

No. S-120712
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, AS AMENDED**

AND

**IN THE MATTER OF THE CANADA BUSINESS CORPORATIONS ACT, R.S.C.
1985, c. C-44**

AND

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

AND

**IN THE MATTER OF CATALYST PAPER CORPORATION AND THE
PETITIONERS LISTED IN SCHEDULE "A"**

PETITIONERS

NOTICE OF CONSTITUTIONAL QUESTION

**(Pursuant to section 8(2)(a) of the *Constitutional Question Act*,
R.S.B.C. 1996, c. 68)**

NAME OF APPLICANT: Attorney General of British Columbia and Her Majesty
the Queen in right of the Province of British Columbia

TO: Attorney General of Canada
900 – 840 Howe Street
Vancouver BC V6Z 2S9

AND TO: The Service List

TAKE NOTICE that, consistent with and pursuant to section 8(2)(a) of the *Constitutional Question Act*, an application will be made by the Attorney General of British Columbia and Her Majesty the Queen in right of the Province of British Columbia to the presiding judge at the courthouse at 800 Smithe Street, in the city of Vancouver, in the province of British Columbia, for one or more of the following declarations or orders:

1. That any declaration or order of this court in these proceedings whose effect may be

(a) to release or discharge anyone who has been, is or may become subject to a statutory duty or obligation, direction or order under the *Environmental Management Act* S.B.C. 2003, c. 53 ("EMA") or the regulations promulgated thereunder in relation to any property or operations, past or present, of the petitioners or any of them (collectively, "Catalyst"), or

(b) to cause, confirm or sanction the compromise, waiver or extinguishment of any such statutory duty or obligation or to comply with any such direction or order which has been, is or may be made under EMA or the regulations, or

(c) to permanently prohibit, enjoin, bar, estop, stay or otherwise limit the making of any such direction or order,

is of no force or effect in that regard unless and until the person seeking the declaration or order has given notice of constitutional question under or in relation to the *Constitutional Question Act* and the question has been finally determined.

2. That it is beyond the constitutional authority of the Parliament of Canada to empower this court in these proceedings to make any declaration or order whose effect may be

(a) to release or discharge anyone who has been, is or may become subject to a statutory duty or obligation, direction or order under EMA or the

regulations promulgated thereunder in relation to any property or operations, past or present, of Catalyst, or

(b) to cause, confirm or sanction the compromise, waiver or extinguishment of any such statutory duty or obligation or to comply with any such direction or order which has been, is or may be made under EMA or the regulations, or

(c) to permanently prohibit, enjoin, bar, estop, stay or otherwise limit the making of any such direction or order,

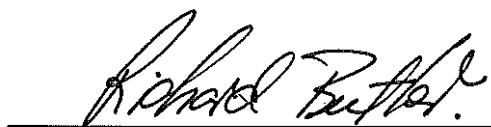
except in relation to

(d) a debt or liability to government under section 59(2), section 80(6)(a) or section 88(3) of EMA to which Catalyst was subject on the Commencement Date or to which it may become subject before any plan of compromise or arrangement is sanctioned by reason of a statutory duty or obligation, direction or order under EMA or the regulations existing before the Commencement Date.

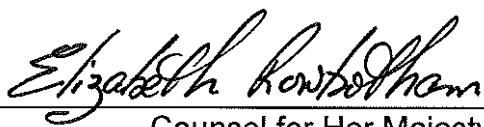
AND TAKE NOTICE THAT this application will be heard on a date at least 5 days after delivery of a further notice of constitutional question, or such other time as the court may order, which notice sets out the adjudicative facts of the constitutional challenge, including the specific direction or order made, applied for or anticipated in these proceedings to which the challenge under paragraph 2 applies and the material facts and circumstances respecting the property or operations, the statutory duty or obligation or order or direction made under EMA

or the regulations in that regard, and which gives any further particulars necessary to show the point(s) to be argued.

Dated: April 11, 2012



Counsel for Attorney General of
British Columbia



Counsel for Her Majesty the Queen
in right of the Province of British Columbia



Counsel for Her Majesty the Queen
in right of the Province of British Columbia

SCHEDULE "A"
LIST OF ADDITIONAL PETITIONERS

Catalyst Pulp Operations Limited
Catalyst Pulp Sales Inc.
Pacifica Poplars Ltd.
Catalyst Pulp and Paper Sales Inc.
Elk Falls Pulp and Paper Limited
Catalyst Paper Energy Holdings Inc.
0606890 B.C. Ltd.
Catalyst Paper Recycling Inc.
Catalyst Paper (Snowflake) Inc.
Catalyst Paper Holdings Inc.
Pacifica Papers U.S. Inc.
Pacifica Poplars Inc.
Pacifica Papers Sales Inc.
Catalyst Paper (USA) Inc.
The Apache Railway Company