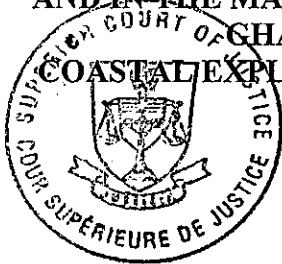


**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MR.) THURSDAY, THE 9TH
)
JUSTICE FRANK NEWBOULD) DAY OF MAY, 2013

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c.C-36 AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
GHANA GOLD CORPORATION, GHANA GOLD INC.,
COASTAL EXPLORATIONS LIMITED and ABURI GOLDFIELDS GHANA LTD.**



(the "Applicants")

INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of A. Thomas Griffis sworn May 8, 2013 and the Exhibits thereto (the "**Griffis Affidavit**"), the Pre-Filing Report of Ernst & Young Inc. ("**EYI**") in its capacity as proposed Monitor of the Applicants (the "**Proposed Monitor**") dated May 8, 2013 (the "**Pre-Filing Report**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, the Proposed Monitor, FCMI Parent Co. ("**FCMI**") and FCMI Financial Corporation (the "**DIP Lender**"), no one else appearing although duly served as

appears from the affidavit of service of Roxana G. Manea sworn May 8, 2013 and on reading the Consent of EYI to act as the Monitor,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application, the Application Record and the Pre-Filing Report is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and Property. The Applicants shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or

employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Griffis Affidavit, or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges; and
- (c) amounts owing for goods and services supplied to the Applicants' mining operations in Ghana if, in the opinion of the Applicants, in consultation with the Monitor, such payments are necessary to ensure uninterrupted and ongoing operations.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

8. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in

respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord(s) from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

11. **THIS COURT ORDERS** that the Applicants are hereby authorized to continue to make principal payments to FCMI in respect of the indebtedness of the Applicants owing to FCMI in accordance with the Secured Convertible Grid Promissory Note between FCMI and the Applicants dated October 28, 2011.

RESTRUCTURING

12. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations, and to dispose of redundant or non-material assets not exceeding \$25,000 in any one transaction or \$100,000 in the aggregate;
- (b) make capital expenditures not exceeding \$35,000 in any one transaction, provided however that any capital expenditure exceeding \$35,000 shall only be made with the prior with consent of the Monitor and Zeifman Partners Inc. ("**Zeifman**"), as financial advisor to the DIP Lender and FCMI;

- (c) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and
- (d) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

13. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords and the Monitor with notice of the Applicants’ intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants’ entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants’ claim to the fixtures in dispute.

14. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer,

the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

SALE AND INVESTMENT SOLICITATION PROCESS

15. **THIS COURT ORDERS** that the Sale and Investment Solicitation Process (the "SISP"), attached as **Schedule "A"** to this Order, be and is hereby approved.

16. **THIS COURT ORDERS** that the Applicants and the Monitor be and are hereby authorized and directed to perform their obligations under and take such steps as they consider necessary or desirable in carrying out the SISP.

17. **THIS COURT ORDERS** that the Monitor, to the extent it assists with the SISP, shall have no personal or corporate liability in connection with the SISP, including, without limitation:

- (a) by advertising the SISP, including, without limitation, the opportunity to invest by way of equity or debt in the Business of the Applicants or acquire all or a portion of the Property;
- (b) by exposing the Property to any and all parties, including, but not limited to, those parties who have made their interests known to the Monitor;

- (c) by responding to any and all requests or inquiries regarding to due diligence conducted in respect of the Applicants or the Property;
- (d) through the disclosure of any and all information regarding the Applicants or the Property arising from, incidental to or in connection with the SISP;
- (e) pursuant to any and all offers received by the Applicants in accordance with the SISP; and
- (f) pursuant to any agreements entered into by any of the Applicants in respect of the investment in or financing of the Business or the sale of any of the Property.

18. **THIS COURT ORDERS** that, in connection with the SISP and pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Applicants and the Monitor are authorized and permitted to disclose personal information of identifiable individuals to prospective investors, financiers, purchasers or offerors and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more investment, finance or sale transactions (each, a “**Transaction**”). Each prospective investor, financier, purchaser, or offeror to whom such information is disclosed shall maintain and protect the privacy of such information and shall limit the use of such information to its evaluation of the Transaction, and if it does not complete a Transaction, shall: (i) return all such information to the Applicants or the Monitor, as applicable; (ii) destroy all such information; or (iii) in the case of such information that is electronically stored, destroy all such information to the extent it is reasonably practical to do so. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the

Applicant, and shall return all other personal information to the Applicants or the Monitor, as applicable, or ensure that all other personal information is destroyed.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

19. **THIS COURT ORDERS** that, until and including June 8, 2013, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

20. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

21. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

22. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

23. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or

licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

24. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

25. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings that arise after the date hereof or are otherwise referable to the period after the date hereof, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

26. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the

Property, which charge shall not exceed an aggregate amount of \$50,000, as security for the indemnity provided in paragraph 25 of this Order. The Directors' Charge shall have the priority set out in paragraphs 43 and 45 herein.

27. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 25 of this Order.

APPOINTMENT OF MONITOR

28. **THIS COURT ORDERS** that EYI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

29. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;

- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender, Zeifman and its counsel on a weekly basis of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including, without limitation, reporting on a basis to be agreed with the DIP Lender, which shall include a cash flow forecast, along with a summary of any material variations from the previous week's forecast;
- (d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender, Zeifman and its counsel on a periodic basis, but not less than weekly, or as otherwise agreed to by the DIP Lender;
- (e) advise the Applicants in their development of the Plan and any amendments to the Plan;
- (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of

the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

30. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

31. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable

Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

32. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

33. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

34. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a weekly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor and counsel to the Applicants, retainers in the amounts of

\$10,000 and \$50,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time

35. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

36. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, if any, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$250,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 43 and 45 hereof.

DIP FINANCING

37. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from the DIP Lender to be used for the purpose set in the DIP Term Sheet (as defined below), provided that borrowings under such credit facility shall not exceed \$750,000.00 unless permitted by further Order of this Court.

38. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the DIP Term Sheet between the Applicant and the DIP Lender dated as of May 8, 2013 (the "**DIP Term Sheet**"), filed.

39. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**Definitive Documents**”), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, expenses (including reasonable legal fees), liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

40. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, which DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs 43 and 45 hereof.

41. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender’s Charge, the DIP Lender, upon 3 business days notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Term Sheet, Definitive Documents and the DIP Lender’s Charge, including without limitation,

to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

42. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by the Applicant under the Bankruptcy and Insolvency Act of Canada (the "BIA"), with respect to any advances made under the DIP Term Sheet or the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

43. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administration Charge and the DIP Lender's Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$250,000);

Second – DIP Lender's Charge; and

Third – Directors’ Charge (to the maximum amount of \$50,000).

44. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

45. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.

46. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Directors’ Charge and the Administration Charge, or further Order of this Court.

47. **THIS COURT ORDERS** that the Charges, the DIP Term Sheet and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) and/or the DIP Lender thereunder 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 statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which they are parties;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the DIP Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable, reviewable, void or voidable transactions under any applicable law.

48. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants’ interest in such real property leases.

SERVICE AND NOTICE

49. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in The Globe & Mail a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor in Canada, who has a claim against the Applicants of more than \$1,000, other than employees, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

50. **THIS COURT ORDERS** that the Applicants and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

51. **THIS COURT ORDERS** that the Applicants, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at www.ey.com/ca/ggc.

GENERAL

52. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

53. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

54. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, British Virgin Islands or Ghana to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

55. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

56. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

57. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order; and for greater certainty, that the DIP Lender shall be entitled to rely on this Order as issued for all advances made under the DIP Term Sheet and the Definitive Documents up to and including the date this Order may be varied or amended by this Court.

58. **THIS COURT ORDERS** that, notwithstanding paragraph 57 of this Order, no order shall be made varying, rescinding or otherwise affecting the priorities of this Order with respect to the Charges, the DIP Term Sheet or the Definitive Documents, unless notice of a motion is served on the Monitor, the Applicants and the DIP Lender, returnable no later than May 17, 2013 or except with the written consent of the Applicants, the Monitor and the DIP Lender.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.: 



MAY 09 2013

SCHEDULE "A"

Sale and Investment Solicitation Process Summary

Purpose

1. The purpose of the Sale and Investment Solicitation Process ("**SISP**") is to identify one or more financiers or purchasers of and investors in the Applicants' business with a projected completion date of a transaction or transactions by the end of July, 2013.

Defined Terms

2. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Order granted by the Ontario Superior Court of Justice (the "**Court**") on May 9, 2013 (the "**Initial Order**") in respect of the Applicants' proceedings commenced under the CCAA.

SISP Procedures

3. The Applicants, with the assistance of the Monitor (collectively, the "**SISP Team**"), will compile a listing of prospective financiers, investors and purchasers ("**Interested Parties**"). The SISP Team will make best efforts to contact all parties identified in the list as well as any additional parties that the SISP Team believes could be a potential financier, investor or purchaser.
4. The Applicants, with the oversight of the Monitor (who will monitor the process), will conduct a financing, investor and sale solicitation process whereby Interested Parties will have the opportunity to submit a offer to finance the Applicants, to purchase some or all of the Applicants' Property or to make an investment in the Applicants.
5. The SISP Team will determine whether the SISP should include newspaper or other advertising directed at Interested Parties and, if so determined, shall cause a notice of the SISP to be published by May 14, 2013.
6. As soon as possible after the date of the Initial Order, the SISP Team will distribute to

Interested Parties an interest solicitation letter detailing this opportunity. A form of confidentiality agreement (“CA”) will be attached to the interest solicitation letter that Interested Persons will be required to sign in order to gain access to confidential information and to commence performing due diligence (each Interested Party who signs a CA being referred to herein as, a “**Prospective Offeror**”). Those parties who have already executed a confidentiality agreement with the Applicants (also a “CA” for the purposes hereof) may not be required to execute a new confidentiality agreement. All CAs shall enure to the benefit of any purchaser of the Applicants’ business.

7. The Applicants, with the oversight of the Monitor, may provide an investment overview document to each Prospective Offeror. The document will provide an overview of the Applicants’ business, assets and prospects that may be of interest to prospective buyers or investors.
8. A chart summarizing the important dates for the SISP is set out below:

Sale and Investment Solicitation Process	Date
Court Approval of SISP	May 9, 2013
Publish Advertisement	May 14, 2013
Marketing to Interested Parties	May 9 to June 11, 2013
Submission of Letters of Intent	Anytime up to June 11, 2013
Qualifying Offerors	Within 2 Business Days of receipt of Letter of Intent and no later than June 13, 2013
Access to on-line data room and site visits	Immediately upon becoming a Qualified Offeror to date of Submission of Binding Offer
Offer Deadline	July 15, 2013
Clarification of offers and re-bidding, if applicable	between July 15 and July 31, 2013
Execution of Binding Agreement (Financing Agreement, APA, etc.)	between July 15 and July 31, 2013
Court approval of Transaction(s)	between July 15 and July 31, 2013
Closing(s)	July 31, 2013

9. At any time during the SISP, the Monitor may, upon reasonable prior notice to the Applicants, apply to the Court for advice and directions with respect to the discharge of its power and duties hereunder.
10. The Applicants shall have the ability to apply to Court at any time to modify the timelines set out herein and/or terminate the SISP if the Applicants, in consultation with the Monitor, if they are of the view that a transaction involving a refinancing or investment can be concluded on an expedited timeline.

Non-Binding LOIs

11. In order for a Prospective Offeror to participate in the SISP, the Applicants and the Monitor must receive from such Prospective Offeror a non-binding letter of intent (“LOI”) anytime on or before noon Toronto Time on June 11, 2013, which LOI shall include:
 - (a) an indication of the proposed financing, investment terms or purchase price;
 - (b) any anticipated regulatory and other approvals required to close the proposed transaction and the anticipated time frame and any anticipated impediments for obtaining any such approvals;
 - (c) a timeline to closing with critical milestones; and
 - (d) such other information reasonably requested by the Applicants, in consultation with the Monitor.
12. In addition, in order to be considered by the Applicants, in consultation with the Monitor, an LOI must be accompanied by such form of financial disclosure and credit-quality support or enhancement that will allow the Applicants to make a reasonable determination as the Prospective Offeror’s financial and other capabilities to consummate the proposed transaction.
13. The Applicants, with the assistance of Monitor, will evaluate the LOIs based on, among

other things, the ability of a Prospective Offeror to complete due diligence and conclude a transaction within the time frame set out herein.

Identification of Qualified Offeror(s)

14. The Applicants, with the assistance of the Monitor, shall consider each of the LOIs and determine whether to pursue a transaction on the terms set out in any of the LOIs. Any Prospective Offeror(s) deemed to be a qualified offeror(s) will be advised by the Monitor on behalf of the Applicants within two Business Days of receipt and in any event on or before June 13, 2013 (the “**Qualified Offeror**”), and will thereafter be provided with access to additional information on the business and the Property, including access to an online data room and an opportunity to meet with senior management of the Applicants in order to permit the Qualified Offeror(s) to complete their due diligence.

Submissions of Offers

15. The offer procedure (the “**Offer Procedure**”) is as follows:
 - (a) all offers for financing, investment and purchase must be submitted in writing to the Monitor and received on or before noon Toronto time on July 15, 2013 (the “**Offer Deadline**”);
 - (b) each Qualified Offeror must submit, before the Offer Deadline, an offer including the identification of the Qualified Offeror, evidence of corporate authority and proof of such Qualified Offeror’s financial ability to perform the proposed transaction to the satisfaction of the Applicants and the Monitor acting reasonably; and
 - (c) an offer should, among other things, be in the form of a binding offer capable of acceptance, irrevocable for a period of 15 Business Days, and in the case of a sale transaction, be accompanied by a refundable cash deposit in the form of a wire transfer (to a bank account specified by the Monitor) or such other form of deposit as is acceptable to the Monitor, payable to the order of the Monitor, in trust (the “**Deposit**”), in an amount equal to at least 10% of the purchase price contemplated

therein (each offer submitted in accordance with these offer procedures is a “**Qualified Offer**”).

Qualified Offers

16. An offer will be considered a “**Qualified Offer**” only if (i) it is submitted by a Qualified Offeror on or before the Offer Deadline, (ii) the requirements of the immediately preceding paragraph are complied with to the satisfaction of the Applicants and the Monitor, and (iii) the offer complies with, among other things, the following requirements:
- (a) it includes a letter stating that the offer is irrevocable and open for acceptance until at least 4:00 p.m. Toronto time on July 31, 2013;
 - (b) it includes proof of financial ability to close the transaction, and shall not be conditional upon financing;
 - (c) in the case of a proposed purchase of the Applicants’ Property, it includes the following: an acknowledgement and representation that the offeror: (a) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid; and (b) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the purchase and sale agreement;
 - (d) in the case of an investment in the Applicants’ business, it includes the following: an acknowledgement and representation that the offeror: (a) has relied solely upon its own independent review, investigation and/or inspection of any documents in making its bid; and (b) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the business of the

Applicants or the completeness of any information provided in connection therewith, except as expressly stated in the investment agreement;

- (e) it states any conditions to closing; and
- (f) it is, in the reasonable opinion of the Monitor and the Applicants, likely to close on or prior to July 31, 2013 ("**Closing Date**") or such other date as the Monitor deems reasonable in the circumstances.

17. Each Qualified Offer will be considered by the Applicants with the assistance of the Monitor. The Monitor, in consultation and working with the Applicants, may seek clarifications with respect to any Qualified Offers.

Post-Offer Procedure

18. If one or more Qualified Offers are received, the Applicants, in consultation with the Monitor, may choose to:

- (a) accept one (or more if for distinct transactions) Qualified Offer(s) (the "**Successful Offer**" and the Qualified Offeror(s) making the Successful Offer(s) being the "**Successful Offeror**") and take such steps as are necessary to finalize and complete an agreement for the Successful Offer(s) with the Successful Offeror(s); or
- (b) continue negotiations with a selected number of Qualified Offerors (collectively, "**Selected Offerors**") with a view to finalizing an agreement with one of the Selected Offerors.

19. The Applicants shall be under no obligation to accept the highest or best offer or any offer and the selection of the Selected Offers and the Successful Offer(s) shall be entirely in the discretion of the Applicants, after consultation with the Monitor.

Other Terms

20. All Deposits will be retained by the Monitor and invested in an interest bearing trust account. If there is a Successful Offer, the Deposit (plus accrued interest) paid by the

Successful Offeror whose bid is approved by the Court will be applied to the purchase price to be paid by the Successful Offeror upon closing of the approved transaction and will be non-refundable. The Deposits (plus applicable interest) of Qualified Offerors not selected as the Successful Offeror will be returned to such offerors within 5 Business Days of the date upon which the Successful Offer is approved by the Court. If there is no Successful Offer, subject to the following paragraph, all Deposits (plus applicable interest) will be returned to the applicable Qualified Offerors within 5 Business Days of the date upon which the SISP is terminated in accordance with these procedures.

21. If a Successful Offeror breaches its obligations under the terms of the SISP, its Deposit shall be forfeited to the Applicants as liquidated damages and not as a penalty.
22. The Applicants will apply to the Court (the “**Approval Motion**”) for an order approving the Successful Offer(s) and authorizing the Applicants to enter into any and all necessary agreements with respect to the Successful Offer(s) and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Offer.
23. The Approval Motion will be held on a date to be scheduled by the Court upon application by the Applicants. The Approval Motion may be adjourned or rescheduled by the Applicants or the Monitor without further notice by an announcement of the adjourned date at the Approval Motion.
24. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Offer.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GHANA GOLD CORPORATION,
GHANA GOLD INC., COASTAL EXPLORATIONS LIMITED and ABURI GOLDFIELDS GHANA LTD.

Applicants

Court File No.: CV-13-10107-00CL

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

INITIAL ORDER

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