

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

**THIRD SUPPLEMENTARY AFFIDAVIT
OF WOLFGANG GERICKE
(Sworn May 30, 2013)**

I, Wolfgang Gericke, of the City of Thunder Bay, in the Province of Ontario,
MAKE OATH AND SAY AS FOLLOWS:

Introduction

1. I am the President and sole director of Terrace Bay Pulp Inc. ("**Terrace Bay**" or the "**Company**") and, as such, have knowledge of the matters deposed to in this affidavit. Where this affidavit is not based on my direct personal knowledge, it is based on information and belief and I verily believe such information to be true.

Purpose

2. This affidavit is sworn in addition to and supplementary to my affidavits sworn April 18, 2013, May 10, 2013 and May 14, 2013, in support of the Company's motion for an order, among other things, declaring that the proceeding known as

R. v. Terrace Bay Pulp Inc. & Gino Leblanc, brought by the Ministry of Labour, Legal Services Branch against the Company, commenced by Information sworn on January 10, 2012 in the Ontario Provincial Offences Court (Thunder Bay) (the “**First OHSA Proceeding**”), and the proceeding known as *R. v. Terrace Bay Pulp Inc., Venshore Mechanical Ltd., Joseph Mykietyn, Arthur Szczepaniak & Alain Zborowski*, brought by the Ministry of Labour, Legal Services Branch against the Company, commenced by Information sworn October 15, 2012 in the Ontario Provincial Offences Court (Thunder Bay) and subsequently transferred to Ontario Provincial Court (Thunder Bay) (the “**Second OHSA Proceeding**”, together with the First OHSA Proceeding, the “**OHSA Proceedings**”)), in connection with alleged violations under the *Occupational Health and Safety Act* (Ontario) (the “**OHSA**”), are stayed, and, if required, granting an interim stay of the OHSA Proceedings pending the disposition of such motion.

3. The purpose of this affidavit is to provide an update to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) with respect to the procedural pre-trial (the “**Pre-Trial**”) held in connection with the Second OHSA Proceeding which took place May 29, 2013 before Justice Pelletier of the Ontario Provincial Court (Thunder Bay) (the “**Provincial Court**”).
4. The within motion was originally returnable May 15, 2013. The parties did not complete arguments on that date, and therefore as set out in the Endorsement of the Honourable Mr. Justice Morawetz dated May 16, 2013, (the “**Endorsement**”), the motion is scheduled to be completed on June 5, 2013. A copy of the Endorsement is attached hereto as **Exhibit “A”**.

Counsel Retained in the Second OHSA Proceeding

5. On or about May 23, 2013, the Company retained Kevin Matthews to act as counsel for Terrace Bay in connection with the Second OHSA Proceeding, including by representing Terrace Bay at the Pre-Trial.
6. I am advised by Mr. Matthews that, in preparation for the Pre-Trial, Mr. Matthews performed an estimated total of between 12 and 16 hours of work. While the vast majority of this time was spent reviewing disclosure, Mr. Matthews also conducted numerous telephone calls and meetings with counsel, drafted and sent various emails, prepared and filed a pre-trial brief and reviewed the pre-trial briefs of the other parties.

Pre-Trial

7. I am advised by Mr. Matthews that at the Pre-Trial, which all parties attended, the parties discussed the number of witnesses they anticipated calling at trial. The Ontario Ministry of the Attorney General, Ministry of Labour (the “**Crown**”) advised the Provincial Court that it would call approximately 10-15 witnesses at trial, including two expert witnesses, and that the anticipated duration of the Crown’s case is approximately 10 days.
8. I am advised by Mr. Matthews that the defendant Venshore Mechanical Ltd., one of the contractors performing work at Terrace Bay’s premises at the time of the incident which gave rise to the Second OHSA Proceeding, advised the Provincial Court that it plans to call at least four witnesses, including two experts. Counsel

for the individual defendants advised the Provincial Court they would consider calling their clients as witnesses. Terrace Bay anticipates calling at least two expert witnesses, though the actual number of witnesses will not be known until Mr. Matthews completes his review of all relevant documents including Crown disclosure.

9. I am advised by Mr. Matthews that the parties at the Pre-Trial agreed they were not yet ready to set a date for trial. Accordingly, Justice Pelletier ordered that the Pre-Trial be continued on August 29, 2013.
10. I am advised by Mr. Matthews that the estimated time necessary for the trial is between 15 and 30 days.

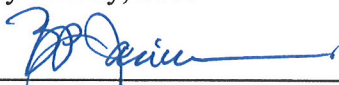
Next Steps

11. I am advised by Mr. Matthews that in advance of the continuation of the Pre-Trial on August 29, 2013, the parties must:
 - (i) file admissions, consisting of facts agreed to by all parties;
 - (ii) be prepared to set a trial date on August 29, 2013; and
 - (iii) confirm how many witnesses they will be calling at trial.
12. I am advised by Mr. Matthews that, in the interim, he will need to complete his review of Crown disclosure and review all other relevant documents. He will also need to interview potential witnesses.

13. I am advised by Mr. Matthews that the efforts required up to and including the Pre-Trial on August 29, 2013 and the eventual trial are substantial and include interviewing and preparing multiple witnesses including experts, the review of substantial volumes of documents and preparing written materials and significant court attendance.
14. This affidavit is sworn in support of the Company's motion for an order, among other things, staying the OHSA Proceedings, and for no other purpose.

SWORN BEFORE ME at the City of
Thunder Bay, in the Province of Ontario
this 30th day of May, 2013

A Commissioner etc.



B. PAUL JASIURA

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WOLFGANG GERICKE

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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

**AFFIDAVIT OF WOLFGANG GERICKE
(Sworn May 30, 2013)**

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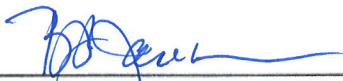
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Lawyers for the Applicant

This is **Exhibit "A"** referred to in the
Affidavit of Wolfgang Gericke sworn the
30th day of May, 2013



A Commissioner, etc.

B. PAUL JASIURA

Ⓟ Endorsement re: Stay of OHSA Proceedings

be continued
on at 11.00 a.m.

Motion adjourned to June 5, 2013, for two hours. Adjournment is granted on the basis that the Crown will not oppose this Court's exercise of its jurisdiction to grant costs in favour of Terrace Bay Pulp Inc. with respect to its participation at the pre-trial scheduled for May 29, 2013 in connection with the Second OHSA Proceeding (as defined in the affidavit of Line Forestier sworn May 8, 2013), if appropriate.

A handwritten signature in black ink, appearing to be "JH" followed by a long diagonal stroke.