



This is the 4th Affidavit of Susan Taylor in this case and it was made on October 15th, 2012

No. S126583 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, SUSAN TAYLOR, legal administrative assistant, of 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia V6E 4N7, MAKE OATH AND SAY AS FOLLOWS:

- 1. I am a legal administrative assistant with the firm of McMillan, LLP, solicitors for the Petitioner, Great Basin Gold Ltd., and as such have personal knowledge of the facts and matters hereinafter deposed to, except where the same are stated to be upon information and belief and as to these last-mentioned matters, I verily believe them to be true.
2. Attached hereto as Exhibit "A" is a copy of Great Basin Gold Ltd. Term Sheet dated October 12, 2012.

SWORN BEFORE ME at the City of Vancouver, British Columbia, this 15th day of October, 2012.

[Signature of Peter J. Reardon]


A commissioner for taking affidavits for British Columbia Peter J. Reardon Barrister and Solicitor McMillan LLP 1500 - 1055 West Georgia Street PO Box 11117 Vancouver, BC V6E 4N7 1 604.689.9111 1 604.685.7084

[Signature of Susan Taylor] SUSAN TAYLOR

GREAT BASIN GOLD LTD.

TERM SHEET

October 12, 2012

This is Exhibit "A" referred to in the affidavit of SUSAN TAYLOR sworn before me at VANCOUVER, BC this 15th day of OCTOBER 2012

A Commissioner for taking affidavits
Within British Columbia

Documents Required and Summary of Material Terms

1. Guarantee (the "CS Guarantee") by Great Basin Gold Inc. ("GBGI") of payment of the indebtedness owing by Great Basin Gold Ltd. ("GBGL") to Credit Suisse AG and Standard Chartered Bank (the "Burnstone Lenders") pursuant to the revised facility agreement dated as of December 5, 2011 among *inter alia*, GBGL, as borrower, and Credit Suisse AG and Standard Chartered Bank, as lenders, as amended prior to the date hereof
 - (a) CS Guarantee is in an unlimited amount and contains the terms and conditions set out in the debtor-in-possession term sheet dated September 19, 2012, as approved in the Initial CCAA Order;
 - (b) CS Guarantee is secured by a security agreement and pledge agreement granted by GBGI to the Burnstone Lenders;
 - (c) certificate by an officer of GBGI containing *inter alia* an incumbency certificate and a shareholder's resolution (pursuant to a unanimous sole shareholder declaration/resolution) of GBGI authorizing the CS Guarantee and security; and
 - (d) legal opinion by GBGI's attorneys with respect to GBGI, the CS Guarantee and security as to the due authorization, execution and delivery of the CS Guarantee and security and the enforceability of the security as to New York law.

2. Guarantee (the "Computershare Guarantee") by GBGI to Computershare Trust Company of Canada (the "Trustee") and the debentureholders of payment of the indebtedness owing by GBGL to the debentureholders pursuant to the trust indenture dated November 19, 2009, as amended prior to the date hereof (the "Trust Indenture")
 - (a) Computershare Guarantee is in an unlimited amount and in substantially the same form (other than the governing law) as the CS Guarantee;
 - (b) Computershare Guarantee is secured by a security agreement and pledge agreement granted by GBGI to the Trustee in substantially the same form as the security granted to the Burnstone Lenders;
 - (c) certificate by an officer of GBGI containing *inter alia* an incumbency certificate and a shareholder's resolution (pursuant to a unanimous sole shareholder declaration/resolution) of GBGI authorizing the Computershare Guarantee and security; and

- (d) legal opinion by GBGI's attorneys with respect to GBGI, the Computershare Guarantee and security as to the due authorization, execution and delivery of the Computershare Guarantee and security and the enforceability of the security as to New York law.

3. Intercreditor agreement between Credit Suisse AG, Standard Chartered Bank and the Trustee on behalf of the debentureholders and consented to by GBGL and GBGI

- (a) providing for the sharing of payments to be made under the CS Guarantee and the Computershare Guarantee (collectively, the "Guarantees") as follows:

- (i) equal dollar for dollar distribution of all amounts to be paid pursuant to the Guarantees if the gross sale price of the Burnstone mine is less than U.S.\$100 million; and
- (ii) the Trustee shall receive 60% and Burnstone Lenders shall receive 40% of all amounts to be paid pursuant to the guarantees if the gross sale price of the Burnstone mine is equal to or greater than U.S. \$100 million,

and the same sharing arrangement shall apply if the amount or other consideration to be paid pursuant to the Guarantees result from a restructuring or other non-sale event;

- (b) if the Computershare Guarantee or security therefor is subsequently set aside for any reason, the Burnstone Lenders shall pay to the Trustee from the proceeds received by them from the CS Guarantee an amount equivalent to the amount Computershare would have received if the Computershare Guarantee or the security therefor had not been set aside. If the CS Guarantee or security therefor is subsequently set aside for any reason, the Trustee shall pay to the Burnstone Lenders from the proceeds received by it from the Computershare Guarantee an amount equivalent to the amount the Burnstone Lenders would have received if the CS Guarantee or the security therefor had not been set aside;

- (c) GBGL, GBGI, and Southgold Exploration (Pty) Ltd. ("**Southgold**") shall (each as applicable):

- (i) consent to this term sheet and agree to grant the CS Guarantee and security as set out in Clause 1 of this Term Sheet and Computershare Guarantee and security as set out in Clause 2 of this Term Sheet;
- (ii) represent that they have no present intention to file Chapter 11 proceedings in respect of GBGI;
- (iii) agree that no sale of the Hollister mine or any restructuring of the debt of GBGL will be undertaken without obtaining the prior approval of the British Columbia Supreme Court and that no sale of the Burnstone mine will be undertaken without obtaining the prior approval of the Business Rescue Practitioner and any required approvals under Chapter 6 of the South African Companies Act, 2008; and

- (iv) subject to applicable securities law, cause each of their respective subsidiaries to consult with members of the ad hoc committee of debentureholders (the “**Ad Hoc Committee**”) and their counsel who sign confidentiality agreements in respect of the reorganization and/or sale of their (and their subsidiaries’) respective assets, and subject to restrictions contained in any sale process approval order approved by the British Columbia Supreme Court, provide copies of, *inter alia*, all offers and agreements of purchase and sale received by the DIP Lenders and the Ad Hoc Committee, provided, however, that the members of the Ad Hoc Committee shall have no consent or veto rights in respect of the decisions of GBGL and its subsidiaries related to any reorganizations and/or sales; provided, further, however, nothing herein shall limit any party’s rights to seek relief or object to any relief sought in any court with respect thereto, subject to section 5(l) below, and the debentureholders reserve all rights at law in connection with therewith.
- (d) The Intercreditor Agreement shall contain no indemnities from the Burnstone Lenders and the Trustee or the debentureholders to each other.
4. Amended Initial CCAA Order (to be effective on closing of the settlement)
- (a) authorizing and directing GBGL, as shareholder of GBGI, to take all commercially reasonable steps required to facilitate the delivery by GBGI of the CS Guarantee and the Computershare Guarantee, and the security and documents related thereto;
- (b) authorizing and directing the Monitor to provide to the representatives of the debentureholders and their counsel who sign confidentiality agreements, all the information that the Monitor deems appropriate, subject to applicable securities law;
- (c) authorizing and directing GBGL to consult with the members of the Ad Hoc Committee and their counsel who sign confidentiality agreements as reasonably practicable and before any material decisions or steps are made or taken in connection with the CCAA process, the Business Rescue process in South Africa or any proposed restructuring or sale of any material assets of GBGL or any of its subsidiaries, including the development of any sales procedures or processes, subject to applicable securities law; provided, however, that the members of the Ad Hoc Committee, their representatives, and their counsel shall have no consent or veto rights in respect of such decisions or steps by GBGL or its subsidiaries; provided, further, however, nothing herein shall limit any party’s rights to seek relief or object to any relief sought in any court with respect thereto, subject to section 5(l) below, and the debentureholders reserve all rights at law in connection with therewith; and
- (d) authorizing and directing GBGL to pay the amounts referred to in section 5(f), increasing the administration charge to CDN\$2.4625 million and adding the counsel to the Ad Hoc Committee as beneficiaries of the administration charge.
5. Minutes of Settlement (with this term sheet attached)
- (a) all parties agree to the transactions contemplated by this term sheet, which shall be embodied in a settlement agreement (the “**Settlement Agreement**”), to which the CS

Guarantee, the Computershare Guarantee, the Intercreditor Agreement, and any other documents required to implement the terms of the settlement shall be annexed;

- (b) the signatories of the Settlement Agreement and (as applicable) the ancillary documents shall be (i) the DIP Agent (as defined below), on behalf of the DIP Lenders (as defined below) and Credit Suisse, as facility and security agent for the Burnstone Lenders (the "**Burnstone Agent**"); (ii) each of the members of the Ad Hoc Committee; and (iii) GBGL, GBGI, and Southgold;
- (c) approval of the terms of the settlement shall be sought from the British Columbia Supreme Court on the basis of this Term Sheet on October 16, 2012, or as soon thereafter as the matter can be heard; provided, however, that the settlement shall not become effective until the date (the "**Effective Date**") of execution of definitive documentation;
- (d) the Trustee shall not be a signatory of the Settlement Agreement, but it shall be (i) informed of the support of the Ad Hoc Committee therefor prior to the filing of the court application seeking the court's approval and be provided with a copy of this Term Sheet; and (ii) provided with formal written notice of the court application to approve this Term Sheet and a request that such notice be transmitted to all registered holders of the debentures with a request to such registered holders to transmit the notice to beneficial holders. In connection therewith, counsel for the Ad Hoc Committee shall represent, to its knowledge based on information provided to it by members of the Ad Hoc Committee, to the DIP Lenders, GBGL and GBGI that such members currently hold at least 65%, in the aggregate, of the outstanding principal amount of the debentures issued under the Trust Indenture; and in the Settlement Agreement, the members of the Ad Hoc Committee shall undertake, in the event that a vote of the debentureholders were conducted prior to the Effective Date, to vote in favor of a settlement on the terms set forth in this Term Sheet;
- (e) agreement that each of Credit Suisse AG, in its capacity as agent (the "**DIP Agent**") for the lenders (the "**DIP Lenders**") under GBGL's debtor-in-possession credit facility (the "**DIP Facility**") and the Trustee (for the benefit of the debentureholders) shall receive 50% of the Burnstone Advisory Fee to the extent actually paid by Southgold;
- (f) payment by GBGL of all reasonable and documented legal fees, disbursements and related taxes of counsel for the Ad Hoc Committee (Fraser Milner Casgrain LLP, Brown Rudnick LLP, Werkmens and Associates LLP and Fox Rothschild LLP): (i) up to and including the date of the hearing to approve this Term Sheet by the British Columbia Supreme Court, up to a cap of CDN\$700,000; and, (ii) subsequent to such hearing, during the CCAA proceedings, Business Rescue proceedings and the restructuring or sale of GBGL and its subsidiaries or their assets, up to a cap of CDN\$125,000 per calendar month (the "**Monthly Cap**"), commencing the day following such hearing (provided that such maximum amount for October 2012 shall be CDN\$125,000 – not pro-rated), with any unused portion of any Monthly Cap being available to be applied to invoices for any subsequent month; provided, however, that GBGL will not be obligated to pay any fees or expenses incurred by the Trustee's or Ad Hoc Committee's counsel in connection

with objecting to, or otherwise challenging any sale or reorganization transaction in any court or any other relief requested by GBGL and/or the DIP Lenders in any court;

- (g) subject to completion of this settlement, agreement and payment of the amounts referred to in (g)(i), agreement of the amounts referred to in (g)(ii), and without prejudice to any position taken by the DIP Lenders on the same issues, the Ad Hoc Committee shall not oppose the approval of the proposed KERP or the retention of CIBC World Markets as financial advisor to GBGL;
- (h) the parties shall, after the Effective Date, provide to the British Columbia Supreme Court for entry the September 27, 2012 order of the British Columbia Court as amended to (i) provide for the withdrawal by the Ad Hoc Committee of its contention that payments under the original GBGL guarantee and with respect to the Advisory Fee constituted payments of interest at a criminal rate; and (ii) include a request that the Order of the Honourable Madam Justice Fitzpatrick made herein on September 19, 2012 as amended by the order of September 27, 2012 (the "**DIP Approval Order**"), be amended to delete the provision therein requiring that no payment be made with respect to the GBGL guarantee or the Advisory Fee without the further order of the Court; provided, however, that obtaining such amendment of the DIP Approval Order is not a condition precedent to effectiveness of the Settlement Agreement;
- (i) subject to the terms hereof, the Ad Hoc Committee agrees to the Milestone Dates set out in the DIP Facility term sheet (as amended) as set out below:
 1. By no later than December 15, 2012, a preliminary plan for the repayment, refinancing or restructuring of all outstanding debts of Antler Peak and Rodeo Creek, acceptable to the DIP Lenders, shall have been delivered to the DIP Lenders;
 2. By no later than January 15, 2013, the repayment, refinancing or restructuring of all outstanding debts of Antler Peak and Rodeo Creek shall have been effected (the "**Repayment/Refinancing Milestone**");
 3. If the Repayment/Refinancing Milestone is not achieved, the sale of the Hollister operations shall have been completed on or before March 15, 2013;
 4. On or prior to December 15, 2012, GBGL shall have received indications of interest or letters of intent, acceptable to the DIP Lenders, for the direct or indirect sale of the Burnstone mine;
 5. On or prior to January 15, 2013, GBGL shall have entered into, or cause to be entered into, a definitive agreement, acceptable to the DIP Lenders, for the direct or indirect sale of the Burnstone mine; and
 6. On or prior to March 31, 2013, the sale of the Burnstone mine shall have closed.

- (j) a representation by the DIP Agent and the Burnstone Agent that each has not seen nor is either aware of any offer or term sheet by a prospective buyer of the Burnstone mine or the Hollister mine submitted by such buyer after the date of the Initial CCAA Order;
- (k) the current litigation in British Columbia (in respect of the comeback hearing and all related relief being sought and in respect of the application to the British Columbia Court of Appeal to reconsider the leave denial) and in Nevada (collectively, the “**Noteholder Litigation**”) shall be adjourned without prejudice until the transactions summarized by this term sheet have been completed and, upon such completion, (i) the current objections by the Ad Hoc Committee shall be withdrawn with prejudice; provided that GBGL may obtain a CCAA stay extension to October 31, 2012 without prejudice to the debentureholders rights in respect of such adjourned British Columbia comeback hearing; and (ii) the Nevada action shall be dismissed with prejudice;
- (l) to the extent that the Ad Hoc Committee or any of the members thereof intends (i) to object to any application or motion filed in the CCAA proceeding, notice of such objection or other response shall be served on counsel for the DIP Agent and filed not less than two (2) business days after receipt of the motion or application to which it responds; and (ii) to commence proceedings or to file a pleading or otherwise seek relief from a court other than the British Columbia Supreme Court, they may only do so after providing Canadian and U.S. counsel to the DIP Agent, Canadian and US counsel to the GBGL and GBGI, and the Monitor and its counsel with (i) five (5) business days’ notice of such action or application; or (ii) such other notice as the circumstances reasonably permit; provided, however, that in no event shall any hearing with respect to any relief requested by the Ad Hoc Committee take place on less than twenty-four (24) hours’ notice. Nothing in this subparagraph is intended or shall be construed to abridge minimum notice periods under applicable law;
- (m) subject to consummation of the transactions contemplated hereby, waiver of all costs awarded against the Ad Hoc Committee or its members; and
- (n) no party shall take any step which prejudices or could reasonably be expected to prejudice any right or benefit of the DIP Agent, the Burnstone Agent, the DIP Lenders, the Burnstone Lenders, the Trustee or any debentureholder in connection with the transactions contemplated by this Term Sheet; provided, however, that the DIP Lenders may increase the maximum amount of the DIP Facility above US\$35 million after consultation with the Ad Hoc Committee; provided, further, that (i) the Ad Hoc Committee shall have no consent or veto rights with respect to any such increase in the maximum amount of the DIP Facility; and (ii) subject to section 5(l) hereto, nothing herein shall limit any party’s rights to seek relief or object to any relief sought in any court with respect thereto.