



**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. C36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF**  
**COMPROMISE OR ARRANGEMENT OF**

**GREAT BASIN GOLD LTD.**

**FOURTH REPORT OF THE MONITOR,**  
**KPMG INC.**

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## 1.0 INTRODUCTION AND PURPOSE OF MONITOR'S REPORT

- 1.1 KPMG Inc. ("**KPMG**" or the "**Monitor**") was appointed as Monitor pursuant to the order of the Honourable Madam Justice Fitzpatrick on September 19, 2012 in respect of the petition filed by Great Basin Gold Ltd. ("**GBGL**" or the "**Company**"), under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). The proceedings brought by the Company under the CCAA will be referred to herein as the "**CCAA Proceedings**" and the order granted by the Court on September 19, 2012 is hereinafter referred to as the "**Initial Order**".
- 1.2 On September 19, 2012, KPMG filed the Pre-Filing Report of the Proposed Monitor (the "**Monitor's Pre-Filing Report**") which sets out certain of the Company's background information, its initial, CCAA-filed cash flow forecast (the "**Cash Flow Forecast**"), its proposed interim financing arrangements and certain of its preliminary restructuring efforts and plans.
- 1.3 On September 26, 2012, the Monitor filed its First Report to the Court which described certain background information relating to the current financial difficulties experienced by the Company, the Monitor's assessment of the Cash Flow Forecast, information regarding the Monitor's regular monitoring of the Company, an overview of the Company's restructuring proceedings in South Africa and status of the Company's efforts to obtain interim financing (the "**First Report**").
- 1.4 On October 2, 2012, the Monitor filed its Second Report to the Court which provided information regarding the Company's attempts to secure interim financing and the urgency of its short term funding requirements, in light of the recent issues encountered in securing such financing (the "**Second Report**").
- 1.5 On October 15, 2012, the Monitor filed its Third Report to the Court which provided information regarding the Settlement Agreement among the Company, the Approved DIP Lenders and the Ad Hoc Group, activities of the Monitor, the Company's KERP and the specifics of the interim financing received by the Company to date (the "**Third Report**").

- 1.6 The purpose of this report (the “**Fourth Report**”) is to provide this Honourable Court with information regarding the following:
- a) An update regarding the Company’s recent Court proceedings, including its ongoing efforts to obtain interim financing and the status of the Settlement Agreement;
  - b) The Company’s restructuring efforts, including an update on the process underway to select a Chief Restructuring Officer (“**CRO**”); and
  - c) The Monitor’s observations and recommendations in respect of the Company’s motion that the stay period be extended to December 19, 2012 or such earlier date as may be requested by the Company (the “**Extended Stay Period**”).
- 1.7 Further information regarding these proceedings can be found on the Monitor’s website at <http://kpmg.ca/greatbasingold>.

## **2.0 RESTRICTIONS ON THE USE OF THIS REPORT**

- 2.1 In preparing this report, KPMG has necessarily relied upon unaudited financial and other information supplied, and representations made, by certain senior management of GBGL and that of its subsidiary companies (“**Senior Management**”). Although this information has been subject to review, KPMG has not conducted an audit, nor otherwise attempted to verify the accuracy or completeness of any of the information of GBGL or its subsidiary and affiliate companies. Accordingly, KPMG expresses no opinion and does not provide any other form of assurance on the accuracy of any information contained in this report, or otherwise used to prepare this report.
- 2.2 Certain of the information referred to in this report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by the Canadian Institute of Chartered Accountants, has not been performed. Future oriented financial information referred to in this report was prepared by Senior Management based on Senior Management’s estimates and assumptions. Readers are cautioned that since financial forecasts and/or projections

are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variances could be material.

- 2.3 The information contained in this report is not intended to be relied upon by any prospective purchaser or investor in any transaction with the Company.
- 2.4 Capitalized terms not otherwise defined in this report are used herein as defined in the affidavit of Mr. Lou Van Vuuren sworn September 19, 2012, which was filed with the Company's initial CCAA application, the Monitor's Pre-Filing Report, the First Report, the Second Report and the Third Report (collectively, the "**Prior Reports**").
- 2.5 References herein to the "GBG Group" are references to the consolidated group of GBGL entities.
- 2.6 Unless otherwise stated, all monetary amounts contained in this report are expressed in Canadian dollars, which is the Company's common reporting currency, except for the Cash Flow Forecast which is in US dollars.

### **3.0 RECENT COURT PROCEEDINGS, INCLUDING THE COMPANY'S EFFORTS TO SECURE INTERIM FINANCING AND OTHER MATTERS**

- 3.1 A detailed summary of the CCAA Proceedings, Nevada Proceedings and the Settlement Term Sheet for the period up to and including October 15, 2012 was provided in the Third Report.
- 3.2 On October 16, 2012, this Honourable Court granted two orders. The first order provided:
  - a) The extension of the stay of proceedings to October 31, 2012 (intended to be a short time period to finalize the Settlement Agreement);
  - b) Authorization for GBGL to enter into a Settlement Agreement, substantially on the terms, and subject to the conditions, set forth in the Settlement Term Sheet dated October 12, 2012 (the "**Settlement Approval Order**");and
  - c) The Initial Order be amended, *inter alia* to include:

- A direction to pay the legal fees, disbursements and related taxes of counsel for the Ad Hoc Group (as noted in the Settlement Term Sheet);
- Subject to the completion of confidentiality agreements, a direction that the Company was to consult with members of the Ad Hoc Group regarding any material decisions in the proceeding, the BRP in South Africa or any proposed restructuring, material sale of assets or sales process;
- An increase of the Administration Charge to \$2,462,500 (from \$2,400,000);
- Approval of certain refinancing and restructuring timelines; and
- A direction that the Company take reasonable steps to hold any amounts payable pursuant to the Advisory Fee, the CS Guarantee and the Computershare Guarantee, and not make any payments thereunder without further Order.

The second order provided, *inter alia*, that:

- a) GBGL (and any other person that may be appointed to act on behalf of GBGL) was authorized and directed to perform the obligations under the KERP provided sufficient funds are available for such purposes; and
- b) The beneficiaries of the KERP were granted a charge (the “KERP Charge”), which charge was subordinate in priority to the Administration Charge, the DIP Lender’s Charge and the Director’s Charge as defined in the Initial Order.

3.3 On October 25, 2012, this Honourable Court granted two orders. The first order extended the stay of proceedings until November 7, 2012 (intended to be a short additional period to finalize the Settlement Agreement). The second order:

- a) Approved the engagement of CIBC WM as financial advisor to the Company;
- b) Increased the Administration Charge to \$2,712,500 (from \$2,462,500) with CIBC WM and the Monitor (and its counsel) allocated a pro rata share of \$1 million and \$400,000 of the total Administration Charge, respectively; and

- c) Granted a charge in favour of CIBC WM (the “**Subordinate Financial Advisor Charge**”) to secure all amounts due to CIBC WM pursuant to the engagement letter. The Subordinate Financial Advisor Charge is to rank fifth behind the existing charges (the Administration Charge, the Directors’ Charge, the DIP Lenders’ Charge and the KERP Charge).

3.4 Charges granted in the Initial Order now include:

<b>Court ordered charges in order of priority</b>	
<b>(Limits to the charges are noted where applicable)</b>	
<b>In 000's</b>	
Administration Charge	2,712
Directors' Charge	500
DIP Lenders' Charge (Note 1)	19,700
KERP Charge (Note 2)	926
Subordinate Financial Advisor Charge	tbd
<b>Note 1</b>	Includes USD advance made up to the Third Interim Advance. Advances pursuant to the Approved DIP Facility are capped at US\$35 million.
<b>Note 2</b>	Includes total potential cost of the approved KERP.

Interim Financing

3.5 Advances have been made by the Approved DIP Lenders totaling US\$19.7 million to date and consist of:

- a) The Emergency Burnstone Advance, which was approved by this Honourable Court on September 19, 2012 and received by the Company on September 21, 2012. The amount advanced was approximately US\$9.2 million. This advance was used to fund certain Burnstone obligations consisting primarily of outstanding employee payroll and severance.
- b) A further advance of US\$5 million was made on October 3, 2012 (the “Second Interim Advance”). This advance was used primarily to fund outstanding trade suppliers, other creditor obligations and continuing operating costs at Hollister

(US\$4 million of the advance), and continuing costs at Burnstone (US\$1 million of the advance).

- c) A third advance of US\$5.5 million was made on October 23, 2012 (the “Third Interim Advance”). This advance was used to fund US\$2.5 million of overdue Hollister suppliers and US\$3.0 million in accrued professional fees, primarily relating to the CCAA Proceedings.

3.6 The Company intends to make a further funding request within the next week in the order of US\$5 million to fund interest, DIP Fees, Hollister supplier obligations and professional fees.

Amended Waiver received pursuant to the Third Interim Advance

3.7 In order to facilitate GBGL receiving the Third Interim Advance under the Approved DIP Facility, the Approved DIP Lenders delivered a second waiver letter to the Company dated October 22, 2012 (the “Second Waiver Letter”) containing amendments to the original waiver letter dated October 3, 2012 pursuant to which the Approved DIP Lenders specifically waived the following conditions precedent solely with respect to the Third Interim Advance (all capitalized terms not otherwise defined in this section are used herein as defined in the Approved DIP Facility):

- a) That the GBGI Guarantee and the related Security Documents have been duly authorized, entered into and are in full force and effect, as required by Section 2(b) of the Initial Utilisation Schedule;
- b) That the Finance Parties have received satisfactory legal opinions from McMillan LLP, Harris & Thompson and U.S. legal advisers to the Borrower with respect to the GBGI Guarantee, as required by Section 3 of the Initial Utilisation Schedule;
- c) That the Finance Parties have received a legal opinion from U.S. legal advisers to the Borrower with respect to whether the registration requirements for an “investment company” under the Investment Company Act of 1940, as amended,

are required for any of the applicable Finance Parties, as required by Section 3(i) of the Initial Utilisation Schedule;

- d) That the Facility Agent has received evidence that the fees, costs and expenses then due from the Borrower pursuant to Clause 11 (Fees), Clause 16 (Costs and Expenses) and Clause 12.5 (Stamp Taxes) have been paid or will be paid by or immediately after the first Utilisation Date, as required by Section 8(c) of the Initial Utilisation Schedule;
- e) That no notice shall have been received of a motion or application to stay, modify, vary, amend, reverse, appeal, or vacate in whole or in part the Initial Order or the DIP Charge or which in any way seeks to impair, limit or lessen the Security, protections, rights, or remedies of the Lenders, whether under the Initial Order or under any of the Finance Documents, as required by Section 8(w) of the Initial Utilisation Schedule and Clause 4.3(f) of the Credit Agreement;
- f) That the application for leave to appeal commenced under court file number CA 040276 in the British Columbia Court of Appeal (the "Debentureholder Appeal") shall have been dismissed, vacated or withdrawn in all respects and shall not be the subject of any further application for leave to appeal, or further appeal, as required by Section 8(x) of the Initial Utilisation Schedule; and
- g) That no Default has occurred and is continuing or would result from the proposed Loan, as required by Clause 4.3(a) of the Credit Agreement, in respect of Clause 23.33 of the Credit Agreement arising from the Debentureholder Appeal, and in respect of Clause 23(b)(iii) of the Credit Agreement or as a result of the breach of representation and warranty set forth in Clause 17.1(t)(ii), which is an Event of Default pursuant to Clause 23.(4), in each case arising as a result of the application in the Nevada court for the appointment of a Receiver.

3.8 The Second Waiver Letter also articulates certain defaults that would also be considered an Event of Default pursuant to Section 23.3 of the Approved DIP Facility, including:

- a) The transactions contemplated by the Settlement Agreement are not closed by 5pm PST on October 26, 2012;
- b) A CRO acceptable to the Approved DIP Lenders in their sole discretion, is not appointed by 5pm PST on October 31, 2012; or
- c) The Settlement Approval Order is stayed, modified, varied, amended, reversed, appealed, or vacated in whole or in part, without the consent of the Approved DIP Lenders.

3.9 Since the Settlement Agreement has not been finalized and a CRO has not been appointed to date, the Company is now in default under the Second Waiver Letter and the Approved DIP Facility. Accordingly, the Company has requested a third waiver letter. The Approved DIP Lenders had not granted a further waiver up to the date of this report. As discussed below, in the coming days the Company expects that the Settlement Agreement will be finalized and a CRO will be selected.

#### **4.0 THE SETTLEMENT AGREEMENT BETWEEN THE COMPANY AND ITS PRIMARY LENDING GROUPS**

4.1 The Ad Hoc Group, the Approved DIP Lenders and the Company are continuing to negotiate the terms of the Settlement Agreement.

4.2 The Monitor has requested a status update on each of the documents and agreements that support the Settlement Agreement and a timeline from the parties involved as to when they expect to finalize the Settlement Agreement. At present it appears that comments are pending from one or more of the Ad Hoc Group, the Approved DIP Lenders and the Company on each of the Settlement Agreement and the supporting six documents and agreements. At this time the Monitor has not been provided with a definitive timeline as to when the Settlement Agreement negotiations will be concluded, but has been advised by the Company that it expects that the Settlement Agreement will be finalized in the coming days.

4.3 The parties are reviewing various options which would permit the Trustee for the Convertible Debentures to execute the Settlement Agreement and its supporting agreements and documents without the necessity of convening a meeting of the debenture holders, which would result in an up to 45 day delay in ratification of the Settlement Agreement.

**5.0 RECEIPTS AND DISBURSEMENTS FOR THE FIVE WEEK PERIOD ENDED OCTOBER 19, 2012**

5.1 The consolidated receipts and disbursements of the GBGL Group for the five week period ended October 19, 2012 (the latest period actual information was available) as compared to the Cash Flow Forecast originally filed in the CCAA Proceedings, is tabled below:

<b>Great Basin Gold Ltd.</b>			
<b>Consolidated Actual versus Forecast Cash Flow</b>			
<b>For the Five Week Period Ended October 19, 2012</b>			
<b>Unaudited (US\$000's)</b>			
	<b>Consolidated</b>		
	<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>
<b>Forecast Cash Inflow</b>			
Gold sales and other	14,417	17,683	(3,266)
<b>Forecast Total Cash Inflow</b>	<b>14,417</b>	<b>17,683</b>	<b>(3,266)</b>
<b>Forecast Cash Outflow</b>			
Suppliers	(10,959)	(17,781)	6,822
Payroll and Benefits	(10,442)	(12,645)	2,203
Royalties	(787)	(800)	13
Insurance	(402)	(771)	369
Other	(125)	(54)	(71)
Professional Fees	(2,608)	(4,111)	1,503
<b>Total Forecast Outflow</b>	<b>(25,324)</b>	<b>(36,162)</b>	<b>10,838</b>
<b>Net Cash Flow before financing charges</b>	<b>(10,907)</b>	<b>(18,479)</b>	<b>7,572</b>
Red Kite Repayment (Note 2)	(3,932)	(3,941)	9
DIP Financing Fees	-	(753)	753
DIP & Other Interest	-	(1,894)	1,894
<b>Net Cash Flow before DIP</b>	<b>(14,839)</b>	<b>(25,067)</b>	<b>10,228</b>
Interim Financing Received To Date	14,235	24,681	(10,446)
Intercompany disbursement	-	-	-
<b>Net Cash Flow</b>	<b>(604)</b>	<b>(386)</b>	<b>(218)</b>
<b>Cash, beginning of period (September 15, 2012) (Note 3)</b>	<b>6,254</b>	<b>6,254</b>	<b>-</b>
<b>Cash, end of period (October 19, 2012)</b>	<b>5,650</b>	<b>5,868</b>	<b>(218)</b>
<b>Note 1</b>	Readers are cautioned to read the terms of reference set out previously in this report for information regarding the preparation of the Cash Flow Forecast.		
<b>Note 2</b>	Red Kite is a sales agent that earns a fee on completed gold sales. This entity advanced US\$25 million to Rodeo Creek in June 2012 and is being repaid at approximately US\$2.9 million per month with the final payment expected in March 2013.		
<b>Note 3</b>	The first week of the Cash Flow Forecast includes forecast cash inflows and outflows for a portion of the pre-filing week leading up to the CCAA filing date of September 19, 2012.		

- 5.2 During the five weeks ended October 19, 2012, the Company's actual cash receipts were approximately US\$3.3 million less than forecast due to lower than forecast gold production volumes from Hollister. Lower sale volumes were partially offset by higher unit selling prices.

- 5.3 Total disbursements for the period were approximately US\$10.8 million less than the Cash Flow Forecast largely due to delayed payments by the Company of certain supplier obligations given the uncertainty of the Approved DIP Facility and lower than forecast payroll amounts, which is a combination of timing and permanent differences.
- 5.4 The Company has confirmed that the positive variance in paid professional fees will reverse and become a negative variance in the coming weeks as additional accounts are paid.
- 5.5 As previously noted, the Company received the Third Interim Advance of US\$5.5 million on October 23, 2012 that assisted in funding certain outstanding payables including overdue Hollister suppliers and professional fees. This receipt is not reflected above in the “actual” results due to the October 19, 2012 cut-off date for the results.
- 5.6 The Company has not been able to draw the forecasted DIP advances totaling \$24.7 million which has led to overdue obligations of approximately US\$4 million at Hollister and delays to funding certain professional fees, and interest and fees payable to the Approved DIP Lenders and the Existing Lenders.
- 5.7 The Company continues to manage its resources carefully while it awaits finalization of the Settlement Agreement.

## **6.0 UPDATED CASH FLOW FORECASTS**

- 6.1 The Company is reviewing its gold volume production assumptions for Hollister in light of recent variances and expects to issue a revised Cash Flow Forecast in the short term.
- 6.2 The Monitor anticipates providing further comments on the revised forecast in its subsequent reports.

### **Financing anticipated through the Restructuring Period**

- 6.3 As noted in the Third Report, the Company has prepared an extended forecast which projects its total cash needs to March 31, 2013 (the contemplated last milestone date for the sale of the Burnstone and/or Hollister properties in the Approved DIP Facility). This

forecast suggests the Company requires approximately US\$50 million in financing to that date. As a result, the Company is discussing the prospect of increasing the maximum DIP Facility to that amount and/or exploring further sources of financing through another lender.

- 6.4 Additionally, the Company is reviewing various options to market and sell certain mining rights and concessions that it holds in Tanzania, Africa, which, if any such sale is concluded, could provide limited funding for the Company's ongoing operations and restructuring costs.

## **7.0 UPDATE ON THE BUSINESS RESCUE PROCEEDINGS IN SOUTH AFRICA**

- 7.1 As noted in the Third Report, the BRP was planning to apply to the South African Court for an extension of the deadline to prepare a business rescue plan until March 31, 2013. The South African Court recently granted an extension of this deadline to January 15, 2013.

- 7.2 The BRP has initiated a claims process in order to assess total claims. The Monitor anticipates communicating updates on the claims process results in subsequent reports.

- 7.3 On October 23, 2012, the creditors committee (the "**SA Creditors Committee**") held a meeting with the BRP to discuss a number of matters, including:

- a) Status of the Approved DIP Facility and the CCAA Proceedings;
- b) Potential options to process ore from a local third party mine with a view to operating Burnstone's processing equipment in order to avoid deterioration of the equipment while recovering operating costs (and possibly generating a surplus), and providing suppliers with new orders and work for a subset of former employees;
- c) Engagement of KPMG South Africa to assist in the claims process;
- d) Possible appointment of JP Morgan Chase Bank N.A. ("**JP Morgan**") as a transaction advisor in a sale or restructuring of Burnstone; and

e) Duties of the SA Creditors Committee.

7.4 The Monitor continues to be in regular contact with the BRP and was recently advised that the viability of processing ore at the Burnstone mine site is continuing to be analyzed.

7.5 Information related to the BRP proceedings, the SA Creditors Committee and the claims process is being posted on GBGL's website ([www.greatbasingold.com](http://www.greatbasingold.com)).

**8.0 UPDATE ON THE STATUS OF THE HOLLISTER OPERATIONS**

8.1 Representatives of the Monitor have recently visited the Hollister operations and are discussing recent operating results, short term forecasts and other matters with Senior Management. The Monitor will provide a further status update on Hollister in subsequent reports.

**9.0 THE COMPANY'S RESTRUCTURING EFFORTS**

9.1 The Company is engaged on several fronts with its restructuring efforts, which are detailed as follows:

Sales or Investor Solicitation Process - Hollister

9.2 As noted in the Third Report, the Company and its advisors, now including CIBC WM, are currently developing the SISP to meet the milestones as set out in the Approved DIP Facility related to the Hollister operations. The Company expects that the SISP will be finalized once the Settlement Agreement is finalized.

9.3 The Monitor has reviewed several drafts of the SISP and will report to this Honourable Court when the SISP has been finalized and is filed for approval. The Monitor expects that this will occur very shortly, after the Settlement Agreement has been finalized.

Appointment of a transaction advisor for Burnstone

9.4 As noted above, the BRP is working with the SA Creditors Committee in respect of the engagement of JP Morgan to move forward with a sale or restructuring of Burnstone. The Company expects that this engagement will proceed in the short term in order to

advance this portion of the restructuring in accordance with the milestones set out in the Approved DIP Facility.

#### Sales of non-core assets

- 9.5 As noted above, the Company is reviewing options to sell certain African assets and expects to consult with its various stakeholders as these sales options become more defined.

### **10.0 THE RETENTION OF A CHIEF RESTRUCTURING OFFICER**

- 10.1 In accordance with the requirements of the Second Waiver Letter, GBGL must appoint a CRO by October 31, 2012, and coupled with the departure of certain Senior Management personnel at GBGL by November 30, 2012, the Company's Board of Directors has commenced a process to select and retain a CRO for the Company and GBGL. In this regard a committee (the "**CRO Committee**") has been formed which consists of representatives from the Board of Directors, the Approved DIP Lenders, the Ad Hoc Group and the Monitor.
- 10.2 The CRO selection process is well advanced and the CRO Committee presently expects that a candidate will be selected within the coming days.
- 10.3 Once the CRO Committee has selected a candidate, it will seek approval from the Board of Directors and negotiate engagement terms with the candidate prior to Court approval being sought by the Company.

### **11.0 THE MONITOR'S CONCLUDING OBSERVATIONS AND RECOMMENDATIONS**

#### Observations

- 11.1 Despite the Company's best efforts and the expectation that by this time the Settlement Agreement would be finalized, providing the Company with access to the Approved DIP Facility, the Settlement Agreement negotiations continue. The Monitor has expressed its concerns to the Ad Hoc Group, the Existing Lenders, the Approved DIP Lenders and the Company that the Settlement Agreement must be finalized immediately in order for the

Company to have full access to DIP funding under the Approved DIP Facility and be able to move forward with its restructuring. The Company is hopeful that the Settlement Agreement will be concluded shortly so it can continue to work towards the current established milestones.

- 11.2 With an anticipated gap of approximately \$15 million between current forecast funding needs and the Approved DIP Facility up to March 31, 2013, the Company is attempting to negotiate an increase in the maximum DIP Facility and is also exploring other options to bridge this gap. Such options include potential sales of non-core assets. However, the Company does not expect that such asset sales will be completed in the short term and, accordingly, finalization of the Settlement Agreement remains critical to GBGL in order to fund its near term operations.
- 11.3 The Company is requesting an extension of the stay up to potentially December 19, 2012, and, assuming the Settlement Agreement is concluded and advances contemplated under the Approved DIP Facility are made, the Company is forecasting (as noted in the Third Report) that sufficient resources will be available to sustain operations into January 2013. The Company is now reviewing its assumptions for Hollister's gold production volumes. To the extent that anticipated volumes are lower than previously expected, additional funding may be required by the Company up to March 31, 2013.
- 11.4 The Monitor anticipates that the Company will be seeking approval of other matters related to the restructuring in the coming days or weeks, including the SISP (Hollister) and the appointment of a CRO. The Monitor will provide its comments to this Honourable Court as these matters progress and the Company presents them for approval.
- 11.5 The Company and other stakeholders have been working to finalize the Settlement Agreement, which includes the Company's ongoing attempts to resolve certain inter-creditor issues as between the Approved DIP Lenders and the Ad Hoc Group. The Company has also been moving forward with other critical aspects of the restructuring including the SISP, CRO selection and working with CIBC WM. Accordingly, the Monitor remains of the opinion that the Company continues to act in good faith, exercising due diligence in proceeding with its restructuring efforts.

Monitor's Recommendations

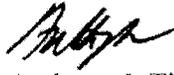
11.6 In light of the above, the Monitor recommends that this Honourable Court grant the stay extension to December 19, 2012, or such earlier date as may be requested by the Company in the event the Settlement Agreement is not concluded by November 6, 2012.

All of which is respectively submitted to this Honourable Court this 5<sup>th</sup> day of November, 2012.

**KPMG Inc., in its sole capacity  
as Monitor of Great Basin Gold Ltd.**



Philip J. Reynolds  
*Senior Vice President*



Anthony J. Tillman  
*Senior Vice President*