

# Hycroft Mining Corporation Completes Financial Restructuring Process and Emerges from Chapter 11 with \$221.7 Million in Financing

22.10.2015 | [Marketwired](#)

RENO, Oct. 22, 2015 - [Hycroft Mining Corporation](#) (previously known as Allied Nevada Gold Corp. and referred to herein as "Hycroft Mining", "us", "we", "it" or the "Company") is pleased to announce that, effective October 22, 2015, it has completed its financial restructuring process and has emerged from Chapter 11. On October 8, 2015, with the support of the Company's debt holders and creditors, the Company's Plan of Reorganization (the "Plan") was approved by the United States Bankruptcy Court for the District of Delaware.

## Highlights of the Plan include:

- As a result of the financial restructuring, Hycroft Mining has eliminated approximately \$447.7 million of debt and related interest payments from its balance sheet.
- The Company closed two financings: a \$126.7 million First Lien Term Loan Credit Agreement ("Credit Agreement"); and \$95 million of Second Lien Convertible Notes ("Convertible Notes").
- The Credit Agreement proceeds were used to repay the Company's outstanding loan obligations related to its revolving credit agreement and the amounts owed under the Company's diesel and cross-currency swap arrangements.
- The proceeds from the issuance of the Convertible Notes were used to pay back the Company's debtor in possession financing facility and certain other payments required under the Company's Plan. The remaining proceeds after such payments will be used for ongoing corporate needs.
- As detailed in the Plan, the Company's existing unsecured notes and general unsecured claims have been canceled and holders of such claims received equity in the reorganized Company or cash in amounts negotiated by the major creditor groups. The Company has issued 3 million new common shares to its creditors, but does not plan to list the new common shares for public trading at this time or to remain as a reporting company with the United States Securities and Exchange Commission.
- Previous equity shareholders of the Company will receive warrants with a 7-year term that represent 17.5% of the outstanding new common shares.
- A new Board has been put in place with strong financial and technical backgrounds.
- The strategic direction of the Company continues to be focused on executing development plans at Hycroft through the operation of the mill demonstration plant.

"We appreciate the support of our lenders and creditors who have been instrumental in our achieving a successful emergence from these Chapter 11 proceedings," commented Randy Buffington, President and CEO of Hycroft Mining. "Their commitment to the future of this Company has been a significant step in our goal of realizing Hycroft's potential."

## Financings

**First Lien Term Loan Credit Agreement.** The Company entered into the Credit Agreement for an aggregate amount of \$126.7 million. The Credit Agreement matures March 31, 2017 and bears interest at either LIBOR plus 5.5% or an Alternate Base Rate Canada, as defined in the Credit Agreement, plus 4.5%. The repayment of the obligations under the Credit Agreement is guaranteed by all of the direct and indirect domestic subsidiaries of Hycroft Mining. The obligations under the Credit Agreement and the guarantees by the guarantors in respect thereof are secured by liens on substantially all assets of Hycroft Mining and the guarantors.

**Second Lien Convertible Notes.** The Company also issued \$95.0 million in Convertible Notes pursuant to the

Senior Secured Convertible Notes Indenture (the "Indenture"). The Convertible Notes mature in 5 years and bear interest at a rate of 15% per annum, payable in kind on a quarterly basis. The repayment of the Convertible Notes is guaranteed by all of the direct and indirect domestic subsidiaries of Hycroft Mining. The obligations under the Convertible Notes and the guarantees by the guarantors in respect thereof are secured by liens on substantially all assets of Hycroft Mining and the guarantors, subject to the priority of the liens that secure the obligations under the Credit Agreement. In connection with the issuance of the Convertible Notes, an Intercreditor Agreement was entered into by and among the agent under the Credit Agreement and the trustee under the Indenture.

### **Name Change**

In connection with the Company's restructuring, the Company changed its corporate name to Hycroft Mining Corporation to emphasize its focus on the development of the Hycroft gold and silver operation located near Winnemucca, Nevada.

"Our focus is on producing gold and silver from the current leach pads and the successful operation of the mill demonstration plant to illustrate the viability of the feasibility study completed in 2014," commented Randy Buffington, President & CEO of Hycroft Mining. "This name change better reflects our overall business strategy."

### **Board and Management Team**

The new board of directors of the Company consists of Randy Buffington (Chairman), David Kirsch, Jacob Mercer, Jonathan Segal and Michael Feehan. The Management team remains largely the same, led by Randy Buffington, President and Chief Executive Officer, and Stephen Jones, Executive Vice President and Chief Financial Officer.

The Company's legal advisor is Akin Gump Strauss Hauer & Feld LLP; and its financial and restructuring advisor is Moelis & Company.

### **Cautionary Statement Regarding Forward Looking Information**

*This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), the Securities Exchange Act of 1934, as amended (the "Exchange Act") (and the equivalent under Canadian securities laws) and the Private Securities Litigation Reform Act (the "PSLRA") or in releases made by the SEC, all as may be amended from time to time. This cautionary statement is being made pursuant to the Securities Act, the Exchange Act and the PSLRA with the intention of obtaining the benefit of the "safe harbor" provisions of such laws. All statements, other than statements of historical fact, included herein or incorporated by reference, that address activities, events or developments that we expect or anticipate will or may occur in the future, are forward-looking statements. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "estimate", "plan", "anticipate", "expect", "intend", "believe", "project", "target", "budget", "may", "can", "will", "would", "could", "should", "seeks", or "scheduled to", or other similar words, or negatives of these terms or other variations of these terms or comparable language or any discussion of strategy or intentions. Forward-looking statements address activities, events or developments that Hycroft Mining expects or anticipates will or may occur in the future, and are based on current expectations and assumptions. These statements involve known and unknown risks, uncertainties, assumptions and other factors which may cause our actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements, and include, but are not limited to construction of the demonstration plant, the feasibility of processing sulfide ores, the processing and production of gold and silver from the heap leach pads, the completion of the bankruptcy process, determinations of the feasibility of constructing a mill, restarting of mining operations. Although Hycroft Mining has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results, performance and achievements and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not intend to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities laws.*

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/213932--Hycroft-Mining-Corporation-Completes-Financial-Restructuring-Process-and-Emerges-from-Chapter-11-with-221.7>

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