

Date: May 27, 2016

In the Matter of the Securities Legislation of  
Ontario, Alberta, Saskatchewan, Manitoba, British Columbia, Nova Scotia,  
Prince Edward Island, New Brunswick, Newfoundland, Québec and Yukon Territory (the **Jurisdictions**)

and

In the Matter of  
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of  
Hycroft Mining Corporation (the **Filer**)

### Decision

#### Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) to cease to be a reporting issuer (the **Relief Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

#### Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

#### Representations

This decision is based on the following facts represented by the Filer:

1. The Filer was incorporated under the laws of the state of Delaware on September 14, 2006 under the name "Allied Nevada Gold Corporation".
2. The Filer's registered office is located in the state of Delaware and its principal executive office is located in Reno, Nevada.
3. The Filer has no assets located in Canada, and all of its directors and executive officers are non-Canadians.
4. The Filer is a reporting issuer under the Legislation in each of the Jurisdictions but has terminated its reporting obligations in the United States pursuant to applicable US federal securities laws.
5. The Filer is not in default of any of its obligations under the Legislation except for the failure to file its annual audited financial statements, annual management's discussion and analysis and certification of annual filings for the year ended December 31, 2015 (collectively, the **2015 Annual Filings**).

6. In May 2007, the Filer commenced operations and began trading on the NYSE MKT and the Toronto Stock Exchange (**TSX**) under the symbol "ANV".
7. Market data regarding the trading volume and value of the shares of common stock of the Filer (the **ANV Shares**) on each of the TSX, NYSE MKT and alternative markets in the United States for the six months ended December 2, 2014, indicated approximately 90% of the total trading value and volume of the ANV Shares occurred in US markets.
8. On March 10, 2015 (the **Petition Date**), the Filer filed voluntary petitions (the **Petitions**) for relief under Chapter 11 of Title 11 of the United States Code and entered into a restructuring support agreement with: (i) certain holders, collectively owning or controlling in excess of 67%, of the outstanding C\$400 million principal amount of 8.75% senior unsecured notes of the Filer (the **ANV Notes**) issued on May 25, 2012; and (ii) the secured bank lenders under the Filer's credit facility existing at such time.
9. As a result of the filing of the Petitions on the Petition Date, the last day that the ANV Shares traded on both the NYSE MKT and TSX was March 9, 2015. The ANV Shares were subsequently delisted from the TSX and NYSE MKT on April 16, 2015 and May 12, 2015, respectively.
10. On March 12, 2015, the Company entered into a secured multiple draw debtor-in-possession credit agreement, authorizing the Filer to borrow an aggregate principal amount of up to US\$78 million (the **DIP Facility**) from the lenders from time-to-time party thereto (the **DIP Lenders**). The DIP Facility was repaid upon emergence from bankruptcy with the proceeds from the second lien convertible notes (the **Second Lien Convertible Notes**) of the Filer as described below.
11. On October 8, 2015, with the support of the Filer's debtholders and creditors (with 100% approval of those that voted), a Plan of Reorganization (the **Plan**) was approved by the United States Bankruptcy Court for the District of Delaware. In connection with the Plan, the Filer changed its name to "Hycroft Mining Corporation" to emphasize its focus on the development of its Hycroft gold and silver operation near Winnemucca, Nevada.
12. Effective October 22, 2015 (the **Restructuring Effective Date**), the Filer completed its financial restructuring process and emerged from bankruptcy. The Plan provided for, among other things:
  - (a) distribution of cash or cash equivalents and new first lien term loans to certain holders of secured claims;
  - (b) distribution of either new common stock (the **Hycroft Shares**) or cash or cash equivalents to certain holders of unsecured claims;
  - (c) distribution of new warrants (the **Hycroft Warrants**) to holders of ANV Shares; and
  - (d) issuance of Second Lien Convertible Notes to repay the DIP Lenders as the Filer's exit facility.
13. Upon the Restructuring Effective Date, all of the outstanding ANV Notes, ANV Shares, warrants and currency swap transactions of the Filer, among other things, were deemed automatically extinguished, cancelled and of no further force or effect.
14. One of the intended consequences of the United States bankruptcy proceedings was for the Filer to emerge as a privately held company without the attendant costs and public disclosure obligations of a publicly-held company. As such, on the Restructuring Effective Date, the Filer filed a Form 15 with the

SEC in order to formally terminate its registration obligations under applicable US federal securities laws. As a result, the Filer currently operates as a privately held company in the United States.

15. In connection with the Plan and to ensure that the Filer is not required to become, or inadvertently becomes obligated to be, a reporting entity in the United States, the Filer amended and restated its Certificate of Incorporation (the **US Corporate Charter**) to include certain restrictive transfer provisions and to bind and put all current and future stockholders on notice of those transfer restrictions, and entered into a Stockholders' Agreement with certain restrictive transfer provisions on the Restructuring Effective Date (the **Stockholders' Agreement**). Similar restrictive transfer provisions are included in the terms and conditions of the warrant agreement governing the Hycroft Warrants (the **Warrant Agreement**).
16. The US Corporate Charter, Stockholders' Agreement and Warrant Agreement contain restrictions on transfer of the Hycroft Shares, Hycroft Warrants and Second Lien Convertible Notes (collectively, the **Hycroft Securities**) and limits the maximum number of holders of record (within the meaning of Section 12(g) of the U.S. Securities Exchange Act of 1934, as amended (the **1934 Act**)) of Hycroft Securities to ensure the Filer is not, and does not become, subject to reporting obligations under applicable U.S. law.
17. Under the US Corporate Charter, Stockholders' Agreement and Warrant Agreement, transfers of Hycroft Securities are not permitted that would result in the Filer having in the aggregate 450 or more holders of record (as such term is understood for purposes of Section 12(g) of the 1934 Act) of Hycroft Securities. To the extent the transferor certifies to the Filer that the transferee is a "Qualified Institutional Buyer" (as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the **1933 Act**)) and "Accredited Investor" (as defined in Rule 501 under the 1933 Act), such transfer would be permitted so long as it would not result in the Filer having more than 1,900 or more holders of record of Hycroft Securities, and such transferee is not counted against the 450 figure described above.
18. The US Corporate Charter, Stockholders' Agreement, Warrant Agreement and the respective restrictions contained therein apply to all current and future holders of Hycroft Securities regardless of the manner in which such Hycroft Securities are or were acquired.
19. Pursuant to the Plan and subject to the limitations on the number of record holders of Hycroft Securities set forth in the US Corporate Charter, the Filer issued the currently outstanding Hycroft Shares to unsecured creditors, comprised of former holders of the ANV Notes and unsecured trade creditors. Based on the most recent information available to the Filer, including geographical reports and the shareholders register, as of February 2, 2016, there were 2,610,765 Hycroft Shares issued and outstanding, of which 279,483 Hycroft Shares were beneficially held by 752 Canadians. Therefore, approximately 10.7% of the total number of Hycroft Shares are held by Canadians and approximately 90.7% of the holders of Hycroft Shares are Canadians.
20. On the Restructuring Effective Date, the Filer entered into a first lien term loan credit agreement (the **First Lien Agreement**) with the Bank of Nova Scotia (and other lenders from time to time) for an aggregate amount of US\$126.7 million. The First Lien Agreement matures March 31, 2017. The repayment of the First Lien Agreement is guaranteed by all of the direct and indirect subsidiaries of the Filer and such guarantees are secured by liens on substantially all of the assets of the Filer.
21. On the Restructuring Effective Date, the Second Lien Convertible Notes were issued and the proceeds were used to repay the DIP Facility and to make certain other payments required under the Plan. The remaining proceeds after such payments were used for ongoing corporate needs. The

holders of the Second Lien Convertible Notes are comprised of a total of seven U.S. lenders (collectively, the **2L Lenders**). None of the 2L Lenders are Canadian. Approximately 78.2% of the currently issued and outstanding Hycroft Shares are held by all of the 2L Lenders. On a fully diluted basis, the holders of the Second Lien Convertible Notes would own approximately 99% of the Hycroft Shares.

22. Among the 2L Lenders, three lenders together own approximately 79.7% of the Second Lien Convertible Notes and 52.4% of the outstanding Hycroft Shares. Each of these three lenders has a contractual right to appoint under the Stockholders' Agreement, and has appointed, a director to the Filer's five-member board of directors.
23. There is currently US\$122,399,063 in aggregate principal amount of the Filer's Second Lien Convertible Notes outstanding, which includes an additional US\$5,000,000 in aggregate principal amount of Second Lien Convertible Notes issued on March 31, 2016 and the issuance of an additional US\$4,424,063 principal amount of Second Lien Convertible Notes representing the payment-in-kind (PIK) interest due to the then existing holders of the Second Lien Convertible Notes for the first quarter of 2016. The Second Lien Convertible Notes are convertible at an initial conversion price of \$1.667, and are exchangeable into up to 73,439,438 Hycroft Shares, constituting a substantial majority of the Hycroft Shares with only 3,000,000 Hycroft Shares currently deemed to be outstanding or issuable under the Plan. The Second Lien Convertible Notes have a term of five years, maturing October 2020, and bear interest at a rate of 15% per annum, payable in kind (via the issuance of additional Second Lien Convertible Notes) on a quarterly basis. The Second Lien Convertible Notes are secured by all of the assets of the Filer on a second lien basis (ranking behind the First Lien Agreement).
24. In connection with the Plan, Hycroft Warrants were issued to previous holders of ANV Shares as of the Restructuring Effective Date. The Hycroft Warrants expire in October 2022, with each warrant exercisable for one Hycroft Share at an initial exercise price of \$8.40, subject to certain anti-dilution adjustments.
25. There are currently 12,727,273 Hycroft Warrants issued and outstanding subject to the limitations on the number of record holders of Hycroft Securities, including the Hycroft Warrants, set forth in the US Corporate Charter, of which, Hycroft Warrants are beneficially held by 2,565 Canadians. Based on the most recent information available to the Filer, including geographical reports and the shareholders register, as of February 2, 2016, approximately 7.2% of the Hycroft Warrants are beneficially held by Canadians and approximately 12.0% of the beneficial holders of Hycroft Warrants are Canadians.
26. The Hycroft Warrants are considerably "out-of-the-money" and are unlikely to become "in-the-money" based on the current value of Hycroft Shares and current prospects for the Filer. The Hycroft Warrants have no rights to financial information under the Stockholders' Agreement.
27. Holders of Hycroft Shares have notice rights afforded to them as stockholders under the Delaware General Corporation Law (**DGCL**) under which the Filer was incorporated and under which it currently operates. Under the DGCL, among other rights, a holder of Hycroft Shares is entitled to not less than 10 days nor more than 60 days notice of any action to be taken by the stockholders; provided, however, that in the event of a merger or consolidation under the DGCL, typically the minimum notice period is extended to 20 days prior to such action. The Stockholders' Agreement, to which all holders of Hycroft Shares are bound, provides Notice of Meeting requirements consistent with the applicable provisions of the DGCL. In the event of a change in control transaction in which a majority of the fully diluted common stockholders agree to such a "sale transaction" (as defined in the Stockholders' Agreement), all of the remaining holders of Hycroft Shares have already contractually agreed in the

Stockholders' Agreement to sell or transfer their Hycroft Shares and have provided an irrevocable voting proxy to secure their obligations under the Stockholders' Agreement.

28. Under the terms of the Warrant Agreement, the Filer will provide at least ten business days prior written notice to all holders of Hycroft Warrants of any "liquidity event" (as defined in the Warrant Agreement") (a **Liquidity Event Notice**). Following a Liquidity Event Notice, holders of Hycroft Warrants have a specified exercise period, which, subject to the expiration date of the Hycroft Warrants, is the later of either: (i) the date that is twenty business days after the Company delivers a Liquidity Event Notice and (ii) the date that is three Business Days prior to the date of consummation of such liquidity event.
29. No securities of the Filer, including debt securities, are traded in Canada, or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported. The Filer has no current intention to distribute any securities to the public in Canada, nor does it intend to seek financing by way of a public offering of its securities in Canada.
30. During the past 12 month period, the Filer has not taken any steps that indicate there is a market for its securities in Canada. No market for the Hycroft Securities exists in Canada and none is expected to develop.
31. The Filer will promptly issue a news release upon the granting of the Relief Sought specifying that the Filer is no longer a reporting issuer as of the date of the Relief Sought.
32. The Filer has provided an undertaking to the securities regulatory authority or regulator in each of the Jurisdictions that the Filer will apply for decision under the securities legislation of the Jurisdictions for an order that the Filer is a reporting issuer if: (a) the Filer becomes subject to an obligation to register a class of securities under section 12 of the 1934 Act, voluntarily applies for such registration or becomes subject to the obligation to file reports under section 15(d) of the 1934 Act; and (b) residents of Canada: (i) directly or indirectly beneficially own more than 2% of each class or series of outstanding securities (including debt securities) of the Filer worldwide, or (ii) directly or indirectly comprise more than 2% of the total number of security holders of the Filer worldwide.
33. The Filer acknowledges that, in granting the Relief Sought, the Decision Makers are not expressing any opinion or approval as to the terms of the Plan.
34. One of the intended consequences of the United States bankruptcy proceedings was for the Filer to emerge as a privately held company without the attendant costs and public disclosure obligations of a publicly-held company. In addition, under the Stockholders' Agreement, all owners or holders of Hycroft Shares and Second Lien Convertible Notes are required to maintain the confidentiality of all financial and other information regarding the Filer provided to them on the Filer's secure website, which will include audited annual financial statements and monthly unaudited interim financial statements prepared in accordance with US GAAP.
35. Each and every owner of Hycroft Shares and Hycroft Warrants either had actual knowledge or, based upon (i) the processes and procedures under the United States bankruptcy proceedings; (ii) public filings made by the Filer under United States and Canadian securities laws; and (iii) the express terms of the Stockholders' Agreement and the nature of the US Corporate Charter, was deemed to have full knowledge, that the securities of the Filer would not be publicly-traded following its emergence from bankruptcy. The forms of the Stockholders' Agreement and US Corporate Charter were attached as exhibits to the supplement to the Plan and were made publicly available on the

Filer's restructuring website maintained by the Filer's claims and noticing agent, Prime Clerk LLC (the **Prime Clerk Website**) and on EDGAR and SEDAR prior to the approval of the Plan by the stakeholders of the Filer.

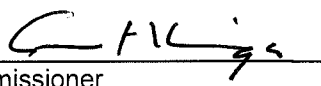
36. An Amended Disclosure Statement for the Debtors' Joint Chapter 11 Plan of Reorganization (the **Disclosure Statement**) was mailed to all former creditors and equity holders of the Filer in connection with approval of the Plan, and was also made publicly available on websites, including EDGAR, SEDAR and the Prime Clerk Website. The Disclosure Statement included detailed disclosure relating to the Plan and included a detailed section describing the risk factors associated with the Plan, including risks associated with ownership of the securities to be issued pursuant thereto. The current Canadian holders of Hycroft Shares and Hycroft Warrants were previously creditors or equity holders of the Filer and, as such, received copies of the Disclosure Statement and the Plan.
37. The current Canadian holders of Hycroft Shares elected to receive such Hycroft Shares in lieu of a cash payment as was available under the Plan, as described above. The Canadian holders of Hycroft Shares had direct knowledge or were deemed to have knowledge that the Filer would no longer be subject to U.S. securities laws and related disclosure obligations pursuant to the terms of the Plan and would not have had an expectation that the Filer was to remain a reporting issuer in Canada.
38. The Filer is neither eligible to use the simplified procedure nor the modified approach pursuant to CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer (Staff Notice 12-307)*. The Filer is not eligible to use the simplified procedure pursuant to Staff Notice 12-307 because: (a) the Hycroft Securities are not beneficially owned, directly or indirectly, by fewer than 51 security holders worldwide and fewer than 15 security holders in each of the Jurisdictions; (b) the Filer remains a reporting issuer in British Columbia and is not able to voluntarily surrender its reporting issuer status under British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* since the Filer is a reporting issuer with more than 50 security holders and (c) the Filer is in default of its obligations as a reporting issuer as a result of its failure to file the 2015 Annual Filings. The Filer is not eligible to use the modified approach pursuant to Staff Notice 12-307 because: (a) residents of Canada beneficially own, directly or indirectly, more than 2% of Hycroft Shares and Hycroft Warrants worldwide; (b) residents of Canada comprise more than 2% of the holders of Hycroft Shares and Hycroft Warrants worldwide; and (c) the Filer no longer files continuous disclosure reports under U.S. securities laws and the Hycroft Securities are not listed on a U.S. exchange or on another major foreign exchange.

### Decision

Each of the Decision Makers is satisfied that the decision meets the test contained in the Legislation for the Decision Makers to make the decision.

The decision of the Decision Makers under the Legislation is that the Relief Sought is granted.

  
Commissioner  
Ontario Securities Commission

  
Commissioner  
Ontario Securities Commission