Court File No. CV-09-8247-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	WEDNESDAY, THE 21ST DAY OF
	)	
JUSTICE CAMPBELL	)	SEPTEMBER, 2011

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRANT FOREST PRODUCTS INC., GRANT FOREST PRODUCTS SALES INC., GRANT ALBERTA INC., GRANT U.S. HOLDINGS GP, SOUTHEAST PROPERTIES LLC, GRANT CLARENDON LP, GRANT ALLENDALE LP, GRANT US SALES INC., GRANT NEWCO LLC AND GRANT EXCLUDED GP

Applicants

-and-

THE TORONTO-DOMINION BANK, in its capacity as agent for secured lenders holding first lien security and THE BANK OF NEW YORK MELLON, in its capacity as agent for secured lenders holding second lien security

Respondents

APPROVAL AND VESTING ORDER (TIMMINS MILL LANDS)

THIS MOTION, made by Grant Forest Products Inc. ("**GFPI**"), Grant Alberta Inc., and Grant Forest Products Sales Inc. (the "**Remaining Applicants**"), for *inter alia* an order in the form attached as Schedule "D" to the notice of motion of the Remaining Applicants dated September 14, 2011 (the "**Notice of Motion**") *inter alia*: (i) abridging and validating the timing and method of service of this Motion Record so that the Motion is properly returnable; (ii) approving the sale transaction (the "**Timmins Lands Transaction**") contemplated by an agreement of purchase and sale (the "**Timmins Lands Sale Agreement**") between GFPI and

Canadian Land Corporation (the "**Timmins Lands Purchaser**") dated as of August 26, 2011 and appended to the Twenty-Second Report to Court dated September 16, 2011 (the "**Twenty-Second Report**") of Ernst & Young Inc. in its capacity as court-appointed Monitor of the Remaining Applicants (the "**Monitor**") and vesting in the Timmins Land Purchaser GFPI's right, title and interest in and to the assets described in the Timmins Land Sale Agreement (the "**Timmins Lands Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Twenty-Second Report, and on hearing the submissions of counsel for the Remaining Applicants, the Monitor and no one appearing for any other person on the service list, although properly served as appears from the affidavit of Jane Olive Dietrich sworn September 16, 2011 filed, and the affidavit of Laura Bowles-Dove sworn September 15, 2011 filed:

1. THIS COURT ORDERS that the method and timing of service of the Notice of Motion and Motion Record be and is hereby abridged and validated so that this Motion is properly returnable today.

2. THIS COURT ORDERS AND DECLARES that the Timmins Lands Transaction is hereby approved, and the execution of the Timmins Lands Sale Agreement by GFPI is hereby authorized and approved, with such minor amendments as GFPI may deem necessary. GFPI is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Timmins Lands Transaction and for the conveyance of the Timmins Lands Assets to the Timmins Lands Purchaser.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Timmins Lands Purchaser substantially in the form attached as Schedule "**A**" hereto (the "**Monitor's Certificate**"), all of GFPI's right, title and interest in and to the Timmins Lands Assets including the real property listed on Schedule **"B"** hereto (the "**Timmins Mill Real Property**") shall vest absolutely in the Timmins Lands Purchaser, 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, 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) any encumbrances or charges created by the Order of the Honourable Mr. Justice Newbould dated June 25, 2009; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule "**C**" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the instruments listed on Schedule "**D**" hereto or the rights of EDS Decommissioning Canada Inc. ("**EDS**") pursuant to an agreement of purchase and sale between GFPI and EDS dated January 25, 2011 and approved by the Honourable Mr. Justice Campbell by order made on March 9, 2011) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Timmins Lands Assets are hereby expunged and discharged as against the Timmins Lands Assets.

4. THIS COURT ORDERS that upon the registration in the Land Registry Office #6 for the Land Titles Division of Cochrane of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Timmins Lands Purchaser as the owner of the Timmins Mill Real Property in fee simple, and is hereby directed to delete and expunge from title to the Timmins Mill Real Property all of the Claims listed in Schedule "**C**" hereto.

5. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Timmins Lands Assets shall stand in the place and stead of the Timmins Lands Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Timmins Lands Assets with the same priority as they had with respect to the Timmins Lands Assets immediately prior to the sale, as if the Timmins Lands Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

7. THIS COURT ORDERS that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of GFPI and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of GFPI;

the vesting of the Timmins Lands Assets in the Timmins Lands Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of GFPI and shall not be void or voidable by creditors of GFPI, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. THIS COURT ORDERS AND DECLARES that the Timmins Lands Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. 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 GFPI and/or the Monitor 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 the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:
SEP 21 2011
PER/PAR:

SCHEDULE "A"

FORM OF MONITOR'S CERTIFICATE

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GRANT FOREST PRODUCTS INC., GRANT FOREST PRODUCTS SALES INC., GRANT ALBERTA INC., GRANT U.S. HOLDINGS GP, SOUTHEAST PROPERTIES LLC, GRANT CLARENDON LP, GRANT ALLENDALE LP, GRANT US SALES INC., GRANT NEWCO LLC AND GRANT EXCLUDED GP

Applicants

-and-

THE TORONTO-DOMINION BANK, in its capacity as agent for secured lenders holding first lien security and THE BANK OF NEW YORK MELLON, in its capacity as agent for secured lenders holding second lien security

Respondents

MONITOR'S CERTIFICATE
(TIMMINS MILL LANDS)

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (the "**Court**") dated June 25, 2009, Ernst & Young Inc. was appointed as the monitor (the "Monitor") of Grant Forest Products Inc. ("**GFPI**").

B. Pursuant to an Order of the Court dated September 21, 2011, the Court approved the agreement of purchase and sale made as of August 26, 2011 (the "**Timmins Lands Sale Agreement**") between the GFPI and Canadian Land Corporation (the "**Timmins Lands Purchaser**") and provided for the vesting in the Timmins Lands Purchaser of GFPI's right, title and interest in and to the Timmins Lands Assets, which vesting is to be effective with respect to the Timmins Lands Assets upon the delivery by the Monitor to the Timmins Lands Purchaser of a certificate confirming (i) the payment by the Timmins Lands Purchaser of the Purchase Price for the Timmins Lands Assets; (ii) that the conditions to Closing as set out the Timmins Lands Sale Agreement have been satisfied or waived by GFPI and the Purchaser; and (iii) the Timmins Lands Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Timmins Lands Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Monitor has received the Purchase Price for the Timmins Lands Assets payable on the closing date pursuant to the Timmins Lands Sale Agreement (other than the deposit which was received by Royal LePage Best Choice Realty Ltd., as listing brokerage);

2. The conditions to closing as set out the Timmins Lands Sale Agreement have been satisfied or waived by GFPI and the Purchaser; and

3. The Timmins Lands Transaction has been completed to the satisfaction of the Monitor.

4. This Certificate was delivered by the Monitor at ________ [TIME] on _______ [DATE].

Ernst & Young Inc., in its capacity as court-appointed Monitor of Grant Forest Products Inc., and not in its personal or corporate capacity

Per: ______________________________

Name:

Title:

SCHEDULE "B"

TIMMINS MILL REAL PROPERTY

5355 Highway 101 W

1. PIN 65441-0378 LT

   LOCATION AL 937, PT OF UNSUBDIVIDED TOWNSHIP OF OGDEN PT 1 6R1692 EXCEPT LOCATION RY 310 PT 1 6R6276, PT LOCATION AL 937 PT 1 & 2 6r3171, PT 2 6R7487 RESERVING ALL ORES, MINES OR MINERALS WHICH ARE OR SHALL HEREAFTER BE FOUND ON OR UNDER SAID LAND; S/T EASEMENT OVER PT 1 6R7487 AS IN CB13261; CITY OF TIMMINS

2. PIN 65441-0120 LT

   PCL 24371 SEC SEC; MINING CLAIM P. 27383 OGDEN BEING LAND AND LAND COVERED WITH THE WATERS OF PART OF THE MATTAGAMI RIVER WITHIN THE BOUNDARIES OF THIS MINING CLAIM EXCEPTING SRO PT 1, 6R7154; EXCEPT SRO AS IN C106392; RESERVING THEREOUT AND THEREFROM THE SURFACE RIGHTS ON AND OVER A STRIP OF LAND ONE CHAIN IN PERPENDICULAR WITH ALONG THE SHORE OF THE MATTAGAMI RIVER; RESERVING THEREOUT AND THEREFROM THE SURFACE RIGHTS ON AND OVER THE TRAVELLED ROAD CROSSING THE SAID CLAIM; CITY OF TIMMINS

3. PIN 65441-0121 LT

   PCL 23975 SEC SEC; FIRSTLY: PT LOCATION A.L.937 OGDEN PT 1 & 2 6R3171; SECONDLY: LOCATION R.Y. 310 OGDEN PT 1, 6R6276; RESERVING ALL ORES, MINES OR MINERALS WHICH ARE OR SHALL HEREAFTER BE FOUND ON OR UNDER THE LAND HEREBY GRANTED; CITY OF TIMMINS

4. PIN 65441-0376 LT

   PT LOCATION CL 12042 BEING PT UNSUBDIVIDED TOWNSHIP OF ODGEN BEING PT 3, PLAN 6R7487; RESERVING ALL ORES, MINES OR MINERALS WHICH ARE OR SHALL HEREAFTER BE FOUND ON OR UNDERSAID LAND; T/W EASEMENT OVER PT 1 PLAN 6R7542 AS IN CB21031; CITY OF TIMMINS

5. PIN 65441-0324 LT

   PCL 18740 SEC SEC SRO; PT MINING CLAIM P. 35806 OGDEN NOT COVERED BY THE WATERS OF THE MATTAGAMI RIVER EXCEPTING THEREOUT AND THEREFROM ON AND OVER A STRIP OF LAND ALONG THE SHORES OF THE MATTAGAMI RIVER AND WHICH SAID STRIP OF LAND IS BOUNDED BY THE HIGH WATER MARK OF THE MATTAGAMI RIVER AND BY A LINE, EVERY

POINT OF WHICH IS DISTANT 400 FEET FROM THE NEAREST POINT IN THE SAID HIGH WATER MARK; CITY OF TIMMINS

6. PIN 65441-0380 LT – (water intake pipe easement)

LOCATION CL 12369 BEING PART OF THE BED OF THE MATTAGAMI RIVER, OGDEN, BEING PART 1, PLAN 6R7542; CITY OF TIMMINS

SCHEDULE "C"

INSTRUMENTS TO BE DELETED FROM TITLE

1. PIN 65441-0378 (LT)

	Instrument No.	Description of Instrument
1.	CB 12821	Charge in favour of The Toronto-Dominion Bank
2.	CB 27695	Charge in favour of The Toronto-Dominion Bank
3.	CB 27696	Charge in favour of The Toronto-Dominion Bank
4.	CB 52060	Charge in favour of The Toronto-Dominion Bank
5.	CB 52061	Charge in favour of The Toronto-Dominion Bank
6.	CB 52653	Transfer of Charge in favour of The Bank of New York Mellon
7.	CB 52654	Transfer of Charge in favour of The Bank of New York Mellon
8.	CB 15208	Postponement by The Toronto-Dominion Bank in favour of Hydro One Networks Inc.

2. PIN 65441-0120 (LT)

	Instrument No.	Description of Instrument
1.	CB 12821	Charge in favour of The Toronto-Dominion Bank
2.	CB 27695	Charge in favour of The Toronto-Dominion Bank
3.	CB 27696	Charge in favour of The Toronto-Dominion Bank
4.	CB 52060	Charge in favour of The Toronto-Dominion Bank
5.	CB 52061	Charge in favour of The Toronto-Dominion Bank

6.	CB 52653	Transfer of Charge in favour of The Bank of New York Mellon
7.	CB 52654	Transfer of Charge in favour of The Bank of New York Mellon

3. PIN 65441-0121 (LT)

	Instrument No.	**Description of Instrument**
1.	CB 12821	Charge in favour of The Toronto-Dominion Bank
2.	CB 27695	Charge in favour of The Toronto-Dominion Bank
3.	CB 27696	Charge in favour of The Toronto-Dominion Bank
4.	CB 52060	Charge in favour of The Toronto-Dominion Bank
5.	CB 52061	Charge in favour of The Toronto-Dominion Bank
6.	CB 52653	Transfer of Charge in favour of The Bank of New York Mellon
7.	CB 52654	Transfer of Charge in favour of The Bank of New York Mellon

4. PIN 65441-0376 (LT)

	Instrument No.	**Description of Instrument**
1.	CB 27695	Charge in favour of The Toronto-Dominion Bank
2.	CB 27696	Charge in favour of The Toronto-Dominion Bank
3.	CB 52060	Charge in favour of The Toronto-Dominion Bank
4.	CB 52061	Charge in favour of The Toronto-Dominion Bank
5.	CB 52653	Transfer of Charge in favour of The Bank of New York Mellon

6.	CB 52654	Transfer of Charge in favour of The Bank of New York Mellon

5. PIN 65441-0324 (LT)

	Instrument No.	Description of Instrument
1.	CB 12821	Charge in favour of The Toronto-Dominion Bank
2.	CB 27695	Charge in favour of The Toronto-Dominion Bank
3.	CB 27696	Charge in favour of The Toronto-Dominion Bank
4.	CB 52060	Charge in favour of The Toronto-Dominion Bank
5.	CB 52061	Charge in favour of The Toronto-Dominion Bank
6.	CB 52653	Transfer of Charge in favour of The Bank of New York Mellon
7.	CB 52654	Transfer of Charge in favour of The Bank of New York Mellon

6. PIN 65441-0380 (LT)

No Instruments to be deleted from this PIN

SCHEDULE “D”

INSTRUMENTS NOT TO BE DELETED FROM TITLE

1. PIN 65441-0378 (LT)

	Instrument No.	Description of Instrument
1.	6R1692	Plan Reference
2.	C 374779	Notice
3.	6R7338	Plan Reference
4.	6R7487	Plan Reference
5.	CB 10471	Crown Patent
6.	CB 13261	Transfer Easement in favour of Hydro One Networks Inc.

2. PIN 65441-0120 (LT)

	Instrument No.	Description of Instrument
1.	C 343162	Notice
2.	C 486635	Transfer in favour of Grant Forest Products Inc.

3. PIN 65441-0121 (LT)

	Instrument No.	Description of Instrument
1.	6R3171	Plan Reference
2.	6R6276	Plan Reference

3.	C 519203	Transfer in favour of Grant Forest Products Inc.
4.	CB 12589	LR's Order

4. PIN 65441-0376 (LT)

	Instrument No.	**Description of Instrument**
1.	CB 15046	Crown Patent

5. PIN 65441-0324 (LT)

	Instrument No.	**Description of Instrument**
1.	C 343162	Notice
2.	C 486635	Transfer in favour of Grant Forest Products Inc.

6. PIN 65441-0380 (LT)

	Instrument No.	**Description of Instrument**
1.	6R7542	Plan Reference
2.	CB 21031	Crown Patent in favour of Grant Forest Products Inc.

Court File No: **CV-09-8247-00CL**

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ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT TORONTO
(Commercial List)

APPROVAL AND VESTING ORDER
TIMMINS Lands LANDS – September 21, 2011

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