

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