



K. Tsang Affidavit No. 1  
Sworn September 25, 2012

NO. S-126583  
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,  
S.B.C. 2002, c. 57

AND

IN THE MATTER OF GREAT BASIN GOLD LTD.

PETITIONER

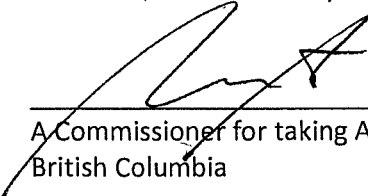
**AFFIDAVIT**

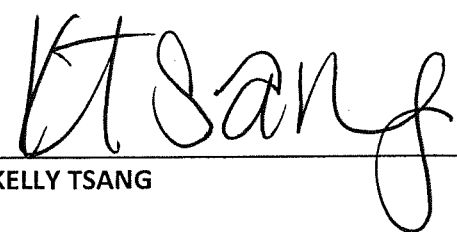
I, **KELLY TSANG**, Legal Assistant, of 20<sup>th</sup> Floor, 250 Howe Street, Vancouver, British Columbia, Canada, MAKE OATH AND SAY AS FOLLOWS:

1. I am a legal assistant with Fraser Milner Casgrain LLP, solicitors for The Ad Hoc Group of Debenture Holders ("**Ad Hoc Group**"), and as such have personal knowledge of the facts and matters hereinafter deposed to, save and except where the same are stated to be made upon information and belief, and, as such to facts, I verily believe the same to be true.

2. Now shown to me and attached hereto as **Exhibit "A"** is a true copy of an Actuarial Certificate and supporting report from George & Bell Consulting dated September 25, 2012, with respect to the effective annual interest rate of the Credit Suisse AG DIP Loan.

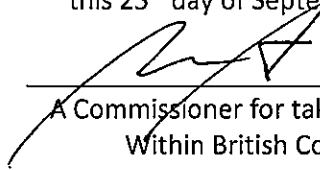
SWORN BEFORE ME at Vancouver, British Columbia, on the 25<sup>th</sup> day of September, 2012.

  
A Commissioner for taking Affidavits within  
British Columbia

  
KELLY TSANG

JORDAN D. SCHULTZ  
*Barrister & Solicitor*  
FRASER MILNER CASGRAIN LLP  
20th Floor, 250 Howe Street  
Vancouver, B.C. V6C 3R8  
Telephone (604) 687-4460

This is Exhibit "A" referred to in Affidavit of  
Kelly Tsang sworn before me at the City of  
Vancouver, in the Province of British Columbia,  
this 25<sup>th</sup> day of September, 2012.

  
\_\_\_\_\_  
A Commissioner for taking Affidavits  
Within British Columbia

September 25, 2012  
BY EMAIL

Mr Ryan Jacobs, Partner  
Fraser Milner Casgrain LLP  
77 King Street West  
Suite 400  
Toronto-Dominion Centre  
Toronto ON  
M5K 0A1

**Re: The Great Basin Gold Ltd. DIP Loan from Credit Suisse AG and Standard Chartered Bank -  
Loan Interest Rates**

As discussed, you have asked us to calculate the effective annual interest rate for the above-mentioned DIP loan to check whether the effective interest rate exceeds 60% per year. I have calculated the effective interest rate of the loan according to the details below under two different scenarios.

**DIP Loan:**

Term loan, fully drawn on financial close.

Term: 6 months  
Principal: \$35 Million  
Commitment fee: 4% of principal (paid monthly in arrears in 6 installments)  
Up-front fee: 2% of principal (paid on advance date)  
Annual Interest Rate: US 3-month LIBOR + 10%  
Legal Fees: \$250,000 (paid on advance date)  
Burnstone sale fee: 15% of Burnstone net sale proceeds, payable at the termination date of the DIP loan.

**Assumptions:**

Fees: We have assumed that all fees would be payable by the borrower.

Prepayments: Assumed there are no pre-payments of the DIP loan.

Burnstone net sale proceeds: Gross sale proceeds, less deductions

**Gross sale proceeds:**

Scenario 1: \$643 million  
Scenario 2: \$250 million

Deductions from sale proceeds:

Advances to Burnstone Intragroup Borrower:	\$25 million
Amount outstanding on Burnstone Credit Facility:	\$150 million
Sale costs:	\$1 million
Portion of GBGI Guarantee realized:	\$0
<hr/>	
Total:	\$176 million

LIBOR: US\$ 3-month LIBOR on September 24, 2012 is 0.36725%. We have assumed LIBOR remains constant at this rate for the 6-month term of the loan.

**Results:**

The effective annual interest rates for the DIP loan are as follows:

Scenario:	Effective Annual Interest Rate:
Scenario 1:	928.9%
Scenario 2:	111.5%

The effective annual interest rates in both scenarios exceed 60% per annum.

**Conclusions:**

This report has been prepared, and the results of the calculations have been determined in accordance with generally accepted actuarial practices and principles. I am responsible for the content of this report and would be happy to answer any questions you have on the report. I have attached an Actuarial Certificate and a summary of my experience and qualifications.

Sincerely,



**Brendan George, FIA, FCIA, FSA, CFA**  
**Partner, George & Bell Consulting**  
**Vancouver Office: (604) 871-4151**  
**Cell: (604) 551-4312**  
**[bgeorge@georgeandbell.com](mailto:bgeorge@georgeandbell.com)**

Enclosures.

## ACTUARIAL CERTIFICATE

### Re: Loan Interest Rates

I hereby certify that I have determined that the effective annual interest rates for the DIP loan under both scenarios described in my letter of September 25, 2012 would be:

Scenario:	Effective Annual Interest Rate:
Scenario 1:	928.9%
Scenario 2:	111.5%

I further certify that, in my opinion:

1. The above – described result is based on information supplied to me which was sufficient and reliable for purposes of my calculations.
2. The assumptions and methods applied are suitable for purposes of such calculations.
3. Such calculations have been performed in accordance with generally accepted actuarial practices and principles.



Brendan George, FCIA, FIA, FSA, CFA  
September 25, 2012

## Brendan George

### EXPERIENCE

Brendan is a partner at George & Bell Consulting, a pension, benefits and investment consulting firm. He has worked in the pension and investment fields for 18 years. His areas of specialization include the financing and actuarial analysis of pension plans and investment consulting.

Brendan's clients include pension plans, insurance funds, workers' compensation funds, endowments and foundations.

Previously Brendan worked for a global consulting company as the National Investment Consulting Practice Leader, and prior to that the Regional Retirement Practice leader. Prior to 1995 Brendan worked in South Africa for a major consulting firm.

Brendan has designed and implemented pension plans and supplementary pension plans. He also has experience with investment policy design and monitoring and investment manager searches, as well as performing risk analysis and asset-liability projections.

He has testified before a workers' compensation board hearing and a judicial compensation commission.

Brendan has experience leading education seminars for Boards, pension committees, investment committees and pension plan members.

He is a frequent speaker at industry events, including: Canadian Pension & Benefits Institute, Association of Canadian Pension Management, Pacific Business and Law Institute, Federated Press, and International Foundation of Employee Benefit Plans.

### QUALIFICATIONS & EDUCATION

Brendan is a Fellow of the Canadian Institute of Actuaries and a Fellow of the Institute of Actuaries (England). He is a Fellow of the Society of Actuaries and a Chartered Financial Analyst charterholder.

He graduated from the University of the Witwatersrand, South Africa in 1993 with a Bachelor of Economic Science Degree (with Distinction) in Statistics and Actuarial Science.

### ARTICLES

- Brendan George and Damon Williams, "Greening Your Pension Fund" Benefits Canada, December 2001
- Brendan George and Damon Williams, "The Evolution of Asset Allocation Funds" Benefits Canada, June 2001
- Brendan George and Damon Williams, "Investing Made Easy", Benefits Canada, October 1999
- Brendan George and Damon Williams, "Soft Dollars Unveiled", Benefits Canada, October, 1998

