

Financial Statements of

**RENOVA SCOTIA BIOENERGY INC. formerly Bowater Mersey
Paper Company (Note 1)**

March 31, 2015

RENOVA SCOTIA BIOENERGY INC.

For the year ended March 31, 2015

Management's Responsibility for the Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board of Directors. The Board of Directors reviews the financial position of Renova Scotia Bioenergy Inc. on a quarterly basis and reviews its external audited financial statements yearly.

The external auditor, PricewaterhouseCoopers LLP, conducts an independent examination, in accordance with Canadian auditing standards, and expresses their opinion on the financial statements. The external auditor has full and free access to financial management of Renova Scotia Bioenergy Inc. and meet when required.

On behalf of Renova Scotia Bioenergy Inc.

Jeffrey Larsen, CEO

Duff Montgomerie, Chairman



July 2, 2015

Independent Auditor's Report

To the Members of the Legislative Assembly and to the Minister of Finance and the Directors of Renova Scotia Bioenergy Inc.

We have audited the accompanying financial statements of **Renova Scotia Bioenergy Inc.**, which comprise the statement of financial position as at March 31, 2015 and the statements of operations, remeasurement gains, changes in net assets in liquidation and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Renova Scotia Bioenergy Inc. as at March 31, 2015 and the results of its operations, its remeasurement gains and losses, changes in its net assets in liquidation and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

PricewaterhouseCoopers LLP
Chartered Accountants

PricewaterhouseCoopers LLP
Summit Place, 1601 Lower Water Street, Suite 400, Halifax, Nova Scotia, Canada B3J 3P6
T: +1 902 491 7400, F: +1 902 422 1166

RENOVA SCOTIA BIOENERGY INC.

Table of Contents

For the year ended March 31, 2015

	<u>Page</u>
Statement of Financial Position	1
Statement of Operations	2
Statement of Remeasurement Gains	2
Statement of Changes in Net Assets in Liquidation	3
Statement of Cash Flows	4
Notes to the Financial Statements	5-14

RENOVA SCOTIA BIOENERGY INC

Statement of Financial Position

As at March 31, 2015

(\$000's)

	Note	March 31, 2015	March 31, 2014
FINANCIAL ASSETS			
Cash		2,624	27,552
Short Term Investments	5	8,262	1,275
HST Receivable		399	-
Accounts Receivable		187	143
Prepaid expenses		-	97
Assets held for sale	4	-	2,507
		<u>11,472</u>	<u>31,574</u>
LIABILITIES			
Trade accounts payable and accrued liabilities		271	490
HST Payable		-	126
Due to Nova Scotia Job Fund	6	-	3,876
Pension and other post employment obligations	7	8,962	19,300
Severance		-	551
Brooklyn Power Corporation closure costs		-	1,275
Closure costs	8	199	2,544
		<u>9,432</u>	<u>28,162</u>
NET ASSETS IN LIQUIDATION		<u>2,040</u>	<u>3,412</u>
COMPANY POSITION			
Capital stock (Common shares of no par value, authorized and issued: 3,000,000 shares)		1,269	1,269
Accumulated deficit		(784)	(2,368)
Accumulated remeasurement gains		1,555	4,511
		<u>2,040</u>	<u>3,412</u>

The accompanying notes are
an integral part of these financial statements.

RENOVA SCOTIA BIOENERGY INC

Statement of Operations

For the year ended March 31, 2015
(S000's)

	March 31, 2015	March 31, 2014
Revenues		
Interest income	189	159
Miscellaneous income	-	206
	189	365
Expenses		
Interest expense	96	243
	96	243
Other		
Gain (loss) on sale of assets	1,491	(2,364)
	1,491	(2,364)
Net income (loss) for the year	1,584	(2,242)
Accumulated deficit, beginning of year	(2,368)	(126)
Accumulated deficit, end of year	(784)	(2,368)

RENOVA SCOTIA BIOENERGY INC

Statement of Remeasurement Gains

For the year ended March 31, 2015
(S000's)

	March 31, 2015	March 31, 2014
Accumulated remeasurement gains, beginning of year	4,511	3,229
Unrealized gains attributed to:		
Actuarial experience gain (loss)	(2,956)	1,282
Accumulated remeasurement gains, end of year	1,555	4,511

The accompanying notes are
an integral part of these financial statements.

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

For the year ended March 31, 2015
(\$000's)

	Closure activities	Continuing activities	March 31, 2015
Increases in net assets in liquidation			
Increase in cash (short term investments)	6,987	-	6,987
Increase in cash (interest income)	-	89	89
Increase in cash (collection of receivables)	141	-	141
Increase in cash (proceeds from the sale of assets)	3,998	-	3,998
Increase in accounts receivable	44	-	44
Increase in HST receivable	399	-	399
Decrease in HST payable	126	-	126
Decrease in trade payables	219	-	219
Decrease in amount due to Nova Scotia Job Fund	3,876	-	3,876
Decrease in pension and other post employment benefits	10,338	-	10,338
Decrease in employee termination liability	551	-	551
Decrease in accrued closing costs (Brooklyn Power Corporation closure costs)	1,275	-	1,275
Decrease in accrued closing costs	2,345	-	2,345
	30,299	89	30,388
Decreases in net assets in liquidation			
Decrease in cash (closure costs)	3,464	-	3,464
Decrease in cash (salaries and wages)	180	-	180
Decrease in cash (HST)	205	-	205
Decrease in cash (employee termination costs)	511	-	511
Decrease in cash (pension and other post employment benefits)	20,794	-	20,794
Decrease in cash (due to Nova Scotia Job Fund)	3,876	-	3,876
Decrease in cash (interest expense)	-	126	126
Decrease in prepaid expenses	97	-	97
Decrease in assets held for sale	2,507	-	2,507
	31,634	126	31,760
Decrease in net assets in liquidation during the year	(1,335)	(37)	(1,372)
Net assets in liquidation, beginning of year	3,412	-	3,412
Net assets in liquidation, end of year	2,077	(37)	2,040

The accompanying notes are
an integral part of these financial statements.

RENOVA SCOTIA BIOENERGY INC

Statement of Cash Flows

For the year ended March 31, 2015
(S000's)

	March 31, 2015	March 31, 2014
Operating activities		
Net income (loss) for the year	1,584	(2,242)
Working capital changes:		
HST receivable	(399)	-
Due from Resolute Forest Products	-	3,773
Accounts Receivable	(44)	(88)
Prepaid expenses	97	181
Trade accounts payable and accrued liabilities	(219)	(843)
HST payable	(126)	(386)
Due to Brooklyn Power Corporation	-	(801)
Pension and other post employment obligations	(10,338)	(5,400)
Severance	(551)	(1,676)
Brooklyn Power Corporation closure costs	(1,275)	1,275
Closure costs	(2,345)	(8,951)
Non-cash adjustments:		
Gain (loss) on sale of assets	(1,491)	2,364
Actuarial experience gain (loss)	(2,956)	1,282
	(18,063)	(11,512)
Investing activities		
Proceeds from sale of assets held for sale	3,998	25,695
	3,998	25,695
Financing		
Repayments of Nova Scotia Job Fund	(3,876)	(15,520)
	(3,876)	(15,520)
Change in cash flows for the year	(17,941)	(1,337)
Cash, beginning of year	28,827	30,164
Cash, end of year	10,886	28,827
Cash is comprised of:		
Cash	2,624	27,552
Short Term Investments	8,262	1,275
	10,886	28,827

The accompanying notes are
an integral part of these financial statements.

RENOVA SCOTIA BIOENERGY INC.

Notes to the Financial Statements

For the year ended March 31, 2015

(in thousands of dollars)

1. NATURE OF OPERATIONS

On December 10, 2012 (the "Acquisition Date"), the Province of Nova Scotia (the "Province") purchased 100% of the outstanding shares of the Bowater Mersey Paper Company ("Bowater"), along with its wholly owned subsidiary Brooklyn Power Corporation ("BPC") for one dollar with the aim to manage an orderly wind-up of the Bowater operations (the "Acquisition"). Effective December 11, 2012, the Nova Scotia Registrar for Joint Stock Companies approved the request of Bowater to change its name to Renova Scotia Bioenergy Inc. ("Renova" or the "Company").

Since the Acquisition Date, Renova has disposed of all assets held for sale under the agreements and plans in place at the Acquisition Date including the sale of 555,000 acres of commercial and protected woodlands to the Department of Natural Resources (the "Woodlands"), the sale of BPC to a third party, the sale of real property to Harbourside Commercial Park ("HCP") and the sale of physical assets to a third party.

The Minister of Business holds 100% of the issued shares of Renova.

Renova is exempt from income taxes under the *Income Tax Act*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of Renova have been prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS") for provincial reporting entities established by the Canadian Public Sector Accounting Board, supplemented where appropriate by other accounting standards issued by the Canadian Institute of Chartered Accountants. The financial statements have been prepared on a liquidation basis as the wind-up is expected to be completed on June 30, 2015.

Employing pushdown accounting, Renova recorded the assets acquired and liabilities assumed in the Acquisition at their liquidation value on the Acquisition Date. Subsequent to the Acquisition, assets are carried at the lower of cost and net recoverable value. Liabilities and financial obligations to outside organizations are recorded at the estimated amount ultimately payable.

The financial statements were prepared using the following significant accounting policies:

Cash

Cash refers to cash on hand or on deposit with a financial institution.

Short Term Investments

Short term investments refers to securities held with a financial institution.

Assets held for sale

Assets held for sale are those expected to be sold within one year.

RENOVA SCOTIA BIOENERGY INC.

Notes to the Financial Statements

For the year ended March 31, 2015

(in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pension and other post-employment obligations

The wind-up liabilities for the defined benefit pension plans are determined using the accrued benefit actuarial cost method and are equal to the actuarial present value of all benefits earned by members for service up to December 28, 2012. All members are treated as if vested and Nova Scotia Pension Benefits Act, Section 79, benefits have been included in the wind-up valuation for current and former members.

The wind-up liabilities for other pension related benefits are determined using the accrued benefit actuarial cost method and are equal to the actuarial present value of all benefits earned by members in respect of past and future periods.

The assumptions used are best estimates based on a wind-up settlement of the benefits as at March 31, 2015. Actuarial experience gains and losses are recognized immediately in accumulated remeasurement gains and losses.

Measurement uncertainty

Uncertainty in the determination of the amount at which an item is recorded in the financial statements is known as measurement uncertainty. Many items are measured using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Uncertainty exists whenever estimates are used because it is reasonably possible that there could be a material difference between the recognized amount and another reasonably possible amount.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

Accounts in the financial statements, subject to measurement uncertainty, include estimates for pension and other post-employment obligations and closure costs. The nature of the uncertainty in the estimate for pension and other obligations arises because actual results may differ significantly from the province's various assumptions about plan members and economic conditions in the marketplace. Uncertainty exists for accrued closure costs due to unforeseen costs in the wind-up of Renova.

3. DUE FROM RELATED PARTY

On March 31, 2015, Renova was not owed any amounts from related parties. During the fiscal year ended March 31, 2014, several employees who managed the Woodlands while employed by Renova were maintained to manage the Woodlands on behalf of the Department of Natural Resources. The salaries and expenses of these employees, in the amount of \$143 for the period from December 10, 2012 to June 30, 2013, were paid by Renova and included in accounts receivable until they were subsequently reimbursed by the Department of Natural Resources.

RENOVA SCOTIA BIOENERGY INC.

Notes to the Financial Statements

For the year ended March 31, 2015

(in thousands of dollars)

4. ASSETS HELD FOR SALE

The following asset groups have been classified as held for sale:

	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Real property	-	2,507
	-	2,507

On March 30, 2015, Renova sold its interest in the real property to HCP, a related party, for \$3,800.

5. SHORT TERM INVESTMENTS

As at March 31, 2015, Renova did not have restricted cash within short-term investments. As at March 31, 2014, the short-term investments included funds held in escrow of \$1,275 along with the underlying environmental remediation liability, have been transferred to HCP as part of the sale of real property.

6. DUE TO NOVA SCOTIA JOB FUND

Nova Scotia Job Fund (the "Fund") provided Renova with one dollar to purchase the shares and access to a \$30,000 credit facility for the purpose of settling the terms of the purchase agreement, including the intercompany account with Resolute.

The term for the loan is five years, bearing interest at the Province's five year cost of funds plus 0.25%. At the time the loan was entered into, the Province's five year cost of funds was 2.11%. The loan can be repaid in full at any time, without bonus or penalty.

RENOVA SCOTIA BIOENERGY INC.

Notes to the Financial Statements

For the year ended March 31, 2015

(in thousands of dollars)

7. PENSION AND OTHER POST EMPLOYMENT OBLIGATIONS

Renova offers a variety of pension and other post-employment benefits ("OPEB"). Renova is responsible for adequately funding the plans. At the Acquisition Date, all parties recognized that the intent was to wind-up the benefits. The cost of these benefits (including benefits accrued for service after the Acquisition Date) is recognized in its entirety. There are no future service accruals.

Description of plans

Pension benefit plans

Renova sponsors two funded pension plans: the Pension Plan for Salaried Employees of Bowater Mersey Paper Company Limited (the "Salaried Plan") and the Pension Plan for Non-Salaried or Union Employees of Bowater Mersey Paper Company Limited (the "Union Plan"). In addition Renova sponsors the following unfunded pension arrangements: the Supplemental Defined Benefit Plan for Employees of Bowater Mersey Paper Company Limited (the "SERP"), as well as certain pension related benefits payable directly from Renova accrued in respect of service after December 28, 2012 or in relation to other special arrangements (the "Other Pension Related Benefits"). All plans are defined benefit plans.

The Salaried Plan provides unique benefit formulas for three periods of service: a) For pre-2003 service, it provides for annual career average pensions (2009 base year) equal to 1.45% of pensionable earnings up to the Years' Maximum Pensionable Earnings ("YMPE") and 2.0% of pensionable earnings in excess of the YMPE; b) For 2003-2008 service, the plan provides for annual pensions equal to 1.6% of the Final Average Earnings ("FAE") up to Final Average Year's Maximum Pensionable Earnings ("FAYMPE") and 2.0% above multiplied by years of credited service from 2003 to 2008 inclusive. FAE is the average of the best five consecutive years of pensionable earnings and FAYMPE is the average of the last five years YMPE; and c) For post 2009 service, the plan provides for an annual pension equal to 1.75% of FAE multiplied by years of credited service (post 2008). FAE is the average of the best five consecutive years of pensionable earnings out of the last ten years.

The definition of pensionable earnings varies for each period of service.

The Union Plan for employees hired prior to July 8, 2005 provides for annual career average pensions (2010 base year) equal to 1.7% of pensionable earnings up to the YMPE plus 2% of pensionable earnings in excess of the YMPE. For employees hired after July 8, 2005, the plan provides for annual pensions equal to 1.75% of Best Average Earnings ("BAE") for a five year consecutive period, multiplied by the years of service.

In addition, both the Salaried Plan and the Union Plan provide bridge benefits for retirements before age 65 under certain circumstances.

RENOVA SCOTIA BIOENERGY INC.

Notes to the Financial Statements

For the year ended March 31, 2015

(in thousands of dollars)

7. PENSION AND OTHER POST EMPLOYMENT OBLIGATIONS (continued)

Pension benefit plans (continued)

The SERP provides for pensions equal to 1.6% of the final average YMPE plus 2.0% of the FAE in excess of the YMPE by the credited service on and after January 1, 2003 to December 31, 2008, less the benefit accrued under the Salaried Plan for the same period. In addition, the SERP provides for ad-hoc pension amounts granted by Renova to surviving spouses and other individuals.

Please note all liabilities in respect of the defined benefit pension plans have been settled and there are no remaining assets or liabilities associated with either defined benefit pension plan. The liabilities associated with the SERP and the Other Pension Related Benefits have also been settled.

OPEB

Renova sponsors or sponsored various OPEB plans including: post-retirement health and dental benefits to non-union retirees, post-retirement life insurance, continuing group health benefit coverage payable in respect of disabled members to April 30, 2014, and continuing group health benefit coverage payable in respect of active non-union members, and non-union members on salary continuance. These plans are funded or partially funded by Renova.

Summary of financial information

Pension and OPEB

(000'S)	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Pension benefit plans	-	12,100
OPEB	8,962	7,200
	<u>8,962</u>	<u>19,300</u>

RENOVA SCOTIA BIOENERGY INC.

Notes to the Financial Statements

For the year ended March 31, 2015

(in thousands of dollars)

7. PENSION AND OTHER POST EMPLOYMENT OBLIGATIONS (continued)

Summary of financial information (continued)

Pension benefit plans

	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Salaried Plan		
Market value of assets and in-transits	-	91,100
Estimated wind-up expenses	-	(200)
Assets available to settle benefit	-	90,900
Wind-up obligations	-	92,900
Estimated wind-up shortfall	-	2,000
Union Plan		
Market value of assets and in-transits	-	183,900
Estimated wind-up expenses	-	(300)
Assets available to settle benefit	-	183,600
Wind-up obligations	-	189,300
Estimated wind-up shortfall	-	5,700
SERP		
Wind-up obligations	-	3,500
Estimated wind-up shortfall	-	3,500
Other Pension Related Benefit		
Salaried member wind-up obligations	-	900
Hourly member wind-up obligation	-	-
Estimated wind-up shortfall	-	900
	-	12,100

RENOVA SCOTIA BIOENERGY INC.

Notes to the Financial Statements

For the year ended March 31, 2015

(in thousands of dollars)

7. PENSION AND OTHER POST EMPLOYMENT OBLIGATIONS (continued)

Actuarial assumptions

Pension benefit plans

The table below shows significant assumptions used to measure obligations associated with the pension benefit plans.

	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Discount rates for members who elected or are assumed to elect a transfer value	N/A	2.40% for the 10 years proceeding December 28, 2012 and 3.60% per annum thereafter
Discount rates for members assumed to elect an annuity purchase	N/A	Liabilities based on actual annuity purchase quote as of May 2014
Member election	N/A	Non-retired members: Based on actual individual member elections Retired: 100 % annuity purchase
Mortality	N/A	1994 Uninsured pensioners Mortality Table with generational projection using projection scale AA. ("UP94 Generational") Unisex 95% male (for transfer values for Union Plan) Unisex 85% male (for transfer values for Salaried Plan)
Retirement age	N/A	Age that maximizes the value for the pension
Wind-up expense assumption	N/A	Salaried Plan: \$200,000 Union Plan: \$350,000

RENOVA SCOTIA BIOENERGY INC.

Notes to the Financial Statements

For the year ended March 31, 2015

(in thousands of dollars)

7. PENSION AND OTHER POST EMPLOYMENT OBLIGATIONS (continued)

OPEB

For OPEB, the discount rates used at March 31, 2015 and March 31, 2014 were 3.1% and 3.5%, respectively.

Renova sponsors health and dental benefits payable to certain non-union retirees. These liabilities have been valued assuming they will be settled via transfer to an Employee Life and Health Trust ("ELHT"), anticipated to be in place on or about July 1, 2015. The liabilities are the recommended minimum funding level to be contributed by Renova to the ELHT to allow for the successful provision of retiree health and dental benefits. The liability amount includes the present value of assumed on-going operational expenses. No liability remains with Renova after the ELHT is operational. Subsequent to year end, these liabilities were transferred to the ELHT.

All known post-retirement life insurance benefits sponsored by Renova were settled in August of 2014 and there are no remaining assets or liabilities associated with these benefits.

Previously for the March 31, 2013 valuation, the Other Pension Related Benefits valued for Union Plan members were as follows:

- For members on long-term disability, the value of their Union Plan pension accrual from the date of the Union Plan wind-up (December 28, 2012) to the earlier of when long-term disability benefit accrual would cease and April 30, 2014.
- For any member who would have reached the grow in criteria (age plus continuous service equaling at least 55 points) during their lay-off, but after the Union Plan wind-up date, the value of grow-in benefits under section 79 of the Nova Scotia Pension Benefits Act.

As of March 31, 2015, the above benefits have been settled and there are no remaining assets or liabilities associated with these above-noted benefits. For the March 31, 2014 valuation, the above benefits were included in the registered pension plan (Union Plan) obligation as a result of plan amendments and data corrections.

Previously for the March 31, 2013 valuation, the Other Pension Related Benefits valued for Salaried Plan members were as follows:

- For members on long-term disability, the value of their Salaried Plan pension accrual from the date of the Salaried Plan wind-up (December 28, 2012) to the earlier of when long term disability benefit accrual would cease and April 30, 2014. (This is an assumption as the pension accrual for Salaried LTD members has not yet been resolved)

RENOVA SCOTIA BIOENERGY INC.

Notes to the Financial Statements

For the year ended March 31, 2015

(in thousands of dollars)

7. PENSION AND OTHER POST EMPLOYMENT OBLIGATIONS (continued)

As of March 31, 2015, the above benefits have been settled and there are no remaining assets or liabilities associated with these above-noted benefits. For the March 31, 2014 valuation, the above benefits were included in the registered pension plan (Salaried Plan) obligation as a result of a plan amendment.

As of March 31, 2015, the Other Pension Related Benefits have been settled and there are no remaining assets or liabilities. As at March 31, 2014, the Other Pension Related Benefits valued for Salaried Plan members were as follows:

- For any actively employed member or any member on salary continuance as of the Salaried Plan wind-up date (December 28, 2012), the value of the Salaried Plan pension accrual they would have received had they continued in the Salaried Plan until the end of the employment and salary continuance period less the value they will receive from the pension plan.

8. CLOSURE COSTS

Renova was purchased by the Province with the intention of winding it up and distributing its assets to entities who will maximize jobs for Nova Scotians and increase economic prosperity. At the Acquisition Date, Renova estimated and capitalized the costs required to wind-up the Company and sell its assets. As the costs are incurred, the liability is reduced. Changes in estimates are recorded retrospectively.

These costs include professional fees, utility expenses, property maintenance, insurance, and operational charges for BPC prior to its disposition.

(000'S)	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Opening accrued closure costs	2,544	11,496
Less: Incurred closure costs	(3,148)	(13,409)
Add: Loss on remeasurement of closure costs	353	1,566
Add: Accrued closure costs	199	2,544
Less: Closure Costs to be recovered	(20)	(143)
Add: Trade accounts payable and accrued liabilities	271	490
	<u>199</u>	<u>2,544</u>

RENOVA SCOTIA BIOENERGY INC.

Notes to the Financial Statements

For the year ended March 31, 2015

(in thousands of dollars)

9. RELATED PARTY TRANSACTIONS

Included in these financial statements are significant transactions with various provincial crown corporations, agencies, boards and commissions.

Government officials

During the year, the Province of Nova Scotia provided certain services, including salaries and benefits of government employees on behalf of Renova with no charge to the Company.

Assets held for sale

On March 30, 2015, Renova sold its interest in real property to HCP, a related party, for \$3,800.