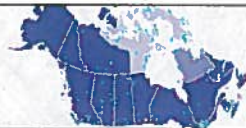


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NEWS: Nunavut March 08, 2013 - 8:00 am

Owner of Nunavut's Ferguson Lake project to seek bankruptcy protection

Metals exploration firm running out of cash

NUNATSIAQ NEWS

Starfield Resources Inc., owner of the Ferguson Lake metals exploration project in the Kivalliq region, filed notice March 7 that it plans to apply for bankruptcy protection at the Ontario Superior Court.

Starfield has been exploring a huge metal ore deposit at Ferguson Lake, about 160 kilometres south of Baker Lake, since 1999.

In an early scoping study released in February 2012, Starfield estimated the area likely holds 40.1 million tonnes of ore — containing nickel, copper, cobalt, platinum and palladium.

The study estimated this could be enough to justify a \$1.5 billion mine with a lifespan of at least 20 years, supported by a port and ship-loading facilities at Arviat.

A 285-kilometre slurry pipeline would carry ore from Ferguson Lake to a processing plant at Arviat.

These preliminary plans involved an 11-megawatt power plant and an environmentally friendly method of extracting pure metals from ore.

"Unlike most metallurgical extraction processes, this environmentally friendly method generates no toxic residues, recycles key reagents within the process, and produces sufficient electricity directly from the massive sulphides to power both the plant and the mine, with some excess electricity left over for potential sale," a Starfield news release said.

The company also said they sought "strategic partners" to help them develop the project.

But the company's November 2012 financial statements said the company is running out of cash.

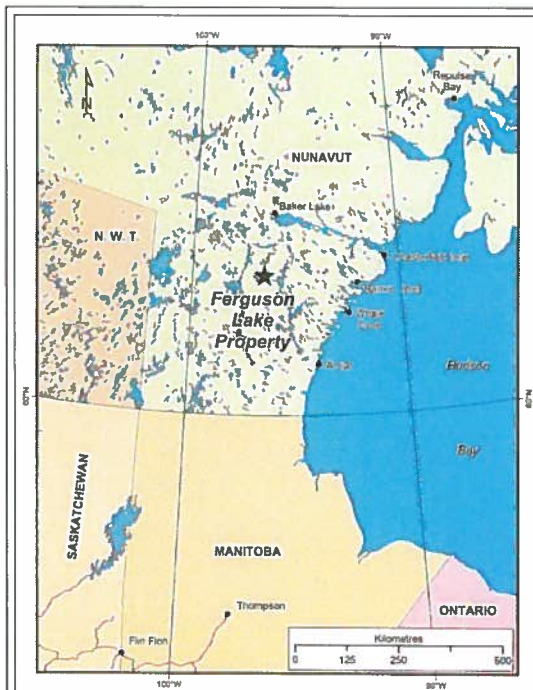
"The company's operating budget indicates that the cash on hand at November 30, 2012 will be depleted by April, 2013 if the company does not obtain additional cash through financing activities or through the sale of its mineral properties," the financial statement said.

Around that time they hired the Price Waterhouse Cooper firm to help them find new investors or a buyer for the company or its assets.

PWC is now helping Starfield make a proposal to its creditors and restructure itself while under bankruptcy protection.

The firm also holds interests in exploration properties in Montana and Nevada.

Starfield isn't the only junior mining firm that finds itself running out of cash during a period when investors are choosing to put their money elsewhere.



The Ferguson Lake nickel, copper, cobalt, platinum and palladium deposit lies about 160 kilometres south of Baker lake.

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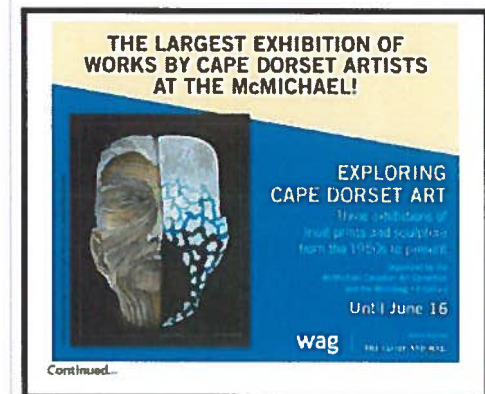
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An article published March 3 in the Financial Post reported that numerous junior firms in Canada may not survive.

As of this week, Starfield's shares were trading between three and five cents a share.

This past January, the Toronto Stock Exchange told the company they had begun a review aimed at determining whether Starfield should be delisted from the TSX.

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#1. Posted by mack on March 08, 2013

this project, will never happen for 50 years, or more, at least we know what is there.

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