

THIS IS EXHIBIT " 2 " referred to in the Affidavit of

Adam Dunayer

Sworn before me this 12th

day of April 20 16

Erin L Rolnick

ERIN L ROLNICK
Notary Public - State of New York
NO. 01R06326932
Qualified in Westchester County
My Commission Expires Jun 29, 2019

**ELK FALLS INDUSTRIAL SITE,
CAMPBELL RIVER, BRITISH COLUMBIA, CANADA
SALE AGREEMENT**

THIS AGREEMENT is made with effect as of the **Execution Date** (herein defined),

BETWEEN:

1069130 B.C. Ltd., (Inc. No. BC106930) a British Columbia company with an office at The Village at Park Royal, 203-815 Main Street, West Vancouver, BC V7T2Z3

(the "**Buyer**")

AND:

0942065 B.C. Ltd., (Inc. No. BC0942065), a British Columbia company with an office at Palliser One, 2000 125-9th Avenue, Calgary SE, AB T2G 0P6

(the "**Seller**")

AND:

0942069 B.C. Ltd., (Inc. No. BC0942069), a British Columbia company with an office at Palliser One, 2000 125-9th Avenue, Calgary SE, AB T2G 0P6 (the "**Nominee**")

WITNESSES THAT WHEREAS:

- A. The Nominee is the registered owner of the Lands (including all appurtenant rights, improvements and fixtures) that are part of the Acquired Assets, and holds the Lands in trust for the Seller as nominee and bare trustee;
- B. The Seller is the beneficial owner of the Lands and is the legal or beneficial owner of the other Acquired Assets and has agreed to sell, transfer, assign set over and convey the Acquired Assets to the Buyer and the Buyer has agreed to purchase, acquire and assume the Acquired Assets from the Seller on the terms and conditions set forth in this Agreement;
- C. On March 8, 2016, Seller commenced proceedings under the CCAA, and pursuant to the order of the Honourable Mr. Justice D.B. Nixon of the Court filed March 9, 2016, Seller has been operating under CCAA protection since that time;
- D. The Seller's ability to consummate the transactions contemplated by this Agreement is subject to, among other things, the entry of the Approval and Vesting Order by the Court; and

- E. It is the Parties' intent that the Buyer shall concurrently acquire the Acquired Assets under this Agreement from the Seller and the Nominee and certain oil and gas assets located in the Horn River Basin, British Columbia under a separate Asset Purchase Agreement dated as of the date hereof from Quicksilver Resources Canada Inc. (the "**Horn River Basin APA**"),

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement and other good and valuable consideration by each of the Seller and the Buyer to the other, the receipt and sufficiency of which is hereby acknowledged by each of them, the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, including the Schedules and the recitals hereto, except as otherwise expressly provided or unless the context otherwise requires:

- (a) "**Acquired Assets**" means, as they exist on the Execution Date:
 - (i) the Lands;
 - (ii) the Buildings and Fixtures;
 - (iii) the benefit of the Licenses and Permits;
 - (iv) the benefit of the Contracts and the Leases;
 - (v) the benefit of the Statutory Rights of Way;
 - (vi) any Books and Records being transferred to Seller; and
 - (vii) all of the issued and outstanding shares of the Nominee,but excluding any Excluded Assets;
- (b) "**Agreement**" means this agreement as amended or supplemented from time to time;
- (c) "**Approval and Vesting Order**" will have the meaning ascribed thereto in the CCAA Provisions attached as Schedule H to this Agreement;
- (d) "**Approval and Vesting Order Outside Date**" will have the meaning ascribed thereto in Schedule H;

- (e) **"Assumed Liabilities"** means:
 - (i) all Liabilities arising after the Closing Time under any of the Contracts, Leases, Licences and Permits, including any requirement of any Governmental Authority to perform environmental studies on the Lands or the property demised pursuant to the Leases, that are required to be carried out after the Execution Date;
 - (ii) all Environmental Liabilities, whether arising before or after the Closing Time;
 - (iii) all Liabilities relating to First Nations Claims;
 - (iv) all other Liabilities associated with, relating to or arising or incurred with respect to the Acquired Assets arising after the Closing Time;
- (f) **"Books and Records"** means any books, records, documents, reports, maps (whether in electronic, digital or paper format), plans and other records in the possession or control of the Seller and exclusively relating to the Acquired Assets in such state as they may exist on the Execution Date;
- (g) **"Buildings and Fixtures"** means all buildings and fixtures, private roads, structures, fixtures located on the Lands on the Execution Date, and other improvements situate thereon or appurtenant thereto, save and except any fixtures and other improvements which are Excluded Assets;
- (h) **"Business Day"** means any day, other than a Saturday, Sunday or any statutory holiday in the Province of Alberta;
- (i) **"Buyer's Solicitors"** means the Buyer's internal legal counsel or such other lawyer or firm of lawyers selected by the Buyer, and confirmed by written notice to the Seller, to represent the Buyer in connection with the subject matter of this Agreement;
- (j) **"CCAA"** means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36;
- (k) **"CCAA Proceedings"** means the proceedings commenced by Seller under the CCAA in the Court having Court file number 1601-03113 and styled *In The Matter Of The Compromise Or Arrangement Of Quicksilver Resources Canada Inc., 0942065 B.C. Ltd. and 0942069 B.C. Ltd.*, which is currently pending before the Court as of the date hereof;
- (l) **"CCAA Provisions"** means those provisions set out in Schedule H to this Agreement;
- (m) **"Closing"** means the completion of the purchase and sale of the Acquired Assets as contemplated by this Agreement;

- (n) "**Closing Time**" means 10:00 a.m. Vancouver local time on the Closing Date, or such other time as may be agreed upon by the Parties;
- (o) "**Closing Date**" will have the meaning ascribed thereto in Schedule H;
- (p) "**Confidentiality Agreement**" has the meaning ascribed thereto in §5.1;
- (q) "**Contracts**" means those contracts, equipment leases, commitments, instruments and binding obligations and arrangements listed in Schedule "B";
- (r) "**Court**" means the Court of Queen's Bench of Alberta;
- (s) "**Delivery Materials**" means all of the materials relating to the Acquired Assets disclosed by the Seller to the Buyer prior to the Execution Date, including without limitation those materials relating to the subject matter of this Agreement in an electronic data room maintained and populated by the Seller;
- (t) "**Deposit**" has the meaning ascribed thereto in §2.4;
- (u) "**Deposit Escrow Agreement**" means the escrow agreement among the Seller, the Buyer and the Escrow Agent relating to the Deposit referenced in Section §2.4, the form of which agreement is attached as Schedule J to this Agreement;
- (v) "**Environmental Condition**" means:
 - (i) the presence or release, whether before or after the Closing Time, of any Hazardous Substances in, on, at, under, to or from:
 - (A) the Lands and waterlots forming part of the Acquired Assets or the lands or waters which are the subject of any of the Leases, Licences and Permits or Contracts; or
 - (B) the lands or waters adjacent to, or in the vicinity of, the Lands and waters described in above subparagraph affected by the use or ownership of the Acquired Assets or the lands or waters which are the subject of any of the Leases, Licences and Permits or Contracts; and
 - (ii) any other circumstance, condition, matter, occurrence, issue, event or requirement relating to the environment (which includes any building or structure on, or forming part of, the Acquired Assets), environmental assessment, health, occupational health and safety, transportation of dangerous goods or the existence or presence of Hazardous Substances that arises from, is caused (directly or indirectly) by, or relates to, the use or ownership of the Acquired Assets whether before or after the Closing Time, provided that the foregoing is limited to the lands and waters described in (s)(i) above;

- (w) "**Environmental Liability**" means any claim or Legal Proceeding and any Liability or Loss, whether or not arising as a result of a claim or Legal Proceeding, arising out of, relating to, or resulting from any Environmental Condition, whether such Environmental Condition occurred or came into existence before or after the Closing Time;
- (x) "**Escrow Agent**" means Bennett Jones LLP;
- (y) "**Excluded Assets**" means those assets, properties, rights or interests of the Seller listed in Schedule G, and any other assets that do not specifically fall within the definition of the Acquired Assets;
- (z) "**Execution Date**" means March 22, 2016;
- (aa) "**First Nations Claims**" means claims by any First Nations Persons (including any and all claims to aboriginal rights or title or interest or treaty rights) or the effect of such claims, or any outcome thereof, on the Acquired Assets;
- (bb) "**First Nations Persons**" means any native person, band council, tribal council, first nation or other native group;
- (cc) "**GAAP**" means generally accepted accounting principles in effect in Canada, including the accounting recommendations published in the handbook of the Canadian Institute of Chartered Accountants;
- (dd) "**Governmental Authority**" means, the government of Canada, the government of any applicable Canadian province or territory and each ministry, department, commission, board, bureau or other agency of, or municipality, regional district or other local governing body established by, any such government, or other political subdivision thereof, and includes any Person exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government;
- (ee) "**Hazardous Substance**" means any radioactive materials, asbestos, asbestos-containing materials, urea formaldehyde, hydrocarbons, polychlorinated biphenyls ("**PCBs**"), pentachlorophenol ("**PCPs**"), PCB or PCP-containing equipment or materials, pollutants, contaminants, mold, deleterious substances, dangerous substances or goods, hazardous, corrosive or toxic substances, hazardous waste, waste, wood waste leachate, pesticides, defoliants or any other substance, solid, liquid, gas, vapour, odour, radiation or any combination thereof, in any quantity and concentration that is likely to cause immediately or at some future time harm or degradation to the surrounding environment or risk to human health and without restricting the generality of the foregoing, includes any such pollutant, contaminant, waste, hazardous waste or dangerous goods present in such quantity or state that it contravenes any Requirements of Environmental Law whether such laws came into force before or after the Closing Time;
- (ff) "**Intellectual Property**" means the following items of intellectual property:

- (i) the DISCOVERY LNG trade name and trade-mark and any goodwill associated therewith;
 - (ii) trade-mark application 1,636,618 pending in the Canadian Intellectual Property Office;
 - (iii) trade-mark application 86,151,499 pending in the United States Patent and Trademark Office;
 - (iv) the registration to the www.discoverylng.com domain name; and
 - (v) the content of the website currently associated with the foregoing domain name (however without any reference to the Seller, Quicksilver Resources Inc., or any affiliate thereof);
- (gg) "**Interim Period**" means the period commencing on the Execution Date and ending at the Closing Time;
- (hh) "**Lands**" means the lands described in Schedule "C";
- (ii) "**Law**" means an applicable law, statute or ordinance, including an applicable rule or regulation thereunder, all directives of any Governmental Authority having the force of law and legally enforceable orders or decrees of any Governmental Authority, as such may be amended from time to time;
- (jj) "**Leases**" means the leased premises and the interests of the Seller under the Crown leases and other similar rights listed in Schedule "D";
- (kk) "**Legal Proceeding**" means any litigation, action (including a cost recovery action pursuant to the *Environmental Management Act*) (British Columbia), suit, prosecution, investigation, hearing, claim, demand, complaint, grievance, notice of non-compliance or defect, citation, directive, legal charge, arbitration proceeding or other legal notice or legal proceeding, judgment, order or decree and any appeal or review and any application for appeal or review;
- (ll) "**Liabilities**" means obligations, liabilities, settlement payments, awards, judgments, fines, penalties, damages, losses, all Taxes, including Taxes resulting from an assessment or reassessment, costs (including remediation costs) and expenses (including reasonable fees and disbursements of legal counsel, consultants, expert witnesses and other professionals and including any costs incurred in investigating, defending or pursuing any legal proceedings related thereto), deficiencies and other charges, in each case whether paid, incurred, accrued, contingent or otherwise;
- (mm) "**Licences and Permits**" means those licences, registrations, permits, authorizations and approvals listed in Schedule "E";

- (nn) "**Losses**" means, with respect to any matter, all losses, claims, damages, liabilities, deficiencies, costs, expenses (including all costs of investigation, legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) or diminution of value, whether or not involving a third party claim arising directly as a consequence of such matter, in each case whether paid, incurred, accrued, contingent or otherwise;
- (oo) "**Notice**" has the meaning ascribed thereto in §5.2;
- (pp) "**Parties**" means the Seller, the Nominee and the Buyer and each of their respective permitted successors and permitted assigns and "**Party**" means any one of the respective Parties as applicable;
- (qq) "**Permitted Encumbrances**" means:
 - (i) reservations, limitations, provisos or conditions expressed in the original or other grants from the Crown of any of the Lands and the statutory exceptions to title currently applicable to the Lands;
 - (ii) all legal notations, exceptions, reservations, rights-of-way, easements, restrictive covenants, mineral claims, undersurface rights, and other similar rights or agreements registered against any of the Lands (and if applicable, any mortgages of or other liens against such rights or agreements) as of the date of this Agreement more particularly described in Schedule "F"; and
 - (iii) any encumbrances that will not be released by the Approval and Vesting Order;
- (rr) "**Person**" means an individual, corporation, body corporate, limited liability company, partnership, joint venture, firm, society, association, trust, unincorporated organization, Governmental Authority or any trustee, executor, administrator or other legal representative;
- (ss) "**Prepaid Expenses**" means any prepaid expenses, rebates and refunds of monies paid by or payable or credited to the Seller in connection with the Acquired Assets before the Execution Date, including with respect to performance bonds and remediation order bonds;
- (tt) "**Purchase Price**" has the meaning set out §2.3;
- (uu) "**Requirements of Environmental Law**" means all obligations under common law and all requirements imposed by statutes, regulations, rules, ordinances, policies, orders, approvals, notices, permits or directives of any Governmental Authority, relating to environmental, health or safety matters including all such obligations and requirements which relate to (i) the presence, generation, handling, use, treatment, storage, disposal or transportation of Hazardous

Substance and (ii) the release of or exposure to Hazardous Substance that are in force from time to time;

- (vv) "**Seller's Solicitors**" means Bennett Jones LLP, 4500 Bankers Hall East, 855 2nd Street S.W., Calgary, Alberta, T2P 4K7, or any other lawyer or firm of lawyers selected by the Seller, as confirmed by delivery of written notice to the Buyer, to represent the Seller in connection with the subject matter of this Agreement;
- (ww) "**Statutory Rights of Way**" means the statutory rights of way as set forth in Schedule "C" under the heading "Statutory Rights of Way"; and
- (xx) "**Taxes**" means all taxes, surtaxes, duties, levies, rates, fees, premiums, assessments, withholdings, dues and other charges of any nature imposed by any Governmental Authority, including consumption, sales, excise, use, transfer, goods and services, harmonized or other value added, business, school, property, local improvement, development and occupation taxes, together with all fines, interest, penalties on or with respect to, or in lieu of or for non-collection of, those taxes, surtaxes, duties, levies, rates, fees, premiums, assessments, withholdings, dues and other charges.

1.2 Interpretation

In this Agreement, except as otherwise expressly provided or unless the context otherwise requires,

- (a) "this Agreement" means this Asset Purchase Agreement, including the Schedules hereto, as from time to time supplemented or amended by one or more agreements entered into pursuant to the applicable provisions hereof;
- (b) the headings in this Agreement are inserted for convenience only and do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;
- (c) the word "including", when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope;
- (d) where any representation or warranty contained in this Agreement is expressly qualified by reference to the "knowledge" or "awareness" of the Seller, it shall be deemed to refer to the actual knowledge or awareness of Bob McGregor and Tony Kuehne, derived from reasonable internal inquiries made by such individuals of those of the Seller's officers and management level employees as would reasonably be expected to have relevant knowledge of the matters or things in the ordinary course of the conduct of their respective employment or offices;

- (e) a reference to a statute includes all regulations made thereunder, all amendments to the statute or regulations in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulations;
- (f) a reference to an entity includes any successor to that entity;
- (g) words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa;
- (h) a reference to "approval", "authorization", "waiver" or "consent" means written approval, authorization or consent;
- (i) a reference to a Part is to a Part of this Agreement or to a Part of a Schedule hereto and the symbol § followed by a number or some combination of numbers and letters refers to the section, paragraph, subparagraph, clause or subclause of this Agreement so designated;
- (j) except as otherwise expressly provided, a reference to currency herein means Canadian dollars and all amounts payable hereunder will be paid in Canadian dollars; and
- (k) any reference to time shall refer to Pacific Standard Time or Pacific Daylight Savings Time, during the respective intervals of which each is in force in the Province of British Columbia.

1.3 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and are deemed to form a part hereof:

Schedule "A"	-	Representations and Warranties
Schedule "B"	-	Contracts
Schedule "C"	-	Lands
Schedule "D"	-	Leases
Schedule "E"	-	Licences and Permits
Schedule "F"	-	Permitted Encumbrances
Schedule "G"	-	Excluded Assets
Schedule "H"	-	CCAA Provisions
Schedule "I"		Nominee Share Purchase Provisions
Schedule "J"		Deposit Escrow Agreement

**ARTICLE 2
PURCHASE AND SALE OF ASSETS**

2.1 Purchase and Sale

The Seller hereby sells, assigns and transfers to the Buyer, and the Buyer hereby purchases from the Seller, at the Closing Time, the Acquired Assets free and clear of any and all claims, liens, or encumbrances, except for the Permitted Encumbrances, in consideration of the Purchase Price.

2.2 Excluded Assets

For greater certainty, the Parties acknowledge and agree that the Excluded Assets are excluded from and will not be included in or comprise part of the Acquired Assets.

For greater certainty, the Seller agrees that the Acquired Assets will also include all items of equipment located on the Lands and comprising:

- a) the turbo-generator;
- b) a portable 3000 watt generator;
- c) the steam recovery system;
- d) any air compressors which are not included in the Excluded Assets;
- e) a D-5 Caterpillar located at the landfill facility;
- f) a 2011 Ford F-250 crew cab pick-up truck with VIN Number #1FT7W2B60BEB51016;
- g) a 2011 Ford F-250 crew cab pick-up truck with VIN Number #1FT7W2B66BEA71543;
- h) a Canadian Tire brand boat located at the pump house;
- i) a fishing boat with motor located in a corrugated steel container;
- j) a riding lawn mower;
- k) a push lawn mower;
- l) three weed trimmers;
- m) a pressure washer; and
- n) 3 saws

on the Execution Date.

With respect to Prepaid Expenses, any rebates or refunds of monies paid by the Seller in respect of Prepaid Expenses which are received by or paid to or available as a credit to the Buyer on or

after the Execution Date, including with respect to the refund of performance bonds and remediation order bonds, shall be promptly paid in full to the Seller without setoff or withholding.

2.3 Purchase Price

The purchase price for the Acquired Assets will be the sum of [REDACTED] (the "**Purchase Price**") payable in accordance with §2.4.

2.4 Payment of Purchase Price

The Buyer will pay the Purchase Price to the Seller as follows:

- (a) by payment to the Escrow Agent, in trust, on the Execution Date, of the sum of [REDACTED] (the "**Deposit**"), to be held, paid or applied in partial payment of the Purchase Price as set out in §2.6 in partial payment of the Purchase Price; and
- (b) by payment in cash as to the aggregate of the balance of the Purchase Price (the "**Balance**"), to be delivered by wire transfer in accordance with the Approval and Vesting Order, and by not later than 3:00 pm on the Closing Date.

2.5 Deposit

The Parties agree the Deposit will be held by the Escrow Agent in accordance with the Deposit Escrow Agreement (in the form attached as Schedule J) and as provided in Section 2.6.

2.6 Terms of Deposit

The Escrow Agent will hold the Deposit in accordance with the Deposit Escrow Agreement and on the following additional terms:

All Parties will use all commercially reasonable efforts to endeavour to obtain the Approval and Vesting Order in accordance with the CCAA Provisions.

If the Closing:

- (a) does occur, the Deposit shall be paid by the Escrow Agent to the Seller and the Deposit shall be credited against the payment of the Purchase Price at Closing; and
- (b) does not occur:
 - (i) due to the Seller's failure to complete the sale of the Acquired Assets in accordance herewith, or if the Seller wrongfully repudiates this Agreement, the Deposit shall promptly be returned by the Escrow Agent to the Buyer without prejudice to any other remedy that the Buyer may

have against the Seller in connection with such default, whether at law or in equity; or

- (ii) due to the Buyer's failure to complete the purchase of the Acquired Assets in accordance herewith, or if the Buyer wrongfully repudiates this Agreement, the Deposit will be paid to and retained by the Seller as liquidated damages, as a genuine pre-estimate of the Seller's damages and in full and final settlement of any claim which the Seller may have against the Buyer in connection with such default, whether at law or in equity. The Buyer acknowledges that in such event it will have no right to the return of the Deposit or the Additional Deposit, in whole or in part; or
- (iii) due to the failure to obtain the Approval and Vesting Order (despite the application of the commercially-reasonable efforts of all of the Parties) by the Approval and Vesting Order Outside Date, as defined in Schedule H), or if the Horn River Basin APA does not close (and the Deposit paid thereunder is returned to the Buyer thereunder for any reason other than any breach of the Horn River APA by the Seller thereunder), the Deposit paid under this Agreement shall be promptly repaid to the Buyer by the Escrow Agent and this Agreement shall thereupon be null and void and none of the Parties shall have any further rights or obligations under this Agreement except as to the preservation of confidentiality and the return of confidential documents or information under the Confidentiality Agreement defined in Section 5.1 of this Agreement.

2.7 Allocation of Purchase Price

The Purchase Price will be allocated among the Acquired Assets as follows:

- (a) \$1 to any Books and Records being transferred to the Seller;
- (b) \$1 to the Contracts and Leases;
- (c) \$1 to the Statutory Rights of Way;
- (d) \$1 to the Licenses and Permits;
- (e) \$1 to the Buildings and Fixtures;
- (f) \$1 to the shares of the Nominee; and
- (g) the balance of the Purchase Price to be allocated to the Lands.

2.8 Assumption of Liabilities

Subject to the provisions of this Agreement,

- (a) at the Closing Time, the Buyer will, as provided in §4.3(e), enter into an agreement, in a form satisfactory to the Buyer acting reasonably, to assume the Assumed Liabilities and to pay, satisfy, discharge, perform and fulfill the Assumed Liabilities from and after the Closing Time;
- (b) from and after the Closing Time, the Buyer will be responsible for all Assumed Liabilities and will indemnify, keep indemnified and hold the Seller harmless from and against the Assumed Liabilities in any manner accruing from, arising out of or with respect to or relating to any failure by the Buyer to fully and properly satisfy the Assumed Liabilities from and after the Closing Time; and
- (c) the Buyer will be responsible for providing notice of the sale of the Acquired Assets to any third parties in connection with the Buyer's assumption of the Contracts.

The covenants and agreements made by the Buyer in this §2.8 will survive Closing and will not be subject to any limitation.

2.9 Non-Transferable Acquired Assets

Subject to the provisions of this Agreement, if any Leases, Contracts or Licences and Permits are not transferable to the Buyer by their nature or terms or under applicable Law, or consents to the transfer of such Leases, Contracts or Licenses and Permits have not been obtained at the Closing Time, then at the Buyer's request, made before or after the Closing Time, the Seller will provide to the Buyer their reasonable cooperation and assistance to obtain, at the Buyer's expense and conditional upon the Buyer taking all necessary steps to obtain such replacements or such consents as applicable, replacements for or consents to the transfer of such Leases, Contracts and Licences and Permits as the Buyer requires for its use of the Acquired Assets after Closing. Until replacements for such Leases, Contracts and Licences and Permits or consents to the transfer thereof are issued, the Seller will, to the extent permitted by applicable Law and the terms of such Leases, Contracts and Licences and Permits, hold such non-transferable Leases, Contracts and Licences and Permits in trust for the Buyer from and after the Closing Time, for a maximum of six (6) months after the Execution Date, and perform the obligations with respect to such Leases, Contracts and Licences and Permits in the name of the Buyer, and all benefits derived therefrom and costs relating thereto will be for the account of the Buyer, and the Buyer will indemnify and hold harmless the Seller from any Liabilities that the Seller incur in doing so. Without limiting the generality of the foregoing, the Seller and the Buyer will promptly after the Closing apply to the British Columbia Ministry of Forests, Lands and Natural Resource Operations to obtain the Province of British Columbia's consent to the assignment of the Leases to the Buyer.

2.10 Taxes

The Purchase Price is exclusive of any applicable sales, goods and services, harmonized sales, value added, use, transfer and other similar Taxes. The Buyer shall be responsible for paying when due any applicable Taxes and any registration and transfer charges and fees payable in respect of the sale and transfer of the Acquired Assets. The Buyer shall pay all applicable Taxes in respect of the transfer of Acquired Assets that are not real property, including goods and services tax and harmonized sales tax, directly to the Seller, and the Seller shall remit same to the relevant Governmental Authority in accordance with applicable Law. The Buyer shall self-assess all applicable goods and services tax and harmonized sales tax in respect of the sale of the real property directly to the relevant Governmental Authority pursuant to subsections 221(2) and 228(4) of the *Excise Tax Act* (Canada). For greater certainty, the Lands and the Leases that are transferred pursuant to this Agreement constitute real property for the purposes of the self-assessment described in this §2.10.

2.11 Other Adjustments

On Closing, the Seller and the Buyer shall adjust the balance of the Purchase Price on account of the following items:

- (a) security deposits, letters of credit (including and only including, by the replacement by the Buyer of two (2) letters of credit, each in the amount of \$250,000 delivered by the Seller under the Leases and a security deposit or letter of credit in the amount of \$50,000 delivered by the Seller or affiliates of the Seller

under the Electricity Supply Agreement listed in Schedule B) and rents (and interest thereon, if any) paid or posted under any Leases, Licences, Contracts or other obligations or liabilities to be assumed by the Buyer hereunder;

- (b) taxes and local improvement rates, lot levies, municipal assessments and like charges, affecting the Lands;
- (c) utilities and fuel accounts with all metered accounts, if any, to be determined as of or as close to the Closing Date as possible;
- (d) any Prepaid Expenses or any amounts payable under the Contracts, Licences and Permits or Permitted Encumbrances; and
- (e) all other items reasonably capable and, subject to the provisions of this Agreement, properly the subject of, adjustment in connection with the ownership, operation and management of the Acquired Assets of whatsoever nature as would normally be adjusted between seller and buyer of similar assets in British Columbia.

All adjustments made under this §2.11 shall be made as of the Closing Date so that the Seller shall bear and pay all expenses and receive all income related to the Acquired Assets accruing prior to the Closing Date and, from and including the Closing Date, the Buyer shall bear and pay all expenses and receive all income related to the Acquired Assets (however, excluding any proceeds receivable by the Seller through the sale of any Excluded Assets up to and including the day preceding the Closing Date).

A draft of the statement of adjustments shall be delivered to the Buyer by the Seller at least five (5) Business Days prior to the anticipated Closing Date.

2.12 Readjustment

It is agreed by and between the parties that if the final cost or amount of any item which is to be adjusted under §2.11 hereof cannot be determined at Closing, then an initial adjustment for such item shall be made at Closing, such amount to be estimated by the Seller, acting reasonably, as at the end of the day preceding the Closing Date on the basis of the best evidence available at the Closing as to what the final cost or amount of such item will be. A further adjustment for items that could not be finally determined at the Closing will be made between the Buyer and the Seller within two (2) months following the Closing Date.

2.13 Nominee Share Purchase Provisions

The sale, transfer and purchase of all issued and outstanding shares of the Nominees shall be completed in accordance with the provisions set out in Schedule I to this Agreement.

2.14 Condition re Horn River Basin APA Closing

The Parties acknowledge that the obligations of the Parties to complete the sale and purchase of the Acquired Assets shall be conditional upon the concurrent closing of the Horn River Basin APA.

ARTICLE 3 REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Representations and Warranties of the Seller and Nominee

The Seller and Nominee represent and warrant to the Buyer that the statements contained in Part 1 of Schedule "A" are representations and warranties that are true, accurate and complete as at the Execution Date and will be true, accurate and complete at the Closing Time as if such representations and warranties were made at each such time.

3.2 Representations and Warranties of the Buyer

The Buyer represents and warrants to the Seller that the statements contained in Part 2 of Schedule "A" are representations and warranties that are true, accurate and complete as at the Execution Date and will be true, accurate and complete at the Closing Time as if such representations and warranties were made at each such time.

3.3 As Is, Where Is

Notwithstanding anything contained in §3.1 or Part 1 of Schedule "A" or any other provision of this Agreement, the Buyer acknowledges and agrees that:

- (a) none of the Seller, the Nominee, their affiliates, nor any of their respective directors, officers, employees, agents or representatives, are making or have made any representations or warranties whatsoever, express or implied, including any implied warranty of fitness for purpose, merchantability, suitability or quality or in respect of any other matter or thing whatsoever concerning the Acquired Assets, other than the representations and warranties expressly set forth in this Agreement; and
- (b) the Acquired Assets are being sold on a strictly "as is, where is" basis as of the Execution Date with all faults and defects that the Acquired Assets may have and the Buyer's consummation of the transaction hereunder constitutes the Buyer's acknowledgement that it has satisfied itself with regards to all matters relating to the condition of the Acquired Assets and for greater certainty, without limiting the foregoing, acknowledges and agrees that:

- (i) the Seller and the Nominee have not and do not provide any representation or warranty with respect to the basis for or outcome of any First Nations Claims or the effect of any First Nations Claims on the Acquired Assets and no action with respect to claims, losses or Liabilities suffered or incurred by the Buyer in respect of any First Nations Claims (including any claims with respect to title to any Acquired Asset) may be brought against the Seller or the Nominee in respect thereof,
- (ii) the Acquired Assets have been used at various times prior to the Execution Date for various industrial purposes including but not limited to, the manufacture, use, storage and transportation of linerboard, kraft paper and related raw materials, by-products, chemicals and other materials, finished and unfinished goods and raw material terminal, storage, transportation and related operations and sawmill, lumber treatment and related operations and that such uses will be expected to have resulted in the existence or leakage or release of Hazardous Substances into, at, on or under the Acquired Assets and the neighbouring properties, water bodies or other areas located adjacent to the Acquired Assets,
- (iii) the Seller and the Nominee make no representation or warranty whatsoever regarding the fitness of the Acquired Assets for use or regarding the Environmental Condition or the presence or absence on, at or under the Acquired Assets or any surrounding or neighbouring properties, water bodies or other areas of, or the leakage, release or emission from, onto or under the Acquired Assets of, any Hazardous Substance, and
- (iv) the Buyer waives any requirements for the Seller or the Nominee to obtain or provide site profiles pursuant to Part 4 of the *Environmental Management Act* (British Columbia) with regard to the transfers contemplated by this Agreement. The Buyer agrees to assume and be responsible for all Environmental Liabilities whether arising before or after the Closing Time, and the Buyer, the Seller and the Nominee acknowledge and confirm that the provisions of this Agreement constitute a private agreement between them respecting liabilities for contamination and remediation thereof as contemplated by Part 4 of the *Environmental Management Act* (British Columbia).

3.4 Covenants of the Seller

The Seller covenants with the Buyer that it will:

- (a) at or before the time required for delivery, duly execute and deliver, or arrange to have duly executed and delivered, all documents and instruments to be delivered by it pursuant to this Agreement;

- (b) use all reasonable efforts to assist the Buyer in obtaining any required consents of third parties, including Governmental Authorities, to the assignment, conveyance and transfer of the Acquired Assets to the Buyer, and will deliver to the Buyer copies of any such consents forthwith after its receipt thereof, provided that such efforts will not require the Seller to make any payments to any third parties to obtain any such consents; and
- (c) remove all signs identifying the Seller's ownership or operation of the Acquired Assets from the Lands or the Buildings and Fixtures, within seven days following the Execution Date, at the sole cost and expense of the Seller.

3.5 Execution and Deliveries by the Buyer

The Buyer covenants with the Seller that at or before any relevant time or times required for delivery, it will duly execute and deliver or arrange to have duly executed and delivered all documents and instruments to be delivered by it pursuant to this Agreement.

3.6 Post-Closing Environmental Covenants of the Buyer

The Buyer hereby covenants and agrees with the Seller as follows:

- (a) it will comply with all Requirements of Environmental Law with respect to the use or ownership of the Acquired Assets and obtain and maintain in good standing all Leases, Contracts and Licences and Permits from or with all Governmental Authorities required relating to Requirements of Environmental Law with respect to the use or ownership of the Acquired Assets; and
- (b) effective as at Closing Time, the Buyer will be responsible for operating the effluent treatment system landfill operations and certain other systems essential to the Acquired Assets in compliance with the Requirements of Environmental Law. From and after the Closing until the date that is one (1) year after the Execution Date or until such earlier date upon which replacements for or consents to the transfer of all of the Leases, Contracts and Licences and Permits have been obtained, the Buyer will provide the Seller with copies of any monthly, quarterly, semi-annual and annual reports that are sent by the Buyer to the Ministry of Environment of the Province of British Columbia which contain the results of all monitoring of such effluent systems.

3.7 Environmental Indemnity

The Buyer agrees to, from and after the Closing, indemnify and save harmless the Seller, any successor or assignee of the Seller, any agent of the Seller or such successor or assignee and the officers, directors and employees of the Seller (collectively, the "**Indemnitees**") from and against:

- (a) any Losses suffered by the Indemnitees for, in connection with, or as a direct or indirect result of, the failure of the Buyer to comply with any Requirements of Environmental Law;

- (b) any Losses suffered by the Indemnitees for, in connection with, or as a direct or indirect result of, the Environmental Condition or the presence or release of any Hazardous Substance situated in, on, under or adjacent to the Acquired Assets or any other adjacent property owned by the Buyer or in which it has any interest or upon which it carries on business; and
- (c) any and all Liabilities and Losses, including any and all Environmental Liabilities, which may be incurred or asserted against or paid by the Indemnitees for, in connection with, or as a direct or indirect result of any Legal Proceedings with respect to the Environmental Condition or the presence or release of any Hazardous Substance situated in, on, under or adjacent to the Acquired Assets or any other adjacent property owned by the Buyer or in which it has any interest or upon which it carries on business, or the discharge, emission, spill, radiation or disposal of any Hazardous Substance into or upon any land, the atmosphere, or any watercourse or body of water (provided that the foregoing is limited to the lands and waterlots described in subsection 1.1(v)(i)); including, without limitation the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter and any cost, liability or damage arising out of a settlement entered into by the Indemnities of any such action or matter.

3.8 Employees

The Buyer shall not be required to take on the employees, if any, of the Seller or of any other person, employed in connection with the Acquired Assets. If there are any such employees, the Seller shall either terminate their employment on or before the Closing Date or shall transfer such employees to other duties on or before the Closing Date, all at the cost and risk of the Seller.

3.9 Survival

All covenants and agreements contained herein that by their terms are to be performed in whole or in part, or that prohibit actions, subsequent to the Closing shall, solely to the extent such covenants and agreements are to be performed, or prohibit actions, subsequent to the Closing, survive the Closing in accordance with their terms. Subject to the following sentence, all other covenants and agreements contained herein, and all representations and warranties contained herein or in any certificated deliveries hereunder, shall not survive the Closing and shall thereupon terminate, including any actions for damages in respect of any breach thereof. Notwithstanding anything to the contrary, the indemnity obligations set forth in Section 3.7 shall survive indefinitely.

ARTICLE 4 CLOSING

4.1 Time and Place of Closing

The Closing will take place at the offices of the Seller's Solicitors at 4500 Bankers Hall East, 855 – 2nd Street S.W., Calgary, Alberta, T2P 4K7:

- (a) at the Closing Time, or
- (b) at such other place, date or time as the Buyer and the Seller agree in writing.

4.2 Deliveries by the Seller for Closing

At or before the Closing Time, the Seller will deliver or cause to be delivered to the Buyer's Solicitors the following:

- (a) a certified copy of the resolutions of the directors of the Seller approving the sale of the Acquired Assets to the Buyer and authorizing the execution and delivery of this Agreement and the performance of the Seller's covenants and obligations hereunder,
- (b) a certificate, in form and substance satisfactory to the Buyer (acting reasonably), of the Seller, duly executed by an officer of the Seller, on behalf of the Seller and not in such officer's personal capacity, stating that, except as disclosed in such certificate,
 - (i) the representations and warranties of the Seller contained in Part 1 of Schedule "A" of this Agreement were true, accurate and complete in all material respects as at the Closing Time, and
 - (ii) each of the Seller's covenants and obligations hereunder to be performed and satisfied at or before the Closing Time has been performed and satisfied,
- (c) (unless copies are earlier delivered to the Buyer or unless access is otherwise provided to the Buyer to the Seller's electronic data facility in respect of the Acquired Assets) copies of the Licenses and Permits set forth in Schedule "E" attached hereto, copies of the Leases set forth in Schedule "D" attached hereto and copies of the Contracts set forth in Schedule "B" attached hereto;
- (d) a copy of the Seller's completed application to the British Columbia Ministry of Forests, Lands and Natural Resource Operations to obtain the Province of British Columbia's consent to the assignment of the Leases to the Buyer; and
- (e) such customary closing documents, in form and substance satisfactory to the Buyer (acting reasonably), as the Buyer may reasonably request to give effect to the assignment, conveyance and transfer by the Seller to, and the assumption by, the Buyer of the Acquired Assets and the Assumed Liabilities under §2.8 hereof, duly executed by the Seller.

4.3 Deliveries by the Buyer for Closing

At or before the Closing Time, the Buyer will deliver or cause to be delivered to the Buyer's Solicitors the following:

- (a) a certified copy of the resolutions of the directors of the Buyer approving the purchase of the Acquired Assets by the Buyer and authorizing the execution and delivery of this Agreement and the performance of the Buyer's covenants and obligations hereunder;
- (b) a certificate, in form and substance satisfactory to the Seller (acting reasonably), of the Buyer, duly executed by an officer of the Buyer, on behalf of the Buyer and not in such officer's personal capacity, stating that, except as disclosed in such certificate:
 - (i) the representations and warranties of the Buyer contained in Part 2 of Schedule "A" of this Agreement are true, accurate and complete in all material respects as at the Closing Time; and
 - (ii) each of the Buyer's covenants and obligations hereunder to be performed and satisfied at or before the Closing Time has been performed and satisfied;
- (c) replacements of any letters of credit or other forms of security required to be posted or provided by the Buyer in substitution for the Seller's or the Nominee's security under any of the Assumed Liabilities;
- (d) the Balance as adjusted in accordance with §2.11 hereof; and
- (e) such customary closing documents, in form and substance satisfactory to the Seller (acting reasonably), as the Seller may reasonably request to give effect to the assignment, conveyance and transfer by the Seller to, and the assumption by, the Buyer of the Acquired Assets and the Assumed Liabilities under §2.8 hereof, duly executed by the Buyer.

4.4 Closing Procedures

At or before the Closing Time, all documents and funds shall be delivered to the Buyer's Solicitors and shall be held in trust pending completion of the Closing until the Buyer's Solicitors have received all executed closing documents as described above (subject to Section 2.9 and together with any documents required to be delivered pursuant to Schedule I) and the Balance. Upon the Buyer's Solicitors conducting a search of title to the Lands on the Closing Date which indicates that the title to the Lands remains registered in the name of the Nominee and subject only to the Permitted Encumbrances, any other charges granted by the Buyer and those charges which do not constitute Permitted Encumbrances but are to be discharged in accordance with the Approval and Vesting Order, the Buyer's Solicitors shall deliver the Balance, subject to the adjustments provided for herein, in accordance with the Approval and Vesting Order. The Deposit shall be concurrently released in accordance with the Approval and Vesting Order and the closing documents shall be released to the appropriate parties when the Balance is delivered by the Buyer's Solicitors on the Closing Date.

4.5 Completion of Closing

Registration of any requisite documents in all appropriate offices of public record and all matters of payment and delivery of documents by each party to the other shall be deemed to be concurrent requirements of Closing so that the Closing shall not be completed hereunder until everything has been paid, delivered and registered.

ARTICLE 5 GENERAL

5.1 Entire Agreement

Except for any Confidentiality Agreement made between the Buyer (or any related person or entity) and the Seller (or any related entity) (the "**Confidentiality Agreement**") and as otherwise expressly agreed by the parties hereto in writing, the provisions in this Agreement constitute the entire agreement between the Seller and the Buyer with respect to the matters contemplated in this Agreement and supersede all previous expectations, understandings, communications, representations and agreements between them with respect to such matters. To the extent that there is an inconsistency or conflict between the provisions of this Agreement and the provisions of the Confidentiality Agreement, the provisions of this Agreement shall prevail.

5.2 Notices

Every notice, request, demand, direction or other communication (each for the purposes of this §5.2 and §5.3 a "**Notice**") required or permitted to be given pursuant to this Agreement by the Seller or the Buyer to the other will be deemed to be well and sufficiently given if in writing and delivered by hand or transmitted by facsimile as follows:

- (a) if to the Buyer, at

1069130 B.C. Ltd. C/O Kailas Capital Corp.
#1500 - 444 5th Ave SW
Calgary, AB T2P 2T8

Attention:
Email:
Facsimile:

- (b) if to the Seller, at

0942065 B.C. Ltd.
Palliser One
2000 125-9th Avenue
Calgary SE, AB T2G 0P6

Attention: President

Facsimile:
Email:

With copy to the Seller's Solicitors:

Bennett Jones LLP
4500 Bankers Hall East
855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Don Greenfield
Fax: (403) 265-7219
Email: greenfieldd@bennettjones.com

or to such other address or transmission receiving station as is specified by the particular Party by Notice to the others.

5.3 Deemed Receipt

Any Notice delivered or sent as aforesaid will be deemed conclusively to have been effectively given and received on the day such Notice was delivered or sent as aforesaid if it was delivered or sent on a day that was a Business Day or on the next day that is a Business Day if it was delivered or sent on a day that was not a Business Day.

5.4 Consultation

Subject to the terms of the Confidentiality Agreement, no party shall make any press release or any other public announcement with respect to this Agreement, the transactions contemplated hereby or the Buyer's identity without the written approval of the other parties, except: (i) as required by any applicable Law, regulatory requirement or rule of any stock exchange; or (ii) where the Seller determines in good faith that disclosure by the Seller is prudent to respond to public statements regarding the Company's dealings with the Buyer. In the case of either (i) or (ii), the Company shall provide prior notice to the Buyer and in the case of (ii) the Company will provide the Buyer with the opportunity to discuss the form and nature of disclosure before issuing the disclosure.

5.5 Assignment and Enurement

The Buyer shall be permitted, without consent from the other Parties but upon delivery of written notice to Seller (which notice shall expressly identify the name, address and contact information of any such assignee and which must be delivered on or before the third (3rd) Business Day following the Execution Date), to assign all or part of its rights or obligations hereunder, but no such assignment shall relieve Buyer of its obligations under this Agreement.

This Agreement will enure to the benefit of and be binding on the respective successors and permitted assigns of each of the Seller, the Nominee and the Buyer.

5.6 Amendment or Termination

Except as otherwise expressly provided herein, this Agreement may not be amended or terminated except by an instrument in writing executed by the Seller and the Buyer.

5.7 Costs and Expenses

Except as expressly set forth herein, each Party hereto will be responsible for its own costs and expenses, including legal and accounting costs, in connection with the transactions contemplated herein.

5.8 Governing Law

Except to the extent the mandatory provisions of the CCAA apply, this Agreement is and will be deemed to have been made in the Province of Alberta, for all purposes will be governed exclusively by and construed and enforced in accordance with the laws prevailing in the Province of Alberta and the rights and remedies of the Seller and the Buyer will be determined in accordance with those laws.

5.9 Attornment

The Seller, the Nominee and the Buyer irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Alberta and all courts having appellate jurisdiction thereover and agree that any proceeding commenced or maintained in respect of or arising as a consequence of this Agreement will be commenced or maintained only in such of those courts as is appropriate.

5.10 Cumulative Remedies

Save to the extent otherwise herein provided, the rights of the Seller, the Nominee and the Buyer provided in this Agreement are cumulative and no exercise or enforcement by such parties of any right or remedy under this Agreement will preclude the exercise or enforcement by such parties of any other right or remedy under this Agreement or otherwise available to such parties at law or in equity.

5.11 Time

Time is of the essence in the performance of each obligation under this Agreement.

5.12 Further Assurances

Each of the Seller, the Nominee and the Buyer will use all reasonable efforts to give full effect to the transactions contemplated herein, and will execute and deliver all such further documents and instruments and do all such further acts and things as the other Party reasonably requests to evidence, carry out and give full effect to the terms, conditions, intent and meaning of this Agreement.

5.13 Counterparts

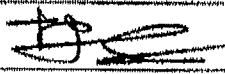
This Agreement may be executed in any number of counterparts and delivered, in original form or by electronic facsimile, each of which will together, for all purposes, constitute one and the same instrument as if the parties hereto had executed the same document, and all counterparts will be construed together and constitute one and the same instrument.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto with effect as of the Execution Date on the day and year first above written.

BUYER:

1069130 B.C. LTD.

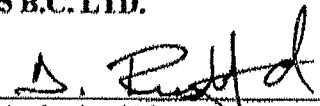
Per:


Authorized Signatory

SELLER:

0942065 B.C. LTD.

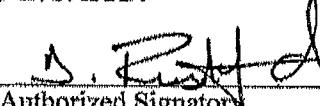
Per:


Authorized Signatory
S. David Rushford
Sr VP & COO

NOMINEE:

0942069 B.C. LTD.

Per:


Authorized Signatory
S. David Rushford
Sr VP & COO

SCHEDULE "A"

PART 1 REPRESENTATIONS AND WARRANTIES OF THE SELLER AND NOMINEE

1.1 Representations and Warranties of the Seller and the Nominee

The Seller and Nominee represent and warrant to the Buyer as follows:

- (a) **Status of the Seller and the Nominee.** Each of the Seller and the Nominee is duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation, has the power and capacity to own and dispose of the Acquired Assets and to enter into this Agreement and carry out its terms, subject to obtaining the Approval and Vesting Order.
- (b) **Authority to Sell.** Subject to obtaining any required consents and approvals to the transfer of any of the Leases, the Contracts or the Licences and Permits, and subject to obtaining the Approval and Vesting Order, the execution and delivery of this Agreement and the completion of the transactions contemplated by this Agreement, have been, or will be, duly and validly authorized by all necessary corporate action of the Seller and the Nominee, and, assuming the valid execution and delivery by all the Parties and subject to obtaining the Approval and Vesting Order, this Agreement will constitute a legal, valid and binding obligation of the Seller and the Nominee, enforceable against the Seller and the Nominee in accordance with its terms. Subject to obtaining the Approval and Vesting Order, the completion of the transactions contemplated by this Agreement does not require the approval of any court, nor does it violate or otherwise conflict with any order, direction, statute, rule, regulation, stay, decree, judgment, injunction or court order enacted, entered, issued, promulgated or enforced by any Governmental Authority or any court.
- (c) **GST Registration.** The Seller is registered for purposes of Part IX of the *Excise Tax Act* under GST Registration No. 809594682-RT0001.
- (d) **No Options to Acquire.** Except as set out in the Joint Use Agreement identified in Schedule "B" and this Agreement, no person has any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option to purchase or acquire from the Seller any of the Acquired Assets or any interest therein.
- (e) **No Litigation.** Except for the CCAA Proceedings, there are no claims, actions, proceedings, investigations or lawsuits pending or, to the Seller's knowledge, threatened, that would interfere with the use and enjoyment of the Acquired Assets or the occupancy or use of all or any part of the Acquired Assets by the Buyer, that could affect the Buyer's right to own and occupy the Acquired Assets, or that relate to the presence of Hazardous Substances in, on or from the Acquired Assets. In addition, the Seller represents and warrants that, to the knowledge of

- (f) **No Commissions Payable.** The Buyer has not retained any broker, agent or other intermediary with respect to the purchase of the Acquired Assets and there are no commissions or other remuneration payable to any broker, agent or other intermediary who has been retained by the Buyer to act on behalf of the Buyer with respect to the purchase of the Acquired Assets.

SCHEDULE "B"

CONTRACTS

Joint Use Agreement dated December 14, 1993 between Elk Falls Forest Industries Limited and Timberwest Forest Limited, as amended by Assignment of Contract (Joint Use Agreement) dated as of May 24, 2013 by and among Catalyst Paper Corporation, Elk Falls Forest Industries Limited and 0942065 B.C. Ltd.

Electricity Supply Agreement made as of June 10, 2013 between British Columbia Hydro and Power Authority and 0942065 B.C. Ltd.

Telus Contract ID No. ECB 249145, Customer Agreement – Non-Regulated / Forborne Services dated June 4, 2013 between Quicksilver Resources Canada Inc. and Telus to provide internet provisioning at Elk Falls.

Consultant Agreement dated July 26, 2013 between Quicksilver Resources Canada Inc. and Nevco Instruments (Neville Charles Duff).

Consultant Agreement dated November 5, 2013 between Quicksilver Resources Canada Inc. and Silvershore Consulting (Troy Whittle).

Service Order D2015-0010 dated December 21, 2015 between 0942065 B.C. Ltd. and Footprints Security Patrol Inc.

Master Service Agreement dated December 4, 2013 between Quicksilver Resources Canada Inc. and Caledonia Fire Protection.

Master Service Agreement dated July 15, 2015 between Quicksilver Resources Canada Inc. and Clearview Grinding Ltd.

Master Service Agreement dated February 4, 2014 between Quicksilver Resources Canada Inc. and Envirochem Services Inc.

Master Service Agreement dated April 23, 2015 between Quicksilver Resources Canada Inc. and Houle Electric Ltd.

Master Service Agreement dated February 29, 2016 between Quicksilver Resources Canada Inc. and International Rigging Co. (1058181 BC Ltd.)

Master Service Agreement dated September 4, 2014 between Quicksilver Resources Canada Inc. and Phoenix Industrial Site Services

Master Service Agreement dated February 13, 2014 between Quicksilver Resources Canada Inc. and SW Coastal Builders Ltd.

Master Service Agreement dated August 6, 2013 between Quicksilver Resources Canada Inc. and T-MAR Industries Ltd.

Master Service Agreement dated June 24, 2013 between Quicksilver Resources Canada Inc. and Waste Management of Canada Corporation

Master Service Agreement dated June 2, 2014 between Quicksilver Resources Canada Inc. and Xanatos Marine.

SCHEDULE "C"
LANDS

000-849-731 District Lot 120 (DD 2157781) Sayward District Except part in Plans 14946 and VIP57724

000-849-821 That part of District Lot 67 Sayward District shown outlined in red on Plan 1374 RW

000-848-905 Lot A District Lot 68 Sayward District Plan 20538 except Plan EPP7297

000-849-561 That part of District Lot 151 Sayward District shown outlined in red on Plan 1433R

000-849-502 That part of District Lot 163 Sayward District shown outlined in red on Plan 1431R

001-233-475 Block B of Lot 1504 Sayward District

001-233-467 Block C of Lot 1504 Sayward District

001-233-459 Block D of Lot 1504 Sayward District

000-848-913 Lot 1 District Lot 68 Sayward District Plan 16712

000-849-855 That part of District Lot 52 Sayward District shown outlined in red on Plan 659 RW

000-849-847 That part of District Lot 67 Sayward District shown outlined in red on Plan 659 RW

000-849-910 District Lot 26 Sayward District except part in Plans 34604 and 42540

000-848-921 Lot 1 District Lot 109 Sayward District Plan 16956

000-849-430 District Lot 164 Sayward District shown outlined in red on Plan 1431R

001-233-432 District Lot 109 Sayward District except Parcel A (DD 285472-I) and those parts in Plans 1373-R, 16956, 19371, 50636, VIP54479, VIP64521 and EPP7297

001-233-441 Lot 1599 Sayward District except that part in Plan VIP64521

000-846-287 District Lot 2 Sayward District except those parts in Plans 19371, 42540, 50636, VIP64521, VIP64522 and VIP76652

Statutory Rights of Way

Statutory Right of Way EK140688

Statutory Right of Way FB315872

Statutory Right of Way FB315873

SCHEDULE "D"
LEASES

Waterlot Lease 101447 made September 10, 1986 between Her Majesty the Queen in Right of the Province of British Columbia, represented by the Minister of Forests and Lands, as landlord and Catalyst Paper Corporation as tenant, in respect Block A of Lot 1504, Sayward District (Property Record No. H-6594) (Joint use with Timberwest)*. Consent to Assignment dated August 13, 2013 between Catalyst Paper Corporation, 0942065 B.C. Ltd. and Her Majesty the Queen in Right of the Province of British Columbia.

Waterlot Lease 111966 made September 10, 2005 between Her Majesty the Queen in the Right of the Province of British Columbia, represented by Minister responsible for the Land Act, as landlord and Catalyst Paper Corporation, as tenant, in respect of District Lot 411 (except Block A) and Block B of District Lot 1516, Sayward District (Property Record No. H-6595) (Joint use with Timberwest)*. Consent to Assignment dated August 13, 2013 between Catalyst Paper Corporation, 0942065 B.C. Ltd. and Her Majesty the Queen in Right of the Province of British Columbia.

* Waterlot Lease 101447 and Waterlot Lease 111966 are subject to the Joint Use Agreement dated December 14, 1993 between Elk Falls Forest Industries Limited and Timberwest Forest Limited listed in Schedule "B"

SCHEDULE "E"

LICENCES AND PERMITS

Park Use Permit No. 102993 issued by Her Majesty the Queen in the Right of the Province of British Columbia, represented by the Minister responsible for the Park Act to 0942065 B.C. Ltd. in respect of operating and maintaining a gravel access road within Elk Falls Park.

Water Licence No. C126184 issued by the Ministry of Environment on June 5, 2013 to 0942069 B.C. Ltd. in respect of lands legally described as District Lot 109, Sayward District, except Parcel A (DD285472-1) and those parts in Plans 1373-R, 16956, 19371, 50636, VIP54479, VIP64521 and EPP7297.

Water Licence No. C126205 issued by the Ministry of Environment on June 5, 2013 to 0942069 B.C. Ltd. in respect of lands legally described as District Lot 109, Sayward District, except Parcel A (DD285472-1) and those parts in Plans 1373-R, 16956, 19371, 50636, VIP54479, VIP64521 and EPP7297.

Effluent Discharge Permit PE-01164 issued by the Ministry of Environment on August 31, 2011 authorizing the discharge of effluent to marine water from an industrial effluent treatment facility as transferred to 0942065 B.C. Ltd. on March 13, 2014.

Landfill Permit PR-1602 issued by the Ministry of Environment on December 15, 1972, as amended November 9, 2010 to Catalyst Paper Corporation and Catalyst Pulp Operations Limited in respect of the Phase 1, 2 & 3 Landfill and the Old Landfill, as transferred to 0942065 B.C. Ltd. on January 31, 2014.

Electrical Operating Permit EL-078980-2013 granted pursuant to the Safety Standards Act and Regulations for the purpose of operating or maintaining electrical equipment at this location of operation within the voltage and amperage class listed, subject to the listed Terms & Conditions.

Radio licenses 5178425, 5167520, 5167521, 5167519 granted and subject to Industry Canada regulations and expiring in March 31, 2016.

Highway Flashing Light Agreement R6-0702, referencing Electrical Agreement No. TE-88031, issued by the Ministry of Transportation and Infrastructure.

Microsoft Windows Server 2003 Licenses

- 7 Standard licenses.

Symantec (Backup and Recovery software)

- Symantec Backup Exec for Windows Server 12.5 - 06-3026-9935-002291
- Remote Agent for Windows Servers - 00-3080-9853-009109
- Library Expansion Option - 01-3065-9986-008989
- Agent for Microsoft Exchange - 00-3040-9949-001587

Capstone Technology Corporation dataPARC suite Historian and PARCview Lite Licence for recording of effluent system.

Canadian and US Trademark Applications pending for Discovery LNG

SCHEDULE "F"
PERMITTED ENCUMBRANCES

1. Legal Description:

PID: 000-849-731

District Lot 120 (DD 215778I) Sayward District Except part in Plans 14946 and VIP57724

Registered Owner: 0942069 B.C. Ltd.

Legal Notations:

Notice of Interest, Builders Lien Act (S.3(2)), See CA3142955

This certificate of title may be affected by the Agricultural Land Commission Act; see Agricultural Land Reserve Plan No. 3, deposited May 29th, 1974, R.E. Hooper, Registrar, per: DM

See Plan 1613 OS (Re Road)

Hereto is annexed Restrictive Covenant P22204 (see DD P22203) over Lot A, Plan 42194

Hereto is annexed Easement P22203 over Lot A, Plan 42194

Hereto (inter alia) is annexed Easement ED131403 over Lot 1, Campbell River Indian Reserve #11, Sayward District, Plan 21743 and those parts of Campbell River Indian Reserve # 11 Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673-R, except those parts in plans 12883, 21743, and 35318

Hereto is annexed Restrictive Covenant ED131404 over Lot 1, Campbell River Indian Reserve #11, Sayward District Plan 21743, and those parts of Campbell River Indian Reserve #11 Sayward District lying to the west and north west of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743 and 35318 (inter alia) Dominant tenement in respect to Restrictive Covenant ED131404 cancelled as to Lots A, B, and C, Plan VIP59470 by EK35978

Hereto is annexed Easement EF74147 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Restrictive Covenant EF74148 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Easement EG171215 over Lot 1, Plan VIP57724

Hereto is annexed Restrictive Covenant EG171216 over Lot 1, Plan VIP57724

Hereto (inter alia) is annexed Restrictive Covenant EH102792 over those parts of Campbell River Indian Reserve No. 11, Sayward District lying to the west and north west

of the lines bordered in red on Plan 1673R except those parts in Plans 12883, 21743, 35318, 54523, VIP57205, VIP58923 and VIP59470

This title may be affected by a permit under Part 26 of the Local Government Act, see EW131828

Hereto is annexed Easement FB369167 over Lot 1, Plan EPP7297

Hereto is annexed Easement FB369168 over Lot 1, Plan EPP7297 as shown on Plan VIP88265

Charges, Liens and Interests:

- (a) Right of Way 165151G in favour of British Columbia Hydro and Power Authority.
- (b) Statutory Right of Way ED76599 in favour of Terasen Gas (Vancouver Island) Inc. Cancelled as to all except that part in Plan VIP53087 by EG15360.
- (c) Easement EG15361.
- (d) Statutory Right of Way EG63491 in favour of B.C. Tel.
- (e) Statutory Right of Way EK27691 in favour of Terasen Gas (Vancouver Island) Inc.
- (f) Statutory Right of Way EK140686 in favour of Timberwest Forest Corp.
- (g) Easement EK140687.
- (h) Statutory Right of Way FB315617 in favour of Capital Power Generation Services Inc.
- (i) Statutory Right of Way FB315618 in favour of Capital Power Generation Services Inc.
- (j) Easement FB369173.
- (k) Statutory Right of Way FB425327 in favour of Fortis BC Energy (Vancouver Island) Inc.

2. Legal Description:

PID: 000-849-821

That part of District Lot 67 Sayward District shown outlined in red on Plan 1374 RW

Registered Owner: 0942069 B.C. Ltd.

Legal Notations:

Notice of Interest, Builders Lien Act (S.3(2)), See CA3142955

Hereto is annexed Easement EF74147 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Restrictive Covenant EF74148 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Easement EG125786 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and northwest of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523 and VIP57205; and Lot 1, Plan 21743, except part in Plan VIP57205

Hereto is annexed Restrictive Covenant EG125787 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and northwest of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523, and VIP57205; and Lot 1, Plan 21743, except part in Plan VIP57205 Dominant tenement in respect to Restrictive Covenant EG125787 cancelled as to Lots A, B, and C, Plan VIP59470 by EK35979

Hereto is annexed Easement EG171215 over Lot 1, Plan VIP57724

Hereto is annexed Restrictive Covenant EG171216 over Lot 1, Plan VIP57724

Hereto (inter alia) is annexed Restrictive Covenant EH102792 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R except those parts in Plans 12883, 21743, 35318, 54523, VIP57205, VIP58923 and VIP57470

Charges, Liens and Interests:

- (a) Undersurface Rights 5896D in favour of Louis Rosenfeld.
- (b) Coal TSN DF57617 forfeited to Crown 18/10/1948 DF 59465.
- (c) Undersurface Rights EE12109 forfeited to the Crown.
- (d) Statutory Right of Way EK140686 in favour of Timberwest Forest Corp.
- (e) Easement EK140687.
- (f) Statutory Right of Way EL60597 in favour of District of Campbell River.

3. Legal Description:

PID: 000-848-905

Lot A District Lot 68 Sayward District Plan 20538 except Plan EPP7297

Registered Owner: 0942069 B.C. Ltd.

Legal Notations:

Notice of Interest, Builders Lien Act (S.3(2)), See CA3142955

Hereto is annexed Easement ED131403 over Lot 1, Campbell River Indian Reserve #11, Sayward District, Plan 21743, and those parts of Campbell River Indian Reserve #11, Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R except those parts in Plans 12883, 21743 and 35318.

Hereto (inter alia) is annexed Restrictive Covenant ED131404 over Lot 1, Campbell River Indian Reserve #11, Sayward District, Plan 21743 and those parts of Campbell River Indian Reserve #11, Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R except those parts in Plans 12883, 21743 and 35318 ED131404. Dominant tenement in respect to Restrictive Covenant ED131404 cancelled as to Lots A, B, and C, Plan VIP59470 by EK35978

Hereto is annexed Easement EF74147 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Restrictive Covenant EF74148 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Easement EG171215 over Lot 1, Plan VIP57724

Hereto is annexed Restrictive Covenant EG171216 over Lot 1, Plan VIP57724

Hereto (inter alia) is annexed Restrictive Covenant EHI02792 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R except those parts in Plans 12883, 21743, 35318, 54523, VIP57205, VIP58923 and VIP59470

Hereto is annexed Easement FB369167 over Lot 1, Plan EPP7297

Hereto is annexed Easement FB369168 over Lot 1, Plan EPP7297 as shown on Plan VIP88265

Charges, Liens and Interests:

(a) Statutory Right of Way FB315616 in favour of Capital Power Generation Services Inc.

(b) Easement FB369173.

4. Legal Description:

PID: 000-849-561

That part of District Lot 151 Sayward District shown outlined in red on Plan 1433R

Registered Owner: 0942069 B.C. Ltd.

Legal Notations:

Notice of Interest, Builders Lien Act (S.3(2)), See CA3142955

This certificate of title may be affected by the Agricultural Land Commission Act; see Agricultural Reserve Plan No. 3, deposited May 29th 1974, R.E. Hooper, Registrar, Per: DM

Hereto is annexed Easement EF74147 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Restrictive Covenant EF74148 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Easement EG125786 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and northwest of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523 and VIP57205; and Lot 1, Plan 21743, except Part in Plan VIP57205

Hereto is annexed Restrictive Covenant EG125787 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and northwest of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523, and VIP57205; and Lot 1, Plan 21743, except part in Plan VIP57205. Dominant tenement in respect of Restrictive Covenant EG125787 cancelled as to Lots A, B, and C, Plan VIP59470 by EK35979

Hereto is annexed Easement EG171215 over Lot 1, Plan VIP57724

Hereto is annexed Restrictive Covenant EG171216 over Lot 1, Plan VIP57724

Hereto (inter alia) is annexed Restrictive Covenant EH102792 over those parts of Campbell River Indian Reserve No.11, Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523, VIP57205, VIP58923 and VIP59470

Charges, Liens and Interests:

- (a) Right of Way 165151G in favour of British Columbia Hydro and Power Authority
- (b) Statutory Right of Way ED76599 in favour of Terasen Gas (Vancouver Island) Inc. Cancelled as to all except part in Plan VIP60438, by EK51521

5. Legal Description:

PID: 000-849-502

That part of District Lot 163 Sayward District shown outlined in red on Plan 1431R

Registered Owner: 0942069 B.C. Ltd.

Legal Notations:

Notice of Interest, Builders Lien Act (S.3(2)), See CA3142955

Subject to the provisions contained in Order-in-Council No. 1442 deposited under DD No. 222882I

This certificate of title may be affected by the Agricultural Land Commission Act: See Agricultural Land Reserve Plan No. 3, deposited 29th May 1974, R.E. Hooper, Registrar, per HP

Hereto is annexed Easement EF74147 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Restrictive Covenant EF74148 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Easement EG125786 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and northwest of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523 and VIP57205; and Lot 1, Plan 21743, except Part in Plan VIP57205

Hereto is annexed Restrictive Covenant EG125787 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and northwest of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523 and VIP57205; and Lot 1, Plan 21743, except Part in Plan VIP57205. Dominant tenement in respect of Restrictive Covenant EG125787 cancelled as to Lots A, B, and C, Plan VIP59470 by EK35979

Hereto is annexed Easement EG171215 over Lot 1, Plan VIP57724

Hereto is annexed Restrictive Covenant EG171216 over Lot 1, Plan VIP57724

Hereto (inter alia) is annexed Restrictive Covenant EHI02792 over those parts of Campbell River Indian Reserve No. 11, Sayward District lying to the west and north west of the lines bordered in red on Plan 1673R except those parts in Plans 12883, 21743, 35318, 54523, VIP57205, VIP58923 and VIP59470

Charges, Liens and Interests:

None.

6. Legal Description:

PID: 001-233-475
Block B of Lot 1504 Sayward District

Registered Owner: 0942069 B.C. Ltd.

Legal Notations:

Notice of Interest, Builders Lien Act (S.3(2)), See CA3142955

Hereto is annexed Restrictive Covenant P22204 (See DD P22203) over Lot A, Plan 42194.

Hereto is annexed Easement P22203 over Lot A, Plan 42194

Hereto is annexed Easement ED131403 over Lot 1, Campbell River Indian Reserve #11, Sayward District, Plan 21743 and those parts of Campbell River Indian Reserve #11, Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743 and 35318 Cancelled as to part in Plan VIP54523 by EF76365

Hereto (inter alia) is annexed Restrictive Covenant ED131404 over Lot 1, Campbell River Indian Reserve #11, Sayward District Plan 21743, and those parts of Campbell River Indian Reserve #11 Sayward District lying to the west and north west of the lines bordered in red on Plan 1673R, except those parts in Plans 12883 21734 and 35318 Cancelled as to part in Plan VIP54523 by EF90264. Dominant tenement in respect to Restrictive Covenant ED131404 cancelled as to Lots A, B, and C, Plan VIP59470 by EK35978

Hereto is annexed Easement EF74147 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Restrictive Covenant EF74148 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Easement EG171215 over Lot 1, Plan VIP57724

Hereto is annexed Restrictive Covenant EG171216 over Lot 1, Plan VIP57724

Hereto (inter alia) is annexed Restrictive Covenant EH102792 over those parts of Campbell River Indian Reserve No. 11, Sayward District lying to the west and north west of the lines bordered in red on Plan 1673R except those parts in Plans 12883, 21743, 35318, 54523, VIP57205, VIP58923 and VIP59470

Hereto is annexed Easement FB369167 over Lot 1, Plan EPP7297

Hereto is annexed Easement FB369168 over Lot 1, Plan EPP7297 as shown on Plan VIP88265

Charges, Liens and Interests:

(a) Easement FB369173.

7. Legal Description:

PID: 001-233-467

Block C of Lot 1504 Sayward District

Registered Owner: 0942069 B.C. Ltd.

Legal Notations:

Notice of Interest, Builders Lien Act (S.3(2)), See CA3142955

Hereto is annexed Restrictive Covenant P22204 (See DD P22203) over Lot A, Plan 42194

Hereto is annexed Easement P22203 over Lot A, Plan 42194

Hereto is annexed Easement ED131403 over Lot 1, Campbell River Indian Reserve #11, Sayward District, Plan 21743 and those parts of Campbell River Indian Reserve #11, Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743 and 35318 cancelled as to part in Plan VIP54523 by EF76365

Hereto (inter alia) is annexed Restrictive Covenant ED131404 over Lot 1, Campbell River Indian Reserve #11, Sayward District Plan 21743 and those parts of Campbell River Indian Reserve #11 Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R, except those parts in Plans 12883 21743 and 35318 Cancelled as to part in Plan VIP54523 by EF90264, Dominant tenement in respect to Restrictive Covenant ED131404 cancelled as to Lots A, B, and C, Plan VIP59470 by EK40220

Hereto is annexed Easement EF74147 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Restrictive Covenant EF74148 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Easement EG171215 over Lot 1, Plan VIP57724

Hereto is annexed Restrictive Covenant EG171216 over Lot 1, Plan VIP57724

Hereto (inter alia) is annexed Restrictive Covenant EH102792 over those parts of Campbell River Indian Reserve No. 11, Sayward District lying to the west and north west of the lines bordered in red on Plan 1673R except those parts in Plans 12883, 21743, 35318, 54523, VIP57205, VIP58923 and VIP59470

Hereto is annexed Easement FB369167 over Lot 1, Plan EPP7297

Hereto is annexed Easement FB369168 over Lot 1, Plan EPP7297 as shown on Plan VIP88265

Charges, Liens and Interests:

- (a) Easement FB369173.

8. Legal Description:

PID: 001-233-459
Block D of Lot 1504 Sayward District

Registered Owner: 0942069 BC. Ltd.

Legal Notations:

Notice of Interest, Builders Lien Act (S.3(2)), See CA3142955

Hereto is annexed Restrictive Covenant P22204 (see DD P22203) over Lot A, Plan 42194

Hereto is annexed Easement P22203 over Lot A, Plan 42194

Hereto is annexed Easement ED131403 over Lot 1, Campbell River Indian Reserve #11, Sayward District, Plan 21743, and those parts of Campbell River Indian Reserve #11, Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R except those parts in Plans 12883, 21743 and 35318. Cancelled as to part in Plan VIP54523 by EF76365

Hereto (inter alia) is annexed Restrictive Covenant ED131404 over Lot 1, Campbell River Indian Reserve #11, Sayward District Plan 21743 and those parts of Campbell River Indian Reserve #11, Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R except those parts in Plans 12883, 21743 and 35318, Cancelled as to part in Plan VIP54523 by EF90264. Dominant tenement in respect to Restrictive Covenant ED131404 cancelled as to Lots A, B, and C, Plan VIP59470 by EK35978

Hereto is annexed Easement EF74147 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Restrictive Covenant EF74148 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Easement EG171215 over Lot 1, Plan VIP57724

Hereto is annexed Restrictive Covenant EG171216 over Lot 1, Plan VIP57724

Hereto (inter alia) is annexed Restrictive Covenant EH102792 over those parts of Campbell River Indian Reserve No. 11, Sayward District lying to the west and north west of the lines bordered in red on Plan 1673R except those parts in Plans 12883, 21743, 35318, 54523, VIP57205, VIP58923 and VIP59470

Hereto is annexed Easement FB369167 over Lot 1, Plan EPP7297

Hereto is annexed Easement FB369168 over Lot 1, Plan EPP7297 as shown on Plan VIP88265

Charges, Liens and Interests:

(a) Easement FB369173.

9. Legal Description:

PID: 000-848-913

Lot 1 District Lot 68 Sayward District Plan 16712

Registered Owner: 0942069 B.C. Ltd.

Legal Notations:

Notice of Interest, Builders Lien Act (S.3(2)), See CA3142955

Hereto is annexed Easement ED131403 over Lot 1, Campbell River Indian Reserve #11, Sayward District, Plan 21743, and those parts of Campbell River Indian Reserve #11, Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743 and 35318

Hereto (inter alia) is annexed Restrictive Covenant ED131404 over Lot 1, Campbell River Indian Reserve #11, Sayward District Plan 21743 and those parts of Campbell River Indian Reserve # 11 Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743 and 35318. Dominant tenement in respect to Restrictive Covenant ED131404 cancelled as to Lots A, B, and C, Plan VIP59470 by EK35978

Hereto is annexed Easement EF74147 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Restrictive Covenant EF74148 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Easement EG171215 over Lot 1, Plan VIP57724

Hereto is annexed Restrictive Covenant EG171216 over Lot 1, Plan VIP57724

Hereto (inter alia) is annexed Restrictive Covenant EH102792 over those parts of Campbell River Indian Reserve No. 11, Sayward District lying to the west and north west of the lines bordered in red on plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523, VIP57205, VIP58923 and VIP59470

Hereto is annexed Easement FB369167 over Lot 1, Plan EPP7297

Hereto is annexed Easement FB369168 over Lot 1, Plan EPP7297 as shown on Plan VIP88265

Charges, Liens and Interests:

(a) Restrictive Covenant 253953G.

(b) Easement FB369173.

10. Legal Description:

PID: 000-849-855

That part of District Lot 52 Sayward District shown outlined in red on Plan 659 R W

Registered Owner: 0942069 B.C. Ltd.

Legal Notations:

Notice of Interest, Builders Lien Act (S.3(2)), See CA3142955

This certificate of title may be affected by the Agricultural Land Commission Act: see Agricultural Land Reserve Plan Number 3, deposited May 29, 1974

Hereto is annexed Easement EF74147 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Restrictive Covenant EF74148 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Easement EG125786 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and northwest of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523 and VIP57205; and Lot 1, Plan 21743, except part in Plan VIP57205

Hereto is annexed Restrictive Covenant EG125787 over those parts of Campbell River Indian Reserve No.11, Sayward District, lying to the west and northwest of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523, and VIP57205; and Lot 1, Plan 21743, except part in Plan VIP57205. Dominant tenement in respect to Restrictive Covenant EG125787 cancelled as to Lots A, B, and C, Plan VIP59470 by EK35979

Hereto is annexed Easement EG171215 over Lot 1, Plan VIP57724

Hereto is annexed Restrictive Covenant EG171216 over Lot 1, Plan VIP57724

Hereto (inter alia) is annexed Restrictive Covenant EH102792 over those parts of Campbell River Indian Reserve No.11, Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R except those parts in Plans 12883, 21743, 35318, 54523, VIP57205, VIP58923 and VIP59470

Charges, Liens and Interests:

- (a) Undersurface Rights 5896D in favour of Louis Rosenfeld.
- (b) Coal TSN DF57613 forfeited to Crown 18.10.48 DF 59465.
- (c) Undersurface Rights EE12109 forfeited to the Crown.

- (d) Statutory Right of Way EG151982 in favour of Terasen Gas (Vancouver Island) Inc.
- (e) Statutory Right of Way EK140686 in favour of Timberwest Forest Corp.
- (f) Easement EK140687.

11. Legal Description:

PID: 000-849-847

That part of District Lot 67 Sayward District shown outlined in red on Plan 659 RW

Registered Owner: 0942069 B.C. Ltd.

Legal Notations:

Notice of Interest, Builders Lien Act (S.3(2)), See CA3142955

Notice of Agreement under Conditional Sales Act filed 20.1.51 under No. 520

Hereto is annexed Easement EF74147 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Restrictive Covenant EF74148 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Easement EG125786 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and northwest of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523 and VIP57205; and Lot 1, Plan 21743, except part in Plan VIP57205

Hereto is annexed Restrictive Covenant EG125787 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and northwest of the line bordered in red on Plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523, and VIP57205; and Lot 1, Plan 21743, except part in Plan VIP57205. Dominant tenement in respect to Restrictive Covenant EG125787 cancelled as to Lots A, B, and C, Plan VIP59470 by EK35979

Hereto is annexed Easement EG171215 over Lot 1, Plan VIP57724

Hereto is annexed Restrictive Covenant EG171216 over Lot 1, Plan VIP57724

Hereto (inter alia) is annexed Restrictive Covenant EH102792 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R except those parts in Plans 12883, 21743, 35318, 54523, VIP57205, VIP58923 and VJP59470

Charges, Liens and Interests:

- (a) Undersurface Rights 5896D in favour of Louis Rosenfeld.

- (b) Coal TSN DF57617 forfeited to Crown 18/10/1948 DF 59465.
- (c) Undersurface Rights EE12109 pursuant to Mineral Land Tax Act, S.B.C. 1979 Chapter 260 and amendments thereto minerals (except gold and silver) herein, forfeited and vested in Crown.

12. Legal Description:

PID: 000-849-910

District Lot 26 Sayward District except part in Plans 34604 and 42540

Registered Owner: 0942069 B.C. Ltd.

Legal Notations:

Notice of Interest, Builders Lien Act (S.3(2)), See CA3142955

This certificate of title may be affected by the Agricultural Land Commission Act; see Agricultural Land Reserve Plan No. 3, deposited May 29th, 1974

Hereto is annexed Easement K31061 over Lot A, Plan 34604

Hereto is annexed Restrictive Covenant K31062 over Lot A, Plan 34604. Restrictive Covenant K31062 cancelled by EP108587, 2000.12.27, as to servient tenement Lot 1, Plan VIP71431 (PID: 24-871-826) only

Hereto is annexed Restrictive Covenant P22204 (See DD P22203) over Lot A, Plan 42194

Hereto is annexed Easement P22203 over Lot A, Plan 42194

Hereto is annexed Easement EF74147 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Restrictive Covenant EF74148 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Easement EG125786 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and northwest of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523 and VIP57205; and Lot 1, Plan 21743, except part in Plan VIP57205

Hereto is annexed Restrictive Covenant E125787 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and northwest of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523, and VIP57205; and Lot 1, Plan 21743, except part in Plan VIP57205. Dominant tenement in respect to Restrictive Covenant EG125787 cancelled as to Lots A, B, and C, Plan VIP59470 by EK35979

Hereto is annexed Easement EG171215 over Lot 1, Plan VIP57724

Hereto is annexed Restrictive Covenant EG171216 over Lot 1, Plan VIP57724

Hereto (inter alia) is annexed Restrictive Covenant EH102792 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying the west and north west of the lines bordered in red on Plan 1673R except those parts in Plans 12883, 21743, 35318, 54523, VIP57205, VIP58923 and VIP59470

Modified by EN96214

Modified by EN96215

This title may be affected by a permit under Part 26 of the Local Government Act, see EW131828

Charges, Liens and Interests:

- (a) Statutory Right of Way EK140686 in favour of Timberwest Forest Corp.
- (b) Easement EK140687.
- (c) Covenant EX115282 in favour of City of Campbell River.

13. Legal Description:

PID: 000-848-921

Lot 1 District Lot 109 Sayward District Plan 16956

Registered Owner: 0942069 B.C. Ltd.

Legal Notations:

Notice of Interest, Builders Lien Act (S.3(2)), See CA3142955

Hereto is annexed Restrictive Covenant P22204 (see DD P22203) over Lot A, Plan 42194

Hereto is annexed Easement P22203 over Lot A, Plan 42194

Hereto (inter alia) is annexed Easement ED131403 over Lot 1, Campbell River Indian Reserve #11, Sayward District, Plan 21743 and those parts of Campbell River Indian Reserve #11, Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743 and 35318

Hereto (inter alia) is annexed Restrictive Covenant ED131404 over Lot 1, Campbell River Indian Reserve #11, Sayward District Plan 21743 and those parts of Campbell River Indian Reserve # 11 Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743 and 35318.

Dominant tenement in respect to Restrictive Covenant ED131404 cancelled as to Lots A, B, and C, Plan VIP59470 by EK35978

Hereto is annexed Easement EF74147 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Restrictive Covenant EF74148 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Easement EG171215 over Lot 1, Plan VIP57724

Hereto is annexed Restrictive Covenant EG171216 over Lot 1, Plan VIP57724

Hereto (inter alia) is annexed Restrictive Covenant EH102792 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523, VIP57205, VIP58923 and VIP59470

Hereto is annexed Easement FB369167 over Lot 1, Plan EPP7297

Hereto is annexed Easement FB369168 over Lot 1, Plan EPP7297 as shown on Plan VIP88265

Charges, Liens and Interests:

(a) Statutory Right of Way FB333977 in favour of Capital Power Generation Services Inc.

(b) Easement FB369173.

14. Legal Description:

PID: 000-849-430

District Lot 164 Sayward District shown outlined in red on Plan 1431R

Registered Owner: 0942069 B.C. Ltd.

Legal Notations:

Notice of Interest, Builders Lien Act (S.3(2)), See CA3142955

Subject to the provisions contained in Order-In-Council No. 1442 deposited under DD 2228821

Hereto is annexed Easement EF74147 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Restrictive Covenant EF74148 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Easement EG125786 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and northwest of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523 and VIP57205; and Lot 1, Plan 21743 except part in Plan VIP57205

Hereto is annexed Restrictive Covenant EG125787 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and northwest of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523, and VIP57205; and Lot 1, Plan 21743, except part in Plan VIP57205. Dominant tenement in respect to Restrictive Covenant EG125787 cancelled as to Lots A, B, and C, Plan VIP59470 by EK35979

Hereto is annexed Easement EG171215 over Lot 1, Plan VIP57724

Hereto is annexed Restrictive Covenant EG171216 over Lot 1, Plan VIP57724

Hereto (inter alia) is annexed Restrictive Covenant EH102792 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523, VIP57205, VIP58923 and VIP59470

Charges, Liens and Interests:

- (a) Charge 45571G in favour of The North Pacific Lumber Company Limited.
- (b) Undersurface Rights 45646G in favour of William Taylor.
- (c) Coal TSN DF20420 forfeited to Crown 2.11.29 DF 23157/10
- (d) Easement 163305G.
- (e) Statutory Right of Way EK140686 in favour of Timberwest Forest Corp.
- (f) Easement EK140687.
- (g) Statutory Right of Way EL60597 in favour of District of Campbell River.

15. Legal Description:

PID: 001-233-432

District Lot 109 Sayward District except Parcel A (DD 285472-I) and those parts in Plans 1373-R, 16956, 19371, 50636, VIP54479, VIP64521 and EPP7297

Registered Owner: 0942069 B.C. Ltd.

Legal Notations:

Notice of Interest, Builders Lien Act (S.3(2)), See CA3142955

Hereto is annexed Easement K31061 over Lot A, Plan 34604

Hereto is annexed Restrictive Covenant K31062 over Lot A, Plan 34604

Restrictive Covenant K31062 cancelled by EP108587, 2000.12.27, as to servient tenement Lot 1, Plan VIP7143 (PID: 24-871-826) only

Hereto is annexed Restrictive Covenant P22204 (see DD P22203) over Lot A, Plan 42194

Hereto is annexed Easement P22203 over Lot A, Plan 42194

Hereto is annexed Easement ED131403 over Lot 1, Campbell River Indian Reserve # 11, Sayward District, Plan 21743 and those parts of Campbell River Indian Reserve #11, Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743 and 35318

Hereto (inter alia) is annexed Restrictive Covenant ED131404 over Lot 1, Campbell River Indian Reserve #11, Sayward District Plan 21743, and those parts of Campbell River Indian Reserve #11 Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R, except parts in Plans 12883, 21743 and 35318.

Dominant tenement in respect to Restrictive Covenant ED131404 cancelled as to Lots A, B, and C, Plan VIP59470 by EK35978

Hereto is annexed Easement EF74147 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Restrictive Covenant EF74148 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Easement EG171215 over Lot 1, Plan VIP57724

Hereto is annexed Restrictive Covenant EG171216 over Lot 1, Plan VIP57724

Hereto (inter alia) is annexed Restrictive Covenant EH102792 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523, VIP57205, VIP58923 and VIP59470

Hereto inter alia is annexed Easement EK140680 over that part of Lot 1, Plan VIP64521 in Plan VIP64523 and that part of Lot A, Plan VIP64522 in Plan VIP64524

Hereto inter alia is annexed Easement EK140681 over Lot 1, Plan VIP64521

Hereto inter alia is annexed Easement EK140689 over Lot 1, Plan VIP64521 and Lot A, Plan VIP64522

Hereto is annexed Easement EK140690 over that part of Lot 1, Plan VIP64521 in Plan VIP64531

Modified by EN96214

Modified by EN96215

This title may be affected by a Permit under Part 26 of the Local Government Act, see FB359747

Hereto is annexed Easement FB369167 over Lot 1, Plan EPP7297

Hereto is annexed Easement FB369168 over Lot 1, Plan EPP7297 as shown on Plan VIP88265

This title may be affected by a Permit under Part 26 of the Local Government Act, see FB51303

Charges, Liens and Interests:

- (a) Right of Way 165151G in favour of British Columbia Hydro and Power Authority.
- (b) Statutory Right of Way ED76599 in favour of Terasen Gas (Vancouver Island) Inc. Cancelled as to all except that part in Plan VIP53087 by EG15360.
- (c) Easement EG15361.
- (d) Covenant EK140676 in favour of District of Campbell River.
- (e) Covenant EK140677 in favour of Timberwest IV Limited.
- (f) Covenant EK140678 in favour of The Crown in Right of British Columbia.
- (g) Easement EL41360.
- (h) Covenant EN73590 in favour of District of Campbell River.
- (i) Statutory Right of Way FB315615 in favour of Capital Power Generation Services Inc.
- (j) Statutory Right of Way FB315616 in favour of Capital Power Generation Services Inc.
- (k) Statutory Right of Way FB333977 in favour of Capital Power Generation Services Inc.
- (l) Easement FB369173.
- (m) Statutory Right of Way FB425327 in favour of Fortis BC Energy (Vancouver Island) Inc.

16. Legal Description:

PID: 001-233-441

Lot 1599 Sayward District except that part in Plan VIP64521

Registered Owner: 0942069 B.C. Ltd.

Legal Notations:

Notice of Interest, Builders Lien Act (S.3(2)), See CA3142955

Hereto is annexed Restrictive Covenant P22204 (see DD P22203) over Lot A, Plan 42194

Hereto is annexed Easement P22203 over Lot A, Plan 42194

Hereto is annexed Easement EF74147 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Restrictive Covenant EF74148 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Easement EG125786 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and northwest of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523 and VIP57205; and Lot 1, Plan 21743, except Part in Plan VIP57205

Hereto is annexed Restrictive Covenant EG125787 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and northwest of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523, and VIP57205; and Lot 1, Plan 21743, except part in Plan VIP57205. Dominant tenement in respect to Restrictive Covenant EG125787 cancelled as to Lots A, B, and C, Plan VIP59470 by EK35979

Hereto is annexed Easement EG171215 over Lot 1, Plan VIP57724

Hereto is annexed Restrictive Covenant EG171216 over Lot 1, Plan VIP57724

Hereto (inter alia) is annexed Restrictive Covenant EH102792 over those parts of Campbell River Indian Reserve No. 11, Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R except those parts in Plans 12883, 21743, 35318, 54523, VIP57205, VIP58923 and VIP59470

Hereto inter alia is annexed Easement EK140680 over that part of Lot 1, Plan VIP64521 in Plan VIP64523 and that part of Lot A, Plan VIP64522 in Plan VIP64524

Hereto inter alia is annexed Easement EK140681 over Lot 1, Plan VIP64521

Hereto inter alia is annexed Easement EK140689 over Lot 1, Plan VIP64521 and Lot A, Plan VIP64522

Hereto is annexed Easement EL41360 over District Lot 109, Sayward District, except Parcel A (DD 285472I) and Plans 1373R, 16956, 19371, 50636, VIP54479 and VIP64521. Servient Tenement cancelled as to Lot 1, Plan EPP7297 by FB369170

Hereto is annexed Easement FB369167 over Lot 1, Plan EPP7297

Hereto is annexed Easement FB369168 over Lot 1, Plan EPP7297 as shown on Plan VIP88265

Charges, Liens and Interests:

(a) Easement FB369173.

17. Legal Description:

PID: 000-846-287

District Lot 2 Sayward District except those parts in Plans 19371, 42540, 50636, VIP64521, VIP64522 and VIP76652

Registered Owner: 0942069 B.C. Ltd.

Legal Notations:

Notice of Interest, Builders Lien Act (S.3(2)), See CA3142955

Hereto is annexed Easement K31061 over Lot A, Plan 34604

Hereto is annexed Restrictive Covenant K31062 over Lot A, Plan 34604. Restrictive Covenant K31062 cancelled by EP108587, 2000.12.27, as to servient tenement Lot 1, Plan VIP71431 (PID: 24-871-826) only

Hereto is annexed Restrictive Covenant P22204 over Lot A, Plan 42194

Hereto is annexed Easement P22203 over Lot A, Plan 42194

Hereto (inter alia) is annexed Easement ED131403 over those parts of Campbell River Indian Reserve #11, Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673-R, except those parts in Plans 12883, 21743 and 35318, and Lot 1, Campbell River Indian Reserve #11, Sayward District, Plan 21743

Hereto (inter alia) is annexed Easement ED131404 over Lot 1, Campbell River Indian Reserve #11, Sayward District, Plan 21743 and those parts of Campbell River Indian Reserve #11, Sayward District, lying to the west and north west of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743 and 35318. Dominant tenement in respect to Restrictive Covenant ED131404 cancelled as to Lots A, B, and C, Plan VIP59470 by EK35978

Hereto is annexed Easement EF74147 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Restrictive Covenant EF74148 inter alia over Lot 1, Plan VIP54479

Hereto is annexed Easement EG171215 over Lot 1, Plan VIP57724

Hereto is annexed Restrictive Covenant EG171216 over Lot 1, Plan VIP57724

Hereto is annexed Restrictive Covenant EH102792 over those parts of Campbell River Indian Reserve No. 11, Sayward District lying to the west and north west of the lines bordered in red on Plan 1673R, except those parts in Plans 12883, 21743, 35318, 54523, VIP57205, VIP58923 and VIP59470

Hereto inter alia is annexed Easement EK140680 over that part of Lot 1, Plan VIP64521 in Plan VIP64523 and that part of Lot A, Plan VIP64522 in Plan VIP64524

Hereto inter alia is annexed Easement EK140681 over Lot 1, Plan VIP64521

Hereto inter alia is annexed Easement EK140689 over Lot 1, Plan VIP64521 and Lot A, Plan VIP64522

Modified by EN96214

Modified by EN96215

This title may be affected by a Permit under Part 26 of the Local Government Act, see FB212101

Hereto is annexed Easement FB369167 over Lot 1, Plan EPP7297

Hereto is annexed Easement FB369168 over Lot 1, Plan EPP7297 as shown on Plan VIP88265

Charges, Liens and Interests:

- (a) Statutory Right of Way EK140686 in favour of Timberwest Forest Corp.
- (b) Easement EK140687.
- (c) Covenant EX115282 in favour of City of Campbell River.
- (d) Easement FB369173.

**SCHEDULE "G"
EXCLUDED ASSETS**

EXCLUDED ASSETS: AREA / DESCRIPTION / COMMODITY / EQUIPMENT	DEFINED ALL- INCLUSIVE AREA*	AUTHORIZED CONTRACTOR
1. PHASE 2 DEMOLITION		Clearview Grinding Ltd.
• No. 5 Power Boiler Area	Area A*	
• Pipe Bridges between No. 2 Paper Machine and No. 3 Pulp Dryer	Area A*	
• Pipe Bridges between the Bleach Plants and the Paper Machines	Area A*	
• Mud Filter/Evaporators	Area A*	
• Lime Kilns and related Pipe Bridges	Area A*	
• Paper Machine No. 5 and Kraft Mill	Area A*	
• Staging Area and Loading Dock	Area A/B*	
• Removal of cabling and trays from Basement of PM 5 and south exterior of PM 3 & 4	Area A*	
2. ROLL STORAGE BUILDING REMOVAL	Area C*	SW Coastal Builders Ltd.
3. WASHER SYSTEMS REMOVAL		
• Sale and Removal of 4 Washer Systems (Nos. 15, 65, 125 and 135) and all associated ancillary equipment from the Kraft Mill and Bleach Plant	Area B*	International Rigging Co.
• Staging Area and Loading Dock	Area A/B*	

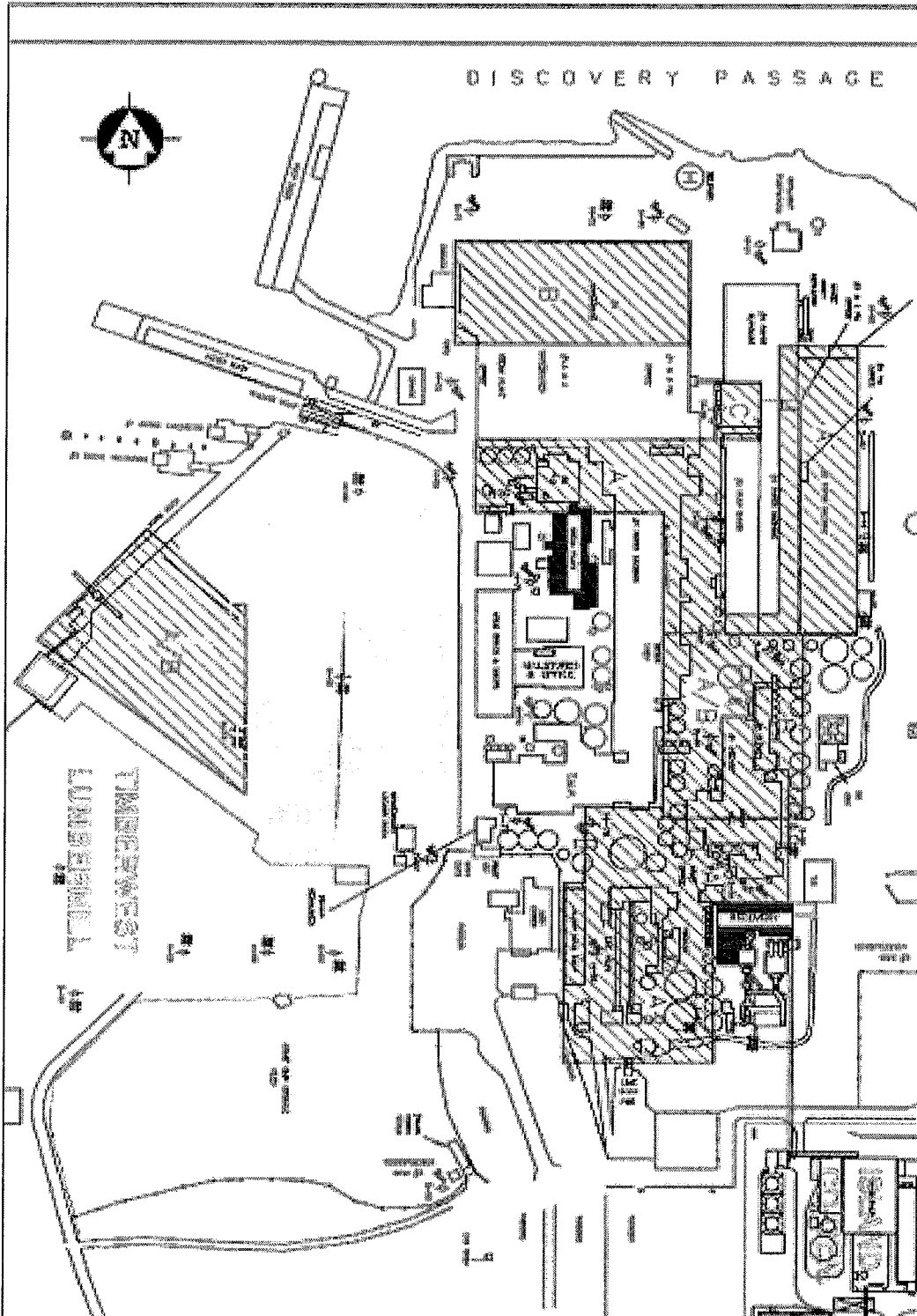
***LEGEND:** Refer to the map attached to this Schedule G to identify the areas of the Lands upon which work in respect of Excluded Assets will be conducted as described in this Schedule G.

REMOVAL OF EXCLUDED ASSETS AND REVENUES UNDER EXCLUDED ASSETS AGREEMENTS

As integral provisions of the Agreement to which this Schedule "G" is attached, the Seller and the Buyer acknowledge and agree that:

1. Effective as of the Execution Date, the Seller has entered into the agreements listed as Items 1, 2 and 3 of this Schedule "G" (collectively, the "**Excluded Assets Agreements**");
2. Effective as of the Closing Time, the Buyer will assume and perform the obligations of the Seller, as owner of the Lands, under and in respect of the Excluded Assets Agreements;
3. The Buyer acknowledges and agrees that the Seller will be entitled, up to 90 days following the Closing Time, to complete all work associated and detailed in the Excluded Assets Agreements;
4. The obligations to be assumed and performed by the Buyer under any and all Excluded Assets Agreements will include, without limitation, permitting the contracting parties to the Excluded Assets Agreements to have continuous access to enter upon and use the Lands for the purposes of performing their respective obligations and exercising their respective rights and licenses under the Excluded Assets Agreements, inclusive of access to and use of docks and other marine transport facilities and access to and use of the landfill facilities for disposal of waste materials located upon the Lands in accordance with the Excluded Assets Agreements;
5. The Seller will be solely entitled to receive and retain any revenues accrued and payable under and derived from any and all of the Excluded Assets Agreements up to and including the day preceding the Closing Time; and
6. The covenants of the Seller and Buyer under this Schedule "G" will survive the Closing and continue to bind the Seller and the Buyer after the Closing Time.

EXCLUDED ASSETS MAP



SCHEDULE "H"
CCAA PROVISIONS

1. Definitions – CCAA

In this Schedule H, except as otherwise expressly provided or unless the context otherwise requires:

- (a) **"Approval and Vesting Order"** means an order of the Court approving the sale by the Seller to the Buyer of the Acquired Assets in accordance with the provisions of this Agreement, and vesting all of the Seller's right, title and interest in and to the Acquired Assets in the Buyer;
- (b) **"CCAA"** means the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36;
- (c) **"CCAA Proceedings"** means the proceedings commenced by the Seller under the CCAA in the Court on March 8, 2016, administered under Court File No. 1601-03113 and pending before the Court;
- (d) **"Closing Date"** means the latest of:
 - (i) the Scheduled Closing Date;
 - (ii) the third (3rd) Business Day following the date on which the Approval and Vesting Order is granted; or
 - (iii) such other time and date as the Seller and Buyer agree in writing, provided that if any such agreed date is more than three (3) Business Days following the Approval and Vesting Order Outside Date, the Approval and Vesting Order Outside Date shall be deemed to be the day after such agreed Closing Date;
- (e) **"Court"** means the Court of Queen's Bench of Alberta;
- (f) **"Approval and Vesting Order Outside Date"** means May 31, 2016;
- (g) **"Sale Approval Application"** means the application to be filed by the Seller under the CCAA seeking entry of the Approval and Vesting Order by the Court.
- (h) **"Scheduled Closing Date"** means April 29, 2016.

2. Outside Date – CCAA

If the Approval and Vesting Order has not been granted by the Approval and Vesting Order Outside Date, the Deposit will be returned, and this Agreement terminated, in accordance with Section 2.6(b)(iii).

3. Deliveries by the Seller for Closing - CCAA

In addition to the deliveries of the Seller to be made or caused to be made pursuant to Section 4.2, the Seller will also deliver or cause to be delivered to the Buyer's Solicitors at the Closing Time a certified copy of the Approval and Vesting Order.

4. Disclosure of Matters – CCAA

The Parties agree that disclosure of matters that become a matter of public record as a result of the CCAA Proceedings and the filings related thereto (including without limitation any information disclosed in order to obtain the Approval and Vesting Order) shall not constitute a breach of the Confidentiality Agreement.

5. Court Approval – CCAA

- (a) The Seller and the Buyer acknowledge that this Agreement and the sale of the Acquired Assets are subject to Court approval.
- (b) In the event an appeal is taken, or a stay pending appeal is requested, from the Approval and Vesting Order, the Seller shall promptly notify the Buyer of such appeal or stay request and shall provide to the Buyer promptly a copy of the related notice of appeal or order of stay. The Seller shall also provide Buyer with written notice of any motion or application filed in connection with any appeal from either of such orders.
- (c) From and after the date of execution of this Agreement and prior to the Closing or the termination of this Agreement, the Seller shall not take any action that is intended to (or is reasonably likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Approval and Vesting Order or this Agreement.

SCHEDULE "I"
NOMINEE SHARE PURCHASE PROVISIONS

1. The Shares

The “**Shares**” means all issued and outstanding shares in the capital of the Nominee, which company is the registered owner of the Lands at the Closing Time as bare trustee and agent for the Seller.

2. Representations and Warranties

The Seller and the Nominee represent and warrant to the Buyer that:

- (a) the Seller is the sole legal and beneficial owner of the Shares which constitute all the issued and outstanding shares in the capital stock of the Nominee free and clear from any lien, claim, charges or encumbrances by law or equity;
- (b) subject to receipt of relevant authorizations under the CCAA Proceedings, the Seller will have the capacity, power and authority to dispose of the Shares at the Closing Time;
- (c) subject to receipt of relevant authorizations under the CCAA Proceedings, the Shares have been duly and validly issued and no person has any right, agreement, option or privilege (whether legal, beneficial, court-ordered, pre-emptive, contractual or otherwise) capable of becoming a right, agreement, option or privilege:
 - (i) for the purchase or acquisition directly or indirectly of any of the Shares or any portion thereof; or
 - (ii) for the purchase, subscription, allotment or issuance of any of the unissued shares in the capital of the Nominee;
- (d) to the knowledge of the Seller, the corporate records and minute books maintained for the Nominee contain the minutes of all meetings of, and accurate copies of all resolutions passed by the directors and members of the Nominee since the date of incorporation of the Nominee; the memorandum and articles of the Nominee have not been altered, except as recorded in the said corporate records and minute books;
- (e) the Nominee does not carry on, and has not since the date of incorporation ever carried on any business other than as nominee and bare trustee for the Seller;
- (f) as of the Closing Time, the Seller will not be indebted to the Nominee and the Nominee will not be indebted to the Seller or any other parties, save as will be adjusted for at closing;

- (g) to the knowledge of the Seller, and subject to receipt of the relevant authorizations under the CCAA Proceedings, the Nominee will have, on the Closing Time, no liabilities save and except those being specifically assumed by the Buyer pursuant to this Agreement; and
- (h) the Nominee is a corporation duly incorporated and validly existing under the laws of the Province of British Columbia and is in good standing under the laws of the Province of British Columbia with respect to the filing of annual reports required to maintain corporate existence.

3. Additional Closing Documents

The Nominee and the Seller will, effective as of the Closing Time, deliver the following additional documents and instruments in connection with the Closing herein contemplated:

- (e) certified copies of resolutions of the directors of the Nominee authorizing the transfer of the Shares to the Buyer, registration of the Shares in the name of the Buyer and the issuance of a new share certificate to the Buyer in respect of the Shares;
- (f) share certificate or certificates duly endorsed for transfer of the Shares to the Buyer;
- (g) resignations executed by all persons holding positions as directors or officers of the Nominee;
- (h) all minute books and other corporate records of the Nominee in the possession or control of the Nominee or the Seller; and
- (i) a beneficial transfer of the Lands from the Seller to the Buyer.

SCHEDULE "J"
DEPOSIT ESCROW AGREEMENT

DEPOSIT ESCROW AGREEMENT

THIS AGREEMENT is dated the ___ day of March, 2016,

BETWEEN:

0942065 B.C. LTD. (Inc. No. BC09402065), a British Columbia company with an office located in Calgary, Alberta (hereinafter referred to as the "**Seller**")

- and -

1069130 B.C. LTD. (Inc. No. BC1069130), a British Columbia company with an office located in Vancouver, British Columbia (hereinafter referred to as "**Buyer**")

- and -

BENNETT JONES LLP, Barristers and Solicitors, having offices in the City of Calgary, in the Province of Alberta (hereinafter referred to as "**Escrow Agent**")

RECITALS:

- A. Seller and Buyer have entered into a sale agreement made with effect as of the Execution Date (the "**APA**") providing, *inter alia*, for the sale by Seller to Buyer of the Acquired Assets.
- B. Pursuant to the terms and conditions of the APA, Buyer is obligated to place the amount of [REDACTED] (the "**Deposit**") in escrow with Escrow Agent pursuant to the APA.
- C. Escrow Agent is willing to hold the Deposit in escrow on behalf of Buyer and Seller subject to the terms and conditions of this Agreement.

NOW THEREFORE in consideration of the mutual covenants and conditions herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

- 1. **Definitions.** Capitalized terms used and not defined herein (including the recitals hereof) shall have the meanings attributed to them in the APA.
- 2. **Appointment.** Seller and Buyer appoint the Escrow Agent to act as escrow agent to hold the Deposit upon and subject to the terms of this Agreement and the Escrow Agent

accepts such appointment. Upon receipt of the Deposit from Buyer, the Escrow Agent shall acknowledge, by giving prompt written notice to each of Seller and Buyer of receipt of the Deposit pursuant to the APA, and the Escrow Agent shall hold the Deposit in trust for Seller and Buyer until authorized for release in accordance with the provisions of this Agreement.

3. **Interest.** The Deposit shall be held in escrow by Escrow Agent and invested and deposited in an interest bearing trust account with The Royal Bank of Canada. If any interest is earned on the Deposit which is credited to such investment, the interest shall be dealt with in the same manner as the Deposit. Escrow Agent makes no representation as to the yield available upon the Deposit, shall bear no liability for any failure to achieve the maximum possible yield from the Deposit and shall not be responsible for any failure of The Royal Bank of Canada. The party receiving interest, if any, on the Deposit shall pay all income and other Taxes applicable thereto or exigible thereon.
4. **Disposition of Deposit.** Upon receipt by Escrow Agent of a written direction signed by Buyer and Seller, Escrow Agent is hereby irrevocably authorized and directed to, and shall forthwith, pay the Deposit (or an authorized portion thereof, as applicable) and interest accrued thereon, if any, in accordance with such written direction. Escrow Agent shall have no obligation to make any determination as to the validity of any such direction or any claim made by any party for entitlement to the Deposit and interest accrued thereon. Escrow Agent shall be entitled to continue to hold the Deposit and interest accrued thereon until the earlier of (i) such time as Escrow Agent receives a written direction signed by both Buyer and Seller as contemplated in this Section 4, (ii) Escrow Agent is directed by the Court in accordance with the Approval and Vesting Order as to the disposition of the Deposit and interest accrued thereon, or (iii) Escrow Agent interpleads the Deposit and interest accrued thereon as contemplated in Section 5.
5. **Dispute.** Escrow Agent shall have the right at any time (including without limitation in the event of any dispute in respect of the entitlement of the Deposit) to deposit the Deposit and earned interest thereon, if any, with the Accountant section of the Alberta Court of Queen's Bench in accordance with the Rules of Court respecting interpleader or in such other manner or on such other grounds as such Court may direct. Escrow Agent shall give written notice of any such deposit to Buyer and Seller immediately after such deposit is made.
6. **No Agency.** The parties hereto acknowledge that Escrow Agent is acting solely as escrow agent at their request and for their convenience and Escrow Agent shall not be deemed to be the agent of either Buyer or Seller in respect of the escrow herein referred to. Escrow Agent shall not be liable to either Buyer or Seller for any error in judgement or for any act or omission on its part in respect of the escrow herein referred to unless such error in judgement, act or omission is made, taken or suffered in bad faith or involves gross negligence.
7. **Indemnity.** Buyer and Seller hereby jointly and severally agree to indemnify and hold Escrow Agent harmless from and against all costs, claims (including those from third parties) and expenses, including solicitor's fees and disbursements incurred in connection

with or arising from the performance of Escrow Agent's duties or rights hereunder; provided that this indemnity shall not extend to actions or omissions taken or suffered by Escrow Agent in bad faith or involving gross negligence on the part of Escrow Agent.

8. **Fees.** Buyer and Seller each agree to pay to Escrow Agent forthwith upon receipt of an invoice therefor one half of Escrow Agent's accounts for time, disbursements and applicable goods and services taxes relating to the performance by Escrow Agent of its duties or rights hereunder or other work incidental to or contemplated pursuant to the terms of this Agreement.
9. **Limitation on Duties.** It is understood and agreed that Escrow Agent's only duties and obligations in respect of the Deposit are expressly set out in this Agreement. Escrow Agent shall have the right to consult with separate counsel of its own choosing (if it deems such consultation advisable) and shall not be liable for any action taken, suffered or omitted to be taken by it if Escrow Agent acts in accordance with the oral or written advice of such counsel. Escrow Agent shall be protected if it acts upon any written communication, notice, certificate or other instrument or document believed by Escrow Agent to be genuine and to be properly given or executed without the necessity of verifying the truth or accuracy of the same or the authority of the person giving or executing the same.
10. **Resignation of Escrow Agent.** Escrow Agent may, at any time, resign its obligations under this Agreement and be discharged from all further duties and liabilities hereunder by giving each of Buyer and Seller at least 10 days' notice in writing of its intention to resign or such shorter notice as Buyer and Seller may accept as sufficient. Buyer and Seller agree that they shall forthwith upon receipt of such notice appoint a new law firm to act in the place and stead of Escrow Agent and if they fail to agree on such appointment, any of Buyer or Seller or Escrow Agent may apply to a Justice of the Alberta Court of Queen's Bench on such notice as such Justice may direct for the appointment of a new escrow agent. Upon any new appointment, the new escrow agent will be vested with the same powers, rights, duties and obligations as if it had been originally named herein as escrow agent and such new escrow agent shall enter into an agreement with Buyer and Seller agreeing to be bound by all of the provisions of this Agreement.
11. **Discharge from Duties.** Upon disposing of the Deposit and interest thereon, if any, in accordance with the provisions of this Agreement, Escrow Agent shall be relieved and discharged from all claims and liabilities relating to the Deposit and interest thereon, if any, and Escrow Agent shall not be subject to any claims made by or on behalf of any party hereto.
12. **No Conflict.** The fact that Escrow Agent is acting as escrow agent under this Agreement shall not in any way prevent it from representing Seller, whether before or after Closing, in connection with the transactions contemplated by the APA or in any litigation arising from the APA or this Agreement or from representing Seller or any other party in any other capacity or in any other transaction.

13. **Notice.** All notices or other communications given pursuant to this Agreement shall be in writing and shall be either delivered by hand or by electronic mail addressed as follows:

If to Seller, then to: **0942065 B.C. Ltd.**

2000, 125 – 9th Avenue SE
Calgary, Alberta T2G 0P6

Attention: J. David Rushford
E-mail: drushford@qrinc.ca

If to Buyer, then to: **1069130 B.C. Ltd. C/O Kailas Capital Corp.**

1500, 444 – 5th Avenue SW
Calgary, Alberta T2P 2T8

Attention: Wentao Yang
Email: yang@kailas-capital.com

If to Escrow Agent, then to: **Bennett Jones LLP**

4500, 855 – 2nd Street SW
Calgary, AB T2P 4K7

Attention: Donald E. Greenfield, Q.C.
E-mail: GreenfieldD@bennettjones.com

Any notice or other communication shall conclusively be deemed to have been given and received on the date on which it was delivered or sent if delivered or sent during normal business hours on a Business Day, and if delivered after normal business hours or on other than a Business Day, shall be deemed to have been given or sent on the next following Business Day. Any party hereto may change its address for notices or other communications by giving notice thereof to the other parties to this Agreement in accordance with this Section.

14. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.
15. **Modification.** This Agreement may only be modified or amended by an agreement in writing signed by all of the parties hereto.
16. **Counterpart.** This Agreement may be executed in one or more counterparts, which so executed will constitute an original and all of which together will constitute one and the same agreement. A signed counterpart provided by way of facsimile or electronic mail will be as binding upon the parties hereto as an originally signed counterpart.

17. **Time.** Time shall be of the essence of this Agreement.
18. **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives, all as of the day and year first above written.

0942065 B.C. LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

1069130 B.C. LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

BENNETT JONES LLP

Per: _____
Name:
Title: