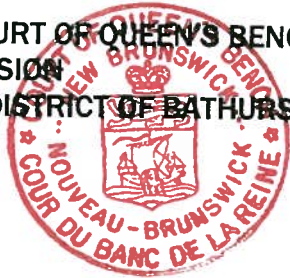


Cause No.: B/M/06/09
Estate No.: 51-1228301

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK
TRIAL DIVISION
JUDICIAL DISTRICT OF BATHURST

BETWEEN:



IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED

RECEIVED AND FILED
REÇU ET DÉPOSÉ

-and-

SEP 28 2010

IN THE MATTER OF THE APPLICATION OF BLUE NOTE
CARIBOU MINES INC., a body corporate,

COURT SERVICES
SERVICE AUX TRIBUNAUX
BATHURST, NB

-and-

I certify that this document, each page of
which has been initiated by me, is a true
copy of the original on file in the office of the
Court for the Judicial District of Bathurst
issued under the seal of the Court,

IN THE MATTER OF THE APPLICATION OF
PRICEWATERHOUSECOOPERS INC., as Court appointed
Monitor and Trustee in Bankruptcy of Blue Note Caribou
Mines Inc.

this 28th day of September 2010

Suzy Boudreau
under written authorization of the Registrar
dated the 16th day of January 1998

APPROVAL AND VESTING ORDER

UPON READING the Notice of Motion of PricewaterhouseCoopers Inc., in its capacity as Court appointed monitor (the "Monitor") of all of the undertaking, property and assets of Blue Note Caribou Mines Inc. (the "Debtor") and as Trustee in bankruptcy of the undertaking, property and assets of the Debtor (the "Trustee" and, collectively, in both capacities PricewaterhouseCoopers Inc. shall be referred to as the "Applicant") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale dated as of August 4, 2010, (the "Sale Agreement") between the Applicant and Kirkland Intertrade Corp. ("Kirkland") a copy of which is appended as part of Exhibit "B" to the Ninth Report to the Court of the Applicant dated September 9, 2010 (the "Report"), and vesting in Kirkland, or such other party as Kirkland may designate, (the "Purchaser") all right,

title and interest in and to those assets set out in the Sale Agreement pursuant to the terms thereof (the "Sale Assets");

UPON HEARING George L. Cooper and Josh J.B. McElman, Counsel for the Applicant;

UPON HEARING John B. D. Logan, Counsel for the Province of New Brunswick;

UPON HEARING Howard Gorman, Counsel for the Purchaser;

UPON HEARING Stephen J. Hutchison, Counsel for CanZinco Ltd. and Breakwater Resources Ltd.;

UPON HEARING Kirsten Mercer, Counsel for The Fern Trust;

UPON RECEIPT OF correspondence from Gerald Smith on behalf of various mechanic's lien holders;

UPON BEING SATISFIED THAT Breakwater Resources Ltd. received notice of the Transaction;

IT IS ORDERED THAT:

Defined Terms

1. All terms not otherwise defined in this Order shall have the meanings ascribed to them in the initial order of this Court dated February 20, 2009, (the "Initial Order") as amended by subsequent orders of this Court.

Service

2. The time for any required service or notice of the Motion be and it is hereby abridged and validated such that the Motion is properly returnable today.
3. There has been good and sufficient notice, service, and delivery of the within Notice of Motion and Record on Motion and further service on any interested party is hereby dispensed with.

Approval of Sale Agreement

4. The Sale Agreement and Transaction are hereby approved, and the Sale Agreement is confirmed as commercially reasonable and in the best interests of the Debtor and



its stakeholders. The execution of the Sale Agreement by the Applicant is hereby authorized and approved, and the Applicant is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and the conveyance of the Sale Assets to the Purchaser. The Applicant may agree to such amendments to the Sale Agreement related to the time of closing and costs as necessary, provided such changes do not materially negatively impact the substantive terms of the Transaction. The Trustee is hereby authorized and directed to take such steps and execute such documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Sale Assets to the Purchaser.

Vesting

5. Upon the delivery of the Applicant's certificate or certificates to the Purchaser substantially in the form attached as Schedule "A" hereto (the "Applicant's Certificate"), all right, title and interest in and to the Sale Assets described in the Sale Agreement including, without limitation:
 - a. the land and premises identified by PID 50072032,
 - b. mining lease No. ML-246, industrial surface lease No. SIML2271 (also referred to as Crown Lands Lease #415060027), mining lease No. ML-255, industrial surface lease No. SIML2473 and all right, title and interest in and to all additional exploration properties that are owned by, or under option to, the Debtor;
 - c. all mineral claims recorded in the name of the Debtor as at the date of the granting of the Initial Order;
 - d. the cash security deposit provided by the Debtor to the Minister of Natural Resources of New Brunswick, the Minister of Environment for the Province of New Brunswick and any other branch or agency of the government of New Brunswick; and
 - e. all agreements, licences, permits, approvals, consents, registrations, certificates and other authorizations issued to or held by the Debtor in connection with the mining and milling operations currently and formerly

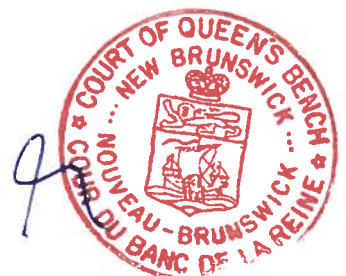


carried out at or relating to the Debtor's operations, and all other books and records related thereto,

shall vest absolutely in the Purchaser, free and clear of and from any and all interests of any person of any nature or kind other than:

- a. Breakwater Resources Ltd.'s 20% interest in the assets of Debtor;
- b. Fern Trust's 10% Net Profits Interest in the Caribou Mine; and
- c. any charge in favour of or any interest of the Applicant including the Administration Charge;

(collectively the "Exempted Claims"), including, without limiting the foregoing, all claims, liabilities, obligations, security or other interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, conditional sales contracts or title retention agreements, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, encumbrances, judgments, orders, executions, demands, duties, levies, charges, or other financial or monetary claims, whether or not they have attached, been perfected, registered or filed and whether secured, unsecured or otherwise and whether created by or pursuant to the orders made in these proceedings, the bankruptcy proceedings of the Debtor having Estate No. 51-1228301 (the "Bankruptcy Proceedings") or any other proceedings before the Court, excluding the Exempted Claims (collectively, the "Claims") including, without limitation, all Claims evidenced by registrations pursuant to the *Personal Property Security Act* (New Brunswick) or the *Land Titles Act* (New Brunswick), or any other registry system (all of which are collectively referred to as the "Encumbrances"); and, for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Sale Assets are hereby expunged and discharged as against the Sale Assets.



Proceeds of Sale

6. The net proceeds from the sale of the Sale Assets (the "Proceeds") shall be applied as a reduction of the debt due to Kirkland. after the delivery of the Applicant's Certificate.

General

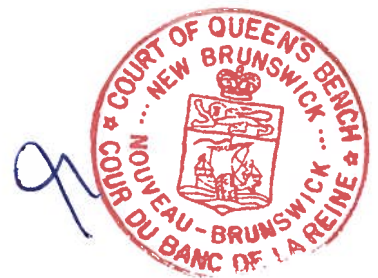
7. The Applicant shall file with the Court a copy of the Applicant's Certificate, forthwith after delivery thereof. The Applicant shall not be required to file, register or record this Order, notice thereof or any financing statement with respect thereto but may take such steps as it deems necessary or appropriate to register or record this Order, notice thereof or any financing statement with respect thereto, if it deems it advisable to do so. The Applicant is further authorized to execute and register discharges of any registered security or other interest extinguished by this Order after completion of the Transaction if necessary.
8. There are no and shall be no commissions, break fees, broker, arranger or agent fees or other reward compensation payable by the Applicant to any third party in respect of or in connection with this Transaction.
9. Notwithstanding
- (a) the pendency of these proceedings; and
 - (b) the Bankruptcy Proceedings or any order issued pursuant to the Bankruptcy Proceedings;

the vesting of the Sale Assets in the Purchaser pursuant to this Order shall be binding on all persons and shall not be void or voidable by any person, including, without limitation, creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive




unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

10. Notwithstanding anything contained herein, nothing in this Order shall affect or fetter the discretion and powers of the Minister of Natural Resources, Province of New Brunswick as set out in the *Mining Act* (New Brunswick) and the *Crown Lands and Forests Act* (New Brunswick).
11. The Applicant may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
12. Other than an appeal of this Order which, if any, shall be brought in the normal course in accordance with the *Companies' Creditors Arrangement Act* (Canada), any interested party may apply to this Court for direction in respect of the proper execution of this Order or to vary or amend this Order on not less than seven (7) days' notice to the Applicant and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
13. This Order and any other Orders in these proceedings shall have full force and effect in all provinces and territories in Canada and abroad and as against all persons against whom it may otherwise be enforceable.
14. This Court requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to Section 17 of the CCAA) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States of America and the states or other subdivisions of the United States of America and of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

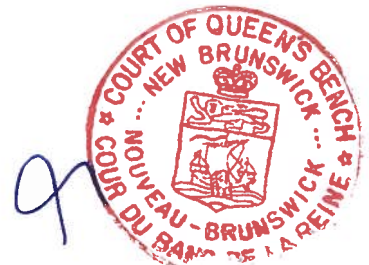


- 15. The Applicant shall be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.
- 16. For the purposes of seeking the aid and recognition of any court or any judicial, regulatory or administrative body outside of Canada, the Applicant shall act and be deemed to be the foreign representative of the Debtor.
- 17. The Monitor shall apply to the Court within 60 days of the date it issues the Applicant's Certificate to be discharged by this Court unless an appeal of this Order has been made and, in such case, the Monitor shall apply within 60 days of the final determination of any such appeal.

DATED at Bathurst, New Brunswick this th 28 day of September, 2010.



Judge of the Court of Queen's Bench
of New Brunswick



SCHEDULE "A"

Cause No.: B/M/06/09

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK
TRIAL DIVISION
JUDICIAL DISTRICT OF BATHURST

BETWEEN:

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS
AMENDED

-and-

IN THE MATTER OF THE APPLICATION OF BLUE
NOTE CARIBOU MINES INC., a body corporate,

-and-

IN THE MATTER OF THE APPLICATION OF
PRICEWATERHOUSECOOPERS INC., as Court
appointed Monitor and Trustee in Bankruptcy of
BLUE NOTE CARIBOU MINES INC.

APPLICANT'S CERTIFICATE
RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Leger of the New Brunswick Court of Queen's Bench (the "Court") dated _____, 2010 (the "Order"), PricewaterhouseCoopers Inc. (the "Applicant"), as Court appointed monitor and trustee in bankruptcy of the undertaking, property and assets (the "Property") of Blue Note Caribou Mines Inc. (the "Debtor"), was granted those powers and authorizations as set out therein to dispose of the Property.

B. Pursuant to the Order, the Court approved the agreement of purchase and sale dated August 4, 2010, (the "Sale Agreement") between the Applicant and Kirkland and provided for the vesting in Kirkland, or such other party as Kirkland may designate, (the



“Purchaser”) of all right, title and interest in and to the Sale Assets, which vesting is to be effective with respect to the Sale Assets upon the delivery by the Applicant to the Purchaser of a certificate confirming (i) the receipt by the Applicant of payment by the Purchaser of the purchase price for the Sale Assets; (ii) that the conditions to completing the Transaction as set out in the Sale Agreement have been satisfied or waived by the Applicant and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Applicant.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE APPLICANT CERTIFIES the following:

1. Kirkland has paid and the Applicant has received the Purchase Price for the Sale Assets payable on the applicable Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Applicant and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Applicant.
4. This Certificate was delivered by the Applicant at _____ [TIME] on _____ [DATE].

PricewaterhouseCoopers Inc., in its capacity as the Monitor and Trustee in Bankruptcy of the undertaking, property and assets of Blue Note Caribou Mines Inc., and not in its personal capacity

Per: _____
 Name: David A. Boyd
 Title: Senior Vice President

