

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 Friday, June 28, 2013 at 9:00 a.m. for the order set out in Part 1 below.

Part 1: ORDER SOUGHT

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

Part 2: FACTUAL BASIS

1. The Initial Order was made in these proceedings on September 19, 2012 (the "Initial Order"). The Initial Order has been amended several times and the stay of proceedings extended by Orders pronounced October 16, 2012, November 6, 2012, December 11, 2012, January 14, 2013, April 24, 2013 and May 28, 2013.

2. The stay of proceedings currently in place expires on June 30, 2013.
3. The Hollister Property as defined in the Petition herein has been sold. There were insufficient funds from the sale of the Hollister Property to pay the secured charges against the Hollister Property and, therefore, no monies available to flow to the Petitioner herein.
4. While the Business Rescue Practitioner has received offers to purchase the Burnstone Property in South Africa, such a sale has not yet completed. However, it is unlikely that there will be sufficient funds to pay the secured lenders with charges on the Burnstone Property.
5. The parties have determined that there will be no Plan of Arrangement made to the creditors of Great Basin Gold Ltd. and, therefore, no reason for the CCAA proceeding to continue.
6. The Petitioner, Credit Suisse AG in its capacity as facility and security agent for the DIP Lenders (the "DIP Agent") and certain unaffiliated holders of the Petitioner's 8% senior unsecured convertible debentures (the "Noteholders") entered into a Term Sheet dated October 12, 2012 setting out a settlement among those parties (the "Settlement Term Sheet").
7. The Settlement Term Sheet was approved by this Honourable Court on October 16, 2012.
8. The Settlement Term Sheet provided that the Petitioner would pay all reasonable and documented legal fees, disbursements and related taxes of counsel for the Noteholders up to October 16, 2012 in the amount of \$700,000 and following October 16, 2012 in the maximum amount of \$125,000 per calendar month (the "Monthly Cap").
9. The Noteholders have incurred fees in excess of the Monthly Cap in the amount of \$675,000 (the "Additional Fees").
10. The Petitioner, the Noteholders and the DIP Agent agreed that the Petitioner will pay the Additional Fees. Payment is to be made as follows:
 - (a) \$300,000 from the first utilization under the Amended DIP Facility approved by this Honourable Court on January 14, 2013; and

(b) \$75,000 per calendar month commencing January 1, 2013.

11. An application was made by the Petitioner on January 21, 2013 for an order authorizing the payment of the further funds to counsel for the Noteholders. That application was adjourned by the Honourable Madam Justice Fitzpatrick and an Order was made that the funds be paid to the Monitor in trust pending further order of this Honourable Court.

12. It is now clear that there will be no funds available for the general creditors of Great Basin Gold Ltd.

Part 3: LEGAL BASIS

1. *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended.
2. The inherent jurisdiction of this Honourable Court.

Part 4: MATERIAL TO BE RELIED ON

1. Ninth Report of the Monitor filed May 28, 2013.
2. Tenth Report of the Monitor (to be filed).
3. 1st Affidavit of Megan Kane sworn June 24, 2013 in Supreme Court of British Columbia, Vancouver Registry No. S134749.
4. 4th Affidavit of Peter Gibson sworn June 25, 2013.

The application will be unopposed. The applicant estimates that the application will take one hour.

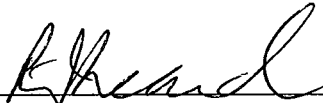
This matter is not within the jurisdiction of a master and is to be heard before Madam Justice Fitzpatrick, the CCAA Case Management Judge in these proceedings.

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: June 25, 2013



Signature of lawyer for the Petitioner

To be completed by the court only:

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

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. 126583
Vancouver Registry

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ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE)
MADAM JUSTICE FITZPATRICK)
FRIDAY, THE 28TH DAY
OF JUNE, 2013

ON THE APPLICATION of the Petitioner coming on for hearing at 800 Smithe Street, Vancouver, British Columbia on the 28th day of June, 2013, AND ON HEARING Peter Reardon, counsel for the Petitioner, and those counsel listed on Schedule "A";

THIS COURT ORDERS that:

SERVICE

1. The time for service of the Notice of Application herein be and is hereby abridged and that the Notice of Application is properly returnable today and service upon any interested party other than those parties on the CCAA service list is hereby dispensed with.

TERMINATION OF CCAA PROCEEDING

2. Except as provided herein, or as expressly provided in the Order of the Court appointing a receiver and manager in respect of the Petitioner made June 28, 2013 (the "**Receivership Order**"), the within proceedings (the "**CCAA Proceedings**") are concluded and, accordingly,

terminated and closed and the Petitioner is discharged and released from these CCAA Proceedings including any Orders made herein.

3. Notwithstanding the foregoing paragraph 2, nothing herein shall discharge or release the Petitioner from any of its obligations to the DIP Agent or the DIP Lenders under or in respect of the DIP Loan Facility or the Definitive Documents as defined in the Order of the Court dated September 19, 2012, as amended (the “**Initial Order**”).

4. Paragraphs 3, 4, 6(b) and (c), 7 to 13 inclusive and 15 to 22 inclusive of the Initial Order are hereby terminated and set aside.

DISCHARGE OF MONITOR & ALVAREZ & MARSAL CANADA ULC

5. The appointment of KPMG Inc. (“**KPMG**”) as the Monitor (the “**Monitor**”) pursuant to the Initial Order is hereby terminated and the Monitor is hereby discharged from any further obligations under the Initial Order.

6. The fees of the Monitor and the fees of its legal counsel as set out in the Monitor’s Tenth Report are approved.

7. KPMG has duly and properly discharged its duties, responsibilities and obligations as the Monitor and, subject to the terms of this Order, KPMG is discharged and released from any and all liability that KPMG now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of KPMG while acting in its capacity as Monitor or in respect of its conduct as the Monitor, pursuant to its appointment in accordance with the Initial Order, or otherwise, and all actions of KPMG from the date of its appointment under the Initial Order to the time of its discharge under this Order be and are hereby approved, ratified and sanctioned and KPMG shall incur no further liability under the Initial Order, or otherwise, provided that nothing herein shall relieve KPMG from any liability arising out of the gross negligence or willful misconduct on the part of KPMG in its capacity as Monitor.

8. Notwithstanding any provision of this Order, the Monitor shall continue to benefit from all protections afforded to it by this Court including, without limitation, paragraphs 28 to 31 of the Initial Order.

9. No action or other proceeding shall be commenced against the Monitor in any way arising from or related to its capacity or conduct as Monitor except with prior leave of this Court and on prior written notice to the Monitor.

10. Notwithstanding any provisions of this Order, the termination of the CCAA Proceedings and the discharge of the Monitor, the Monitor may carry out such functions and duties as may be incidental to the termination of the CCAA Proceedings and the transition to a receivership of the Petitioner pursuant to the Receivership Order. In carrying out such functions and duties, the Monitor shall continue to have the benefit of any and all protections granted in the CCAA Proceedings and nothing contained in this Order shall affect, vary, derogate from or amend any of the protections in favour of the Monitor, which protections shall continue to apply in the receivership proceedings, *mutatis mutandis*.

11. The engagement of Alvarez & Marsal Canada ULC (“A&M”) to provide executive services to the Petitioner, including the services of Ray Dombrowski as Chief Executive Officer and Peter Gibson as Chief Financial Officer of the Petitioner (the “**Executive Officers**”) pursuant to the Order of the Court made November 27, 2012 (the “**Engagement Order**”) is hereby terminated and A&M is hereby discharged from any further obligations under the Engagement Order, the A&M Engagement Letter as defined in the Engagement Order and any subsequent amendments or restatements of the Engagement Letter.

12. A&M and the Executive Officers have duly and properly discharged their duties, responsibilities and obligations and, subject to the terms of this Order, A&M and the Executive Officers are discharged and released from any and all liability in respect of any act done by A&M and the Executive Officers in their conduct as Executive Officers, pursuant to their appointment in accordance with the Engagement Order, or otherwise, and that all actions of A&M and the Executive Officers from the date of their appointment under the Engagement Order to the time of its discharge under this Order be and are hereby approved, ratified and sanctioned and that A&M and the Executive Officers shall incur no further liability under the Engagement Order, or otherwise, provided that nothing herein shall relieve A&M and the Executive Officers from any liability arising out of the gross negligence or willful misconduct on

the part of A&M and the Executive Officers pursuant to their appointment under the Engagement Order.

13. Notwithstanding any provision of this Order, A&M and the Executive Officers shall continue to benefit from all protections afforded to them by this Court including, without limitation, paragraph 4 of the Engagement Order.

14. No action or other proceeding shall be commenced against A&M and the Executive Officers in any way arising from or related to their capacity or conduct as Executive Officers except with prior leave of this Court and on prior written notice to A&M and the Executive Officers.

15. Notwithstanding any provisions of this Order, the termination of the CCAA Proceedings and the discharge of A&M and the Executive Officers, A&M and the Executive Officers may carry out such functions and duties (the “**Additional Functions**”) as may be incidental to the termination of the CCAA Proceedings and the transition to a receivership of the Petitioner pursuant to the Receivership Order. In carrying out the Additional Functions, A&M and the Executive Officers shall continue to have the benefit of any and all protections granted in the CCAA Proceedings and nothing contained in this Order shall affect, vary, derogate from or amend any of the protections in favour of A&M and the Executive Officers, which protections shall continue to apply in the receivership proceedings, *mutatis mutandis* and A&M and the Executive Officers shall not be performing the Additional Functions as Executive Officers but only as consultants to the Petitioner or to the receiver of the Petitioner appointed pursuant to the Receivership Order (the “**Receiver**”).

TRANSFER OF FUNDS

16. Further to the Order of this Court made herein dated January 21, 2013, the Monitor is hereby authorized and directed to pay the amount of \$675,000 to counsel for certain unaffiliated holders of the Petitioner’s senior unsecured convertible debentures (the “**Ad Hoc Group**”). Such payment shall be made forthwith to Dentons Canada LLP from the funds held by the Monitor pursuant to the Order of this Court dated January 21, 2013.

17. Following payment of the sum provided in paragraph 16 herein, the Monitor shall transfer any remaining amounts held by the Monitor to the Receiver, save and except for that amount as set out in the Monitor's Tenth Report on account of its outstanding and unpaid fees and disbursements to June 28, 2013, forthwith upon the:

- (a) appointment of the Receiver becoming effective as set out by the terms of the Receivership Order; and
- (b) Receiver providing the Monitor with wire transfer instructions for its bank account opened in connection with the Receivership Order.

18. Any party in receipt of retainer funds from the Petitioner shall pay to the Receiver any excess retainer funds after applying such retainer amounts to any fees and disbursements incurred up to and including June 28, 2013.

AMENDMENT OF ADMINISTRATION CHARGE

19. Upon the funding of the Administration Charge Reserve as set out in the Receivership Order, the Administration Charge is hereby reduced to a maximum amount of \$1,000,000 and shall be amended to only secure all amounts due to be paid to CIBC World Markets Inc. as financial advisor to the Debtor (the "**Financial Advisor**") pursuant to the Engagement Letter (as defined in the Order of the Court made October 25, 2012 (the "**FA Engagement Order**")) and the Administration Charge shall be discharged in accordance with paragraph 19 of the Receivership Order upon the Administration Charge Discharge Event (as defined in the Receivership Order).

20. Notwithstanding any provision of this Order, the Financial Advisor shall continue to benefit from all protections afforded to it by this Court including, without limitation, paragraphs 3 and 4 of the FA Engagement Order.

21. No action or other proceeding shall be commenced against the Financial Advisor in any way arising from or related to its capacity or conduct as Financial Advisor except with prior leave of this Court and on prior written notice to the Financial Advisor.

VALIDITY AND PRIORITY OF CHARGES

22. Notwithstanding any of the foregoing, the Administration Charge (as reduced and amended herein) Directors' Charge, the DIP Lenders' Charge and the Subordinate Financial Advisor Charge (collectively, the "**Charges**" and each a "**Charge**") shall, subject to the provisions of the Receivership Order, continue to attach to the Property, and shall, subject to the provisions of the Receivership Order, continue to rank in the priority relative to all other security interests, liens, charge and encumbrances affecting the Property, as set out in paragraph 42, as applicable, of the Initial Order.

23. Notwithstanding any of the foregoing, but subject to the Receivership Order, paragraphs 42 to 48 of the Initial Order, as applicable, shall continue to apply in respect of the Charges and remain in full force and effect.

DISCHARGE OF THE KERP CHARGE

24. The KERP Charge (as defined in the Initial Order) is terminated and discharged and shall be released and deleted as a charge against the Property effective as of granting of this Order.

GENERAL

25. Any and all administrative matters relating to the CCAA Proceedings, which arise following the termination of the CCAA Proceedings and the effective date of the appointment of the Receiver as set out in the Receivership Order, may be brought before the Court for determination, advice and direction. All such matters may be simultaneously brought before the Court in the CCAA Proceedings and the receivership proceedings.

26. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to assist the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order to assist the Receiver and its agents in carrying out the terms of this Order.

27. Endorsement of this Order by counsel appearing on this application, other than counsel for the Petitioner, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of
 party lawyer for Petitioner
Peter Reardon

BY THE COURT

Registrar

Schedule "A"

List of Counsel

Name of Counsel	Party