes related to the property tax years 2009 through to 2012. As described in the Seventh Report, certain of these property tax refunds were paid to the purchaser of the St. Marys mill.

5) **Caterpillar Settlement:**
This line item represents the receipt of $50,000 with respect to the settlement with Caterpillar as described in the Third Report of the Receiver to Court dated May 3, 2012.

6) **Other receipts:**
Other receipts include proceeds from the sale of the paper mill (net of adjustments) as described in detail in the Second Report of the Receiver to Court dated March 20, 2012 (the "**Second Report**"), HST refunds, funds received from certain settlements as described in the Second Report, net foreign exchange gains and certain miscellaneous receipts and reimbursements of amounts paid on behalf of SMPR.

7) **Distributions to IFP**
As described in the Seventh Report, pursuant to the Orders of the Court, the Receiver made distributions of $5,522,033 to IFP. Payments totalling $3,377,596 were paid to IFP or its counsel on June 21 and 22, 2012 and a payment of $576,404 (being the released Vacation Pay Reserve discussed in the Fourth Report) was paid to IFP on August 8, 2012, pursuant to the Court Order of June 6, 2012. Further, pursuant to the Order of the Court of October 25, 2012, the Receiver distributed $550,000 to IFP. Further, pursuant to the Order of the Court of February 14, 2014, the Receiver distributed $600,000 to IFP. In addition, pursuant to the Order of the Court of June 2, 2014, the Receiver distributed $418,000 to IFP.

8) **Payroll and payroll related remittances:**
Payroll represents salaries (including pension payments to the employees' defined contribution pension plan, source deductions, WSIB and EHT) paid to remaining management and staff needed for the security and preservation of the assets at the mill as well as book keeping and human resources related activities prior to the closing of the Transaction.

9) **PS Johnson Settlement and settlement to prior management:**
The amount represents the settlement to PS Johnson as set out in the Court Order dated June 6, 2012 and the settlement with prior management as set out in the Court Order dated February 14, 2014.

10) **Independent Contractor Costs:**
These costs relate to payments to independent contractors for services provided by such independent contractors after the closing of the Transaction to prepare T4s, records of employment, items related to the closing of the Transaction and assisting with the sale of the remaining assets of St. Marys.

11) **Insurance:**
Insurance includes premium costs with respect to property insurance related to the Mill. After the closing of the Mill, the Receiver terminated the insurance related to the Mill.

12) **Repairs and maintenance of the Mill:**
Repairs and maintenance represent costs incurred prior to the closing of the Transaction with respect to general repairs and maintenance and costs related to maintaining the Mill in a cold idle state and include activities related to draining

water, oil and other fluids, testing chemicals for freezing based on certain temperatures (external persons required), moving certain chemicals and other items to the heated warehouse at Gran Street for storage during the winter months, etc. In addition, certain additional security measures were put in place following a break-in at the Mill as described in the Second Report.

13) **Payments to the IESO for electricity:**
These costs represent payments for electricity used in the mill and the office building prior to the closing of the Transaction.

14) **Other utilities:**
Other utilities include costs incurred prior to the closing of the sale of the Mill for telephone, internet, cell phones, and other service provider charges related to meters for utilities.

15) **Consulting fees:**
Consulting fees include costs for certain I.T. services and the electronic data room that was used for the Sales Process.

16) **Pre-receivership advisory services:**
These costs relate professional fees for the period prior to December 30, 2011.

17) **Legal Counsel fees and disbursements:**
These costs relate to professional fees and disbursements of the Receiver's legal counsel with respect to the receivership proceedings.

18) **Receiver's fees and disbursements:**
These costs relate to professional fees and disbursements of the Receiver with respect to the receivership proceedings.

19) **Miscellaneous expenses:**
Miscellaneous expenses relate to purchases of general office and other supplies.

20) **Registrar's fees:**
These costs represent regulatory costs with respect to the receivership proceedings.

21) **HST Paid:**
This line item accumulates HST paid on invoices based on the disbursements described above.

22) **Advances to Trustee:**
This amount represents funds payments made to the Trustee of St. Marys Paper Corp.

23) **Advances to OWVL Receivership and SMP Resources Receivership**

Amounts paid to the SMPR and OWVL Receivership proceedings which will be reimbursed by these proceedings.

24) **Transfers between the U.S. and Canadian Currency Accounts:**
These transfers relate to transfer between the U.S. and Canadian currency bank accounts for disbursements.

SMP RESOURCES INC.
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD MAY 8, 2012 TO NOVEMBER 15, 2016

Canadian Currency Account:

	Note		Amount
Receipts:			
Sale of warehouse building (net)	1	$	173,050
Sale of two bridges	2		46,000
SMP Resources' Account (CAD)	3		20,628
SMP Resources' Account (USD)	3		20,820
Other U.S. currency receipts	4		9,491
Sale of timber licenses	5		16,000
HST Refunds	6		33,876
Interest earned	7		2,906
Total Receipts			**322,771**
Disbursements:			
Receiver's fees and disbursements	8		73,257
Legal Fees and Disbursements	8		63,138
Insurance	9		39,830
Utilities	10		11,183
Payroll and Contractor's fees and disbursements	11		5,706
Commission on sale of two bridges	1		4,600
HST Paid	12		19,185
Registrar Fees	13		70
Bank Charges	14		66
Total Disbursements			217,036
Remaining funds available in Canadian Currency		$	105,736

In the Matter of the Receivership of SMP Resources Inc. ("SMPR").
Notes to the Statement of Receipts and Disbursements as of November 15, 2016.

Actual receipts and disbursements are denominated in Canadian dollars. The following receipts and disbursements relate to the period from the commencement of the receivership on May 8, 2012 until November 15, 2016.

1) **Sale of warehouse building:**
These are the net sale proceeds from the sale of SMPR's warehouse in Sault Ste. Marie. The building was sold for $250,000. A payment of $60,000 was made to the landlord of the land on which the warehouse building was located in full settlement of outstanding rents. Further, payments were made to the sales agents for commissions and fees.

2) **Sale of two bridges:**
SMPR owned four bridges located in the forests that St. Marys operated in. Two of these bridges were sold for $46,000. Commissions related to the sale of these bridges totalled $4,600.

3) **Transfer of funds from St. Marys' account:**
Pursuant to the Receivership Order, the Receiver advised the Royal Bank of Canada ("**RBC**") to freeze the Company's bank accounts and the Receiver opened a separate bank account, following which the Receiver requested that RBC transfer the funds in the Company's account to the Receiver's account. As a result of this transfer, the Receiver received approximately $20,628 in Canadian currency and approximately $20,820 in U.S. currency.

4) **Other U.S. Receipts**
Other receipts include the release of performance bonds related to certain timber licences, foreign exchange gains and other receipts.

5) **Sale of Timber Licenses:**
SMPR owned certain timber licenses in the State of Michigan that were sold for $16,000.

6) **HST Refunds and Interest:**
HST refunds represent refunds based on HST returns filed with Canada Revenue Agency. Interest represents interest earned on the cash held by the Receiver.

7) **Interest Earned:**
The amount represents interest earned on funds in the bank account.

8) **Receiver's and Legal fees and disbursements:**
These costs relate to professional fees and disbursements of the Receiver and its legal counsel with respect to the receivership proceedings.

9) **Insurance:**
Insurance represents insurance costs with respect to SMP Resources' warehouse building.

10) **Utilities:**
Utilities include costs for the maintenance of the warehouse building.

11) **Payroll and Contractor fees and disbursements:**
These costs relate to payroll and payments to contractors for services provided for bookkeeping and assistance with the sale of SMPR's assets.

12) **HST Paid:**
This line item accumulates HST paid on invoices based on the disbursements described above.

13) **Registrar Fees:**
The amount represents the mandatory fee paid to the Registrar.

14) **Bank Charges:**
The amount represents bank charges related to the bank accounts.

ONTARIO WILDERNESS VACATIONS LIMITED
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD FEBRUARY 6, 2013 TO NOVEMBER 15, 2016

Canadian Currency Account:

	Note		Amount
Receipts:			
Funds received from St. Marys' receivership	1	$	146,756
Sale of Goulais Lake (net)	2		291,534
Sale of Northern Camps (Outpost Camps) (net)	2		237,924
Sale of Gord Lake (net)	2		23,636
Sale of Redwood	2		25,500
HST Refunds	3		275
Interest on promissory note	2		7,576
Bank Interest	4		10,414
Total Receipts			743,614
Disbursements:			
Repairs and Maintenance	5		2,689
Environmental Consulting	5		2,490
Receiver's fees and disbursements	6		73,247
Legal Fees and Disbursements	6		41,689
Legal fees - Don Laidlaw	2		701
Commissions - Bob Dale	2		510
Insurance	7		31,820
HST Paid	8		764
Bank Charges	9		20
Total Disbursements			153,929
Remaining funds available in Canadian Currency		$	589,684

In the Matter of the Receivership of Ontario Wilderness Vacations Limited. ("OWVL").
Notes to the Statement of Receipts and Disbursements as of November 15, 2016.

Actual receipts and disbursements are denominated in Canadian dollars. The following receipts and disbursements relate to the period from the commencement of the receivership on February 6, 2013 until November 15, 2016.

1) **Receipt of funds from St. Marys' receivership:**
OWVL advised that it did not have any funds remaining as of the date of the receivership. Accordingly, with the consent of the secured lender of St. Marys, the OWVL receivership proceedings are being funded by St. Marys receivership until the sale of OWVL's assets.

2) **Proceeds from Sale of OWVL properties:**
These receipts and disbursements are with respect to the sale of OWVL's real estate properties including equipment located on such properties.

3) **HST Refunds and Interest:**
HST refunds represent refunds based on HST returns filed with Canada Revenue Agency. Interest represents interest earned on the cash held by the Receiver.

4) **Interest Earned:**
The amount represents interest earned on funds in the bank account

5) **Tank Removal and Maintenance:**
These costs relate to costs to remove a tank and related maintenance with respect to an OWVL property.

6) **Receiver's and Legal fees and disbursements:**
These costs relate to professional fees and disbursements of the Receiver and its legal counsel with respect to the receivership proceedings.

7) **Insurance:**
Insurance represents insurance costs with respect to OWVL's assets which primarily include camps and other lodgings in Northern Ontario. The insurance was terminated upon the sale of OWVL's real estate assets.

8) **HST Paid:**
This line item accumulates HST paid on invoices based on the disbursements described above.

9) **Bank Charges:**
The amount represents bank charges related to the bank accounts.

TAB 2B

APPENDIX "B"
TO THE EIGHT REPORT OF THE RECEIVER OF ST. MARYS PAPER CORP., SMP RESOURCES INC. AND ONTARIO WILDERNESS VACATIONS LIMITED DATED DECEMBER 2, 2016

MONEY NEWS

Apple CEO promises new products

CUPERTINO, Calif. — Apple Inc sold more than $1 billion of Apple TV set-top boxes in 2013 and is investing heavily in the next generation of products, Chief Executive Tim Cook said at the company's annual meeting on Friday.

Apple's ability to again transform the fast-moving technology arena is the central question in investors' and Silicon Valley executives' minds as the company's growth slows, and rivals like Samsung Electronics Co Ltd and Google Inc take chunks out of its market share.

Apple observers continue to believe that the company will come up with some sort of wearable device, like a smartwatch, and speculation persists about a long-rumored TV product of some sort. Responding to a question about innovation, Cook said Apple preferred not to talk about new products under development so as not to tip off the competition.

— Reuters

DOLLAR	BRITISH£	EURO	S&P/TSX	NASDAQ	DOW	NIKKEI	GOLD	OIL	PRIME
UP 0.03¢	DOWN 0.37¢	UP 0.19¢	DOWN 5.1	DOWN 0.35%	UP 0.30%	DOWN 0.55%	DOWN $10.2	UP $0.19	UNCHANGED
90.39¢ US	$1.8543 CDN	$1.5286 CDN	14,209.59	4,308.12	16,321.71	14,841.07	$1321.4 US	$102.59 US	3%

STUDS...

Biggest % gains in stocks over $5

1. MEGA BRANDS $17.72 +25.58%
2. GUARDIAN CAPITAL GROUP $17.00 +10.03%
3. WESTERN ENERGY SERVICES $9.30 +9.52%

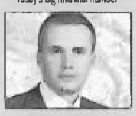
& DUDS

Biggest % losses in stocks over $5

1. QLT INC. $5.59 -7.44%
2. TEKMIRA PHARMACEUTICALS $22.76 -6.49%
3. PALADIN LABS $142.06 -6.29%

GO FIGURE

Today's big financial number



7,285%

The value of the son of ousted Ukranian president Viktor Yanukovich, Oleksander Yanukovich's, assets have risen by 7,285% in three years according to *Forbes Ukraine*. In the month before Yanukovich became president in 2010, Oleksander's bank had assets of about $24 million; by January 2014, assets had risen to about $770 million

■ **BUILDING BLOCKS:** World's No. 1 toymaker trying to compete with Lego

Mattel to buy Mega Brands

Mattel Inc, the world's No. 1 toymaker, offered to buy Canada's Mega Brands Inc for about $460 million to better compete with Denmark's Lego, the leader in the fast growing market for building blocks.

For the past three years, the demand for construction toys, especially Lego's colourful building blocks, has been growing at the expense of action figures and preschool toys — the forte of Mattel and its main rival Hasbro Inc.

That pushed Lego's sales up 10% in a sluggish global toy market in 2013, helping it overtake Hasbro to become the No. 2 toy company by sales globally. Mattel's sales rose 1% and Hasbro's were flat in 2013

Mega Brands, founded in 1967, sells building blocks that directly compete with Lego, and will help Mattel garner a larger share of a market that Chief Executive Bryan Stockton said had some of the highest margins in the toy industry.

"Mattel currently has less than a 1 percent share in the category. This is the single largest toy category where Mattel does not play," Mattel's Stockton said on a call with analysts.

Mega Brands, which sells construction blocks under the MEGA Bloks brand, estimated it has a 10 percent market share globally.

Shares of Mattel, known for its Barbie and Hot Wheels brands, were slightly higher at $37.13 on the Nasdaq.

The company offered C$17.75 per share of Mega Brands, representing a premium of 36% to the stock's close on Thursday.

Mega Brands' stock hit a high of C$17.89 in early trading on the Toronto Stock Exchange, indicating some investors were expecting a higher offer.

However, analysts said there was minimal chance of a rival offer for Montreal based Mega Brands, which has long been viewed by some as a viable acquisition target for Mattel.

"While the possibility of another offer exists, particularly in a toy industry dominated by giants, we feel it is unlikely," National Bank Financial analysts led by Leon Aghazarian wrote in a note to clients.

Mattel's stock has fallen about 9% in the past 12 months.

— Reuters

■ BITCOIN

Mt. Gox files for bankruptcy, hit with lawsuit

YOSHIFUMI TAKEMOTO AND SOPHIE KNIGHT
Reuters

TOKYO — Mt. Gox, once the world's biggest bitcoin exchange, filed for bankruptcy protection in Japan on Friday, saying it may have lost nearly half a billion dollars worth of the virtual coins due to hacking into its faulty computer system.

The collapse caps a tumultuous few weeks in which the company has remained virtually silent after halting trades of the crypto-currency, shaking the nascent but burgeoning bitcoin community. Wearing a suit instead of his customary T-shirt, Mt. Gox's French CEO Mark Karpeles bowed in contrition and apologised in Japanese at a news conference at the Tokyo District Court, blaming his firm's collapse on a "weakness in our system", but predicting that bitcoin would continue to grow.

"First of all, I'm very sorry," he said. "The bitcoin industry is healthy and it is growing. It will continue, and reducing the impact is the most important point."

Angry investors have been seeking answers for what happened to their holdings of cash and bitcoins on the unregulated Tokyo-based exchange.

Gregory Greene, who estimated his bitcoin stake at $25,000, filed a lawsuit in the U.S. District Court in Chicago late on Thursday, saying Mt. Gox had failed "to provide its users with the level of security protection for which they paid."

Baker & McKenzie, a Chicago-based law firm that represents Mt. Gox, declined to comment. It is not yet clear if the firm is representing the exchange in this lawsuit.

Mt. Gox said the exchange, used overwhelmingly by foreigners, had lost 750,000 of its users' bitcoins and 100,000 of its own. At the current bitcoin price of about $565, that would total some $480 million - representing about 7 percent of the estimated global total of bitcoins.

"This may be telling for the level of traceability of the transactions. Bitcoin has been telling us that it is more traceable than cash. The question is, how much more and is there the potential for real recourse in the case of theft," said Moshe Cohen, assistant professor at Columbia Business School in New York.

Mt. Gox said there was a discrepancy of 2.8 billion yen ($27.4 million) in its bank accounts when it checked on Monday. Junko Suetomi, a lawyer with Baker & McKenzie, said she could not comment on the balances of foreign bank accounts held by the company.

PROBLEM WITH EXCHANGE, NOT BITCOIN

Many bitcoin market participants have said Mt. Gox's problems were specific to the company and were caused by what they said was a lax attitude by Karpeles, while bitcoin itself - free of any central bank control - was still a noble venture.

"If we could agree on legal regulation, we should let (bitcoin and regulators) co-exist," said Keiichi Hida, a bitcoin investor and member of the Japan Digital Money Association. He lost about 100,000 yen worth of bitcoins, but seemed unconcerned as he became interested in the virtual currency as a form of "study".

"We should make it a national project to have bitcoin used nationwide at the time of the 2020 Tokyo Olympics," he said.

NOTICE OF CLAIMS BAR DATE IN RESPECT OF THE SMP RESOURCES INC. AND ONTARIO WILDERNESS VACATIONS LIMITED

On December 29, 2011, Ernst & Young Inc. has been appointed as receiver and receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties (collectively, the "**Property**") of St. Marys Paper Corp. ("**St. Marys**"), pursuant to an Order issued by the Ontario Superior Court of Justice (the "**Court**") effective December 30, 2011 (the "**Appointment Order**"). On May 8, 2012 pursuant to an Order of the Court, the Appointment Order was expanded to include SMP Resources Inc. ("**SMPR**"), a wholly owned subsidiary of St. Marys, as an additional debtor. On February 6, 2013, pursuant to an Order of the Court, the Appointment Order was amended to include Ontario Wilderness Vacations Limited, ("**OWVL**") as an additional debtor. By Order of the Court dated February 14, 2014 (the "**Claims Process Order**") the Court authorized the Receiver to conduct a claims process to call for claims against the estates of SMPR and OWVL. The Receiver has been authorized to administer the process set out in the Claims Process Order. A copy of the Claims Process Order and other public information can be obtained from the website of the Receiver, at **www.ey.com/ca/smp**

The Claims Bar Date is 5:00 pm (Eastern Standard Time) on April 30, 2014.

Any creditor who has a claim against SMPR and OWVL and who has not received a proof of claim form from the Receiver must contact the Receiver as soon as possible. Proofs of claim must be filed with the Receiver on or before the Claims Bar Date. Any claims of creditors against either SMPR or OWVL who do not file a Proof of Claim by the Claims Bar Date shall be FOREVER EXTINGUISHED AND BARRED. Proofs of claim forms provided by the Receiver should be completed and sent to the Receiver along with documentation supporting the claim, to the attention of Philip Kan at the contact details noted below.

Creditors requiring information or claim documentation may contact the Receiver at the following address:

Ernst & Young Inc., Court appointed receiver and receiver and manager of St. Marys Paper Corp., SMP Resources Inc. and Ontario Wilderness Vacations Limited

Attention: Philip Kan
P.O. Box 251
222 Bay Street, Toronto Dominion Centre
Toronto ON M5K 1J7
Telephone: 416-943-2277
Toll Free: 1-855-294-9737
Email: Philip.kan@ca.ey.com

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TAB 2C

APPENDIX "C"
TO THE EIGHT REPORT OF THE RECEIVER OF ST. MARYS PAPER CORP., SMP RESOURCES INC. AND ONTARIO WILDERNESS VACATIONS LIMITED
DATED DECEMBER 2, 2016

Canada Revenue Agency / Agence du revenu du Canada

London-Windsor Tax Services Office
London ON N6A 5E5

October 18, 2016

ATTENTION: PHILIP KAN
ONTARIO WILDERNESS VACATIONS LIMITED
C/O ERNST & YOUNG - RECEIVER
ERNST & YOUNG TOWER
222 BAY STREET
TORONTO ON M5K 1J7

Account Number
89073 6135 RC0001

Dear Sir:

In response to your letter of August 17, 2016, Ontario Wilderness Vacations Limited has authorized the Canada Revenue Agency (CRA) to disclose the following information:

This is to confirm that there are no outstanding balances or arrears on any of the accounts shown below and that all relevant returns have been filed.

RC0001 - corporate income tax account

We can confirm, based on a review of information drawn from the Canada Revenue Agency's (CRA) existing computerized records, Ontario Wilderness Vacations Limited has closed the following accounts:

RP0001 - payroll account
RT0001 - GST/HST account

This information is based on a review of information drawn from CRA's existing computerized records relating to these accounts as of October 18, 2016. This review does not constitute an audit and no attempt to verify the accuracy or completeness of the information provided to CRA has been made in the context of this review.

.../2

Ontario Wilderness Vacations Limited is responsible for ensuring all obligations under the Income Tax Act, the Excise Tax Act, and all other legislation are met. CRA does not warrant that the appropriate obligations have been met by Ontario Wilderness Vacations Limited or, if any other arrears exist.

CRA will not undertake to notify you of any subsequent assessments or reassessments on these accounts relating to periods before or after October 18, 2016.

If you need more information, call 1-800-959-5525 or visit www.cra.gc.ca.

Yours truly,

Almeida

Nancy Almeida
Taxpayer Services