



ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.

JUSTICE MORAWETZ

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MONDAY, THE 30TH

DAY OF JANUARY, 2012

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.

Applicant

ORDER

THIS MOTION made by Terrace Bay Pulp Inc. (the "Applicant") for an Order, *inter alia*, authorizing the Applicant to continue the GTP Project, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Affidavit of Taras Sawula sworn January 27, 2012, and the Exhibits thereto (the "Sawula Affidavit"), and on hearing the submissions of counsel for the Applicant, no other parties appearing:

DEFINITIONS

1. THIS COURT ORDERS that all terms not defined herein shall have the meaning given to them in the Sawula Affidavit.

SERVICE

2. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof. The GTP Hearing is properly returnable today notwithstanding the terms of the endorsement of Mr. Justice Morawetz dated January 25, 2012 in these proceedings.

GTP PROJECT

3. THIS COURT ORDERS that the Applicant is hereby authorized to continue the GTP Project, and that the Applicant is required to pay all obligations incurred by it in connection with the GTP Project to any contractor or supplier, whether or not incurred prior to or after the date of the Initial Order, and including, for greater certainty, the November and December Arrears, from funds received from NRC for such obligations, which funds shall be deemed to be held in trust by the Applicant for such contractors, and shall not be available to other creditors of the Applicant.

4. THIS COURT ORDERS that the Applicant is hereby authorized to pay the October Arrears.

5. THIS COURT ORDERS that the Applicant shall seek confirmation from NRC that all invoices and receipts properly submitted in accordance with the GTP Agreement after the date of the Initial Order will be funded by NRC prior to the Applicant re-commencing work in relation to the GTP Project.



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

JAN 30 2012



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.

Court File No. CV-12-9566-00CL

Applicant

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Proceeding commenced at Toronto

ORDER

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