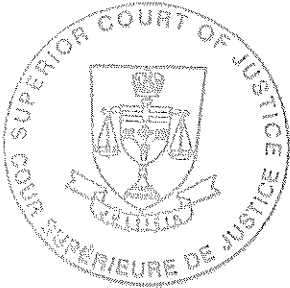


ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) MONDAY, THE 13th
)
JUSTICE MORAWETZ) DAY OF SEPTEMBER, 2010



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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF TERRACE BAY PULP INC.

APPROVAL AND VESTING ORDER

THIS MOTION, made by Terrace Bay Pulp Inc. ("Terrace Bay") for, among other things, an order approving the sale transaction (the "Transaction") contemplated by a term sheet substantially in the form of the term sheet attached as **Schedule "A"** (the "Fibre Purchase Term Sheet") among Terrace Bay, the Province of Ontario, as represented by the Ministry of Northern Development, Mines and Forestry (the "Province"), Deloitte & Touche Inc., in its capacity as privately appointed receiver (the "Receiver") of certain of the assets of Buchanan Forest Products Ltd. ("Buchanan"), and the lien claimants listed on **Schedule "B"** hereto (the "Lien Claimants"), and together with the Receiver and the Province, the "Beneficiaries"), and vesting in Terrace Bay all of the Beneficiaries' rights, title and interest in and to the Fibre (as defined in the Fibre Purchase Term Sheet), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Russell York sworn September 2, 2010, filed, and on hearing the submissions of counsel for Terrace Bay, the Monitor, and the Receiver:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved.

2. **THIS COURT ORDERS** that Terrace Bay is hereby authorized and directed to complete and execute the Fibre Purchase Term Sheet, with such additional terms as may be negotiated with the Province and the Receiver, provided that any amendments are subject to the approval of the Lien Claimants, and to take such additional steps, execute such additional documents, and complete such additional transactions as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Fibre to Terrace Bay.

3. **THIS COURT ORDERS AND DECLARES** that upon the Effective Date (as defined Terrace Bay's Second Amended and Restated Plan of Arrangement and Compromise dated June 25, 2010), all of the Beneficiaries' rights, title and interest in and to the Fibre purchased under the Fibre Purchase Term Sheet shall vest absolutely in Terrace Bay, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, judgments, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system, (ii) any liens or amounts claimed, asserted or adjudged under the *Forestry Workers Liens for Wages Act* (Ontario) and (iii) any claims for unpaid stumpage fees or other amounts pursuant to the *Crown Forest Sustainability Act* (Ontario).

4. **THIS COURT ORDERS** that from and after the Effective Date, Terrace Bay is hereby authorized to and shall comply with all of the terms of the Fibre Purchase Term Sheet and shall distribute the Purchase Price (as defined in the Fibre Purchase Term Sheet) to the Beneficiaries (the "Proceeds") in accordance with the Fibre Purchase Term Sheet and such Proceeds shall be distributed free and clear from any and all Claims.

5. **THIS COURT ORDERS** that except as provided in paragraphs 6 through 10 of this Order, the Fibre Purchase Term Sheet and the distributions made thereunder to the Lien Claimants shall satisfy in full any and all amounts claimed (including any claims for costs) in the court actions listed hereto in Schedule "C" (the "Lien Actions") (i) in connection with any Fibre purchased under the Fibre Purchase Term Sheet, or (ii) against Buchanan and the Receiver.

6. **THIS COURT ORDERS** that with respect to the fibre described and identified by the Lien Claimants in Schedule "D" hereto (the "Remaining Fibre"), the lien claims asserted pursuant to the *Forestry Workers Lien For Wages Act* (Ontario) with respect to the Remaining Fibre (the "Remaining Lien Claims") and the actions with respect to the Remaining Fibre and the Remaining Lien Claims (the "Remaining Lien Actions"), if Buchanan and the Receiver do not assert and/or maintain any claims or interest with respect to the Remaining Fibre, the Remaining Lien Claims or the Remaining Lien Actions, Buchanan and the Receiver shall not assert and/or maintain any claims for costs against the Lien Claimants and Buchanan and the Receiver shall provide its consent to Orders dismissing the Remaining Lien Actions without costs upon the requests of the Lien Claimants.

7. **THIS COURT ORDERS** that, notwithstanding anything in this Order or the Fibre Purchase Term Sheet, if Buchanan or the Receiver assert any interest or claims against or with respect to the Remaining Fibre or oppose, defend or otherwise participate in the Remaining Lien Claims or the Remaining Lien Actions, the Lien Claimants shall be entitled to and shall have all rights to assert any claims against Buchanan and the Receiver, as applicable, with respect to the Remaining Lien Claims and the Remaining Lien Actions, including any claims for costs.

8. **THIS COURT ORDERS AND DECLARES** that 1401350 Ontario Limited o/a Re-Nel Chipping, Dashwa Timber Contractors Inc., Lake Nipigon Forest Products Limited, RLN Forestry Limited and Eagle Logging Inc. (collectively, the "Remaining Defendants") are hereby prohibited from asserting any claims against the Receiver or Buchanan in respect of any judgment or award of any kind (including any costs award) made against the Remaining Defendants in the Remaining Lien Actions on the condition that Buchanan and the Receiver do not assert or claim any interest as or against the Remaining Defendants or the Remaining Fibre or with respect to the Remaining Lien Claims and the Remaining Lien Actions. If Buchanan and the Receiver do not assert and/or maintain any such claims or interest, Buchanan and the Receiver shall not assert and/or maintain any claims for costs against the Remaining Defendants.

9. **THIS COURT ORDERS** that if Buchanan or the Receiver assert any interest or claims against the Remaining Defendants or with respect to the Remaining Fibre or oppose, defend or otherwise participate in the Remaining Lien Claims or the Remaining Lien Actions, the Remaining Defendants shall be entitled to and shall have all rights to assert any claims against

Buchanan and the Receiver, as applicable, with respect to the Remaining Lien Claims and the Remaining Lien Actions, including any claims for costs.

10. **THIS COURT ORDERS AND DECLARES** that, subject to the terms of this Order, the Lien Claimants may continue the Remaining Lien Actions against the Remaining Defendants in connection with the Remaining Fibre. For greater certainty, nothing contained herein alters the Claims Process Order dated December 18, 2009 and the Sanction Order dated July 27, 2010 in respect of Terrace Bay.

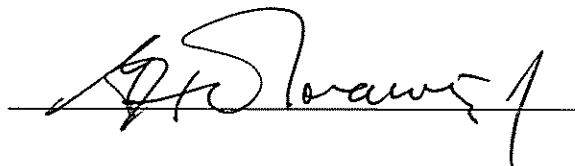
11. **THIS COURT ORDERS AND DECLARES** that upon the Effective Date,

- (i) each of the Beneficiaries and Terrace Bay release one another; and
- (ii) the Beneficiaries (other than the Receiver), and Terrace Bay release The Toronto-Dominion Bank

from any and all past, present and future claims, rights, interest, actions, rights of indemnity, liabilities, demands, duties, injuries, damages, expenses, fees (including attorneys' fees and liens), costs, compensation, or causes of action of whatsoever kind or nature whether foreseen or unforeseen, known or unknown, asserted or unasserted, contingent or actual, liquidated or unliquidated, whether in tort or contract, whether statutory, at common law or in equity, based on, in connection with, arising out of, or in any way related to the Fibre purchased under the Fibre Purchase Term Sheet and, without limiting the generality of the foregoing, any and all claims for liens, encumbrances, or security against the Fibre being purchased under the Fibre Purchase Term Sheet, including claims for unpaid stumpage, fees of any kind including, management fees and administrative fees under any statute, regulatory program or contract, or agreement or arrangement of any nature and kind save and except that nothing in this Order shall release the parties to the Fibre Purchase Term Sheet from their respective obligations pursuant to the Fibre Purchase Term Sheet. For greater certainty, the Beneficiaries shall have no claims of any kind against any of the Proceeds payable to the Beneficiaries under the Fibre Purchase Term Sheet except and only to the extent of such Beneficiary's distribution thereunder.

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist Terrace Bay and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully

requested to make such orders and to provide such assistance to Terrace Bay, as may be necessary or desirable to give effect to this Order or to assist Terrace Bay and its agents in carrying out the terms of this Order.

A handwritten signature in black ink, appearing to read "A. D. Brown", written over a horizontal line.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

SEP 13 2010

PER / PAR 

SCHEDULE "A"

Fibre Purchase Term Sheet

Term Sheet re: Purchase of Fibre by Terrace Bay Pulp Inc.¹

- Purchaser: Terrace Bay Pulp Inc. (the "Purchaser").
- Vendors: (a) The Province of Ontario, as represented by the Ministry of Northern Development, Mines and Forestry (the "Province"), (b) Deloitte & Touche Inc., in its capacities as privately appointed receiver (the "Receiver") of certain of the assets of Buchanan Forest Products Ltd. ("BFPL") and not in its personal or corporate capacities.
- Lien Claimants: The lien claimants as more particularly set out in Schedule "A", with respect to their lien claims against the Fibre (as defined below).
- Sale Free and Clear: In addition to the other conditions set out in this Term Sheet, at the time of closing on the closing date ("Closing"), the Purchaser shall obtain title to all Fibre purchased pursuant to this Term Sheet free and clear of all liens, encumbrances, security and claims of any kind (including claims for unpaid stumpage fees, liens, liens held by the Lien Claimants, management fees, and administrative fees etc.) pursuant to a vesting order and/or releases and/or other documentation in form(s) satisfactory to the Purchaser.
- Fibre: The Purchaser will purchase all of the following fibre on the terms and conditions set out herein (collectively, the "Fibre"): (a) all of the fibre currently located in the Purchaser's yard at Terrace Bay, Ontario comprising approximately 126,000 m³ (the "Terrace Bay Fibre"); (b) all of the fibre currently located in Thunder Bay, Ontario, at the premises of Pennock Mechanical Repairs Inc. comprising approximately 44,000 m³ (the "Pennock Fibre"); and (c) all of the fibre harvested by or on behalf of BFPL located at various locations throughout Northwestern Ontario, comprising approximately 154,000 m³ (as set out in Schedule "B", the "Bush Fibre").

¹ All capitalized terms and phrases used and not defined herein have the meanings given to them in the Plan.

As is, where is: All Fibre will be purchased on an as 'as is, where is' basis. Title to the Fibre will pass at its present location and where further processing and/or delivery of the Fibre may be required such will be the responsibility of the Purchaser.

Price: On the dates specified in this agreement, the Purchaser will pay to either the Province, the Receiver or for the benefit of the Lien Claimants (each, a "Beneficiary") the purchase price in the aggregate amount of \$9,083,831 for the following Fibre (such amounts collectively, the "Purchase Price"), to be allocated as further set out below:

- | | | |
|-----|---------------------------|-------------|
| (a) | for the Terrace Bay Fibre | \$5,265,000 |
| (b) | for the Pennock Fibre | \$1,000,000 |
| (c) | for the Bush Fibre | \$2,818,831 |

Allocation: The Purchase Price will be allocated to each Beneficiary as follows (the portion payable to the Lien Claimants shall be referred to herein as the "Lien Claimant Proceeds"):

- | | | | |
|-----|------------------------|-------------|---------|
| (a) | to the Province | \$2,022,536 | (22.3%) |
| (b) | for the Receiver | \$3,300,000 | (36.3%) |
| (c) | for the Lien Claimants | \$3,761,295 | (41.4%) |

The Lien Claimant Proceeds represents 75% of the total aggregate lien claims on the Fibre. Each Lien Claimant will be entitled to its pro rata share of the Lien Claimant Proceeds, as more particularly set out in Schedule "A".

Taxes: All HST payable on the Purchase Price shall be the Purchaser's responsibility. The Purchase Price set out above is inclusive of all Crown stumpage charges payable on the sale of the Fibre.

Forest Trust Contributions: The Province shall apply its portion of the Purchase Price (the "Province Proceeds") and any interest thereon, as and when received,

- (i) first, to any principal and interest owing in the Forest

Renewal Trust and Forestry Futures Trust accounts of each Sustainable Forest Licence from which the Fibre is being purchased, in such order as the Province may determine in its sole discretion, to the extent of the required contributions thereunder, and

- (ii) second, as to any remaining balance, in such manner as the Province may determine in its sole discretion.

Payment:

For purposes of this Section, the "Start-Up Date" shall be the date on which pulp production resumes at the Terrace Bay Mill. The Purchase Price will be paid by the Purchaser in accordance with the Allocation set out above on the dates set out below, together with the Accounting:

- (a) the portion of the Purchase Price payable for the Terrace Bay Fibre shall be paid prior to the Start-Up Date;
- (b) the portion of the Purchase Price payable for the Pennock Fibre shall be paid in two installments, as follows:
 - (i) an amount equal to the Purchase Price payable on the portion of the Pennock Fibre delivered in the first month following the Start-Up Date shall be paid within one week of the end of the first month following the Start Up Date
 - (ii) the balance of the portion of the Purchase Price payable for the Pennock Fibre shall be paid within one (1) week of the end of the second month following the Start-Up Date.
- (c) the portion of the Purchase Price payable for the Bush Fibre shall be paid in the ordinary course as and when Bush Fibre is delivered to the Purchaser, based on a price of \$18.50 per cubic metre, provided that, in the event that a portion of the Purchase Price payable for the Bush Fibre has not been paid on or before the first anniversary of the Start-Up Date, the remaining portion of the Purchase Price payable for the Bush Fibre and any applicable interest shall be immediately paid whether or not all Bush Fibre has been delivered. For greater certainty, in the event that Bush Fibre remains to be delivered after payment in full of the portion of the Purchase Price payable for Bush Fibre and any applicable interest, the

Purchaser shall be entitled to delivery of all remaining Bush Fibre without additional payment, and the Purchaser shall be deemed to have satisfied all payment obligations to all Parties for any Bush Fibre in full.

Each dollar of the Purchase Price to be paid by the Purchaser will be allocated among and paid to the Beneficiaries pro rata in accordance with the percentages set out under "Allocation" above, except that the parties hereto acknowledge that the Province has agreed to defer payment of its portion of the Purchase Price (the "Province Proceeds") until the Lien Claimant Proceeds have been paid in full, as more particularly set out in Schedule "C" hereto. For greater certainty, (i) prior to repayment of the Lien Claimant Proceeds in full, 63.7% of the Purchase Price payments made by the Purchaser will be allocated and paid to the Lien Claimants and the remaining 36.3% will be allocated and paid to the Receiver; and (ii) from and after repayment of the Lien Claimant Proceeds in full, 63.7% of the Purchase Price payments made by the Purchaser will be allocated and paid to the Province and the remaining 36.3% will be allocated and paid to the Receiver.

Interest shall accrue on the outstanding balance of the Province Proceeds, and on any overdue interest outstanding thereon from time to time, at the rate of interest per annum applicable to Crown charges as set out in the *Crown Forest Sustainability Act*, calculated and compounded monthly not in advance, from the Start-Up Date until the Province Proceeds and any outstanding interest thereon have been paid in full. Any remaining unpaid balance of the Province Proceeds and any unpaid interest thereon shall be due and payable in full on the first anniversary of the Start-Up Date. For greater certainty, the interest payments required by this paragraph shall be in addition to the Purchase Price.

On the Start-Up Date, the Purchaser shall make a one-time payment to the Province of \$91,734.00 which payment will be in addition to the Purchase Price and applied by the Province against the accrued interest owing on the Fibre.

[NOTE TO DRAFT – Corresponding change must be made to Schedule "C".]

Accounting:

When making payment of any portion of the Purchase Price in accordance with this Term Sheet, the Purchaser shall provide to each Beneficiary a detailed accounting setting out the portion of the Purchase Price paid, the allocation among the beneficiaries, and the

balance owing to each Beneficiary (the "Accounting").

Proceeds Free and Clear: Each Beneficiary shall obtain the allocated portion of the Purchase Price payable to it pursuant to this Term Sheet free and clear of all liens, encumbrances, security and claims of any kind (including claims for unpaid stumpage fees, liens, liens held by the Lien Claimants, management fees, and administrative fees etc.) pursuant to a vesting order and/or releases and/or other documentation in form(s) satisfactory to the Beneficiaries.

Plan Consideration: For those Lien Claimants set out in Schedule A, being Lien Claimants whose liens are claimed against wood which was delivered to the Purchaser and consumed by the Purchaser prior to the commencement of CCAA proceedings, the following shall apply with respect to the portion of their lien claims set out in Schedule "D":

In addition to payment to the Lien Claimants of their portion of the Purchase Price as set out above, the remaining 25% portion of the Lien Claimants' aggregate lien claims, as more particularly set out in Schedule "D" hereof (the "Plan Claims"), shall be "Affected Claims" subject to the Plan of Compromise and Arrangement (as may be amended, restated or supplemented from time to time, the "Plan") filed by the Purchaser pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA"). The Plan Claims shall be unsecured claims. In order to avoid duplication of the Plan Claims of the Lien Claimants and the claim of the Receiver and/or BFPL in the Plan, the claim of the Receiver and/or BFPL for purposes of distribution under the Plan will be reduced by an amount equal to the aggregate amount of the Plan Claims or alternate steps will be taken to accomplish the same result. For greater certainty, in the event that the Plan is not implemented, BFPL's claim shall not be reduced.

Subject to and in accordance with the terms of the Plan, on the Effective Date, each Lien Claimant shall exchange its Plan Claim for its pro rata share of the Plan Note.

Release of Lien Claims: In consideration for the payment of the Lien Claimant Proceeds pursuant to this Term Sheet and the Plan Claims pursuant to the Plan, each Lien Claimant shall release or otherwise discharge on Closing:

(a) its liens against the Fibre; and

(b) any lien against the proceeds payable to the Beneficiaries hereunder (including the Purchase Price).

Other Fibre:

The fibre, primarily poplar, described in Schedule "E" is not being purchased pursuant to this term sheet (the "Excluded Fibre"). The Excluded Fibre has been harvested by or on behalf of BFPL prior to the appointment of the Receiver and is not the property of the Purchaser or any of its affiliates.

The Purchaser and any of its affiliates who hold sustainable forest licences where the Excluded Fibre may be located agree to an agreement with the Province, as represented by the Ministry of Natural Resources, prior to March 11, 2011 setting out timelines and expected outcomes for the following activities:

1. Assessing the remaining wood for viability, removal and sale of the wood and reporting the findings to the Ministry of Natural Resources.
2. Making reasonable efforts to move and market wood that is determined to be financially reasonable to do so; and
3. Undertaking reasonable efforts to deal with the remaining wood that is a safety concern, causing environmental issues or may cause public concern in a manner that will solve the issues and reclaim productive land.

The Province agrees that, where such steps are taken by the Purchaser or any of its affiliates, no claims, compliance or other action will be made against the Purchaser or any of its affiliates by the Province in relation to any of the Excluded Fibre.

Conditions:

The Closing shall not occur until the following conditions are satisfied or waived by the Purchaser:

1. The Plan shall have been approved by the requisite majorities of creditors of the Purchaser and sanctioned by the Court.
2. The Purchaser shall have obtained a vesting order from the Court and/or releases and/or other documentation to transfer title to the Fibre free and clear of all liens, encumbrances, security and claims, including claims of Lien Claimants, in form(s) satisfactory to the Purchaser.

3. The Beneficiaries shall have obtained the benefit of a vesting order and/or releases and/or other documentation in form(s) satisfactory to the Beneficiaries providing that the Purchase Price payable to each such Beneficiary is free and clear of all liens, encumbrances, security and claims.
4. Each Lien Claimant shall have released or otherwise discharged its liens on Closing against the Fibre and any lien against the proceeds payable hereunder (including the Purchase Price), in form satisfactory to the Beneficiaries and Terrace Bay.
5. Operations shall have restarted at the pulp mill operated by the Purchaser.
6. The Province will not unreasonably withhold the necessary authority, permits and authorizations needed to access, process, transport and otherwise use the Fibre, all in a form satisfactory to the Purchaser or to the Purchaser's agents before the Start Up Date.

Counterparts:

This Term Sheet may be executed in any number of counterparts and by the undersigned in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed signature page to this Term Sheet by any of the undersigned by facsimile, "pdf" or e-mail transmission shall be effective as delivery of a manually executed copy of this Term Sheet by such undersigned.

[Signature pages follow]

**HER MAJESTY THE QUEEN IN
RIGHT OF THE PROVINCE OF
ONTARIO, AS REPRESENTED
BY THE MINISTER OF
NORTHERN DEVELOPMENT,
MINES AND FORESTRY**

Per:

Name:

Title:

TERRACE BAY PULP INC.

Per:

Name:

Title:

**DELOITTE & TOUCHE INC., in
its capacity as receiver of certain
of the property and assets of
Buchanan Forest Products Ltd.,
and not in its personal or
corporate capacity**

Per:

Name:

Title:

1171263 ONTARIO INC.

Per:

Name:

Title:

1183855 ONTARIO INC.

Per:

Name:

Title:

14001350 ONTARIO LIMITED

Per:

Name:

Title:

4 K BUSINESS TRUST

Per:

Name:

Title:

**GET IT DONE CONTRACTING
INC.**

Per:

Name:

Title:

**LAKE NIPIGON FOREST
PRODUCTS LIMITED**

Per:

Name:

Title:

**RED ROCK FIRST NATIONS
BUSINESS TRUST**

Per:

Name:

Title:

RLN FORESTRY LIMITED

Per:

Name:

Title:

TIMBER LOGISTICS INC.

Per:

Name:

Title:

D.N.J. TIMBER LTD.

Per:

Name:

Title:

1401329 ONTARIO INC.

Per:

Name:

Title:

**STEPHANE DUBE SLASHING
INC.**

Per:

Name:

Title:

1037800 ONTARIO LIMITED

Per:

Name:

Title:

1304860 ONTARIO INC.

Per:

Name:

Title:

1648864 ONTARIO INC.

Per:

Name:

Title:

799721 ONTARIO INC.

Per:

Name:

Title:

BRIMA LOGGING INC.

Per:

Name:

Title:

**PARSONS TIMBER
CONTRACTING INC.**

Per:

Name:

Title:

P AND P LOGGING LTD.

Per:

Name:

Title:

846036 ONTARIO LIMITED

Per:

Name:

Title:

**RENE OUELLET LOGGING
LTD.**

Per:

Name:

Title:

1022997 ONTARIO INC.

Per:

Name:

Title:

EDMOND TIMBER LTD.

Per:

Name:

Title:

**ANIMBIIGOOSAGAGUN
ECONOMIC DEVELOPMENT
TRUST**

Per:

Name:

Title:

Schedule "A"

Lien Claimants and the amount to be paid to each from the fibre purchase

(See Attached)

Schedule "A"

Term Sheet re: Purchase of Fiber By Terrace Bay Pulp Inc.

Summary of Lien Claimants

	Lien Claimant	Counsel	Court File #	Lien Claim	@75%
1	1171263 Ontario Inc. (Thibault Logging)	Buset	CV-09-0167	125,000	93,782
2	1183855 Ontario Inc. (Lachance Trucking)	Filion	CV-09-0156	998,877	749,413
3	1401350 Ontario Limited (Re-Nel Chipping)	Buset	CV-09-0175/0178	711,137	533,538
4	4 K Business Trust (Four K's Logging)	Esquega	CV-09-0183	398,470	298,954
5	Get It Done Contracting Inc.	Buset	CV-09-0166	629,925	472,604
6	Lake Nipigon Forest Products Limited and Animbiigoosagagun Economic Development Trust	Esquega	CV-09-0181	261,249	196,019
7	Red Rock First Nation Business Trust	Esquega	CV-09-0182	127,389	95,574
8	RLN Forestry Limited and Animbiigoosagagun Economic Development Trust	Esquega	CV-09-0180	639,466	479,798
9	Timber Logistics Inc.	Gilbart	CV-09-0224/0225	357,500	268,216
11	D.N.J. Timber Ltd.	Buset	CV-09-0186	34,697	26,032
12	1401329 Ontario Inc. (D&M Logging)	Buset	CV-09-0337	40,024	30,029
13	Stephane Dube Slashing Inc	Buset	CV-09-0221	65,145	48,875
14	1037800 Ontario Limited (C. St Pierre)	Buset	CV-09-0338	37,826	28,379
15	1304860 Ontario Inc. (Y. Cote)	Buset	CV-09-0169	22,913	17,191
16	1648864 Ontario Inc. (J. Ruela)	Gilbart	CV-09-0223	23,903	17,933
17	799721 Ontario Inc. (Mark Loubier)	Buset	CV-09-0226	49,271	36,966
18	Brima Logging Inc.	Wieckowski	CV-09-0187	45,238	33,940
19	Parsons Timber Contracting Inc.	Buset	CV-09-0222	28,632	21,481
20	P and P Logging Ltd.	Buset	CV-09-0193	77,017	57,782
21	846036 Ontario Limited (L. Gosselin)	Buset	CV-09-0177	46,540	34,917
22	Rene Ouellet Logging Ltd.	Buset	CV-09-0176	68,922	51,709
23	1022997 Ontario Limited (Alary Logging)	Filion	CV-09-0194	18,484	13,863
24	Edmond Timber Inc.	Garofalo	CV-09-0199/200	205,733	154,300
	Total			5,013,358	3,761,295

Schedule “B”

Bush Fibre

(See Attached)

Schedule "B"

1 of 4

Term Sheet re: Purchase of Fiber By Terrace Bay Pulp Inc.

"Bush Fibre" Purchased by Terrace Bay Pulp Inc.

Area	Source	Product	Volume	SFL
MANI	Broadsword	CT - TL	225	Big Pic
MANI	Broadsword	FT - TL	85	Big Pic
MANI	Broadsword	16 FOOT	74	Big Pic
MANI	Broadsword	PULP	10,931	Big Pic
MANI	Diane	FT - TL	44	Big Pic
MANI	Dianthus	CT - TL	103	Big Pic
MANI	Gaffhook	CT - TL	1,154	Big Pic
MANI	Gene	CT - TL	653	Big Pic
MANI	Hillsport Siding	CT - TL	33	Big Pic
MANI	Hillsport Siding	16 FOOT	1	Big Pic
MANI	Hillsport Siding	PULP	1,410	Big Pic
MANI	Kassagiming	CT - TL	250	Big Pic
MANI	Pistol Man	CT - TL	536	Big Pic
MANI	Pistol Man	16 FOOT	330	Big Pic
MANI	Pistol Man	PULP	133	Big Pic
MANI	Seagram	CT - TL	1,991	Big Pic
MANI	TOTAL		17,953	
OGOK	Axel	CT - TL	494	Ogoki
OGOK	Beaton Lake 2	CT - TL	144	Ogoki
OGOK	Caribou Lake	CT - TL	218	Ogoki
OGOK	Caribou Lake	16 FOOT	8,165	Ogoki
OGOK	Caribou Lake	PULP	3,589	Ogoki

Schedule "B"

2 of 4

Term Sheet re: Purchase of Fiber By Terrace Bay Pulp Inc.

"Bush Fibre" Purchased by Terrace Bay Pulp Inc.

Area	Source	Product	Volume	SFL
OGOK	Gilhully North	PULP	37	Ogoki
OGOK	Painter	CT - TL	854	Ogoki
OGOK	TOTAL		13,501	
KENO	Blockville	CT - TL	1,308	Kenogami
KENO	Blockville	FT - TL	22	Kenogami
KENO	Blueberry Mile 10	PULP	17	Kenogami
KENO	Blueberry Rail	16 FOOT	557	Kenogami
KENO	Blueberry Rail	PULP	374	Kenogami
KENO	Castlebar	CT - TL	2,598	Kenogami
KENO	Castlebar	PULP	1,754	Kenogami
KENO	Chisel	FT - TL	221	Kenogami
KENO	Club South	CT - TL	1	Kenogami
KENO	Club South	FT - TL	14	Kenogami
KENO	Club South	16 FOOT	3,364	Kenogami
KENO	Club South	PULP	5,517	Kenogami
KENO	Hammer	FT - TL	76	Kenogami
KENO	Hopwood	CT - TL	3	Kenogami
KENO	Jemar	16 FOOT	485	Kenogami
KENO	Jemar	PULP	11,361	Kenogami
KENO	Jemar	HARDWOOD	492	Kenogami
KENO	Kawakanika	CT - TL	3,150	Kenogami
KENO	Kawakanika	FT - TL	19	Kenogami

Schedule "B"

3 of 4

Term Sheet re: Purchase of Fiber By Terrace Bay Pulp Inc.

"Bush Fibre" Purchased by Terrace Bay Pulp Inc.

Area	Source	Product	Volume	SFL
KENO	Kawakanika	PULP	710	Kenogami
KENO	Kowkash	CT - TL	9	Kenogami
KENO	Kowkash	HARDWOOD	1,027	Kenogami
KENO	Longlake Stock Pile	16 FOOT	7,400	Kenogami
KENO	Longlake Stock Pile	PULP	10	Kenogami
KENO	Maun Rd (mi 42)	HARDWOOD	660	Kenogami
KENO	McCrey	CT - TL	25	Kenogami
KENO	Meta	FT - TL	129	Kenogami
KENO	Muriel	CT - TL	90	Kenogami
KENO	Murkey South	FT - TL	4	Kenogami
KENO	Nakina Stock Pile	CT - TL	16	Kenogami
KENO	Nakina Stock Pile	PULP	28	Kenogami
KENO	Ogoki Pit	CT - TL	117	Kenogami
KENO	Rayner	CT - TL	1,309	Kenogami
KENO	Shot Block	PULP	1,202	Kenogami
KENO	Singing Rail	PULP	2,276	Kenogami
KENO	Spike Block	PULP	458	Kenogami
KENO	Stingray	CT - TL	297	Kenogami
KENO	Stingray	PULP	8,609	Kenogami
KENO	Storm N.E.	CT - TL	1,273	Kenogami
KENO	Suni	CT - TL	484	Kenogami
KENO	Suni	FT - TL	13	Kenogami

Schedule "B"

4 of 4

Term Sheet re: Purchase of Fiber By Terrace Bay Pulp Inc.

"Bush Fibre" Purchased by Terrace Bay Pulp Inc.

Area	Source	Product	Volume	SFL
KENO	Suni	HARDWOOD	4,450	Kenogami
KENO	Twin Lakes- North	PULP	1,019	Kenogami
KENO	Twin Lakes- South	PULP	4,985	Kenogami
KENO	Watini	PULP	18,653	Kenogami
KENO	West Boyce LLWI Purchased Wood	PULP	596	Kenogami
KENO	TOTAL		87,182	
JELL	Wildgoose	FT - TL	1,483	Lake Nipigon
JELL	Wildgoose	HARDWOOD	3,966	Lake Nipigon
JELL	TOTAL		5,449	
ARMS	811 North	CT - TL	2,907	Spruce River
ARMS	Blackstar	CT - TL	1,691	Spruce River
ARMS	Blackstar	FT - TL	173	Spruce River
ARMS	Grew Km 12	CT - TL	1,865	Spruce River
ARMS	Pavely	CT - TL	6,544	Spruce River
ARMS	Pavely	PULP	573	Spruce River
ARMS	Smart	CT - TL	16,073	Spruce River
ARMS	Smart	FT - TL	215	Spruce River
ARMS	TOTAL		30,041	
	GRAND TOTAL		154,126	

Schedule "C"

Province Proceeds

(See Attached)

Schedule "C"

Term Sheet re: Purchase of Fiber By Terrace Bay Pulp Inc.

Purchase Price Distribution Schedule

	Vendors/Lien Claimants	Counsel	Court File #	Total	Terrace Bay Fibre	Pennock Fibre	Pennock Payment %	Bush Fibre	Bush Payment %
14	1037800 Ontario Limited (C. St Pierre)	Buset	CV-09-0338	\$ 28,379	\$ 25,293	\$ 3,086	0.3086%	\$ -	0.0000%
1	1171263 Ontario Inc. (Thibault Logging)	Buset	CV-09-0167	\$ 93,782	\$ 83,585	\$ 10,197	1.0197%	\$ -	0.0000%
15	1304860 Ontario Inc. (Y. Cote)	Buset	CV-09-0169	\$ 17,191	\$ 15,322	\$ 1,869	0.1869%	\$ -	0.0000%
12	1401329 Ontario Inc. (D&M Logging)	Buset	CV-09-0337	\$ 30,029	\$ 26,764	\$ 3,265	0.3265%	\$ -	0.0000%
3	1401350 Ontario Limited (Re-Nel Chipping)	Buset	CV-09-0175/0178	\$ 533,538	\$ 475,524	\$ 58,014	5.8014%	\$ -	0.0000%
17	799721 Ontario Inc. (Mark Loubier)	Buset	CV-09-0226	\$ 36,966	\$ 32,947	\$ 4,019	0.4019%	\$ -	0.0000%
21	846036 Ontario Limited (L. Gosselin)	Buset	CV-09-0177	\$ 34,917	\$ 31,120	\$ 3,797	0.3797%	\$ -	0.0000%
11	D.N.J. Timber Ltd.	Buset	CV-09-0186	\$ 26,032	\$ 23,201	\$ 2,831	0.2831%	\$ -	0.0000%
5	Get It Done Contracting Inc.	Buset	CV-09-0166	\$ 472,604	\$ 421,216	\$ 51,388	5.1388%	\$ -	0.0000%
20	P and P Logging Ltd.	Buset	CV-09-0193	\$ 57,782	\$ 51,499	\$ 6,283	0.6283%	\$ -	0.0000%
19	Parsons Timber Contracting Inc.	Buset	CV-09-0222	\$ 21,481	\$ 19,145	\$ 2,336	0.2336%	\$ -	0.0000%
22	Rene Ouellet Logging Ltd.	Buset	CV-09-0176	\$ 51,709	\$ 46,086	\$ 5,623	0.5623%	\$ -	0.0000%
13	Stephane Dube Slashing Inc	Buset	CV-09-0221	\$ 48,875	\$ 43,561	\$ 5,314	0.5314%	\$ -	0.0000%
	Buset & Partners LLP Total			\$ 1,453,285	\$ 1,295,263	\$ 158,022	15.8022%	\$ -	0.0000%
4	4 K Business Trust (Four K's Logging)	Esquega	CV-09-0183	\$ 298,954	\$ 266,448	\$ 32,506	3.2506%	\$ -	0.0000%
6	Lake Nipigon Forest Products Limited and Animbiigoosagagun Economic Development Trust	Esquega	CV-09-0181	\$ 196,019	\$ 174,705	\$ 21,314	2.1314%	\$ -	0.0000%
7	Red Rock First Nation Business Trust	Esquega	CV-09-0182	\$ 95,574	\$ 85,182	\$ 10,392	1.0392%	\$ -	0.0000%
8	RLN Forestry Limited and Animbiigoosagagun Economic Development Trust	Esquega	CV-09-0180	\$ 479,798	\$ 427,629	\$ 52,169	5.2169%	\$ -	0.0000%
	Erickson & Partners Total			\$ 1,070,345	\$ 953,964	\$ 116,381	11.6381%	\$ -	0.0000%
23	1022997 Ontario Limited (Alary Logging)	Fillion	CV-09-0194	\$ 13,863	\$ 12,356	\$ 1,507	0.1507%	\$ -	0.0000%
2	1183855 Ontario Inc. (Lachance Trucking)	Fillion	CV-09-0156	\$ 749,413	\$ 667,926	\$ 81,487	8.1487%	\$ -	0.0000%
	Louis Fillion Professional Corporation			\$ 763,276	\$ 680,282	\$ 82,994	8.2994%	\$ -	0.0000%
24	Edmond Timber Inc.	Garofalo	CV-09-0199/200	\$ 154,300	\$ 137,522	\$ 16,778	1.6778%	\$ -	0.0000%
	Petrone Hornak Garofalo Mauro			\$ 154,300	\$ 137,522	\$ 16,778	1.6778%	\$ -	0.0000%
16	1648864 Ontario Inc. (J. Ruela)	Gilbart	CV-09-0223	\$ 17,933	\$ 15,983	\$ 1,950	0.1950%	\$ -	0.0000%
9	Timber Logistics Inc.	Gilbart	CV-09-0224/0225	\$ 268,216	\$ 239,052	\$ 29,164	2.9164%	\$ -	0.0000%
	Terry L. Gilbart Total			\$ 286,149	\$ 255,035	\$ 31,114	3.1114%	\$ -	0.0000%
	Deloitte & Touche Inc.	Goodmans		\$ 3,300,000	\$ 1,912,684	\$ 363,283	36.3283%	\$ 1,024,033	36.3283%
18	Brima Logging Inc.	Wieckowski	CV-09-0187	\$ 33,940	\$ 30,250	\$ 3,690	0.3690%	\$ -	0.0000%
	Walter C. Wieckowski			\$ 33,940	\$ 30,250	\$ 3,690	0.3690%	\$ -	0.0000%
	Province of Ontario			\$ 2,022,536	\$ -	\$ 227,738	22.7738%	\$ 1,794,798	63.6717%
	Total			\$ 9,083,831	\$ 5,265,000	\$ 1,000,000	100.0000%	\$ 2,818,831	100.0000%

NOTES:

- Where Payments are made to counsel who represent more than 1 Lien Claimant (ie Buset and Partners), such payments shall be made in trust to counsel for the benefit of all of the Lien Claimants they represent as identified herein
- It will be the responsibility of counsel who receive payments to disburse such payments to their respective clients
- Payments for Pennock Fibre will be made in the percentages noted in the column "Pennock Payment %" to the parties identified in the corresponding row.

Schedule “D”

Plan Claims

(See Attached)

Schedule "D"

Term Sheet re: Purchase of Fiber By Terrace Bay Pulp Inc.

Summary of Lien Claimants with Unsecured CCAA Claims

	Lien Claimant	Counsel	Court File #	Unsecured Claim
1	1171263 Ontario Inc .(Thibault Logging)	Buset	CV-09-0167	14,500
2	1183855 Ontario Inc.(Lachance Trucking)	Filion	CV-09-0156	241,219
3	1401350 Ontario Limited (Re-Nel Chipping)	Buset	CV-09-0175/0178	177,784
4	4 K Business Trust (Four K's Logging)	Esquega	CV-09-0183	99,618
5	Get It Done Contracting Inc.	Buset	CV-09-0166	157,481
6	Lake Nipigon Forest Products Limited	Esquega	CV-09-0181	65,312
7	Red Rock First Nation Business Trust	Esquega	CV-09-0182	31,847
8	RLN Forestry Limited	Esquega	CV-09-0180	159,867
9	Timber Logistics Inc.	Gilbart	CV-09-0224/0225	86,750
11	D.N.J. Timber Ltd.	Buset	CV-09-0186	2,977
13	Stephane Dube Slashing Inc	Buset	CV-09-0221	10,476
17	799721 Ontario Inc. (Mark Loubier)	Buset	CV-09-0226	3,810
18	Brima Logging Inc.	Wieckowski	CV-09-0187	2,262
20	P and P Logging Ltd.	Buset	CV-09-0193	19,254
23	1022997 Ontario Limited(Alary Logging)	Filion	CV-09-0194	4,621
24	Edmond Timber Inc.	Garofalo	CV-09-0199/200	51,433
	Total			1,129,211

Schedule “E”

Fibre not subject to this Term Sheet

(See Attached)

Schedule "E"

1 of 10

Term Sheet re: Purchase of Fiber By Terrace Bay Pulp Inc.

Fibre Not Being Purchased by Terrace Bay Pulp Inc.

Area	Source	Product	Volume	SFL
SLKT	702 Fire	CT - TL	31	Caribou
SLKT	702 Fire	HARDWOOD	845	Caribou
SLKT	702 Hillside	CT - TL	1,412	Caribou
SLKT	702 Hillside	HARDWOOD	449	Caribou
SLKT	Harrison	CT - TL	68	Lac Seul
SLKT	Harrison	HARDWOOD	237	Lac Seul
SLKT	Idaho	CT - TL	279	Lac Seul
SLKT	Idaho	HARDWOOD	5	Lac Seul
SLKT	Island	CT - TL	35	Lac Seul
SLKT	Island	PULP	130	Lac Seul
SLKT	Island	HARDWOOD	1,926	Lac Seul
SLKT	Jackson	CT - TL	8	Lac Seul
SLKT	Jackson	SMALL STUDS	18	Lac Seul
SLKT	Jackson	PULP	68	Lac Seul
SLKT	Jackson	HARDWOOD	1,105	Lac Seul
SLKT	Kiwi	CT - TL	5	Caribou
SLKT	Kiwi	HARDWOOD	1,162	Caribou
SLKT	Lindsay	CT - TL	216	Lac Seul
SLKT	Lindsay	SMALL STUDS	257	Lac Seul
SLKT	Lindsay	PULP	35	Lac Seul
SLKT	Miller	CT - TL	42	Lac Seul
SLKT	Miller	SMALL STUDS	113	Lac Seul

Schedule "E"

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Term Sheet re: Purchase of Fiber By Terrace Bay Pulp Inc.

Fibre Not Being Purchased by Terrace Bay Pulp Inc.

Area	Source	Product	Volume	SFL
SLKT	Miller	PULP	103	Lac Seul
SLKT	Miller	HARDWOOD	319	Lac Seul
SLKT	Northland	CT - TL	880	Lac Seul
SLKT	Northland	PULP	200	Lac Seul
SLKT	Pintail	CT - TL	8	Caribou
SLKT	Pintail	HARDWOOD	185	Caribou
SLKT	Race	CT - TL	34	Lac Seul
SLKT	Race	HARDWOOD	146	Lac Seul
SLKT	Savant	CT - TL	15	English River
SLKT	Savant	HARDWOOD	954	English River
SLKT	TOTAL		11,290	
MANI	Battle Axe (st)	HARDWOOD	6	Big Pic
MANI	Broadsword	HARDWOOD	982	Big Pic
MANI	Broadsword	PULP	16,800	Big Pic
MANI	Diane	HARDWOOD	58	Big Pic
MANI	Dianthus	HARDWOOD	333	Big Pic
MANI	Gaffhook	HARDWOOD	3	Big Pic
MANI	Gene	16 FOOT	2	Big Pic
MANI	Gene	PULP	9	Big Pic
MANI	Gene	HARDWOOD	8,714	Big Pic
MANI	Hades	HARDWOOD	612	Big Pic
MANI	Hatley	CT - TL	10	Big Pic

Schedule "E"

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Term Sheet re: Purchase of Fiber By Terrace Bay Pulp Inc.

Fibre Not Being Purchased by Terrace Bay Pulp Inc.

Area	Source	Product	Volume	SFL
MANI	Hatley	16 FOOT	2	Big Pic
MANI	Hatley	PULP	23	Big Pic
MANI	Hatley	HARDWOOD	283	Big Pic
MANI	Hillsport Siding	HARDWOOD	48	Big Pic
MANI	Kassagiming	HARDWOOD	142	Big Pic
MANI	Nama	CT - TL	3	Big Pic
MANI	Nama	HARDWOOD	5,892	Big Pic
MANI	Northbrook	CT - TL	52	Big Pic
MANI	Northbrook	PULP	21	Big Pic
MANI	Pagwachuan	CT - TL	53	Big Pic
MANI	Pagwachuan	HARDWOOD	57	Big Pic
MANI	Picarson	HARDWOOD	20	Big Pic
MANI	Pistol Man	HARDWOOD	99	Big Pic
MANI	Route Lake	CT - TL	5	Pic River Ojibway
MANI	Route Lake	HARDWOOD	761	Pic River Ojibway
MANI	Seagram	HARDWOOD	1,019	Big Pic
MANI	Sky	HARDWOOD	67	Big Pic
MANI	Vein Lake (Bee Line)	CT - TL	16	Pic River Ojibway
MANI	Vein Lake (Bee Line)	16 FOOT	1	Pic River Ojibway
MANI	Vein Lake (Bee Line)	PULP	3	Pic River Ojibway
MANI	Vein Lake (Bee Line)	HARDWOOD	2,849	Pic River Ojibway
MANI	Vein Lake Old Wood Only	CT - TL	79	Pic River Ojibway

Schedule "E"

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Term Sheet re: Purchase of Fiber By Terrace Bay Pulp Inc.

Fibre Not Being Purchased by Terrace Bay Pulp Inc.

Area	Source	Product	Volume	SFL
MANI	Vein Lake Old Wood Only	HARDWOOD	1,367	Pic River Ojibway
MANI	TOTAL		40,391	
OGOK	Aikman Km 95	HARDWOOD	177	Ogoki
OGOK	Axel	HARDWOOD	227	Ogoki
OGOK	Beaton Lake 2	HARDWOOD	144	Ogoki
OGOK	Caribou Lake	HARDWOOD	284	Ogoki
OGOK	Cat Lake	HARDWOOD	62	Ogoki
OGOK	Cloud Lake	HARDWOOD	38	Ogoki
OGOK	David Lake	HARDWOOD	267	Ogoki
OGOK	Dog Lake	HARDWOOD	2	Ogoki
OGOK	Gerben Blk	HARDWOOD	458	Ogoki
OGOK	Gilhully North	HARDWOOD	33	Ogoki
OGOK	Goat Lake	HARDWOOD	4	Ogoki
OGOK	Guliver	HARDWOOD	2,741	Ogoki
OGOK	Heart	FT - TL	35	Ogoki
OGOK	Heart	HARDWOOD	926	Ogoki
OGOK	Hudson Lake Km 156	HARDWOOD	168	Ogoki
OGOK	Kenya Km 66	HARDWOOD	923	Ogoki
OGOK	Painter	HARDWOOD	141	Ogoki
OGOK	Reckett Lake	HARDWOOD	250	Ogoki
OGOK	Richment	HARDWOOD	117	Ogoki
OGOK	Sumac	HARDWOOD	60	Ogoki

Schedule "E"

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Term Sheet re: Purchase of Fiber By Terrace Bay Pulp Inc.

Fibre Not Being Purchased by Terrace Bay Pulp Inc.

Area	Source	Product	Volume	SFL
OGOK	TOTAL		7,057	
KENO	Abi East/North	HARDWOOD	222	Kenogami
KENO	Blockville	HARDWOOD	128	Kenogami
KENO	Blueberry Rail	HARDWOOD	166	Kenogami
KENO	Boston Rd	HARDWOOD	174	Kenogami
KENO	Burlap (Stairs Rd)	HARDWOOD	30	Kenogami
KENO	Castlebar	HARDWOOD	396	Kenogami
KENO	Chaucer	HARDWOOD	165	Kenogami
KENO	Chisel	HARDWOOD	2,871	Kenogami
KENO	Club South	HARDWOOD	74	Kenogami
KENO	Dam	HARDWOOD	592	Kenogami
KENO	Hammer	HARDWOOD	149	Kenogami
KENO	Hopwood	HARDWOOD	1,903	Kenogami
KENO	Howard Creek	HARDWOOD	229	Kenogami
KENO	Jungfrau (Farrell Rd)	HARDWOOD	1,201	Kenogami
KENO	Kap River	HARDWOOD	146	Kenogami
KENO	Kawakanika	HARDWOOD	193	Kenogami
KENO	LWWI Albert	HARDWOOD	30	Kenogami
KENO	Maytham	HARDWOOD	55	Kenogami
KENO	McCrey	HARDWOOD	60	Kenogami
KENO	McLean	HARDWOOD	100	Kenogami
KENO	McLeod South	HARDWOOD	35	Kenogami

Schedule "E"

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Term Sheet re: Purchase of Fiber By Terrace Bay Pulp Inc.

Fibre Not Being Purchased by Terrace Bay Pulp Inc.

Area	Source	Product	Volume	SFL
KENO	Meta	HARDWOOD	837	Kenogami
KENO	Mitchell Farrell Rd	HARDWOOD	86	Kenogami
KENO	Muriel	HARDWOOD	586	Kenogami
KENO	Murkey South	HARDWOOD	198	Kenogami
KENO	Nail (Storm East)	FT - TL	1	Kenogami
KENO	Nail (Storm East)	HARDWOOD	44	Kenogami
KENO	Noel Km 22 & 24	HARDWOOD	113	Kenogami
KENO	Ogoki Pit	HARDWOOD	23	Kenogami
KENO	Picarson	HARDWOOD	93	Kenogami
KENO	Rayner	HARDWOOD	148	Kenogami
KENO	Samuelson	HARDWOOD	225	Kenogami
KENO	Singing Rail	HARDWOOD	10	Kenogami
KENO	Skibi	HARDWOOD	489	Kenogami
KENO	Storm N.E.	HARDWOOD	62	Kenogami
KENO	Superb	FT - TL	25	Kenogami
KENO	Superb	HARDWOOD	584	Kenogami
KENO	Twin Lakes- North	HARDWOOD	113	Kenogami
KENO	Twin Lakes- South	HARDWOOD	1,196	Kenogami
KENO	Watini	CT - TL	11	Kenogami
KENO	Watini	HARDWOOD	12	Kenogami
KENO	TOTAL		13,775	
JELL	Northwind	HARDWOOD	420	Lake Nipigon

Schedule "E"

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Term Sheet re: Purchase of Fiber By Terrace Bay Pulp Inc.

Fibre Not Being Purchased by Terrace Bay Pulp Inc.

Area	Source	Product	Volume	SFL
JELL	Onamen	FT - TL	59	Lake Nipigon
JELL	Onamen	PULP	3	Lake Nipigon
JELL	Onamen	HARDWOOD	240	Lake Nipigon
JELL	TOTAL		722	
ARMS	811 North	HARDWOOD	8	Spruce River
ARMS	Banksiana	HARDWOOD	96	Spruce River
ARMS	Big Lake	HARDWOOD	858	Armstrong
ARMS	Blackstar	HARDWOOD	2,666	Spruce River
ARMS	Blk 63 Hwy 527	16 FOOT	300	Spruce River
ARMS	Blk 63 Hwy 527	HARDWOOD	56	Spruce River
ARMS	Caribou Lake	CT - TL	2	Armstrong
ARMS	Caribou Lake	16 FOOT	4	Armstrong
ARMS	Caribou Lake	PULP	9	Armstrong
ARMS	Caribou Lake	HARDWOOD	77	Armstrong
ARMS	Collins	HARDWOOD	1,574	Armstrong
ARMS	Dalton	CT - TL	1,144	Armstrong
ARMS	Dalton	HARDWOOD	1,119	Armstrong
ARMS	Donnet (new)/Almond	CT - TL	11	Spruce River
ARMS	Donnet (new)/Almond	16 FOOT	5	Spruce River
ARMS	Donnet (new)/Almond	PULP	2	Spruce River
ARMS	Donnet (new)/Almond	HARDWOOD	723	Spruce River
ARMS	Donnet 507,508,509	HARDWOOD	489	Spruce River

Schedule "E"

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Term Sheet re: Purchase of Fiber By Terrace Bay Pulp Inc.

Fibre Not Being Purchased by Terrace Bay Pulp Inc.

Area	Source	Product	Volume	SFL
ARMS	Falcon	16 FOOT	3	Armstrong
ARMS	Falcon	HARDWOOD	125	Armstrong
ARMS	Ferland- Km 57-1.5	CT - TL	20	Armstrong
ARMS	Ferland- Km 57-1.5	HARDWOOD	464	Armstrong
ARMS	Ferland-Blk 501	HARDWOOD	240	Armstrong
ARMS	Goodlad Lake	HARDWOOD	95	Spruce River
ARMS	Grew Km 3.5	CT - TL	28	Spruce River
ARMS	Grew Km 3.5	FT - TL	3	Spruce River
ARMS	Grew Km 3.5	HARDWOOD	1,680	Spruce River
ARMS	Grimm Lake	FT - TL	66	Spruce River
ARMS	Grimm Lake	HARDWOOD	1,104	Spruce River
ARMS	Jackfish East	HARDWOOD	43	Armstrong
ARMS	Ketchikan	CT - TL	845	Spruce River
ARMS	Ketchikan	HARDWOOD	130	Spruce River
ARMS	KM 70 Whitesand Forestry	HARDWOOD	722	Armstrong
ARMS	McKinley	HARDWOOD	182	Armstrong
ARMS	Mojikit	CT - TL	24	Armstrong
ARMS	Mojikit	FT - TL	42	Armstrong
ARMS	Mojikit	16 FOOT	12	Armstrong
ARMS	Mojikit	HARDWOOD	11,950	Armstrong
ARMS	Mud River	PULP	9	Armstrong
ARMS	Mud River	HARDWOOD	2,827	Armstrong

Schedule "E"

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Term Sheet re: Purchase of Fiber By Terrace Bay Pulp Inc.

Fibre Not Being Purchased by Terrace Bay Pulp Inc.

Area	Source	Product	Volume	SFL
ARMS	North Rd (Salv)	HARDWOOD	13	Armstrong
ARMS	Obonga	CT - TL	32	Armstrong
ARMS	Obonga	FT - TL	15	Armstrong
ARMS	Obonga	HARDWOOD	2,091	Armstrong
ARMS	Pavela Lake	HARDWOOD	114	Armstrong
ARMS	Pavely	HARDWOOD	55	Spruce River
ARMS	Roaring Lake Blk 532	HARDWOOD	2,044	Armstrong
ARMS	Smart	HARDWOOD	1,079	Spruce River
ARMS	Spino Lake	HARDWOOD	1,460	Armstrong
ARMS	Trail	HARDWOOD	737	Armstrong
ARMS	Zig Zag	HARDWOOD	896	Armstrong
ARMS	TOTAL		38,293	
GRAH	Baltic	PULP	7	English River
GRAH	Baltic	HARDWOOD	430	English River
GRAH	Baril	16 FOOT	1,287	Dog River-Matawin
GRAH	Baril	HARDWOOD	300	Dog River-Matawin
GRAH	Basket Lake	HARDWOOD	195	English River
GRAH	Bree, Margaret, Sing	16 FOOT	5	English River
GRAH	Bree, Margaret, Sing	PULP	42	English River
GRAH	Bree, Margaret, Sing	HARDWOOD	297	English River
GRAH	Empire	HARDWOOD	32	English River
GRAH	Graham Rd Km 9- Km 1	HARDWOOD	70	Dog River-Matawin

Schedule "E"

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Term Sheet re: Purchase of Fiber By Terrace Bay Pulp Inc.

Fibre Not Being Purchased by Terrace Bay Pulp Inc.

Area	Source	Product	Volume	SFL
GRAH	Hilltop	HARDWOOD	570	English River
GRAH	Little Harry Blk 597, 598, 599	HARDWOOD	1,587	Spruce River
GRAH	Mining Claim Stock Pile	HARDWOOD	70	Sapawe
GRAH	Moberly	CT - TL	1	English River
GRAH	Moberly	PULP	13	English River
GRAH	Moberly	HARDWOOD	1,190	English River
GRAH	Petry	HARDWOOD	2,391	Spruce River
GRAH	Wawang	HARDWOOD	1,323	Spruce River
GRAH	TOTAL		9,810	
PRIV	BS90	16 FOOT	5	Black Sturgeon
PRIV	BS90	PULP	47	Black Sturgeon
PRIV	BS90	HARDWOOD	237	Black Sturgeon
PRIV	Gurnett	16 FOOT	236	Spruce River
PRIV	Gurnett	HARDWOOD	842	Spruce River
PRIV	Mawn Rd (1)	16 FOOT	81	Black Sturgeon
PRIV	Mawn Rd (1)	HARDWOOD	112	Black Sturgeon
PRIV	McIntyre	CT - TL	76	Black Sturgeon
PRIV	McIntyre	HARDWOOD	4	Black Sturgeon
PRIV	Renee Roy	PULP	34	Private
PRIV	Renee Roy	HARDWOOD	11	Private
PRIV	TOTAL		1,685	
	GRAND TOTAL		123,023	

Schedule B
LIEN CLAIMANTS

1. 1022997 Ontario Ltd.
2. 1037800 Ontario Limited
3. 1171263 Ontario Inc.
4. 1183855 Ontario Inc.
5. 1304860 Ontario Inc.
6. D&M Logging Inc.
7. 1401350 Ontario Limited
8. 1648864 Ontario Inc.
9. 4K Business Trust, operating as Four K's Logging
10. 799721 Ontario Inc.
11. 846036 Ontario Ltd.
12. Animbiigoosagagun Economic Development Trust
13. Lake Nipigon Forest Products Limited
14. RLN Forestry Limited
15. Brima Logging Inc.
16. DNJ Timber Limited
17. Edmond Timber Inc.
18. Get It Done Contracting Inc.
19. P and P Logging Ltd.
20. Parsons Timber Contracting Inc.
21. Red Rock First Nation Business Trust
22. R. Ouellet Logging Inc.
23. Stephane Dubé Slashing Inc.
24. Timber Logistics Inc.

Schedule C

FWLFWA Court Actions

	Court Action	Court File No.	Claim for Lien No.
1.	<i>1022997 Ontario Ltd. v. 1401350 Ontario Limited, Buchanan Forest Products Ltd., Nerak Contractors Inc., Dashwa Contractors Inc. and Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd.</i>	CV-09-0194	No. 09-1893
2.	<i>1037800 Ontario Ltd. v. Dashwa Timber Contractors Inc.</i>	CV-09-0338	No. 09-1906
3.	<i>1171263 Inc. v. Nerak Contractors Inc. and Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd.</i>	CV-09-0167	CV-09-01875
4.	<i>1183855 Ontario Inc. v. Buchanan Forest Products Ltd., Nerak Contractors Inc., Dashwa Timber Contractors Inc., Eagle Logging Inc., Long Lake Forest Products Inc. and Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd.</i>	CV-09-0156	No. 09-1874
5.	<i>1304860 Ontario Inc. v. Dashwa Timber Contractors Inc. and Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd.</i>	CV-09-0169	No. 09-1876
6.	<i>1401350 Ontario Limited operating as Re-Nel Chipping v. Buchanan Forest Products Ltd. and Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd.</i>	CV-09-0178	No. 09-1878
7.	<i>1401350 Ontario Limited operating as Re-Nel Chipping v. Dashwa Timber Contractors Inc. and Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd.</i>	CV-09-0175	No. 09-1880
8.	<i>1648864 Ontario Inc. v. Buchanan Forest Products Ltd., Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd. and Dashwa Timber Contractors Inc.</i>	CV-09-0223	No. 09-1898
9.	<i>4 K Business Trust, operating as Four K's Logging v. Buchanan Forest Products Ltd., Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd., Dashwa Timber Contractors Inc. and Terrace Bay Pulp Inc.</i>	CV-09-0183	No. 09-1885
10.	<i>799721 Ontario Inc. v. Dashwa Timber Contractors Inc. and Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd.</i>	CV-09-0226	No. 09-1903

11.	<i>846036 Ontario Ltd. v. Dashwa Timber Contractors Inc. and Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd.</i>	CV-09-0177	No. 09-1881
12.	<i>Animbiigoosagagun Economic Development Trust, and Lake Nipigon Forest Products Limited v. Buchanan Forest Products Ltd., Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd. and Terrace Bay Pulp Inc.</i>	CV-09-0181	No. 09-1883
13.	<i>Animbiigoosagagun Economic Development Trust, and RLN Forestry Limited v. Eagle Logging Inc., Buchanan Forest Products Ltd., Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd. and Terrace Bay Pulp Inc.</i>	CV-09-0180	No. 09-1884
14.	<i>Brima Logging Inc. v. Dashwa Timber Contractors Inc. and Deloitte & Touche Inc., in its capacity as privately-appointed receiver of Buchanan Forest Products Ltd.</i>	CV-09-0187	No. 09-0187
15.	<i>D&M Logging Inc. v. Dashwa Timber Contractors Inc.</i>	CV-09-0169	No. 09-1876
16.	<i>DNJ Timber Limited v. Dashwa Timber Contractors Inc. and Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd.</i>	CV-09-0186	No. 1882-09
17.	<i>Eagle Logging Inc. v. Terrace Bay Pulp Inc. and Buchanan Forest Products Ltd.</i>	CV-09-0248	No. 09-1900
18.	<i>Eagle Logging Inc. v. Terrace Bay Pulp Inc.</i>		No. 09-1894
19.	<i>Edmond Timber Inc. v. RLN Forestry Limited, Animbiigoosagagun Economic Development Trust, Eagle Logging Inc., Buchanan Forest Products Limited, Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd. and Terrace Bay Pulp Inc.</i>	CV-09-0200	No. 1891-09
20.	<i>Edmond Timber Inc. v. Lake Nipigon Forest Products Limited, Animbiigoosagagun Economic Development Trust, Eagle Logging Inc., Buchanan Forest Products Limited, Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd. and Terrace Bay Pulp Inc.</i>	CV-09-0199	No. 1892-09
21.	<i>Get It Done Contracting Inc. v. Dashwa Timber Contractors Inc. and Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd.</i>	CV-09-0166	No. 09-1877
22.	<i>Long Lake Forest Products Inc. v. Terrace Bay Pulp Inc., and Buchanan Forest Products Ltd. and Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd.</i>	CV-09-0249	No. 09-1901

23.	<i>Northern Sawmills Inc. v. Terrace Bay Pulp Inc., Buchanan Forest Products Ltd. and Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd.</i>	CV-09-0250	No. 09-1902
24.	<i>P and P Logging Ltd. v. Dashwa Timber Contractors Inc. and Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd.</i>	CV-09-0193	No. 09-1890
25.	<i>Parsons Timber Contracting Inc. v. Dashwa Timber Contractors Inc. and Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd.</i>	CV-09-0222	No. 09-1895
26.	<i>Red Rock First Nation Business Trust v. Buchanan Forest Products Ltd., Terrace Bay Pulp Inc. and Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd.</i>	CV-09-0182	No. 09-1886
27.	<i>R. Ouellet Logging Ltd. v. Dashwa Timber Contractors Inc. and Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd.</i>	CV-09-0176	No.09-1879
28.	<i>Stephane Dubé Slashing Inc. v. Dashwa Timber Contractors Inc. and Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd.</i>	CV-09-0221	No. 1896-09
29.	<i>Timber Logistics Inc. v. Buchanan Forest Products Ltd., Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd. and Nerak Contractors Inc.</i>	CV-09-0225	No. 09-1898
30.	<i>Timber Logistics Inc. v. Buchanan Forest Products Ltd., Deloitte & Touche Inc., in its capacity as privately-appointed Receiver of certain assets and property of Buchanan Forest Products Ltd. and Atway Transport Inc.</i>	CV-09-0224	No. 09-1899

SCHEDULE D

Lien Claimant	Court File No	Claim For Lien No.	Location	Volume	Description	Amount Claimed	Maintain Action Against	Licencee
Get It Done Contracting Inc.	CV-09-0166	No. 09-1877	Truxax, Singing	20,000	8' Pulp logs (Spruce, Balam and Jackpine)	\$ 372,036.00	Dashwa Timber Contractors Inc.	Long Lake Forest Products Inc.
1401350 Ontario Limited (o/a)			Torso, Puttock, Pout Cleanup,	9,300 Conifer and 18,965	Bundles of treelength Conifer,			
Re-Nel Chipping	CV-09-0175	No. 09-1880	Pearson, Klotz Lake, Wildgoose	Poplar/Birch	Poplar, Birch	\$ 183,536.81	Dashwa Timber Contractors Inc.	Long Lake Forest Products Inc.
1022957 Ontario Limited (o/a)	CV-09-0194	No. 09-1893	(Note 3)	(Note 3)	(Note 3)	\$35,928.53	1401350 Ontario Limited and Dashwa Timber Contractors Inc.	Long Lake Forest Products Inc.
Edmond Timber Inc.	CV-09-0199	No. 1892-09	Aster, Croll	5,000 7,000	Conifer Poplar	\$ 46,433.11	Lake Nipigon Forest Products Limited	Long Lake Forest Products Inc.
Edmond Timber Inc.	CV-09-0200	No. 1891-09	(Note 2)	(Note 2)	(Note 2)	\$ 9,370.52	RLN Forestry Limited	Terrace Bay Pulp Inc. (Note 1)
Animilgoosagagun Economic Development Trust and RLN Forestry Limited	CV-09-0180 CV-09-0180 CV-09-0180 CV-09-0180 CV-09-0180 CV-09-0180 CV-09-0180 CV-09-0180 CV-09-0180 CV-09-0180 CV-09-0180 CV-09-0180 CV-09-0180 CV-09-0180 CV-09-0180	No. 09-1884 No. 09-1884 No. 09-1884 No. 09-1884 No. 09-1884 No. 09-1884 No. 09-1884 No. 09-1884 No. 09-1884 No. 09-1884 No. 09-1884 No. 09-1884 No. 09-1884 No. 09-1884 No. 09-1884	Superb Muriel Mallet Burlap Bawk Murkey West Calong West Eaton Lake Quinn Lake Cyril North Rocky Shores Seagram	500 7,900 3,000 4,000 4,500 600 4,550 2,000 1,000 800 600 700	8' Pulp 8' Pulp 8' Pulp 8' Pulp 8' Pulp Limbed Roads & Limbed 8' Pulp 8' Pulp Roads Only Roads Only Roads Only	\$ 7,166.25 \$ 79,797.90 \$ 30,303.00 \$ 67,326.00 \$ 41,202.00 \$ 7,749.00 \$ 28,091.70 \$ 17,871.00 \$ 16,726.50 \$ 2,225.00 \$ 1,260.00 \$ 1,470.00	Eagle Logging Inc. Eagle Logging Inc. Eagle Logging Inc. Eagle Logging Inc. Eagle Logging Inc. Eagle Logging Inc. Eagle Logging Inc. Eagle Logging Inc. Eagle Logging Inc. Eagle Logging Inc. Eagle Logging Inc. Eagle Logging Inc. Eagle Logging Inc.	Terrace Bay Pulp Inc. (Note 1) Terrace Bay Pulp Inc. (Note 1) Terrace Bay Pulp Inc. (Note 1) Terrace Bay Pulp Inc. (Note 1) Terrace Bay Pulp Inc. (Note 1) Terrace Bay Pulp Inc. (Note 1) Terrace Bay Pulp Inc. (Note 1) Terrace Bay Pulp Inc. (Note 1) Terrace Bay Pulp Inc. (Note 1) Terrace Bay Pulp Inc. (Note 1) Terrace Bay Pulp Inc. (Note 1) Terrace Bay Pulp Inc. (Note 1) Terrace Bay Pulp Inc. (Note 1) Terrace Bay Pulp Inc. (Note 1) Terrace Bay Pulp Inc. (Note 1)

Note 1: This wood was harvested prior to February 2006 by Neenah Paper and was acquired by Eagle Logging Inc. from Neenah Paper in August 2005 at the same time that Terrace Bay Pulp Inc. acquired the pulp mill from Neenah Paper. RLN Forestry Limited performed additional processing and road building services with respect to this wood.
This wood is an asset carried on the books and records of Eagle Logging Inc.

Note 2: Edmond Timber Inc. was a subcontractor to RLN Forestry Limited and they performed labour on wood located in the areas set out below in Court File No. CV-09-0180.

Note 3: 1022997 Ontario Ltd. was a subcontractor to 1401350 Ontario Limited and they performed labour on some of the wood located in the areas set out in Court File No. CV-09-0175 above.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C., 1985 c. C-36
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TERRACE BAY PULP INC.

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER

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