

S.C. No: 09-A0100  
Estate No: 11-1292335  
Estate No: 11-252902

**SUPREME COURT OF YUKON**

**IN THE MATTER OF THE PROPOSAL OF  
GOLDEN HILL VENTURES LTD.**

**IN THE MATTER OF THE PROPOSAL OF  
GOLDEN HILL VENTURES LIMITED PARTNERSHIP**

**REPORT OF RSM RICHTER INC., IN ITS CAPACITY AS  
PROPOSAL TRUSTEE  
PURSUANT TO SECTION 58(d) AND SECTION 59(1)  
OF THE *BANKRUPTCY AND INSOLVENCY ACT***

**March 23, 2010**

RSM Richter Inc. ("Richter"), of the City of Toronto, in its capacity as trustee ("Proposal Trustee") acting in the proposal ("Proposal") of Golden Hill Ventures Ltd. ("GHV Ltd.") and Golden Hill Ventures Limited Partnership ("GHV LP") (GHV Ltd. and GHV LP are jointly referred to as the "Debtors"), hereby reports to the Court as follows:

1. A Proposal was lodged with the Proposal Trustee on the 3<sup>rd</sup> day of March, 2010, a copy of which is attached and marked as Appendix "A". The Proposal Trustee filed a copy of the Proposal with the Official Receiver on the 9<sup>th</sup> day of March, 2010.
2. On the 10<sup>th</sup> day of March, 2010, the Proposal Trustee gave notice (the "Notice") to the Debtors, to the Division Office of the Superintendent of Bankruptcy and to every known creditor affected by the Proposal, whose names and addresses are shown in Appendix "D" to this report, of the calling of a meeting of creditors to be held on the 22<sup>nd</sup> day of March, 2010, to consider the Proposal.
3. With the Notice was included:
  - The Proposal Trustee's report on the Proposal, including a copy of the Proposal (the "Trustee's Report");
  - Lists of creditors affected by the Proposal, showing the amounts of their claims;
  - Condensed statements of the estimated assets and liabilities of the Debtors;
  - Notice of hearing for Court approval;
  - Proof of claim form and proxy in blank;
  - Voting letter; and
  - Payment election form.

The Notice and the seven items referenced above are attached and marked as Appendices "B" through "I", respectively. The Trustee's Report has been attached without appendices.

4. On March 18, 2010 the Proposal Trustee prepared a supplementary report ("Supplementary Report") to creditors reporting on the results of security opinions ("Security Opinions") prepared by Yukon-based counsel, Lackowicz, Shier & Hoffman ("LSH") in respect of security granted by the Debtors to its secured creditors, GE Capital Equipment Financing ("GE"), Canadian Western Bank ("CWB"), Wajax Finance (or its successor CIT Financial Ltd.) ("Wajax"), Caterpillar Financial Services Limited ("Caterpillar") and Business Development Bank of Canada ("BDC") (GE, CWB, Wajax, Caterpillar and BDC being the "Secured Creditors"). Based on LSH's review and subject to the assumptions and qualifications contained in the Security Opinions it appears that the Secured Creditors have valid and enforceable security against a trustee in bankruptcy of the Company. A copy of the Supplementary Report was posted on the Proposal Trustee's website on March 18, 2010 and was made available to creditors at the meeting of creditors held on March 22, 2010. A copy of the Supplementary Report is attached as Appendix "J".
5. Prior to the meeting of creditors the Proposal Trustee made a detailed and careful inquiry into the liabilities of the Debtors, the Debtors' assets and their value, the Debtors' conduct, the causes of the Debtors' insolvency and the terms of the Proposal. The Proposal Trustee addressed these issues in its report on the Proposal, which is attached (without appendices) and marked as Appendix "C".
6. The meeting of creditors was held on the 22<sup>nd</sup> day of March, 2010 and was presided over by Steve Allan of Richter, Trustee in Bankruptcy.
7. The Proposal was amended (the "Amended Proposal") at the request of Canada Revenue Agency. The amendment is attached as Appendix "K".
8. The Amended Proposal was accepted by more than the required statutory majority of creditors. At the meeting 75.99% in dollar value and 90% in number of those creditors voting in person or by voting letter accepted the Amended Proposal. These results included a contingent claim received from Norman Ross ("Ross Claim"), which was marked as contested by the Proposal Trustee. A copy of the Ross Claim is attached as Appendix "L". Should the Ross Claim have been excluded from the vote, 99.6% in dollar value and 93% in number of the creditors voting in person or by voting letter would have accepted the Amended Proposal. A copy of the voting register is attached as Appendix "M".
9. A copy of the minutes of the meeting (without appendices already referenced herein) is attached and marked as Appendix "N".

10. The Proposal Trustee is of the opinion that:

- a) The assets of the Debtors and the estimated realizable value thereof projected as at March 19, 2010 are as follows:

	\$000s		
	Estimated Book/Appraised Value	Estimated Realizable Value	
		Low	High
Cash <sup>1</sup>	14	14	14
Accounts receivable <sup>2</sup>	840	-	-
Prepaid expenses	110	-	-
Equipment	6,400	4,320	5,184
Real estate	1,644	1,015	1,332
Related company receivables	770	-	-
Total	9,778	5,349	6,530

- b) The book values of the liabilities of the Debtors are as follows:

	\$000s
Secured <sup>3</sup>	11,520
Preferred	752
Ordinary Unsecured	1,934
Total	14,206

- c) The Proposal Trustee is also of the opinion that the primary causes of the insolvency of the Debtors were as a result of:

- Its involvement in Ross Mining Limited, a related company presently in receivership; and
- The failure of another (third party) mine project, the Ruby Creek Mine project, which caused the Debtors to suffer significant losses. Prior to the failure of the Ruby Creek Mine project the Debtors had declined other work to focus on its involvement in that project.

<sup>1</sup> Actual cash balance as at March 19, 2010. The cash balance of \$54,000 reported in Section 6 of the Proposal Trustee's report on the Proposal was based on the estimated cash balance as at March 19, 2010.

<sup>2</sup> Includes other receivables of approximately \$63,000.

<sup>3</sup> Includes approximately \$96,000 owing to General Motors Acceptance Corporation.

d) The Proposal Trustee is further of the opinion that the Proposal is advantageous for the following reasons:

- In a bankruptcy, the unsecured creditors are unlikely to receive any recoveries. All of the assets are encumbered in favour of the Secured Creditors; and
- The Proposal provides for a projected distribution to unsecured creditors of 30¢ on the dollar, subject to the general business risks of the Debtors' ongoing business, including the Debtors' ability to secure new contracts. There is also the potential for upside beyond the 30¢ distribution should the Company be successful pursuing a miner's lien claim against Ross Mining Limited and Norman Ross. The Proposal contemplates that the Company will provide unsecured creditors with 50% of the net recoveries generated from the lien claim. Further details regarding the lien claim are provided in the Trustee's Report.

e) A copy of this report was forwarded to the Official Receiver on this day.

DATED at Toronto this 23<sup>rd</sup> day of March, 2010



**RSM RICHTER INC.  
IN ITS CAPACITY AS  
TRUSTEE UNDER THE PROPOSAL OF  
GOLDEN HILL VENTURES LTD. AND  
GOLDEN HILL VENTURES LIMITED PARTNERSHIP  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “A”**

District of Yukon  
Division No. 25 – Whitehorse  
Estate Nos: 11-252902 and 11-1292335

**SUPREME COURT OF YUKON**  
**IN THE MATTER OF THE PROPOSAL OF**  
**GOLDEN HILL VENTURES LIMITED PARTNERSHIP**  
**AND IN THE MATTER OF THE PROPOSAL OF**  
**GOLDEN HILL VENTURES LTD.**  
**OF THE CITY OF WHITEHORSE,**  
**IN THE YUKON TERRITORY**

**PROPOSAL**

**WHEREAS:**

- A. Golden Hill Ventures Ltd. ("GHV Ltd.") is the general partner of Golden Hill Ventures Limited Partnership ("GHVLP");
- B. GHVLP carries on the business of heavy construction in Yukon Territory;
- C. Each of GHVLP and GHV Ltd. filed a Notice of Intention to Make a Proposal on November 25, 2009, pursuant to Section 50.4 of the BIA (as defined below);
- D. GHVLP and GHV Ltd. each wish to make this proposal to their respective unsecured creditors in accordance with Division I of Part III of the BIA;
- E. RSM Richter Inc., a licensed Trustee, has agreed to act as the Trustee with respect to this Proposal.

Each of the Debtors hereby submits the following Proposal to all of their respective unsecured creditors, in accordance with the BIA.

**ARTICLE 1**  
**DEFINITIONS**

**1.1 Definitions:**

In this Proposal:

**"Administrative Fees and Expenses"** means the fees, expenses and legal fees and disbursements incurred by the Trustee and the Debtors on and incidental to the negotiation, preparation, presentation, consideration and implementation of the Debtors' Proposal and the proceedings arising out of or incidental to the Proposal;

**"BIA"** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3 as amended and in force as at the Filing Date;

**"Business Day"** means a day, other than a Saturday or Sunday, on which banks are generally open for business in Whitehorse, Yukon Territory;

**"Claim"** means any right of any Person against a Debtor in connection with any indebtedness, liability or obligation of any kind of a Debtor which indebtedness, liability or obligation was in existence at the Filing Date, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, indemnity, surety or otherwise and whether or not such a right is executory in nature, including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future based in whole or in part on facts which existed prior to or on the Filing Date;

**"Debtor"** means each of GHVLP and GHV Ltd., and **"Debtors"** means both of them;

**"Court"** means the Supreme Court of Yukon;

**"Court Approval Date"** means the date on which the Court makes an order approving this Proposal;

**"Creditor"** means any Person having a Claim and may, if the context requires, means a trustee, receiver, receiver-manager or other Person acting on behalf of or in the name of such Person;

**"Deficiency Claim"** means the Claim of any Secured Creditor net of the Secured Claim of such Secured Creditor;

**"Distribution"** means any payment to Unsecured Creditors pursuant to Sections 2.2 or 2.3 of this Proposal, and the issuance of the Promissory Notes pursuant to Section 2.4 of this Proposal;

**"Effective Date"** means the date on which the terms of this Proposal become effective, being the date on which each of the conditions precedent in Section 6.2 have been satisfied or waived, and the Debtors have confirmed in writing to the Trustee that all such conditions precedent have been satisfied or waived;

**"Filing Date"** means November 25, 2009, the date on which each of GHVLP and GHV Ltd. filed a Notice of Intention to Make a Proposal pursuant to Section 50.4 of the BIA;

**"GHV Ltd."** means Golden Hill Ventures Ltd.;

**"GHVLP"** means Golden Hill Ventures Limited Partnership;

**"Inspectors"** means the Inspectors described in Article 4;

**"Official Receiver"** shall have the meaning ascribed thereto in the BIA;

**"Ordinary Creditors"** means all Unsecured Creditors other than Preferred Creditors;

**"Person"** means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;

**"Preferred Creditors"** means Creditors with Proven Claims that are required by the BIA to be paid in priority to all other Claims under a proposal made by a debtor, and include, without limitation:

- (i) Her Majesty in Right of Canada or a province for all amounts of a kind that could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* or under any substantially similar provision of provincial legislation and that were outstanding at the Filing Date; and
- (ii) employees and former employees of a Debtor for amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the BIA if the Debtor became bankrupt on the Filing Date;

**"Promissory Notes"** means the promissory notes to be issued to certain Ordinary Creditors pursuant to Section 2.4 of this Proposal;

**"Proposal"** means this proposal together with any amendments or additions thereto;

**"Proven Claim"** of a Creditor means the amount of the Claim of such Unsecured Creditor finally determined in accordance with the provisions of the BIA and this Proposal;

**"Secured Claims"** means Claims secured by Security that is validly attached and perfected on the Filing Date, provided however such Claims shall be Secured Claims only to the extent of the realizable value of the assets secured by the Security granted by a Debtor to that Creditor, as such realizable value is determined (a) by agreement between the Creditor holding such Security and the Debtor, or (b) by a court of competent jurisdiction;

**"Secured Creditor"** means a Creditor holding Security;

**"Security"** means a mortgage, hypothec, pledge, charge, lien, privilege, encumbrance or security interest on or against the property of a Debtor or any part thereof as security for a debt due or accruing due to a Creditor by a Debtor, whether by way of direct indebtedness or by way of guarantee, indemnity, surety or otherwise;

**"Trustee"** means RSM Richter Inc., in its capacity as trustee in respect of the Proposal and includes its duly appointed successor or successors;

**"Unaffected Claims"** means (a) Administrative Fees and Expenses, (b) Secured Claims, and (c) claims owing by either Debtor to the other Debtor, or by either Debtor to Jon Rudolph;

**"Unaffected Creditor"** means a Person in respect of an Unaffected Claim;



**“Unsecured Creditors”** means those Persons with Claims, including Deficiency Claims, that are proved or provable in respect of any debts and liabilities, present or future, to which a Debtor is subject at the Filing Date or to which it may become subject by reason of any facts which exist prior to or on the Filing Date, except for those Claims:

- (i) that are Unaffected Claims; and
- (ii) that have been finally and conclusively disallowed in accordance with this Proposal;

**“Unsecured Creditors’ Meetings”** means the meetings of the Unsecured Creditors called for the purpose of considering and voting upon this Proposal, and **“Unsecured Creditors’ Meeting”** means each of those meetings; and

**“Unsecured Creditors’ Meeting Date”** means the date and time designated by the Trustee in a notice to Creditors.

## **1.2 Accounting Terms**

All accounting terms not otherwise defined herein will have the meaning ascribed to them in accordance with Canadian generally accepted accounting principles including those prescribed by the Canadian Institute of Chartered Accountants. Accounting policies and standards of financial disclosure will be in accordance with Canadian generally accepted accounting principles.

## **1.3 Articles of Reference**

The terms “hereof”, “hereunder”, “herein” and similar expressions refer to this Proposal and not to any particular article, section, subsection, clause or paragraph of this Proposal and include any agreements supplemental hereto.

## **1.4 Interpretation Not Affected by Headings**

The division of this Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

## **1.5 Date for Any Action**

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day.

## **1.6 Time**

All times expressed herein are local time in Whitehorse, Yukon Territory, Canada unless otherwise stipulated. Where the time for anything pursuant to this Proposal on a particular date is unspecified herein, the time shall be deemed to be 5:00 p.m. local time in Whitehorse, Yukon Territory, Canada.

### **1.7 Numbers, etc.**

In this Proposal, where the context requires, a word importing the singular number will include the plural and vice versa and a word or words importing gender will include all genders.

### **1.8 Currency**

Unless otherwise stated herein, all references to currency in this Proposal are to lawful money of Canada.

### **1.9 Statutory References**

Except as otherwise provided herein, any reference in this Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulations in force from time to time, and any statute or regulation that supplements or supercedes such statute or regulation.

### **1.10 Successors and Assigns**

This Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in this Proposal.

## **ARTICLE 2 CLASSIFICATION OF CREDITORS AND TREATMENT OF CLAIMS**

### **2.1 One Class of Creditors for each Debtor**

The Creditors affected by this Proposal shall be all Unsecured Creditors of each Debtor, all of whom shall comprise one class of Creditors of each Debtor for the purposes of this Proposal. GHVLP is the operating entity with respect to the Debtors' businesses. Accordingly, essentially all indebtedness owing to Creditors will be owed by GHVLP and essentially all Claims will be claims against GHVLP. However, the Debtors have been advised that GHV Ltd., as the general partner of GHVLP, is by operation of law also liable for the obligations of GHVLP. Accordingly, the following rules will be applied to Claims:

- (a) all claims asserted against either Debtor, or both Debtors, will be treated as claims against GHVLP, for which GHV Ltd. is also liable by operation of law, unless the claimant is otherwise advised by the Trustee. Accordingly, all claims asserted against either Debtor, or both Debtors, will be accepted as claims in each Debtor estate (subject to being proven to the satisfaction of the Trustee and the Debtors);
- (b) Unsecured Creditors only need to submit one proof of claim with respect to its claim; as well, where an Unsecured Creditor wishes to submit a proxy or a voting letter, only one proxy or one voting letter needs to be submitted;
- (c) unless (i) otherwise specifically directed by the person submitting a proxy or voting letter, or (ii) the person submitting a proxy or voting letter has otherwise been advised by the Trustee, the Trustee will consider each proxy as a proxy for each Unsecured Creditors' Meeting, and will consider all votes to have been cast at each Unsecured Creditors' Meeting;

- (d) only one Distribution will be made to each Unsecured Creditor with a Proven Claim, being either (a) one payment in accordance with Sections 2.2 and 2.3 of this Proposal, or (b) one Promissory Note in accordance with Section 2.4 of this Proposal, and payments to Preferred Creditors will be made by GHVLP only; and
- (e) although the payments and Promissory Notes referred to in subparagraph 2.1(d) directly above will be made or issued by GHVLP only, GHV Ltd. (as the general partner of GHVLP) will be jointly liable for all payments (including payments under the Promissory Notes and payments to Preferred Creditors).

## **2.2 Preferred Creditors**

The claims of the Preferred Creditors are to be paid in full in priority to all Claims of Ordinary Creditors in accordance with the scheme of distribution set forth in the BIA or as may be otherwise arranged between the applicable Debtor and its Preferred Creditors.

## **2.3 Ordinary Creditors – Claims Equal to or Less Than \$500**

The Claims of the Ordinary Creditors with Proven Claims that are equal to or less than \$500 (including, for greater certainty, those Ordinary Creditors with Claims in respect of a Debtor that are greater than \$500 but who elect, by completion of a the form attached hereto as Schedule A, to value their Claim at \$500) are to be paid in full on a date that is not later than six months after the Court Approval Date.

## **2.4 Ordinary Creditors – Claims Greater Than \$500**

The Claims of all Ordinary Creditors with Proven Claims greater than \$500 who do not make the election contemplated by Section 2.3 above shall be satisfied by the issuance of promissory notes in the form of Schedule B to this Proposal, whereby GHVLP promises to pay a dividend aggregating 30 cents per dollar of the Proven Claims, such dividend payable in five equal annual payments, the first of such payments being due on the date that is the first anniversary of the Court Approval Date. Such Promissory Notes shall be issued on a date that is not later than six months after the Court Approval Date. Payments under Promissory Notes shall not be made unless and until all Administrative Fees and Expenses have first been paid.

## **2.5 Additional Payments to Ordinary Creditors holding Promissory Notes**

GHVLP is the plaintiff in a miner's lien claim made under the *Yukon Miner's Lien Act*, RSY 2002, c. 151, as amended, against Ross Mining Limited and Norman Ross. In accordance with the *Miner's Lien Act*, GHVLP commenced action no. 09-A0087 in the Supreme Court of Yukon (the "Miner's Lien Action"), claiming \$4,713,543 with respect to the provision of labour, equipment, petroleum products and supplies used in the workings and rehabilitation of the Ross Mine property.

Ross Mining Limited is currently in receivership, and the receiver of that company has undertaken a sale process with respect to the Ross Mine property and assets. GHVLP believes that it can sustain its claim in the Miner's Lien Action and establish priority over other creditors of Ross Mining Limited (by virtue of GHVLP's miner's lien). Accordingly, GHVLP anticipates

some recovery in the Miner's Lien Action, although at this time it cannot predict what that recovery, if any, might be.

In addition to the amounts otherwise payable under the Promissory Notes, GHVLP will pay to the holders of Promissory Notes a *pro rata* share of fifty percent of the net recovery by GHVLP in the Miner's Lien Action. By way of illustration only, if GHVLP recovers \$2,000,000 in the Miner's Lien Action, after incurring disbursements and professional costs of \$200,000, the aggregate amount payable to the holders of Promissory Notes would be \$900,000 (being \$2,000,000 gross recovery minus \$200,000 disbursements and professional costs = \$1,800,000 net recovery; multiplied by fifty percent = \$900,000 payment to holders of Promissory Notes).

Payments being made under this Section 2.5 to the holders of Promissory Notes shall be made by GHVLP on the date of the next annual payment due under the Promissory Notes. In no event shall payments under any Promissory Note exceed the amount of a Creditor's Proven Claim.

## **2.6 Effect of Proposal on Claims of Creditors**

The effect of this Proposal shall be to fully satisfy and extinguish the Claims of all Unsecured Creditors of each Debtor.

## **2.7 Unaffected Claims**

The Unaffected Claims shall not be affected by this Proposal, *provided however* that neither Debtor shall repay any indebtedness owing by it as of the Filing Date to Jon Rudolph, until all payments due to Creditors under this Proposal have been paid in full. As noted in Section 2.4 of this Proposal, payments under Promissory Notes shall not be made unless and until all Administrative Fees and Expenses have first been paid.

# **ARTICLE 3 PROCEDURE FOR VALUATION OF CLAIMS**

## **3.1 Filing Proofs of Claim**

In order to participate in any Distribution, an Unsecured Creditor is required to file a completed proof of claim with the Trustee prior to the date on which such Distribution is to be made. Since Distributions to Ordinary Creditors are to be made not later than six months after the Court Approval Date, in accordance with Sections 2.3 and 2.4 of this Proposal, each Ordinary Creditor should file a completed proof of claim with the Trustee as soon as possible.

## **3.2 Allowance or Disallowance of Claims by the Trustee**

Upon receipt of a completed proof of claim, the Trustee shall examine the proof of claim, in consultation with the Debtors, and shall allow or disallow same, and shall notify each creditor of the amount of its Proven Claim, as applicable, all in accordance with the provisions of the BIA. Without limiting the generality of the foregoing, the provisions of Section 121 and Sections 124 to 135 of the BIA, as applicable, shall apply to the filing of proofs of claims and the determination by the Trustee of the Proven Claims of each Unsecured Creditor. As provided in Section 2.1 of this Proposal, all claims asserted against either Debtor, or both Debtors, will be

accepted as claims in each Debtor estate (subject to being proven to the satisfaction of the Trustee and the Debtors).

#### **ARTICLE 4 MEETINGS OF UNSECURED CREDITORS**

##### **4.1 Creditors' Meetings**

On the Unsecured Creditors' Meeting Date, each of the Debtors shall hold an Unsecured Creditors' Meeting in order for the Unsecured Creditors to consider and vote upon this Proposal.

##### **4.2 Time and Place of Meeting**

Unless otherwise ordered by the Official Receiver or the Court, the Unsecured Creditors' Meetings shall be conducted by the Trustee and the Debtors and shall be held at the offices of Macdonald & Company, Suite 200, Financial Plaza, 204 Lambert Street, Whitehorse, Yukon. All proofs of claim shall be delivered in accordance with the provisions of the Proposal, the BIA and any Order that may be issued by the Court in respect of the procedure governing the Unsecured Creditors' Meetings to be held for the purposes of voting upon the Proposal.

##### **4.3 Conduct of Meeting**

The Official Receiver, or the nominee thereof, shall preside as the chair of the Unsecured Creditors' Meetings and will decide all matters relating to the conduct of the Unsecured Creditors' Meetings. The only persons entitled to attend the Unsecured Creditors' Meetings are those persons, including the holders of proxies, entitled to vote at an Unsecured Creditors' Meeting and their legal counsel, if any, and the advisors and legal counsel of the Debtors, together with such representatives of the Trustee as the Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other person may be admitted on invitation of the chair of the Unsecured Creditors' Meetings.

##### **4.4 Adjournment of Meetings**

The Unsecured Creditors' Meetings may be adjourned in accordance with Section 52 of the BIA. If the Unsecured Creditors' Meetings are adjourned, no further Proofs of Claim nor proxies shall be filed with or accepted by the Trustee or the Debtors notwithstanding any such adjournment for the purpose of voting at any reconvened Unsecured Creditors' Meeting.

##### **4.5 Voting by Unsecured Creditors**

In order to be entitled to vote at either Unsecured Creditors' Meeting, an Unsecured Creditor must file its proof of claim with the Trustee prior to the commencement of the applicable Unsecured Creditors' Meeting. Each Unsecured Creditor will be entitled to vote to the extent of the amount which is equal to that Unsecured Creditors' Proven Claim against the Debtor to whom the Unsecured Creditors' Meeting relates. A record of attendance and voting shall be recorded separately for each of the Unsecured Creditors' Meetings.

#### **4.6 Order to Ascertain Result of Vote etc.**

The Debtors or the Trustee reserve the right to seek the assistance of the Court, if required, to ascertain the result of any vote on the Proposal or the amount payable or to be distributed to such Unsecured Creditor under the Proposal, as the case may be.

#### **4.7 Inspectors**

At each Unsecured Creditors' Meeting, the Unsecured Creditors may appoint up to five Inspectors for each Debtor estate, who shall have the power to:

- (a) assist the Trustee in such manner as may be requested by the Trustee;
- (b) advise the Trustee from time to time with respect to any matter that the Trustee may refer to them;
- (c) approval of the Trustee's accounts in respect of all receipts and disbursements relating to the administration of this Proposal;
- (d) extend the date by which the Debtor must make any Distribution, by up to 90 days; and
- (e) waive any defaults in the performance of any provisions of this Proposal.

Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it thinks just. The authority and term of office of the Inspectors will terminate upon the performance of the Proposal.

### **ARTICLE 5 DISTRIBUTION OF PROCEEDS AND PROMISSORY NOTES**

#### **5.1 Distribution to Preferred Creditors and Ordinary Creditors with Claims Equal to or Less than \$500**

The Proven Claims of (a) Preferred Creditors and (b) Ordinary Creditors with Proven Claims equal to or less than \$500 or who have made the election contemplated by Section 2.3 hereof, shall be paid in full in full and final satisfaction of their Proven Claims, within the time periods specified in Sections 2.2 and 2.3 of this Proposal.

#### **5.2 Distribution of Promissory Notes to Other Ordinary Creditors**

Ordinary Creditors with Proven Claims greater than \$500 (other than those who have made the election contemplated by Section 2.3 of this Proposal) will receive Promissory Notes in accordance with Section 2.4 of this Proposal, within the time period set out in that Section 2.4.

#### **5.3 Proven Claims based on guarantees, indemnities or sureties**

Where a Proven Claim is based on a guarantee, indemnity or surety, then prior to the date of any payment due under a Promissory Note, the affected Debtor shall confirm with the affected

Creditor if its Proven Claim still remains outstanding and, if so, if it remains outstanding for the full amount of the Proven Claim. If the Proven Claim has been reduced or repaid by any means (other than by way of prior payments under the Promissory Note) then, notwithstanding Section 2.4 of this Proposal, the amount payable under the Promissory Note shall be reduced to reflect the reduced balance of the Proven Claim as of the date of each payment under the Promissory Note.

#### **5.4 Waiver of Distribution or Agreement to accept reduced Distribution**

Any Creditor may, in writing, waive the receipt of any Distribution, or agree to a reduced Distribution or a reduced payment under any Promissory Note. For that purpose, the Debtors may request that any Creditor receiving a Promissory Note agree to cancel and surrender that Promissory Note in exchange for such consideration as the Debtors may agree upon, to be given to the affected Creditor after the Court Approval Date.

#### **5.5 No Interest or other claims; Superintendent's Levy**

The Proven Claims of Unsecured Creditors shall not include any interest, penalties or fees thereon from the Filing Date, and interest, penalties and fees shall not accrue on or be paid on any Claims of Unsecured Creditors after the Filing Date. All Distributions under this Proposal shall be made by the Trustee to Unsecured Creditors. Notwithstanding any other provision hereof, all payments made by the Trustee (or by a Debtor under the Promissory Notes or in accordance with Section 2.5 of this Proposal) in respect of the Claims of Unsecured Creditors shall be made net of the levy payable to the Superintendent of Bankruptcy pursuant to Sections 147 and 60(4) of the BIA.

#### **5.6 Discharge of Trustee**

Upon payment by the Trustee of the Proven Claims as provided for in Sections 2.2 and 2.3 of this Proposal and the delivery by the Trustee of the Promissory Notes as provided for in Section 2.4 of this Proposal, the Trustee will have discharged its duties as Trustee, the Proposal shall be fully performed and the Trustee shall be entitled to apply for its discharge as Trustee hereunder.

#### **5.7 CRA Filings**

The Debtors will each keep all filings, remittances and instalments, if any, to Her Majesty the Queen in Right of Canada as represented by Minister of National Revenue current from the date of this Proposal to the date of the last payment under any of the Promissory Notes.

#### **5.8 Default in Payments under Promissory Notes**

Notwithstanding Section 5.6 of this Proposal, and whether or not the Trustee has issued a Certificate of Full Performance of Proposal or has been discharged, any default in payment of the amounts due under the Promissory Notes shall be a default in the performance of this Proposal. The Debtors shall be entitled to remedy any such default within the time period prescribed pursuant to Section 62.1 of the BIA.

## **ARTICLE 6 MISCELLANEOUS**

### **6.1 Confirmation of the Proposal**

In the event that the Proposal is approved by the required majorities of Unsecured Creditors of a Debtor, the Trustee shall apply to the Court to obtain the sanction and approval of the Proposal. The Trustee will confirm the date by way of a Notice of Hearing.

### **6.2 Conditions Precedent to the Effectiveness of this Proposal**

This Proposal shall not be effective until the prior satisfaction of the following conditions precedent, or the waiver by the applicable Debtor(s) of one or more of such conditions precedent, and the written confirmation by the applicable Debtor(s) to the Trustee that these conditions precedent have been satisfied or have been waived by the Debtor or Debtors, as the case may be:

- (a) this Proposal shall have been approved by the statutory majorities of Unsecured Creditors as required under the BIA, for each Debtor;
- (b) the Court shall have issued an Order sanctioning and approving this Proposal, in a form satisfactory to each Debtor;
- (c) GHVLP shall have completed an agreement on terms satisfactory to it with each of GE Capital Equipment Financing GP, Canadian Western Bank, Wajax Finance (or its successor CIT Financial Ltd.) and Caterpillar Financial Services Limited, for the continued use by GHVLP of the equipment and other personal property financed by each of those lenders;
- (d) GHVLP, and if necessary GHV Ltd., shall have completed an agreement on terms satisfactory to it/them with Business Development Bank of Canada, for the continued use by GHVLP of the real property financed by Business Development Bank of Canada;
- (e) GHVLP shall have completed an agreement with Canada Revenue Agency, if necessary, extending the time for it to pay arrears of unremitted source deductions owing by it as of the Filing Date; and
- (f) there shall not have occurred, in each Debtor's opinion acting reasonably, any material adverse change which has or might have the effect of (i) preventing or inhibiting a Debtor from carrying out the terms of this Proposal, or (ii) preventing or inhibiting a Debtor from carrying out their business on normal terms.

### **6.3 Compromise Effective for all Purposes**

The payment, compromise, extinguishment or other satisfaction of any Claim under the Proposal will be binding upon each Unsecured Creditor, its heirs, executors, administrators, successors and assigns, for all purposes, and as and from the Effective Date all Claims shall be forever discharged and released, excepting only the obligations to make Distributions in respect of such Claims in the manner and to the extent provided for in this Proposal.



#### **6.4 Non-Approval of the Proposal with respect to one Debtor**

If the statutory majorities of the Unsecured Creditors of one Debtor shall decline to approve this Proposal, or if the Court shall decline to sanction and approve this Proposal with respect to one Debtor, but the other Debtor has obtained both creditor and Court approval of this Proposal, then such other Debtor may proceed with this Proposal independently of the Debtor who failed to obtain the approval of its creditors or the Court.

#### **6.5 Modification of Proposal**

The Debtor or any relevant Unsecured Creditor may propose an alteration or modification to the Proposal at an Unsecured Creditors' Meeting. After the Unsecured Creditors' Meetings, the Debtors may vary, amend, modify or supplement the Proposal only in accordance with the BIA.

#### **6.6 Consents, Waivers and Agreements**

As at 12:01 a.m. on the Effective Date, each Unsecured Creditor will be deemed to have consented and to have agreed to all of the provisions of this Proposal in its entirety. In particular, and without limiting the generality of the foregoing, each Unsecured Creditor will be deemed, to the fullest extent permitted by the BIA:

- (a) to have executed and delivered to each Debtor all consents, releases, assignment and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;
- (b) to have waived any default by any Debtor in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and a Debtor that occurred on or prior to the Effective Date;
- (c) to have agreed that if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and a Debtor as at the Effective Date (other than those entered into by a Debtor on, or with effect from, the Effective Date) and the provisions of this Proposal, then the provisions of this Proposal take precedence and priority and the provisions of such agreement or other arrangements are amended accordingly;
- (d) to have released the Trustee and all employees, agents, directors, officers, shareholders, advisors and solicitors of the Trustee from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, execution liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Date, relating to or arising out of or in connection with the matters herein; and
- (e) to have released each Debtor and each and every present and former employee, agent, director, officer, auditor, advisor and solicitor of each Debtor from any and

all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, execution liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, including, without limitation, any and all claims in respect of potential statutory liabilities of the former or present directors and officers of each Debtor, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Date, *provided however* that nothing in this Proposal shall release Jon Rudolph from his obligations under promissory notes issued pursuant to the terms of his BIA proposal dated December 22, 2009, as amended.

**6.7 Sections 95 to 101 of the BIA do not apply**

Sections 95 to 101 of the BIA do not apply to this Proposal or the proceedings relating to this Proposal, and may not be invoked or relied upon by any Creditor or by the Trustee.

**6.8 Notices**

Any notices or communication to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail, by telecopier or e-mail addressed to:

- (a) if to the Debtors or either of them:

Golden Hill Ventures Limited Partnership / Golden Hill Ventures Ltd.

c/o Ogilvy Renault LLP

Suite 3800, Royal Bank Plaza, South Tower

Toronto, Ontario M5J 2Z4

Attention: Tony Reyes

Fax: (416) 216-3930

Email: [treyes@ogilvyrenault.com](mailto:treyes@ogilvyrenault.com)

- (b) if to the Trustee:

RSM Richter Inc.

Suite 1100, 200 King Street West

Toronto, Ontario M5H 3T4

Attention: Lana Bezner

Fax: (416) 932-6009

Email: [lbezner@rsmrichter.com](mailto:lbezner@rsmrichter.com)

- (c) if to an Unsecured Creditor:

to the address, telecopier number or email address for such Creditor specified in the Proof of Claim filed by such Unsecured Creditor or, if no Proof of Claim has been filed, to such other address or telecopier number at which the notifying party may reasonably believe that the Unsecured Creditor may be contacted.

All such notices and communications will be deemed to have been received, in the case of notice by telecopier, by delivery or by e-mail prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and, in the case of notice mailed, on the

second (2nd) Business Day following the date on which such notice or other communication is mailed. The unintentional failure by a Debtor or the Trustee to give a notice contemplated hereunder to any particular Unsecured Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

#### **6.9 Foreign Currency Obligations**

For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange thereof of the Bank of Canada on the Filing Date.

#### **6.10 Applicable Law**

This Proposal shall be construed in accordance with the laws of the Yukon Territory and the laws of Canada applicable therein.

#### **6.11 Non Severability**

It is intended that all provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal and in the event that any particular provision or provisions of this Proposal is/are found to be void, voidable or unenforceable for any reason whatever, then the Debtor may declare the remainder of this Proposal and all other provisions to be void and of no force or effect.

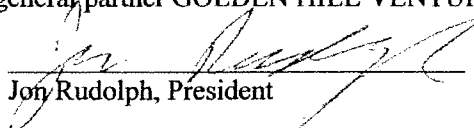
#### **6.12 Deeming Provisions**

In this Proposal the deeming provisions are not rebuttable and are conclusive and irrevocable.

DATED at the City of Vancouver, British Columbia, this 1<sup>st</sup> day of March, 2010.

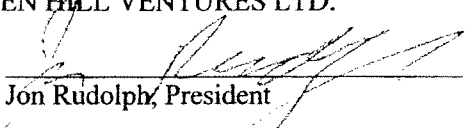
GOLDEN HILL VENTURES LIMITED PARTNERSHIP,  
by its general partner GOLDEN HILL VENTURES LTD.

By:

  
Jon Rudolph, President

GOLDEN HILL VENTURES LTD.

By:

  
Jon Rudolph, President

**SCHEDULE A**  
**ELECTION UNDER SECTION 2.3 OF THE GOLDEN HILL PROPOSAL**

**Whereas** Sections 2.3 and 5.1 of the Proposal filed by Golden Hill Ventures Limited Partnership and Golden Hill Ventures Ltd. dated March 1, 2010 (the "**Proposal**") provides in part as follows:

2.3 The Claims of the Ordinary Creditors with Proven Claims that are equal to or less than \$500 (including, for greater certainty, those Ordinary Creditors with Claims in respect of a Debtor that are greater than \$500 but who elect, by completion of a the form attached hereto as Schedule A, to value their Claim at \$500) are to be paid in full on a date that is not later than six months after the Court Approval Date.

5.1 The Proven Claims of ... Ordinary Creditors with Proven Claims equal to or less than \$500 or who have made the election contemplated by Section 2.3 hereof, shall be paid in full in full and final satisfaction of their Proven Claims, within the time periods specified in Sections 2.2 and 2.3 of this Proposal.

**Whereas** capitalized terms used in this election shall have the meanings attributed to those terms in the Proposal;

**Whereas** the undersigned Unsecured Creditor \_\_\_\_\_ [PLEASE PRINT NAME] has submitted an Unsecured Claim for \$ \_\_\_\_\_ [PLEASE INSERT AMOUNT OF CLAIM, FROM PROOF OF CLAIM] against one or both Debtors, and wishes to make the election referred to in Section 2.3 of the Proposal;

**NOW THEREFORE** the undersigned Unsecured Creditor hereby elects, pursuant to Section 2.3 of the Proposal, to value its claim at the lesser of (i) \$500 and (ii) the amount of the Unsecured Creditor's Claim, as indicated in the recital immediately above.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
Signature of Unsecured Creditor (if an individual)

\_\_\_\_\_  
Witness

**OR**

\_\_\_\_\_  
[INSERT CORPORATE NAME]

By:

\_\_\_\_\_  
Name:

Title:

Authorized signing officer

**SCHEDULE B  
PROMISSORY NOTE**

**Note Number** \_\_\_\_\_ **Issued to:** \_\_\_\_\_ (the "Holder")

**Whereas** Golden Hill Ventures Limited Partnership and Golden Hill Ventures Ltd. each made a proposal to its unsecured creditors under the *Bankruptcy and Insolvency Act* of Canada, by way of a Proposal filed with the Official Receiver on March 1, 2010 (the "Proposal");

**And Whereas** the Holder is an Unsecured Creditor;

**And Whereas** Section 2.4 of the Proposal provides that certain Unsecured Creditors shall be issued promissory notes whereby Golden Hill Ventures Limited Partnership promises to pay a dividend aggregating 30 cents per dollar of their Proven Claims, such dividend payable in five annual payments, the first of such payments being due on the date that is the first anniversary of the Court Approval Date.

**And Whereas** the Court Approval Date was March •, 2010;

**NOW THEREFORE** Golden Hill Ventures Limited Partnership promises to pay the Holder in lawful money of Canada the sum of \$ \_\_\_\_\_, in five annual instalments, the first of such instalments to be made on the first anniversary of the Court Approval Date.

Where a Proven Claim as of the Filing Date was based on a guarantee, indemnity or surety, then the amount payable under this Promissory Note may be reduced to reflect the reduced balance of the Proven Claim as of the date of each payment under this Promissory Note, in accordance with Section 5.3 of the Proposal.

In accordance with Section 2.5 of the Proposal, additional amounts may also become payable to the Holder, with respect to the net recovery by Golden Hill Ventures Limited Partnership in a certain *Miner's Lien Act* proceeding.

As noted in Section 2.4 of the Proposal, payments under Promissory Notes shall not be made unless and until all Administrative Fees and Expenses have first been paid.

The levy payable to the Superintendent of Bankruptcy pursuant to the *Bankruptcy and Insolvency Act* shall be deducted from each instalment payable under this Promissory Note and from any amount payable under Section 2.5 of the Proposal.

This Promissory Note is being issued by Golden Hill Ventures Limited Partnership pursuant to the terms of the Proposal. Golden Hill Ventures Ltd., as the general partner of Golden Hill Ventures Limited Partnership, also confirms by its signature below that it is jointly liable for the amounts payable under this Promissory Note and under Section 2.5 of the Proposal.

This Promissory Note shall be binding upon the heirs, administrators, executors, legal personal representatives, successors and assigns of the Holder and each of Golden Hill Ventures Limited Partnership and Golden Hill Ventures Ltd.

This Promissory Note shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Yukon Territory.

This Promissory Note is issued pursuant to the Proposal. In the event of any inconsistency between the terms of this Promissory Note and the terms of the Proposal, the terms of the Proposal shall govern.

Except as otherwise defined in this Promissory Note, all capitalized terms used herein shall have the meanings given to those terms in the Proposal.

DATED at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

GOLDEN HILL VENTURES LIMITED PARTNERSHIP,  
by its general partner GOLDEN HILL VENTURES LTD.

By: \_\_\_\_\_  
Jon Rudolph, President

GOLDEN HILL VENTURES LTD.

By: \_\_\_\_\_  
Jon Rudolph, President

## **Appendix “B”**

RSM Richter Inc.  
200 King St. W., Suite 1100, P.O. Box 48  
Toronto, ON M5H 3T4  
Tel: 416.932.8000 Fax: 416.932.6200  
www.rsmrichter.com

Estate Nos.: 11-252902 and 11-1292335

**IN THE MATTER OF THE PROPOSAL OF  
GOLDEN HILL VENTURES LTD.**

**AND IN THE MATTER OF THE PROPOSAL OF  
GOLDEN HILL VENTURES LIMITED PARTNERSHIP**

**OF THE CITY OF WHITEHORSE,  
IN THE YUKON TERRITORY**

**NOTICE OF PROPOSAL TO CREDITORS (SECTION 51)**

TAKE NOTICE THAT Golden Hill Ventures Ltd. and Golden Hill Limited Partnership have lodged with the Trustee a proposal under the *Bankruptcy and Insolvency Act*.

**A general meeting of the creditors will be held at the offices of MacDonald & Company, 204 Lambert Street, Suite 200, Whitehorse, Yukon Territory, on the 22<sup>nd</sup> day of March, 2010, at the hour of 8:30 a.m. Pacific Time.**

Enclosed in this package please find the following:

- The Trustee's report on the proposal, including a copy of the proposal and a projected recovery analysis;
- List of creditors and corresponding amounts;
- Condensed statements of estimated financial position;
- Notice of hearing for court approval;
- Proof of claim form and proxy;
- Voting letter; and
- Payment election form.



**The Trustee's report on the proposal provides an overview of the terms of the proposal. The report is not a substitute for reading the proposal and creditors are strongly encouraged to review the proposal in its entirety prior to voting on the proposal. Creditors are also encouraged to discuss the terms of the proposal with their legal counsel.**

The unsecured creditors qualified to vote at the meeting may by special resolution, accept the proposal as made or as altered or modified at the meeting. If so accepted and if approved by the Supreme Court of Yukon, the proposal is binding on all the unsecured creditors affected by the proposal.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with the Trustee prior to the commencement of the meeting.

Please fax or email a copy of the completed proof of claim, proxy, voting letter and payment election form, if applicable, to RSM Richter Inc. at 416-932-6200, attention: Lana Bezner or [lbezner@rsmrichter.com](mailto:lbezner@rsmrichter.com).

DATED at Toronto, this 10<sup>th</sup> day of March, 2010.

A handwritten signature in dark ink, appearing to read "Lana Bezner" followed by a stylized monogram or initials.

**RSM RICHTER INC.  
TRUSTEE UNDER THE PROPOSAL OF  
GOLDEN HILL VENTURES LTD. AND  
GOLDEN HILL VENTURES LIMITED PARTNERSHIP  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “C”**

**RSM** Richter

**Trustee's Preliminary Report to Creditors  
of Golden Hill Ventures Ltd. and Golden  
Hill Ventures Limited Partnership**

**RSM Richter Inc.**  
Toronto, March 10, 2010

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S.C. No: 09-A0100  
Estate No: 11-1292335  
Estate No: 11-252902

**SUPREME COURT OF YUKON**

**IN THE MATTER OF THE PROPOSAL OF  
GOLDEN HILL VENTURES LTD.**

**IN THE MATTER OF THE PROPOSAL OF  
GOLDEN HILL VENTURES LIMITED PARTNERSHIP**

**TRUSTEE'S PRELIMINARY REPORT TO CREDITORS**

**March 10, 2010**

**1. INTRODUCTION**

This report ("Report") has been prepared by RSM Richter Inc. ("Richter") in its capacity as proposal trustee ("Proposal Trustee") in the proceedings commenced on November 25, 2009 by Golden Hill Ventures Ltd. ("GHV Ltd.") and Golden Hill Ventures Limited Partnership ("GHV LP") (GHV Ltd. and GHV LP are jointly referred to as the "Company") under Part III, Division 1 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"). In that regard, on November 25, 2009, the Company filed a Notice of Intention to Make a Proposal with the Official Receiver, a representative of the Office of the Superintendent of Bankruptcy, pursuant to Section 50.4(1) of the BIA. On March 9, 2010, the Proposal (the "Proposal") was filed with the Official Receiver in accordance with Section 62(1) of the BIA. A copy of the Proposal is attached as Appendix "A".

### 1.1 Purposes of this Report

The purposes of this report ("Report") are to:

- a) Provide background information concerning the Company, its financial situation, the cause of the Company's financial difficulties and the state of the Company's business and financial affairs;
- b) Outline the terms of the Proposal;
- c) Discuss the issues that could impact on the Company's ability to fulfill the terms of the Proposal;
- d) Provide an overview of the Proposal Trustee's findings resulting from its preliminary review for preferences and transfers undervalue as required under the BIA;
- e) Compare the amounts distributable under the Proposal to the estimated distribution to unsecured creditors in the event the Proposal is not accepted, and the Company is deemed to have made an assignment in bankruptcy; and
- f) Recommend that creditors vote to accept the Proposal.

### 1.2 Currency

Unless otherwise noted, all currency references in this Report are to Canadian dollars.

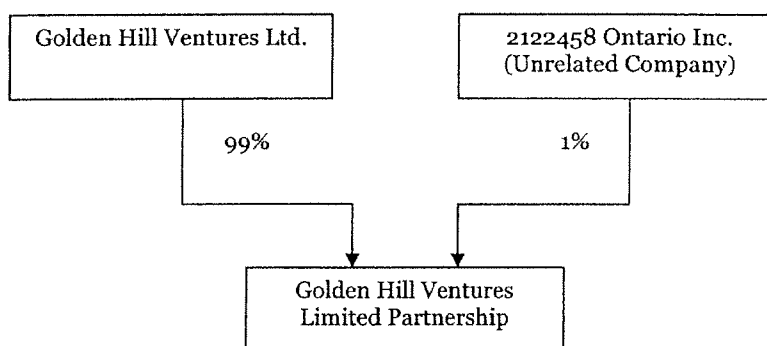
### 1.3 Terms of Reference

In developing this Report, the Proposal Trustee has relied upon unaudited financial information prepared by the Company's management, the Company's books and records and discussions with its management. The Proposal Trustee has not performed an audit or other verification of such information. An examination of the Company's financial forecasts as outlined in the *Canadian Institute of Chartered Accountants Handbook* has not been performed. Future-oriented financial information relied upon in this Report is based on management's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Proposal Trustee expresses no opinion or other form

of assurance with respect to the accuracy of any financial information presented in this Report, or relied upon by the Proposal Trustee in preparing this Report.

## 2. BACKGROUND

GHV Ltd. is indirectly wholly-owned by Jon Rudolph. GHV LP is 99% owned by GHV Ltd. with the remaining 1% held by 2122458 Ontario Inc. The operations of the Company are conducted in GHV LP. The corporate chart is provided below:



The Company carries on the business of heavy construction and earthmoving from its two owned locations in Whitehorse, Yukon Territory.

The Company's financial difficulties are primarily the result of its involvement in Ross Mining Limited, a related company presently in receivership, and the failure of another (third party) mine project, the Ruby Creek Mine project, which caused the Company to suffer significant losses. Prior to the failure of the Ruby Creek Mine project the Company had declined other work in order to focus on its involvement in that project.

The Company has limited operations during the winter months. Since the commencement of these proceedings in November, 2009, the Company has been seeking to secure contracts for



new work. The Proposal Trustee has been advised that the majority of contracts in Northern Canada are put out for bidding in early March and thereafter. Contracts are then typically awarded by the end of March or early April with the work on the contracts commencing in April or thereafter. The Company has also advised that it has historically been successful in securing approximately 50% of the available heavy construction and earth moving work in the Yukon Territory.

## **2.1 Prospective New Contracts**

As of the date of this Report the Company has advised the Proposal Trustee of two projects on which it intends to submit bids in March, 2010, subject to the approval of the Proposal by the Company's unsecured creditors.

The first project is for reclamation work at the Faro Mine site. The Proposal Trustee understands that proposals will be sought by the Yukon Government in March, 2010 and that the project will likely be awarded to a construction company that provides some employment or training benefits for First Nations groups. The Company has advised that it has been in discussions with First Nations groups with respect to this project. Given its experience with the Yukon Government and with First Nations groups, and its knowledge of the Faro Mine site, the Company is optimistic that it can obtain at least a portion of the work available on this project.

The second project is the Atlin Road project, for which bids are also expected to be sought in March, 2010. The Company has previously performed work on the Atlin Road project. The Proposal Trustee understands that the project will involve large volumes of earthmoving and the Company believes it has an advantage over its competitors with respect to this project, as it has equipment that will be required for this job in the project area, whereas competitors would have to transport in heavy equipment to the project area.

### 3. THE PROPOSAL

The following section provides an overview of the terms of the Proposal, which is attached as Appendix “A”. Review of this section is not a substitute for reading the Proposal and creditors are strongly encouraged to read the Proposal in its entirety prior to voting on the Proposal. Creditors are encouraged to discuss the terms of the Proposal with their legal counsel.

#### 3.1 Creditors Affected by the Proposal

The Proposal is being made to the holders of unsecured claims against GHV LP and GHV Ltd. (collectively, the “Unsecured Creditors”), other than claims (collectively, the “Related Party Claims”) held by: (i) GHV LP against GHV Ltd.; (ii) GHV Ltd. against GHV LP; and (iii) Jon Rudolph against GHV LP and/or GHV Ltd. As noted below, the Related Party Claims are unaffected claims under the terms of the Proposal.

The Unsecured Creditors shall comprise one class of creditors of each of GHV LP and GHV Ltd. The Proposal is not being made to the Company’s secured creditors.

GHV LP is the operating entity, therefore essentially all indebtedness owing to the Unsecured Creditors is owed by GHV LP and essentially all of the claims of Unsecured Creditors are against GHV LP; however, since GHV Ltd. is the general partner of GHV LP, and is also liable by law for any claims against GHV LP, the following rules apply to the claims:

- a) All claims asserted against either entity will be treated as claims in each entity’s estate, unless the claimant is otherwise advised by the Proposal Trustee;
- b) Unsecured Creditors only need to submit one proof of claim form with respect to their claim;
- c) If the Unsecured Creditor wishes to submit a proxy or voting letter, only one proxy or voting letter needs to be submitted;

- d) Unless otherwise specifically directed by the claimant submitting the proxy or voting letter or if the claimant submitting the proxy or voting letter has otherwise been advised by the Proposal Trustee, the Proposal Trustee will consider each proxy as a proxy for both the Unsecured Creditors' meetings of GHV LP and GHV Ltd. and will consider all votes to have been cast at each meeting; and
- e) Only one distribution will be made to each Unsecured Creditor with a proven claim. Distributions will be made or issued by GHV LP. GHV Ltd. will be jointly liable for all payments (including payments under the promissory notes and payments to preferred creditors<sup>1</sup>).

### **3.2 Dividend Amount and Payment Options**

In the event that Unsecured Creditors vote to accept the Proposal, they will have the following two payment options (in accordance with Sections 2.3 and 2.4 of the Proposal):

- 1. Receipt of a cash payment of \$500, or the full amount of their claim, whichever is less, payable on a date that is not later than six months after the date on which the Supreme Court of Yukon ("Court") approves the Proposal ("Court Approval Date"); or
- 2. Receipt of a promissory note ("Promissory Note") evidencing a dividend equal to 30¢ on the dollar value of their claims against the Company. These payments are to be made in five equal annual instalments beginning on the date that is 12 months after the Court Approval Date. The Promissory Notes shall be issued no later than six months after the Court Approval Date.

Each Unsecured Creditor may choose between the two payment options described above by completing the election form (the "Election") provided along with the proof of claim in the accompanying materials.

Pursuant to the terms of the Proposal, if an Unsecured Creditor has a claim in excess of \$500 and fails to submit an Election to the Proposal Trustee, their claim will be satisfied by the issuance of Promissory Notes. If an Unsecured Creditor has a claim of \$500 or less, their claim will be satisfied by cash payment.

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<sup>1</sup> Creditors with proven claims that are required by the BIA to be paid in priority to all other claims under a proposal.

Based on the amount owing to Unsecured Creditors as at the date of the filing of the NOI, being approximately \$1.9 million, the dividends payable to Unsecured Creditors under the Proposal are estimated to total approximately \$570,000. Pursuant to Section 147 of the BIA, payments under the Proposal are subject to the levy payable to the Superintendent of Bankruptcy.

Based on equipment values provided in a recent appraisal, some of the Company's secured creditors may be under-secured and may prove a portion of their claims as unsecured claims. In that event, the quantum of the debt owed to Unsecured Creditors and the corresponding dividends payable to Unsecured Creditors may be significantly higher than indicated in the previous paragraph.

In addition to the dividends referenced above, dividends payable to Unsecured Creditors (excluding preferred creditors) holding Promissory Notes are subject to increase should GHV LP be successful in the Miner's Lien Action (defined in Section 3.2.1 below). If successful, GHV LP will pay to holders of Promissory Notes a pro rata share of 50% of the net recovery by GHV LP in the Miner's Lien Action. These additional payments would be made by GHV LP on the date of the next annual payment due under the Promissory Notes. Additional details related to the Miner's Lien Action are provided in Section 3.2.1 below.

It should be noted that there are likely to be variances between amounts owing to creditors per the Company's records and the respective creditors' records. Accordingly, the proof of claim form should be provided to the Proposal Trustee, complete with supporting documentation. The Proposal Trustee will attempt to reconcile any differences and resolve disputed claims with the creditors that have filed claims.

Creditors should be aware that payments under the Proposal and the Promissory Notes to be issued by the Company in the event the Proposal is approved are not guaranteed and are subject to, among other things, general business risk and are significantly dependent upon the Company's ability to successfully secure new contracts in order to maintain ongoing operations.

### 3.2.1 Miner's Lien Action

GHV LP is the plaintiff in the Miner's Lien Action made under the *Yukon Miner's Lien Act*, RSY 2002, c. 151, as amended, against Ross Mining Limited and Norman Ross. In accordance with the *Miner's Lien Act*, GHV LP commenced action no. 09-A0087 in the Supreme Court of Yukon (the "Miner's Lien Action") claiming approximately \$4.7 million with respect to the provision of labour, equipment, petroleum products and supplies used in the workings and rehabilitation of the Ross Mine property.

The Miner's Lien Action is being actively contested by the defendants, being the receiver<sup>2</sup> of Ross Mining Limited and Norman Ross (the holder of a mortgage on the Ross Mine property). The continuation of the Miner's Lien Action will require ongoing funding from GHV LP and the ongoing participation of its management and advisors. The Trustee believes that the continuation of the Miner's Lien Action would be difficult and perhaps impossible if GHV LP were to become bankrupt as, in the absence of parties familiar with the action and having the ability to provide and/or support any evidence that may be required, the ability of a trustee in bankruptcy to pursue the action would be greatly impaired. Further, for a trustee in bankruptcy to pursue this litigation, funding would need to be sourced from the Company's creditors, and such funding may not be forthcoming. Accordingly, the Proposal Trustee is of the view that the Miner's Lien Action has little value, if any, in a bankruptcy scenario.

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<sup>2</sup> PricewaterhouseCoopers Inc.

In the context of the Proposal the Miner's Lien Action may have some value, although the quantum of this value is difficult to ascertain for a number of reasons, including:

- a) The *Miner's Lien Act* was amended in November, 2008 to limit the amount of a miner's lien claim that has priority over pre-existing mortgages on the property (such as the mortgage held by Norman Ross, approximately \$3.4 million<sup>3</sup>). Previously, the amount of a miner's lien priority claim was not limited by time. Under the amended *Miner's Lien Act*, a miner's lien claimant only has priority for supplies made in the sixty days prior to the filing of a claim for lien. The amendments to the *Miner's Lien Act* do not contain transition provisions that clarify what the legal result is when the supply of goods and services was commenced under the pre-amendment *Miner's Lien Act*, and continued after those amendments. Since the amendments to the *Miner's Lien Act* are recent, there is to the Company's knowledge no case law resolving this issue;
- b) There is a competing miner's lien claim (from MacKenzie Petroleum Ltd., for approximately \$641,000) against the Ross Mine property, which may rank equal to the miner's lien claim by GHV LP; and
- c) Ross Mining Limited is currently in receivership. The Proposal Trustee understands that the Receiver commenced a sale process in the fall of 2009, with respect to the Ross Mine property and assets, but the sale process has been postponed. It is not yet apparent what interest, if any, there will be in the Ross Mine property and assets, and whether substantial value will be offered by a prospective purchaser. Unless the Ross Mine property can be sold for substantial value, all claims against the Ross Mine property will be adversely affected, including both miner's lien claims and the claim of the mortgage holder.

Based on the foregoing, the Proposal Trustee is of the view that a payment to holders of Promissory Notes of a pro rata share of 50% of the net recovery<sup>4</sup> by GHV LP is reasonable if it is successful in the Miner's Lien Action, and likely provides a superior outcome than the Unsecured Creditors would achieve in connection with the Miner's Lien Action in a bankruptcy.

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<sup>3</sup> As at July 29, 2009, based on the notice of the receiver prepared by PricewaterhouseCoopers Inc.

<sup>4</sup> Net of costs of recovery, such as professional fees.

### 3.3 Proposal Conditions

The Proposal is conditional upon:

- a) Completion by the Company of agreements with each of GE Capital Equipment Financing GP ("GE"), Canadian Western Bank ("CWB"), Wajax Finance (or its successor CIT Financial Ltd.) ("Wajax") and Caterpillar Financial Services Limited ("Caterpillar"), for the continued use of the equipment and other personal property financed by each of those lenders;
- b) Completion by the Company of an agreement with Business Development Bank of Canada ("BDC") for the continued use of the real property financed by BDC;
- c) Completion by GHV LP of an agreement with Canada Revenue Agency ("CRA"), if necessary, extending the time from six months to a period longer than six months for GHV LP to pay arrears of unremitted source deductions owing by it as at the November 25, 2009 ("Filing Date");
- d) Approval of the Proposal by the statutory majorities of Unsecured Creditors as required under the BIA (described in Section 4 below);
- e) Issuance of an order by the Court sanctioning and approving the Proposal in a form satisfactory to the Company; and
- f) No material adverse change which, in the opinion of the Company, acting reasonably, has or might have the effect of (i) preventing or inhibiting the Company from carrying out the terms of the Proposal, or (ii) preventing or inhibiting the Company from carrying out their business on normal terms.

Should any of the above conditions not be met or waived by the Company, the Proposal will not be effective and the payments due under the Proposal will not be made.

### 3.4 Other Proposal Terms

- a) The Proposal Trustee shall be entitled to apply for its discharge upon completing the distributions to Unsecured Creditors (distributions include (i) payment of claims to creditors owed \$500 or less or who elect to satisfy their claim for \$500 and (ii) the distribution of Promissory Notes ("Distributions")). After the Distributions are completed the Proposal shall be fully performed. The implication of this is that the Proposal Trustee will no longer be involved with the Proposal process. Should there be a default in payment under the Promissory Notes, the resolution of the default would need to be pursued by the affected Unsecured Creditors (see paragraph b) below);

- b) Section 5.8 of the Proposal provides that even if the Proposal Trustee has been discharged and a Certificate of Full Performance of Proposal has been issued, any default in payment of the amounts due under the Promissory Notes shall be a default in the performance of the Proposal;
- c) Sections 95 to 101 of the BIA do not apply to the Proposal or the proceedings related to the Proposal and may not be invoked or relied upon by any Unsecured Creditor or the Proposal Trustee. Additional details regarding the implication of this provision are provided in Section 5 below;
- d) Payments under the Promissory Notes shall not be made unless and until all administrative fees and expenses<sup>5</sup> have been paid in full;
- e) “Unaffected Claims” under the Proposal include (i) claims for administrative fees and expenses (ii) secured claims, (iii) claims owing by GHV LP to GHV Ltd. or GHV Ltd. to GHV LP and (iv) claims owing by GHV LP and/or GHV Ltd. to Jon Rudolph. Please note that no payments are to be made to Jon Rudolph in respect of the Company’s indebtedness to him until the obligations under the Promissory Notes have been fully satisfied.
- f) Unsecured Creditors may appoint up to five Inspectors for each entity’s estate. The Inspectors shall have the power to:
  - Assist the Proposal Trustee in such a manner that may be requested by the Proposal Trustee;
  - Advise the Proposal Trustee from time to time with respect to any matter that the Proposal Trustee may refer them;
  - Approve of the Proposal Trustee’s accounts in respect of all receipts and disbursements relating to the administration of the Proposal;
  - Extend by up to 90 days the date by which the Company must make the Distributions; and
  - Waive any defaults in the performance of any provisions of the Proposal.

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<sup>5</sup> Administrative fees and expenses means the fees, expenses and legal fees and disbursements incurred by the Trustee and the Company on and incidental to the negotiation, preparation, presentation, consideration and implementation of the Proposal and the proceedings arising out of or incidental to the Proposal.



#### **4. ACCEPTANCE OF THE PROPOSAL**

In order for the Proposal to be accepted, two-thirds in dollar value and over 50% in number of the Unsecured Creditors present and voting, in person or by proxy, must vote in favour of the Proposal. The Proposal must be approved by the Court after it is accepted by creditors. Rejection of the Proposal would result in the Company being deemed to have made an assignment in bankruptcy.

#### **5. TRANSFERS UNDERVALUE AND PREFERENTIAL PAYMENTS**

As part of its statutory duties under the BIA, the Proposal Trustee conducted a review of the Company's transactions for the twelve-month period (the "Review Period") immediately preceding the commencement of these proceedings. During its review the Proposal Trustee identified the following inter-company transactions:

- Approximately \$93,000 and \$35,000 was paid to Jon Rudolph and his son Shaun Rudolph, respectively, in the normal course of operations. Shaun Rudolph was employed on a part-time basis by the Company;
- Approximately \$1.4 million was advanced to Ross Mining Limited. The majority of the payments to Ross Mining Limited were made pursuant to an agreement between the Company and Ross Mining Limited regarding the purchase of gold from Ross Mining Limited. These payments were also in the normal course of operations. The Company is a significant creditor of Ross Mining Limited; and
- Approximately \$200,000 was advanced from GHV LP to Yukon Adventures Inc. ("Yukon"), a related company, in respect of interest and financing payments related to a boat owned by Yukon. For accounting purposes the payments to Yukon are treated as draws paid to Jon Rudolph and not direct payments to Yukon. The boat is pledged as security to Caterpillar Financial Services Corporation and to GE to secure any shortfall it incurs on its advances to the Company. Since the boat is pledged as security to GE the Company had a responsibility to its secured creditor to ensure that the boat was properly maintained. The Company has advised that the boat was purchased in 2003 for US\$3 million and that the secured obligations approximate the current net realizable value of the boat.

In addition to a review of the transactions during the Review Period, the Proposal Trustee also notes the following with respect to the Company's related party accounts:

- Approximately \$695,000 is owed to GHV LP from 36019 Yukon Inc. (Peregrine Holdings), a wholly-owned subsidiary of GHV LP ("Peregrine"). The only asset in Peregrine is a helicopter which is pledged as collateral to GE. The helicopter was used in the normal course by the Company in its operations. The value of the obligation to GE is estimated to exceed the value of the helicopter. In the event that the value of the helicopter exceeds the amounts owing to GE, any surplus would accrue to GHV LP as GHV LP is believed to be the only creditor of Peregrine; and
- Approximately \$75,000 is owed to GHV LP from Mammoth Tusk Gold Inc. ("Mammoth"), a Company owned by Jon Rudolph. The Company provided the December, 2009 balance sheet for Mammoth which indicated that its only asset was inventory that had a book value of approximately \$300,000. The Company advised that the inventory was pledged as collateral to the secured creditor of Mammoth, who has since enforced his security. Accordingly, Mammoth has no material assets.

As disclosed in Section 3.4 above, Section 6.7 of the Proposal provides that Sections 95 to 101 of the BIA do not apply to the Proposal and may not be relied upon by the creditors or by the Proposal Trustee. Therefore, by voting in favour the Proposal creditors will be giving up their right to have the Trustee attempt to set aside any transactions that may be voidable under these sections of the BIA.

The Proposal Trustee is of the view that it is highly unlikely that any of the transactions reflected above would result in additional recoveries to Unsecured Creditors. Pursuing these transactions would be costly and time consuming, and it appears that to the extent any assets exist in any of the entities receiving monies from the Company, the assets are fully encumbered. Accordingly, the Trustee does not believe that Section 6.7 in the Proposal will negatively impact recoveries for Unsecured Creditors.

## 6. ESTIMATED DISTRIBUTION IN THE EVENT OF A BANKRUPTCY

The Proposal Trustee has prepared an estimate of the net realizations in the event of a bankruptcy, as detailed in the table below. The analysis assumes that the security interests held by GE, CWB, Wajax, BDC and Caterpillar are valid and enforceable against trustee in bankruptcy of the Company.

ESTIMATED REALIZATION IN BANKRUPTCY (\$000s)				
	Estimated Book/Appraised Value	Notes	Realizable Value	
			Low	High
Cash	54	1	54	54
Accounts receivable (gross) <sup>6</sup>	840	2	-	-
Prepaid expenses	110		-	-
Equipment	6,400	3	4,320	5,184
Real estate	1,644	4	1,015	1,332
Related company receivables	770	5	-	-
Subtotal	9,818		5,389	6,570
Less: Secured debt <sup>7</sup>				
CRA, source deductions	752	6	752	752
GE	7,065	7	7,065	7,065
Caterpillar	1,965		1,965	1,965
BDC	1,050		1,050	1,050
CWB	966		966	966
Wajax	378		378	378
Total secured debt	12,176		12,176	12,176
Net shortfall, prior to costs of realization, including professional fees			(6,787)	(5,606)
Midpoint				(6,196)

The analysis reflects that the total gross recoveries are significantly insufficient to fully repay the Company's secured creditors. In the event that the Company is able to fully repay a particular secured creditor, the surplus would be payable to the next ranking secured creditor.

<sup>6</sup> Includes other receivables of approximately \$63,000.

<sup>7</sup> The GMAC debt (approximately \$100,000) has been excluded from this analysis as it is assumed that in the event of a bankruptcy the vehicles leased from GMAC would be returned to GMAC in full satisfaction of its debt.

The notes to the above analysis are as follows:

1. Projected cash on hand as at March 19, 2010.
2. The current book value of the Company's accounts receivable is approximately \$840,000, of which approximately \$275,000 is owed by Ross Mining Limited, \$70,000 is being held by the Yukon Government pending the completion of the Campbell Highway project and approximately \$73,000 relates to a GST receivable, which would be applied against the Company's GST obligation. The remaining receivables are significantly aged and considered by the Company to be uncollectible. Accordingly, in the context of a bankruptcy no accounts receivable collections are anticipated.
3. In November 2009, the Company engaged Ritchie Brothers Auctioneers ("Ritchie Bros") to conduct an appraisal of its equipment on a liquidation basis. The estimated book value reflected above represents the appraised value provided by Ritchie Bros. The Proposal Trustee assumed a recovery range of 75% to 90% of the appraised value, net of estimated commissions of 10% that would be payable to a liquidator. The estimated realization range represents the risk that actual recoveries fall short of the appraised amount.
4. In June, 2007, the Company engaged Shaske & Zeiner Appraisal Consultants Ltd. to conduct appraisals of the Company's real estate located at 30 Laberge Road, Whitehorse and Lot 1175, Quad 105D/14, Plan 89-79, Whitehorse. The estimated recovery on the real estate is based on these appraisals and on discussions with representatives of CB Richard Ellis ("CBRE"). In the first week of March, 2010, the Proposal Trustee spoke with representatives of CBRE regarding these properties and the real estate market in Whitehorse generally. The Proposal Trustee was advised that current market conditions are similar to those in 2007. The combined recovery range on the properties, net of occupancy costs, commissions of approximately 3% and unpaid property taxes is estimated to be 62% to 80% of the combined appraised values.
5. Relates to the receivables from Peregrine and Mammoth. As detailed in Section 5 above, no recoveries are anticipated in respect of these amounts.
6. Estimated source deductions payable to CRA as at the Filing Date.
7. GE's debt is also secured by assets owned by certain related party companies. GE may look to these assets in order to recover any shortfall that it may incur.

General notes to the above analysis are as follows:

1. The analysis excludes commodity assets as there are corresponding obligations related to these assets;
2. Excludes the Miner's Lien Action. As discussed in Section 3.2.1 above, no recovery is anticipated from this asset in a bankruptcy; and
3. The estimated realization range varies from amounts presented on the condensed statements of estimated financial position provided in the accompanying materials. The estimated realizations reflected on the condensed statements of estimated financial position were based solely on the appraised asset values.

## **7. SECURITY OPINION**

As noted above, the Company has apparently granted security interests to GE, CWB, Wajax, Caterpillar and BDC to secure repayment of the Company's indebtedness to such secured creditors. The Proposal Trustee is in the process of obtaining opinions from Yukon counsel as to whether the secured creditors have security interests that would be valid and enforceable against any trustee in bankruptcy of the Company. As of the date of this report, the Proposal Trustee has not received such opinions from Yukon counsel. As a result, the Proposal Trustee intends to prepare a supplementary report ("Supplementary Report") to the Company's creditors to report on the security once it has received the opinions from Yukon counsel. Copies of the Supplementary Report will be posted on the Proposal Trustee's website at <http://www.rsmrichter.com/restructuring/golden.aspx> and will be available to be sent to creditors that request a copy of the Supplementary Report. Copies of the Supplementary Report will also be available to creditors at the meeting of creditors on March 22, 2010.

## 8. RECOMMENDATION TO CREDITORS

The Trustee is of the view that Unsecured Creditors are unlikely to receive any recoveries should the Proposal not be accepted by the Unsecured Creditors and approved by the Court. In such instance, the BIA provides that the Company will be deemed to have made an assignment in bankruptcy. Payments under the Proposal are projected to total 30¢ on the dollar of the proven claims of Unsecured Creditors, with the potential for further distributions should the Company be successful pursuing the Miner's Lien Action. The Proposal payments are subject to the Company's ability to secure new contracts, which the Company is pursuing presently. In the event that the Company is not successful obtaining this work, the Company's ability to complete the Proposal would be at risk; however, Unsecured Creditors would not be in any worse a situation given the outcome (nil recovery) if the Company were to become bankrupt immediately. Accordingly, the Proposal Trustee recommends that the Company's creditors vote in favour of the Proposal.

Provided the Proposal is accepted by the Unsecured Creditors at the creditors meetings, the Proposal Trustee will seek the Court's approval on March 25, 2010.

\* \* \*

Yours very truly,



**RSM RICHTER INC.  
IN ITS CAPACITY AS TRUSTEE UNDER THE PROPOSAL OF  
GOLDEN HILL VENTURES LTD. AND  
GOLDEN HILL VENTURES LIMITED PARTNERSHIP  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “D”**

**IN THE MATTER OF THE PROPOSAL OF  
GOLDEN HILL VENTURES LTD.  
OF THE CITY OF WHITEHORSE, IN THE YUKON TERRITORY**  
*(Preliminary list of creditors as at November 25, 2009  
as submitted by the debtor, without admission as to any liability or privilege herein shown)*

Secured Creditors	Address	Account#	Amount (CDN\$)
BDC	#202 - 204 Lambert Street, Whitehorse, YT Y1A 1Z4		<u>658,850.67</u>
<b>Unsecured Creditors</b>			
CANADA REVENUE AGENCY - GST	P.O. Box 1000, Stn. Terminal, Vancouver, BC V6B 6M9	102135696	3,065.60
CANADA REVENUE AGENCY - Corporate Taxes	9755 King George Highway, Surrey, BC V3T 5E1	102135696	48,761.00
Subtotal			<u>51,826.60</u>
Total			<u><u>710,677.27</u></u>
SUPPLEMENTARY LIST:			
Jon Tupper Rudolph			
REGISTRAR OF BANKRUPTCY	Supreme Court of Yukon, 2134 Second Street, Whitehorse, YT Y1A 5H6		
SUPERINTENDENT OF BANKRUPTCY	#1900-300 W. Georgia Street, Vancouver, BC V6B 6E1		



**IN THE MATTER OF THE PROPOSAL OF  
GOLDEN HILL VENTURES LIMITED PARTNERSHIP  
OF THE CITY OF WHITEHORSE, IN THE YUKON TERRITORY**

(Preliminary list of creditors as at November 25, 2009  
as submitted by the debtor, without admission as to any liability or privilege herein shown)

Secured Creditors	Attention	Address	Account#	Amount (CDN\$)
BDC		#202-204 Lambert Street, Whitehorse YT Y1A 1Z4		376,666.06
CANADIAN WESTERN BANK		5407 Discovery Way, Leduc AB T9E 8N4		930,477.89
CAT FINANCIAL		5575 North Service Rd., #600, Burlington ON L7L 6M1		1,943,251.72
CITY OF WHITEHORSE		2121 Second Avenue, Whitehorse YT Y1A 1C2	8676676401	14,330.36
GE CAPITAL EQUIPMENT FINANCING		530-8th Ave. S.W., Suite 2120, Calgary AB T2P 3S8		7,064,757.63
GENERAL MOTORS ACCEPTANCE CORPORATION		P.O. Box 5100, Station D, Etobicoke ON M8X 5H2		103,185.27
WAJAX FINANCE		5035 South Service Rd., Box 5072, Burlington ON L7R 3Y8		366,326.33
Subtotal				<u>10,798,995.26</u>
<b>Unsecured Creditors</b>				
AON REED STENHOUSE INC.		900 Howe St., Box 3228, Vancouver BC V6B 3X8	6046884442	49,124.88
AQUA TECH		123 Copper Road, Whitehorse YT Y1A 2Z7	8676685544	8,167.71
ARCTIC BACKHOE SERVICES LTD.		P.O. Box 31459, Whitehorse YT Y1A 6K8	8676335951	3,882.50
AURORA CONSTRUCTION		7 Balsam Crescent, Whitehorse YT Y1A 4V6	8676332936	14,222.80
AUSTRING, FENDRICK, FAIRMAN&PARKKARI		3081 Third Avenue, Whitehorse YT Y1A 4Z7	8676684405	5,693.40
AXIS INSURANCE MANAGERS - 2008		1108 West 8th Avenue, Vancouver BC V6H 3Z5	6047315328	61,309.89
AXIS INSURANCE MANAGERS - 2009		1108 West 8th Avenue, Vancouver BC V6H 3Z5	6047315328	62,329.53
B&J INDUSTRIAL LTD.		1320 Corneli Avenue, Coquitlam BC V3J 2Z9	6042903139	2,466.24
BLASTHOLE DRILLING SYSTEMS LTD.		7466 Griffiths Drive, Burnaby BC V5E 2Y3	6045227839	37,157.52
BLU'S LOGISTICS INC.		12121 - 68th Street, Edmonton AB T5B 1P9	7804776700	18,330.31
BULL HOUSSE & TUPPER		P.O. Box 11130, Vancouver BC V6E 3R3	6046876575	23,946.23
CALVIN CHANG, CA		200 - 3975 North Road, Burnaby BC V3J 1S2	6044154591	16,297.50
CANADA FLOORING		9049 Quartz Road, Whitehorse YT Y1A 4Z5	8676677290	512.29
Canada Revenue Agency - GST		9755 King George Blvd., Surrey BC V3T 5E1	10213 5696	324,566.86
CANNAMM OCCUPATIONAL TESTING	Veronica Farrell	c/o Credit Bureau of Timmins, 21 Cedar St. N., Box 908, Timmins ON P4N 7H2	1-800-440-0023	3,259.90
CBV COLLECTION SERVICES LTD.		Re: Johnson Archer, 814 Richards St., #100, Vancouver BC V6B 3A7	1-866-333-4559	5,562.50
COPPEL CONSULTING LTD.		3885 West 12th Avenue, Vancouver BC V6R 2N9	6047320853	5,595.11
CRANE & RIG INC.		413 - 24th Avenue, Nisku AB V9X 1T4	7809558862	1,405.54
CRESCENT FINANCIAL CORPORATION	V. Syprsky	Suite 550, 1 University Avenue, Toronto ON M5J 2P1		30,235.00
DHL EXPRESS (CANADA) LTD.		200 Westcreek Blvd., Brampton ON L6T 5T7	1-888-899-0289	285.54
DILMAN COMMUNICATIONS		510 Elliot Street, Whitehorse YT Y1A 2A5	8676685803	1,838.49
DYNO NOBEL CANADA INC.		5460 - 152nd Street, #205, Surrey BC V3S 5J9	6045743008	460,369.44
EBA ENGINEERING CONSULTANTS LTD.		14940 - 123 Avenue, Edmonton AB T5V 1B4	8676683068	18,725.36
FEDDERLY TRANSPORTATION LTD.		P.O. Box 6910, Fort St. John BC V1J 4J3	2507870398	6,311.12
FELESKY FLYNN LLP		500, 150 - 6th Ave. S.W., Calgary AB T2P 3Y7	4032603300	91,575.91
FINNING CANADA		143A Industrial Road, Whitehorse YT Y1A 2V2	8777792733	806.79
FRASER MILNER CASGRAIN LLP		1040 W. Georgia St., 15th Floor, Vancouver BC V6E 4H8	6046486508	6,222.30
GAMMIE TRUCKING		P.O. Box 421, Dawson City YT Y0B 1G0		273.00
GLOBALSTAR CANADA SATELLITE CO.		P.O. Box 8013, Station A, Toronto ON M5W 3W5		288.67
GRAHAMS ENGINE & MACHINE LTD.		40 MacDonald Road, Whitehorse YT Y1A 4L2	8676335373	1,674.73
HELI DYNAMICS LTD.		P.O. Box 4, Whitehorse YT Y1A 5X9	8676683536	10,004.62
HI TECH FLUID POWER		#5 - Bennett Road, Whitehorse YT Y1A 5Z4	8676335274	1,158.89
INDUSTRIAL ELECTRIC SERVICES LTD.		178 Industrial Road, Whitehorse YT Y1A 2V7	8676682759	52,974.55
Infosat		3140 114th Avenue S.E., Calgary, AB T2Z 3V6		385.46
INTEGRAPHICS LTD.		411D Strickland Street, Whitehorse YT Y1A 2K3	8676674639	1,698.44
IRVING COLLISION REPAIRS		111 Copper Road, Whitehorse YT Y1A 2Z7	8676676315	769.52
JACOBS INDUSTRIES LTD.		4269 Fourth Avenue, Whitehorse YT Y1A 1K5	8676677606	35,857.10
KAL TIRE - WHITEHORSE		9038 Quartz Road, Whitehorse YT Y1A 5L8	8676334482	38,222.38
KILRICH INDUSTRIES LTD.		30 Denver Road, Whitehorse YT Y1A 5S7	8676685958	318.82
KLONDIKE CRANE		10616 - 169 Street, Edmonton AB T5P 3X6	7804541811	24,228.35
KLONDIKE MOTORS LTD.		191 Range Road, Whitehorse YT Y1A 3E5	8676683399	4,600.06
MACDONALD & COMPANY		204 Lambert Street, Whitehorse YT Y1A 3T2	8676677885	13,444.14
MACKENZIE PETROLEUM		P.O. Box 647, Dawson City YT Y0B 1G0	8679935130	164,996.25
MACPHERSON RENTALS		19 Macpherson Road, Whitehorse YT Y1A 5S3	8676334426	3,997.90
MINISTER OF FINANCE		800-360 West Georgia St., Vancouver BC V6B 6B2		1,166.67
NORCAN LEASING LTD.		213 Range Road, Whitehorse YT Y1A 9Z1	8676682137	304.14

**IN THE MATTER OF THE PROPOSAL OF  
GOLDEN HILL VENTURES LIMITED PARTNERSHIP  
OF THE CITY OF WHITEHORSE, IN THE YUKON TERRITORY**

*(Preliminary list of creditors as at November 25, 2009  
as submitted by the debtor, without admission as to any liability or privilege herein shown)*

Secured Creditors	Attention	Address	Account#	Amount (CDN\$)
NORDIQUE FIRE PROTECTION		#4 - 503 Strickland Street, Whitehorse YT Y1A 2K5	8673333536	1,398.60
NORTHERN AVCOM		#1 - 60 Lodestar Lane, Whitehorse YT Y1A 6E6	8676686729	2,522.95
NORTHERN INDUSTRIAL		4244 Fourth Avenue, Whitehorse YT Y1A 1K4	8676674255	52,913.40
NORTHERN INDUSTRIAL SALES		4244 Fourth Avenue, Whitehorse YT Y1A 1K4	8676674255	44,648.46
NORTHWEST TRANSPORT LTD.		158111 - 112th Avenue, Edmonton AB T5M 2V9	7804527360	2,635.03
NORTHWEST VACUUM SERVICES LTD.		8 Lindeman Road, Whitehorse YT Y1A 5Z6	8676677854	1,176.00
NORTHWESTEL		P.O. Box 2710, Whitehorse YT Y1A 4Z8	215196; 120249	1,542.71
NUWAY CRUSHING LTD.		6 MacDonald Road, Whitehorse YT Y1A 4Y5	8676683662	50,754.39
OFFICE SUPPLY CENTRE		103 Elliott Street, Whitehorse YT Y1A 3V7	8676337575	707.68
OGILVY RENAULT LLP		200 Bay Street, Box 84, Toronto ON M5J 2Z4	4162164000	24,756.91
PACIFIC NORTHWEST FREIGHT SYSTEMS		3 Burns Road, Whitehorse YT Y1A 4Z3	8676672050	6,296.09
PIONEER PARTS REBUILDING LTD.		9184 National Place, Prince George BC V2N 5T1	2505610122	1,319.01
PITNEY BOWES		P.O. Box 278, Orangeville ON L4R 4T7	1-800-672-6937	292.88
R.A. PURCELL INC.		1364 Summit Drive, Coquitlam BC V3J 5L8	6049394891	5,354.99
S.J. PHILLIPS PROFESSIONAL		25 Cronkite Road, Whitehorse YT Y1A 5S9	8676687668	12,123.50
SUPERIOR PROPANE		P.O. Box 2875, Station M, Calgary AB T2P 5G1	8676677113	2,370.12
TALBOT ARM MOTEL		General Delivery, Destruction Bay YT Y0B 1H0	8678414461	1,210.20
TIGER CALCIUM SERVICES INC.		601 - 15th Avenue, Nisku AB T9E 7M6	7809555004	24,506.25
TOTAL NORTH COMMUNICATIONS		127 Copper Road, Whitehorse YT Y1A 2Z7	8676685175	395.02
TRIMAY WEAR PLATE LTD.		4850 - 82nd Avenue, Edmonton AB T6B 0E5	7804512206	2,304.75
UNDERHILL GEOMATICS LTD.		4081 - 4th Avenue, Whitehorse YT Y1A 1H4	8676682048	969.75
WESTERN CANADA		18452 - 96th Avenue, Surrey BC V4N 3P8	6048825000	2,986.51
WHITEHORSE CHAMBER OF COMMERCE		#101 - 302 Steele Street, Whitehorse YT Y1A 2C5	8676677545	343.12
WILLOW PRINTERS		1107 Centennial Street, Whitehorse YT Y1A 3Z1	8676332366	1,566.88
XEROX CANADA LTD.		P.O. Box 4568, Station A, Toronto ON M5W 4T8	1-888-282-8088	1,912.39
YUKON ENGINEERING SERVICES		#1 - 151 Industrial Road, Whitehorse YT Y1A 2V9	8676682000	1,653.75
YUKON PUMP LTD.		120B Industrial Road, Whitehorse YT Y1A 2T9	8676333478	15,099.50
YUKON SERVICE SUPPLY CO.		112 Industrial Road, Whitehorse YT Y1A 2T9	8676684242	1,578.22
YUKON YAMAHA		9131 1B Alaska Highway, Whitehorse YT Y1A 6E4	8676682101	513.41
Subtotal				<u>1,882,416.82</u>
<b>Preferred</b>				
Canada Revenue Agency		9755 King George Blvd., Surrey BC V3T 5E1	81456 7079	752,025.00
<b>Total</b>				<u><u>13,433,437.08</u></u>

**SUPPLEMENTARY LIST:**

Jon Tupper Rudolph

REGISTRAR IN BANKRUPTCY

SUPERINTENDENT OF BANKRUPTCY

Supreme Court of Yukon, 2134 Second Avenue, Whitehorse, YT Y1A 5H6  
#1900-300 W. Georgia Street, Vancouver, BC V6B 6E1

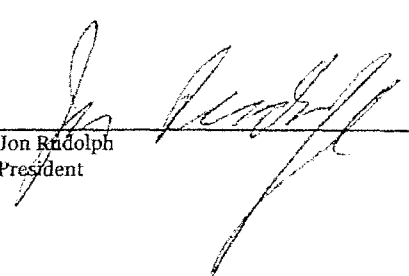
## **Appendix “E”**

**GOLDEN HILL VENTURES LTD.**  
**Condensed Statement of Estimated Financial Position**  
**As at February 28, 2010**  
**(Unaudited)**  
**(CAD\$000s)**

	Book Value	Estimated Realizable Value
<b>ASSETS</b>		
Investment in Partnership	19,768	-
Due from Related Parties	736	-
Land and Building	903	1,046
Other Receivable	63	-
	<u>21,470</u>	<u>1,046</u>
<b>LIABILITIES</b>		
Debt to Secured Creditors	668	668
Deferred Tax, Corporate Tax and Other Payables	2,928	57
Shareholder Loan	1,293	1,293
Due to Related Companies	7,097	15
	<u>11,986</u>	<u>2,033</u>
<b>SHAREHOLDERS EQUITY (DEFICIT)</b>		
Equity (Deficit)	9,484	(987)
	<u>21,470</u>	<u>1,046</u>

General Note: As a general partner of Golden Hill Ventures Limited Partnership, Golden Hill Ventures Ltd. is by operation of law jointly liable for the liabilities of Golden Hill Ventures Limited Partnership.

I am a Director of Golden Hill Ventures Ltd. ("Company") and consequently have knowledge of the Company's financial position. To the best of my knowledge this condensed statement of estimated financial position as of February 28, 2010 is correct in all material respects.

  
 Jon Randolph  
 President

**GOLDEN HILL VENTURES LIMITED PARTNERSHIP**  
**Condensed Statement of Estimated Financial Position**  
**As at February 28, 2010**  
**(Unaudited)**  
**(CAD\$000s)**

<b>ASSETS</b>	Book Value	Estimated Realizable Value
Cash	186	186
Accounts Receivable (net)	515	-
Prepaid Expenses	110	-
Due from Related Parties	18,871	-
Commodities Receivable	12,030	-
Property and Equipment	14,995	6,998
	<u>46,707</u>	<u>7,184</u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	2,607	2,607
Debt to Secured Creditors	10,852	10,852
Commodity Payable	12,000	30
	<u>25,459</u>	<u>13,489</u>
<b>PARTNERS' EQUITY (DEFICIT)</b>		
Equity (Deficit)	21,248	(6,305)
	<u>46,707</u>	<u>7,184</u>

I am a Director of Golden Hill Ventures Limited Partnership ("Company") and consequently have knowledge of the Company's financial position. To the best of my knowledge this condensed statement of estimated financial position as of February 28, 2010 is correct in all material respects.

Jon Rudolph  
President

## **Appendix “F”**

Estate Nos.: 11-252902 and 11-1292335

IN THE MATTER OF THE PROPOSAL OF  
GOLDEN HILL VENTURES LTD.

AND IN THE MATTER OF THE PROPOSAL OF  
GOLDEN HILL VENTURES LIMITED PARTNERSHIP

OF THE CITY OF WHITEHORSE,  
IN THE YUKON TERRITORY

NOTICE OF HEARING OF APPLICATION FOR  
COURT APPROVAL OF PROPOSAL  
(Paragraph 58(b) of the *Bankruptcy and Insolvency Act*)

TAKE NOTICE THAT subject to the approval by the creditors of the proposal of Golden Hill Ventures Ltd. and Golden Hill Ventures Limited Partnership, an application will be made to the Supreme Court of Yukon at 2134 Second Avenue, Whitehorse, Yukon on the 25<sup>th</sup> day of March, 2010, at 2:00 p.m. pacific time, to approve the proposal of Golden Hill Ventures Ltd. and Golden Hill Ventures Limited Partnership.

DATED at Toronto, this 10<sup>th</sup> day of March, 2010.

A handwritten signature in dark ink, appearing to read "RSM Richter Inc.", is written over the printed name of the trustee.

RSM RICHTER INC.  
TRUSTEE UNDER THE PROPOSAL OF  
GOLDEN HILL VENTURES LTD. AND  
GOLDEN HILL VENTURES LIMITED PARTNERSHIP  
200 King Street West  
Suite 1100, P.O. Box 48  
Toronto, ON M5H 3T4

## **Appendix “G”**



*Bankruptcy and Insolvency Act ("Act")*

**Proof of Claim**

(Section 50.1, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),  
and paragraphs 51(1)(e) and 66.14(b) of the Act)

*(All notices or correspondence regarding this claim must be forwarded to the following address:*

Creditor Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

Account No.: \_\_\_\_\_

Email: \_\_\_\_\_

In the matter of the proposal of Golden Hill Ventures Ltd. and Golden Hill Ventures Limited Partnership. (name of debtor) of Whitehorse, Yukon..  
(city and province) and the claim of \_\_\_\_\_, creditor.

I, \_\_\_\_\_ (name of creditor or representative of the creditor), of \_\_\_\_\_ (city and province), do  
hereby certify:

1. That I am a creditor of the above-named debtor (or that I am \_\_\_\_\_ (state position or title) of  
\_\_\_\_\_ (name of creditor)).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of the notice of intention, namely the 25<sup>th</sup> day of November, 2009, and still is, indebted to the creditor  
in the sum of \$ \_\_\_\_\_, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after  
deducting any counterclaims to which the debtor is entitled. (The attached statement of account, or affidavit must specify the vouchers or other evidence in  
support of the claim.)

4. (Check and complete appropriate category.)

☐ **A. UNSECURED CLAIM OF \$ \_\_\_\_\_**  
(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and  
(Check appropriate description.)

☐ Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to a priority.

☐ Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under section 136 of the Act.  
(Set out on an attached sheet details to support priority claim.)

☐ **B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ \_\_\_\_\_**

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:  
(Give full particulars of the claim, including the calculations upon which the claim is based.)

☐ **C. SECURED CLAIM OF \$ \_\_\_\_\_**

That in respect of this debt, I hold assets of the debtor valued at \$ \_\_\_\_\_ as security, particulars of which are as follows:  
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security  
documents.)

☐ **D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ \_\_\_\_\_**

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_ (Attach a copy of sales agreement  
and delivery receipts.)

☐ **E. CLAIM BY WAGE EARNER OF \$ \_\_\_\_\_**

- ☐ That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ \_\_\_\_\_.
- ☐ That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ \_\_\_\_\_.

☐ **F. CLAIM AGAINST DIRECTOR \$ \_\_\_\_\_**

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are set out on the attached sheet(s).  
(Give full particulars of the claim, including the calculations upon which the claim is based.)

☐ **G. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ \_\_\_\_\_**

That I hereby make a claim as a customer for net equity as contemplated by Section 262 of the Act, particulars of which are set out on  
the attached sheet(s).

(Give full particulars of the claim, including the calculations upon which the claim is based.)

## Bankruptcy and Insolvency Act ("Act")

**Proof of Claim**(Section 50.1, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),  
and paragraphs 51(1)(e) and 66.14(b) of the Act)

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.
6. That the following are the payments that I have received from, the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the Act: (Provide details of payments, credits and transfers of undervalue.)

(Applicable only in the case of the bankruptcy of an individual.)

- ☐ I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Witness\_\_\_\_\_  
Creditor**NOTE:** If an affidavit is attached, it must have been made before a person qualified to take affidavits.**WARNINGS:** A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

**DIRECTIONS FOR COMPLETION OF THIS FORM ARE ON THE REVERSE SIDE****GENERAL PROXY**

(Paragraphs 51(1)(e) and 66.15(3)(b) and subsection 102(2))

In the matter of the bankruptcy (or proposal) of \_\_\_\_\_, a bankrupt (or an insolvent)

I (or We), \_\_\_\_\_ (name of creditor), of \_\_\_\_\_ (name of city, town or village), a creditor in the above matter hereby appoint \_\_\_\_\_ of \_\_\_\_\_, to be my (or our) general proxy in the above matter except as to the receipt of dividends, with (or without) power to appoint another general proxy in his or her place.

DATED AT \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Witness\_\_\_\_\_  
Individual Creditor  
OR  
Name of Corporate Creditor\_\_\_\_\_  
Witness\_\_\_\_\_  
Per:  
Name and Title of Signing Officer

## CHECKLIST FOR PROOFS OF CLAIM

This checklist is provided to assist you in preparing the accompanying proof of claim form and, where required, proxy form in a complete and accurate manner. Please specifically check each requirement.

Under Section 109 of the Bankruptcy and Insolvency Act only those creditors who have filed their claims in the proper form with the trustee, before the time appointed for the meeting, are entitled to vote at the meeting.

Section 124 states that every creditor shall prove his claim and the creditor who does not prove his claim is not entitled to share in any distribution that may be made.

### General

- ♦ The signature of a witness is required;
- ♦ The claim must be signed personally by the individual completing this declaration;
- ♦ Give the complete address where all notices or correspondence is to be forwarded;
- ♦ The amount of the statement of account must correspond to the amount indicated on the proof of claim.

### Paragraph 1

- ♦ Creditor must state full and complete legal name of company or firm;
- ♦ If the individual completing the proof of claim is not the creditor himself, he/she must state his/her position or title.

### Paragraph 3

- ♦ The statement of account must be complete;
- ♦ A detailed statement of account must be attached to the proof of claim and must show the date, the number and the amount of all the invoices or charges, together with the date, the number and the amount of all credits or payments. A statement of account is not complete if it begins with an amount brought forward.

### Paragraph 4

- ♦ Subparagraph 4.A must be completed by an unsecured creditor and must indicate if priority is claimed pursuant to Section 136.
- ♦ Subparagraph 4.B must be completed by a landlord only in a Proposal, for any claim related to disclaimer of lease. The amount of the claim is to be calculated according to the terms of the proposal. Provide details of calculation.
- ♦ Subparagraph 4.C must be completed by a secured creditor. A certified true copy of the security instrument as registered must be provided.
- ♦ Subparagraph 4.D must be completed a farmer, fisherman or aquaculturist creditor. A copy of the sales agreement and delivery documents must be provided.
- ♦ Subparagraph 4.E applies if you are a wage earner (ie, a clerk, servant, travelling salesperson, labourer or worker who is owed wages, salaries, commissions or compensation by a bankrupt (subsection 81.3) or by a "person" that is subject to a receivership (subsection 81.4) for services rendered during the six months immediately before the date of bankruptcy or receivership).
- ♦ Subparagraph 4.F is to be completed only in a Proposal, and only if the proposal provides for the compromise of claims against Directors. Provide full details including calculations.
- ♦ Subparagraph 4.G applies if you are a "customer" of a bankrupt securities firm (as contemplated by Section 262 of the Bankruptcy and Insolvency Act).

### Paragraph 5

- ♦ All claimants must indicate if he or she is related or not to the debtor, as defined in Section 4 of the Bankruptcy and Insolvency Act, by striking out "AM" or "IS" or "AM NOT" or "IS NOT".

### Paragraph 6

- ♦ All claimants must attach a detailed list of all payments or credits received or granted, as follows:
  - a) Within the three (3) months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are not related;
  - b) Within the twelve (12) months preceding the bankruptcy or proposal, in the case where the claimant and the debtor are related.

---

### - APPOINTING PROXY -

Note: The Bankruptcy and Insolvency Act permits a proof of claim to be made by a duly authorized agent of a creditor but this does not give such a person power to vote at the first meeting of creditors or to act as the proxy of the creditor.

### General

- ♦ A creditor may vote either in person or by proxy;
- ♦ A debtor may not be appointed as proxy to vote at any meeting of his creditors;
- ♦ The Trustee may be appointed as a proxy for any creditor;
- ♦ In order for a duly authorized person to have a right to vote he must himself be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy.

## **Appendix “H”**

Estate Nos.: 11-252902 and 11-1292335

**IN THE MATTER OF THE PROPOSAL OF  
GOLDEN HILL VENTURES LTD.**

**IN THE MATTER OF THE PROPOSAL OF  
GOLDEN HILL VENTURES LIMITED PARTNERSHIP**

**VOTING LETTER  
*Bankruptcy and Insolvency Act*  
(Paragraphs 51(1)(f) and 66.15(3)(c))**

I/We, \_\_\_\_\_, creditor,  
of \_\_\_\_\_ (city/province/territory)

a creditor in the above matter for the sum of \$\_\_\_\_\_, hereby request the trustee acting with respect to the proposal of Golden Hill Ventures Ltd. and Golden Hill Ventures Limited Partnership, to record my vote.

***PLEASE CHECK OFF OR INDICATE YOUR VOTE AS FOLLOWS:***

For \_\_\_\_\_  
Against \_\_\_\_\_

The acceptance of the proposal dated the 1<sup>st</sup> day of March, 2010, as it may be amended at the meeting of creditors on March 22, 2010.

DATED at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
(Signature of Witness)

\_\_\_\_\_  
(Signature of individual creditor or person  
signing on behalf of corporate creditor)

\_\_\_\_\_  
(Print name and title of person signing on  
behalf of creditor)

## **Appendix “I”**

**ELECTION UNDER SECTION 2.3 OF THE GOLDEN HILL PROPOSAL**

**Whereas** Sections 2.3 and 5.1 of the Proposal filed by Golden Hill Ventures Ltd. and Golden Hill Ventures Limited Partnership dated March 1, 2010 (the "**Proposal**") provide in part as follows:

2.3 The Claims of the Ordinary Creditors with Proven Claims that are equal to or less than \$500 (including, for greater certainty, those Ordinary Creditors with Claims in respect of a Debtor that are greater than \$500 but who elect, by completion of the form attached hereto as Schedule A, to value their Claim at \$500) are to be paid in full on a date that is not later than six months after the Court Approval Date.

5.1 The Proven Claims of Ordinary Creditors with Proven Claims equal to or less than \$500 or who have made the election contemplated by Section 2.3 hereof, shall be paid in full, in full and final satisfaction of their Proven Claims, within the time periods specified in Sections 2.2 and 2.3 of this Proposal.

**Whereas** capitalized terms used in this election shall have the meanings attributed to those terms in the Proposal;

**Whereas** the undersigned Unsecured Creditor \_\_\_\_\_  
[PLEASE PRINT NAME] has submitted an Unsecured Claim for \$ \_\_\_\_\_  
[PLEASE INSERT AMOUNT OF CLAIM, FROM PROOF OF CLAIM] against one or both Debtors, and wishes to make the election referred to in Section 2.3 of the Proposal;

**NOW THEREFORE** the undersigned Unsecured Creditor hereby elects, pursuant to Section 2.3 of the Proposal, to value its claim at the lesser of (i) \$500 and (ii) the amount of the Unsecured Creditor's Claim, as indicated in the recital immediately above.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
Signature of Unsecured Creditor (if an individual)

\_\_\_\_\_  
Witness

**OR**

\_\_\_\_\_  
[INSERT CORPORATE NAME]

By:

\_\_\_\_\_  
Name:

Title:

Authorized signing officer

## **Appendix “J”**



**RSM** Richter

**Trustee's Supplementary Report to  
Creditors of Golden Hill Ventures Ltd.  
and Golden Hill Ventures Limited  
Partnership**

**RSM Richter Inc.**  
Toronto, March 18, 2010

## Table of Contents

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1.2	Purpose of this Report	2
1.3	Currency	2
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4.	CONCLUSION .....	4

S.C. No: 09-A0100  
Estate No: 11-1292335  
Estate No: 11-252902

**SUPREME COURT OF YUKON**

**IN THE MATTER OF THE PROPOSAL OF  
GOLDEN HILL VENTURES LTD.**

**IN THE MATTER OF THE PROPOSAL OF  
GOLDEN HILL VENTURES LIMITED PARTNERSHIP**

**SUPPLEMENT TO THE TRUSTEE'S PRELIMINARY REPORT  
TO CREDITORS DATED MARCH 10, 2010**

**March 18, 2010**

**1. INTRODUCTION**

This report ("Supplementary Report")<sup>1</sup> has been prepared by Richter in its capacity as Proposal Trustee in the proceedings commenced on November 25, 2009 by the Company. On March 9, 2010, the Proposal was filed with the Official Receiver in accordance with Section 62(1) of the BIA. On March 10, 2010 the Proposal Trustee mailed to the Company's creditors a package of documents containing, among other things, a notice of proposal to creditors and the Proposal Trustee's preliminary report on the Proposal ("Preliminary Report"). A copy of the Preliminary Report is also available on the Proposal Trustee's website at [www.rsmrichter.com](http://www.rsmrichter.com).

**1.1 Defined Terms**

Unless otherwise defined in this Report, defined terms have the meaning provided to them in the Preliminary Report.

---

<sup>1</sup> See Section 1.1 below regarding defined terms.

## 1.2 Purpose of this Report

The Preliminary Report detailed that at the time the Preliminary Report was being finalized, the Proposal Trustee was in the process of obtaining security opinions from its Yukon-based legal counsel regarding the validity and enforceability of the security held by certain of the Secured Creditors. The purpose of this Report is to detail those security opinions. The Secured Creditors are GE, CWB, Wajax, Caterpillar and BDC.

## 1.3 Currency

Unless otherwise noted, all currency references in this Supplementary Report are to Canadian dollars.

## 1.4 Restrictions

This Supplementary Report is subject to the restrictions set out in Section 1.3 of the Preliminary Report.

# 2. SECURED CREDITORS

A summary of the estimated amounts owing to the Secured Creditors, based on the information provided by the Company to the Proposal Trustee, is as follows:

	<u>\$000s</u>
GE	7,065
Caterpillar	1,965
BDC	1,050
CWB	966
Wajax	378
Total	<u>11,424</u>

### 3. SECURITY OPINION

The Proposal Trustee engaged Yukon-based counsel, Lackowicz, Shier & Hoffman ("LSH"), to provide an opinion on the validity and enforceability of the security held by the Secured Creditors over the Company's business and assets. Based on LSH's review, and subject to the assumptions and qualifications contained in the LSH security opinion, it appears that:

- a) GE has valid and enforceable security against all of the present and after-acquired personal property of GHV LP (the "LP Assets") and against certain serial numbered goods that would be enforceable against a trustee in bankruptcy of GHV LP;
- b) BDC has valid and enforceable security against:
  - i) all of the LP Assets that would be enforceable against a trustee in bankruptcy of the GHV LP; and
  - ii) all of the present and after-acquired personal property of GHV Ltd. (the "GP Assets") that would be enforceable against a trustee in bankruptcy of GHV Ltd.;
- c) Caterpillar and Wajax each have valid and enforceable security against certain serial numbered goods that form part of the LP Assets and/or the GP Assets that would be enforceable against a trustee in bankruptcy of GHV LP and/or GHV Ltd.; and
- d) CWB has valid and enforceable security against certain serial numbered goods that form part of the LP Assets that would be enforceable against a trustee in bankruptcy of GHV LP.

Copies of the LSH opinion provided to the Proposal Trustee can be made available to Unsecured Creditors for review upon request.

#### 4. CONCLUSION

Based on the forgoing, the Secured Creditors appear to have valid and enforceable security against a trustee in bankruptcy of the Company. As detailed in Section 6 of the Preliminary Report, the realizable value of the property of the GHV LP and GHV Ltd. is estimated to be in the range of approximately \$5.4 million to \$6.6 million, which does not include any costs of realization, including professional fees. As noted above, GE and BDC appear to have valid and enforceable security against all of the LP Assets and are owed an aggregate amount in excess of \$8.2 million. As a result, and as further detailed in Section 8 of the Preliminary Report, should the Company's proposal not be accepted by the Unsecured Creditors and/or approved by the Court, the Company will become bankrupt and, in such a situation, there are unlikely to be any distributions to Unsecured Creditors as the LP Assets and the GP Assets are fully encumbered in favour of the Secured Creditors.

For the reasons detailed in the Preliminary Report, the Proposal Trustee recommends that Unsecured Creditors vote in favour of acceptance of the Proposal.

\* \* \*

Yours very truly,

A handwritten signature in black ink, appearing to read "RSM Richter Inc.", is written over the typed name.

**RSM RICHTER INC.  
IN ITS CAPACITY AS TRUSTEE UNDER THE PROPOSAL OF  
GOLDEN HILL VENTURES LTD. AND  
GOLDEN HILL VENTURES LIMITED PARTNERSHIP  
AND NOT IN ITS PERSONAL CAPACITY**

RSM Richter

## **Appendix “K”**

District of: Yukon  
Division No. 25 - Whitehorse  
Estate Nos. 11-252902 and 11-1292335

**AMENDMENT TO THE PROPOSAL OF GOLDEN HILL VENTURES LTD. AND  
GOLDEN HILL VENTURES LIMITED PARTNERSHIP**

WHEREAS Golden Hill Ventures Ltd. and Golden Hill Ventures Limited Partnership (the "Debtors") made a Proposal to their respective creditors dated March 1, 2010, made pursuant to Division III of the *Bankruptcy and Insolvency Act* of Canada (the "Proposal").

AND WHEREAS the Debtors wish to amend the Proposal.

NOW THEREFORE the Debtors hereby amend the Proposal by deleting the current Section 2.2 of the Proposal and replacing it with the following new Section 2.2:

2.2 The claims of the Preferred Creditors are to be paid in full in priority to all Claims of Ordinary Creditors in accordance with the scheme of distribution set forth in the BIA or as may be otherwise arranged between the applicable Debtor and its Preferred Creditors. Without limiting the foregoing, unless Her Majesty the Queen in Right of Canada as represented by the Minister of National Revenue ("CRA") otherwise consents:

- (a) each Debtor shall pay in full, within six months of the Court Approval Date, all amounts that were outstanding at the Filing Date and are of a kind that could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* of Canada; and
- (b) GHVLP shall pay to CRA \$75,000 per month on account of such liabilities in each of June, July, and August of 2010, with the balance of such liabilities to be paid by the later of (i) September 25, 2010, or (ii) the date that is six months after the Court Approval Date.

Dated this 22nd day of March, 2010.

GOLDEN HILL VENTURES LIMITED  
PARTNERSHIP, by its general partner  
GOLDEN HILL VENTURES LTD.

Per: 

Name: Jon Rudolph, President

GOLDEN HILL VENTURES LTD.

Per: 

Name: Jon Rudolph, President



## **Appendix “L”**



In Association with Miller Thomson LLP

## LAMARCHE PEARSON

*An Association of Independent Barristers & Solicitors*  
Suite 202 - 208 Main Street, Whitehorse, Yukon, Y1A 2A9  
Telephone: 867-456-3300 Facsimile: 867-667-7665

March 21, 2010

BY FAX – 1.416.932.6200 (6 Pages)

RSM Richter  
200 King Street West,  
P.O. Box 48, Suite 1100,  
Toronto, Ontario  
M3H 3T4

Murray J. Leitch  
Associate Counsel  
Direct Line: 867.456.3301  
Direct Fax: 867.667.7665  
mleitch@lamarchepearson.com

File: 1773

Dear Sirs/Mesdames:

**Re: Proposal to the Unsecured Creditors of Golden Hill Ventures Limited Partnership ("GHVLP")**

I act as Yukon counsel to Mr. Norman Ross, an unsecured creditor of GHVLP based on the definitions of "claim" and "creditor" contained in the Proposal. Accordingly, on Mr. Ross' behalf, I enclose the following:

1. Proof of Claim in the estimated sum of \$451,794.00 with Statement of Account attached; and
2. Voting Letter voting against the Proposal.

GHVLP's liability to Mr. Ross arises in three ways. First, by GHVLP filing two Claims of Lien under the *Miners Lien Act* on August 27, 2009 and October 21, 2009 which GHVLP knew at the time of filing it was not entitled to do. The second Claim of Lien has already been struck by Order of the Yukon Supreme Court. These registrations constitute the tort of Slander of Title. Mr. Ross' Statement of Account includes his reasonable estimate of the damages he has suffered from these registrations further details of which I can provide to you upon request.

Second, by a Partial Consent Dismissal Order agreed to by GHVLP's counsel prior to November 25, 2009 but entered by the Yukon Supreme Court on November 26, 2009, GHVLP was ordered to pay Mr. Ross' costs relating to that Consent Dismissal Order to be assessed. The costs have not, to date, been assessed, but a draft Bill of Costs has been provided to GHVLP's counsel and the figure from that draft is the figure that has been used by Mr. Ross in his Statement of Account.

Third, pursuant to GHVLP's proceeding commenced in Yukon Supreme Court under number 09-A0087, GHVLP is contingently liable to Mr. Ross for costs if awarded in that proceeding.

- 2 -

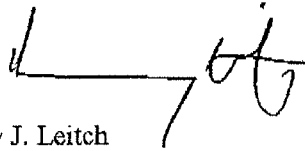
Mr. Ross' estimate of costs in his Statement of Account is based upon the draft Bill of Costs prepared by me in connection with his security for costs application in Yukon Supreme Court less the amount of security for costs provided to date by GHVLP pursuant to the Order made.

I trust you find the forgoing in order.

Yours truly,

LAMARCHE PEARSON

Pcr:

A handwritten signature in black ink, appearing to be 'M. Leitch', written over a horizontal line.

Murray J. Leitch

/

---

Murray J. Leitch

Serge M. Lamarche

Drew W. Pearson

**RSM Richter**

200 King Street West  
P.O. Box 48, Suite 1100  
Toronto, ON M5H 3T4  
Facsimile: (416) 932-6200

## Bankruptcy and Insolvency Act ("Act")

**Proof of Claim**

(Section 50.1, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),  
and paragraphs 51(1)(e) and 66.14(b) of the Act)

(All notices or correspondence regarding this claim must be forwarded to the following address:

Creditor Name: Norman RossAddress: c/o Lamarche Pearson  
Suite 202, 208 Main Street, Whse. Y.T.Telephone: (250) 862-6 868Fax: (250) 862-2649Account No.: n/aEmail: nross@shaw.ca

In the matter of the proposal of Golden Hill Ventures Ltd. and Golden Hill Ventures Limited Partnership. (name of debtor) of Whitehorse, Yukon..  
(city and province) and the claim of Norman Ross....., creditor.

I, Norman Ross..... (name of creditor or representative of the creditor), of Kelowna, B.C...... (city and province), do hereby certify:

1. That I am a creditor of the above-named debtor (or that I am ..... (state position or title) of ..... (name of creditor)).
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of the notice of intention, namely the 25<sup>th</sup> day of November, 2009, and still is, indebted to the creditor in the sum of \$ 451,794.00 as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account, or affidavit must specify the vouchers or other evidence in support of the claim.)  
see attached Statement of Claim
4. (Check and complete appropriate category.)
  - ☒ **A. UNSECURED CLAIM OF \$ 451,794.00**  
(other than as a customer contemplated by Section 262 of the Act)  
That in respect of this debt, I do not hold any assets of the debtor as security and  
(Check appropriate description.)  
☒ Regarding the amount of \$ 451,794.00, I do not claim a right to a priority.  
☐ Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under section 136 of the Act.  
(Set out on an attached sheet details to support priority claim.)
  - ☐ **B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ \_\_\_\_\_**  
That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:  
(Give full particulars of the claim, including the calculations upon which the claim is based.)
  - ☐ **C. SECURED CLAIM OF \$ \_\_\_\_\_**  
That in respect of this debt, I hold assets of the debtor valued at \$ \_\_\_\_\_ as security, particulars of which are as follows:  
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)
  - ☐ **D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ \_\_\_\_\_**  
That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_ (Attach a copy of sales agreement and delivery receipts.)
  - ☐ **E. CLAIM BY WAGE EARNER OF \$ \_\_\_\_\_**
    - ☐ That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ \_\_\_\_\_.
    - ☐ That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ \_\_\_\_\_.
  - ☐ **F. CLAIM AGAINST DIRECTOR \$ \_\_\_\_\_**  
(To be completed when a proposal provides for the compromise of claims against directors.)  
That I hereby make a claim under subsection 50(13) of the Act, particulars of which are set out on the attached sheet(s).  
(Give full particulars of the claim, including the calculations upon which the claim is based.)
  - ☐ **G. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ \_\_\_\_\_**  
That I hereby make a claim as a customer for net equity as contemplated by Section 262 of the Act, particulars of which are set out on the attached sheet(s).  
(Give full particulars of the claim, including the calculations upon which the claim is based.)

## Norman Ross

Kelowna, B.C.

phone: (250) 862-6868

fax: (250) 862-2649

email: naross@shaw.ca

March 19, 2010

**BY FAX (416) 932-6200**

Golden Hill Ventures Limited Partnership

c/o RSM Richter

200 King Street West,

P.O. Box 48, Suite 1100

Toronto, Ontario

M3H 3T4

### STATEMENT OF ACCOUNT

Description	Estimated Amount
1. Costs under Partial Consent Dismissal Order of November 26, 2009 to be assessed	\$1,794.00
2. Contingent costs in S.C. Nos. 09-A0014 and 09-A0087 and C.A. No. 09-YU649 (in excess of the Security for Costs amount)	\$100,000.00
3. Damages for Slander of Title by registration of Claim of Lien	\$350,000.00
<b>Total:</b>	<b>\$451,794.00</b>

Mar-19-10 12:44P

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RSM Richter

Page 2

## Bankruptcy and Insolvency Act ("Act")

## Proof of Claim

(Section 50.1, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(5), 102(2), 124(2), 126(1), and paragraphs 51(1)(e) and 68.14(b) of the Act)

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.
6. That the following are the payments that I have received from, the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months *for, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months* immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the Act: *(Provide details of payments, credits and transfers at undervalue)*

(Applicable only in the case of the bankruptcy of an individual)

- ☐ I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at Kelowna this 19<sup>th</sup> day of MARCH

Jane  
Witness

N. A. Ross  
Creditor

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits

WARNINGS: A trustee may, pursuant to subsection 126(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

DIRECTIONS FOR COMPLETION OF THIS FORM ARE ON THE REVERSE SIDE

## GENERAL PROXY

(Paragraphs 51(1)(e) and 68.15(3)(b) and subsection 102(2))

In the matter of the bankruptcy (or proposal) of Golden Hill Ventures L. P., a bankrupt (or an insolvent)

I (or We), Norman Ross (name of creditor), of Kelowna, B.C. (name of city, town or village), a creditor in the above matter hereby appoint Margaret Leitch of Whitehorse to be my (or our) general proxy in the above matter except as to the receipt of dividends, with (or without) power to appoint another general proxy in his or her place.

DATED AT Kelowna this 19<sup>th</sup> day of MARCH

Jane  
Witness

N. A. Ross  
Individual Creditor  
OR  
Name of Corporate Creditor

Witness

Per:  
Name and Title of Signatory Officer

Estate Nos.: 11-252902 and 11-1292335

**IN THE MATTER OF THE PROPOSAL OF  
GOLDEN HILL VENTURES LTD.**

**IN THE MATTER OF THE PROPOSAL OF  
GOLDEN HILL VENTURES LIMITED PARTNERSHIP**

**VOTING LETTER  
Bankruptcy and Insolvency Act  
(Paragraphs 51(1)(f) and 66.15(3)(c))**

I/We, Norman Ross, creditor,  
of Kelowna, B.C. (city/province/territory)

a creditor in the above matter for the sum of \$ 451,794.00, hereby request the trustee  
acting with respect to the proposal of Golden Hill Ventures Ltd. and Golden Hill Ventures  
Limited Partnership, to record my vote.

**PLEASE CHECK OFF OR INDICATE YOUR VOTE AS FOLLOWS:**

For \_\_\_\_\_  
Against XXXXX

The acceptance of the proposal dated the 1<sup>st</sup> day of March, 2010, as it may be amended at the  
meeting of creditors on March 22, 2010.

DATED at Kelowna, this 19 day of March 2010.

[Signature]  
(Signature of Witness)

[Signature]  
(Signature of individual creditor or person  
signing on behalf of corporate creditor)

\_\_\_\_\_  
(Print name and title of person signing on  
behalf of creditor)

## **Appendix “M”**



Golden Hill Ventures Limited Partnership and  
Golden Hill Ventures Ltd.  
Proposal Voting Summary

March 22, 2010

No.	Unsecured Creditor	SOA Amount	Admitted for Voting Purposes	Voting Letter		Voting in Person	
				For	Against	For	Against
1	AON REED STENHOUSE INC.	49,124.88					
2	AQUA TECH	8,167.71	8,167.71	8,167.71			
3	ARCTIC BACKHOE SERVICES LTD.	3,882.50	3,882.50		3,882.50		
4	AURORA CONSTRUCTION	14,222.80	3,224.45				
5	AUSTRING, FENDRICK, FAIRMAN&PARKKARI	5,693.40					
6	AXIS INSURANCE MANAGERS - 2008	61,309.89	99,007.13	99,007.13			
7	AXIS INSURANCE MANAGERS - 2009	62,329.53					
8	B&J INDUSTRIAL LTD.	2,466.24					
9	BLASTHOLE DRILLING SYSTEMS LTD.	37,157.52	38,226.46	38,226.46			
10	BLU'S LOGISTICS INC.	18,330.31	18,330.31	18,330.31			
11	BULL HOUSER & TUPPER	23,946.23					
12	CALVIN CHANG, CA	16,297.50	16,927.50	16,927.50			
13	CANADA FLOORING	512.29					
14	CANADA REVENUE AGENCY - GST (Re: LP 814567079RT0001)	324,566.86	258,419.22			258,419.22	
15	CANNAMM OCCUPATIONAL TESTING	3,259.90					
16	CBV COLLECTION SERVICES LTD.	5,562.50					
17	COPPEL CONSULTING LTD.	5,595.11	6,241.81	6,241.81			
18	CRANE & RIG INC.	1,405.54					
19	CRESCENT FINANCIAL CORPORATION	30,235.00					
20	DHL EXPRESS (CANADA) LTD.	285.54					
21	DILMAN COMMUNICATIONS	1,838.49					
22	DYNO NOBEL CANADA INC.	460,369.44	463,409.64	463,409.64			
23	EBA ENGINEERING CONSULTANTS LTD.	18,725.36	22,937.25	22,937.25			
24	FEDDERLY TRANSPORTATION LTD.	6,311.12					
25	FELESKY FLYNN LLP	91,575.91					
26	FINNING CANADA	806.79	806.79	806.79			
27	FRASER MILNER CASGRAIN LLP	6,222.30					
28	GAMMIE TRUCKING	273.00					
29	GLOBALSTAR CANADA SATELLITE CO.	288.67					
30	GRAHAMS ENGINE & MACHINE LTD.	1,674.73					
31	HELI DYNAMICS LTD.	10,004.62					
32	HI TECH FLUID POWER	1,158.89					
33	INDUSTRIAL ELECTRIC SERVICES LTD.	52,974.55	52,974.55	52,974.55			
34	Infosat	385.46					
35	INTEGRAPHICS LTD.	1,698.44					
36	IRVING COLLISION REPAIRS	769.52					
37	JACOBS INDUSTRIES LTD.	35,857.10	35,857.10	35,857.10			
38	KAL TIRE - WHITEHORSE	38,222.38	32,837.63	32,837.63			
39	KILRICH INDUSTRIES LTD.	318.82					
40	KLONDIKE CRANE	24,228.35	24,228.35	24,228.35			
41	KLONDIKE MOTORS LTD.	4,600.06					
42	MACDONALD & COMPANY	13,444.14	13,444.13	13,444.13			
43	MACKENZIE PETROLEUM	164,996.25	161,759.51	161,759.51			
44	MACPHERSON RENTALS	3,997.90					
45	MINISTER OF FINANCE	1,166.67					
46	NORCAN LEASING LTD.	304.14					
47	NORDIQUE FIRE PROTECTION	1,398.60					
48	NORTHERN AVCOM	2,522.95					
49	NORTHERN INDUSTRIAL	52,913.40					
50	NORTHERN INDUSTRIAL SALES	44,648.46	97,561.86	97,561.86			
51	NORTHWEST TRANSPORT LTD.	2,635.03					
52	NORTHWEST VACUUM SERVICES LTD.	1,176.00					
53	NORTHWESTEL	1,542.71					
54	NUWAY CRUSHING LTD.	50,754.39					
55	OFFICE SUPPLY CENTRE	707.68					
56	OGILVY RENAULT LLP	24,756.91					
57	PACIFIC NORTHWEST FREIGHT SYSTEMS	6,296.09	6,296.09	6,296.09			
58	PIONEER PARTS REBUILDING LTD.	1,319.01	1,319.01	1,319.01			
59	PITNEY BOWES	292.88					

Golden Hill Ventures Limited Partnership and  
Golden Hill Ventures Ltd.  
Proposal Voting Summary

March 22, 2010

No.	Unsecured Creditor	SOA Amount	Admitted for Voting Purposes	Voting Letter		Voting in Person	
				For	Against	For	Against
60	R.A. PURCELL INC.	5,354.99	5,354.99	5,354.99			
61	S.J. PHILLIPS PROFESSIONAL	12,123.50	12,123.50	12,123.50			
62	SUPERIOR PROPANE	2,370.12					
63	TALBOT ARM MOTEL	1,210.20					
64	TIGER CALCIUM SERVICES INC.	24,506.25					
65	TOTAL NORTH COMMUNICATIONS	395.02					
66	TRIMAY WEAR PLATE LTD.	2,304.75	2,304.75	2,304.75			
67	UNDERHILL GEOMATICS LTD.	969.75	969.75	969.75			
68	WESTERN CANADA	2,986.51					
69	WHITEHORSE CHAMBER OF COMMERCE	343.12					
70	WILLOW PRINTERS	1,566.88	1,546.88		1,546.88		
71	XEROX CANADA LTD.	1,912.39					
72	YUKON ENGINEERING SERVICES	1,653.75	2,976.75	2,976.75			
73	YUKON PUMP LTD.	15,099.50	15,099.50	15,099.50			
74	YUKON SERVICE SUPPLY CO.	1,578.22					
75	YUKON YAMAHA	513.41	513.41	513.41			
76	CANADA REVENUE AGENCY - GST (Re: LTD. 102135696RT0001)	3,065.60	3,102.75			3,102.75	
77	CANADA REVENUE AGENCY - Corp (Re: LTD. 102135696RC0004)	48,761.00	42,509.17			42,509.17	
78	CUMMINS WESTERN CANADA LP		2,986.51	2,986.51			
79	NORMAN ROSS (contested by Trustee)		451,794.00		451,794.00		
Total		1,934,243.42	1,907,140.96	1,142,661.99	457,223.38	304,031.14	0.00
\$				71.42%	28.58%	100%	0%
#				89.66%	10.34%	100%	0%
				26	3	1	0

Total voting letters 29

Total claims 33

VOTING RESULTS

Combined by Voting Letter and in Person			
	For	Against	Total
\$ (%)	75.99%	24.01%	100%
\$ (\$)	1,446,693	457,223	1,903,917
# (%)	90.00%	10.00%	100%
# (#)	27	3	30

## **Appendix “N”**

Estate Nos.: 11-1292335 and 11-252902

**IN THE MATTER OF THE PROPOSAL OF GOLDEN HILL VENTURES LTD.,  
OF THE CITY OF WHITEHORSE, IN THE YUKON TERRITORY**

**AND**

**IN THE MATTER OF THE PROPOSAL OF GOLDEN HILL VENTURES  
LIMITED PARTNERSHIP, OF THE CITY OF WHITEHORSE,  
IN THE YUKON TERRITORY**

**MINUTES OF THE COMBINED GENERAL MEETING OF CREDITORS**

1. Minutes of the Combined General Meeting of Creditors ("Meeting") held at the offices of MacDonald & Company, 204 Lambert Street, Whitehorse, Yukon Territory, on the 22nd day of March, 2010, at the hour of 8:30 a.m.
2. An attendance list of those present is attached hereto as Appendix "A".
3. Steve Allan of RSM Richter Inc. acted as Chair and Grant MacDonald acted as Recording Secretary. Renee Schwartz of RSM Richter Inc. acted as Secretary.
4. The Chair called the Meeting to order at 8:30 a.m. and announced a short adjournment to allow the Voting Register to be updated to include the claims and voting letters received by the Toronto office prior to 8:30 a.m. (Whitehorse time).
5. The Chair introduced all attendees and announced the presence of a quorum and that the Meeting was duly constituted.
6. Mr. Allan informed the Meeting that he would act as Chair pursuant to Section 51(3) of the *Bankruptcy and Insolvency Act* and would decide any questions or disputes arising at the Meeting and from any such decision any creditor may appeal to the Court.
7. The Chair advised that the Recording Secretary had tabled the following documents:
  - Proposal ;
  - Amendment to the Proposal;
  - Notice of General Meeting of Creditors;
  - Trustee's Affidavit of Mailing and other related documents including lists of creditors affected by the Proposal; Estimated Statement of Financial Position; and Proposal Trustee's Section 50(5) Report to Creditors ("Report");
  - Trustee's Supplementary Report;
  - Notices of Intention;
  - Extension Orders dated December 18, 2009 and February 10, 2010; and
  - Proofs of Claim as filed.

8. The Chair summarized the Proposal Amendment that had been filed with the Trustee prior to the meeting, a copy of which is attached as Appendix "B".
9. The Chair advised that the Proposal Trustee has obtained security opinions from the law firm of Lackowicz, Shier & Hoffman ("Lackowicz"); Lackowicz confirmed that the security held by the Company's secured creditors is valid and enforceable in all cases; and a Supplementary Report to the creditors has been made available to the attendees at today's meeting and has been posted to the Trustee's website.
10. The Chair asked if everyone in attendance at the Meeting had an opportunity to review the Report and the Proposal.
11. As all attendees had reviewed the Report and the Proposal, the Chair called for questions. No questions were advanced.
12. The Chair invited Mr. Jon Rudolph of the Companies to speak to the Meeting. Mr. Rudolph declined on the basis that most attendees had already voted on the Proposal by Voting Letter and were familiar with the terms of the Proposal.

#### **Vote on Proposal**

13. The Chair advised that the claim of Norman Ross for unliquidated damages had been marked as contested by the Trustee; however, the vote would be taken including the vote by Norman Ross against acceptance of the Proposal. If the vote by Norman Ross resulted in the Proposal not being accepted by the statutory majority in dollar value and in number, the Court's direction will be necessary.
14. The Chair advised that with the exception of Canada Revenue Agency ("CRA"), all parties had lodged Voting Letters. Martina Durova of CRA indicated that CRA would vote in favour of the Proposal as Amended.
15. The Chair announced that the Amended Proposal has been approved. The combined voting results, in person and by voting letter, were \$1,446,693, representing 75.99% in dollar value, and 27 votes, representing 90% in number, voting to accept the Amended Proposal.

#### **Appointment of Inspectors**


16. The Chair advised that the Proposal provides for the appointment by the unsecured creditors of Inspectors to a maximum of 5 people for each estate. The Chair called for volunteers or nominees to act as Inspectors. Four people volunteered, as follows:
  - o Christine Doke of Yukon Engineering Services
  - o Martina Durova of CRA
  - o Carl Friesen of Underhill Geomatics Ltd.
  - o Charles Widrig of Kal Tire Ltd.
17. The Chair requested a motion to approve the four named Inspectors. A Motion was

so made by Carolyn Atkinson and seconded by Jill Medhurst-Tivadar. The motion was unanimously carried.

**Termination of Meeting**

18. There being no further business, it was moved and seconded by Trustee's proxies that the meeting be terminated.

Dated at Toronto, Ontario this 22nd day of March, 2010.

  
\_\_\_\_\_  
Steve Allan, Chair

  
\_\_\_\_\_  
Renee Schwartz, Secretary

IN THE MATTER OF THE PROPOSAL OF GOLDEN HILL VENTURES LTD.

AND

IN THE MATTER OF THE PROPOSAL OF GOLDEN HILL VENTURES LIMITED PARTNERSHIP

OF THE CITY OF WHITEHORSE,  
IN THE YUKON TERRITORY

COMBINED GENERAL MEETING OF CREDITORS  
ATTENDANCE REGISTER

Date: March 22, 2010

Estate File Nos.: 11-1292335 and 11-252902

No.	Signature	Name (Print)	Representing	Amount of Claim	Remarks
1		J.S. Allan/Richard R. Logistics	PROXY AS PROXY FOR:	18,370.31	PROXY
2			Coppel Consulting	6241.81	✓
3			Dyno Nobel Canada	463,409.64	✓
4			Macdonald & Co.	13,944.13	✓
5			Northern Industrial Sales	97,561.86	✓
6		John Ruppel	GOLDEN HILL VENTURES		
7		Shaun Rudolph	Golden Hill Ventures		
8		Charles Widrig	Kal Tire	32,068.00	✓

IN THE MATTER OF THE PROPOSAL OF GOLDEN HILL VENTURES LTD.

AND


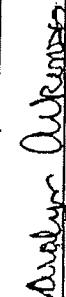
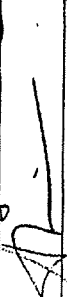

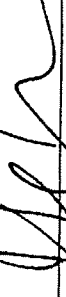
IN THE MATTER OF THE PROPOSAL OF GOLDEN HILL VENTURES LIMITED PARTNERSHIP

OF THE CITY OF WHITEHORSE,  
IN THE YUKON TERRITORY

COMBINED GENERAL MEETING OF CREDITORS  
ATTENDANCE REGISTER

Date: March 22, 2010

Estate File Nos.: 11-1292335 and 11-252902

No.	Signature	Name (Print)	Representing	Amount of Claim	Remarks
		Christine Doke	Yukon Engineering Services	\$2976.75	
		CAROLYN ATKINSON	MACKENZIE Petroleum	161 759 51	
		CAROL FRIESEN	UNDERHILL CONSTRUCTION LTD	969.75	
		Murray Laird	proxy for Norman Ross	\$1451,794.00	
		J. S. Allan	Aurora Construction	3224.45	



IN THE MATTER OF THE PROPOSAL OF GOLDEN HILL VENTURES LTD.

AND

IN THE MATTER OF THE PROPOSAL OF GOLDEN HILL VENTURES LIMITED PARTNERSHIP

OF THE CITY OF WHITEHORSE,  
IN THE YUKON TERRITORY

COMBINED GENERAL MEETING OF CREDITORS  
ATTENDANCE REGISTER

Date: March 22, 2010  
Estate File Nos.: 11-1292335 and 11-252902

No.	Signature	Name (Print)	Representing	Amount of Claim	Remarks
	PRESENT by	TELECONFERENCE:			
	ROBERT KUENAN	ASM RICHTER INC.			
	LAVIA BEZNER	"			
	TONY REYES	OGILVY NEWAULT LLP			COMPANY'S COUNSEL
	RENÉE SCHWARTZ	ASM RICHTER INC.			

District of: Yukon  
Division No. 25 - Whitehorse  
Estate Nos. 11-252902 and 11-1292335

**AMENDMENT TO THE PROPOSAL OF GOLDEN HILL VENTURES LTD. AND  
GOLDEN HILL VENTURES LIMITED PARTNERSHIP**

WHEREAS Golden Hill Ventures Ltd. and Golden Hill Ventures Limited Partnership (the "Debtors") made a Proposal to their respective creditors dated March 1, 2010, made pursuant to Division III of the *Bankruptcy and Insolvency Act* of Canada (the "Proposal").

AND WHEREAS the Debtors wish to amend the Proposal.

NOW THEREFORE the Debtors hereby amend the Proposal by deleting the current Section 2.2 of the Proposal and replacing it with the following new Section 2.2:

**2.2** The claims of the Preferred Creditors are to be paid in full in priority to all Claims of Ordinary Creditors in accordance with the scheme of distribution set forth in the BIA or as may be otherwise arranged between the applicable Debtor and its Preferred Creditors. Without limiting the foregoing, unless Her Majesty the Queen in Right of Canada as represented by the Minister of National Revenue ("CRA") otherwise consents:

- (a) each Debtor shall pay in full, within six months of the Court Approval Date, all amounts that were outstanding at the Filing Date and are of a kind that could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* of Canada; and
- (b) GHVLP shall pay to CRA \$75,000 per month on account of such liabilities in each of June, July, and August of 2010, with the balance of such liabilities to be paid by the later of (i) September 25, 2010, or (ii) the date that is six months after the Court Approval Date.

Dated this 22nd day of March, 2010.

GOLDEN HILL VENTURES LIMITED  
PARTNERSHIP, by its general partner  
GOLDEN HILL VENTURES LTD.

Per: 

Name: Jon Rudolph, President

GOLDEN HILL VENTURES LTD.

Per: 

Name: Jon Rudolph, President

S.C. No.: 09-A0100  
Estate No.: 11-1292335  
Estate No.: 11-252902

IN THE MATTER OF THE PROPOSAL OF GOLDEN HILL VENTURES LTD. AND  
IN THE MATTER OF THE PROPOSAL OF GOLDEN HILL VENTURES LIMITED PARTNERSHIP

**SUPREME COURT OF YUKON**

**REPORT OF RSM RICHTER INC., IN ITS CAPACITY  
AS PROPOSAL TRUSTEE PURSUANT TO SECTION  
58(d) AND SECTION 59(1) OF THE *BANKRUPTCY  
AND INSOLVENCY ACT***

**RSM RICHTER INC.**  
200 King Street West  
Suite 1100  
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