

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.

SUPPLEMENT TO THE TENTH REPORT OF THE MONITOR,
KPMG INC.

Table of Contents

PURPOSE OF THE MONITOR’S SUPPLEMENTAL REPORT	1
RESTRICTIONS ON THE USE OF THIS REPORT	1
UPDATE ON GBGL’S TANZANIAN ASSETS.....	2
MONITOR’S OBSERVATIONS AND CONCLUSIONS	3

1.0 PURPOSE OF THE MONITOR'S SUPPLEMENTAL REPORT

1.1 The purpose of this supplement to the tenth report of the Monitor dated June 26, 2013 (the "**Supplemental Report**") is to provide this Honourable Court with the following additional information:

- a) An update on GBGL's Tanzanian Assets, including an agreement by GBG Rusaf Gold Limited ("**GBG Rusaf**"), a subsidiary of GBGL to sell to Frimaka Investments Ltd. ("**Frimaka**"), the Company's interest in the remaining Tanzanian Assets consisting of early stage prospecting licenses (i) throughout the Lake Victoria Goldfields in north west Tanzania – certain of which are subject to a 80:20 joint venture with Barrick Africa, and (ii) in south west Tanzania (collectively, the "**Remaining Tanzanian Assets**").

1.2 The First Report, the Second Report, the Third Report, the Fourth Report, the Fifth Report, the Sixth Report, the Seventh Report, the Supplement to the Seventh Report, the Eighth Report, the Ninth Report and the Tenth Report of the Monitor dated June 25, 2013 (the "**Tenth Report**") are referred to herein as the "**Monitor's Prior Reports**".

1.3 The Monitor's Prior Reports and 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**"). KPMG has not conducted an audit or a review, of any of the financial information of GBGL or its subsidiary and affiliate companies. Accordingly, unless otherwise stated, KPMG expresses no opinion and does not provide any other form of assurance on the accuracy of any such information, as provided by Senior Management and as contained in this report, or as otherwise used to prepare this report.

- 2.2 Capitalized terms not otherwise defined in this report are used herein as defined in the affidavit of Mr. Lourens Van Vuuren sworn September 19, 2012, which was filed with the Company's initial CCAA application, and the Monitor's Prior Reports.
- 2.3 References herein to the "**GBG Group**" are references to the consolidated group of GBGL entities.
- 2.4 Unless otherwise stated, all monetary amounts contained in this report are expressed in U.S. dollars.

3.0 UPDATE ON GBGL'S TANZANIAN ASSETS

- 3.1 As outlined in the Ninth and Tenth Report, The Company initiated a process in mid-2012 to sell all of its early stage exploration gold properties in Tanzania (such properties were more fully described in the Fourth and Sixth Reports). The Company was successful in selling certain Tanzanian assets in early 2013, but continues to own and administer through various subsidiary companies the Remaining Tanzanian Assets for which the Company continues to incur monthly operating costs in the range of \$75,000 to \$90,000.
- 3.2 On June 21, 2013 GBG Rusaf and Frimaka entered into a share and loans purchase agreement (the "**Purchase Agreement**") pursuant to which GBG Rusaf agreed, subject to Court approval, to sell all its legal and beneficial interest in the three Tanzanian companies, Reef Miners Ltd., Premier Resources Ltd. and Protocol Exploration, including all GBG Rusaf shareholder loans relating to these entities, which hold the Remaining Tanzanian Assets for \$150,000, (with expected net proceeds of \$140,000 - \$145,000,). The Purchase Agreement is attached as an appendix C to the Peter Gibson Affidavit sworn on June 25, 2013.
- 3.3 In accordance with the terms of the Purchase Agreement, on June 25, 2013, Frimaka remitted to McMillan the Purchase Price, which is to be held, in trust, until the sale transaction closes. The closing is expected to occur on the business day immediately following Court approval.

4.0 MONITOR'S OBSERVATIONS AND CONCLUSIONS

- 4.1 On account of the fact that the Remaining Tanzanian Assets have been for sale since mid-2012 and the continuing monthly operating costs associated with the Remaining Tanzanian Assets, the Monitor supports the Company's decision to enter into the Purchase Agreement with Frimaka.
- 4.2 The Monitor understands that the Existing Lenders and the Approved DIP lenders support the sale of the Remaining Tanzanian Assets in accordance with the terms of the Purchase Agreement.
- 4.3 The Monitor recommends that this Honourable Court approve the sale of the Remaining Tanzanian Assets as more fully described in the Purchase Agreement.

All of which is respectively submitted to this 27th day of June, 2013.

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



*Philip J. Reynolds
Senior Vice President*



*Anthony J. Tillman
Senior Vice President*