

QUEBEC
SUPERIOR COURT

IN THE MATTER OF THE PROPOSAL OF
NORTHERN STAR MINING CORP.
OF THE CITY OF VAL D'OR IN THE PROVINCE OF QUEBEC

QUEBEC
SUPERIOR COURT

IN THE MATTER OF THE PROPOSAL OF
RESSOURCES JAKE INC./JAKE RESOURCES INC.
OF THE CITY OF VAL D'OR IN THE PROVINCE OF QUEBEC

THIRD REPORT OF THE PROPOSAL TRUSTEE
Pursuant to Section 50.4(7)(b)(ii) of the *Bankruptcy and Insolvency Act*

(Dated as of November 25, 2010)

1. On August 18, 2010, Northern Star Mining Corp. (“NSM”) filed a Notice of Intention to Make a Proposal (the “NSM NOI”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (the “BIA”) and Samson Belair / Deloitte & Touche Inc. (the “Trustee”) was named as Trustee in NSM’s proposal proceedings. A copy of the NSM NOI, together with related documents, and the Certificate of Filing of the Notice of Intention to Make a Proposal for NSM, were included in the Report of the Proposal Trustee pursuant to Section 50.4(7)(b)(ii) of the *Bankruptcy and Insolvency Act* filed with this Honourable Court on September 16, 2010 (the “First Trustee Report”).
2. On August 19, 2010, Ressources Jake Inc./Jake Resources Inc. (“Jake”, and when combined with NSM, the “Companies”), a wholly owned subsidiary of NSM, filed a

Notice of Intention to Make a Proposal (the “**Jake NOI**”) and the Trustee was also named as Trustee in Jake’s proposal proceedings. A copy of the Jake NOI, together with related documents, and the Certificate of Filing of the Notice of Intention to Make a Proposal for Jake were included in the First Trustee Report.

3. The initial 30 day stay period provided for under the NSM NOI was scheduled to expire on September 17, 2010. The initial 30 day stay period provided for under the Jake NOI was scheduled to expire on September 18, 2010.
4. On September 15, 2010, the Companies served their materials in connection with their motion to seek an Order of this Honourable Court to extend the time for each of the Companies to file proposals to their creditors. As the presiding judge in Val d’Or was unable to hear the motion during the week prior to the expiration of the initial 30 day stay periods, the motion was made returnable on September 21, 2010. Accordingly, on September 16, 2010, the Companies sought and obtained from Registrar Johanne Simard an Order that extended the stay periods to September 22, 2010 (the “**First Extension Order**”). A copy of the First Extension Order is attached hereto as **Appendix “A”**.
5. The Trustee prepared the First Trustee Report in conjunction with the Companies’ motion for an extension of the time to file their proposals. In the First Trustee Report, the Trustee set out its position that the Companies were acting in good faith and with due diligence and supported the Companies’ motion that the Court extend the time in which the Companies were required to file their proposals.
6. On September 20, 2010, the Honourable Justice Robert Dufresne advised counsel for the Companies that he would be unable to hear the extension motion originally scheduled for September 21, 2010, and the motion was rescheduled for September 28, 2010. On September 20, 2010, Registrar Simard issued an Order extending the stay period to September 29, 2010 (the “**Second Extension Order**”). A copy of the Second Extension Order is attached hereto as **Appendix “B”**.
7. On September 29, 2010, the extension motion was heard by the Honourable Justice Jocelyn Geoffroy who issued an Order on October 13, 2010 (the “**Third Extension**”).

Order") which extended the time for each of the Companies to file proposals to their creditors to November 1, 2010. In the Third Extension Order, Justice Geoffroy also granted a \$250,000 charge (the "**Administrative Charge**") over the Companies' assets in favour of the fees and expenses of the Trustee as well as those of its legal counsel and other experts engaged by the Trustee in the performance of the Trustee's duties. A copy of the Third Extension Order is attached hereto as **Appendix "C"**. On October 26, 2010, during a conference call with counsel for the Companies and the Trustee's counsel, Justice Geoffroy advised counsel that the Third Extension Order would be amended to provide that the Companies' counsel would participate in the Administrative Charge (the "**Amended Third Extension Order**"). Also on October 26, 2010, Justice Geoffroy extended the date by which the Companies must file proposals to their creditors to November 3, 2010. A copy of the minutes of the hearing of October 26, 2010 and the Amended Third Extension Order are attached hereto as **Appendix "D"**.

8. On November 1, 2010, the Companies filed a motion seeking to extend to December 15, 2010 the date by which the Companies were required to file their proposals (the "**November 1 Motion**").
9. The Trustee prepared its second report (the "**Second Trustee Report**") in respect of the November 1 Motion which was scheduled to be heard on November 3, 2010. In the Second Trustee Report, the Trustee set out its view that the Companies were continuing to act in good faith and with due diligence in these proceedings and recommended approval of the Companies' motion that the Court extend to December 15, 2010 the date by which the Companies were required to file their proposals. A copy of the Second Trustee Report, without appendices, is attached hereto as **Appendix "E"**. The Second Trustee Report was provided to the Court on November 2, 2010.
10. On November 2, 2010, during a conference call with counsel for the Companies, the Trustee's counsel, counsel for Red Kite Explorer Trust ("**Red Kite**"), Platinum Partners Value Arbitrage Fund, L.P. ("**Platinum**"), and Centurion Credit Group Master Fund, LP ("**Centurion**", and collectively with Red Kite and Platinum, the "**Secured Noteholders**"), and Justice Geoffroy, counsel for the Secured Noteholders indicated that

he wished to examine Michael Waldkirch on his affidavit sworn on October 28, 2010 (the “**October 28 Affidavit**”) in support of the November 1 Motion. On that day, Justice Geoffroy, among other things, extended to November 26, 2010 the date by which the Companies were required to file their proposals, and set as November 26, 2010 the date on which the November 1 Motion would be heard. A copy of the Order granting the extension (the “**Fourth Extension Order**”), together with the minutes of the hearing that took place on November 2, 2010, are attached hereto as **Appendix “F”**.

11. On November 25, 2010, the Companies served a motion to seek an Order of this Honourable Court to extend the time for each of the Companies to file proposals to their creditors to January 7, 2011 (the “**November 25 Motion**”). This report has been prepared pursuant to section 50.4(9) of the BIA to (i) supplement information included in the Second Trustee Report; and (ii) to provide the Trustee’s views in connection with the November 25 Motion.
12. This report is to be read in conjunction with the First Trustee Report and the Second Trustee Report. Capitalized terms not defined in this report are as defined in those reports. All dollar values contained in this report are listed in Canadian funds, unless otherwise noted.

Cash Flow Statements

13. The Cash Flow Statements filed with the Official Receiver on August 27, 2010 with respect to both NSM and Jake included 13-week cash flow forecasts for the period August 18 to November 20, 2010, in the case of NSM, and the period August 19 to November 20, 2010, in the case of Jake. On November 2, 2010, the Companies provided to the Trustee updated Cash Flow Statements for the period November 1, 2010 to January 29, 2011. Copies of those cash flow statements were appended to the Second Trustee Report. As noted in the Second Trustee Report, the Trustee had not, at that time, had the opportunity to review those cash flow forecasts in detail.
14. Subsequent to November 2, 2010, the Trustee reviewed the updated cash flow statements and the assumptions contained therein, and provided its comments to the Companies.

Following consideration of the Trustee's comments, on November 10, 2010, the Companies provided to the Trustee revised cash flow statements for the period October 31, 2010 to January 29, 2011 (the "**Updated Cash Flow Statements**"). The Updated Cash Flow Statements and the Trustee's Reports on Cash Flow Statement were filed with the Official Receiver on November 19, 2010. A copy of the Updated Cash Flow Statements, the Reports on the Cash Flow Statement by the Person Making the Proposal and the Trustee's Reports on Cash Flow Statement for NSM and Jake are attached hereto as **Appendix "G"** and **Appendix "H"**, respectively.

15. Since the Companies' proceedings have extended beyond the period of the initial cash flow forecasts filed, for purposes of this report, the Trustee is providing actual cash flow results for the entire period of the NOI proceedings but is limiting its comments on variances to the period covered by the Updated Cash Flow Statements.

NSM

16. Attached as **Appendix "I"** is a schedule setting out NSM's actual cash flow results for the period August 18 to November 20, 2010. Attached as **Appendix "J"** is a schedule setting out the comparison of the cash flow forecast as taken from the Updated Cash Flow Statement for NSM (the "**NSM Extended Cash Flow Forecast**") as compared to actual results, for the period October 31 to November 20, 2010 (the "**NSM Results Period**"). During the NSM Results Period, NSM had a net cash outflow of \$348,988 and had a net positive cash position variance of \$44,412.
17. The positive cash position variance of approximately \$44,400 is due to a positive disbursements variance since there were no receipts forecast to be, nor actually, received during the NSM Results Period.
18. Variances in excess of \$10,000 that comprise the positive disbursements variance are:
 - a positive variance of approximately \$30,200 in executive salaries as salaries included in the NSM Extended Cash Flow Forecast were incurred in the week prior to the NSM Results Period;

- a positive temporary variance of approximately \$26,700 resulting from NSM's legal fees being less than forecast. NSM has advised that Gowlings has submitted and been paid invoices for fees incurred up to October 15, 2010;
- temporary positive variances for Midway maintenance costs of approximately \$20,600 and McKenzie maintenance costs of approximately \$13,100 as invoices for work completed at the mine sites have not yet been received by NSM; and
- a positive temporary variance of \$14,000 in Trustee fees, which includes the fees of the Trustee's counsel, Lavery, de Billy, L.L.P. ("Lavery"), as invoices for the period to November 1 to November 15, 2010 had not yet been provided to NSM;

offset by:

- a temporary negative variance of approximately \$23,600 relating to security costs for the mining properties as an invoice was paid earlier than forecast; and
- a temporary negative variance of approximately \$21,800 in utility payments to Hydro Quebec as a payment forecasted to be made in the week ending November 27, 2010 was paid in the prior week.

Jake

19. Attached as **Appendix "K"** is a schedule setting out Jake's actual cash flow results for the period August 19 to November 20, 2010. Attached as **Appendix "L"** is a schedule setting out the comparison of the cash flow forecast as taken from the Updated Cash Flow Statement for Jake as compared to actual results for the period October 31 to November 20, 2010 (the "**Jake Results Period**"). During the Jake Results Period, Jake

had a net cash outflow of \$13,537 and had a net negative cash position variance of \$5,332.

20. The positive cash flow variance consists of a positive receipts variance of \$1,258 offset by a negative disbursements variance of \$6,590.
21. Variances in excess of \$10,000 that comprise the negative disbursements variance are:
 - A temporary negative variance of approximately \$14,500 relating to utilities payments that were paid one week earlier than forecast.
22. While NSM experienced a net positive cash position variance during the NSM Results Period, NSM's cash balance continues to decrease. The Companies' ability to remain in operation during the stay period is predicated on receipt of mining refunds from Revenu Quebec. Counsel to NSM has advised the Trustee that it has received correspondence from Revenu Quebec that advises that a Notice of Assessment will be provided to NSM on December 3, 2010. Counsel to NSM has further advised, based on its discussions with Revenu Quebec, that once the Notice of Assessment has been issued, payment of the amount set out in the Notice of Assessment is expected to be mailed 10 business days later. NSM's counsel subsequently received further correspondence from Revenu Quebec that advised that a "verification" of the refund being requested totalling \$4,573,885.84 will commence on November 29, 2010.

Trustee Fees and Legal Fees

23. The Trustee's fees for services rendered to NSM and Jake for the period to October 31, 2010 are \$83,607.65 and \$18,172.87, respectively, including GST and QST. The fees and disbursements of Lavery with respect to NSM and Jake for the period to October 31, 2010 are \$58,905.57 and \$902.19, respectively, including GST and QST.
24. NSM and Jake have provided cheques to the Trustee for the amounts owing to both the Trustee and Lavery in conformity with paragraph 24 of the Amended Third Extension Order. The Trustee has deposited the said cheques into trust bank accounts it has opened

for each of the proposals of NSM and Jake and intends to pay to the Trustee and Lavery the above fees and disbursements.

Companies' Activities since the Filing of the NOI's

25. The November 25 Motion contains the Affidavit of Michael Waldkirch sworn November 25, 2010 (the "November 25 Affidavit") in support of the proposed extension to January 7, 2011 of the date by which each of the Companies are required to file proposals to their creditors.
26. Included in the November 25 Affidavit is an updated schedule that summarizes the status of the Companies' discussions with interested parties and potential investors. Based on the schedule, the Companies have held discussions with four new parties, have received new or further expressions of interest and one party has contacted NSM's counsel to discuss when NSM would be able to begin to negotiate a formal agreement and how quickly NSM could close a transaction. The Trustee notes that, as set out in the Second Trustee Report, the Trustee has not participated in the Companies' restructuring efforts.
27. As referred to in the November 25 Affidavit, the Companies are seeking the extension to January 7, 2011 of the date by which each of the Companies are required to file proposals to their creditors in order to (i) bring forward a transaction to sell the Beacon Hill Mill; (ii) select the transaction or transactions that will provide the best value to the Companies' stakeholders; (iii) negotiate transaction(s) with those parties and (iv) present the Court with a plan to restructure the Companies and present proposals to their creditors.

Trustee's Recommendation

28. The Trustee is of the view that (i) the Companies continue to act in good faith and with due diligence in these proceedings and (ii) no creditor is being materially prejudiced by extending the time for each of the Companies to file proposals to their creditors. However, the Companies' ability to make viable proposals to their unsecured creditors is dependent upon there being sufficient cash available to the Companies to meet their

ongoing obligations during the stay period. To the extent that the aforementioned mining refunds are not received, and the Companies are not able to secure alternative sources of working capital, the Companies' ability to continue to operate during the stay period would be severely impaired.

29. Accordingly, the Trustee recommends approval of the Companies' motion pursuant to section 64.2 of the BIA for an extension to January 7, 2011 of the date by which each of NSM and Jake are to make proposals to their creditors. To the extent that the mining refunds are not received during the extension period and the Companies are not able to secure alternative sources of working capital, the Trustee is of the view that such circumstances would constitute a "material adverse change" and that the Trustee would be required to file a report pursuant to Section 50.4(7)(b)(i) of the BIA.

All of which is respectfully submitted to this Honourable Court.

DATED this 25th day of November, 2010.

SAMSON BELAIR / DELOITTE & TOUCHE INC.
Trustee re the Proposals of
Northern Star Mining Corp. and Ressources Jake Inc./Jake Resources Inc.
and not in its personal capacity



Jean-Francois Nadon
Senior Vice President

COUR SUPÉRIEURE

CANADA
PROVINCE DE QUÉBEC
DISTRICT D' ABITIBI
LOCALITÉ DE VAL-D'OR
« Chambre commerciale »

N° : 615-11-001228-107
615-11-001229-105

DATE : 16 septembre 2010

SOUS LA PRÉSIDENTE DE Me JOHANNE SIMARD, REGISTRAIRE

Dans l'affaire de l'avis d'intention de faire une proposition de:

NORTHERN STAR MINING CORP.

et
RESSOURCE JAKE INC.
Débitrices

et
SAMSON BÉLAIR DELOITTE & TOUCHE INC.
Syndic

JUGEMENT

[1] Les débitrices présentent une demande de prorogation du délai pour le dépôt d'une proposition en vertu de l'article 50.4(9) de la Loi sur la faillite et l'insolvabilité;

[2] **VU** que la requête est contestée par une créancière en garantie ;

[3] **VU** que le juge est absent;

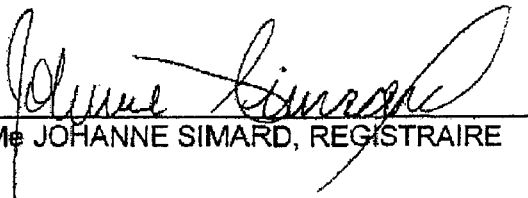
[4] **VU** qu'il n'y a pas d'objection a proroger le délai pour le dépôt de la proposition jusqu'au 22 septembre 2010;

[5] **PAR CES MOTIFS, LA REGISTRAIRE :**

[6] **PROROGÉ** le délai pour le dépôt de la proposition au 22 septembre 2010;

[7] **ORDONNE** que la requête en prorogation de délai pour le dépôt d'une proposition soit portée devant le juge pour audition et décision au 21 septembre 2010 à 8 h 45 ;

[8] **RESERVE** les recours des parties en opposition à la requête en prorogation de délai pour le dépôt de la proposition.


Me JOHANNE SIMARD, REGISTRAIRE

GOWLING LAFLEUR HENDERSON LLP
Procureurs des débitrices

LAVERY DE BILLY
Procureurs du syndic

OGILVY RENAULT
Procureurs de la créancière opposante

COUR SUPÉRIEURE

CANADA
PROVINCE DE QUÉBEC
DISTRICT D' ABITIBI
LOCALITÉ DE VAL-D'OR
« Chambre commerciale »

N° : 615-11-001228-107
615-11-001229-105

DATE : 20 septembre 2010

SOUS LA PRÉSIDENTE DE Me JOHANNE SIMARD, REGISTRARE

Dans l'affaire de l'avis d'intention de faire une proposition de:

NORTHERN STAR MINING CORP.

et
RESSOURCES JAKE INC.
Débitrices

et
SAMSON BÉLAIR DELOITTE & TOUCHE INC.
Syndic

JUGEMENT

[1] Les débitrices présentent une demande de prorogation du délai pour le dépôt d'une proposition en vertu de l'article 50.4(9) de la Loi sur la faillite et l'insolvabilité;

[2] **VU** que la requête est contestée par une créancière garantie ;

[3] **VU** que le juge ne peut entendre la requête le 21 septembre 2010 puisque d'autres affaires qui doivent être instruites d'urgence sont fixées au rôle de cette journée;

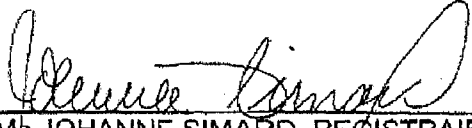
[4] **VU** qu'il n'y a pas d'objection à proroger le délai pour le dépôt de la proposition jusqu'au 29 septembre 2010;

[5] **PAR CES MOTIFS, LA REGISTRAIRE :**

[6] **PROROGÉ** le délai pour le dépôt de la proposition au 29 septembre 2010;

[7] **ORDONNE** que la requête en prorogation de délai pour le dépôt d'une proposition soit portée devant le juge pour audition et décision au 28 septembre 2010 à 8 h 45 ;

[8] **RESERVE** les recours des parties en opposition à la requête en prorogation de délai pour le dépôt de la proposition.


M^e JOHANNE SIMARD, REGISTRAIRE

GOWLING LAFLEUR HENDERSON LLP
Procureurs des débitrices

LAVERY DE BILLY
Procureurs du syndic

OGILVY RENAULT
Procureurs de la créancière garantie opposante

UNOFFICIAL TRANSLATION

SUPERIOR COURT

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF ABITIBI

No: 615-11-001228-107 et 615-11-001229-105

DATE : October 13, 2010

HONORABLE JOCELYN GEOFFROY, J.S.C

615-11-001228-107

NORTHERN STAR MINING CORP.

Debtor / Petitioner

SAMSON BÉLAIR DELOITTE & TOUCHE INC.

Trustee

PLATINUM PARTNERS VALUE ARBITRAGE FUND L.P.

and

RED KITE EXPLORER TRUST

and

CENTURION CREDIT GROUP MASTER FUND, L.P.

Opposing Creditors

615-11-001229-105

RESSOURCES JAKE INC. / JAKE RESSOURCES INC.

Debtor / Petitioner

SAMSON BÉLAIR DELOITTE & TOUCHE INC.

Trustee

PLATINUM PARTNERS VALUE ARBITRAGE FUND L.P.
and
REDKITE EXPLORER TRUST
and
CENTURION CREDIT GROUP MASTER FUND, L.P.

Opposing Creditors

JUDGMENT
on motions for an extension of time

- [1] CONSIDERING the motions for an extension of time;
- [2] CONSIDERING that these motions are contested by three debenture holders namely, Platinum Partners Value Arbitrage Fund LP, Red Kite Explorer Trust and Centurion Credit Group Master Fund, L.P.;
- [3] CONSIDERING the wording of the debenture (Exhibit E of the affidavit), specifically sections 6.5 and 9.13 of thereof, as well as the delegation of powers filed as exhibit D-1, the Court considers that these parties have in fact the capacity to contest the present motions;
- [4] CONSIDERING the value of the assets at issue;
- [5] CONSIDERING the interest demonstrated by the Petitioners;
- [6] CONSIDERING the evidence;
- [7] WHEREAS the Court is convinced that the following conditions have been met:
- That Northern Star Mining Corp. and Ressources Jake inc. is acting in good faith and with due diligence;
 - That they will likely be able to make a viable proposal if the extension being applied for is granted;
 - No creditor would be materially prejudiced by the extension;
- [8] CONSIDERING the initial motion for an extension of time dated September 16, 2010;

[9] WHEREAS the Court is of the opinion that the 45 days provided by section 50.4(9) must be calculated as of September 16, 2010, the date of the initial motion;

[10] CONSIDERING sections 64.1 and 64.2 of the *Bankruptcy and Insolvency Act*;

[11] CONSIDERING the request for priority charges in favour of the directors;

[12] WHEREAS in light of the *Dessert & Passion inc.* decision¹, no charge may be created in favour of the directors if it is possible to contract an indemnification insurance for them at a reasonable cost (section 64.1(3)). In the case at hand, nothing indicates that such insurance is not available. At the contrary, according to the trustee's report, there is an insurance in place. Therefore, this request will not be granted.

[13] CONSIDERING the request for priority charges for the trustee, its legal counsel and other experts engaged by the trustee in the performance of its trustee's duties;

[14] WHEREAS it is in the interest of the creditors to put in place a charge which facilitates an arrangement at the best possible cost, it will be declared that the fees and costs of the trustee, its legal counsel and other experts be subject to a security or charge in an amount not exceeding \$250,000. However, in order for the creditors to be able to follow the expenses and fees of the trustee and its legal counsel and to avoid a balloon payment, it will be ordered to them to invoice their fees on a regular basis, about every three weeks, and the Petitioners shall pay such fees upon receipt of the invoices, save in the event of a contestation of such fees.

FOR THESE REASONS, THE COURT:

[15] **DECLARES** that Platinum Partners Value Arbitrage Fund LP, Red Kite Explorer Trust and Centurion Credit Group Master Fund, L.P. have the necessary legal capacity to contest the present motions;

[16] **DECLARES** valid and sufficient the notices given for the presentation of these motions;

[17] **GRANTS** in part the motions for an extension of time;

[18] **EXTENDS** the time given to Petitioners for filing a proposal, until November 1st, 2010;

¹ Dessert & Passion inc. (Proposition de), AZ-50579686, 2009 QCS 4669;

[19] **GIVES ACT** to Petitioners of their undertaking not to dismantle the companies or sell assets, except within the context of a proposal or in order to allow them to pay in full the debt of the preferred creditors, and **ORDERS** Petitioners to abide by this undertaking;

[20] **DECLARES** that the fees and expenses of the Trustee as well as those of its legal counsel and other experts engaged by the trustee in the performance of its trustee's duties, are subject to a security or charge in an amount not exceeding \$250,000;

[21] **DECLARES** that the charge or security shall rank in priority to any and all other hypothecs, liens, encumbrances, charges, conditional sale agreements, financial leases or any security of whatsoever nature affecting the assets of the Petitioners;

[22] **DISMISSES** Petitioners' request with respect to the creation of a priority charge in favour of the directors or the officers;

[23] **RESERVES** the rights and recourses of Petitioners with respect to this priority charge in favour of the directors or officers, should new facts arise following the present judgment;

[24] **ORDERS** the trustee to invoice its fees and costs on a regular basis, about every three weeks, and to ensure that same will be done by its legal counsel and other experts engaged by it in the performance of its trustee's duties and **ORDERS** to Petitioners to pay these fees and costs upon receipt, save in the event of a contestation of such fees;

[25] **THE WHOLE** without costs.

[26] At the request of the attorneys on file, the undersigned remain seized by this file.

Jocelyn Geoffroy, J.C.S.

Me Patrice Racicot, LAVERY, DE BILLY
Attorney for the Trustee

Me Geneviève Cloutier, GOWLING, LAFLEUR
Attorney for the Debtors/Petitioners

Me Christian Roy, OGILVY, RENAULT
Attorney for the Opposing Creditors

Dates of hearing: September 28 and 29, 2010

COUR SUPÉRIEURE

CANADA
PROVINCE DE QUÉBEC
DISTRICT D' ABITIBI

N° : 615-11-001228-107 et 615-11-001229-105

DATE : 13 octobre 2010

SOUS LA PRÉSIDENTICE DE L'HONORABLE JOCELYN GEOFFROY, J.C.S.

615-11-001228-107

NORTHERN STAR MINING CORP.

Débitrice / Requérante

SAMSON BÉLAIR DELOITTE & TOUCHE INC.

Syndic

PLATINUM PARTNERS VALUE ARBITRAGE FUND L.P.

et

RED KITE EXPLORER TRUST

et

CENTURION CREDIT GROUP MASTER FUND, L.P.

Créanciers / Opposants

615-11-001229-105

RESSOURCES JAKE INC. / JAKE RESSOURCES INC.

Débitrice / Requérante

SAMSON BÉLAIR DELOITTE & TOUCHE INC.

Syndic

PLATINUM PARTNERS VALUE ARBITRAGE FUND L.P.
et
RED KITE EXPLORER TRUST
et
CENTURION CREDIT GROUP MASTER FUND, L.P.

Créanciers / opposants

JUGEMENT
sur requêtes en prorogation de délai

- [1] VU les requêtes en prorogation de délai;
- [2] CONSIDÉRANT que ces requêtes sont contestées par trois détenteurs de débentures soit, Platinum Partners Value Arbitrage Fund LP, Red Kite Explorer Trust et Centurion Credit Group Master Fund, L.P.;
- [3] CONSIDÉRANT le libellé de la débenture (annexe E de l'affidavit), particulièrement les articles 6.5 et 9.13 de celle-ci, ainsi que la délégation de pouvoirs déposée comme pièce D-1, le Tribunal considère que ces parties ont effectivement la capacité de contester les présentes requêtes;
- [4] VU la valeur des actifs en cause;
- [5] VU l'intérêt démontré par les parties requérantes;
- [6] VU la preuve;
- [7] CONSIDÉRANT que le Tribunal est convaincu que les conditions suivantes sont réunies:
- Que Northern Star Mining Corp. et Ressources Jake inc. continuent d'agir de bonne foi et avec toute la diligence voulue;
 - Qu'elles seront vraisemblablement en mesure de faire une proposition viable si la prorogation demandée est accordée;
 - Que ladite prorogation ne saurait causer de préjudice sérieux à l'un ou l'autre des créanciers;
- [8] VU la demande initiale de prorogation de délai datée du 16 septembre 2010;

[9] CONSIDÉRANT que le Tribunal est d'avis que les 45 jours prévus au paragraphe 9 de l'article 50.4 doivent se calculer à partir du 16 septembre 2010, date de la requête initiale;

[10] VU les articles 64.1 et 64.2 de la *Loi sur la faillite et l'insolvabilité*;

[11] VU la demande de charges prioritaires en faveur des administrateurs;

[12] CONSIDÉRANT qu'à l'instar de l'arrêt *Dessert & Passion inc.*¹, aucune charge ne peut être créée en faveur des administrateurs s'il est possible de contracter à juste coût une assurance visant à les indemniser (art. 64.1 (3) de la loi). En l'espèce, rien n'indique qu'une telle assurance n'est pas disponible. Au contraire, selon le rapport du syndic il y a une assurance en place. En l'occurrence, cette demande ne sera pas accordée.

[13] VU la demande de charges prioritaires pour le syndic, ses conseillers juridiques et autres experts dont il retient les services dans le cadre de ses fonctions;

[14] CONSIDÉRANT qu'il y va de l'intérêt de l'ensemble des créanciers de mettre en place une charge qui facilite l'objectif d'en arriver à un arrangement au meilleur coût possible, il sera déclaré que les frais et honoraires du syndic et de ses conseillers juridiques et autres experts soient grevés d'une charge ou d'une sûreté d'un montant ne dépassant pas 250 000\$. Cependant, pour que les créanciers soient en mesure de bien suivre les dépenses et honoraires du syndic et de ses conseillers juridiques et pour éviter de se retrouver avec un ballon à payer, il leur sera ordonné de facturer ces frais sur une base régulière, environ aux trois semaines, et les requérantes devront acquitter ces frais sur réception des factures, sauf évidemment en cas de contestation du bien-fondé de celles-ci.

POUR CES MOTIFS, LE TRIBUNAL :

[15] DÉCLARE que Platinum Partners Value Arbitrage Fund LP, Red Kite Explorer Trust et Centurion Credit Group Master Fund, L.P. ont la capacité juridique nécessaire pour contester les présentes requêtes;

[16] DÉCLARE valides et suffisants les avis donnés pour la présentation des présentes requêtes;

[17] ACCUEILLE en partie les requêtes en prorogation de délai;

[18] PROROGE jusqu'au 1^{er} novembre 2010 le délai accordé aux requérantes pour présenter une proposition aux créanciers;

¹ Dessert & Passion inc. (Proposition de), AZ-50579686, 2009 QCCS 4669;

[19] **DONNE ACTE** aux parties requérantes de leur engagement à ne pas démembrer les compagnies ou vendre des actifs, sauf dans le cadre d'une proposition éventuelle ou pour permettre de payer en totalité la dette des créanciers privilégiés, et leur **ORDONNE** de s'y conformer;

[20] **DÉCLARE** que les dépenses et honoraires du syndic ainsi que ceux de ses conseillers juridiques et autres experts dont il retient les services dans le cadre de ses fonctions sont grevés d'une charge ou sûreté d'un montant ne devant pas excéder 250 000\$;

[21] **DÉCLARE** que cette charge ou sûreté est prioritaire à tous les autres hypothèques, liens, nantissements, charges, contrats de vente conditionnels, actes de location ou toute autre charge de quelque nature que ce soit affectant les actifs des parties requérantes;

[22] **REJETTE** la demande des requérantes quant à la création d'une charge prioritaire en faveur des administrateurs ou des dirigeants;

[23] **RÉSERVE** ses recours aux requérantes relativement à cette charge prioritaire en faveur des administrateurs ou des dirigeants, advenant la survenance de faits nouveaux suite au présent jugement;

[24] **ORDONNE** au syndic de facturer ses frais et honoraires de façon régulière, environ aux trois semaines, et de faire en sorte qu'il en soit de même pour ses conseillers juridiques et autres experts dont il retient les services dans le cadre de ses fonctions et **ORDONNE** aux requérantes d'acquitter ces frais et honoraires sur réception, sauf en cas de contestation du bien-fondé de ceux-ci;

[25] **LE TOUT** sans frais.

[26] À la demande des procureurs au dossier, le soussigné en demeure saisi.



JOCELYN GEOFFROY, J.C.S.

Me Patrice Racicot, LIVERY, DE BILLY
Procureurs du syndic

Me Geneviève Cloutier, GOWLING, LAFLEUR
Procureurs des débitrices/requérantes

Me Christian Roy, OGILVY, RENAULT
Procureurs des créanciers/opposants

Dates d'audience: 28 et 29 septembre 2010

2010-155

COUR SUPÉRIEURE

CANADA
PROVINCE DE QUÉBEC
DISTRICT D' ABITIBI

N° : 615-11-001228-107 et 615-11-001229-105

DATE : 28 octobre 2010

SOUS LA PRÉSIDENCE DE L'HONORABLE JOCELYN GEOFFROY, J.C.S.

615-11-001228-107

NORTHERN STAR MINING CORP.

Débitrice / Requérante

SAMSON BÉLAIR DELOITTE & TOUCHE INC.

Syndic

PLATINUM PARTNERS VALUE ARBITRAGE FUND L.P.

et

RED KITE EXPLORER TRUST

et

CENTURION CREDIT GROUP MASTER FUND, L.P.

Créanciers / Opposants

615-11-001229-105

RESSOURCES JAKE INC. / JAKE RESSOURCES INC.

Débitrice / Requérante

SAMSON BÉLAIR DELOITTE & TOUCHE INC.

Syndic

PLATINUM PARTNERS VALUE ARBITRAGE FUND L.P.
et
RED KITE EXPLORER TRUST
et
CENTURION CREDIT GROUP MASTER FUND, L.P.

Créanciers / opposants

JUGEMENT RECTIFIÉ
sur requêtes en prorogation de délai

- [1] VU les requêtes en prorogation de délai;
- [2] CONSIDÉRANT que ces requêtes sont contestées par trois détenteurs de débentures soit, Platinum Partners Value Arbitrage Fund LP, Red Kite Explorer Trust et Centurion Credit Group Master Fund, L.P.;
- [3] CONSIDÉRANT le libellé de la débenture (annexe E de l'affidavit), particulièrement les articles 6.5 et 9.13 de celle-ci, ainsi que la délégation de pouvoirs déposée comme pièce D-1, le Tribunal considère que ces parties ont effectivement la capacité de contester les présentes requêtes;
- [4] VU la valeur des actifs en cause;
- [5] VU l'intérêt démontré par les parties requérantes;
- [6] VU la preuve;
- [7] CONSIDÉRANT que le Tribunal est convaincu que les conditions suivantes sont réunies:
- Que Northern Star Mining Corp. et Ressources Jake inc. continuent d'agir de bonne foi et avec toute la diligence voulue;
 - Qu'elles seront vraisemblablement en mesure de faire une proposition viable si la prorogation demandée est accordée;
 - Que ladite prorogation ne saurait causer de préjudice sérieux à l'un ou l'autre des créanciers;
- [8] VU la demande initiale de prorogation de délai datée du 16 septembre 2010;

[9] **CONSIDÉRANT** que le Tribunal est d'avis que les 45 jours prévus au paragraphe 9 de l'article 50.4 doivent se calculer à partir du 16 septembre 2010, date de la requête initiale;

[10] **VU** les articles 64.1 et 64.2 de la *Loi sur la faillite et l'insolvabilité*;

[11] **VU** la demande de charges prioritaires en faveur des administrateurs;

[12] **CONSIDÉRANT** qu'à l'instar de l'arrêt *Dessert & Passion inc.*¹, aucune charge ne peut être créée en faveur des administrateurs s'il est possible de contracter à juste coût une assurance visant à les indemniser (art. 64.1 (3) de la loi). En l'espèce, rien n'indique qu'une telle assurance n'est pas disponible. Au contraire, selon le rapport du syndic il y a une assurance en place. En l'occurrence, cette demande ne sera pas accordée.

[13] **VU** la demande de charges prioritaires par les requérantes pour les frais de leurs conseillers juridiques et autres experts dont les services seront retenus dans le cadre des présentes procédures;

[14] **CONSIDÉRANT** qu'il y va de l'intérêt de l'ensemble des créanciers de mettre en place une charge qui facilite l'objectif d'en arriver à un arrangement au meilleur coût possible, il sera déclaré que les frais et honoraires du syndic, des conseillers juridiques et autres experts soient grevés d'une charge ou d'une sûreté d'un montant ne dépassant pas 250 000\$. Cependant, pour que les créanciers soient en mesure de bien suivre les dépenses et honoraires du syndic et de ses conseillers juridiques et pour éviter de se retrouver avec un ballon à payer, il leur sera ordonné de facturer ces frais sur une base régulière, environ aux trois semaines, et les requérantes devront acquitter ces frais sur réception des factures, sauf évidemment en cas de contestation du bien-fondé de celles-ci.

POUR CES MOTIFS, LE TRIBUNAL :

[15] **DÉCLARE** que Platinum Partners Value Arbitrage Fund LP, Red Kite Explorer Trust et Centurion Credit Group Master Fund, L.P. ont la capacité juridique nécessaire pour contester les présentes requêtes;

[16] **DÉCLARE** valides et suffisants les avis donnés pour la présentation des présentes requêtes;

[17] **ACCUEILLE** en partie les requêtes en prorogation de délai;

[18] **PROROGE** jusqu'au 1^{er} novembre 2010 le délai accordé aux requérantes pour présenter une proposition aux créanciers;

¹ Dessert & Passion inc. (Proposition de), AZ-50579686, 2009 QCCS 4669;

[19] **DONNE ACTE** aux parties requérantes de leur engagement à ne pas démembrer les compagnies ou vendre des actifs, sauf dans le cadre d'une proposition éventuelle ou pour permettre de payer en totalité la dette des créanciers garantis, et leur **ORDONNE** de s'y conformer;

[20] **DÉCLARE** que les dépenses et honoraires du syndic ainsi que ceux des conseillers juridiques et autres experts dont les services sont retenus dans le cadre des procédures intentées en vertu de la section 1, partie 111 de la Loi sur la faillite et l'insolvabilité sont grevés d'une charge ou sûreté d'un montant ne devant pas excéder 250 000\$;

[21] **DÉCLARE** que cette charge ou sûreté est prioritaire à tous les autres hypothèques, liens, nantissements, charges, contrats de vente conditionnels, actes de location ou toute autre charge de quelque nature que ce soit affectant les actifs des parties requérantes;

[22] **REJETTE** la demande des requérantes quant à la création d'une charge prioritaire en faveur des administrateurs ou des dirigeants;

[23] **RÉSERVE** ses recours aux requérantes relativement à cette charge prioritaire en faveur des administrateurs ou des dirigeants, advenant la survenance de faits nouveaux suite au présent jugement;

[24] **ORDONNE** au syndic de facturer ses frais et honoraires de façon régulière, environ aux trois semaines, et de faire en sorte qu'il en soit de même pour les conseillers juridiques et autres experts dont les services sont retenus dans le cadre des présentes procédures et **ORDONNE** aux requérantes d'acquitter ces frais et honoraires sur réception, sauf en cas de contestation du bien-fondé de ceux-ci;

[25] **LE TOUT** sans frais.

[26] À la demande des procureurs au dossier, le soussigné en demeure saisi.



JOCELYN GEOFFROY, J.C.S.

Me Patrice Racicot, LAVERY, DE BILLY
Procureurs du syndic

Me Geneviève Cloutier, GOWLING, LAFLEUR
Procureurs des débitrices/requérantes

Me Christian Roy, OGILVY, RENAULT
Procureurs des créanciers/opposants
Dates d'audience: 28 et 29 septembre 2010

CANADA
Province de Québec
District d'Abitibi

Cause 615-11-001228-107 et
615-11-001229-105

ENREGISTREMENT
605120101026

RÉFÉRENCES

DÉBUT 14:00
FIN 14:20

COUR SUPÉRIEURE

PROCÈS-VERBAL D'AUDIENCE

par défaut ex parte contesté enquête au mérite

NORTHERN STAR MINING CORP. (Débitrice/requérante) et

RESSOURCES JAKE INC. (Débitrice/requérante)

DEMANDE

~~SAMSON-BÉLAIR-DELOITTE & TOUCHE INC. (Syndic)~~

DÉFENSE

Division Faillite

Salle no 1.14

Le 26 octobre 2010

PRÉSENT: L'HONORABLE JOCELYN GEOFFROY, J.C.S., (JG0688)

DEMANDE OU REQUÉRANT(E)

Me Me Geneviève Cloutier
GOWLING, LAFLEUR

Débitrices / requérantes

PRÉSENT(E) ABSENT(E)

DÉFENSE OU INTIMÉ(E)

Me Me Patrice Racicot
LAVERY, DE BILLY

Syndic

PRÉSENTE(E) ABSENT(E)

Me Christian Roy
OGILVY, RENAULT

Créanciers/opposants

Me

Me

NATURE DE LA CAUSE Faillite

GREFFIÈRE Sylvie Poirier

INTERPRÈTE

STÉNOGRAPHIE ENREGISTREMENT

Suite au jugement sur requêtes en prorogation de délai daté du 13 octobre 2010, la procureure des requérantes s'adresse au Tribunal pour que le soussigné rectifie les paragraphes 13, 14, 20, 21 et 24 de ce jugement pour y inclure les conseillers juridiques et autres experts retenus par les débitrices.

Le 30 septembre 2010, le juge coordonnateur de Val-d'Or a également fait parvenir une lettre aux parties les avisant qu'il n'y avait pas de salle d'audience de disponible avant le 3 novembre 2010.

PROCÈS-VERBAL D'AUDIENCE (suite)

Le soussigné a entendu les parties sur la demande de rectification de jugement par voie de conférence téléphonique qui s'est tenue le 26 octobre 2010.

CONSIDÉRANT que le 29 septembre 2010, lors du prononcé de son jugement séance tenante, il avait clairement été mentionné que les trois (3) derniers paragraphes des conclusions de la requête étaient retenus;

CONSIDÉRANT qu'il y a lieu de rectifier le jugement du 13 octobre 2010 pour inclure les frais des conseillers juridiques et autres experts retenus par les débitrices;

CONSIDÉRANT qu'il y a lieu également de prolonger jusqu'au 3 novembre 2010, le délai accordé aux requérantes pour présenter une proposition aux créanciers;

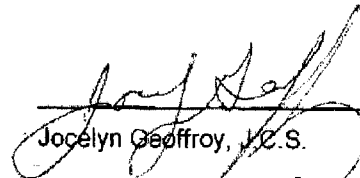
CONSIDÉRANT qu'il y a aussi lieu de rectifier le paragraphe 19 du jugement pour qu'on y lise «créanciers garantis» au lieu de «créanciers privilégiés».

POUR CES MOTIFS, LE TRIBUNAL :

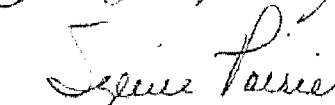
RECTIFIE les paragraphes 13, 14, 20, 21 et 24 du jugement du 13 octobre 2010, joint en annexe, pour inclure dans les charges prioritaires les frais des conseillers juridiques et autres experts que les requérantes retiennent dans le cadre des procédures intentées en vertu de la section 1, partie 111, de la *Loi sur la faillite et l'insolvabilité*;

RECTIFIE le paragraphe 19 pour qu'on y lise «créanciers garantis» au lieu de «créanciers privilégiés»;

PROROGE jusqu'au 3 novembre 2010, le délai accordé aux requérants pour présenter une proposition aux créanciers.



Jocelyn Geoffroy, J.C.S.



Sylvie Poirier, greffière-audicière

Court File No: 615-11-001228-107
Estate No. 33-1395340

QUEBEC
SUPERIOR COURT

IN THE MATTER OF THE PROPOSAL OF
NORTHERN STAR MINING CORP.
OF THE CITY OF VAL D'OR IN THE PROVINCE OF QUEBEC

Court File No: 615-11-001229-105
Estate No. 33-1396167

QUEBEC
SUPERIOR COURT

IN THE MATTER OF THE PROPOSAL OF
RESSOURCES JAKE INC./JAKE RESOURCES INC.
OF THE CITY OF VAL D'OR IN THE PROVINCE OF QUEBEC

SECOND REPORT OF THE PROPOSAL TRUSTEE
Pursuant to Section 50.4(7)(b)(ii) of the *Bankruptcy and Insolvency Act*

(Dated as of November 2, 2010)

1. On August 18, 2010, Northern Star Mining Corp. ("NSM") filed a Notice of Intention to Make a Proposal (the "NSM NOI") pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (the "BIA") and Samson Belair / Deloitte & Touche Inc. (the "Trustee") was named as Trustee in NSM's proposal proceedings. A copy of the NSM NOI, together with related documents, and the Certificate of Filing of the Notice of Intention to Make a Proposal for NSM, were included in the Report of the Proposal Trustee pursuant to Section 50.4(7)(b)(ii) of the *Bankruptcy and Insolvency Act* filed with this Honourable Court on September 16, 2010 (the "First Trustee Report"). A copy of the First Trustee Report, without appendices, is attached hereto as Appendix "A".

2. On August 19, 2010, Ressources Jake Inc./Jake Resources Inc. ("**Jake**", and when combined with NSM, the "**Companies**"), a wholly owned subsidiary of NSM, filed a Notice of Intention to Make a Proposal (the "**Jake NOI**") and the Trustee was also named as Trustee in Jake's proposal proceedings. A copy of the Jake NOI, together with related documents, and the Certificate of Filing of the Notice of Intention to Make a Proposal for Jake were included in the First Trustee Report.
3. The initial 30 day stay period provided for under the NSM NOI was scheduled to expire on September 17, 2010. The initial 30 day stay period provided for under the Jake NOI was scheduled to expire on September 18, 2010.
4. On September 15, 2010, the Companies served their materials in connection with their motion to seek an Order of this Honourable Court to extend the time for each of the Companies to file proposals to their creditors. As the presiding judge in Val d'Or was unable to hear the motion during the week prior to the expiration of the initial 30 day stay periods, the motion was made returnable on September 21, 2010. Accordingly, on September 16, 2010, the Companies sought and obtained from Registrar Johanne Simard an Order that extended the stay periods to September 22, 2010 (the "**First Extension Order**"). A copy of the First Extension Order is attached hereto as **Appendix "B"**.
5. The Trustee prepared the First Trustee Report in conjunction with the Companies' motion for an extension of the time to file their proposals. In the First Trustee Report, the Trustee set out its position that the Companies were acting in good faith and with due diligence and supported the Companies' motion that the Court extend the time in which the Companies were required to file their Proposals.
6. On September 20, 2010, the Honourable Justice Robert Dufresne advised counsel for the Companies that he would be unable to hear the extension motion originally scheduled for September 21, 2010, and the motion was rescheduled for September 28, 2010. On September 20, 2010, Registrar Simard issued an Order extending the stay period to September 29, 2010 (the "**Second Extension Order**"). A copy of the Second Extension Order is attached hereto as **Appendix "C"**.

7. On September 29, 2010, the extension motion was heard by the Honourable Justice Jocelyn Geoffroy who issued an Order on October 13, 2010 (the “**Third Extension Order**”) which extended the time for each of the Companies to file proposals to their creditors to November 1, 2010. In the Third Extension Order, Justice Geoffroy also granted a \$250,000 charge (the “**Administrative Charge**”) over the Companies’ assets in favour of the fees and expenses of the Trustee as well as those of its legal counsel and other experts engaged by the Trustee in the performance of the Trustee’s duties. On October 26, 2010, during a conference call with counsel for the Companies and the Trustee’s counsel, Justice Geoffroy advised counsel that the Third Extension Order would be amended to provide that the Companies’ counsel would participate in the Administrative Charge (the “**Amended Third Extension Order**”). Also on October 26, 2010, Justice Geoffroy extended the date by which the Companies must file proposals to their creditors to November 3, 2010. A copy of the Third Extension Order is attached hereto as **Appendix “D”**. A copy of the minutes of the hearing of October 26, 2010 and the Amended Third Extension Order are attached hereto as **Appendix “E”**.
8. This report has been prepared in connection with the Companies’ motion to be heard on November 3, 2010 pursuant to section 50.4(9) of the BIA in which the Companies are seeking an extension to December 15, 2010 of the time by which the Companies must file proposals to their creditors (the “**Second Extension Motion**”).
9. This report is to be read in conjunction with the First Trustee Report. Capitalized terms not defined in this report are as defined in the First Trustee Report. All dollar values contained in this report are listed in Canadian funds, unless otherwise noted.

Cash Flow Results

NSM

10. Attached as **Appendix “F”** is a schedule setting out NSM’s comparison of the cash flow forecast for NSM (the “**NSM Cash Flow Forecast**”) as compared to actual results for the period August 18 to October 23, 2010 (the “**NSM Results Period**”). During the NSM

Results Period, NSM had a net cash outflow of \$583,763 and had a net negative cash position variance of \$159,520.

11. The negative cash position variance of approximately \$159,500 consists of a positive receipts variance of approximately \$48,800 off set by a negative disbursements variance of approximately \$208,300.
12. The positive receipts variance is essentially due to the receipt of \$40,488 relating to interest earned on \$1.1 million of funds held in escrow in connection with NSM's purchase of two mining concessions and two surface leases from Barrick Gold Corporation ("**Barrick**") in relation to the Midway property. On or before September 30, 2010, unless that date was agreed to be extended by Barrick, NSM was required to obtain a Certificate of Liberation ("**Certificate**") from the Quebec Ministry of Natural Resources and Wildlife (the "**Ministry**") that denoted the completion of certain property remediation as required by the Ministry. As a result of the Certificate not being obtained and the September 30, 2010 deadline not being extended, as set out in the affidavit of Michael Waldkirch sworn on October 28, 2010 (the "**Second Waldkirch Affidavit**"), Barrick caused the escrow funds to be released to itself, which funds are apparently to be used to complete the required remediation. The interest that had accrued on the invested escrow funds was directed to NSM.
13. Variances in excess of \$10,000 that comprise the negative disbursements variance of approximately \$208,300 are:
 - a negative variance of approximately \$103,300 resulting from loans to Jake to fund its operations due to Jake's actual cash receipts being lower than projected up to the week ending October 16, 2010 (see below);
 - a permanent negative variance of \$57,900 in Trustee fees, which includes the fees of the Trustee's counsel, Lavery, de Billy L.L.P. ("**Lavery**"), due largely to the additional time the Trustee and its counsel have incurred as a result of matters raised, and the positions taken by, certain of the Companies' secured creditors. The fees of the Trustee and Lavery are discussed later in this report;

- a permanent negative variance of approximately \$34,000 resulting from NSM's legal fees being greater than forecast;
- a permanent negative variance of approximately \$20,600 in utility payments to Hydro Quebec that were higher than forecast. The reasons for this payment are set out in Paragraphs 24 to 26 of the Second Waldkirch Affidavit;
- a permanent negative variance in executive salary of \$13,700 due substantially to two payments totalling \$22,600 to Michel David, a director of NSM. It was initially forecast that payments to Mr. David would cease shortly after the filing of the NSM NOI as he was no longer actively involved in day-to-day operations; however, with the recent resignations of Mr. Denis Blais, the Chief Operating Officer, and Mr. Eugene Gauthier, the former site geologist, Mr. David was subsequently re-engaged to assist in providing site tours and other duties in Val d'Or; and
- a permanent negative variance of approximately \$10,500 relating to payments for mineral properties, claims renewals and property taxes as certain required payments were not included in the NSM Cash Flow Forecast;

offset by:

- a permanent positive variance of approximately \$22,800 in consulting fees that were lower than forecast due to lower activity at the properties than anticipated;
- a permanent positive variance of approximately \$17,400 in travel costs due to fewer trips by NSM's personnel to Val D'Or than anticipated.

Jake

14. Attached as **Appendix "G"** is a schedule setting out Jake's comparison of the cash flow forecast for Jake (the "**Jake Cash Flow Forecast**") as compared to actual results for the period August 19 to October 23, 2010 (the "**Jake Results Period**"). During the Jake

Results Period, Jake had a net cash inflow of \$106,612 and had a net positive cash position variance of \$72,630.

15. The positive cash flow variance consists of a positive receipts variance of approximately \$90,000 offset by a negative disbursements variance of approximately \$17,400.

16. The positive receipts variance is essentially due to the following:

- A temporary positive variance of \$103,300 due to higher funding from NSM to fund operations as there was a delay in the collection of accounts receivable from the Conway contract necessitating temporary funding from NSM; and

offset by:

- A permanent negative variance of approximately \$18,700 relating to a GST & HST refund as Jake advises that the refund was received prior to the filing of the Jake NOI; and
- A permanent positive variance of \$4,600 relating to a refund from the company's payroll service that related to the period prior to the Jake NOI.

17. Variances in excess of \$10,000 that comprise the negative disbursements variance of approximately \$17,400 are:

- A permanent positive variance of approximately \$21,400 relating to Conway contract expenses as those expenses were lower than forecast as certain of the forecast expenses were actually incurred as mill payroll;
- A permanent positive variance of approximately \$29,800 relating to mill maintenance costs as operations at the mill have not required the anticipated maintenance;
- A temporary positive variance of approximately \$9,800 relating to utilities at the mill as the payment for September usage is not due until October 30, 2010. The September utilities invoice is approximately \$43,900. Taking into account a

further payment in October for utilities of \$11,200 included in the Jake Cash Flow Forecast, the temporary positive variance will reverse to become a permanent negative variance of approximately \$22,900 when this amount is paid;

offset by:

- A permanent negative variance of approximately \$33,700 relating to mill payroll as certain of the work relating to the Conway contract was completed by mill staff rather than contractors as was initially anticipated; and
- A temporary negative variance of \$38,400 relating to insurance costs as the structure of the payment terms of Jake's insurance premiums was modified by the insurer to provide a large up-front deposit with smaller monthly payments; however, the total amount of insurance premiums has not changed.

18. The NSM Cash Flow Forecast and the Jake Cash Flow Forecast provide cash flow forecasts to November 20, 2010. During the morning of November 2, 2010, the Trustee received cash flow forecasts (the "**Extension Cash Flow Forecasts**") from the Companies that cover the 13-week period from November 1, 2010 to January 29, 2011 (the "**Cash Flow Extension Period**"). While the Trustee has not had the opportunity to review the Extension Cash Flow Forecasts in detail, the Trustee notes the following:

NSM

- Cash inflows during the Cash Flow Extension Period total \$5.4 million representing refunds anticipated from Revenu Quebec (\$4.6 million forecast to be received during the week commencing November 28, 2010) on account of various refunds and credits and from the Ministry (\$800,000 forecast to be received during the week commencing January 2, 2011) in respect of mining duty refunds;
- Cash outflows during the Cash Flow Extension Period include approximately \$2.34 million to be paid during the week commencing December 5, 2010 to Computershare Trust Company of Canada on account of accrued interest owing to

the holders of certain secured notes and approximately \$98,300 to Anglo Pacific Group LLC on account of accrued interest owing pursuant to a convertible debenture; and

- NSM's cash position decreases from an opening balance of \$589,220 as at November 1, 2011 to \$133,946 as of the week ending November 27, 2010 due to the use of cash for operations and professional fees. As such, receipt of the refund of \$4.6 million from Revenu Quebec is essential for NSM to continue in operation after November 27, 2010, unless NSM obtains another source of financing or investment.

Jake

- Cash inflows during the Cash Flow Extension Period substantially represent funding provided by NSM totalling approximately \$82,000;
- Cash outflows during the Cash Flow Extension Period are on account of operating costs and professional fees; and
- Jake's cash position decreases from an opening balance of \$82,816 as at November 1, 2010 to \$21,908 at the end of the Cash Flow Extension Period.

19. A copy of the Extension Cash Flow Forecasts is attached hereto as **Appendix "H"**.

Secured Creditors & Professional Fees

20. By letter dated October 13, 2010, Ogilvy Renault LLP ("**Ogilvy**"), counsel to Red Kite, Platinum, and Centurion requested that the Trustee and its counsel confirm the billing dates of professional fees and disbursements, the amount of accounts receivable, the amount of work in progress, and the amount of any retainers received from the Companies. Further, Ogilvy indicated that they expected that the professionals would submit their invoices to the Companies on a weekly basis and advised counsel for the Trustee and the Companies that it intended to monitor the invoicing and payment of professional fees in order to prevent the Companies from financing themselves with the

professionals' work in progress. A copy of Ogilvy's October 13, 2010 letter is attached hereto as **Appendix "I"**.

21. By letter dated October 20, 2010, Lavery advised Ogilvy that the Trustee and Lavery will conform with the terms of paragraph 24 of the Third Extension Order, of their intention to submit their invoices to the Companies on a regular basis, about twice monthly going forward, and the amounts of the retainers the Trustee has received from the Companies. A copy of Lavery's October 20, 2010 letter is attached hereto as **Appendix "J"**.
22. By letter dated October 21, 2010, Ogilvy made a further enquiry regarding the amount of the Trustee's and Lavery's billings to date, the amount of accounts receivable and work in progress, and the status of the retainers provided. A copy of Ogilvy's October 21, 2010 letter is attached hereto as **Appendix "K"**.
23. By letter dated October 29, 2010, Lavery informed Ogilvy of the status of the Trustee's and Lavery's invoices and the amount of the retainers that are being held by the Trustee. A copy of Lavery's October 29, 2010 letter is attached hereto as **Appendix "L"**.

Companies' Activities Since the Filing of the NOIs

24. The Affidavit of Michael Waldkirch sworn September 15, 2010 (the "**First Waldkirch Affidavit**") in support of the Companies' first extension of the time for each of the Companies to file proposals to their creditors outlined certain activities that the Companies intended to undertake should the extension be granted. Those activities were described in paragraph 90 of the First Waldkirch Affidavit and include the following:
 - i) Further discussions with potential purchasers and investors to develop a strategy that will maximize the value of NSM's assets and properties;
 - ii) Develop a process to offer the Beacon Hill Mill for sale;

- iii) To the extent that there is cash to do so, undertake the work required to prepare 43-101's¹ for the Midway Property, the Callahan Property and the Mackenzie Break Property with a view to increasing the value of those properties by clarifying the gold resources in the ground; and
- iv) Disclaim unfavourable agreements including the Off Take Agreement.

25. Since the First Waldkirch Affidavit, the Companies, through their counsel, have informed the Trustee that they have:

- i) held discussions with at least 15 interested parties, of which seven have completed or are intending to arrange a site visit, with two letters of intent/expressions of interest having been received and other expressions of interest expected. The status of interested parties is summarized in Exhibit "A" of the Second Waldkirch Affidavit. Additionally, the Companies have advised that they have made contact with a syndicate of investment banking firms for the purpose of raising equity;
- ii) continued to discuss with interested parties a sale of the Beacon Hill Mill; and
- iii) not commenced any work to prepare 43-101's since sufficient cash is not available at this time to do so.

In addition, the Companies have through counsel requested from the Trustee the information that the Trustee requires for the Trustee to consider approving the disclaiming or resiliation of the Off Take Agreement. The Trustee has provided NSM's counsel with a description of the information that it requires.

Trustee Fees and Legal Fees

26. The Trustee's fees for services rendered to NSM and Jake for the period to October 15, 2010 are \$61,385.38 and \$16,384.93, respectively, including GST and QST. The fees and

¹ Refers to National Instrument 43-101, a mineral resource classification scheme used for the public disclosure of information relating to mineral properties in Canada.

disbursements of Lavery with respect to NSM and Jake for the period to October 15, 2010 are \$48,132.86 and \$817.53, respectively, including GST and QST.

27. NSM and Jake have provided cheques to the Trustee for the amounts owing to both the Trustee and Lavery in conformity with paragraph 24 of the Amended Third Extension Order. The Trustee has deposited the said cheques into trust bank accounts it has opened for each of the proposals of NSM and Jake and intends to pay to the Trustee and Lavery the above fees and disbursements.

Trustee's Recommendation

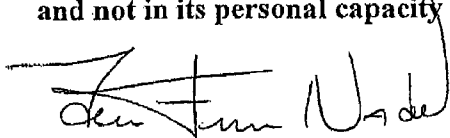
28. While the Trustee has not participated in the Companies' restructuring efforts, it has held discussions with the Companies' counsel so as to be apprised of the Companies' progress.
29. Management has advised, as set out in paragraphs 8 through 15 of the Second Waldkirch Affidavit, that the Companies have made substantial progress in developing a plan for a restructuring of NSM's capital structure and raising sufficient money to fund proposals that will pay the Companies' secured creditors in full or as otherwise agreed and provide a distribution to unsecured creditors. To that end, NSM advises that to date they have received two expressions of interest and is expecting other expressions of interest. The Companies also advise that they will require further time to explore the interest of all interested parties with the goal of formulating and completing transactions that maximize the amount available to fund proposals to the Companies' creditors.
30. The Trustee is of the view that the Companies continue to act in good faith and with due diligence in these proceedings, that no creditor is being materially prejudiced by extending the time for each of the Companies to file proposals to their creditors and that there is a reasonable prospect that each of the Companies will be able to make a viable proposal to their unsecured creditors.

31. The Trustee recommends approval of the Companies' motion pursuant to section 64.2 of the BIA for an extension to December 15, 2010 of the time period for each of NSM and Jake to make a proposal to their creditors.

All of which is respectfully submitted to this Honourable Court.

DATED this 2nd day of November, 2010.

SAMSON BELAIR / DELOITTE & TOUCHE INC.
Trustee re the Proposals of
Northern Star Mining Corp. and Ressources Jake Inc./Jake Resources Inc.
and not in its personal capacity

A handwritten signature in black ink, appearing to read "Jean-Francois Nadon". The signature is written in a cursive style with a large initial "J" and "N".

Jean-Francois Nadon, CA, CIRP
Senior Vice President

COUR SUPÉRIEURE

CANADA
PROVINCE DE QUÉBEC
DISTRICT D' ABITIBI

N° : 615-11-001228-107 et 615-11-001229-105

DATE : 2 novembre 2010

SOUS LA PRÉSIDENTE DE L'HONORABLE JOCELYN GEOFFROY, J.C.S.

615-11-001228-107

NORTHERN STAR MINING CORP.

Débitrice / Requérante

SAMSON BÉLAIR DELOITTE & TOUCHE INC.

Syndic

PLATINUM PARTNERS VALUE ARBITRAGE FUND L.P.

et

RED KITE EXPLORER TRUST

et

CENTURION CREDIT GROUP MASTER FUND, L.P.

Créanciers / Opposants

615-11-001229-105

RESSOURCES JAKE INC. / JAKE RESSOURCES INC.

Débitrice / Requérante

SAMSON BÉLAIR DELOITTE & TOUCHE INC.

Syndic

PLATINUM PARTNERS VALUE ARBITRAGE FUND L.P.

et

RED KITE EXPLORER TRUST

et

CENTURION CREDIT GROUP MASTER FUND, L.P.

Créanciers / opposants

JUGEMENT

[1] **CONSIDÉRANT** la requête des débitrices, Northern Star Mining Corp. et Ressources Jake inc., pour obtenir une prorogation du délai pour déposer une proposition;

[2] **CONSIDÉRANT** la demande du procureur des créanciers, Platinum Partners Value Arbitrage Fund L.P., Red Kite Explorer Trust et Centurion Credit Group Master Fund, L.P., de reporter la présentation de cette requête afin qu'il puisse procéder à l'interrogatoire sur affidavit de M. Michael Waldkirch et, le cas échéant, présenter des moyens de contestation à l'encontre de ladite requête;

POUR CES MOTIFS, LE TRIBUNAL :

[3] **REPORTE** au 26 novembre 2010, à 9h30, la présentation de la requête des débitrices, Northern Star Mining Corp. et Ressources Jake inc., pour obtenir une prorogation du délai pour déposer une proposition;

[4] **PROROGE** jusqu'au 26 novembre 2010 le délai accordé à chacune des débitrices, Northern Star Mining Corp. et Ressources Jake inc., pour déposer une proposition;

[5] **LE TOUT** sans frais.

Me Patrice Racicot, LAVERY, DE BILLY
Procureurs du syndic



JOCELYN GEOFFROY, J.C.S.

Me Geneviève Cloutier, GOWLING, LAFLEUR
Procureurs des débitrices/requérantes

Me Christian Roy, OGILVY, RENAULT
Procureurs des créanciers/opposants

Date d'audience 2 novembre 2010

2010-175

CANADA
Province de Québec

District d'Abitibi

Cause 615-11-001228-107 et
615-11-001229-105

ENREGISTREMENT
605120101026

COUR SUPÉRIEURE

PROCÈS-VERBAL D'AUDIENCE

par défaut ex parte contesté enquête au mérite

NORTHERN STAR MINING CORP. (Débitrice/requérante) et

RESSOURCES JAKE INC. (Débitrice/requérante)

DEMANDE

~~**SAMSON DÉLAIR DELOITTE & TOUCHE INC. (Syndic)**~~

DÉFENSE

Division Faillite

Salle no 1.03

Le 2 novembre 2010

PRÉSENT: L'HONORABLE JOCELYN GEOFFROY, J.C.S., (JG0688)

RÉFÉRENCES

DÉBUT 15:00

FIN 15:52

DEMANDE OU REQUÉRANT(E)

Me Me Geneviève Cloutier

Débitrices / requérantes

GOWLING, LAFLEUR

PRÉSENT(E) ABSENT(E)

DÉFENSE OU INTIMÉ(E)

Me Mes Patrice Racicot et Eugène Czolij

Syndic

LAVERY, DE BILLY

PRÉSENTE(E) ABSENT(E)

Me Christian Roy

Créanciers/opposants

OGILVY, RENAULT

Me

Me

NATURE DE LA CAUSE

GREFFIÈRES

Sylvie Poirier et Francine Rheault

INTERPRÈTE

STÉNOGRAPHIE

ENREGISTREMENT

Par voie de conférence téléphonique:

Identification de la cause et des procureurs.

Cette conférence téléphonique a lieu suite à une lettre du procureur des créanciers, Platinum Partners Value Arbitrage Fund L.P., Red Kite Explorer Trust et Centurion Credit Group Master Fund, L.P. qui demande du délai pour procéder à l'interrogatoire sur affidavit de M. Michael Waldkirch avant que l'audition de la requête en extension de délai prévue pour le 3 novembre 2010

PROCÈS-VERBAL D'AUDIENCE (suite)

Suite aux représentations des procureurs aux dossiers et des échanges avec le Tribunal, il est décidé ce qui suit:

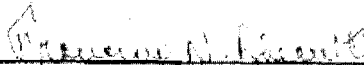
- Le procureur des créanciers pourra interroger M. Waldkirch, qui se trouve en Colombie Britannique, par visioconférence;
- S'il y a des objections à faire trancher relativement à cet interrogatoire, ils le seront par le soussigné le 9 novembre 2010 à 14h00 par conférence téléphonique;
- Si les créanciers désirent contester la requête en extension de délai des requérantes, ils devront faire connaître leurs moyens de contestation aux procureurs des autres parties au plus tard le 22 novembre 2010;
- Considérant la demande des créanciers, l'audition de la requête pour extension de délai est reportée au 26 novembre 2010, 9h30 au Palais de justice de Val-d'Or;
- Le délai accordé aux requérantes pour présenter une proposition est prorogé au 26 novembre 2010;
- Les parties feront à cette date les représentations qui s'imposent sur la question à savoir si l'extension de 45 jours demandée commencera au début novembre ou à la date de présentation du 26 novembre 2010;



Jocelyn Geffroy, J.C.S.



Sylvie Poirier, greffière-audicière



Francine N. Rheault, greffière-audicière
(à partir de 15h25)

District of: Quebec
Division No. 12 - ABITIBI
Court No. 615-14-001228-107
Estate No. 33-1395340

FORM 30
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(8)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of
Northern Star Mining Corp.
of the City of Val d'Or, in the Province of Quebec


The Management of Northern Star Mining Corp., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 10th day of November, 2010, consisting of a projected cash flow statement for the period commencing on October 31, 2010 and the notes to the projected cash flow statement.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

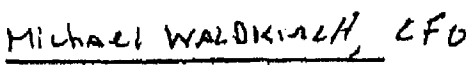
Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Vancouver in the Province of British Columbia, this 10th day of November 2010.



Northern Star Mining Corp.
Debtor



Name and title of signing officer

Name and title of signing officer

District of: Quebec
Division No. 12 - ABTTBI
Court No. 615-11-001228-107
Estate No. 33-1395340

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(8)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of
Northern Star Mining Corp.
of the City of Val d'Or, in the Province of Quebec

Purpose:

The Statement of Projected Cash Flow has been prepared for the period commencing October 31, 2010, solely for the purpose of complying with Part III of the Bankruptcy and Insolvency Act.

Projection Notes:

The Statement of Projected Cash Flow includes the following Hypothetical and/or Probable Assumptions:

Receipts and disbursements are based on management's best estimate for the period October 31, 2010 to January 29, 2011.

There will be no drilling during the projection period. The mine properties will be winterized.

The forecast receipt of \$4.6 million from Revenu Quebec relates to mining tax refunds.

Forecast interest payments are subject to receipt of the mining tax refunds.

No provision for income taxes has been made.

All creditors' claims are subject to a stay of proceedings Pursuant to Section 69(1) of the Act.

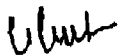
No provision has yet been made for payments to creditors as at August 18, 2010, the filing date of the Notice of Intention to Make a Proposal.

Assumptions:

Hypothetical Assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that assume a set of economic conditions or courses of action that are not necessarily the most important in the insolvent person's judgement, but are consistent with the purpose of the Statement of Projected Cash Flow.

Probable Assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that the insolvent person believes reflects the most probable set of economic conditions and planned courses of action, are suitably supported, consistent with the plans of the insolvent person and provide a reasonable basis for the Statement of Projected Cash Flow.

Dated at the City of Vancouver in the Province of British Columbia, this 10th day of November 2010.



Northern Star Mining Corp.

District of Quebec
 Division No. 12-Abitibi
 Court No. 615-11-001228-107
 Estate No. 33-1396340

IN THE MATTER OF THE PROPOSAL OF
 NORTHERN STAR MINING CORP.
 OF THE CITY OF VAL D'OR IN THE PROVINCE OF QUEBEC

STATEMENT OF PROJECTED CASH FLOW
 OCTOBER 31, 2010 TO JANUARY 28, 2010

	Oct 31 - Nov 5	Nov 7 - 13	Nov 14 - 20	Nov 21 - 27	Nov 28 - Dec 4	Dec 5 - 11	Dec 12 - 18	Dec 19 - 25	Dec 26 - Jan 1	Jan 2 - 8	Jan 9 - 15	Jan 16 - 22	Jan 23 - 29	Total
CASH INFLOWS														
Revenue Quebec	\$ -	\$ -	\$ -	\$ -	\$ 4,800,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,800,000
MRNF	-	-	-	-	-	-	-	-	-	800,000	-	-	-	800,000
	\$ -	\$ -	\$ -	\$ -	\$ 4,800,000	\$ -	\$ -	\$ -	\$ -	\$ 800,000	\$ -	\$ -	\$ -	\$ 5,600,000
CASH OUTFLOWS														
General & Administrative														
Salaries and benefits	(55,313)	-	(55,893)	-	(51,342)	-	(51,342)	-	(51,342)	-	(51,978)	-	(51,978)	(368,183)
Legal	(80,000)	-	(28,000)	-	(38,000)	-	(28,000)	-	(28,000)	-	(28,000)	-	(28,000)	(238,000)
Trustee	(25,000)	-	(22,000)	-	(48,000)	-	(25,000)	-	(20,000)	-	(15,000)	-	(25,000)	(180,000)
Consulting	(11,288)	-	(11,288)	(10,000)	(11,288)	-	(11,288)	(10,000)	(11,288)	-	(11,288)	(10,000)	(11,288)	(109,013)
Filing and exchange fees	-	(1,120)	-	-	-	(1,120)	-	-	-	(1,120)	-	-	-	(3,380)
Insurance, taxes and permits	-	-	-	-	(2,000)	-	-	-	(2,000)	-	-	-	(2,000)	(8,000)
Office, telephone and communications	(448)	(3,192)	(448)	(3,192)	(448)	(3,192)	(448)	(3,192)	(448)	(3,192)	(448)	(3,192)	(448)	(22,288)
Interest	-	-	-	-	-	(2,441,834)	-	-	-	-	-	-	-	(2,441,834)
Rent	(1,524)	-	-	-	(1,524)	-	-	-	(1,524)	-	-	-	-	(4,571)
Security	-	(8,673)	-	(8,673)	-	(100)	-	(100)	-	(100)	-	(100)	-	(17,748)
Mine maintenance	(32,698)	(13,598)	(13,598)	(13,599)	(15,764)	(15,764)	(15,764)	(15,764)	(4,713)	(4,713)	(4,713)	(4,713)	(4,713)	(160,114)
Travel	-	-	-	(11,200)	-	-	-	(11,200)	-	-	-	-	(11,200)	(33,600)
Utilities	-	-	-	(15,210)	-	-	-	-	(10,340)	-	-	-	-	(9,257)
Payments for mineral properties	(25,000)	(2,950)	-	-	(25,000)	(2,950)	-	-	-	(25,000)	(2,950)	-	-	(83,850)
Exploration - drilling	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exploration - assays & geological	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances to Subsidiary	(4,524)	-	(18,845)	-	(4,524)	-	(18,845)	-	(4,524)	-	(18,845)	-	(4,524)	(68,630)
	\$ (215,793)	\$ (29,534)	\$ (148,072)	\$ (81,874)	\$ (197,888)	\$ (2,464,980)	\$ (148,886)	\$ (40,296)	\$ (134,178)	\$ (34,125)	\$ (131,228)	\$ (18,005)	\$ (148,405)	\$ (3,772,898)
NET CASH FLOWS	(215,793)	(29,534)	(148,072)	(81,874)	4,602,112	(2,464,980)	(148,886)	(40,296)	(134,178)	765,875	(131,228)	(18,005)	(148,405)	1,627,804
CASH AND CASH EQUIVALENTS, beginning balance	589,220	373,427	343,893	195,820	133,946	4,536,058	2,071,098	1,922,412	1,892,157	1,747,979	2,513,854	2,382,634	2,364,629	589,220
CASH AND CASH EQUIVALENTS, ending balance	\$ 373,427	\$ 343,893	\$ 195,820	\$ 133,946	\$ 4,536,058	\$ 2,071,098	\$ 1,922,412	\$ 1,892,157	\$ 1,747,979	\$ 2,513,854	\$ 2,382,634	\$ 2,364,629	\$ 2,216,224	\$ 2,216,224

See Form 30 for Notes on the Statement of Projected Cash Flow
 Dated at Vancouver, British Columbia
 this 10th day of November, 2010



Michael Waldkirch - CFO

District of: Quebec
Division No. 12 - ABITIBI
Court No. 615-11-001228-107
Estate No. 33-1395340

FORM 29
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the proposal of
Northern Star Mining Corp.
of the City of Val d'Or, in the Province of Quebec

The attached statement of projected cash flow of Northern Star Mining Corp., as of the 10th day of November 2010, consisting of a projected cash flow statement for the period commencing on October 31, 2010 and the notes to the projected cash flow statement, has been prepared by the management of the insolvent person for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: ■ the management and employees of the insolvent person or ■ the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: ■ management or ■ the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

(a) the hypothetical assumptions are not consistent with the purpose of the projection;

(b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or

(c) the projection does not reflect the probable and hypothetical assumptions.


Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 10th day of November 2010.

Deloitte & Touche Inc. - Trustee

Per:



Jean-François Nadon
181 Bay Street, Suite 1400
Toronto ON M5J 2V1
Phone: (416) 601-6150 Fax: (416) 601-6690

District of: Quebec
Division No. 12 - ABITIBI
Court No. 615-11-001228-107
Estate No. 33-1395340

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the proposal of
Northern Star Mining Corp.
of the City of Val d'Or, in the Province of Quebec

Purpose:

The Statement of Projected Cash Flow has been prepared for the period commencing October 31, 2010, solely for the purpose of complying with Part III of the Bankruptcy and Insolvency Act.

Projection Notes:

The Statement of Projected Cash Flow includes the following Hypothetical and/or Probable Assumptions:

Receipts and disbursements are based on management's best estimate for the period October 31, 2010 to January 29, 2011.

There will be no drilling during the projection period. The mine properties will be winterized.

The forecast receipt of \$4.6 million from Revenu Quebec relates to mining tax refunds.

Forecast interest payments are subject to receipt of the mining tax refunds.

No provision for income taxes has been made.

All creditors' claims are subject to a stay of proceedings Pursuant to Section 69(1) of the Act.

No provision has yet been made for payments to creditors as at August 18, 2010, the filing date of the Notice of Intention to Make a Proposal.

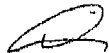
Assumptions:

Hypothetical Assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that assume a set of economic conditions or courses of action that are not necessarily the most important in the insolvent person's judgement, but are consistent with the purpose of the Statement of Projected Cash Flow.

Probable Assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that the insolvent person believes reflects the most probable set of economic conditions and planned courses of action, are suitably supported, consistent with the plans of the insolvent person and provide a reasonable basis for the Statement of Projected Cash Flow.

Dated at the City of Toronto in the Province of Ontario, this 10th day of November 2010.

Deloitte & Touche Inc. - Trustee
Per:



Jean-François Nadon
181 Bay Street, Suite 1400
Toronto ON M5J 2V1
Phone: (416) 601-6150 Fax: (416) 601-6690

District of: Quebec
Division No. 12 - ABITIBI
Court No. 615-11-001229-105
Estate No. 33-1396167

FORM 29
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the proposal of
Ressources Jake Inc.
of the City of Val d'Or, in the Province of Quebec

The attached statement of projected cash flow of Ressources Jake Inc., as of the 10th day of November 2010, consisting of a projected cash flow statement for the period commencing on October 31, 2010 and the notes to the projected cash flow statement, has been prepared by the management of the insolvent person for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

(a) the hypothetical assumptions are not consistent with the purpose of the projection;

(b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or

(c) the projection does not reflect the probable and hypothetical assumptions.


Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Toronto in the Province of Ontario, this 10th day of November 2010.

Deloitte & Touche Inc. - Trustee

Per:



Jean-François Nadon
181 Bay Street, Suite 1400
Toronto ON M5J 2V1
Phone: (416) 601-6150 Fax: (416) 601-6690

District of: Quebec
Division No. 12 - ABITIBI
Court No. 615-11-001229-105
Estate No. 33-1396167

**_FORM 29_ - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)**

In the matter of the proposal of
Ressources Jake Inc.
of the City of Val d'Or, in the Province of Quebec

Purpose:

The Statement of Projected Cash Flow has been prepared for the period commencing October 31, 2010, solely for the purpose of complying with Part III of the Bankruptcy and Insolvency Act.

Projection Notes:

The Statement of Projected Cash Flow includes the following Hypothetical and/or Probable Assumptions:

Receipts and disbursements are based on management's best estimate for the period October 31, 2010 to January 29, 2011.

During the projection period, the mill will not be operating.

No provision for income taxes has been made.

All creditors' claims are subject to a stay of proceedings pursuant to Section 69(1) of the Act.

No provision has yet been made for payments to creditors as at August 19, 2010, the filing date of the Notice of Intention to Make a Proposal.

Assumptions:

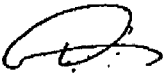
Hypothetical assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that assume a set of economic conditions or courses of action that are not necessarily the most important in the insolvent person's judgement, but are consistent with the purpose of the Statement of Projected Cash Flow.

Probable assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that the insolvent person believes reflects the more probable set of economic conditions and planned courses of action, are suitably supported, consistent with the plans of the insolvent person and provide a reasonable basis for the Statement of Projected Cash Flow.

Dated at the City of Toronto in the Province of Ontario, this 10th day of November 2010.

Deloitte & Touche Inc. - Trustee

Per:


for _____
Jean-François Nadon
181 Bay Street, Suite 1400
Toronto ON M5J 2V1
Phone: (416) 601-6150 Fax: (416) 601-6690

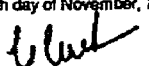
District of Quebec
 Division No. 12-Abbitol
 Court No. 615-11-001229-105
 Estate No. 33-1396167

IN THE MATTER OF THE PROPOSAL OF
 RESSOURCES JAKE INC./JAKE RESOURCES INC.
 OF THE CITY OF VAL D'OR IN THE PROVINCE OF QUEBEC

STATEMENT OF PROJECTED CASH FLOW
 OCTOBER 31, 2010 TO JANUARY 29, 2011

	Oct 31 - Nov 6	Nov 7 - 13	Nov 14 - 20	Nov 21 - 27	Nov 28 - Dec 4	Dec 5 - 11	Dec 12 - 18	Dec 19 - 25	Dec 26 - Jan 1	Jan 2 - 8	Jan 9 - 16	Jan 16 - 22	Jan 23 - 29	Total
CASH INFLOWS														
GST & HST	\$ -	\$ -	\$ -	\$ -	\$ 1,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,300
Loan from NSM	4,524	-	16,846	-	4,524	-	16,846	-	4,524	-	16,846	-	4,524	68,634
	<u>\$ 4,524</u>	<u>\$ -</u>	<u>\$ 16,846</u>	<u>\$ -</u>	<u>\$ 5,824</u>	<u>\$ -</u>	<u>\$ 16,846</u>	<u>\$ -</u>	<u>\$ 4,524</u>	<u>\$ -</u>	<u>\$ 16,846</u>	<u>\$ -</u>	<u>\$ 4,524</u>	<u>\$ 69,934</u>
CASH OUTFLOWS														
General & Administrative														
Salaries and benefits	(4,524)		(4,524)		(4,524)		(4,524)		(4,524)		(4,524)		(4,524)	(31,668)
Legal														
Trustee	(2,240)		(2,240)		(2,240)		(2,240)		(2,240)		(2,240)		(2,240)	(15,680)
Insurance, taxes and permits			(12,322)				(12,322)				(12,322)			(36,966)
Mill maintenance	(1,075)	(1,075)	(1,075)	(1,075)	(1,263)	(1,263)	(1,263)	(1,263)	(1,450)	(1,450)	(1,450)	(1,450)	(1,450)	(16,600)
Office, telephone and communications		(500)			(500)					(500)				(1,500)
Utilities				(16,000)				(12,000)					(14,000)	(42,000)
	<u>\$ (7,839)</u>	<u>\$ (1,575)</u>	<u>\$ (20,161)</u>	<u>\$ (17,075)</u>	<u>\$ (8,527)</u>	<u>\$ (1,263)</u>	<u>\$ (20,349)</u>	<u>\$ (13,263)</u>	<u>\$ (8,214)</u>	<u>\$ (1,950)</u>	<u>\$ (28,536)</u>	<u>\$ (1,450)</u>	<u>\$ (22,214)</u>	<u>\$ (144,414)</u>
NET CASH FLOWS	<u>(3,315)</u>	<u>(1,575)</u>	<u>(3,315)</u>	<u>(17,076)</u>	<u>(2,703)</u>	<u>(1,263)</u>	<u>(3,503)</u>	<u>(13,263)</u>	<u>(3,690)</u>	<u>(1,950)</u>	<u>(3,690)</u>	<u>(1,450)</u>	<u>(17,690)</u>	<u>(74,486)</u>
CASH AND CASH EQUIVALENTS, beginning balance	82,816	79,501	77,926	74,811	57,536	54,833	53,571	50,068	36,808	33,116	31,168	27,478	26,028	82,816
CASH AND CASH EQUIVALENTS, ending balance	<u>\$ 79,501</u>	<u>\$ 77,926</u>	<u>\$ 74,811</u>	<u>\$ 57,536</u>	<u>\$ 54,833</u>	<u>\$ 53,571</u>	<u>\$ 50,068</u>	<u>\$ 36,808</u>	<u>\$ 33,116</u>	<u>\$ 31,166</u>	<u>\$ 27,478</u>	<u>\$ 26,028</u>	<u>\$ 8,338</u>	<u>\$ 8,338</u>

See Form 30 for Notes on the Statement of Projected Cash Flow
 Dated at Vancouver, British Columbia
 this 10th day of November, 2010


 Michael Waldkirch

District of: Quebec
Division No. 12 - ABITIBI
Court No. 615-11-001229-105
Estate No. 33-1396167

FORM 30

Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of
Ressources Jake Inc.
of the City of Val d'Or, in the Province of Quebec

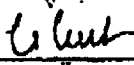
The management of Ressources Jake Inc., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 10th day of November 2010, consisting of a projected cash flow statement for the period commencing on October 31, 2010 and the notes to the projected cash flow statement.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.


Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Vancouver in the Province of British Columbia, this 10th day of November 2010.



Ressources Jake Inc.
Debtor



Name and title of signing officer

Name and title of signing officer

District of: Quebec
Division No. 12 - ABITIBI
Court No. 615-11-001229-105
Estate No. 33-1396167

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(8)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of
Ressources Jake Inc.
of the City of Val d'Or, in the Province of Quebec

Purpose:

The Statement of Projected Cash Flow has been prepared for the period commencing October 31, 2010, solely for the purpose of complying with Part III of the Bankruptcy and Insolvency Act.

Projection Notes:

The Statement of Projected Cash Flow includes the following Hypothetical and/or Probable Assumptions:

Receipts and disbursements are based on management's best estimate for the period October 31, 2010 to January 29, 2011

During the projection period, the mill will not be operating.

No provision for income taxes has been made.

All creditors' claims are subject to a stay of proceedings pursuant to Section 69(1) of the Act.

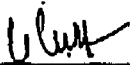
No provision has yet been made for payments to creditors as at August 19, 2010, the filing date of the Notice of Intention to Make a Proposal.

Assumptions:

Hypothetical assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that assume a set of economic conditions or courses of action that are not necessarily the most important in the insolvent person's judgment, but are consistent with the purpose of the Statement of Projected Cash Flow.

Probable assumptions as defined in the Standards of Professional Practice of the Canadian Association of Insolvency and Restructuring Professionals are assumptions that the insolvent person believes reflects the more probable set of economic conditions and planned courses of action, are suitably supported, consistent with the plans of the insolvent person and provide a reasonable basis for the Statement of Projected Cash Flow.

Dated at the City of Vancouver in the Province of British Columbia, this 10th day of November 2010.



Ressources Jake Inc.

NORTHERN STAR MINING CORP.
Weekly Cash Flows - Actual Cash Flow Results
August 18 to November 20, 2010

	Actual
	<u>Aug 18 - Nov 20</u>
CASH INFLOWS	
GST	\$ 278,143
QST	245,779
Reimbursement of deposit from MRNQ	8,000
Reimbursement from Telus	163
Interest	40,488
Revenue Quebec	-
MRNF	-
	<u>\$ 572,573</u>
CASH OUTFLOWS	
General & Administrative	
Executive salary	(295,831)
Administration payroll	(20,660)
Mine payroll	(103,736)
Legal	(215,730)
Trustee	(142,513)
Consulting	(223,993)
Filing and exchange fees	(3,633)
Insurance, taxes and permits	(32,054)
Office, telephone and communications	(31,228)
Rent	(4,571)
Security	(80,682)
Midway maintenance	(27,050)
McKenzie maintenance	(16,403)
Travel	(12,640)
Utilities	(88,670)
Payments for mineral properties	(94,847)
Exploration - drilling	-
Exploration - assays & geological	-
Loans to Jake Resources Inc.	(259,389)
	<u>\$ (1,653,631)</u>
NET CASH FLOWS	(1,081,058)
CASH AND CASH EQUIVALENTS, beginning balance	1,318,104
CASH AND CASH EQUIVALENTS, ending balance	<u><u>\$ 237,046</u></u>

NORTHERN STAR MINING CORP.
Weekly Cash Flows - Budget to Actual Period to Date
October 31 - November 20, 2010

	Budget	Actual	Difference
	Oct 31 - Nov 20	Oct 31 - Nov 20	Oct 31 - Nov 20
CASH INFLOWS			
Revenue Quebec	\$ -	\$ -	\$ -
MRNF	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
CASH OUTFLOWS			
General & Administrative			
Executive salary	(86,007)	(55,775)	30,232
Adminstration payroll	(5,375)	(4,960)	415
Mine payroll	(19,823)	(23,190)	(3,367)
Legal	(88,000)	(61,283)	26,717
Trustee	(47,000)	(32,995)	14,005
Consulting	(22,575)	(27,211)	(4,636)
Filing and exchange fees	(1,120)	(821)	299
Insurance, taxes and permits	-	-	-
Office, telephone and communications	(4,088)	(3,636)	452
Interest	-	-	-
Rent	(1,524)	(1,524)	-
Security	(8,673)	(32,273)	(23,600)
Midway maintenance	(30,425)	(9,844)	20,581
McKenzie maintenance	(29,471)	(16,403)	13,068
Travel	-	(7,627)	(7,627)
Utilities	-	(21,759)	(21,759)
Payments for mineral properties	(27,950)	(28,377)	(427)
Exploration - drilling	-	-	-
Exploration - assays & geological	-	-	-
Loans to Jake Resources Inc.	(21,369)	(21,310)	59
	<u>\$ (393,400)</u>	<u>\$ (348,988)</u>	<u>\$ (44,412)</u>
NET CASH FLOWS	(393,400)	(348,988)	44,412
CASH AND CASH EQUIVALENTS, beginning balance	589,220	586,034	(3,186)
CASH AND CASH EQUIVALENTS, ending balance	<u>\$ 195,820</u>	<u>\$ 237,046</u>	<u>\$ 41,226</u>

RESSOURCES JAKE INC./JAKE RESOURCES INC.
Weekly Cash Flows - Actual Cash Flow Results
August 19 to November 20, 2010

	Actual
	<u>Aug 19 - Nov 20</u>
CASH INFLOWS	
Revenue from Conway contract	\$ 125,837
GST & HST	1,318
Reimbursement from ADP for error in payroll	4,554
Loan from NSM	259,390
	<u>\$ 391,098</u>
CASH OUTFLOWS	
General & Administrative	
Conway contract expenses	(41,863)
Mill payroll	(86,286)
Wages - severance	-
Workers compensation board	-
Legal	(1,072)
Trustee	(52,975)
Insurance, taxes and permits	(77,430)
Mill maintenance	(9,684)
Office, telephone and communications	(1,899)
Utilities	(71,080)
	<u>\$ (342,288)</u>
NET CASH FLOWS	48,810
CASH AND CASH EQUIVALENTS, beginning balance ⁽¹⁾	20,469
CASH AND CASH EQUIVALENTS, ending balance	<u><u>\$ 69,279</u></u>

Note:

1. The opening bank balance at August 19, 2010 included a restricted GIC of \$82,110 that was restricted and was held for the benefit of the Ministry of Natural Resources for compliance with certain site restoration requirements. The GIC was not considered when the Updated Cash Flow Statement was prepared and has been removed from this presentation.

RESSOURCES JAKE INC./JAKE RESOURCES INC.
Weekly Cash Flows - Budget to Actual - Period to Date
October 31 - November 20, 2010

	Budget	Actual	Difference
	Oct 31 - Nov 20	Oct 31 - Nov 20	Oct 31 - Nov 20
CASH INFLOWS			
GST & HST	\$ -	\$ 1,318	\$ 1,318
Loan from NSM	21,370	21,310	(60)
	\$ 21,370	\$ 22,628	\$ 1,258
CASH OUTFLOWS			
General & Administrative			
Mill payroll	(9,048)	(7,115)	1,933
Wages - severance	-	-	-
Workers compensation board	-	-	-
Legal	-	-	-
Trustee	(4,480)	(1,873)	2,607
Insurance, taxes and permits	(12,322)	(12,322)	-
Mill maintenance	(3,225)	-	3,225
Office, telephone and communications	(500)	(383)	117
Utilities	-	(14,472)	(14,472)
	\$ (29,575)	\$ (36,165)	\$ (6,590)
NET CASH FLOWS	(8,205)	(13,537)	(5,332)
CASH AND CASH EQUIVALENTS, beginning balance	82,816	82,816	-
CASH AND CASH EQUIVALENTS, ending balance	\$ 74,611	\$ 69,279	\$ (5,332)