

Affidavit No. 1
sworn on April 29, 2022

No. S206189
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36

AND

IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, c. 57

AND

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1057863
B.C. LTD., NORTHERN RESOURCES NOVA SCOTIA CORPORATION, NORTHERN PULP
NOVA SCOTIA CORPORATION, NORTHERN TIMBER NOVA SCOTIA CORPORATION,
3253527 NOVA SCOTIA LIMITED, 3243722 NOVA SCOTIA LIMITED and NORTHERN PULP
NS GP ULC

PETITIONERS

AFFIDAVIT OF ERIN GRAVES

I, Erin Graves of Halifax, Nova Scotia make oath and swear that:

1. This Affidavit is sworn in support of the Province of Nova Scotia's response to the Petitioner's application under the *Companies' Creditors Arrangement Act* (Canada) c. C-36, as amended (the "**CCAA**").
2. I am a senior associate with Deloitte LLP.
3. I am working with Paul Bradley, a partner with Deloitte LLP, who I am informed and do believe was initially engaged by the Province of Nova Scotia ("the **Province**") in 2018, to provide advice and assistance to its lawyers in connection with negotiations with Northern Pulp Nova Scotia Corporation ("**Northern Pulp**") as a result of the passage of the *Boat Harbour Act*, SNS 2015, c 4.
4. I have reviewed the financial information provided by Northern Pulp to the Monitor, Ernst & Young Inc. (the "**Monitor**"), and have analyzed the actual spending for the environmental assessment process (the "**EA Process**") compared to the budgeted amount.
5. The information below has been sourced from the Monitor's report circulated on April 25, 2022, that included information up and to including April 18, 2022. A high-level summary

is as follows, that shows the actual spending is approximately 4% of the budgeted amount for the EA Process to this point in time:

Actual spending to April 18, 2022	\$278,128
Budgeted amount	\$6,783,150
Variance	(\$6,505,022)
Actual spending versus budgeted amount	4%

6. The budgeted amount versus actual spending for the EA Process is set out below for each budgeted category:

Activity	Vendor	Monitoring (August 2020 - April 18, 2022)		
		Total Budget Amount	Total Actual Spend	Variance
EARD and Terms of Reference	WSP	200,000	187,300	(12,700)
Marine Geotech	CSR Geotech	650,000	-	(650,000)
ETF Detailed Design Engineering	KSH Engineering	1,605,000	42,734	(1,562,266)
Report Writing	TBD	663,750	-	(663,750)
GW/SW Testing	Dillon	60,000	-	(60,000)
PLFN Country Food Survey	TBD	45,000	-	(45,000)
Marine Ice Scour	CSR Geotech	-	-	-
Marine Pipeline Design	Makai	300,000	-	(300,000)
Land based Pipeline Design	Wood	100,000	-	(100,000)
Receiving Water Study (RWS)	Stantec	441,250	14,137	(427,113)
Baseline Marine Conditions	Stantec	400,000	-	(400,000)
Effluent Characterization	Stantec	127,500	-	(127,500)
Air Dispersion Modelling	Stantec	250,000	33,957	(216,043)
Baseline Fish Tissue Testing	EcoMetrix	500,000	-	(500,000)
Baseline Phytoplankton/Zooplankton	EcoMetrix	99,000	-	(99,000)
Baseline Benthic and Sediment	EcoMetrix	100,000	-	(100,000)
Toxicity Testing on Key Marine Species	Toxicity Testing	300,000	-	(300,000)
Wetland Studies	Dillon	25,000	-	(25,000)
Flora/Fauna Studies	Dillon	150,000	-	(150,000)
HHRA	EcoMetrix	150,000	-	(150,000)
Contingency - 10%		616,650	-	(616,650)
Environmental Assessment Costs		6,783,150	278,128	(6,505,022)

Sworn to/Affirmed before me on April 29,
2022, at Halifax, Nova Scotia

Sara Scott

A Commissioner of Oaths in and for
the Province of Nova Scotia

Erin Graves

Erin Graves

Sara L. Scott