

ASSIGNMENT OF TIMBER LICENCE AGREEMENT

CATALYST PAPER CORPORATION and PACIFICA POPLARS LTD. (the "Assignors") hereby assign to PRSC LAND DEVELOPMENTS LTD., as General Partner of the PRSC Limited Partnership, (the "Assignee") all of their respective right, title, interest and estate as Licensors in and to the Timber Licences listed on the Schedule attached hereto PROVIDED THAT in the case of the Licences numbered 3, 4 and 5 on the attached Schedule, the Assignors shall retain all their respective right, title, interest and estate in and to those Licences insofar as they cover those portions of the lands not included in the legal descriptions set out in the attached Schedule.

Wherever a single Timber Licence covers lands owned by the Assignors (or either of them) and lands owned by the Assignee, the parties shall co-operate to carry out the obligations and exercise the rights of each as Licensor PROVIDED THAT each will maintain control for any matter or thing in the Licences pertaining to the lands covered by their respective licences.

The Assignee acknowledges receipt of copies of the Licences described on the attached Schedule and agrees to be bound by all the terms and conditions of such Licences with respect to the lands described on the attached Schedule.

This Assignment binds the parties hereto, their successors and assigns.

DATED for reference this 2nd day of August, 2006.

CATALYST PAPER CORPORATION

Per: *Rahmi Stuger*
Authorized Signatory

Per: _____
Authorized Signatory

PACIFICA POPLARS LTD.

Per: *Rahmi Stuger*
Authorized Signatory

Per: _____
Authorized Signatory

PRSC LAND DEVELOPMENTS LTD.,
as General Partner of the PRSC LIMITED
PARTNERSHIP

Per: *Walter Paul*
Walter Paul

Per: *Stewart Brett Alsgard*
Stewart Brett Alsgard

Per: *Lyn Brown*
Lyn Brown

SCHEDULE

TIMBER LICENCES

EXISTING PARCELS:

1. **PID 023-209-119, Lot B, District Lot 450, Group 1, New Westminster District, Plan LMP25234**
(3.175 hectares/7.84 acres). *Reference: Lot between Timberlane & Hemlock (behind Brooks)*
Weyerhaeuser (Cascadia) Timber Reservation File 3605-02 Record #G-4256
Licencee: Island Timberlands Limited Partnership Historical PID: Timberlane Estates
2. **PID 010-267-409, Block 56, Except part in Plan 12767, District Lot 450, Plan 8096,**
(approximately 115 acres). *Reference: Wildwood, both sides of sewage lagoon, Italian Hall*
Weyerhaeuser (Cascadia) Timber Rights (unregistered) File 3606-03 Record No. G-4261
Licencee: Island Timberlands Limited Partnership Surrounding sewage lagoon in Wildwood

NEWLY SUBDIVIDED LANDS:

3. **Lot A, District Lot 450, Group 1, New Westminster District, Plan BCP 23890**
Contains approximately 96.6 hectares (238.70+ acres). Reference: Gibson's Beach and south of Sliammon First Nations
Weyerhaeuser/Cascadia Timber Reservation File 2703-03 Record G-4259
Licencee: Island Timberlands Limited Partnership PID 026-686-589 Gibson's Beach
 4. **Lot A, District Lot 450, Group 1, New Westminster District, Plan BCP 23887**
Contains 76.1 hectares (188.0) acres. Reference: South of Timberlane Ave and borders Marine Ave on the west and the BCH power line right of way on the east
Timber Reservation/Cascadia File 3604-02 Record G4257 & G4258
Licencee: Island Timberlands Limited Partnership PID 026-685-591 "Lot A" [unsubdivided]
 5. **Lot C, District Lot 450, Group 1, New Westminster District, Plan BCP 23887**
Contains 12.8 hectares (31.6 acres). Reference: Bordered by the BCH power line right of way on the west, Cranberry St on the north, Timberlane Ave on the south and Dieppe Ave on the east
Timber Reservation/Cascadia File 3604-02 Record G4257 & G4258
Licencee: Island Timberlands Limited Partnership PID 026-685-621 Farm in Cranberry
 6. **Lot 1, District Lot 450, Group 1, New Westminster District, Plan BCP 23888**
Contains 13.8 hectares (34.1 acres). Reference: Millennium Park east of Marine Ave (Lot 1 is slated to become part of Millennium Park) (west)
Timber Reservation File No. 2101-18 Record G4260
Licencee: Island Timberlands Limited Partnership PID 026-686-546 Lower Millennium Park
 7. **Lot 2, District Lot 450, Group 1, New Westminster District, Plan BCP 23888**
Contains 39.3 hectares (97.1 acres). Reference: Marine Business Park south of mill remainder lands, and east of Marine Ave
Timber Reservation File No. 2101-18 Record G4260 PID 026-741-580 old golf course
Licencee: Island Timberlands Limited Partnership [unsubdivided]
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