

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 APPLICATION

**Names of applicants: Catalyst Paper Corporation and the other Petitioners listed in
Schedule "A" (collectively, "Catalyst")**

To: The Service List

TAKE NOTICE that an application will be made by the applicants to the presiding judge at the
courthouse at 800 Smithe Street, Vancouver, British Columbia on September 7, 2012 at 9:00
a.m. for the orders set out in Part 1 below.

Part 1: ORDERS SOUGHT

1. Order substantially in the draft form attached as Schedule "B" hereto.

Part 2: FACTUAL BASIS

1. In furtherance of the Second Amended and Restated Plan of Compromise and Arrangement, dated June 14, 2012 (the “**Plan**”), and pursuant to the *Canada Business Corporations Act*, R.S.C. 1985 c. C-44 (the “**CBCA**”), Catalyst Paper Corporation (“**CPC**”) is required to file Articles of Reorganization with the Director (as such terms are defined in the CBCA).

2. Pursuant to the order of the Court approving the Plan, dated June 28, 2012 (the “**Sanction Order**”), CPC was authorized to file two Articles of Reorganization.

3. In order to properly implement the Plan, as intended, CPC will be required to file three Articles of Reorganization.

4. The office of the Director requires an order of the Court to file the three Articles of Reorganization.

Part 3: LEGAL BASIS

1. Supreme Court Civil Rules, Rule 8-1, 13-1;
2. *Canada Business Corporations Act*, S.C. 1985, c. C-44, s. 191;
3. *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended; and
4. The inherent and equitable jurisdiction of the Court.

Part 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of M. Audet, made September 4, 2012; and
2. Such further and other materials as counsel may advise and the Court may permit.

The applicants estimate that the application will take 15 minutes.

[Check the correct box]

[] This matter is within the jurisdiction of a master.

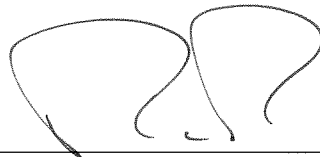
[x] This matter is not within the jurisdiction of a master. Mr. Justice Sewell is seized of this proceeding. Mr. Justice Sewell is unavailable for the within application and advised the

Petitioners that Madam Justice Brown was to hear all applications in this proceeding in his Lordship's absence.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33,
- (b) file the original of every affidavit, and of every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed application response;
 - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
 - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: September 4, 2012



Signature of
☐ applicant ☒ lawyer for Petitioners
Peter Rubin

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

To be completed by the court only:

Order made

☐ in the terms requested in paragraphs of Part 1 of this notice of application

☐ with the following variations and additional terms:

Date: _____

Signature of ☐ Judge ☐ Master

APPENDIX

[The following information is provided for data collection purposes only and is of no legal effect.]

THIS APPLICATION INVOLVES THE FOLLOWING:

[Check the box(es) below for the application type(s) included in this application.]

- ☐ discovery: comply with demand for documents
- ☐ discovery: production of additional documents
- ☐ extend oral discovery
- ☐ other matter concerning oral discovery
- ☐ amend pleadings
- ☐ add/change parties
- ☐ summary judgment
- ☐ summary trial
- ☐ service
- ☐ mediation
- ☐ adjournments
- ☐ proceedings at trial
- ☐ case plan orders: amend
- ☐ case plan orders: other
- ☐ experts

Schedule “B”

**No. S120712
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*,
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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

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE)
MADAM JUSTICE BROWN) September 7, 2012
)

ON THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 28th day of August, 2012; AND ON HEARING, [●], counsel for the Petitioner Parties, [●], counsel for the Monitor PricewaterhouseCoopers Inc., and those other counsel listed in **Schedule “B”** hereto; AND UPON READING the material filed;

THIS COURT ORDERS AND DECLARES THAT:

1. Pursuant to section 191 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 (the “**CBCA**”), Catalyst Paper Corporation (“**CPC**”) is hereby authorized to file the Articles of Reorganization attached as Schedule “C” to this Order with the Director (as such terms are

defined in the CBCA), such Articles of Reorganization to be effective as of the Effective Date (as such term is defined in the Second Amended and Restated Plan of Compromise and Arrangement, dated June 14, 2012 (the “**Plan**”)).

2. Pursuant to section 191 of the CBCA, CPC is hereby authorized to file the Articles of Reorganization attached as Schedule “**D**” to this Order with the Director, such Articles of Reorganization to be effective as of the Effective Date.

3. Pursuant to section 191 of the CBCA, CPC is hereby authorized to file the Articles of Reorganization attached as Schedule “**E**” to this Order with the Director, such Articles of Reorganization to be effective as of the Business Day (as such term is defined in the Plan) following the Effective Date.

4. The Petitioner Parties may apply to this Court from time to time for directions from this Court with respect to this Order, or for such further Order or Orders as they may consider necessary or desirable to amend, supplement or replace this Order.

5. Endorsement of this Order by counsel appearing on this application, other than counsel for the Petitioner Parties, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of
[] party [X] lawyer for the Petitioner Parties
[●]

BY THE COURT.

Registrar

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

Schedule "B"

Counsel Name	Name of Party

Schedule "C"



Industry Canada Industrie Canada
Canada Business Loi canadienne sur les
Corporations Act sociétés par actions

FORM 14 **FORMULAIRE 14**
ARTICLES OF REORGANIZATION CLAUSES DE RÉORGANISATION
(SECTION 191) (ARTICLE 191)

1 -- Name of Corporation - Dénomination sociale de la société

CATALYST PAPER CORPORATION

2 -- Corporation No. - N° de la société

3937615

3 -- In accordance with the order for reorganization, the articles of
incorporation are amended as follows:

Conformément à l'ordonnance de réorganisation, les statuts constitutifs
sont modifiés comme suit :

See Schedule attached.

Signature

Printed Name - Nom en lettres moulées

4 -- Capacity of - En qualité de

5 -- Tel. N°, - N° de tél.

FOR DEPARTMENTAL USE ONLY - À L'USAGE DU MINISTÈRE SEULEMENT

3. In accordance with the Order for reorganization attached hereto, the articles of amalgamation are amended as follows:

- (a) to redesignate the "Common Shares" as the "Old Common Shares";
- (b) to create a new class of shares consisting of an unlimited number of "New Common Shares";
- (c) to provide that, after giving effect to the foregoing, the Corporation is authorized to issue an unlimited number of Old Common Shares, an unlimited number of New Common Shares and 100,000,000 Preferred Shares;
- (d) to delete the rights, privileges, restrictions and conditions attached to the Old Common Shares (formerly Common Shares) and to substitute therefor the following:

Old Common Shares

The holders of the Old Common Shares are entitled:

- (i) to vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote;
 - (ii) subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Corporation, to receive any dividends declared and payable by the Corporation on the Old Common Shares; and
 - (iii) subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Corporation, to receive the remaining property of the Corporation on the dissolution of the Corporation pro rata with the holders of the New Common Shares.
- (e) to provide that the rights, privileges, restrictions and conditions attached to the New Common Shares shall be as follows:

New Common Shares

The holders of the New Common Shares are entitled:

- (i) to vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote;
 - (ii) subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Corporation, to receive any dividends declared and payable by the Corporation on the New Common Shares; and
 - (iii) subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Corporation, to receive the remaining property of the Corporation on the dissolution of the Corporation pro rata with the holders of the Old Common Shares.
- (f) to provide that, after giving effect to the foregoing, the stated capital account to be maintained for the Old Common Shares shall be equal to the stated capital account of the Common Shares immediately prior to the date hereof, which amount may be adjusted from time to time in accordance with the *Canada Business Corporations Act*, as now enacted or as the same may from time to time be amended, reenacted or replaced (the "CBCA") or by court order, and the stated capital account to be maintained for the New Common Shares

shall be \$0, which amount may be adjusted from time to time in accordance with the CBCA, or by court order.

(g) to confirm that the rights, privileges, restrictions and conditions attached to the Preferred Shares shall be as follows:

Preferred Shares

The Preferred Shares may at any time and from time to time be issued in one or more series. The directors may from time to time by resolution passed before the issue of any shares of any particular series of Preferred Shares fix the number of shares in, and determine the designation of the shares of, that series, and determine the rights, privileges, restrictions and conditions attaching to the Preferred Shares of that series, including, without limitation, the rate or amount of dividends, whether cumulative, non-cumulative or partially cumulative, the dates, places and currencies of payment thereof, the consideration for, and the terms and conditions of, any purchase for cancellation or redemption thereof, including redemption after a fixed term or at a premium, conversion or exchange rights, the terms and conditions of any share purchase plan or sinking fund, restrictions respecting payment of dividends on, or the repayment of capital in respect of, any other shares of the Corporation, provided that, except for such voting rights as may be attached to any series of the Preferred Shares by the directors, the holders of Preferred Shares shall not be entitled as such to receive notice of or to attend or vote at any general meeting of the Corporation.

Schedule "D"



Industry Canada Industrie Canada
Canada Business Loi canadienne sur les
Corporations Act sociétés par actions

FORM 14 FORMULAIRE 14
ARTICLES OF REORGANIZATION CLAUSES DE RÉORGANISATION
(SECTION 191) (ARTICLE 191)

1 -- Name of Corporation - Dénomination sociale de la société CATALYST PAPER CORPORATION	2 -- Corporation No. - N° de la société 3937615
3 -- In accordance with the order for reorganization, the articles of incorporation are amended as follows:	Conformément à l'ordonnance de réorganisation, les statuts constitutifs sont modifiés comme suit :

(a) to reduce the stated capital of the Old Common Shares by \$134,534,000, less the fair market value of the New Common Shares to be issued on the business day following the date hereof in accordance with the said order of reorganization; and

(b) to increase the stated capital of the New Common Shares by \$134,534,000 less the fair market value of the New Common Shares to be issued on the business day following the date hereof in accordance with the said order of reorganization.

Signature	Printed Name - Nom en lettres moulées	4 -- Capacity of - En qualité de	5 -- Tel. N°. - N° de tél.
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FOR DEPARTMENTAL USE ONLY - À L'USAGE DU MINISTÈRE SEULEMENT

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Schedule "E"



Industry Canada Industrie Canada
Canada Business Loi canadienne sur les
Corporations Act sociétés par actions

FORM 14 FORMULAIRE 14
ARTICLES OF REORGANIZATION CLAUSES DE RÉORGANISATION
(SECTION 191) (ARTICLE 191)

1 -- Name of Corporation - Dénomination sociale de la société

CATALYST PAPER CORPORATION

2 -- Corporation No. - N° de la société

3937615

3 -- In accordance with the order for reorganization, the articles of
incorporation are amended as follows:

Conformément à l'ordonnance de réorganisation, les statuts constitutifs
sont modifiés comme suit :

See Schedule attached.

Signature

Printed Name - Nom en lettres moulées

4 -- Capacity of - En qualité de

5 -- Tel. N°. - N° de tél.

FOR DEPARTMENTAL USE ONLY - À L'USAGE DU MINISTÈRE SEULEMENT

3. In accordance with the Order for reorganization attached hereto, the articles of amalgamation are amended as follows:

- (a) to cancel and eliminate the Old Common Shares, which Old Common Shares shall be of no further force and effect, whether surrendered for cancellation or otherwise, and the obligation of the Corporation thereunder or in any way related thereto shall be deemed to be satisfied and discharged and the holders of the Old Common Shares shall have no further rights or interest in the Corporation on account thereof and to delete the rights, privileges, restrictions and conditions attached to the Old Common Shares;
- (b) to rename the "New Common Shares" as the "Common Shares";
- (c) to confirm that the stated capital of the Common Shares is \$134,534,000, which amount may be adjusted from time to time in accordance with the *Canada Business Corporations Act*, as now enacted or as the same may from time to time be amended, reenacted or replaced (the "CBCA") or by court order;
- (d) to provide that, after giving effect to the foregoing, the Corporation is authorized to issue an unlimited number of Common Shares and 100,000,000 Preferred Shares; and
- (e) to confirm that, subject to the requirements of the CBCA, "the classes and any maximum number of shares that the Corporation is authorized to issue" are as follows:

Authorized Capital

An unlimited number of Common Shares and 100,000,000 Preferred Shares.

Common Shares

The holders of the Common Shares are entitled:

- (i) to vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote;
- (ii) subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Corporation, to receive any dividends declared and payable by the Corporation on the Common Shares; and
- (iii) subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Corporation, to receive the remaining property of the Corporation on the dissolution of the Corporation.

Preferred Shares

The Preferred Shares may at any time and from time to time be issued in one or more series. The directors may from time to time by resolution passed before the issue of any shares of any particular series of Preferred Shares fix the number of shares in, and determine the designation of the shares of, that series, and determine the rights, privileges, restrictions and conditions attaching to the Preferred Shares of that series, including, without limitation, the rate or amount of dividends, whether cumulative, non-cumulative or partially cumulative, the dates, places and currencies of payment thereof, the consideration for, and the terms and conditions of, any purchase for cancellation or redemption thereof, including redemption after a fixed term or at a premium, conversion or exchange rights, the terms and conditions of any share purchase plan or sinking fund, restrictions respecting payment of dividends on, or the repayment of capital in respect of, any other shares of the Corporation, provided that, except for such voting rights as may be attached to any series of the Preferred Shares by the directors, the holders of Preferred Shares shall not be entitled as such to receive notice of or to attend or vote at any general meeting of the Corporation.