

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

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE) THURSDAY, THE 25th DAY
)
MADAM JUSTICE FITZPATRICK) OF OCTOBER, 2012

THE APPLICATION of the Petitioner coming on for hearing at Vancouver, British Columbia, on the 25th day of October, 2012; AND ON HEARING Peter J. Reardon and Jennifer Cockbill, counsel for the Petitioners, and those other counsel listed on **Schedule "A"** hereto;

THIS COURT ORDERS THAT:

1. Notwithstanding any provision of the Initial Order pronounced herein on September 19, 2012 (the "**Initial Order**"), the engagement of CIBC World Markets Inc. as financial advisor to the Petitioner (the "**Financial Advisor**") pursuant to the engagement letter dated October 16, 2012 among the Financial Advisor, the Petitioner, Great Basin Gold Inc., Rodeo Creek Gold Inc., and Antler Creek Gold Inc. (the "**Engagement Letter**") attached as Exhibit "A" to the Affidavit #6 of Susan Taylor, sworn October 25, 2012 is hereby approved. The Petitioner is

authorized and directed to carry out and perform its obligations thereunder, including payment of amounts due to be paid pursuant to the terms of the Engagement Letter, including, but not limited to, any fee under the Engagement Letter to be paid upon a Sale Transaction or a Restructuring Transaction as defined in the Engagement Letter, and the Engagement Letter shall be binding on the Petitioner.

2. Capitalized terms used but not otherwise defined herein shall have the same meaning ascribed to them in the Initial Order.

3. All claims of the Financial Advisor pursuant to the Engagement Letter are not claims that may be compromised pursuant to, and shall be treated as an unaffected claim in, any plan of compromise or arrangement under the CCAA, any proposal under the BIA or any other restructuring and no such plan, proposal or restructuring shall be approved that does not provide for the payment of all amounts due to the Financial Advisor pursuant to the terms of the Engagement Letter.

4. The Financial Advisor, its affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind, to any person in connection with or as a result of either its engagement by the Petitioner as Financial Advisor or any matter referred to in the Engagement Letter except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct of the Financial Advisor in performing its obligations under the Engagement Letter.

5. The Financial Advisor shall be a beneficiary of the Administration Charge over the Petitioner's property and its share of the Administration Charge shall be in the maximum amount of \$1 million as security for all amounts due to be paid to the Financial Advisor pursuant to the Engagement Letter. For greater certainty, if there are insufficient assets to satisfy all claims of the beneficiaries of the Administration Charge, the Financial Advisor will be entitled to its pro rata share of the assets secured by the Administration Charge, which pro rata share shall be calculated by dividing \$1 million by the total amount of the Administration Charge. The Monitor and counsel for the Monitor will be entitled to their pro rata share of the

assets secured by the Administration Charge, which pro rata share shall be calculated by dividing \$400,000 by the total amount of the Administration Charge.

6. The aggregate amount of the Administration Charge is hereby increased from \$2,462,500.00 to \$2,712,500.

7. The Financial Advisor is hereby granted a further charge (the “**Subordinate Financial Advisor Charge**”) over all of the Property as security for any and all amounts due to be paid to Financial Advisor pursuant to the Engagement Letter.

8. Paragraph 42 of the Initial Order is deleted and the following paragraph is substituted in its place:

“The priorities of the Administration Charge, the DIP Lenders’ Charge, the Directors’ Charge, the KERP Charge (as that term is defined in the Order pronounced herein on October 16, 2012) and the Subordinate Financial Advisor Charge, as among them, shall be as follows:

First - Administration Charge (to the aggregate maximum amount of \$2,712,500.00);

Second - Directors’ Charge (to the maximum of \$500,000);

Third - DIP Lenders’ Charge;

Fourth - KERP Charge; and

Fifth - Subordinate Financial Advisor Charge.”

9. Paragraph 43 of the Initial Order is deleted and the following paragraph is substituted in its place:

“Any security documentation evidencing, or the filing, registration or perfection of, the Administration Charge, the DIP Lenders’ Charge, the Directors’ Charge and the Subordinate Financial Advisor Charge (collectively, the “Charges”) shall not be required, and that Charges shall be effective as against the Property and shall be valid

and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Charges coming into existence, notwithstanding any failure to file, register or perfect any such Charges”.

10. The Subordinate Financial Advisor Charge shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and the Subordinate Financial Advisors Charge shall, subject to the priorities set out in paragraph 8 hereof, rank in priority to all other Encumbrance in favour of any Person with the exception of the Permitted Priority Claims.

11. The Subordinate Financial Advisor Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Subordinate Financial Advisor Charge shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statute; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any Agreement which binds the Petitioner; and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Subordinate Financial Advisor Charge nor the execution, delivery, perfection, registration or performance of any documents ancillary thereto shall create or be deemed to constitute a breach by the Petitioner of any Agreement to which it is a party;
- (b) the Financial Advisor shall have no liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Subordinate Financial Advisors Charge; and
- (c) the payments made by the Petitioner pursuant to this Order and the granting of the Subordinate Financial Advisor Charge does not and will not constitute

preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

12. Notwithstanding any provision of this Order, the Ad Hoc Group of Convertible Debenture Holders shall be at liberty to apply, on or before November 30, 2012, to set aside or vary this Order if the settlement (the "**Settlement**") approved by the Order of this Court pronounced on October 16, 2012 fails to complete. No order made on such application ("**Variation Order**") or otherwise shall vary the rights and protections provided to the Financial Advisor pursuant to the Engagement Letter or this Order for the payment of the Work Fee and the Indemnity, including paragraph 4 hereof, for facts, events and circumstances relating to the period prior to the date of the Variation Order. Subject to the preceding sentence, any such application will be heard on a *de novo* basis.

13. This Order is subject to provisional execution and if any of the provisions of this Order in connection with the Engagement Letter, the Financial Advisor's entitlement to the benefit of the Administrative Charge, or the Subordinate Financial Advisor Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "Variation") whether by subsequent Order of this Court or on or pending an appeal from this Order, such Variation shall not in any way impair, limit or lessen the protections, rights or remedies of the Financial Advisor, whether under this Order (as made prior to the Variation) or under the Engagement Letter, with respect to any services provided by or monies paid to the Financial Advisor prior to the Financial Advisors being given notice of the Variation and the Financial Advisor shall be entitled to rely on this Order as issued for all services provided by and monies paid to the Financial Advisor. Notwithstanding anything contained herein, ~~no order shall be made varying, rescinding, or otherwise affecting the provisions of this Order with respect to the Engagement Letter, the Financial Advisor's entitlement to the benefit of the Administrative Charge, or the Subordinate Financial Advisor Charge after the Settlement has completed~~

no person may apply for a Variation Order after the Settlement has completed.

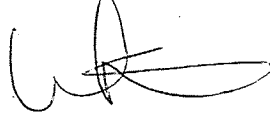
*JK
PK*

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

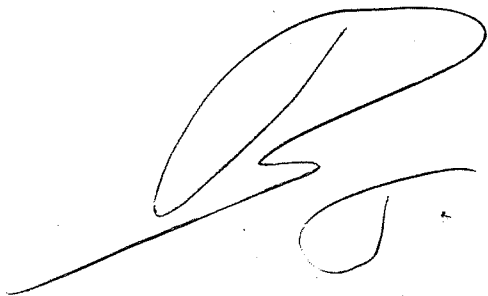


Signature of Peter J. Reardon
Counsel for the Petitioner

BY THE COURT



REGISTRAR



Schedule "A"

(List of Counsel)

COUNSEL	APPEARING FOR:
Peter J. Reardon and Jennifer Cockbill	Great Basin Gold Ltd.
John Sandrelli	Ad Hoc Group of Convertible Debentureholders
John I. McLean, Q.C.	KPMG Inc.
Peter Rubin	Credit Suisse AG