

This is the 1st affidavit of
Hanjia Yu
in this case and was made on
08/MAY/2012

No. S-120712
Vancouver Registry

In the Supreme Court of British Columbia

Between

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

AFFIDAVIT

I, Hanjia Yu, of 400-1675 Douglas Street, Victoria, British Columbia, SWEAR THAT:


1. I am a legal secretary with the Ministry of Justice and Attorney General of Her Majesty the Queen in right of the Province of British Columbia (the "Province") and as such I have personal knowledge of the matters hereinafter deposed to, save and except where stated to be based on information and belief, and where so stated, I verily believe the same to be true.

2. Attached to my affidavit as Exhibit "A" is a copy of the Province's proof of claim in this matter which was filed with the Monitor on April 18, 2012.
3. Attached to my affidavit as Exhibit "B" is a copy of Standby Letter of Credit Number OCOS-702660 (the "Letter of Credit") in the amount of \$100,000 issued by JPMorgan Chase Bank, N.A. (the "Bank") in favour of the Province.
4. The Letter of Credit was issued by the Bank to the Province as blanket security for obligations under land tenures (the "Land Tenures") issued to Catalyst Paper Corporation ("Catalyst") under the *Land Act* [RSBC 1996] c. 245 by the Province.
5. The Land Tenures are used by Catalyst in its operations in British Columbia. I am informed by Doug MacLeod, senior policy advisor with the Land Tenures Branch of the Ministry of Forests, Lands and Natural Resource Operations, and verily believe, that, based on the information he obtained from the Province's Tantalus electronic database, the Land Tenures are at the following locations for the following uses:

Location	Uses
Crofton	Log Handling/Storage, Sewer/Effluent Line, Light Industrial
Elk Falls	Heavy Industrial, Log Handling/Storage
Port Alberni	Water Line
Powell River	Log Handling/Storage, Sewer/Effluent Line
Redonda Island	Log Handling and Storage

6. From my review of the petitioners' website and the copies of the petitioners' permits located on that website, I verily believe that Catalyst's debt for tax under the *Carbon Tax Act* [SBC 2008] c. 40 arises from the burning of shredded tires at Catalyst's Port Alberni mill.
7. Attached to my affidavit as Exhibit "C" is a copy of the Treasury Board Directive 03/01 obtained from the Province's website.

SWORN BEFORE)
 ME at Victoria, British Columbia)
 on May 08, 2012.)
)
 _____)
 A commissioner for taking)
 affidavits for British Columbia)



 HANJIA YU

SCHEDULE "A"

Catalyst Pulp and Paper Sales Inc.

Catalyst Paper Energy Holdings Inc.

0606890 B.C. Ltd.

Catalyst Pulp Operations Limited

Catalyst Pulp Sales Inc.

Elk Falls Pulp and Paper Limited

Pacifica Poplars Ltd.

Catalyst Paper Holdings Inc.

Catalyst Paper (USA) Inc.

Pacifica Poplars Inc.

Pacifica Papers Sales Inc.

Pacifica Papers U.S. Inc.

Catalyst Paper (Snowflake) Inc.

Catalyst Paper Recycling Inc.

The Apache Railway Company

Schedule "E"

FORM OF PROOF OF CLAIM

PROOF OF CLAIM
AGAINST CATALYST PAPER CORPORATION AND THE OTHER ENTITIES
LISTED BELOW
(hereinafter referred to collectively as the "Petitioner Parties")

Catalyst Paper General Partnership
Catalyst Pulp Sales Inc.
Catalyst Pulp and Paper Sales Inc.
Catalyst Paper Energy Holdings Inc.
Catalyst Paper Recycling Inc.
Catalyst Paper Holdings Inc.
Pacifica Poplars Inc.
Catalyst Paper (USA) Inc.

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

Please read the enclosed Instruction Letter carefully prior to completing this Proof of Claim. Defined terms not defined within this Proof of Claim form shall have the meaning ascribed thereto in the Claims Procedure Order dated March 22, 2012, as may be amended, restated or supplemented from time to time.

1. Particulars of Creditor

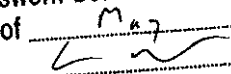
(a) Please complete the following (Full legal name should be the name of the original Creditor, regardless of whether an assignment of a Claim, or a portion thereof, has occurred prior to or following the Commencement Date.) and Full Mailing Address of the Creditor (the original Creditor, not the Assignee):

Full Legal Name:	Her Majesty the Queen in right of the Province of British Columbia (the "Province")
Full Mailing Address:	Legal Services Branch - Revenue & Taxation Group Ministry of Justice PO Box 9289 Stn Prov Govt Victoria BC V8W 9J7
Telephone Number:	250-356-7748
Facsimile Number:	250-387-0700
E-mail address:	
Attention (Contact Person):	Shannon Davis

(b) Has the Claim been sold, transferred or assigned by the Creditor to another party (an "Assignee")?

Yes:

No:

This is Exhibit "A"
referred to in the affidavit
of Hania Yu
sworn before me this 8th day
of May 2012

A Commissioner for taking Affidavits
within British Columbia

2. Particulars of Assignee(s) (If any):

(a) Please complete the following if all or a portion of the Claim has been assigned, insert full legal name of assignee(s) of the Claim. If there is more than one assignee, please attach a separate sheet with the required information.):

Full Legal Name of Assignee(s):	
Full Mailing Address of Assignee(s):	
Telephone Number of Assignee(s):	
Facsimile Number of Assignee(s):	
E-mail address of Assignee(s):	
Attention (Contact Person):	

Proof of Claim:

I, Shannon Davis (name of individual Creditor or Representative of corporate Creditor), of Victoria, BC (City, Province or State) do hereby certify:

that I am a Creditor; OR

am Legal Counsel (state position or title) of the Province (name of corporate Creditor), which is a Creditor;

that I have knowledge of all the circumstances connected with the Claim referred to below;

that Catalyst Paper Corporation (name of applicable Petitioner Parties and/or Directors and/or Officers) was and still is indebted to the Creditor as follows;

CLAIM (other than Restructuring Claim):

\$ 66,622.15 (insert \$ value of Claim)

RESTRUCTURING CLAIM:

\$ _____ (insert \$ value of Claim arising after the Commencement Date resulting from the restructuring, disclaimer, resiliation, termination or breach after the Commencement Date of any contract, employment agreement, lease or other agreement or arrangement of any nature whatsoever, whether written or oral);

that the Creditor's Claim and the Creditor's invoices, statements and/or supporting documents attached are denominated in:

- Canadian Dollars
- U.S. Dollars
- Other: _____ (stipulate other currency referenced)

A. TOTAL CLAIM(S) \$ _____

(Note: Claims in a currency other than U.S. Dollars will be converted to U.S. Dollars at the noon spot rate of the Bank of Canada as at the Commencement Date, January 31, 2012. The reported US/CDN rate was USD\$1.0000:CAD\$10052.)

Nature of Claim:

(Check and complete appropriate category)

A. UNSECURED CLAIM OF \$ 66,622.15. That in respect of this debt, no assets of any of the Petitioner Parties are pledged as security.

B. SECURED CLAIM OF \$ _____. That in respect of this debt, assets of _____ (insert name of applicable Petitioner Parties) valued at \$ _____ are pledged to me as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

Particulars of Claims:

Other than as already set out herein, the particulars of the undersigned's total Claim and/or Restructuring Claim are attached. *See attached schedule and exhibits.*

(Provide all particulars of the claims and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the claims, name of any guarantor which has guaranteed the claims, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by the Petitioner Parties to the Creditor and estimated value of such security. Where a claim is advanced against any Directors or Officers, please provide either a reference to a statutory authority for your claim or enclose a draft Notice of Civil Claim.)

Filing of Claims:

This Proof of Claim must be received by the Monitor by no later than 5:00 p.m. (prevailing Pacific time) on April 18, 2012 (the "Claims Bar Date") unless your claim is a Restructuring Claim.

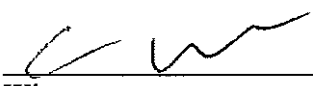
Proofs of Claim for Restructuring Claims arising after the Commencement Date resulting from a restructuring, disclaimer, resiliation, termination, or breach after the Commencement Date of any contract, employment agreement, lease or other agreement or arrangement of any nature whatsoever, whether written or oral, must be received by the Monitor by the later of: (a) the Claims Bar Date, and (b) by 5:00 p.m. (prevailing Pacific time) on the day which is 10 days after the date of the applicable Notice of Disclaimer or Resiliation (the "Restructuring Claims Bar Date").

FAILURE TO FILE YOUR PROOF OF CLAIM AS DIRECTED BY THE CLAIMS BAR DATE OR RESTRUCTURING CLAIMS BAR DATE, AS APPLICABLE, WILL RESULT IN YOUR CLAIM BEING FOREVER BARRED AND EXTINGUISHED, AND YOU WILL BE PROHIBITED FROM MAKING OR ENFORCING A CLAIM AGAINST ANY OF THE PETITIONER PARTIES AND/OR ANY OF THEIR DIRECTORS AND/OR OFFICERS.

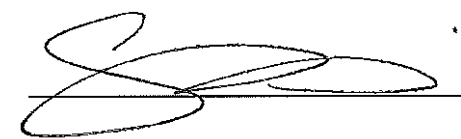
This Proof of Claim must be delivered by prepaid registered mail, personal delivery, e-mail, courier or facsimile transmission at the following addresses:

PricewaterhouseCoopers Inc.,
Court-appointed Monitor of Catalyst Paper Corporation et al.
250 Howe Street, Suite 700
Vancouver, British Columbia V6C 3S7
Attention: Patricia Marshall
Telephone: 604.806.7070
Fax: 604.806.7806
Email: catalystclaims@ca.pwc.com

DATED this 18th day of April, 2012.



Witness:
Aron Welch

Per: 

Print name of Creditor:
Her Majesty the Queen in right of
the Province of British Columbia

If Creditor is other than an individual, print name and title of authorized signatory

Name: Shannon Davis
Title: Legal Counsel

Schedule

Description of the Province's Claim and Documents in Support

1. Carbon Tax

Catalyst Paper Corporation ("Catalyst") owes \$30,248.68 in carbon tax to the Province under s. 12 of the Carbon Tax Act, S.B.C. 2008, c. 40.

Attached as Exhibit "A" is a copy of Catalyst's carbon tax return for the period January 1 to 31, 2012, setting out the amount of tax self-assessed by Catalyst.

Attached as Exhibit "B" is a copy of the notice of assessment issued to Catalyst setting out the amount of carbon tax due. This amount remains unpaid.

2. Hydrometrics

Catalyst owes \$33,696.20 to the Province for costs associated with the operation, maintenance, and construction of hydrometric stations.

Hydrometric stations measure the flow and/or level of water. They are operated by the federal government but costs are shared with the Province and users of hydrometric data ("Third Parties"). The Province is responsible for administering agreements with Third Parties to share costs. Some of Catalyst's water licences require it to have hydrometric data so it has arranged to pay for costs associated with certain hydrometric stations.

Attached as Exhibit "C" is a copy of invoice no. KMB-12-037, for \$23,147.04 owed by Catalyst to the Province for hydrometric operations and maintenance costs incurred during the period from April 1, 2011, to December 31, 2011. This invoice remains unpaid.

Attached as Exhibit "D" is a copy of the cheque and stub for \$23,147.04 dated January 26, 2012, which the Province received from Catalyst in relation to invoice no. KMB-12-037. Attached as Exhibit "E" is a copy of documentation the Province received from CIBC indicating the cheque had been dishonoured because payment was stopped. As noted on the invoice, there is a \$30 fee for dishonoured cheques.

Attached as Exhibit "F" is a copy of invoice no. KMB-12-045, for \$2,579.36 owed by Catalyst to the Province for hydrometric operations and maintenance costs incurred during the period from January 1 to 31, 2012. A payment of \$83.20 toward this invoice was received, and \$2,496.16 remains unpaid. Attached as Exhibit "G" is a copy of the cheque and stub for \$5,239.68 dated March 8, 2012, which the Province received from Catalyst in relation to invoice no. KMB-12-045 and another invoice, no. KMB-12-046.

Invoice no. KMB-12-046 was for hydrometric operations and maintenance costs during the period from February 1 to March 31, 2012. The cheque for \$5,239.68 was for the full amount of invoice KMB-12-046 and \$83.20 of the amount on invoice no. KMB-12-045.

Attached as **Exhibit "H"** is a copy of invoice no. KMB-12-062, for \$8,023.00 owed by Catalyst to the Province for costs associated with construction work at the Lake Cowichan hydrometric station completed in November 2011. This invoice remains unpaid.

3. Water Licence – Late Payment Penalty

Catalyst owes a penalty of **\$2,503.42** to the Province under the *Water Act*, R.S.B.C. 1996, c. 483. This penalty was imposed under section 11 of the *Water Regulation*, B.C. Reg. 204/88, in relation to a late payment made in 2011.

Attached as **Exhibit "I"** is copy of invoice no. WSI86962 setting out the amount of the penalty. This amount remains unpaid.

4. Ministry of Transportation and Infrastructure – BC Hydro debt

Catalyst owes the Province **\$173.85** for the unpaid portion of its share of BC Hydro bills shared with the Ministry of Transportation and Infrastructure.

Attached as **Exhibit "J"** is a copy of invoice no. 2430, for \$129.76 owed by Catalyst to the Province for the billing period October 1, 2011, to December 31, 2011. This invoice remains unpaid.

Attached as **Exhibit "K"** is a copy of invoice no. 2451, for \$129.76 owed by Catalyst to the Province for the billing period January 1, 2012, to March 31, 2012. Attached as **Exhibit "L"** is a copy of the cheque and stub for \$85.67 dated April 5, 2012, in relation to this invoice. The remaining \$44.09 on this invoice has not been paid.

5. Set-off

The Province claims the right to set off any amounts that may be or become payable by the Province to the petitioners against any debts that the petitioners owe or may owe to the Province, pursuant to section 21 of the *Companies' Creditors Arrangement Act* RSC 1985 c. 36.

Without limiting the generality of the previous paragraph, the Province claims the right to set off any debts that the petitioners owe or may owe to the Province against any amounts that may become payable by the Province to any of the petitioners, pursuant to

the petitioners' outstanding appeals of assessments under any provincial tax statutes, including, without limitation, any appeals of assessments of *Social Service Tax Act* [RSBC 1996] c. 431 tax made against Catalyst in proceedings in the Vancouver Supreme Court with the following court file registry numbers:

- a) No. S-071359;
- b) No. S-073731;
- c) No. S081641;
- d) No. S-087199;
- e) No. S-087434;
- f) No. S-092112;
- g) No. S-098641; and
- h) No. S-099051.

In addition, without limiting the generality of the first paragraph in the set-off section of this schedule of the Province's proof of claim, the Province claims the right to set off any debts that the petitioners owe or may owe to the Province against any security deposits that may become refundable to any of the petitioners, including, without limitation, Letter of Credit No. OCOS-702660 in the amount of \$100,000 for blanket security for tenures under the *Land Act* [RSBC 1996] c. 245 issued to Catalyst.

Exhibit "A"

9



BRITISH COLUMBIA
 Ministry of Finance
 Mailing Address:
 PO Box 9497 Stn Prov Govt
 Victoria BC V8N 9J7

CARBON TAX RETURN - SELF ASSESSORS
 under the Carbon Tax Act

For the Reporting Periods between July 1, 2011 - June 30, 2012

Our copy
 imailed Feb 24
 2/15/12

General Inquiries
 Toll-free in Canada: 1 877 388-4440
 See Page 2 for instructions and explanation of terms.

Provision of Information and Production of Papers Act (FOI/PIA)
 The personal information on this form is collected for the purpose of administering the Carbon Tax Act under the authority of both the Act and section 28 of the FOI/PIA. Check to show that the collection or use of the information can be disclosed to the following Program Services: PO Box 9497 Stn Prov Govt, Victoria, BC V8N 9J7, (Telephone: toll-free at 1 877 388-4440)

FULL LEGAL NAME CATALYST PAPER CORPORATION		ADDRESS (include postal code) 2ND FLOOR- 3600 LYSANDER LANE, RICHMOND, BC V7B 1C3				MEDIA NUMBER 108898032		CRA NUMBER C7A0013386																																
FOR THE PERIOD STARTED	2012/01/01	AND ENDED	2012/01/31	GASOLINE		15% DIESEL	15% HEATING OIL	15% INDUSTRIAL OIL	PROPANE	NATURAL GAS	COAL - HIGH HEAT VALUE	SHREDDED TREES	TOTALS																											
Gasoline includes pure ethanol and ethanol blends Light Fuel Oil includes biodiesel and biodiesel blends																																								
1 TOTAL VOLUME OF FUEL USED IN BC FOR A NON-EXEMPT PURPOSE																																								
2 TAX RATE (see Page 2 for tax rates for all fuel types)																																								
3 TAX PAYABLE (line 1 x line 2). Enter the total for all fuel types in the TOTALS column.																																								
<table border="1"> <tr> <td></td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>\$90,248.88</td> </tr> </table>														\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00														\$90,248.88
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00																											
													\$90,248.88																											
I declare that all information provided on this form and on all attached documents is true and correct to the best of my knowledge and belief. I acknowledge that any false information may result in a fine of up to \$10,000 and/or imprisonment for up to two years. I have not received a credit or refund of tax from my fuel supplier for the fuel being claimed.																																								
SIGNATURE OF AUTHORIZED SIGNING AUTHORITY <i>P. Sakai</i>		NAME OF AUTHORIZED SIGNING AUTHORITY (please print) PAT SAKAI		OFFICIAL TITLE DIRECTOR, TAXATION		PHONE NUMBER (804) 247-4078		FAX NUMBER (804) 247-0548		EMAIL ADDRESS pat.sakai@catalystpaper.com		DATE SIGNED 2012/02/16																												

FD-423 (REV. 2011/03) Rev. 2011/1/17/12

file Feb 28/2012

Exhibit "B"

Under Provisions of the Carbon Tax Act and Authorized by the Director

REFERENCE NUMBER 1002 1646M 009 CTA	ACCOUNT NUMBER CTA001386
ISSUE DATE March 22, 2012	NOTICE NUMBER L0014031971
REPRINT DATE:	

CATALYST PAPER CORPORATION
 CATALYST PAPER CORPORATION
 3600 LYSANDER LANE, 2ND FLOOR
 RICHMOND BC V7B 1C3

FILE COPY

Your Carbon Tax Return - Self Assessor (FIN 112) for the period ended January 31, 2012 was late or underpaid. This assessment has been calculated as follows.

Tax or Security Due :	\$30,248.68
Penalty :	0.00
Interest :	0.00
Total Due :	30,248.68
Less Payment/Credit Applied :	0.00
Total Assessment :	\$30,248.68

The balance, as listed on the enclosed Statement of Account, is now due and payable in full. Failure to remit this balance, along with any unpaid assessments as reflected on your statement of account, may result in immediate collection action being taken under the Act. All unpaid assessments are subject to interest at the prescribed rate. No further notice will be given prior to taking such action.

To discuss this assessment, call the Fuel and Carbon Tax Section at 250 387-9686; or E-mail us at CarbonTax@gov.bc.ca. To discuss payment, call Rob Kovacs at 250 387-0583.

Under the Carbon Tax Act, a Notice of Assessment may be appealed to the Minister of Finance. If you disagree with this assessment, an appeal must be made in writing and set out the full details of the reasons for the appeal. The appeal must be received by the minister within 90 days of the date of this assessment. Appeals may be mailed to:

Minister of Finance
 PO Box 9629 Stn Prov Govt
 Victoria BC V8W 9N6

The minister's decision may, within 90 days of the date of the decision, be further appealed to the Supreme Court of British Columbia as provided in section 57 of the Carbon Tax Act.

Exhibit "C"

Exhibit "D"



Catalyst

TO: MINISTER OF FINANCE
MINISTRY OF NATURAL RESOURCE OPS
ATTN ANNETTE LAJEUNESSE
P O BOX 9378 STN PROV GOV'T
VICTORIA BC V8W 9M6

The attached cheque is in payment of items listed hereon
Please detach before depositing cheque

VENDOR NUMBER	CHEQUE DATE	CHEQUE NUMBER
129116	Jan 26 2012	401532

Direct Inquiries To:
The Appropriate Location
Listed on Reverse

NSF

INVOICE DATE	INVOICE NUMBER	INVOICE AMOUNT	DISCOUNT	NET AMOUNT
01/20/2012	KMB12037 10 - Crofton	23,147.04	0.00	23,147.04
<p>Received ENTERED Jan 31/12 No A/R Set Up.</p>		<p>048/29SDH/30549/9003/29B3134 = \$20,667.00</p> <p>048/29OCG/00000/1576/2900000 = 2480.04</p>		
			TOTAL	23,147.04

In payment of Accounts of
Catalyst Paper Corporation and Affiliated Entities

CP2005-2



Catalyst

Catalyst Paper
2nd Floor, 3800 Lysander Lane
Richmond, British Columbia
Canada, V7B 1C3

Canadian Imperial Bank of Commerce
400 Burrard Street
Vancouver, BC
V6C 3A6

401532

DATE 01 26 2012
MM DD YYYY

PAY *****Twenty Three Thousand One Hundred Forty Seven Dollars & 4 Cents *****23,147.04

TO THE ORDER OF

MINISTER OF FINANCE
MINISTRY OF NATURAL RESOURCE OPS
ATTN ANNETTE LAJEUNESSE
P O BOX 9378 STN PROV GOV'T
VICTORIA BC V8W 9M6

PER
AUTHORIZED SIGNATORY(S)

Exhibit "E"

17

Catalyst

Catalyst Paper
2nd Floor, 3800 Lyaander Lane
Richmond, British Columbia
Canada V7B 1C3

Canadian Imperial Bank of Commerce
409 Burrard Street
Vancouver, BC
V6C 3A8

401532

DATE 01 28 2012
MM DD YYYY

PAY **Twenty Three Thousand One Hundred Forty Seven Dollars & 4 Cents** \$23,147.04

TO THE ORDER OF

MINISTER OF FINANCE
MINISTRY OF NATURAL RESOURCE OPS
ATTN: ANNETTE LAJEUNESSE
P O BOX 9378 STN PROV GOVT
VICTORIA BC V8W 9M6

ITEM DISHONOURLED

PER [Signature]
AUTHORIZED SIGNATORY(S)

CDN FUNDS

⑆401532⑆ ⑆00010⑆010⑆ 94⑆07219⑆

⑆0002314704⑆

CIBC
 03470 E.H.P. FEB 3 2012
 VANCOUVER, B.C.
 Branch Centre bancaire Date
 Payable to Centre bancaire
 Drawn On
 Account No. 52010-010-9407219
 Date of Item Date Negotiated
 Date de l'effet Date négociation
 Return To: CIBC
 Bank: CIBC
 Branch: Victoria BC
 City: Victoria BC
 Transit No. 010101

Common Reasons for Return / Motif du rejet	
Insufficient Funds / Sans provision	Incorrectly Listed / Encoded as / Mal inscrit sur / listéral code
Cannot Trace / Compte introuvable	Bank Stamp Required / Timbre de la banque requis
Post/Dated / Posté/Date postée	Funds not Cleared / Fonds non compensés
Payment Stopped / Opposition à paiement	Material Alteration / Altération substantielle
Account Closed / Compte fermé	Signature Irregular / Required / Illegible / Unauthorized / Signature irrégulière / requise / illisible / non autorisée
Change not Initiated / Changement à parapher	Not eligible for clearing / Non admissible à la compensation
Drawer Deceased / Tireur décédé	No Chequing Privilege / Aucun chèque permis
Forged Endorsement / Endossement frauduleux	Domestic Incorrect / Required / Adresse incorrecte / requise
Counterfeit Item / Effet falsifié	Clearing Bank Unidentified / Banque de compensation non identifiable
Account Transferred to you / Compte transféré chez vous	PAP Item Incorrectly Encoded / Effet pap incorrectement codé
Body and Figures Differ / Divergence des montants	Funds Frozen / Fonds gelés
Items Listed in Wrong Currency / Effet inscrit dans la monnaie dévise	Item in Error / Inscrit en

Additional Information / Informations supplémentaires

Initials / Parafe

Amount / Montant \$ 23,147.04

⑆00090⑆010⑆

28

⑆0002314704⑆

Exhibit "F"

Exhibit “G”

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Catalyst

TO: MINISTER OF FINANCE
MINISTRY OF NATURAL RESOURCE OPS
ATTN: ANNETTE LAJEUNESSE
P O BOX 9378 STN PROV GOVT
VICTORIA BC V8W 9M6

The attached cheque is in payment of items listed hereon
Please detach before depositing cheque

VENDOR NUMBER	CHEQUE DATE	CHEQUE NUMBER
129116	Mar 8 2012	401841

Direct Inquiries To:
The Appropriate Location
Listed on Reverse

INVOICE DATE	INVOICE NUMBER	INVOICE AMOUNT	DISCOUNT	NET AMOUNT
02/28/2012	KMB12045POST 10 - Crofton	- 83.20	0.00	83.20
02/28/2012	KMB12046 10 - Crofton	5,156.48	0.00	5,156.48
No. Accts Rec set up				
	048-295DH-30549-9003-29B3134 = \$4604.00			KMB-12-046
	048-295DH-30549-9003-29B3134 = \$74.30			KMB-12-045
	048-290CG-00000-1576-2900000 = \$561.38			(Both invoices)
TOTAL				5,239.68

Received
ENTERED
Mar 4/12

In payment of Accounts of
Catalyst Paper Corporation and Affiliates Entities

CP2005-2

SECURITY WATERMARK ON REVERSE WITH CATALYST PAPER'S NAME - HOLD CHEQUE A BRIGHT LIGHT OR AT AN ANGLE TO VIEW

Catalyst

Catalyst Paper
2nd Floor, 3600 Lysander Lane
Richmond, British Columbia
Canada V7B 1C3

Canadian Imperial Bank of Commerce
400 Burrard Street
Vancouver, BC
V8C 2A6

401841

DATE 03 08 2012
MM DD YYYY

PAY *****Five Thousand Two Hundred Thirty Nine Dollars & 68 Cents

\$*****5,239.68

TO THE ORDER OF

CDN FUNDS

MINISTER OF FINANCE
MINISTRY OF NATURAL RESOURCE OPS
ATTN: ANNETTE LAJEUNESSE
P O BOX 9378 STN PROV GOVT
VICTORIA BC V8W 9M6

PER *[Signature]*
AUTHORIZED SIGNATORY(S)

⑈401841⑈ ⑆00010⑆010⑆ 94007219⑈

Exhibit "H"

Exhibit "I"

25



Ministry of Forests, Lands and Natural Resource Operations

Water Stewardship

RETAIN THIS PORTION FOR YOUR RECORDS

Invoice

Invoice Date: October 04, 2011
Invoiced To: Catalyst Paper Corporation
6270 YEW ST
POWELL RIVER BC V8A 4K1

Invoice Number: WSI86962
Invoice Due: November 03, 2011
Fee Total: \$2,503.42
Payments Received: \$0.00
Amount Due: \$2,503.42

Fees

Table with 4 columns: Date, Description, Amount Tax, Fee Total. Row 1: Oct 01, 2011, Water Late Payment Penalty, \$2,503.42, \$2,503.42. Total: \$2,503.42

HST Registration #: R107864738

- Please make cheque or money order payable to "Minister of Finance."
- Please do not mail cash.
- A service fee of \$30.00 will be charged on dishonored payments
- Please include this invoice number with your payment
- Receipts for payments not made in person, are available upon request.

Please note: we have recently implemented a new system. If there appears to be a discrepancy in the details please contact (800) 361-8865.

Remit To: Water Revenue Unit
Ministry of Forests, Lands and Natural Resource Operations
PO BOX 9340 STN PROV GOVT
VICTORIA BC V8W 9M1

Billing Inquiries:
For billing inquiries contact: (800) 361-8866

Client: Catalyst Paper Corporation (73041)

PLEASE DETACH THIS PORTION AND RETURN WITH YOUR PAYMENT

Authorization Number: N/A
Amount Due: \$2,503.42

Invoice: WSI86962
Enclosed: _____

Water Revenue Unit
Ministry of Forests, Lands and Natural Resource Operations
PO BOX 9340 STN PROV GOVT
VICTORIA BC V8W 9M1

PLEASE COMPLETE THIS SECTION ONLY IF BILLING ADDRESS IS DIFFERENT THAN ABOVE

New Billing Address

Form with fields for ADDRESS, POSTAL CODE, PHONE, and FAX.

Important note: in the case of a required permit/licence transfer or name change, contact the issuing office directly.

Exhibit "J"

27



The Best Place on Earth

Ministry of
Transportation and Infrastructure

Invoice To:

Billing Period: Oct 01, 2011 - Dec 31, 2011

Norske Skog Canada Ltd.
PO Box 2000
Campbell River, BC
V9W 5C9

Invoice Date: 2011-12-01

Invoice No: 2430

Attention:

Page 1

Agreement #	Location	Total
R6-0702		
	RTE 19 @ ELK FALLS RD	115.86
	Sub Total:	\$115.86
	HST:	\$13.90
	Grand Total:	\$129.76

Payable to Minister of Finance *Include (INVOICE #) with payment. Dishonored cheques \$20.00

Mailing Address:

Ministry of Transportation
South Coast Region
7818 6th Street
Burnaby, BC, BC V3N 4N8

Terms: Net 20 days
HST#: 107864738

Please attach a copy of invoice with your payment.
NEW JAN/01/2011 BC HYDRO RATE INCREASE NOW APPLIES***

Exhibit "K"

29



The Best Place on Earth

Ministry of
Transportation and Infrastructure

Invoice To:

Billing Period: Jan 01, 2012 - Mar 31, 2012

Norske Skog Canada Ltd.
PO Box 2000
Campbell River, BC
V9W 5C9

Invoice Date: 2012-03-07

Invoice No: 2451

Attention:

Page 1

Agreement #	Location	Total
R6-0702		
	RTE 19 @ ELK FALLS RD	115.86
	Sub Total:	\$115.86
	HST:	\$13.90
	Grand Total:	\$129.76

Payable to Minister of Finance *Include (INVOICE #) with payment. Dishonored cheques \$20.00

Mailing Address:

Ministry of Transportation
South Coast Region
7818 6th Street
Burnaby, BC, BC V3N 4N8

Terms: Net 20 days
HST#: 107664738

Please attach a copy of invoice with your payment.
NEW JAN/01/2011 BC HYDRO RATE INCREASE NOW APPLIES***

Exhibit "L"

31

The attached cheque is in payment of items listed hereof
Please detach before depositing cheque



TO: MINISTER OF FINANCE
MINISTRY OF TRANSPORTATION
SOUTH COAST REGION
7818 - 6TH STREET
BURNABY BC V3N 4N8

VENDOR NUMBER	CHEQUE DATE	CHEQUE NUMBER
116348	Apr 5 2012	402211

Direct Inquiries To:
The Appropriate Location
Listed on Reverse

INVOICE DATE	INVOICE NUMBER	INVOICE AMOUNT	DISCOUNT	NET AMOUNT
03/07/2012	2461POST 20 - Elk Falls	85.67	0.00	85.67
			TOTAL	85.67

RECEIVED
11 APR 2012
MINISTRY OF TRANSPORTATION
BURNABY BC
SOUTH COAST REGION

In payment of Accounts of
Catalyst Paper Corporation and Affiliates Entities

CP2052

	Catalyst Paper 2nd Floor, 3600 Lysander Lane Richmond, British Columbia Canada V7B 1C3	Canadian Imperial Bank of Commerce 400 Burrard Street Vancouver, BC V6C 3A6	402211 DATE 04 05 2012 MM DD YYYY
	PAY ***** Eighty Five Dollars & 67 Cents		\$*****85.67
TO THE ORDER OF MINISTER OF FINANCE MINISTRY OF TRANSPORTATION SOUTH COAST REGION 7818 - 6TH STREET BURNABY BC V3N 4N8		PER AUTHORIZED SIGNATORY(S)	

⑈402211⑈ 1500010⑈010⑈ 94⑈07219⑈

JPMorgan Chase Bank, N.A.
Toronto Branch
Royal Bank Plaza, South Tower
200 Bay Street, Suite 1800
Toronto, Ontario. M5J 2J2
Canada

JUL 13, 2011
OUR L/C NO. : OCOS-702660

OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: OCOS-702660

BENEFICIARY:

HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF BRITISH COLUMBIA
AS REPRESENTED BY THE MINISTER RESPONSIBLE
FOR THE LAND ACT
4TH FLOOR, 780 BLANSHARD STREET
VICTORIA, BRITISH COLUMBIA. V8W 9M8
ATTENTION: MS. VICTORIA COOPER, LEGAL DOCUMENTS OFFICER
LAND TENURES BRANCH
MINISTRY OF FORESTS, LANDS
& NATURAL RESOURCE OPERATIONS

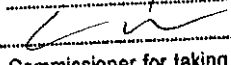
APPLICANT:

CATALYST PAPER CORPORATION
3600 LYSANDER LANE
2ND FLOOR
RICHMOND, BRITISH COLUMBIA. V7B 1C3

AMOUNT OF LETTER OF CREDIT:
CAD \$100,000.00
(CANADIAN ONE HUNDRED THOUSAND AND 00/100 DOLLARS)

DATE AND PLACE OF EXPIRATION:
JULY 03, 2012

AT THE COUNTERS OF JPMORGAN CHASE BANK, N.A., TORONTO BRANCH
TORONTO, ONTARIO, CANADA.

This is Exhibit VB
referred to in the affidavit
of Hanjia Yu
sworn before me this 8th day
of May 2012

A Commissioner for taking Affidavits
within British Columbia

JPMorgan Chase Bank, N.A.
Toronto Branch
Royal Bank Plaza, South Tower
200 Bay Street, Suite 1800
Toronto, Ontario. M5J 2J2
Canada

JUL 13, 2011
OUR L/C NO.: OCOS-702660

DEAR SIR OR MADAM:

PURPOSE: BLANKET SECURITY FOR TENURES UNDER THE LAND ACT.

WE, JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, LOCATED AT: ROYAL BANK PLAZA, SOUTH TOWER, 200 BAY STREET, SUITE 1800, TORONTO, ONTARIO, M5J 2J2 (THE "BANK"), AT THE REQUEST OF CATALYST PAPER CORPORATION (THE "APPLICANT"), HEREBY ISSUES IN FAVOUR OF HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA AS REPRESENTED BY THE MINISTER RESPONSIBLE FOR THE LAND ACT (THE "BENEFICIARY"), THIS IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER OCOS-702660 (THE "LETTER OF CREDIT") IN THE AMOUNT OF CAD \$100,000.00 (CANADIAN ONE HUNDRED THOUSAND AND 00/100 DOLLARS).

THIS LETTER OF CREDIT IS AVAILABLE FOR PAYMENT UPON RECEIPT BY THE BANK, AT THE ABOVE NOTED ADDRESS, OF A DATED, WRITTEN DEMAND BY THE MINISTER RESPONSIBLE FOR THE LAND ACT, EXECUTED BY AN AUTHORIZED SIGNER OF THE BENEFICIARY (SIGNED AS SUCH), ADDRESSED TO THE BANK AND COMPLETED AS FOLLOWS:

"WE, HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA AS REPRESENTED BY THE MINISTER RESPONSIBLE FOR THE LAND ACT, HEREBY DEMAND PAYMENT OF THE SUM OF CAD \$ _____ (AMOUNT AND CURRENCY TO BE INSERTED IN NUMBERS AND WORDS) UNDER JPMORGAN CHASE BANK, N.A., TORONTO BRANCH STANDBY LETTER OF CREDIT NUMBER OCOS-702660."

PARTIAL DRAWINGS ARE PERMITTED HEREUNDER.

THIS LETTER OF CREDIT SHALL BE REDUCED AUTOMATICALLY, BY THE AMOUNT OF EACH DRAWING PAID HEREUNDER AND/OR BY AMENDMENT, BY THE AMOUNT OF REDUCTION THAT MAY BE AUTHORIZED BY THE BENEFICIARY FROM TIME TO TIME BY THEIR SIGNED WRITTEN REQUEST GIVEN TO THE BANK.

THE BANK AGREES THAT IT WILL HONOUR THE BENEFICIARY'S DEMAND FOR PAYMENT, PRESENTED IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT, WITHOUT

JPMorgan Chase Bank, N.A.
Toronto Branch
Royal Bank Plaza, South Tower
200 Bay Street, Suite 1800
Toronto, Ontario. M5J 2J2
Canada

JUL 13, 2011
OUR L/C NO.: OCOS-702660

ENQUIRING WHETHER THE BENEFICIARY HAS A RIGHT AS BETWEEN ITSELF AND THE APPLICANT TO MAKE SUCH DEMAND, AND WITHOUT RECOGNIZING ANY CLAIM OF THE SAID APPLICANT.

THIS LETTER OF CREDIT WILL EXPIRE ON JULY 03, 2012 SUBJECT TO THE FOLLOWING CONDITION:

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT THE EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE (1) YEAR FROM THE EXPIRATION DATE HEREOF OR ANY FUTURE EXPIRATION DATE UNLESS AT LEAST NINETY (90) DAYS PRIOR TO SUCH EXPIRATION DATE WE SEND NOTICE TO YOU, BY REGISTERED MAIL OR HAND DELIVERED COURIER, AT THE ADDRESS STATED ABOVE, THAT WE ELECT NOT TO EXTEND THIS LETTER OF CREDIT FOR ANY SUCH ADDITIONAL PERIOD.

NOTWITHSTANDING THE EXPIRATION DATE AND THE CONDITION ABOVE, THIS LETTER OF CREDIT SHALL BE CANCELLED EFFECTIVE THE DATE OF RECEIPT BY THE BANK OF THE ORIGINAL LETTER OF CREDIT INSTRUMENT AND A DATED LETTER ADDRESSED TO THE BANK, SIGNED BY AN AUTHORIZED SIGNER OF THE BENEFICIARY (SIGNED AS SUCH), REFERENCING THIS LETTER OF CREDIT NUMBER AND REQUESTING CANCELLATION OF SAME.

THE BENEFICIARY MAY, FROM TIME TO TIME, ADVISE THE BANK OF A CHANGE OF BENEFICIARY ADDRESS, BY LETTER ISSUED TO THE BANK, AT THE BANK'S ADDRESS STATED ABOVE, DATED AND SIGNED BY AN AUTHORIZED SIGNER OF THE BENEFICIARY (SIGNED AS SUCH) AND QUOTING THIS LETTER OF CREDIT NUMBER. ANY NOTICE BY THE BANK TO THE BENEFICIARY REGARDING THIS LETTER OF CREDIT SHALL BE ADEQUATELY GIVEN IF SENT BY REGISTERED MAIL OR HAND DELIVERED COURIER TO THE LAST ADDRESS SO ADVISED, OR IF NO NEW ADDRESS HAS BEEN SO ADVISED, THEN TO THE ADDRESS OF THE BENEFICIARY STATED ABOVE.

EXCEPT AS EXPRESSLY STATED HEREIN, THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION), INTERNATIONAL CHAMBER OF COMMERCE - PUBLICATION NO. 600.

35



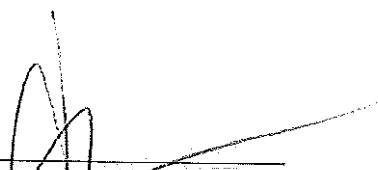
JPMorgan Chase Bank, N.A.
Toronto Branch
Royal Bank Plaza, South Tower
200 Bay Street, Suite 1800
Toronto, Ontario, M5J 2J2
Canada

JUL 13, 2011
OUR L/C NO.: OCOS-702660

PLEASE ADDRESS ALL CORRESPONDENCE REGARDING THE LETTER OF CREDIT TO:
JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, ATTENTION: STANDBY LETTER OF
CREDIT UNIT, ROYAL BANK PLAZA, SOUTH TOWER, 200 BAY STREET, SUITE 1800,
TORONTO, ONTARIO, M5J 2J2, CANADA, INCLUDING THE LETTER OF CREDIT NUMBER
MENTIONED ABOVE.

YOURS VERY TRULY,

JPMORGAN CHASE BANK, N.A.
TORONTO BRANCH



AUTHORIZED SIGNATURE

TREASURY BOARD DIRECTIVE

TO: Comptroller General
DIRECTIVE: 03/01
SUBJECT: Authority of the Comptroller General to retain money by way of set-off.

AUTHORITY: This directive is issued pursuant to Section 38 of the *Financial Administration Act RSBC 1996 ch. 138*.

APPLICATION: This directive applies to all ministries, offices and appropriations as defined in the *Financial Administration Act*.

DIRECTIVE: Treasury Board hereby confirms past policy and practice and authorizes the Comptroller General to retain money by way of set-off, out of any money due or payable to a person by the government or out of a trust fund, where:

- (a) that person owes money to the government;
- (b) an overpayment has been made by the government; or
- (c) an advance made to that person under section 36 *Financial Administration Act* has not been paid or accounted for.

In this directive, the term "person" includes a corporation, partnership or party, and the personal or other legal representatives of a person.

AMENDMENT OF EXISTING POLICIES: No change; confirming existing Treasury Board Policy as set out in the Financial Management Operating Policy Manual.

EFFECTIVE DATE: August 3, 2000

Joy K. MacPhail
Vice-Chair, Treasury Board

This is Exhibit nc 11
referred to in the affidavit
of Hanjia Ky
sworn before me this 8th day
of May 2012

A Commissioner for taking Affidavits
within British Columbia

No. S-120712
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

**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

AFFIDAVIT

**Ministry of Justice
Legal Services Branch
PO BOX 9289 STN PROV GOVT
400 - 1675 Douglas Street
Victoria BC V8W 9J7
Telephone: 356-8589
Facsimile: 250 387-0700**

**Aaron Welch
Barrister and Solicitor**