



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

NOTICE OF APPLICATION

Name of applicant: The Petitioner, Great Basin Gold Ltd.

To: The parties and counsel listed on Schedule "A" attached hereto.

TAKE NOTICE that an application will be made by the Petitioner to the Honourable Madam Justice Fitzpatrick at the courthouse at 800 Smithe Street, Vancouver, BC V6Z 2E1, on Monday, January 14, 2013 at 9:45 a.m. for the order set out in Part 1 below.

Part 1: ORDER SOUGHT

1. An order substantially in the form as the draft order attached as Schedule "B" hereto.

Part 2: FACTUAL BASIS

1. On September 19, 2012, the Honourable Madam Justice Fitzpatrick granted an initial Order (the "Initial Order") which, among other things, stayed all proceedings against the Petitioner until October 19, 2012.
2. The stay of proceedings granted in the Initial Order was further extended to 11:59 p.m. on October 31, 2012 by Order of Madam Justice Fitzpatrick made on October 16, 2012. Pursuant to the same Order of October 16, 2012, Madam Justice Fitzpatrick authorized the Petitioner to

enter into a settlement agreement (the "Settlement Agreement") with Credit Suisse AG as agent for itself and Standard Chartered Bank (the "Burnstone Lenders"), each of the members of the ad hoc group of debentureholders pursuant to the trust indenture dated November 19, 2009 as amended (the "Ad Hoc Committee"), Great Basin Gold Inc., and Southgold Exploration (Pty) Ltd. substantially on the terms, and subject to the conditions, set forth in the Term Sheet dated October 12, 2012 (the "Settlement Term Sheet") attached as Exhibit "A" to the 4th Affidavit of Susan Taylor sworn on October 15, 2012.

3. The stay of proceedings was further extended to 11:59 p.m. on November 16, 2012 by Order of Madam Justice Fitzpatrick made on November 6, 2012 and to January 14, 2013 by Order of Madam Justice Fitzpatrick made on December 11, 2012. The stay expires on January 14, 2013.

4. Raymond Dombrowski, Chief Executive Officer and Peter Gibson, Chief Financial Officer, both of Alvarez & Marsal Canada ULC, have assumed those offices.

5. The DIP Credit Facility approved by Madam Justice Fitzpatrick in the amount of \$35 million was fully advanced by the end of December 2012. No further funds were available to the Petitioner.

6. The existing lenders, both the DIP Lenders and the Hollister Lenders, have agreed to provide further financing on certain conditions. One of the conditions is that an arrangement be made with a creditor of Rodeo Creek, Red Kite, to eliminate or delay payment of the approximately \$8.9 million owing to Red Kite.

7. In order to comply with the condition of the lenders, an agreement has been reached with Red Kite whereby it will purchase certain assets in Tanzania owned by subsidiaries of the Petitioner. That transaction is subject to court approval.

8. The Petitioner continues to act in good faith and with due diligence.

Part 3: LEGAL BASIS

1. Sections 11.02 and 11.2 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended.

Part 4: MATERIAL TO BE RELIED ON

1. Sixth Report of the Monitor dated January 10, 2013;
2. 1st Affidavit of Peter D. Gibson sworn January 9, 2013;
3. 2nd Affidavit of Peter D. Gibson sworn January 10, 2013; and
4. such further and other material as may be filed herein.


The applicant estimates that the application will take one day.

This matter is not within the jurisdiction of a master and is to be heard before Madam Justice Fitzpatrick, the CCAA Case Management Judge in these proceedings.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to receive notice of the time and date of the hearing or to respond to the application, you must

- (a) file an application response in Form 33 within 5 days after the date of service of this notice of application or, if the application is brought under Rule 9-7 of the Supreme Court Civil Rules, within 11 days after the date of service of this notice of application, and
- (b) at least 2 days before the date set for the hearing of the application, serve on the applicant 2 copies, and on every other party one copy, of a filed copy of the application response and the other documents referred to in Rule 9-7(12) of the Supreme Court Civil Rules.

Dated: January 10, 2013



Signature of lawyer for the Petitioner

To be completed by the court only:

Order made
<input type="checkbox"/> in the terms requested in paragraphs _____ of Part 1 of this notice of application
<input type="checkbox"/> with the following variations and additional terms:

Date: _____
Signature of _____
<input type="checkbox"/> Judge <input type="checkbox"/> Master

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

[Check the box(es) below for the application type(s) included in this application.]

- document discovery
- oral examination for discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders
- experts

SCHEDULE "A"

**No. S-126583
Vancouver Registry**

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SERVICE LIST

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SCHEDULE "B"

No. S126583
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ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE) MONDAY, THE 14th DAY
MADAM JUSTICE FITZPATRICK) OF JANUARY, 2013

THE APPLICATION of the Petitioner coming on for hearing at Vancouver, British Columbia, on the 14th day of January, 2013; AND ON HEARING Peter J. Reardon, counsel for the Petitioner, and those other counsel listed on **Schedule "A"** hereto;

THIS COURT ORDERS THAT:

STAY OF PROCEEDINGS

1. The stay of proceedings and relief granted to the Petitioner in the initial order pronounced by this Court on September 19, 2012 (the "**Initial Order**"), as amended by the Orders pronounced by this Court on September 27, 2012 and October 16, 2012, and as extended by the Orders pronounced by this Court on October 16, October 25, 2012, November 6,

2012, November 16, 2012 and December 11, 2012 be extended to 11:59 p.m. on Thursday, April 25, 2013.

AMENDMENT TO DIP FINANCING

2. The term sheet (“the “**DIP Amending Term Sheet**”) for the amendment to the existing DIP Loan Facility (as defined in the Initial Order) substantially in the form attached as Exhibit “A” to the 2nd Affidavit of Peter D. Gibson sworn January 10, 2013 is hereby approved. The Petitioner is authorized and empowered to enter into amendments and any other documentation relating to the Definitive Documents (as defined in the Initial Order) that are necessary or desirable to give effect to the terms and conditions of the DIP Amending Term Sheet (the “**Definitive Document Amendments**”). The Petitioner and the DIP Lenders may make further amendments to the Definitive Documents with the consent of the Monitor and in consultation with the Certain Holders of the Petitioner's Senior Unsecured Convertible Debentures; provided, however, that no amendments to increase the maximum amount of the DIP Credit Facility may be made without further order of the Court.
3. Paragraph 35 of the Initial Order is hereby amended by replacing the reference to the amount of “\$35,000,000” with “USD\$51,000,000”.
4. All references in the Initial Order to the defined terms:
 - (a) Term Sheet” shall include the DIP Amending Term Sheet; and
 - (b) “DIP Loan Facility”, “DIP Credit Agreement” and “Definitive Documents” shall refer to such DIP Loan Facility, DIP Credit Agreement and Definitive Documents as amended by each and every Definitive Document Amendment as and when such amendments are executed by the applicable parties.
5. For greater certainty, the DIP Lenders and the DIP Credit Facility and all obligations outstanding there under shall, notwithstanding, and as amended by, the amendments made thereto in accordance with this Order, enjoy all of the protections and priorities

relative to the DIP Credit Facility, the DIP Charge, the Definitive Documents set out in the Initial Order (as amended hereby).

EXISTING HOLLISTER FACILITY

6. The term sheet (“the “**Hollister Amending Term Sheet**”) for the amendment to the Existing Hollister Credit Facility as defined in the 1st Affidavit of Peter D. Gibson sworn January 9, 2013 (the “**1st Gibson Affidavit**”) substantially in the form attached as Exhibit “B” to the 2nd Affidavit of Peter D. Gibson sworn January 10, 2013 is hereby approved. The Petitioner is authorized and empowered to enter into all guarantees and amendments and any other documentation relating to the Existing Hollister Credit Facility that is necessary or desirable to give effect to the terms and conditions of the Hollister Amending Term Sheet.
7. Notwithstanding paragraph 10(c) of the Initial Order, the Petitioner is authorized to guarantee the additional obligations of Rodeo Creek Gold Inc. (“**Rodeo**”) and Antler Peak Gold Inc. (“**Antler**”) and together with Rodeo, the “**Hollister Borrowers**”) incurred pursuant to the terms of the Hollister Amending Term Sheet and to cause Great Basin Gold Inc., Hollister Venture Corporation Inc. and Touchstone Resources Company Inc. (collectively, with the Petitioner, the “**Hollister Guarantors**”) to enter into all documents necessary or desirable to give effect to the terms and conditions of the Hollister Amending Term Sheet. The Petitioner is further hereby authorized and empowered to execute and deliver such guarantees and other documents as are contemplated by the Hollister Amending Term Sheet.

SHANTA AND SHIELD ASSETS

8. The Restructuring Agreement (as defined in the 1st Gibson Affidavit) attached to as Exhibit “E” to the 1st Gibson Affidavit and all transactions and ancillary documents contemplated thereby (the “**Transactions**”) are hereby approved, and the execution of the Restructuring Agreement by the Petitioner is hereby authorized and approved, with such minor amendments as the Petitioner and the purchaser may deem necessary. The

Petitioner is hereby authorized to, and to cause its wholly owned subsidiary GBG Rusaf Gold Ltd. to, take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction, including the conveyance of the Shanta Securities, Boulder Shares and other interests to the purchaser and completing the follow-on transactions contemplated there under. Subject to the conditions set out in the Restructuring Agreement the Petitioner is authorised to complete the alternative transaction contemplated by Section 4 of the Restructuring Agreement without further order of the Court.

9. Approval as to form of this Order other than counsel for the Petitioner is dispensed with.

Signature of Peter J. Reardon
Counsel for the Petitioner

BY THE COURT

REGISTRAR

Schedule "A"

(List of Counsel)

COUNSEL	APPEARING FOR:
Peter J. Reardon	Great Basin Gold Ltd.
Peter Rubin	Credit Suisse AG
John I. McLean, Q.C.	KPMG Inc.
John Sandrelli and Cindy Cheuk	Certain Holders of the Petitioner's Senior Unsecured Convertible Debentures