



This is the 11th affidavit of
B. Baarda in this case and was
made on June 20, 2012

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

AFFIDAVIT

I, Brian Baarda, businessperson, of 2nd Floor, 3600 Lysander Lane, Richmond, British Columbia, AFFIRM THAT:

1. I am the Vice President, Finance and Chief Financial Officer of Catalyst Paper Corporation ("CPC"), a Petitioner in this proceeding (along with the other Petitioners

and Catalyst Paper General Partnership, the “**Company**”), and as such I have personal knowledge of the matters deposed to in this Affidavit except where I depose to a matter based on information from an informant I identify, in which case I believe that both the information from the informant and the resulting statement are true.

2. All capitalized terms used and not defined below shall have the same meaning as that ascribed to them in my Affidavit #1, made January 31, 2012 (the “**First Affidavit**”) or, if they are not defined in the First Affidavit, they shall have the same meaning as that ascribed to them in the Second Amended and Restated Plan of Compromise and Arrangement dated June 14, 2012 (the “**Second Amended Plan**”).

Background

3. On January 31, 2012, this Court granted an Initial Order (the “**Initial Order**”) pursuant to the *Companies Creditors Arrangement Act* (“**CCAA**”). The initial stay of proceedings requested by, and granted to, the Petitioner Parties was for a period of 14 days.

4. On February 12, 2012, I affirmed my fourth affidavit in this proceeding (the “**Fourth Affidavit**”) in support of the Company’s application to extend the stay of proceedings at that time. The Fourth Affidavit outlined the various steps the Company had taken, among other things, working with its creditors to emerge from the CCAA Proceeding as a going concern operation.

5. On February 14, 2012, the Court extended the stay of proceedings in the Initial Order to April 30, 2012.

6. On April 18, 2012, I affirmed my seventh affidavit in this proceeding (the “**Seventh Affidavit**”) in support of the Company’s application to further extend the stay of proceedings. The Seventh Affidavit outlined the timelines for meetings among the Company’s creditors to vote on a plan of compromise and arrangement (the “**Plan**”).

7. On April 19, 2012, the Court further extended the stay of proceedings in the Initial Order to June 30, 2012.

8. The meetings of the creditors to vote on the Plan were held on May 23, 2012. Although a vast majority of creditors in number voted in support of the Plan, as amended, there was insufficient support to meet the statutory threshold.

9. As set out in the Seventh Affidavit, on March 22, 2012, the Company also obtained an Order from this Court approving a sale and investor solicitation process (“SISP”), which commenced shortly after the Plan did not receive the required votes. The timelines in the SISP contemplates the sales process continuing into August with a closing of any transaction taking place thereafter.

10. On June 14, 2012, I affirmed my tenth affidavit in this proceeding, wherein I described the process whereby the Company had prepared the Second Amended Plan. Pursuant to an Order of this Court on June 18, 2012 the Company is holding meetings of its creditors to vote on the Second Amended Plan on June 25, 2012. A Sanction Hearing is currently scheduled for June 28, 2012.

11. In light of the timelines discussed in the above paragraphs, the Company requires the continued protection the stay of proceedings established under the Initial Order.

12. The Company continues to work with the DIP Agent who is providing funding to the Company under the terms and conditions of the DIP Facility.

13. The Company continues to work in furtherance of implementing strategies towards a restructuring of the business.

14. The Company has continued to meet its post-filing obligations to creditors and suppliers when due and has met its obligations to employees in the normal course. The Company has paid its statutory remittances for employee remittances and continues to pay its taxes.

15. The Company, with the assistance of the Monitor, has prepared a cash flow forecast through September 30, 2012. Attached as **Exhibit “A”** is a copy of the cash flow forecast.

16. After considering the operations of the Company, the expected costs of operations on a going-forward basis and on the basis of the cash flows as filed, it is my view that the Company has sufficient liquidity or, in the alternative, sufficient financing, to operate until the requested stay extension date of September 30, 2012.

AFFIRMED BEFORE ME at Richmond,
British Columbia on June 20, 2012.

A Commissioner for taking Affidavits for
British Columbia

DAVID L. ADDERLEY
Barrister & Solicitor
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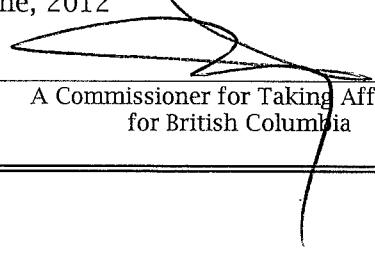

Brian Baarda

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

This is Exhibit "A" referred to in the
Affidavit of Brian Baarda sworn before
me at Vancouver this 20th day of
June, 2012


A Commissioner for Taking Affidavits
for British Columbia

Catalyst Paper Corporation
Revised Forecast 3 for the period of June 1, 2012 to September 30, 2012
 In CAD\$ millions

Actual	Forecast												Total Jan 1 to Sep 30												
	Jun-12				Jul-12				Aug-12																
	10-Jun	17-Jun	24-Jun	30-Jun	Total	8-Jul	15-Jul	22-Jul	31-Jul	Total	12-Aug	19-Aug	26-Aug	31-Aug	Total										
Period Ended																									
Receipts - Operating																									
Collection of Trade AR	412.9	24.9	24.0	27.1	29.2	105.2	21.5	26.9	26.9	37.6	112.9	36.1	25.8	25.8	113.5	23.0	28.8	28.8	28.8	109.4	441.0	853.9			
Collection of Other AR	36.2	1.2	0.9	2.9	2.9	7.9	1.5	1.8	2.5	7.6	1.6	1.6	1.6	1.6	7.0	1.9	2.3	2.3	2.3	8.8	31.3	67.5			
Total Receipts - Operating	449.1	26.1	24.9	30.0	32.1	113.1	23.0	28.7	28.7	40.1	120.5	38.3	27.4	27.4	120.5	24.9	31.1	31.1	31.1	118.2	477.3	921.4			
Disbursements - Operating																									
Raw Material and Freight Costs	(182.3)	(5.1)	(11.6)	(14.0)	(14.0)	(54.1)	(11.8)	(14.7)	(14.7)	(20.6)	(61.8)	(16.9)	(12.1)	(12.1)	(53.2)	(11.1)	(13.9)	(13.9)	(13.9)	(52.8)	(224.9)	(404.2)			
Production and Operating Costs	(176.5)	(9.8)	(10.1)	(4.2)	(3.4)	(27.2)	(12.7)	(11.4)	(10.1)	(16.8)	(51.0)	(11.7)	(10.9)	(8.9)	(12.0)	(43.5)	(7.9)	(11.4)	(9.4)	(11.5)	(40.2)	(161.9)	(338.4)		
Employee Costs	(74.1)	(3.5)	(4.0)	(2.0)	(3.5)	(13.0)	(4.0)	(2.8)	(2.8)	(2.9)	(16.4)	(2.0)	(5.5)	(2.0)	(5.4)	(15.0)	(2.0)	(5.3)	(2.0)	(4.8)	(14.1)	(58.5)	(132.6)		
Property Tax/Insurance/Other/Taxes	(4.5)	(1.5)	(0.1)	-	(1.6)	(13.2)	-	(1.0)	-	(14.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(16.6)	(21.1)		
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Disbursements - Operating	(437.3)	(29.9)	(25.2)	(20.2)	(20.6)	(95.9)	(41.7)	(28.9)	(32.5)	(40.3)	(143.4)	(30.7)	(28.7)	(28.7)	(23.1)	(29.6)	(112.1)	(21.1)	(30.7)	(25.4)	(30.3)	(107.5)	(455.9)	(896.3)	
Net Operating Cash Flows	11.8	(3.8)	(0.3)	9.8	11.5	17.2	(18.7)	(0.2)	(3.8)	(0.2)	(22.9)	7.6	(4.3)	(4.3)	(2.2)	8.4	3.8	0.4	5.7	0.8	10.7	13.4	25.1		
Disbursements - Non-Operating																									
Restructuring Professional Fees	(11.1)	-	-	-	-	-	(2.5)	(1.5)	(0.8)	(0.8)	(5.6)	(0.8)	(0.8)	(0.8)	(0.8)	(3.2)	(0.8)	(0.8)	(0.8)	(0.8)	(3.2)	(12.0)	(23.1)		
CCAA Restructuring Costs	(10.1)	(1.6)	-	-	(1.6)	-	-	-	-	-	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(1.6)	(11.7)		
DIP Loan Fees and Interest	(2.3)	-	-	-	-	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)	(1.1)	(3.4)		
Other Interest Income (Expenses)	-	-	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.1	0.4	1.2		
Total Disbursements - Non-Operating	(23.6)	(1.6)	-	-	(1.6)	(2.5)	(1.5)	(0.8)	(0.8)	(5.5)	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(3.2)	(0.8)	(0.8)	(0.8)	(0.8)	(3.2)	(13.5)	(37.0)		
Outstanding Cheques	(0.7)	-	-	-	(0.7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.7)	(1.4)		
Net Receipts (Disbursements)	(12.5)	(6.1)	(0.3)	9.8	11.5	14.9	(21.2)	(1.7)	(4.6)	(1.0)	(28.4)	6.8	(2.1)	(3.1)	(3.0)	3.5	(3.0)	5.2	3.0	(0.4)	4.9	0.0	7.6	(0.8)	(33.3)
Ending Book Cash Balance	26.7	13.4	13.2	12.8	8.8	8.8	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5		
Less: Cash Collateral Held for LCCs	(12.8)	(3.8)	(3.8)	(3.8)	(3.8)	(3.8)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)		
Available Ending Cash Book Balance	13.9	9.6	9.4	9.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0		
DIP Revolver Balance at End of Period	79.3	73.0	73.0	62.7	47.1	67.0	68.7	73.3	74.1	74.1	69.2	65.6	68.5	68.5	68.5	66.0	66.0	61.1	61.1	61.1	61.1	61.1	61.1		
Available Liquidity¹	35.1	37.0	35.6	49.4	61.0	61.0	41.1	39.4	38.4	37.6	50.8	44.4	42.4	43.1	46.0	45.6	48.6	48.5	48.5	48.5	48.5	48.5			

¹ Available Liquidity is equal to Borrowing Base Availability > \$26.3MM plus Ending Book Cash less DIP Revolver at End of Period.