

Financial Statements of

**RENOVA SCOTIA BIOENERGY INC. formerly Bowater Mersey
Paper Company**

March 31, 2016

The information presented herein has not been audited, reviewed or otherwise verified.
Readers are cautioned that these statements may not be appropriate for their purposes.

RENOVA SCOTIA BIOENERGY INC

Statement of Financial Position

As at March 31, 2016

(\$000's)

	<u>March 31,</u> <u>2016</u>	<u>March 31,</u> <u>2015</u>
FINANCIAL ASSETS		
Cash	-	2,624
Short term investments	-	8,262
HST Receivable	-	399
Accounts receivable	-	187
	-	<u>11,472</u>
LIABILITIES		
Trade accounts payable and accrued liabilities	-	271
Pension and other post employment obligations	-	8,962
Closure costs	-	199
	-	<u>9,432</u>
NET ASSETS IN LIQUIDATION	-	<u>2,040</u>
COMPANY POSITION		
Capital stock (Common shares of no par value, authorized and issued: 3,000,000 shares)	-	1,269
Accumulated deficit	-	(784)
Accumulated remeasurement gains	-	1,555
	-	<u>2,040</u>

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RENOVA SCOTIA BIOENERGY INC

Statement of Operations

For the year ended March 31, 2016

(\$000's)

	March 31, 2016	March 31, 2015
Revenues		
Interest income	14	189
Miscellaneous income	52	-
	<u>66</u>	<u>189</u>
Expenses		
Interest expense	-	96
	<u>-</u>	<u>96</u>
Other		
Realized gain (loss) during current period	(18)	1,491
Realized remeasurement gain from prior periods	1,555	-
	<u>1,537</u>	<u>1,491</u>
Net income for the year	<u>1,603</u>	<u>1,584</u>
Accumulated deficit, beginning of year	(784)	(2,368)
Repayments associated with wind-down	(819)	-
Accumulated deficit, end of year	<u>-</u>	<u>(784)</u>

RENOVA SCOTIA BIOENERGY INC

Statement of Remeasurement Gains

For the two quarters ended September 30, 2014

(\$000's)

	March 31, 2016	March 31, 2015
Accumulated remeasurement gains, beginning of year	1,555	4,511
Unrealized gains attributed to:		
Actuarial experience gain (loss)	-	(2,956)
Realized remeasurement gain reclassified to operations	(1,555)	-
Accumulated remeasurement gains, end of year	<u>-</u>	<u>1,555</u>

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RENOVA SCOTIA BIOENERGY INC

Statement of Cash Flows

For the year ended March 31, 2016

(\$000's)

	March 31, 2016	March 31, 2015
Operating activities		
Net gain (loss) for the period	1,603	1,584
Working capital changes:		
HST Receivable	399	(399)
Due from related party	187	(44)
Prepaid expenses	-	97
Trade accounts payable and accrued liabilities	(271)	(219)
HST Payable	-	(126)
Pension and other post employment obligations	(8,962)	(10,338)
Severance	-	(551)
Brooklyn Power Corporation closure costs	-	(1,275)
Closure costs	(199)	(2,345)
Non-cash adjustments:		
Realized gain (loss) during current period	18	(1,491)
Realized remeasurement gain reclassified to operations	(1,555)	(2,956)
	(8,781)	(18,063)
Investing activities		
Carrying costs associated with wind-down	(18)	-
Proceeds from sale of assets held for sale	-	3,998
	(18)	3,998
Financing		
Repayments associated with wind-down	(2,087)	-
Proceeds from (repayments of) Nova Scotia Job Fund	-	(3,876)
	(2,087)	(3,876)
Change in cash flows for the year	(10,886)	(17,941)
Cash, beginning of year	10,886	28,827
Cash, end of year	-	10,886
Cash is comprised of:		
Cash	-	2,624
Short Term Investments	-	8,262
	-	10,886

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RENOVA SCOTIA BIOENERGY INC
Statement of Changes in Net Assets in Liquidation

For the year ended March 31, 2016

(\$000's)

	Closure activities	Continuing activities	March 31, 2016
Increases in net assets in liquidation			
Increase in cash (interest income)	14	-	14
Increase in cash (collection of receivables)	200	-	200
Increase in cash (miscellaneous income)	39	-	39
Increase in cash (HST)	295	-	295
Decrease in trade payables	271	-	271
Decrease in pension and other post employment benefits	8,962	-	8,962
Decrease in accrued closing costs	199	-	199
	9,980	-	9,980
Decreases in net assets in liquidation			
Decrease in cash (short term investments)	8,962	-	8,962
Decrease in cash (closure costs)	378	-	378
Decrease in cash (pension and other post employment benefits)	7	-	7
Decrease in cash (Repayments associated with wind-down)	2,087	-	2,087
Decrease in HST receivable	399	-	399
Decrease in accounts receivable	187	-	187
	12,020	-	12,020
Increase (decrease) in net assets in liquidation during the year	(2,040)	-	(2,040)
Net assets in liquidation, beginning of year	2,040	-	2,040
Net assets in liquidation, end of year	-	-	-

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