

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 stylized with a large initial "J" and "N".

Jean-Francois Nadon, CA, CIRP
Senior Vice President

Court File No: 615-11-001228-107
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QUEBEC
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IN THE MATTER OF THE PROPOSAL OF
NORTHERN STAR MINING CORP.
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Court File No: 615-11-001229-105
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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

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

(Dated as of September 16, 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 are 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

7. The Trustee consulted with the Companies in their preparation of their Cash Flow Statements. As reported in Form 29 for each of the Companies, nothing has come to the attention of the Trustee to indicate that: (i) the hypothetical assumptions employed by the Companies are not consistent with the purpose of the projections, (ii) the probable assumptions developed by management are not suitably supported and consistent with the Companies' plans; and (iii) the projections do not reflect the probable and hypothetical assumptions.
8. Attached as Appendix "E" is a comparison prepared by NSM of the cash flow forecast for NSM as compared to actual results for the period August 18 to September 4, 2010 (the "NSM Results Period"). During the NSM Results Period, NSM had a net cash inflow of \$290,660 and had a net positive cash flow variance of approximately \$37,100. The cash flow variance was due primarily to the timing of disbursements and is expected to reverse in succeeding weeks. NSM's actual receipts and expenditures are consistent with its Cash Flow Statement.
9. Attached as Appendix "F" is a comparison prepared by Jake of the cash flow forecast for Jake as compared to actual results for the period August 19 to September 4, 2010 (the "Jake Results Period"). During the Jake Results Period, Jake had a net cash outflow of \$8,562 and had a net positive cash flow variance of approximately \$40,800. The cash flow variance was due primarily to the timing of disbursements and is expected to reverse in succeeding weeks. Jake's actual receipts and incurred expenditures are consistent with its Cash Flow Statement.

Secured Creditors

10. By letter dated September 8, 2010 (the "Red Kite Letter"), Ogilvy Renault LLP ("Ogilvy"), counsel to Red Kite Explorer Trust, a secured creditor of NSM, advised the Trustee that it was Red Kite's position that "... there has been no substantive effort by NSM to communicate with Red Kite to seek its support to this process" and that NSM "... is not acting in good faith or with due diligence and that Red Kite will suffer material prejudice if the extension is granted." Red Kite advised that it will oppose any extension

of the stay period and will be seeking to enforce its security. A copy of the Red Kite Letter is attached hereto as **Appendix "G"**.

11. By letter dated September 8, 2010 (the "**Platinum Letter**") and received by the Trustee on September 9, 2010, Platinum Partners Value Arbitrage Fund, L.P. ("**Platinum**"), a noteholder, advised the Trustee of similar concerns as outlined in the Red Kite Letter, and that it too will not support any motion for an extension of the time for NSM to file a proposal. A copy of the Platinum Letter is attached hereto as **Appendix "H"**.
12. By letter dated September 8, 2010 (the "**Centurion Letter**") and received by the Trustee on September 9, 2010, Centurion Credit Group Master Fund, LP ("**Centurion**"), a noteholder, advised the Trustee of similar concerns as outlined in the Red Kite Letter, and that it too will not support any motion for an extension of the time for NSM to file a proposal. A copy of the Centurion Letter is attached hereto as **Appendix "I"**.
13. The Trustee, through its counsel, Lavery de Billy, L.L.P. ("**Lavery**"), responded to each of Red Kite (c/o Ogilvy), Platinum and Centurion on September 14, 2010. Copies of Lavery's letters are attached hereto as **Appendix "J"**.
14. The Red Kite Letter, the Platinum Letter and the Centurion Letter set out the respective Secured Creditor's positions that they are being materially prejudiced since NSM's Cash Flow Statement provides for a decrease of over \$870,000 in NSM's cash on hand during the period to November 20, 2010.
15. At present, NSM is an exploration phase company with no revenues. Accordingly, a decrease in NSM's cash flow would be expected during the stay period while the Companies formulate their plans of restructuring, and until the Companies commence revenue generating operations. In addition, the Trustee notes that the majority of the expenditures reflected on the cash flow statement represent costs needed to maintain the Companies' assets during the restructuring period. In the event that the Extension Motion is not granted by this Honourable Court which would result in the Companies being deemed to have filed assignments in bankruptcy unless Proposals were filed by on or about September 17, 2010, it is the Trustee's view that many of the expenditures reflected

In the Cash Flow Statement would be incurred by a bankruptcy trustee or receiver and manager appointed to realize on the Companies' assets. As a result, the Trustee does not concur that the Secured Creditors' positions would be materially prejudiced by the granting of extensions to the times the Companies are required to file their proposals.

16. With respect to Red Kite's, Platinum's and Centurion's claims that there has been no substantive effort to communicate with the secured creditors and seek their support, the Trustee has been provided with copies of correspondence, most of which are detailed in the Waldkirch Affidavit. While there appears to be a difference of opinion as between Red Kite, Platinum, Centurion and the Companies as to the extent of efforts by the parties to communicate, there appear to have been efforts made by NSM to meet with some or all of those parties to discuss NSM's plans going forward.

Companies' Activities Since the Filing of the NOIs

17. The Trustee has reviewed the Waldkirch Affidavit which provides a description of the Companies' activities subsequent to the Companies NOI's being filed, and has engaged in discussions with Mr. Waldkirch and Gowling Lafleur Henderson LLP, counsel to NSM.
18. In particular, NSM's management:
 - (a) has worked with the Trustee to prepare cash flow projections;
 - (b) reviewed the situation in Val d'Or and, based on that review, NSM has downsized its staff and consolidated its business operation in one location;
 - (c) has reviewed the company's material agreements with a view to determining what agreements should be disclaimed; and
 - (d) is holding discussions/meetings to discuss the opportunities presented by the current situation facing NSM.

19. The Trustee has been advised that while no external financial advisor has been formally retained by the Companies, an investment banking firm has been assisting the Companies in their efforts. To the extent that the Extension Motion is granted, the Companies are considering formally retaining the investment banking firm.
20. The Trustee has been advised of interest that NSM has to date received from at least five parties interested in purchasing some or all of NSM's assets or providing NSM with new financing.
21. NSM has indicated that the amounts of a transaction being discussed between the parties, would cause there to be available sufficient funds to repay the secured creditors in full, but that further discussions and due diligence are required by the parties before the Companies expect to receive any formal letters of intent.
22. NSM has advised the Trustee that a review of the quantum of secured claims owing has not yet been completed by NSM, nor has the Trustee had an opportunity to review any calculations regarding the quantum of the secured claims. The quantification of the secured claims will be necessary in order to determine the amounts owing to the secured creditors which are expected, in turn, to impact on the quantum of funds available for the unsecured creditors.

Section 64.2 Charges

23. The Trustee has been advised that in conjunction with the Extension Motion, the Companies will be bringing a motion seeking charges over the Companies assets pursuant to section 64.2 of the BIA.
24. The Trustee has been advised that the Companies will be seeking a charge in the amount of \$250,000 over the Companies' assets in favour of the Trustee and the professionals retained to assist NSM, Jake and the Trustee through the reorganization process.
25. Additionally, the Companies will be seeking a charge in the amount of \$250,000 over the Companies' assets in favour of the current directors of the Companies to protect against

any liabilities that may be incurred from and after commencement of the Proposal proceedings.

26. The Companies have advised that there currently is D&O insurance coverage in place for the directors and officers of NSM in the amount of \$20,000,000 which was renewed as of August 18, 2010. There is no D&O insurance coverage in place for the director of Jake. The Companies further advise that the purpose of the D&O charge is to protect against D&O liabilities that are determined to be not covered by NSM's D&O insurance and to protect the director of Jake who does not currently have D&O coverage.

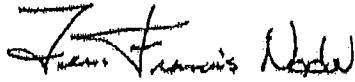
Trustee's Recommendation

27. As set out in the Waldkirch Affidavit, the Companies require additional time to further discussions with potential purchasers and investors to develop a strategy that will maximize the value of NSM's assets and properties and enable the Companies to make viable proposals to their creditors. NSM also requires further time to quantify the amounts of the secured claims.
28. The Trustee supports NSM's and Jake's motion for an extension of the time period for making a proposal as the Trustee is of the view that the Companies have and continue to act in good faith and with due diligence, and that no creditor will be materially prejudiced if the extension is granted.
29. The Trustee also supports the Companies' motion pursuant to section 64.2 of the BIA in which the Companies are seeking that charges be granted over the Companies' assets in favour of the Trustee, the professionals retained to assist NSM, Jake and the Trustee through the reorganization process, and to protect the Companies' current directors against any liabilities that may be incurred from and after commencement of the Proposal proceedings that are not covered by D&O insurance.

All of which is respectfully submitted to this Honourable Court.

DATED this 16th day of September, 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-François Nadon, CA, CIRP
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 PRÉSIDENCE 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;

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[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 PRÉSIDENCE DE Me JOHANNE SIMARD, REGISTRAIRE

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;

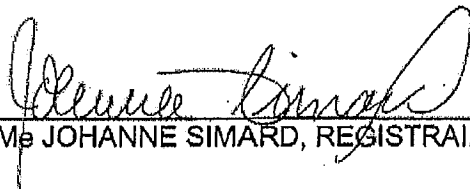
[4] **VU** qu'il n'y a pas d'objection à proroger le délai pour le dépôt de la proposition jusqu'au 29 septembre 2010;

[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.


Me 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, LIVERY, 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 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
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 débetures 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 débeture (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.



JOCÉLYN GÉOFFROY, 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

2010-155

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

PAGE : 5

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 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 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

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)

RÉFÉRENCES

DÉBUT 14:00

FIN 14:20

DEMANDE OU REQUÉRANT(E)

Me Me Geneviève Cloutier

Débitrices / requérantes

GOWLING, LAFLEUR

PRÉSENT(E) ABSENT(E)

DÉFENSE OU INTIMÉ(E)

Me Me Patrice Racicot

Syndic

LAVERY, DE BILLY

PRÉSENTE(E) ABSENT(E)

Me Christian Roy

Créanciers/opposants

OGILVY, RENAULT

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;

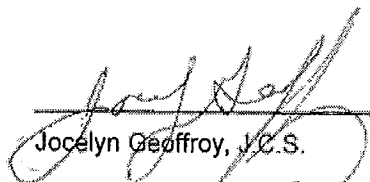
CONSIDÉRANT qu'il y a aussi lieu de rectifier le paragraphe 19 du jugement pour qu'on y lise «créanciers garantis» au lieu de «créanciers privilégiés».

POUR CES MOTIFS, LE TRIBUNAL :

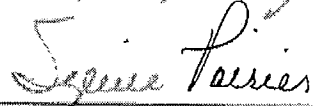
RECTIFIE les paragraphes 13, 14, 20, 21 et 24 du jugement du 13 octobre 2010, joint en annexe, pour inclure dans les charges prioritaires les frais des conseillers juridiques et autres experts que les requérantes retiennent dans le cadre des procédures intentées en vertu de la section 1, partie 111,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

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 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 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

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)

RÉFÉRENCES

DÉBUT 14:00

FIN 14:20

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;

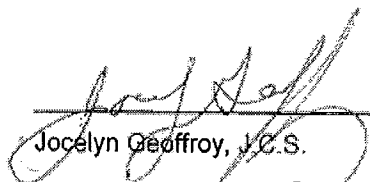
CONSIDÉRANT qu'il y a aussi lieu de rectifier le paragraphe 19 du jugement pour qu'on y lise «créanciers garantis» au lieu de «créanciers privilégiés».

POUR CES MOTIFS, LE TRIBUNAL :

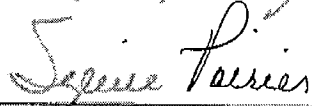
RECTIFIE les paragraphes 13, 14, 20, 21 et 24 du jugement du 13 octobre 2010, joint en annexe, pour inclure dans les charges prioritaires les frais des conseillers juridiques et autres experts que les requérantes retiennent dans le cadre des procédures intentées en vertu de la section 1, partie 111,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

NORTHERN STAR MINING CORP.
Weekly Cash Flows - Budget to Actual Period to Date
August 18 - October 23, 2010

	Budget	Actual	Difference
	Aug 18 - Oct 23	Aug 18 - Oct 23	Aug 18 - Oct 23
CASH INFLOWS			
GST	\$ 278,036	\$ 278,143	\$ 107
QST	245,779	245,779	-
Reimbursement of deposit from MRNQ	-	8,000	8,000
Reimbursement from Telus	-	163	163
Interest	-	40,488	40,488
	\$ 523,815	\$ 572,573	\$ 48,758
CASH OUTFLOWS			
General & Administrative			
Executive salary	(210,798)	(224,537)	(13,739)
Administration payroll	(13,585)	(15,700)	(2,115)
Mine payroll	(80,479)	(80,546)	(67)
Legal	(56,000)	(89,991)	(33,991)
Trustee	(28,000)	(85,948)	(57,948)
Consulting	(205,887)	(183,042)	22,845
Filing and exchange fees	(6,720)	(2,749)	3,971
Insurance, taxes and permits	(38,742)	(32,054)	6,688
Office, telephone and communications	(17,920)	(25,284)	(7,364)
Rent	-	(3,048)	(3,048)
Security	(40,040)	(48,409)	(8,369)
Midway maintenance	(11,200)	(13,852)	(2,652)
McKenzie maintenance	(4,480)	-	4,480
Travel	(22,400)	(5,013)	17,387
Utilities	(22,400)	(42,982)	(20,582)
Payments for mineral properties	(56,000)	(66,470)	(10,470)
Exploration - drilling	-	-	-
Exploration - assays & geological	-	-	-
Loans to Jake Resources Inc.	(133,407)	(236,710)	(103,303)
	\$ (948,058)	\$ (1,156,336)	\$ 208,278
NET CASH FLOWS	(424,243)	(583,763)	(159,520)
CASH AND CASH EQUIVALENTS, beginning balance	1,318,104	1,318,104	-
CASH AND CASH EQUIVALENTS, ending balance	\$ 893,861	\$ 734,341	\$ (159,520)

RESSOURCES JAKE INC./JAKE RESOURCES INC.
Weekly Cash Flows - Budget to Actual - Period to Date
August 19 - October 23, 2010

	Budget	Actual	Difference
	Aug 19 - Oct 23	Aug 19 - Oct 23	Aug 19 - Oct 23
CASH INFLOWS			
Revenue from Conway contract	\$ 125,000	\$ 125,837	\$ 837
GST & HST	18,686	-	(18,686)
Reimbursement from ADP for error in payroll	-	4,554	4,554
Loan from NSM	133,406	236,710	103,304
	<u>\$ 277,092</u>	<u>\$ 367,101</u>	<u>\$ 90,009</u>
CASH OUTFLOWS			
General & Administrative			
Conway contract expenses	(63,280)	(41,863)	21,417
Mill payroll	(45,455)	(79,170)	(33,715)
Wages - severance	-	-	-
Workers compensation board	-	-	-
Legal	-	(1,072)	(1,072)
Trustee	(45,100)	(49,733)	(4,633)
Insurance, taxes and permits	(26,667)	(65,108)	(38,441)
Mill maintenance	(39,200)	(9,390)	29,810
Office, telephone and communications	(1,008)	(1,516)	(508)
Utilities	(22,400)	(12,635)	9,765
	<u>\$ (243,110)</u>	<u>\$ (260,489)</u>	<u>\$ (17,379)</u>
NET CASH FLOWS	33,983	106,612	72,630
CASH AND CASH EQUIVALENTS, beginning balance	102,675	102,579	(96)
CASH AND CASH EQUIVALENTS, ending balance	<u>\$ 136,658</u>	<u>\$ 209,191</u>	<u>\$ 72,534</u>

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

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

CASH FLOW FORECAST
 NOVEMBER 1, 2010 TO JANUARY 29, 2011

	Nov 1 - 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	Jan 2 - 8	Jan 9 - 15	Jan 16 - 22	Jan 23 - 29
CASH INFLOWS													
GST & HST	-	-	-	-	1,300	-	-	-	-	-	-	-	-
Loan from NSM	4,524	-	21,370	-	4,524	-	21,370	-	4,524	-	21,370	-	4,524
	4,524	-	21,370	-	5,824	-	21,370	-	4,524	-	21,370	-	4,524
CASH OUTFLOWS													
General & Administrative	(4,524)	-	(4,524)	-	(4,524)	-	(4,524)	-	(4,524)	-	(4,524)	-	(4,524)
Salaries and benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal	(2,240)	-	(2,240)	-	(2,240)	-	(2,240)	-	(2,240)	-	(2,240)	-	(2,240)
Trustee	-	-	(12,322)	-	-	-	(12,322)	-	-	-	(12,322)	-	-
Insurance, taxes and permits	(1,075)	(1,075)	(1,075)	(1,075)	(1,263)	(1,263)	(1,263)	(1,450)	(1,450)	(1,450)	(1,450)	(1,450)	(1,450)
Mill maintenance	-	(500)	-	-	(500)	-	-	-	-	(500)	-	-	-
Office, telephone and communications	-	-	-	(16,000)	-	-	-	(12,000)	-	-	-	-	(14,000)
Utilities	(7,839)	(1,575)	(20,161)	(17,075)	(8,527)	(1,263)	(20,349)	(13,263)	(8,214)	(1,950)	(20,536)	(1,450)	(22,214)
	(3,315)	(1,575)	1,209	(17,075)	(2,703)	(1,263)	1,022	(13,263)	(3,690)	(1,950)	834	(1,450)	(17,690)
NET CASH FLOWS													
CASH AND CASH EQUIVALENTS, beginning balance	82,816	79,501	77,926	79,135	62,060	59,357	58,095	59,116	45,854	42,164	40,214	41,048	39,598
CASH AND CASH EQUIVALENTS, ending balance	79,501	77,926	79,135	62,060	59,357	58,095	59,116	45,854	42,164	40,214	41,048	39,598	21,908

District of
 Division No.
 Court No.
 Estate No.

Quebec
 12-Abitibi
 615-11-001228-107
 33-1395340

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

CASH FLOW FORECAST
 NOVEMBER 1, 2010 TO JANUARY 29, 2011

	Nov 1 - 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 - 15	Jan 16 - 22	Jan 23 - 29
CASH INFLOWS													
Revenue Quebec	-	-	-	-	4,600,000	-	-	-	-	800,000	-	-	-
MRNF	-	-	-	-	4,600,000	-	-	-	-	800,000	-	-	-
CASH OUTFLOWS													
General & Administrative													
Executive salary	(43,004)	-	(43,004)	-	(38,453)	-	(38,453)	-	(38,453)	-	(38,453)	-	(38,453)
Administration payroll	(2,688)	-	(2,688)	-	(2,688)	-	(2,688)	-	(2,688)	-	(2,688)	-	(2,688)
Mine payroll	(9,622)	-	(10,202)	-	(10,202)	-	(10,202)	-	(10,202)	-	(10,637)	-	(10,637)
Salaries and benefits	(55,313)	-	(55,893)	-	(51,342)	-	(51,342)	-	(51,342)	-	(51,976)	-	(51,976)
Legal	(60,000)	-	(28,000)	-	(38,000)	-	(28,000)	-	(28,000)	-	(28,000)	-	(28,000)
Trustee	(25,000)	-	(22,000)	-	(48,000)	-	(25,000)	-	(20,000)	-	(15,000)	-	(25,000)
Consulting	(11,286)	-	(11,286)	-	(11,286)	-	(11,286)	-	(11,286)	-	(11,286)	-	(11,286)
Filing and exchange fees	-	(1,120)	-	-	-	(1,120)	-	-	-	(1,120)	-	-	(2,000)
Insurance, taxes and permits	(448)	(3,192)	(448)	(3,192)	(448)	(3,192)	(448)	(3,192)	(448)	(3,192)	(448)	(3,192)	(448)
Office, telephone and communications	-	-	-	(2,441,834)	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	(1,524)	-	-	(1,524)	-	-	(1,524)	-	-	-	-	-	-
Security	(8,673)	(8,673)	-	(100)	-	(100)	-	(100)	-	(100)	-	(100)	-
Midway maintenance	(10,142)	(10,142)	(10,142)	(10,586)	(10,586)	(10,586)	(10,586)	(10,586)	(2,363)	(2,363)	(2,363)	(2,363)	(2,363)
McKenzie maintenance	(22,556)	(3,457)	(3,457)	(5,178)	(5,178)	(5,178)	(5,178)	(5,178)	(2,350)	(2,350)	(2,350)	(2,350)	(2,350)
Mine maintenance	(32,698)	(13,599)	(13,599)	(15,764)	(15,764)	(15,764)	(15,764)	(15,764)	(4,713)	(4,713)	(4,713)	(4,713)	(4,713)
Travel	-	-	-	(11,200)	-	-	-	(11,200)	-	-	-	-	(11,200)
Utilities	-	-	-	(15,210)	-	-	-	-	(10,340)	-	-	-	(9,257)
Payments for mineral properties	(25,000)	(2,950)	-	(2,950)	(25,000)	-	-	-	-	(25,000)	(2,950)	-	-
Exploration - drilling	-	-	-	-	-	-	-	-	-	-	-	-	-
Exploration - assays & geological	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances to Subsidiary	(4,524)	-	(16,845)	-	(4,524)	-	(16,845)	-	(4,524)	-	(16,845)	-	(4,524)
	(215,793)	(29,534)	(148,072)	(61,874)	(197,888)	(2,464,960)	(148,686)	(40,256)	(134,178)	(34,125)	(131,220)	(18,005)	(148,405)
NET CASH FLOWS													
	(215,793)	(29,534)	(148,072)	(61,874)	4,402,112	(2,464,960)	(148,686)	(40,256)	(134,178)	765,875	(131,220)	(18,005)	(148,405)
CASH AND CASH EQUIVALENTS, beginning balance	589,220	373,427	343,893	373,427	133,946	4,536,058	2,071,098	1,922,412	1,882,157	1,747,979	2,513,854	2,382,634	2,364,629
CASH AND CASH EQUIVALENTS, ending balance	373,427	343,893	195,820	133,946	4,536,058	2,071,098	1,922,412	1,882,157	1,747,979	2,513,854	2,382,634	2,364,629	2,216,224



Direct Dial: (418) 640-5028
 Direct Fax: (418) 640-1500
 cbroy@ogilvyrenault.com

SENT BY EMAIL

WITH PREJUDICE

Quebec City, October 13, 2010

M^{TRE} GENEVIÈVE CLOUTIER
GOWLINGS LAFLEUR HENDERSON S.E.N.C.R.L.
 1 Place Ville-Marie, 37th floor
 Montréal (Québec) H3B 3P4

M^{TRE} PATRICE RACICOT
LAVERY
 600, rue de La Gauchetière Ouest, Suite 2400
 Montréal (Québec) H3B 4L8

Re : Red Kite Explorer Trust ("Red Kite") and Platinum Partners Value Arbitrage Value Fund L.P. ("Platinum") and Centurion Credit Group Master Fund, L.P. ("Centurion") vs Northern Star Mining Corp. ("NSM") and Jake Resources Inc. ("Jake")
Our Ref.: 01019818-0007

Mtre Cloutier,

Mtre Racicot,

At the end of the hearing on the motion in extension presented by NSM and Jake, I informed you that our clients would make sure that all professional fees and disbursements were invoiced regularly by NSM's and Jake's lawyers, as well as by the trustee and its lawyers, and that they would be paid upon reception.

OGILVY RENAULT S.E.N.C.R.L., s.r.l. / LLP Avocats et agents de brevets et de marques de commerce	2e étage 500, Grande Allée Est Québec (Québec) G1R 2J7 CANADA	T : 418.640.5000 F : 418.640.1500 quebec@ogilvyrenault.com	ogilvyrenault.com
Montréal • Ottawa • Québec • Toronto • Calgary • Londres			



We expect that you will invoice those professional fees and disbursements on a weekly basis. We will monitor the situation in order to prevent NSM and Jake from financing themselves with your work in progress.

Would each of you (i.e., Gowlings Lafleur Henderson, Deloitte and Lavery) be so kind as to confirm the billing date for your professional fees and disbursements, the amount of your account receivables, if any, and the amount of your work in progress.

We also would like to know if you still have a retainer and, if so, the amount of such retainer. If you do not have one, we suggest you request NSM and Jake for a retainer sufficient to cover your normal work in progress for the period prior to your regular billing. You should keep this retainer until the end of the present file.

Trusting the above to be satisfactory, we remain,

Sincerely,

A handwritten signature in dark ink, appearing to read "Christian Roy", written over the printed name.

CHRISTIAN ROY

CBR/

c.c. Mtre Patrice Benoit
Mtre Patrick Shea
Mtre Geoffrey G. Gilbert
Mtre Matthew Halpin

EUGENE CZOLIJ
SUITE 4000
1 PLACE VILLE MARIE
MONTREAL, QUEBEC H3B 4M4
DIRECT LINE: 514 878-5529
ECZOLIJ@LAVERY.CA

Montreal, October 20, 2010

BY E-MAIL

WITHOUT PREJUDICE

Mtre Christian Roy
Ogilvy Renault
500, Grande-Allée Est
Québec (Québec) G1R 2J7

Dear Mtre Roy :

Re: Red Kite Explorer Trust and Platinum Partners Value Arbitrage Value Fund L.P.
and Centurion Credit Group Master Fund, L.P.
vs. Northern Star Mining Corp. ("NSM") and Jake Resources Inc. ("Jake")
Your file: 01019818-0007
Our file: 005462-00039

Further to your October 13, 2010 letter to Mtre Geneviève Cloutier and to my colleague, Mtre Patrice Racicot, we wish to advise you that:

- a) the trustee and its lawyers will bill their professional fees and disbursements in conformity with paragraph 24 of the October 13, 2010 judgment rendered by Mr. Justice Jocelyn Geoffroy, J.S.C., stating that:

*"[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.*

lavery

- b) the trustee and its lawyers intend to bill on a regular basis, about twice monthly; and
- c) the trustee received the following retainers:
- NSM : \$67,800 (\$60,000 plus HST); and
 - Jake: \$33,900 (\$30,000 plus HST).

Sincerely,

LAVERY, DE BILLY

(s) Eugene Czolij

Eugene Czolij

EC/mfb

c.c. Mtre Patrick Shea
Mtre Patrice Benoît
Mtre Geneviève Cloutier
Mtre Geoffrey G. Gilbert
Mtre Matthew Halpin



Direct Dial: (418) 640-5028
Direct Fax: (418) 640-1500
cbroy@ogilvyrenault.com

SENT BY EMAIL (eczolij@lavery.ca)

WITHOUT PREJUDICE

Quebec City, October 21, 2010

M^{TRE} EUGENE CZOLIJ
LAVERY
1 Place Ville-Marie
Bureau 4000
Montréal (Québec) H3B 4M4

Re : Red Kite Explorer Trust (“Red Kite”) and Platinum Partners Value Arbitrage Value Fund L.P. (“Platinum”) and Centurion Credit Group Master Fund, L.P. (“Centurion”) vs. Northern Star Mining Corp. (“NSM”) and Jake Resources Inc. (“Jake”)
Your ref.: 005462-00039
Our ref.: 01019818-0007

Dear M^{tre} Czolij:

We reviewed your letter of October 20th, 2010, with respect to the above-mentioned file.

There is no mention in your letter of any invoice being sent to NSM or Jake up to today. As we mentioned in our letter of October 13th, 2010, would you be so kind as to confirm the amount that was billed by Deloitte and Lavery to date for your professional fees and disbursements, the amount of your accounts receivable and the amount of your work in progress.

We would also like to obtain a confirmation that Deloitte is going to keep a retainer until the end of the present file.

Finally, we understand that Lavery did not obtain any retainers. Could you confirm to us that Lavery is going to ask for a retainer, as requested in our letter of October 13th, 2010.

OGILVY RENAULT S.E.N.C.R.L., s.r.l. / LLP

Avocats et agents de brevets
et de marques de commerce

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Bureau 1500
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CANADA

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quebec@ogilvyrenault.com

ogilvyrenault.com



Trusting the above to be satisfactory, we remain,

Yours very truly,

A handwritten signature in black ink, appearing to be 'C. Roy', written in a cursive style.

CHRISTIAN ROY

CBR/

c.c. Mtre Patrice Racicot
Mtre Patrice Benoît
Mtre Patrick Shea
Mtre Geoffrey G. Gilbert
Mtre Matthew Halpin



PATRICE RACICOT
SUITE 4000
1 PLACE VILLE MARIE
MONTREAL, QUEBEC H3B 4M4
DIRECT LINE: 514 878-5567
PRACICOT@LAVERY.CA

Montreal, October 29, 2010

BY E-MAIL

WITHOUT PREJUDICE

Mtre Christian Roy
Ogilvy Renault
500, Grande-Allée Est
Québec (Québec) G1R 2J7

Re: Red Kite Explorer Trust and Platinum Partners Value Arbitrage Value Fund L.P.
and Centurion Credit Group Master Fund, L.P.
vs. Northern Star Mining Corp. ("**NSM**") and Jake Resources Inc. ("**Jake**")
Your file: 01019818-0007
Our file: 005462-00039

Dear Mtre Roy :

Further to your letter dated October 28, 2010 and to the letter dated October 20, 2010 forwarded to you by my colleague Eugene Czolij, we wish to advise you that:

- a) Lavery and Deloitte's invoices for the professional services rendered from the opening of their respective files up to September 30, 2010 have been forwarded to NSM and Jake. On or about October 20, 2010, cheques for the payment of these invoices have been received by Deloitte;
- b) Lavery and Deloitte's invoices for the professional services rendered during the two-week period up to October 15, 2010 have been forwarded to NSM and Jake on October 21, 2010. The payments were received today.
- c) Deloitte has presently in his trust account a retainer in the amount of \$ 101 700 (\$ 67 800 for NSM and \$ 33 900 for Jake);
- d) As of yet a retainer specifically addressed to Lavery has not been received.

LAVERY, DE BILLY, L. L.P. ▶ Barristers and Solicitors ▶ Trade-mark Agents ▶ World Services Group Member

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OTTAWA, ONTARIO K1R 7X7
TELEPHONE: 613 594-4936
FAX: 613 594-8783

lavery

Trusting the above is satisfactory, we remain,

Yours truly,

LAVERY, DE BILLY



Patrice Razicot

PR/ih

c.c. Mr. Daniel Weisz
Mr. Patrick Shea
Mtre Geneviève Cloutier