Hycroft Mining Holding Corporation Annual Report 2021

Form 10-K (NASDAQ:HYMC)

Published: April 9th, 2021

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2020

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 001-38387

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HYCROFT MINING HOLDING CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

8181 E. Tufts Avenue, Suite 510 Denver, Colorado

(Address of Principal Executive Offices)

82-2657796

(I.R.S. Employer Identification No.)

80237

(Zip Code)

(303) 253-3267

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value $0.0001 per share	**HYMC**	**The Nasdaq Capital Market**
Warrants to purchase Common Stock	**HYMCW**	**The Nasdaq Capital Market**
Warrants to purchase Common Stock	**HYMCZ**	**The Nasdaq Capital Market**
Warrants to purchase Common Stock	**HYMCL**	**The Nasdaq Capital Market**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes o No x

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

☐	Large accelerated filer	☐	Accelerated filer
☒	Non-accelerated filer	☒	Smaller reporting company
		☒	Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☐ No ☒

The aggregate market value of the registrant's Common Stock held by non-affiliates of the registrant as of June 30, 2020, the last business day of the registrants most recently completed second fiscal quarter, was $86,679,426.

As of March 22, 2021, there were 59,901,306 shares of the Company's common stock and no shares of the Company's preferred stock issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portion of the registrant's Proxy Statement of the 2021 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein. Such proxy statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended December 31, 2020.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (this “Amendment”) to the Annual Report on Form 10-K of Hycroft Mining Holding Corporation. (the “Company”) for the fiscal year ended December 31, 2020, initially filed with the Securities and Exchange Commission (the “SEC”) on March 24, 2021 (the “Original Filing”), is being filed to correct an administrative error in the Original Filing. The Original Filing did not include the correct signing date of the Report of Independent Registered Public Accounting Firm of Plante & Moran, PLLC (the “Audit Report”). The Original Filing also did not include the correct date of the Audit Report within the Consent of Plante and Moran, PLLC (the "Auditor Consent"), filed as an exhibit to the Original Filing.

This Amendment is being filed solely to correct the dates within the Audit Report and Auditor Consent. This Amendment includes Item 8, “Financial Statements and Supplementary Data” in its entirety and without change from the Original Filing other than the correction of the signing date of the Audit Report. This Amendment also includes Item 15 of Part IV of the Original Filing that includes the correction of the Audit Report date within the Auditor Consent. In addition, pursuant to the rules of the SEC, the exhibit list included in of the Original Filing has been amended to contain currently-dated certifications from the Company’s Chief Executive Officer and Chief Financial Officer, as required by Section 302 of the Sarbanes-Oxley Act of 2002. The certifications of the Company’s Chief Executive Officer and Chief Financial Officer are filed as exhibits to this Amendment.

Except for the foregoing amended information, this Amendment does not amend or update any other information contained in the Original Filing. Therefore, this Amendment should be read together with other documents that the Company has filed with the SEC subsequent to the filing of the Original Filing. Information in such reports and documents updates and supersedes certain information contained in the Original Filing.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of Hycroft Mining Holding Corporation

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Hycroft Mining Holding Corporation (the “Company”) as of December 31, 2020 and 2019, the related statements of operations, stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2020, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

The Company's management is responsible for these financial statements. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company’s significant recurring operating losses, lack of liquidity and capital, and significant capital needed to expand operations raise substantial doubt about its ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Emphasis of Matter

As discussed in Note 3 Recapitalization Transaction and Note 22 Related Party Transactions to the financial statements, the Company completed a significant recapitalization transaction involving related parties. Our opinion is not modified with respect to this matter.

/s/ Plante & Moran PLLC

We have served as the Company’s auditor since 2017.

Denver, Colorado

March 24, 2021

HYCROFT MINING HOLDING CORPORATION
CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands, except share amounts)

	December 31, 2020	December 31, 2019
Assets:		
Cash	$ 56,363	$ 6,220
Accounts receivable	426	97
Inventories - Note 4	12,867	4,453
Ore on leach pads, current - Note 4	38,041	22,062
Prepaids and other - Note 5	4,303	2,648
Restricted cash - Note 6	—	3,270
Current assets	112,000	38,750
Ore on leach pads, non-current - Note 4	7,243	—
Other assets, non-current - Note 5	13,483	24,886
Plant, equipment, and mine development, net - Note 7	60,223	31,524
Restricted cash - Note 6	39,677	39,477
Total assets	$ 232,626	$ 134,637
Liabilities:		
Accounts payable	$ 12,280	$ 10,746
Other liabilities, current - Note 8	4,157	3,939
Debt, net, current - Note 9	5,120	553,965
Royalty obligation, current - Note 10	124	—
Interest payable	—	846
Current liabilities	21,681	569,496
Other liabilities, non-current - Note 8	1,712	18
Debt, net, non-current - Note 9	142,665	—
Royalty obligation, non-current - Note 10	29,839	—
Asset retirement obligation, non-current - Note 11	4,785	4,374
Total liabilities	200,682	573,888
Commitments and contingencies - Note 20		
Stockholders' (deficit) equity:[1] - Note 12		
Common stock, $0.0001 par value; 400,000,000 shares authorized; 59,901,306 issued and outstanding at December 31, 2020; and 345,431 issued and 323,328 outstanding at December 31, 2019	6	—
Additional paid-in capital	548,975	5,187
Accumulated deficit	(517,037)	(444,438)
Total stockholders' equity (deficit)	31,944	(439,251)
Total liabilities and stockholders' equity (deficit)	$ 232,626	$ 134,637

[1] Retroactively restated for the reverse recapitalization as described in *Note 2 - Summary of Significant Accounting Policies*.

The accompanying notes are an integral part of these consolidated financial statements.

HYCROFT MINING HOLDING CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(U.S. dollars in thousands, except per share amounts)

	Years Ended December 31,	
	2020	2019
Revenues - Note 13	$ 47,044	$ 13,709
Cost of sales:		
Production costs	41,688	11,041
Depreciation and amortization	2,894	1,011
Mine site period costs - Note 4	47,115	2,174
Write-down of production inventories - Note 4	17,924	16,443
Total cost of sales	109,621	30,669
Operating expenses:		
General and administrative	21,084	6,072
Impairment on equipment not in use - Note 5	5,331	63
Accretion - Note 11	374	422
Project and development	—	7,708
Pre-production depreciation and amortization	—	1,067
Care and maintenance	—	3,529
Reduction in asset retirement obligation	—	(1,880)
Loss from operations	(89,366)	(33,941)
Other income (expense):		
Interest expense, net of capitalized interest - Note 10	(43,458)	(64,846)
Fair value adjustment to Seller Warrants - Note 18	(45)	—
Interest income	199	797
Loss before reorganization items and income taxes	(132,670)	(97,990)
Reorganization items	—	(905)
Loss before income taxes	(132,670)	(98,895)
Income taxes - Note 15	—	—
Net loss	$ (132,670)	$ (98,895)
Loss per share:		
Basic - Note 16	$ (3.81)	$ (327.95)
Diluted - Note 16	$ (3.81)	$ (327.95)
Weighted average shares outstanding[1]:		
Basic - Note 16	34,833,211	301,559
Diluted - Note 16	34,833,211	301,559

(1) Retroactively restated for the reverse recapitalization. Refer to *Note 2 - Summary of Significant Accounting Policies* and *Note 16 - Loss Per Share* for further information.

The accompanying notes are an integral part of these consolidated financial statements.

HYCROFT MINING HOLDING CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)

	Years Ended December 31,	
	2020	2019
Cash flows from operating activities:		
Net loss	$ (132,670)	$ (98,895)
Adjustments to reconcile net loss for the period to net cash used in operating activities:		
Non-cash portion of interest expense - Note 10	38,843	54,810
Write-down of production inventories - Note 4	17,924	18,617
Impairment on equipment not in use - Note 5	5,331	63
Depreciation and amortization	5,886	2,078
Stock-based compensation - Note 14	2,380	1,102
Salary continuation and compensation costs	2,116	—
Fair value adjustment to Seller Warrants - Note 18	45	—
Accretion - Note 11	374	422
Phantom share compensation	225	706
Amortization reduction of Sprott Royalty Obligation - Note 10	(37)	—
Reduction in asset retirement obligation	—	(1,880)
Change in value of phantom shares	—	181
Changes in operating assets and liabilities:		
Accounts receivable	(329)	(97)
Production-related inventories	(43,756)	(38,627)
Materials and supplies inventories	(3,891)	(977)
Prepaids and other assets, current and non-current	(2,946)	(507)
Accounts payable	372	3,384
Other liabilities, current and non-current	443	52
Interest payable	(818)	(203)
Net cash used in operating activities	(110,508)	(59,771)
Cash flows used in investing activities:		
Additions to plant, equipment, and mine development	(33,439)	(12,296)
Proceeds from sales of equipment	2,315	—
Net cash used in investing activities	(31,124)	(12,296)
Cash flows from financing activities:		
Proceeds from Public Offering	83,515	—
Proceeds from private placement - Note 3	75,963	—
Proceeds from Sprott Credit Agreement - Note 3 and 9	68,600	—
Proceeds from Sprott Royalty Obligation - Note 3 and 10	30,000	—
Proceeds from forward purchase contract - Note 3	25,000	—
Proceeds from Recapitalization Transaction - Note 3	10,419	—
Proceeds from 1.25 Lien Note Issuances	44,841	71,831
Proceeds from warrant exercise	1	—
Repayment of First Lien Agreement - Note 9	(125,468)	—
Repayment of First Lien Agreement from permissible disposal proceeds	(1,158)	—
Transaction and issuance costs	(16,094)	(3,658)
Repayment of Promissory Note - Note 3	(6,914)	—
Net cash provided by financing activities	188,705	68,173
Net increase (decrease) in cash and restricted cash	47,073	(3,894)
Cash and restricted cash, beginning of period	48,967	52,861
Cash and restricted cash, end of period	$ 96,040	$ 48,967
Reconciliation of cash and restricted cash:		
Cash	$ 56,363	$ 6,220
Restricted cash - current	—	3,270
Restricted cash - non-current	39,677	39,477
Total cash and restricted cash	$ 96,040	$ 48,967

See *Note 19 - Supplemental Cash Flow Information* for additional details. *The accompanying notes are an integral part of these consolidated financial statements.*

HYCROFT MINING HOLDING CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(U.S. dollars in thousands, except share amounts)

	Common Stock[1]		Treasury Stock[1]		Additional Paid-in Capital[1]	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
Balance at January 1, 2019	307,831	$ —	17,927	$ —	$ 5,187	$ (345,543)	$ (340,356)
Shares issued	37,600	—	—	—	—	—	—
Share repurchased	—	—	4,176	—	—	—	—
Net loss						(98,895)	(98,895)
Balance at December 31, 2019	345,431	—	22,103	—	5,187	(444,438)	(439,251)
Conversion of Seller's 2.0 Lien Notes to common shares of Seller and distribution of HYMC common stock[2]	14,795,153	2	(22,103)	—	146,217	74,640	220,859
Exchange of Seller's 1.5 Lien Notes for HYMC common stock	16,025,316	2	—	—	160,252	(14,569)	145,685
Common shares issued in private placement	7,596,309	1	—	—	75,962	—	75,963
Exchange of Seller's 1.25 Lien Notes for HYMC common stock	4,845,920	—	—	—	48,459	—	48,459
Shares issued pursuant to forward purchase agreement with SPAC sponsor, including conversion of Class B shares	4,813,180	—	—	—	25,000	—	25,000
Unredeemed SPAC shares of MUDS public stockholders	1,197,704	—	—	—	3,723	—	3,723
Common shares issued pursuant to Sprott Credit Agreement	496,634	—	—	—	6,282	—	6,282
Common shares issued to underwriter	*44,395*	—	—	—	444	—	444
Vesting of restricted stock[3]	—	—	—	—	1,802	—	1,802
Equity issuance costs	—	—	—	—	(8,255)	—	(8,255)
Shares issued	101	—	—	—	1	—	1
Stock-based compensation costs	—	—	—	—	388	—	388
Shares issued pursuant to Public Offering	9,583,334	1	—	—	83,513	—	83,514
Shares issued under stock-based compensation program	157,829	—	—	—	—	—	—
Net loss	—	—	—	—	—	(132,670)	(132,670)
Balance at December 31, 2020	59,901,306	$ 6	—	$ —	$ 548,975	$ (517,037)	$ 31,944

(1) Retroactively restated for the reverse recapitalization as described in *Note 2 - Summary of Significant Accounting Policies*
(2) Includes 3,511,820 shares of HYMC common stock received by Seller that were surrendered by the Company.
(3) As of December 31, 2020 there were 21,256 unissued shares underlying restricted stock units that had vested.

The accompanying notes are an integral part of these consolidated financial statements.

HYCROFT MINING HOLDING CORPORATION
Notes to Consolidated Financial Statements

1. Company Overview

Hycroft Mining Holding Corporation (formerly known as Mudrick Capital Acquisition Corporation ("MUDS")) and its subsidiaries (collectively, “Hycroft”, the “Company”, “we”, “us”, “our”, "it", "HYMC") is a U.S.-based gold producer that is focused on operating and developing its wholly owned Hycroft Mine in a safe, environmentally responsible, and cost-effective manner. Gold and silver sales represent 100% of the Company’s operating revenues and the market prices of gold and silver significantly impact the Company’s financial position, operating results, and cash flows. The Hycroft Mine is located in the State of Nevada and the corporate office is located in Denver, Colorado.

Restart of the Hycroft Mine

During the second quarter of 2019, the Company restarted open pit mining operations at the Hycroft Mine, and, during the third quarter of 2019, produced and sold gold and silver, which it has continued to do on an approximate weekly basis since restarting. As part of the 2019 restart of mining operations, existing equipment was re-commissioned, including haul trucks, shovels and a loader, upgrades were made to the crushing system and new leach pad space was added to the existing leach pads. During 2020, the Company continued to increase its operations by mining more tons, procuring additional mobile equipment rentals, and increasing its total headcount. Through May 29, 2020, the Company obtained all of its financing from related party debt issuances (see *Note 21 - Related Party Transactions*), which were extinguished in connection with the Recapitalization Transaction with MUDS (discussed below).

M3 Engineering and Technology Corporation (“M3 Engineering”), in conjunction with SRK Consulting (U.S.), Inc. (“SRK”) and the Seller, completed the Hycroft Technical Report, Heap Leaching Feasibility Study, prepared in accordance with the requirements of the Modernization of Property Disclosures for Mining Registrants, with an effective date of July 31, 2019 (the “Hycroft Technical Report”), for a two-stage, heap oxidation and subsequent leaching of sulfide ores. The Hycroft Technical Report projects the economic viability and potential future cash flows for the Hycroft Mine when mining operations expand to levels presented in the Hycroft Technical Report.

Recapitalization Transaction with MUDS

As discussed in *Note 3 - Recapitalization Transaction*, on May 29, 2020, pursuant to the Purchase Agreement (defined herein), Seller completed a business combination Recapitalization Transaction with MUDS, a publicly traded blank check special purpose acquisition corporation or “SPAC,” and Acquisition Sub (as each of such terms are defined herein). The Recapitalization Transaction was completed upon receiving regulatory approvals and stockholder approvals from each of MUDS and Seller. Following the close of the Recapitalization Transaction, MUDS and the entities purchased from Seller were consolidated under Hycroft Mining Holding Corporation, by amending and restating the Company's certificate of incorporation to reflect the Company’s change in name. Pursuant to the consummation of the Recapitalization Transaction, the shares of common stock of Hycroft Mining Holding Corporation were listed on the Nasdaq Capital Market under the ticker symbol “HYMC”. Upon closing of the Recapitalization Transaction, the Company’s unrestricted cash available for use totaled $68.9 million, and the number of shares of common stock issued and outstanding totaled 50,160,042. In addition, upon closing, the Company had 34,289,999 outstanding warrants to purchase an equal number of shares of common stock at $11.50 per share and 12,721,623 warrants to purchase 3,210,213 shares of common stock at a price of $44.82 per share.

For more information on the consummation of the Recapitalization Transaction with MUDS, see *Note 3 - Recapitalization Transaction*.

COVID-19 Pandemic

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. Efforts implemented by local and national governments, as well as businesses, including temporary closures, have had adverse impacts on local, national and global economies. The Company has implemented health and safety policies for employees that follow guidelines published by the Center for Disease Control (CDC) and the Mine Safety and Health Administration (MSHA). While our operations during 2020 were impacted by COVID-19, the impact did not significantly adversely affect our operations. The extent of the impact of COVID-19 on our operational and financial performance going forward will depend on certain developments, including the duration and continued spread of the outbreak, and the direct and indirect impacts on our employees, vendors, and customers, all of which are uncertain and cannot be fully anticipated or predicted. Since the Company's Hycroft Mine represents the entirety of its operations, any COVID-19 outbreak at the mine site or any governmental restrictions implemented to combat the pandemic could result in a partial or entire shutdown of the Hycroft Mine itself, which would negatively impact the Company's financial position, operating results, and cash flows. As of the date of these financial statements, the extent to which COVID-19 may impact our financial condition, results of operations or cash flows is uncertain, but could be material and adverse.

2. Summary of Significant Accounting Policies

Basis of presentation

These consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”).

Certain reclassifications have been made to the prior periods presented in these financial statements to conform to the current period presentation, which had no effect on previously reported total assets, liabilities, cash flows, or net loss.

References to “$” refers to United States currency.

Recapitalization Transaction

The Recapitalization Transaction (see *Note 3 - Recapitalization Transaction*) was accounted for as a reverse recapitalization in accordance with GAAP. Under this method of accounting, for financial reporting purposes, MUDS has been treated as the “acquired” company and Hycroft Mining Corporation (“Seller”) has been treated as the “acquirer”. This determination was primarily based on (1) stockholders of Seller immediately prior to the Recapitalization Transaction having a relative majority of the voting power of the combined entity; (2) the operations of Seller prior to the Recapitalization Transaction comprising the only ongoing operations of the combined entity; (3) four of the seven members of the Board of Directors immediately following the Recapitalization Transaction were directors of Seller immediately prior to the Recapitalization Transaction; and (4) executive and senior management of Seller comprises the same for the Company.

Based on Seller being the accounting acquirer, the financial statements of the combined entity represent a continuation of the financial statements of Seller, with the acquisition treated as the equivalent of Seller issuing stock for the net assets of MUDS, accompanied by a recapitalization. The net assets of MUDS were recognized at historical cost as of the date of the Recapitalization Transaction, with no goodwill or other intangible assets recorded. Comparative information prior to the Recapitalization Transaction in these financial statements are those of Seller and the accumulated deficit of Seller has been carried forward after the Recapitalization Transaction. The shares and net loss per common share prior to the Recapitalization Transaction have been retroactively restated as shares reflecting the exchange ratio established in the Recapitalization Transaction to effect the reverse recapitalization (1 Seller share for 0.112 HYMC share). See *Note 3 - Recapitalization Transaction* for additional information.

Going concern

The financial statements of the Company have been prepared on a “going concern” basis, which contemplates the presumed continuation of the Company even though events and conditions exist that, when considered individually or in the aggregate, raise substantial doubt about the Company’s ability to continue as a going concern because it is probable that, without additional capital injections, the Company may be unable to meet its obligations as they become due within one year after the date that these financial statements were issued.

For the year ended December 31, 2020, the Company incurred a net loss of $132.7 million and net cash used in operating activities was $110.5 million. As of December 31, 2020, the Company had available cash on hand of $56.4 million, working capital of $90.3 million, total liabilities of $200.7 million, and an accumulated deficit of $517.0 million. Although the Company completed the Recapitalization Transaction during the second quarter of 2020 and the Public Offering (as defined herein) on October 6, 2020, for proceeds net of discount and equity issuance costs of approximately $83.1 million, based on its internal cash flow projection models, the Company currently forecasts it will likely require additional cash from financing activities in less than 12 months from the issuance of this report to meet its operating and investing requirements and future obligations as they become due, including the estimated $9.1 million in cash payments required pursuant to the Credit Agreement among MUDS, MUDS Holdco Inc., Allied VGH LLC, Hycroft Mining Holding Corporation, Hycroft Resources and Development, LLC Sprott Private Resource Lending II (Collector) Inc., and Sprott Resources Lending Corp. (“Sprott Credit Agreement”).

The Company’s ability to continue as a going concern is contingent upon securing additional funding for working capital, capital expenditures and other corporate expenses so that it can increase sales by achieving higher cost-effective operating tonnages and recovery rates and generate positive free cash flows.

These financial statements do not include any adjustments related to the recoverability and classification of recorded assets or the amounts and classification of any liabilities or any other adjustments that might be necessary should the Company be unable to continue as a going concern. As such, recorded amounts in these financial statements (including without limitation, stockholders’ equity) have been prepared in accordance with GAAP on a historical-cost basis, as required, which do not reflect or approximate the current fair value of the Company’s assets or management’s assessment of the Company’s overall enterprise or equity value.

Use of estimates

The preparation of the Company’s financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in these financial statements and accompanying notes. The more significant areas requiring the use of management estimates and assumptions relate to: recoverable gold and silver on the leach pads and in-process inventories; timing of near-term ounce production and related sales; the useful lives of long-lived assets; probabilities of future expansion projects; estimates of mineral reserves; estimates of life-of-mine production timing, volumes, costs and prices; current and future mining and processing plans; environmental reclamation and closure costs and timing; deferred taxes and related valuation allowances; and estimates of fair value for asset impairments and financial instruments. The Company bases its estimates on historical experience and various other assumptions that are believed to be reasonable at the time the estimate is made. Actual results may differ from amounts estimated in these financial statements, and such differences could be material. Accordingly, amounts presented in these financial statements are not indicative of results that may be expected for future periods.

Cash

Cash consisted of cash balances as of December 31, 2020. The Company has not experienced any losses on cash balances and believes that no significant risk of loss exists with respect to its cash. As of December 31, 2020, and December 31, 2019, the Company held no cash equivalents.

Restricted cash is held as collateral to provide financial assurance that the Company will use to fulfill obligations and commitments related to reclamation activity (see *Note 10 - Asset Retirement Obligation* for further detail) that is excluded from cash and is listed separately on the consolidated balance sheets. As of December 31, 2020, and December 31, 2019, the Company held $39.7 million and $42.7 million in restricted cash, respectively. See *Note 6 - Restricted Cash* for additional information.

Accounts receivable

Accounts receivable consists of amounts due from customers for gold and silver sales. The Company has evaluated the customers' credit risk, payment history and financial condition and determined that no allowance for doubtful accounts is necessary. The entire accounts receivable balance is expected to be collected during the next twelve months.

Ore on leach pads and inventories

The Company's production-related inventories include: ore on leach pads; in-process inventories; and doré finished goods. Production-related inventories are carried at the lower of average cost or net realizable value. Cost includes mining (ore and waste); processing; refining costs incurred during production stages; and mine site overhead and depreciation and amortization relating to mining and processing operations. Corporate general and administrative costs are not included in inventory costs. Net realizable value represents the estimated future sales price of production-related inventories computed using the London Bullion Market Association's ("LBMA") quoted period-end metal prices, less any further estimated processing, refining, and selling costs.

In-process inventories

In-process inventories represent gold-bearing concentrated materials that are in the process of being converted to a saleable product using a Merrill-Crowe plant or carbon-in-column processing method. As gold ounces are recovered from in-process inventories, costs, including conversion costs, are transferred to precious metals inventory at an average cost per ounce of gold.

Precious metals inventory

Precious metals inventory consists of doré and loaded carbon containing both gold and silver, which is ready for offsite shipment or at a third party refiner before being sold to a third party. As gold ounces are sold, costs are recognized in *Production costs* and *Depreciation and amortization* in the consolidated statements of operations at an average cost per gold ounce sold.

Materials and supplies

Materials and supplies are valued at the lower of average cost or net realizable value. Cost includes applicable taxes and freight.

Ore on leach pads, current and non-current

Ore on leach pads represents ore that is being treated with a chemical solution to dissolve the contained gold and silver. Costs are added to ore on leach pads based on current mining costs, including reagents, leaching supplies, and applicable depreciation and amortization relating to mining operations. As gold-bearing materials are further processed, costs are transferred from ore on leach pads to in-process inventories at an average cost per estimated recoverable ounce of gold.

Prepaids and other assets, non-current

Equipment not in use

From time to time, the Company may determine that certain of its property and equipment no longer fit into its strategic operating plans and may either contemplate or commence activities to sell such identified assets. The Company evaluates equipment not in use for held-for-sale classification in accordance with ASC Topic 360 *Property, Plant, and Equipment* ("ASC 360"). If property and equipment do not meet the held-for-sale criteria in ASC 360, but have been taken out of service for sale or were never placed into service, the carrying value of such assets is included in *Other assets, non-current*. In accordance with its impairment policy, the Company reviews and evaluates its equipment and facilities not in use for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. During the year ended December 31, 2020, the Company determined that the fair value of equipment not in use was less the carrying amount and recorded an impairment loss of $5.3 million.

Plant, equipment, and mine development, net

Expenditures for new facilities and equipment, and expenditures that extend the useful lives or increase the capacity of existing facilities or equipment are capitalized and recorded at cost. Such costs are depreciated using either the straight-line method over the estimated productive lives of such assets or the units-of-production method (when actively operating) at rates sufficient to depreciate such costs over the estimated proven and probable mineral reserves as gold ounces are recovered. For equipment and facilities that are constructed by the Company, interest is capitalized to the cost of the underlying asset while being constructed until such asset is ready for its intended use. See *Note 7 - Plant, Equipment, and Mine Development, Net* for additional information.

Mine development

Mine development costs include the cost of engineering and metallurgical studies, drilling and assaying costs to delineate an ore body, environmental costs, and the building of infrastructure. Additionally, interest is capitalized to mine development until such assets are ready for their intended use. Any of the above costs incurred before mineralization is classified as proven and probable mineral reserves are expensed. The Company established proven and probable mineral reserves during the second half of 2019.

Drilling, engineering, metallurgical, and other related costs are capitalized for an ore body where proven and probable reserves exist and the activities are directed at obtaining additional information on the ore body, converting non-reserve mineralization to proven and probable mineral reserves, infrastructure planning, or supporting the environmental impact statement. All other exploration drilling costs are expensed as incurred. Drilling costs incurred during the production phase for operational ore control are allocated to production-related inventories and upon the sale of gold ounces are included in *Cost of sales* on the consolidated statements of operations.

Mine development costs are amortized using the units-of-production method based upon estimated recoverable ounces in proven and probable mineral reserves. To the extent such capitalized costs benefit an entire ore body, they are amortized over the estimated life of that ore body. Capitalized costs that benefit specific ore blocks or areas are amortized over the estimated life of that specific ore block or area. Recoverable ounces are determined by the Company based upon its proven and probable mineral reserves and estimated metal recoveries associated with those mineral reserves.

Impairment of long-lived assets

The Company’s long-lived assets consist of plant, equipment, and mine development. The Company reviews and evaluates its long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Events that may trigger a test for recoverability include, but are not limited to, significant adverse changes to projected revenues, costs, or future expansion plans or changes to federal and state regulations (with which the Company must comply) that may adversely impact the Company’s current or future operations. An impairment is determined to exist if the total projected future cash flows on an undiscounted basis are less than the carrying amount of a long-lived asset group. An impairment loss is measured and recorded based on the excess carrying value of the impaired long-lived asset group over fair value.

To determine fair value, the Company uses a discounted cash flow model based on quantities of estimated recoverable minerals and incorporates projections and probabilities involving metal prices (considering current and historical prices, price trends, and related factors), production levels, operating and production costs, and the timing and capital costs of expansion and sustaining projects, all of which are based on life-of-mine plans. The term “recoverable minerals” refers to the estimated amount of gold and silver that will be sold after taking into account losses during ore processing and treatment. In estimating future cash flows, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of future cash flows from other asset groups. The Company’s estimates of future cash flows are based on numerous assumptions, which are consistent or reasonable in relation to internal budgets and projections, and actual future cash flows may be significantly different than the estimates, as actual future quantities of recoverable gold and silver, metal prices, operating and production costs, and the timing and capital costs of expansion and sustaining projects are each subject to significant risks and uncertainties. See *Note 7 - Plant, Equipment, and Mine Development, Net* for additional information.

During the year ended December 31, 2020, as part of the Company's recurring quarterly analysis, the Company determined a triggering event had occurred, as the Company's operations have continued to generate operating cash flow losses. As a result, the Company performed a recoverability test for the carrying value of its plant, equipment, and mine development at December 31, 2020, and determined that no impairments were necessary.

Mineral properties

Mineral properties are tangible assets recorded at cost and include royalty interests, asset retirement costs, and land and mineral rights to explore and extract minerals from properties. Once a property is in the production phase, mineral property costs are amortized using the units-of-production method based upon the estimated recoverable gold ounces in proven and probable reserves at such properties. Costs to maintain mineral properties are expensed in the period they are incurred. As of December 31, 2020 and 2019, there was $0.04 million and $0 recorded for mineral properties, respectively, which was included in *Plant, equipment, and mine development, net* in the consolidated balance sheets.

Royalty obligation

The Company's royalty obligation is carried at amortized cost with reductions calculated by dividing actual gold and silver production by the estimated total life-of-mine production from proven and probable mineral reserves. Any updates to proven and probable mineral reserves or the estimated life-of-mine production profile would result in prospective adjustments to the amortization calculation used to reduce the carrying value of the royalty obligation. Amortization reductions to the royalty obligation are recorded to *Production costs* which is included in *Cost of sales*. A portion of the Company's royalty obligation is classified as current based upon the estimated gold and silver expected to be produced over the next 12 months, using the current proposed 34-year mine plan, and current proven and probable mineral reserves. The royalty obligation and its embedded features do not meet the requirements for derivative accounting.

Asset retirement obligation

The Company's mining and exploration activities are subject to various federal and state laws and regulations governing the protection of the environment. The Company's asset retirement obligation ("ARO"), associated with long-lived assets are those for which there is a legal obligation to settle under existing law, statute, written or oral contract or by legal construction. The Company's ARO relates to its operating property, the Hycroft Mine, and was recognized as a liability at fair value in the period incurred. An ARO, which is initially estimated based on discounted cash flow estimates, is accreted to full value over time using the expected timing of future payments through charges to *Accretion* in the consolidated statements of operations. In addition, asset retirement costs ("ARC") are capitalized as part of the related asset's carrying value and are depreciated on a straight-line method or units of production basis over the related long-lived asset's useful life. The Company's ARO is adjusted annually, or more frequently if necessary, to reflect changes in the estimated present value resulting from revisions to the timing or amount of reclamation and closure costs. Estimated mine reclamation and closure costs, may increase or decrease significantly in the future as a result of changes in regulations, mine plans, cost estimates, or other factors.

Revenue recognition

The Company recognizes revenue for gold and silver sales when it satisfies the performance obligation of transferring finished inventory to the customer, which generally occurs when the refiner notifies the customer that gold has been credited or irrevocably pledged to their account, at which point the customer obtains the ability to direct the use and obtain substantially all of the remaining benefits of ownership of the asset. The transaction amount is determined based on the agreed upon sales prices and the number of ounces delivered. Concurrently, the payment date is agreed upon, which is usually within one week of the sale date. The majority of sales are in the form of doré bars, but the Company also sells loaded carbon and slag, a by-product. All sales are final.

Mine site period costs

The Company evaluates its mine site costs incurred, which are normally recorded to the carrying value of production-related inventories, to determine if costs incurred during the period qualify as *Mine site period costs,* the Company performs an analysis to determine the net realizable value of its inventory and determines whether costs incurred that are in excess of future estimated revenues are a result of recurring or significant downtime or delays, unusually high levels of repairs, inefficient operations, overuse of processing reagents, or other costs or activities that significantly increase the cost per ounce of production-related inventories and are considered unusual. If costs are determined to meet the criteria and, therefore, cannot be recorded to the carrying value of production-related inventories, then the Company recognizes such costs in the period incurred as *Mine site period costs*, which is included in *Cost of sales* on the consolidated statements of operations.

Write-down of production inventories

The recovery of gold and silver at the Hycroft Mine is currently accomplished through a heap leaching process, the nature of which limits the Company's ability to precisely determine the recoverable gold ounces in ore on leach pads. The Company estimates the quantity of recoverable gold ounces in ore on leach pads using surveyed volumes of material, ore grades determined through sampling and assaying of blastholes, crushed ore sampling, solution sampling, and estimated recovery percentages based on ore type and domain. The estimated recoverable gold ounces placed on the leach pads are periodically reconciled by comparing the related ore gold contents to the actual gold ounces recovered (metallurgical balancing). Changes in recovery rate estimates from metallurgical balancing that do not result in write-downs are accounted for on a prospective basis. When a write-down is required, production-related inventories are adjusted to net realizable value with adjustments recorded as *Write-down of production inventories*, which is included in *Cost of sales* in the consolidated statements of operations. See *Note 4 - Inventories* for additional information on the Company's write-downs.

Stock-based compensation

Stock-based compensation costs for non-employee Directors and eligible employees are measured at fair value on the date of grant. Stock-based compensation costs are charged to *General and administrative* on the consolidated statements of operations over the requisite service period. The fair value of awards is determined using the stock price on either the date of grant (if subject only to service conditions) or the date that the Compensation Committee of the Board of Directors establishes applicable performance targets (if subject to performance conditions). The Company estimates forfeitures at the time of grant and revises those estimates in subsequent periods through the final vesting date. See *Note 14 - Stock-Based Compensation* for additional information.

Phantom shares

Non-employee members of Seller's Board of Directors received phantom shares of stock pursuant to a Non-Employee Director Phantom Stock Plan. For grants issued during the years ended 2015 and 2016, the cash payment was equal to the fair market value of one share of common stock of Seller at the date of payment. Under the grant agreements, each phantom share vested on the date of grant and entitled the participant to a cash payment. For grants issued during 2020, 2019 and 2018, the cash payment was equal to the greater of the (1) grant date value, or (2) the fair market value of one share of common stock of Seller at the date of payment. All phantom shares issued by Seller were terminated and paid in connection with the Recapitalization Transaction. See *Note 14 - Stock-Based Compensation* and *Note 18 - Fair Value Measurements* for additional information.

Reorganization items

On March 10, 2015, a predecessor of the Company filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). Expenses directly associated with finalizing the Chapter 11 cases before the Bankruptcy Court are reported as *Reorganization items* in the consolidated statements of operations.

Income taxes

The Company accounts for income taxes using the liability method, recognizing certain temporary differences between the financial reporting basis of the Company's liabilities and assets and the related income tax basis for such liabilities and assets. This method generates either a net deferred income tax liability or asset for the Company, as measured by the statutory tax rates in effect at the anticipated time of reversal. The Company derives its deferred income tax provision or benefit by recording the change in either the net deferred income tax liability or asset balance for the year. See *Note 15 - Income Taxes* for additional information.

The Company's deferred income tax assets include certain future tax benefits. The Company records a valuation allowance against any portion of those deferred income tax assets when it believes, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred income tax asset will not be realized. Evidence evaluated includes past operating results, forecasted earnings, estimated future taxable income, and prudent and feasible tax planning strategies. The assumptions utilized in determining future taxable income require significant judgment and are consistent with the plans and estimates used to manage the underlying business.

As necessary, the Company also provides reserves against the benefits of uncertain tax positions taken on its tax filings. The necessity for and amount of a reserve is established by determining, based on the weight of available evidence, the amount of benefit that is more likely than not to be sustained upon audit for each uncertain tax position. The difference, if any, between the full benefit recorded on the tax return and the amount more likely than not to be sustained is recorded as a liability on the Company's consolidated balance sheets unless the additional tax expense that would result from the disallowance of the tax position can be offset by a net operating loss, a similar tax loss, or a tax credit carryforward. In that case, the reserve is recorded as a reduction to the deferred tax asset associated with the applicable net operating loss, similar tax loss, or tax credit carryforward.

Derivative instruments

The Company recognizes all derivatives as either assets or liabilities and measures those instruments at fair value. Changes in the fair value of derivative instruments, together with any gains or losses on derivative settlements and transactions, are recorded in earnings in the period in which they occur. In estimating the fair value of derivative instruments, the Company is required to apply judgments and make assumptions that impact the amount recorded for such derivative instruments. The Company does not hold derivative instruments for trading purposes.

As of December 31, 2020, the Company's only recorded derivative was for the Seller Warrants (as defined herein) (see *Note 18 - Fair Value Measurements* for additional detail).

Fair value measurements

Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements*, defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis;

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Certain financial instruments, including *Cash*, *Restricted cash*, *Accounts receivable*, *Prepaids and other*, *Accounts payable,* and *Interest payable* are carried at cost, which approximates their fair value due to the short-term nature of these instruments. See *Note 18 - Fair Value Measurements* for additional information.

Recently adopted accounting pronouncements

In August 2018, the FASB issued Accounting Standards Update ("ASU") 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurements* ("ASU 2018-13"), which amends the disclosure requirements for fair value measurements in Topic 820 based on the considerations of costs and benefits. Under ASU 2018-13, certain disclosures were modified or eliminated, while other disclosures were added. The Company's adoption of ASU 2018-13 on January 1, 2020 did not materially affect its financial statement disclosures.

Accounting pronouncements not yet adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases* ("ASU 2016-02"). The new standard establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statements of operations and classification within the consolidated statement of cash flows. In October 2019, the FASB issued ASU No. 2019-10, *Financial Instruments - Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842)* ("ASU 2019-10") that amends the effective date of ASU 2016-02 for emerging growth companies, such that the new standard is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. As the Company qualifies as an emerging growth company, the Company has elected to take advantage of the deferred effective date afforded to emerging growth companies. A modified retrospective transition approach is required to either the beginning of the earliest period presented or the beginning of the year of adoption. The Company has compiled its leases and is in the process of estimating the impact of adopting this ASU.

In August 2020, the FASB issued ASU No. 2020-06, *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity* ("ASU 2020-06"). ASU 2020-06 simplifies guidance on accounting for convertible instruments and contracts in an entity's own equity including calculating diluted earnings per share. For emerging growth companies, the new guidance is effective for annual periods beginning after December 15, 2022. As the Company qualifies as an emerging growth company, the Company plans to take advantage of the deferred effective date afforded to emerging growth companies. The Company is currently evaluating the impact that adopting this update will have on its consolidated financial statements and related disclosures.

3. Recapitalization Transaction

On May 29, 2020, the Company, formerly known as Mudrick Capital Acquisition Corporation, consummated a business combination transaction (the "Recapitalization Transaction") as contemplated by a purchase agreement dated January 13, 2020, as amended on February 26, 2020 (the "Purchase Agreement"), by and among the Company, MUDS Acquisition Sub, Inc. ("Acquisition Sub") and Hycroft Mining Corporation ("Seller"). Pursuant to the Purchase Agreement, Acquisition Sub acquired all of the issued and outstanding equity interests of the direct subsidiaries of Seller and substantially all of the other assets of Seller and assumed substantially all of the liabilities of Seller. In conjunction with the Recapitalization Transaction, Seller's indebtedness existing prior to the Recapitalization Transaction was either repaid, exchanged for indebtedness of the Company, exchanged for shares of common stock or converted into shares of Seller common stock, and the Company's post-Recapitalization Transaction indebtedness included amounts drawn under the Sprott Credit Agreement and the assumption of the newly issued Subordinated Notes (as such are defined herein). Upon closing of the Recapitalization Transaction, the Company's unrestricted cash available for use totaled $68.9 million, and the number of shares of common stock issued and outstanding totaled 50,160,042. In addition, upon closing, the Company had 34,289,999 outstanding warrants to purchase an equal number of shares of common stock at $11.50 per share and 12,721,623 warrants to purchase 3,210,213 shares of common stock at a price of $44.82 per share.

Prior to the Recapitalization Transaction, the Company was a blank check special purpose acquisition corporation ("SPAC") with no business operations and on May 29, 2020 had assets and liabilities consisting primarily of $10.4 million of cash and $6.9 million of liabilities for accounts payable, accrued expenses, and deferred underwriting fees. As described in *Note 2 - Summary of Significant Accounting Policies*, the Company accounted for the Recapitalization Transaction as a reverse recapitalization in which the Company's financial statements reflect a continuation of Seller.

The material financial effects and actions arising from the Recapitalization Transaction, which are described in detail elsewhere in these financial statements, were as follows (the defined terms that follow are included elsewhere in these financial statements):

Common stock and warrant transactions

a. The Company issued, in a private placement transaction, an aggregate of 7.6 million shares of common stock and 3.25 million warrants to purchase shares of common stock at a price of $10.00 per share for aggregate gross cash proceeds of $76.0 million.

b. Pursuant to a forward purchase contract, the Company issued 3.125 million shares of common stock and 2.5 million warrants to purchase shares of common stock having substantially the same terms as the private placement warrants for gross cash proceeds of $25.0 million. The Company also converted 5.2 million shares of MUDS Class B common stock into the same number of shares of common stock, of which 3.5 million shares were surrendered to Seller as transaction consideration.

c. The Company received $10.4 million of cash proceeds from the SPAC trust associated with the 1.2 million shares of common stock that were not redeemed by the Company's public stockholders. Additionally, the Company has outstanding 27.9 million warrants to purchase shares of common stock at a price of $11.50 per share that were issued to the Company's public stockholders at the time of the SPAC's initial public offering (see *Note 12 - Stockholders' Equity*).

d. The Company assumed the obligations with respect to 12.7 million Seller Warrants (as defined herein), which Seller Warrants became exercisable to purchase shares of common stock at an exercise price as of July 1, 2020 and December 31, 2020, of $44.82 per share (see Note 12 - Stockholders' Equity). Since July 1, 2020, each Seller Warrant was exercisable into approximately 0.2523 shares of common stock for a total of 3,210,213 shares of common stock. The exercise price and the conversion factor were further adjusted during the year ended December 31, 2020 to an exercise price of $41.26 per share and each Seller Warrant was exercisable for 0.27411 shares of common stock for a total of 3,487,168 shares of common stock. Subsequently, as of January 19, 2020, the Seller Warrants were subject to a further adjustment to an exercise price of $40.31 per share and each Seller Warrant was exercisable for 0.28055 shares of common stock for a total of 3,569,051 shares of common stock. Refer to *Note 12 - Stockholders' Equity* for further detail.

Seller's pre-Recapitalization Transaction indebtedness

a. Seller's $125.5 million First Lien Agreement with the Bank of Nova Scotia, as agent, and $6.9 million promissory note plus accrued and unpaid interest were repaid with cash (see *Note 9 - Debt, Net*).

b. $48.5 million of Seller's 1.25 Lien Notes were exchanged, and subsequently cancelled, for 4.85 million shares of common stock and the remaining $80.0 million of Seller's 1.25 Lien Notes were exchanged for $80.0 million in aggregate principal of new Subordinated Notes of the Company (see *Note 9 - Debt, Net*).

c. After giving effect to the 1.5 Lien Notes' 110% repurchase feature, $145.7 million of Seller's 1.5 Lien Notes plus accrued and unpaid interest were exchanged, and subsequently cancelled, for 16.0 million shares of common stock (see *Note 9 - Debt, Net*).

d. Prior to close, a total of $221.3 million of Seller's 2.0 Lien Notes were converted into 132.8 million shares of Seller common stock and, together with the existing 2.9 million shares of Seller's common stock issued and outstanding, received transaction consideration of 15.1 million shares of common stock distributed by Seller, including 3.5 million surrendered shares received by Seller from the Company (see *Note 9 - Debt, Net*). The consideration initially received by Seller was promptly distributed to the its stockholders on a pro rata basis pursuant to Seller's plan of dissolution.

Sprott entity transactions

a. The Company assumed the amended Sprott Credit Agreement and was advanced $70.0 million of cash, subject to an original issue discount of 2.0% (see *Note 9 - Debt, Net*). Pursuant to the Sprott Credit Agreement, the Company issued approximately 0.5 million shares of common stock to the Lender, which was equal to 1.0% of the Company's post-closing shares of common stock issued and outstanding.

b. The Company entered into the Royalty Agreement among Hycroft Mining Holding Corporation, its wholly subsidiary Hycroft Resources and Development, LLC and Sprott Private Resource Lending II (CO) Inc. ("Sprott Royalty Agreement"), pursuant to which the Company received $30.0 million of cash proceeds and incurred a 1.5% net smelter royalty payment obligation, payable monthly, relating to the Hycroft Mine's monthly production (see *Note 10 - Royalty Obligation*).

Other items

a. Seller retained a reserve of $2.3 million in cash for use in the dissolution of Seller.

b. A $2.5 million cash payment was made and approximately 0.04 million shares of common stock were issued to the Company's underwriter, Cantor Fitzgerald & Co. ("Cantor"), pursuant to an underwriting agreement. Additionally, a $2.0 million payment was made to Cantor at closing in connection with shares of common stock held by Cantor, which were not redeemed from the SPAC trust balance prior to closing.

c. The Company remitted $1.8 million of cash to holders of Seller's deferred phantom units (see *Note 18 - Fair Value Measurements*) and paid $7.4 million of cash for additional transaction costs.

Upon closing of the Recapitalization Transaction and after giving effect to the terms of the business combination, the former holders of Seller's indebtedness and common stock, including affiliated entities of such former holders, owned approximately 96.5% of the issued and outstanding common stock. The following table summarizes the ownership of the Company's common stock issued and outstanding upon closing of the Recapitalization Transaction:

	Shares	Ownership %
Former Seller stockholders and affiliated entities	48,421,309	96.5 %
Former MUDS public stockholders [1]	1,197,704	2.4 %
Lender to Sprott Credit Agreement	496,634	1.0 %
Cantor Fitzgerald & Co.	44,395	0.1 %
Total shares issued and outstanding	50,160,042	100.0 %

[1] Includes 200,000 shares held by Cantor.

4. Inventories

The following table provides the components of inventories and the estimated recoverable gold ounces therein (in thousands, except ounces):

	December 31, 2020		December 31, 2019	
	Amount	Gold Ounces	Amount	Gold Ounces
Materials and supplies	$ 6,449	—	$ 2,559	—
Merrill-Crowe process plant	4,810	2,587	1,004	691
Carbon-in-column	299	166	478	474
Finished good (doré)	1,309	710	412	278
Total	$ 12,867	3,463	$ 4,453	1,443

As of both December 31, 2020 and December 31, 2019, in-process *Inventories* included $0.3 million of capitalized depreciation and amortization costs.

The following table summarizes *Ore on leach pads* and the estimated recoverable gold ounces therein (in thousands, except ounces):

	December 31, 2020		December 31, 2019	
	Amount	Gold Ounces	Amount	Gold Ounces
Ore on leach pads, current	$ 38,041	21,869	$ 22,062	17,019
Ore on leach pads, non-current	7,243	4,164	—	—
Total	$ 45,284	26,033	$ 22,062	17,019

As of December 31, 2020 and December 31, 2019 (net of write-downs discussed below), *Ore on leach pads, current* included $1.8 million and $1.8 million respectively, of capitalized depreciation and amortization costs. Additionally, as of December 31, 2020 and December 31, 2019 *Ore on leach pads, non-current* included $0.4 million and $0 respectively, of capitalized depreciation and amortization costs.

Write-down of production inventories

The estimated recoverable gold ounces placed on the leach pads are periodically reconciled by comparing the related ore contents to the actual gold ounces recovered (metallurgical balancing). During the year ended December 31, 2020, based on metallurgical balancing results, the Company determined that 10,492 ounces of gold that had been placed on the leach pads were no longer recoverable and wrote-off these ounces. As a result, during the year ended December 31, 2020, the Company recognized a *Write-down of production inventories* on the consolidated statements of operations, which included production costs of $16.7 million, and capitalized depreciation and amortization costs of $1.3 million. The write-off of ounces during the year ended December 31, 2020 was primarily due to mismanagement of the oxidation process, improper adjustments to variables in the oxidation process for changes in the ore type based on domain, and improper solution management. As a result, the Company determined it would recover less gold ounces than planned for those sections of the leach pads.

During the 2019 fourth quarter, based on metallurgical balancing results, the Company determined that 11,680 ounces of gold that had been placed on the leach pads were no longer recoverable and wrote-off these ounces. As a result of the write-off the Company recognized a *Write-down of production inventories* on the consolidated statements of operations of $16.4 million. Cash production costs written-off were $15.1 million and capitalized depreciation and amortization costs written-off were $1.3 million. The write-off of these ounces was primarily a result of mismanagement of solution flows. The lost gold and silver ounces were leached and captured in solution. However, prior to the solution being processed through the Merrill-Crowe plant, it was inadvertently commingled with barren solution and pumped to leach pads no longer in use, which will prevent it from being recovered in the future.

Mine site period costs

During the year ended December 31, 2020, the Company incurred $46.7 million (which included $3.0 million of capitalized depreciation and amortization incurred in 2020) of *Mine site period costs* (inclusive of depreciation and amortization expenses) that did not qualify for allocation to the Company's production-related inventories and, therefore, were expensed as incurred. Such period costs are generally the result of significant downtime or delays, abnormally high levels of repairs, inefficient operations, overuse of processing reagents, or other unusual costs and activities.

In addition to the write-down related to metallurgical balancing during 2019, the Company incurred $2.2 million (which included $0.2 million of capitalized amortization incurred in 2019) of *Mine site period costs* (inclusive of depreciation and amortization expenses) that did not qualify for allocation to the Company's production-related inventories and, therefore, were expensed as incurred.

5. Prepaids and Other

The following table provides the components of *Prepaids and other* and *Other assets, non-current* (in thousands):

	December 31, 2020	December 31, 2019
Prepaids and other		
Prepaids	$ 3,198	$ 2,109
Deposits	1,105	539
Total	$ 4,303	$ 2,648
Other assets, non-current		
Equipment not in use	$ 12,238	$ 19,683
Prepaid supplies consignment inventory	885	—
Royalty - advance payment	360	120
Deferred future financing costs	—	5,083
Total	$ 13,483	$ 24,886

Prepaids

As of December 31, 2020, prepaids primarily consisted of prepaid insurance ($1.8 million), mining claims and permitting fees ($0.4 million), prepaid equipment ($0.4 million), and subscription and license fees ($0.3 million). As of December 31, 2019, prepaids primarily consisted of prepaid insurance ($1.5 million), mining claims and permitting fees ($0.4 million), and subscription and license fees ($0.1 million).

Equipment not in use

As of December 31, 2020, equipment not in use classified as Other assets, non-current included ball mills, SAG mills, regrind mills, and related motors and components that were previously purchased by a predecessor of the Company. During the year ended December 31, 2020, the Company engaged an international equipment broker to advertise equipment not in use for potential sale. There is a limited market for the Company's equipment not in use and any potential purchase would likely be subject to technical and commercial due diligence by the purchaser, as well as approval by the Company's Board of Directors. As such, equipment not in use is not classified as held-for-sale, as it is uncertain if the Company will sell any of the equipment within one year, or if the Company will elect to sell such equipment at all. As a result, equipment not in use is included in Other assets, non-current. During the year ended December 31, 2020, the Company determined that the carrying amount of certain equipment not in use was higher than its fair value and such assets were written down to estimated fair value less costs to sell, resulting in an impairment loss of $5.3 million, which is reported as *Impairment on equipment not in use* on the consolidated statements of operations. In the fourth quarter of 2020, the Company began reevaluating the best use of its equipment previously marketed for sale, while it continues to develop the sulfide oxidation technology process for its large-scale operation. Additionally, in the fourth quarter of 2020, the Company has paused the marketing of this equipment while it continues to develop the technology and process for a large-scale operation.

Prepaid supplies consignment inventory

The Company has an inventory consignment agreement with a supplier of crusher parts that requires the supplier to maintain a specified inventory of replacement parts and components that are exclusively for purchase and use at the Hycroft Mine. As part of the agreement, the Company is required to make certain payments in advance of receiving such consignment inventory at the mine site. The Company records advance payments as prepaid supplies inventory within *Other assets, non-current* until such inventory is received, at which point, the amounts are reclassified to *Inventories.*

Royalty - advance payment

As of December 31, 2020, royalty-advance payments include annual advance payments for a portion of the Hycroft Mine that is subject to a mining lease requiring a 4% net profit royalty be paid to the owner of certain patented and unpatented mining claims. Refer to *Note 21 - Commitments and Contingencies* for further detail.

6. Restricted Cash

The following table provides the components of restricted cash (in thousands):

	December 31, 2020	December 31, 2019
Reclamation surety bond cash collateral	$ 39,677	$ 39,477
First Lien Agreement restricted cash - Note 10	—	3,270
Total	$ 39,677	$ 42,747

As of December 31, 2020, the Company's BLM reclamation obligation was secured with surety bonds totaling $59.9 million, which were partially collateralized by the restricted cash shown above. Restricted cash from Seller's First Lien Agreement was released on May 29, 2020 when such indebtedness was repaid in conjunction with the Recapitalization Transaction (see *Note 3 - Recapitalization Transaction*).

7. Plant, Equipment, and Mine Development, Net

The following table provides the components of plant, equipment, and mine development, net (in thousands):

	Depreciation Life or Method	December 31, 2020	December 31, 2019
Leach pads	Units-of-production	$ 17,432	$ 17,419
Process equipment	5 - 15 years	16,065	14,770
Buildings and leasehold improvements	10 years	10,507	10,507
Mine equipment	5 - 7 years	5,961	4,716
Vehicles	3 - 5 years	991	136
Furniture and office equipment	7 years	322	129
Mine development	Units-of-production	756	119
Mineral properties	Units-of-production	37	—
Construction in progress and other		33,185	936
		$ 85,256	$ 48,732
Less, accumulated depreciation and amortization		(25,033)	(17,208)
Total		$ 60,223	$ 31,524

During the year ended December 31, 2020, new process equipment was placed into service ($1.2 million), new mobile equipment was placed into service ($1.2 million), and construction of a new larger leach pad began ($30.9 million), which was the primary project included in construction in progress as of December 31, 2020. During the years ended December 31, 2020 and 2019, certain leach pads ($11.2 million) were not actively used in the leaching process, and accordingly, the Company did not record any depletion for these leach pads. Additionally, during the years ended December 31, 2020 and 2019, the Company did not acquire any plant, equipment, or mine development through non-cash capital leases.

Mineral properties

As of December 31, 2020, Mineral properties included an ARC asset of $0.04 million that is being depreciated on a straight-line basis over the life of the Company's only operating property, the Hycroft Mine.

8. Other Liabilities

The following table summarizes the components of *Other liabilities, current* and *Other liabilities, non-current* (in thousands):

	December 31, 2020	December 31, 2019
Other liabilities, current		
Accrued compensation, benefits, continuation obligation, and bonus	4,157	2,349
Accrued compensation for phantom shares - Note 14	—	1,590
Total	$ 4,157	$ 3,939
Other liabilities, non-current		
Compensation and benefits continuation obligation	$ 1,145	$ —
Payroll tax liability	505	—
Warrant liability - Notes 12 and 18	62	18
Total	$ 1,712	$ 18

Compensation and benefits continuation obligation

The Company has entered into separation agreements with former executives that provide for, among other things, continuation of such former executives' salaries and certain benefits for periods of 12-24 months from the date of separation.

9. Debt, Net

Debt covenants

The Company's debt agreements contain representations and warranties, events of default, restrictions and limitations, reporting requirements, and covenants that are customary for agreements of these types.

The Sprott Credit Agreement (as defined herein) contains covenants that, among other things, restrict or limit the ability of the Company to enter into encumbrances (other than Permitted Encumbrances), incur indebtedness (other than Permitted Indebtedness), dispose of its assets (other than Permitted Disposals), pay dividends, and purchase or redeem shares, as such terms are defined in the Sprott Credit Agreement. The Sprott Credit Agreement requires the Company to ensure that, at all times, both its Working Capital and Unrestricted Cash are at least $10.0 million, as such terms are defined in the Sprott Credit Agreement, and that at least every six months the Company demonstrate its ability to repay and meet all present and future obligations as they become due with a financial Model that uses consensus gold prices discounted by 5.0%, as such terms are defined in the Sprott Credit Agreement. The Subordinated Notes (as defined herein) include customary events of default, including those relating to a failure to pay principal or interest, a breach of a covenant, representation or warranty, a cross-default to other indebtedness, and non-compliance with security documents.

As of December 31, 2020, the Company was in compliance with all covenants.

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Debt balances

The following table summarizes the components of debt (in thousands):

	December 31, 2020	December 31, 2019
Debt, net, current:		
Sprott Credit Agreement [1]	$ 5,274	$ —
2.0 Lien Notes	—	208,411
1.5 Lien Notes	—	137,050
First Lien Agreement	—	125,468
1.25 Lien Notes	—	77,212
Promissory Note	—	6,773
Less, debt issuance costs	(154)	(949)
Total	$ 5,120	$ 553,965
Debt, net, non-current:		
Subordinated Notes	$ 84,797	$ —
Sprott Credit Agreement	61,894	—
Less, debt issuance costs	(4,026)	—
Total	$ 142,665	$ —

[1] Amount represents $1.6 million of Additional Interest (as defined in the Sprott Credit Agreement) plus 5.0% of the Company's outstanding debt balance as of December 31, 2020 under the Sprott Credit Agreement.

The following table summarizes the Company's contractual payments of long-term debt, including current maturities, for the five years subsequent to December 31, 2020 (in thousands):

2021	$ 5,27
2022	16,6
2023	23,9
2024	23,9
2025	96,7
Total	166,6
Less, original issue discount	(14,67
Less, debt issuance costs	(4,18
Total debt, net, current and non-current	$ 147,78

Sprott Credit Agreement

On October 4, 2019, the Company, as borrower, certain subsidiaries of the Company, as guarantors, and Sprott Private Resource Lending II (Collector), LP. ("Lender"), as arranger, executed a secured multi-advance term credit facility pursuant to which Lender committed to make, subject to certain conditions set forth therein, term loans in an aggregate principal amount up to $110.0 million. On May 29, 2020, the Company entered into the Amended and Restated Credit Agreement (the "Sprott Credit Agreement") to update the conditions precedent and effect certain other changes to conform to the details of the business combination. On May 29, 2020, at the consummation of the Recapitalization Transaction, the Company borrowed $70.0 million under the Sprott Credit Agreement, which was equal to the amount available under the first and second tranches, and issued to Lender 496,634 shares of common stock, which was equal to 1.0% of the Company's post-closing shares of common stock outstanding. The Company paid an original issuance discount equal to 2.0% ($1.4 million) of the amount borrowed. The Company does not believe it is currently able to borrow under the third and final $40.0 million tranche of the Sprott Credit Agreement due to its inability to satisfy applicable conditions and production milestones required by certain conditions precedent to borrowing.

As it relates to the $62.3 million initially recorded for the Sprott Credit Agreement on the May 29, 2020 closing of the Recapitalization Transaction, the Company recorded $70.0 million for the stated amount of the borrowing itself, $9.3 million for the additional interest payment obligation, and a $17.0 million discount (inclusive of the $1.4 million original issuance discount), which will be amortized to Interest expense, net of capitalized interest using the effective interest method over the term of the Sprott Credit Agreement. As of December 31, 2020, the interest rate charged on the outstanding principal balance of the Sprott Credit Agreement was 8.5%. Using the closing price of $12.65 per share of common stock on the Recapitalization Transaction date, the Company also recorded $6.3 million to Additional paid-in capital for the 496,634 shares of common stock issued to the Lender.

Advances under the Sprott Credit Agreement bear interest monthly at a floating rate equal to 7.0% plus the greater of (i) U.S. Dollar three-month LIBOR and (ii) 1.5%, per annum, accruing daily and compounded monthly. For a period of twelve months following the May 29, 2020 initial advance date, no cash payments of interest or principal will be due, with 100% of interest accruing and being capitalized on a monthly basis to the outstanding principal balance of the Sprott Credit Agreement. Additionally, for each three-month period commencing on February 28, 2021 and ending on the maturity date, the Company shall pay Lender additional interest on the last business day of such three-month period, calculated according to a formula set forth in the Sprott Credit Agreement and currently equal to $0.5 million per quarter ($9.3 million in total over the life of the Sprott Credit Agreement). Upon a prepayment of the entire Sprott Credit Agreement, all remaining additional interest payments and all remaining and yet unpaid additional interest must be prepaid as well.

The Company is required to make principal repayments beginning on August 31, 2021 and on the last business day every three months thereafter. The first four principal repayments are equal to two and one-half percent (2.5%) of the outstanding principal amount of the Sprott Credit Agreement on May 31, 2021 (including all capitalized interest thereon, if any, but excluding the principal repayment then due). All subsequent principal repayments are equal to seven and one-half (7.5%) of the outstanding principal amount of the Sprott Credit Agreement on May 31, 2021 (including all capitalized interest thereon, if any, but excluding the principal repayment then due). The entire outstanding balance of the Sprott Credit Agreement, together with all unpaid interest and fees (including all capitalized interest, if any), is due on the day that is five years from the last day of the month of the initial closing date, which shall be no later than May 31, 2025, the maturity date. The Company reviewed the features of the Sprott Credit Agreement for embedded derivatives, and determined no such instruments exist.

The Sprott Credit Agreement may be repaid in whole or in part, at any time prior to the maturity date. Each prepayment or cancellation of the Sprott Credit Agreement (including capitalized interest, if any), whether in whole or in part, voluntarily or mandatory, subject to certain exceptions, that occurs on or prior to the fourth anniversary of the date of the initial advance is subject to a prepayment premium between 3.0% and 5.0%. The obligations of the Company under the Sprott Credit Agreement are guaranteed by Credit Parties and secured by a lien on all properties and assets now owned, leased or hereafter acquired or leased by any Credit Party, as such terms are defined and further detailed in the Sprott Credit Agreement.

The Company is required to make prepayments of its outstanding principal balance equal to 50% or 100% of the proceeds received as outlined in the Sprott Credit Agreement. On October 31, 2020, the Company completed the sale of a SAG mill that was not in use for net proceeds of $2.3 million, of which $1.2 million was repaid in accordance with the Sprott Credit Agreement.

Subordinated Notes

In connection with the business combination and pursuant to a 1.25 Lien Exchange Agreement, on May 29, 2020, the Company assumed $80.0 million in aggregate principal amount of Seller's 1.25 Lien Notes that were exchanged as part of the Recapitalization Transaction (the "Subordinated Notes"). The Subordinated Notes are secured and subordinate in priority to the obligations under the Sprott Credit Agreement. The Subordinated Notes bear interest at a rate of 10.0% per annum, payable in-kind on a quarterly basis. The principal on the new Subordinated Notes is due December 1, 2025.

2.0 Lien Notes

As discussed in *Note 3 - Recapitalization Transaction*, on May 29, 2020, $221.3 million of Seller's 2.0 Lien Notes were converted into shares of Seller common stock which, along with all of Seller's other stockholders, as part of Sellers's plan of dissolution, received a pro rata distribution of common stock from Seller that was received by Seller as consideration from the Company. The Company recorded $74.6 million directly to retained earnings upon Seller's distribution of 14,795,153 shares of common stock to Seller's former 2.0 Lien Note holders, which represented the difference between the carrying value of the 2.0 Lien Notes and the value of the common stock received as consideration by Seller's former 2.0 Lien Note holders. The 2.0 Lien Notes bore interest at a rate of 15.0% per annum, payable in-kind on a quarterly basis, through the issuance of additional 2.0 Lien Notes. The 2.0 Lien Notes were converted into Seller common stock at a conversion price of $1.67 per share in accordance with the 2.0 Lien Agreement. While outstanding, the obligations under the 2.0 Lien Notes and the guarantees by the guarantors in respect thereof were secured by liens on substantially all assets of the Company and the guarantors, subject to the priority of the liens that secured the obligations under the First Lien Agreement, the 1.25 Lien Notes and the 1.5 Lien Notes.

1.5 Lien Notes

As discussed in *Note 3 - Recapitalization Transaction*, on May 29, 2020, after giving effect to the 1.5 Lien Notes' 110.0% repurchase feature, $145.7 million of Seller's 1.5 Lien Notes plus accrued and unpaid interest were exchanged, and subsequently cancelled, for 16,025,316 shares of common stock. The Company recorded a $14.6 million loss directly to retained earnings upon such exchange, which represented 10.0% of the $145.7 million aggregate principal amount of 1.5 Lien Notes balance at the time of exchange. While outstanding, the 1.5 Lien Notes bore interest at a rate of 15.0% per annum, which was payable in-kind on a quarterly basis, through the issuance of additional 1.5 Lien Notes. While outstanding, the obligations under the 1.5 Lien Notes and the guarantees by the guarantors in respect thereof were secured by liens on substantially all assets of Seller and the guarantors, subject to the priority of the liens that secured the obligations of the First Lien Agreement and the 1.25 Lien Notes, but superior in priority to the liens that secured the obligations of the 2.0 Lien Notes and the unsecured obligations of Seller.

1.25 Lien Notes

As discussed in *Note 3 - Recapitalization Transaction*, on May 29, 2020, $48.5 million in aggregate principal amount of Seller's 1.25 Lien Notes, which bore interest at 15.0% per annum, payable in-kind, were exchanged, and subsequently cancelled, for 4,845,920 shares of common stock and the remaining $80.0 million aggregate principal amount of Seller's 1.25 Lien Notes were exchanged for $80.0 million in aggregate principal amount of new Subordinated Notes that were assumed in the Recapitalization Transaction by the Company, bearing interest at a rate of 10.0% per annum, payable-in-kind. The 1.25 Lien Notes bore interest at a rate of 15.0% per annum, which was payable in-kind on a quarterly basis, through the issuance of additional 1.25 Lien Notes. While outstanding, the obligations under the 1.25 Lien Notes and the guarantees by the guarantors in respect thereof were secured by liens on substantially all assets of Seller and the guarantors, subject to the priority of the liens that secured the obligations of the First Lien Agreement, but superior in priority to the liens that secured the obligations of the 1.5 Lien Notes, the 2.0 Lien Notes and the unsecured obligations of Seller.

First Lien Agreement

As discussed in *Note 3 - Recapitalization Transaction*, on May 29, 2020, $125.5 million of outstanding principal under the First Lien Agreement with the Bank of Nova Scotia as agent, plus accrued interest, was repaid. Most recently, from January 31, 2020 through the repayment date, the First Lien Agreement bore interest at either LIBOR plus 7.5% or an Alternate Base Rate Canada plus 7.5%, as such terms were defined in the First Lien Agreement. The repayment of the First Lien Agreement and other obligations under the First Lien Agreement were guaranteed by all of the direct and indirect domestic subsidiaries of Seller. While outstanding, the obligations under the First Lien Agreement, the guarantees by the guarantors in respect thereof were secured by liens on substantially all of the assets of the Company and its subsidiaries. Upon repayment of the First Lien Agreement, $3.3 million of restricted cash was released to the Company (see *Note 6 - Restricted Cash*).

Promissory Note

As discussed in *Note 3 - Recapitalization Transaction*, on May 29, 2020, a $6.9 million promissory note was repaid, the obligation of which related to a 2014 settlement with a vendor of a predecessor of Seller.

Interest expense, net

The following table summarizes the components of recorded interest expense (in thousands):

	Year Ended December 31,	
	2020	2019
2.0 Lien Notes	$ 12,902	$ 28,537
1.5 Lien Notes	8,635	18,763
1.25 Lien Notes	6,218	5,241
First Lien Agreement	4,575	10,022
Sprott Credit Agreement	6,009	—
Subordinated Notes	4,797	—
Amortization of debt issuance costs	1,972	2,048
Promissory Note	141	786
Other interest expense	40	—
Capitalized interest	(1,831)	(551)
Total	$ 43,458	$ 64,846

The Company capitalizes interest to *Plant, equipment, and mine development, net* on the consolidated balance sheets for construction projects in accordance with ASC Topic 835, *Interest*. Except for the First Lien Agreement and other interest expense, amounts shown in the table above represent non-cash interest expense charges.

10. Royalty Obligation

On May 29, 2020, the closing date of the Recapitalization Transaction, the Company and Sprott Private Resource Lending II (Co) Inc. (the “Payee”) entered into a royalty agreement with respect to the Hycroft Mine (the “Sprott Royalty Agreement”) in which Payee paid to the Company cash consideration in the amount of $30.0 million, for which the Company granted to Payee a perpetual royalty equal to 1.5% of the Net Smelter Returns from its Hycroft Mine, payable monthly. Net Smelter Returns for any given month are calculated as Monthly Production multiplied by the Monthly Average Gold Price and the Monthly Average Silver Price, minus Allowable Deductions, as such terms are defined in the Sprott Royalty Agreement.

The Company has the right to repurchase up to 33.3% (0.5% of the 1.5% royalty) of the royalty on each of the first and second anniversaries from May 29, 2020. The Sprott Royalty Agreement is secured by a first priority lien on certain property of the Hycroft Mine, including: (1) all land and mineral claims, leases, interests, and rights; (2) water rights, wells, and related infrastructure; and (3) stockpiles, buildings, structures, and facilities affixed to, or situated on, the Hycroft Mine, which ranks senior to security interests and liens granted pursuant to the Sprott Credit Agreement. In addition to the terms generally described above, the Sprott Royalty Agreement contains other terms and conditions commonly contained in royalty agreements of this nature.

During the year ended December 31, 2020, the Company recorded amortization of the royalty obligation of approximately $0.04 million and made payments of $0.5 million. As of December 31, 2020, $0.1 million of the royalty obligation was recorded as a current liability based upon the estimated gold and silver expected to be produced over the next 12 months, using the current mine plan, and current proven and probable mineral reserves.

11. Asset Retirement Obligation

The following table summarizes changes in the Company's ARO (in thousands):

	2020	2019
Balance at January 1,	$ 4,374	$ 5,832
Accretion expense	374	422
Changes in estimates	37	(1,880)
Balance at December 31,	$ 4,785	$ 4,374

The Company did not incur any reclamation expenditures during the years ended December 31, 2020 and 2019. For the year ended December 31, 2020, the changes in estimates were due to construction of the new leach pad along with increases in equipment and labor costs. Changes in estimates during the year ended December 31, 2019 were driven by increased equipment and diesel costs but were more than offset by an increase in our credit adjusted risk-free rate, which is used to discount the future reclamation costs. As of December 31, 2020, the Company estimates that no significant reclamation expenditures associated with the ARO will be made until 2047 and that reclamation work will be completed by the end of 2065.

12. Stockholders' Equity

Following the May 29, 2020 Recapitalization Transaction, as of December 31, 2020, the total number of shares of all classes of capital stock that the Company has authority to issue is 410,000,000, of which 400,000,000 are common stock, par value $0.0001 per share, and 10,000,000 are preferred stock par value $0.0001 per share. The designations, powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect to each of our class of capital stock are discussed below.

Common stock

As of December 31, 2020, there were 59,901,306 shares of common stock issued and outstanding. Each holder of common stock is entitled to one vote for each share of common stock held by such holder. The holders of common stock are entitled to the payment of dividends and other distributions as may be declared from time to time by the Board of Directors in accordance with applicable law and to receive other distributions from the Company. Subject to the terms of the Recapitalization Transaction and as of May 29, 2020, certain new and existing holders of common stock of the Company are subject to lock-up periods, which ranged from six to twelve months or were dependent on the Company's filing of a registration statement, deemed effective by the SEC.

Preferred stock

As of December 31, 2020, there were no shares of preferred stock issued and outstanding.

Dividend policy

The Company's credit facility under the Sprott Credit Agreement contains provisions that restrict its ability to pay dividends. For additional information see *Note 9 - Debt, Net*.

Warrants

As described below, the Company had a total of 56,594,855 warrants outstanding as of December 31, 2020.

Public Offering warrants

On October 6, 2020, the Company issued 9,583,334 units in an underwritten public offering at an offering price to of $9.00 per unit (the "Public Offering"), with each unit consisting of one share of common stock and one warrant to purchase one share of common stock at an exercise price of $10.50 per share. Of the 9.6 million units issued, 5.0 million units were issued to Restricted Persons, as defined under the Seller Warrant Agreement. After deducting underwriting discounts and commission and offering expenses, the proceeds net of discount and equity issuance costs to the Company were $83.1 million. The warrants are immediately exercisable and entitle the holder thereof to purchase one share of common stock at an exercise price of $10.50 for a period of five years from the closing date of the Public Offering. The shares of common stock and warrants were separated upon issuance in the Public Offering. The warrants issued in the Public Offering are listed on the Nasdaq Capital Market under the symbol "HYCML".

Five-Year Public Warrants

The Company has 34,289,898 publicly traded warrants outstanding that entitle holders to purchase one share of common stock at an exercise price of $11.50 per share for a period of five years from the May 29, 2020 Recapitalization Transaction ("Five-Year Public Warrants"). The Company has certain abilities to call such warrants if the last reported sale price of common stock equals or exceeds $18.00 per share (as adjusted for share splits, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period. See *Note 3 - Recapitalization Transaction* for additional details on transactions to which these warrants were issued.

Seller Warrants

As part of the Recapitalization Transaction, the Company assumed the obligations and liabilities under that certain warrant agreement, dated as of October 22, 2015, by and between Seller and Computershare Inc., a Delaware corporation, and its wholly owned subsidiary Computershare Trust Company, N.A., a federally chartered trust company, collectively as initial warrant agent; and Continental Stock Transfer & Trust Company, LLC was named as the successor warrant agent (the “Seller Warrant Agreement”). Pursuant to the assumption of the Seller Warrant Agreement, the warrants issued thereunder (the “Seller Warrants”) became exercisable into shares of common stock. Upon assumption by the Company, the Seller Warrants were exercisable into 3,210,213 shares of common stock at an exercise price determined as of October 1, 2020 pursuant to the Seller Warrant Agreement of $44.82 per share upon exercise of the 12,721,623 outstanding Seller Warrants, with each warrant exercisable into 0.2523 shares of common stock, which exercise price and number of shares were subject to adjustment from time to time under the terms of the Seller Warrant Agreement. Seller Warrants have a seven-year term that expires in October 2022.

As discussed above in the Public Offering warrants section, in connection with the Public Offering, the Company determined that certain adjustments were required to be made to the terms of the Seller Warrants as a result of the issuance by the Company in the Public Offering of 4,951,388 units to “Restricted Persons” under the Seller Warrant Agreement. As a result of the adjustments required under the Seller Warrant Agreement, (1) the exercise price of each Seller Warrant decreased from $44.82 per share of common stock to $41.26 per share of common stock; and (2) the number of shares of common stock issuable upon exercise of each Seller Warrant increased from 0.25234 to 0.27411. Accordingly, as adjusted, the aggregate number of shares of common stock issuable upon full exercise of the 12,721,623 outstanding Seller Warrants increased from 3,210,213 shares to 3,487,168 shares of common stock. As a result of the Company authorizing the issuance of up to 2,508,002 shares under the Hycroft Mining Holding Corporation Incentive and Performance Plan (“Incentive Plan”), as of January 19, 2020, the Company elected to treat all shares issuable under the Incentive Plan as deemed issued to Restricted Persons and elected to prospectively reduce the exercise price of each Seller Warrant to $40.31 per share of common stock and increase the number of shares of common stock issuable upon exercise of each Seller Warrant to 0.28055. As a result, an aggregate of 3,569,051 shares of common stock are issuable upon exercise of the 12,721,623 outstanding Seller Warrants. See *Note 18 - Fair Value Measurements* for further detail on the Seller Warrants.

13. Revenues

The table below is a summary of the Company's gold and silver sales (in thousands, except ounces sold):

	Year Ended December 31,			
	2020		2019	
	Amount	Ounces Sold	Amount	Ounces Sold
Gold sales	$ 44,279	24,892	$ 12,803	8,593
Silver sales	2,765	136,238	906	52,036
Total	$ 47,044		$ 13,709	

Following the 2019 restart of the Hycroft Mine, the Company began recording revenue from gold and silver sales during the third quarter of 2019. While the Company is not obligated to sell any of its gold and silver to one customer, the majority of gold and silver sales during both 2019 and 2020 were to the same customer. For the years ended December 31, 2020 and 2019, approximately 79.1% and 100.0%, respectively, of revenue was attributable to sales to one customer.

14. Stock-Based Compensation

Performance and Incentive Pay Plan

The Company's Performance and Incentive Pay Plan (the "PIPP"), which was approved on February 20, 2019 and amended on May 29, 2020 in connection with the Recapitalization Transaction, is a stock-based compensation plan to attract, retain and motivate employees and directors while directly linking incentives to increases in stockholder value. Terms and conditions (including performance-based vesting criteria) of awards granted under the PIPP are established by the Board of Directors or the Compensation Committee of the Board of Directors, who administer the PIPP. Awards may be granted in a variety of forms, including restricted stock, restricted stock units, stock options, stock appreciation rights, performance awards, and other stock-based awards. The number of shares of common stock made available for award under the PIPP is equal to 5.0% of the issued and outstanding shares of the Company's common stock immediately after the close of the Recapitalization Transaction, or 2,508,002 shares. There are currently 1,819,814 shares registered and available to grant under the PIPP. There are no equity compensation plans not approved by stockholders.

As of December 31, 2020, all awards granted under the PIPP were in the form of restricted stock units to employees or consultants of the Company. Restricted stock units granted to employees under the PIPP without performance-based vesting criteria typically vest in either equal annual installments over two to three years, or in entirety on the fourth anniversary after the grant date. Awards granted to employees with performance-based vesting criteria typically vest in annual installments over two or three years subject to the achievement of certain financial and operating results of the Company. Restricted stock units granted to non-employee directors vested immediately while others vest in equal installments over a two to three year period.

For restricted stock units granted in the first quarter of 2019 that had not vested as of December 31, 2020, a price per share was not determined as of the grant date. The number of shares of common stock of the Company to be issued upon vesting is to be calculated on the vesting date, which is either the second or third anniversary of the date of the grant, or the annual date the compensation committee determines the achievement of the corporate performance targets. Such unvested restricted stock unit awards are included in Other liabilities, non-current. Refer to *Note 8 - Other Liabilities* for further detail.

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The following table summarizes the Company's stock-based compensation cost and unrecognized stock-based compensation cost by plan (in thousands):

	Restricted Stock Units	
Performance and Incentive Pay	Number of Units	Weighted Average Grar Date Fair Value
Non-vested at beginning of year[1]	339,271	$ 10.9
Granted	517,234	8.1
Canceled/forfeited	(131,724)	11.3
Vested	(179,085)	11.0
Non-vested at end of year	545,696	$ 8.1

(1) The weighted average grant date fair value for non-vested restricted stock units at the beginning of the year was not determined because a price per share was not determined as of the grant date. The number of shares of common stock of the Company to be issued upon vesting is to be calculated on the vesting date.

In connection with the closing of the Recapitalization Transaction on May 29, 2020, approximately 0.1 million restricted stock units, which were granted in 2019, vested at an average price of $12.65 per share, the closing price of common stock on the date of the Recapitalization Transaction. On June 1, 2020, approximately 0.1 million restricted stock units vested at an average price of $11.50 per share, the closing price of common stock on such vesting date. Additionally, in connection with the 2020 annual grant to the Company's directors, approximately 0.03 million restricted stock units were granted on December 4, 2020, which immediately vested at $7.43 per share, the closing price on the Nasdaq Capital Market of the Company's common stock on December 4, 2020.

During the year ended December 31, 2020, the Company reclassified $1.8 million from Other liabilities, current to Additional paid-in capital for the restricted stock units that vested. Shares of the Company's common stock were issued for the vested restricted stock units held by former employees as of December 31, 2020; however, shares of common stock for such awards will not be issued to current employees until the Conversion Date, as defined in the equity award agreements.

The total intrinsic value of restricted stock units (calculated as the product of price per share on the vesting date times the number of restricted stock units vested) vested during the year ended December 31, 2020 was $2.0 million. No restricted stock units vested during the year ended December 31, 2019.

Total compensation expense relating to restricted stock awards was $2.4 million and $1.2 million for the years ended December 31, 2020 and 2019, respectively. Our recognized tax benefit from this expense for the years ended December 31, 2020 and 2019 was $0.4 million and $0.3 million, respectively.

As of December 31, 2020, $2.9 million of total unrecognized compensation cost related to restricted stock units was expected to be recognized as an expense by the Company in the future over a weighted-average period of approximately 2.2 years.

Non-Employee Director Phantom Stock Plan

Non-executive members of Seller's Board of Directors received phantom shares pursuant to the Hycroft Mining Corporation Non-Employee Director Phantom Stock Plan (the "Phantom Plan") as part of their annual compensation pursuant to phantom stock award agreements. For grants issued during the years ended 2015 and 2016, the cash payment was equal to the fair market value of one share of common stock of Seller at the date of payment. Under the grant agreements, each phantom share vested on the date of grant and entitled the participant to a cash payment. For grants issued during 2018, 2019, and 2020, the cash payment was equal to the greater of the (1) grant date value, or (2) the fair market value of one share of common stock of Seller at the date of payment. The cash payments were to be made to participants upon certain Payment Events, as such term is defined in the Phantom Plan, which was triggered by the closing of the Recapitalization Transaction. In connection with the closing of the Recapitalization Transaction, a $1.8 million cash payment was made to the participants to satisfy the 1,237,500 phantom shares that were vested and outstanding.

During the years ended December 31, 2020 and 2019, non-employee members of Seller's Board of Directors were granted a total of 157,500 and 315,000 phantom shares of stock, respectively, that vested upon grant. During the years ended December 31, 2020 and 2019, the Company recorded $0.2 million and $0.7 million, respectively, in compensation expense related to the vesting and valuation adjustments of the Seller's phantom shares, which is included in *General and administrative* on the consolidated statements of operations. Historically, the Company included amounts for Seller's outstanding phantom awards at fair value within *Other liabilities, current* (see *Note 18 - Fair Value Measurements* for additional information).

15. Income Taxes

For the years ended December 31, 2020 and 2019, the Company recorded no income tax benefit or expense based upon the annual effective tax rate of 0.0% for each period. The annual effective tax rate for each period was driven by losses for each period. The gain related to the Recapitalization Transaction was excluded from the estimated annual effective tax rate calculation for the 2020 period as it is considered a discrete item. The Company reversed a portion of the valuation allowance based on the net operating loss expected to be used, in order to offset Seller's taxable gain related to the Recapitalization Transaction.

The Company is subject to state income tax in Colorado, which is the location of its corporate office, but did not incur any income tax expense related to Colorado due to continued net operating losses. The Company is subject to mining taxes in Nevada, which are classified as income taxes as such taxes are based on a percentage of mining profits, but did not incur any mining tax expense due to continued mining losses. The Company is not subject to foreign income taxes as all of the Company's operations and properties are located within the United States.

The Company's loss before income taxes was attributable solely to domestic operations in the United States. The components of the Company's income tax expense (benefit) were as follows (in thousands):

	Year Ended	
	2020	2019
Current		
Federal	$ —	$ —
Deferred		
Federal	146,785	(24,609)
Change in Valuation Allowance	(146,785)	24,609
Income Tax Benefit	$ —	$ —

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The following table provides a reconciliation of income taxes computed at the United States federal statutory tax rate of 21% in 2020 and 2019 to the income tax provision (in thousands):

	Year Ended	
	2020	2019
Loss before income taxes	$ (132,670)	$ (98,895
United States statutory income tax rate	21%	21%
Income tax (benefit) at United States statutory income tax rate	$ (27,861)	$ (20,768
Change in valuation allowance	(146,785)	24,60
Recapitalization transaction	157,855	–
Cancellation of debt income	15,360	–
State tax provision, net of federal benefit	1,263	(3,847
Other	168	
Income Tax Benefit	$ —	$ –

For the year ended December 31, 2020, the effective tax rate was a result of a decrease in the valuation allowance of $146.8 million which offset a $157.9 million net write-off and usage of certain deferred tax assets as a result of the Recapitalization Transaction and $15.4 million of cancellation of debt income related to the Recapitalization Transaction.

For the year ended December 31, 2019, the effective tax rate was driven by an increase in the valuation allowance of $24.6 million that was partially offset by adjustments related to the apportionment of taxable loss to the state of Colorado. The apportionment of taxable loss caused state return to provision adjustments of $3.8 million.

The components of the Company's deferred tax assets are as follows (in thousands):

	December 31,	
	2020	2019
Net operating loss	$ 7,684	$ 146,38
Mineral properties	39,555	-
Plant, equipment, and mine development	30,767	60,84
Intangible assets	21,710	-
Royalty	6,292	-
Interest expense carryforward	1,935	24,36
Asset retirement obligation	997	92
Stock-based compensation	405	25
Accrued compensation	197	-
Inventories	191	15,43
Reorganization costs	—	7,70
Other liabilities	—	60
Credits and other	—	
Valuation allowance	(109,733)	(256,51
Total net deferred tax assets	$ —	$ -

Based on the weight of evidence available as of both December 31, 2020, and 2019, which included recent operating results, future projections, and historical inability to generate operating cash flow, the Company concluded that it was more likely than not that the benefit of its net deferred tax assets would not be realized and, as such, recorded full valuation allowances of $109.7 million and $256.5 million, respectively, against its net deferred tax assets.

The Company had net operating loss carryovers as of December 31, 2020 and 2019 of $36.6 million and $683.8 million, respectively, for federal income tax purposes. The accumulated net operating loss carryovers as of December 31, 2019 were not transferred from the Seller to the Company upon consummation of the Recapitalization Transaction, which caused the decrease in the balance. The carryforward amount as of December 31, 2020 can be carried forward indefinitely and can be used to offset taxable income and reduce income taxes payable in future periods, pending any potential limitation pursuant to Internal Revenue Code ("IRC") section 382. Additional analysis of the IRC section 382 limitations will be performed in the future and could result in an annual limitation applied to the $36.6 million of net operating losses.

Immediately prior to the Recapitalization Transaction, Seller had estimated net deferred tax assets of approximately $193.0 million, which were primarily comprised of net operating losses and offset by a full valuation allowance. As a result of the Recapitalization Transaction, Seller, which sold all of its issued and outstanding equity interests of its direct subsidiaries and substantially all of its other assets, to Acquisition Sub, which also assumed substantially all of the liabilities of Seller, had a taxable gain and cancellation of indebtedness of approximately $128.5 million before considering Seller's net operating loss carryforwards. In connection with the Recapitalization Transaction, Seller used approximately $27.2 million of its deferred tax assets to offset the taxable gain in full, resulting in remaining net deferred tax assets of approximately $94.1 million immediately after the Recapitalization Transaction. The remaining net deferred tax assets balance of Seller did not transfer to the Company as a result of the Recapitalization Transaction. For U.S. tax purposes, the sale of Seller's disregarded subsidiaries interests and other assets was considered a sale of assets. The acquired assets have a carryover basis for U.S. GAAP purposes and the Company has stepped up the fair market value basis in the assets acquired for tax purposes.

As necessary, the Company provides a reserve against the benefits of uncertain tax positions taken in its tax filings that are more likely than not to not be sustained upon examination. Based on the weight of available evidence, the Company does not believe it has taken any uncertain tax positions that require the establishment of a reserve. The Company has not recorded any income tax reserves or related interest or penalties related to income tax liabilities as of December 31, 2020. The Company's policy, if it were to have uncertain tax positions, is to recognize interest and/or penalties related to unrecognized tax benefits as part of its income tax expense. With limited exception, the Company is no longer subject to U.S. federal income tax audits by taxing authorities for tax years 2017 and prior; however, net operating loss and credit carryforwards from all years are subject to examinations and adjustments for at least three years following the year in which the attributes are used.

16. Loss Per Share

The table below summarizes the Company's basic and diluted loss per share calculations (in thousands, except share and per share amounts):

	Year Ended December 31,	
	2020	2019
Net loss	$ (132,670)	$ (98,895)
Weighted average shares outstanding		
Basic	34,833,211	301,559
Diluted	34,833,211	301,559
Basic loss per common share	$ (3.81)	$ (327.95)
Diluted loss per common share	$ (3.81)	$ (327.95)

The weighted-average shares of common stock outstanding for the year ended December 31, 2019 have been retroactively restated as shares reflecting the exchange ratio established in the Recapitalization Transaction to effect the reverse recapitalization (1 Seller share for 0.112 HYMC share). Basic and diluted net loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. Loss per share amounts in the 2019 period exclude the common share effects from certain of Seller's debt instruments, which are reflected in the 2020 period.

Due to the Company's net loss during the years ended December 31, 2020 and 2019, there was no dilutive effect of common stock equivalents because the effects of such would have been anti-dilutive. Using the treasury stock method, the weighted-average common stock equivalents excluded from diluted loss per share calculations were 47.7 million shares (47.4 million shares related to warrants, and 0.3 million shares related to restricted stock units), for the year ended December 31, 2020. For the year ended December 31, 2019, the weighted-average common stock equivalents excluded from diluted loss per share calculations using the treasury stock method were 3.2 million shares related to warrants. Unvested restricted stock units granted in 2019 were excluded from common stock equivalent calculations because the number of shares required to settle such stock-based compensation awards is not known until the future vesting date.

17. Segment Information

The Company's reportable segments are comprised of operating units that have revenues, earnings or losses, or assets exceeding 10% of the respective consolidated totals, and are consistent with the Company's management reporting structure. Each segment is reviewed by the executive decision-making group to make decisions about allocating the Company's resources and to assess their performance. The tables below summarize the Company's segment information:

	Year Ended December 31,		
	Hycroft Mine	Corporate and Other	Total
2020			
Revenue - Note 13	$ 47,044	$ —	$ 47,044
Cost of sales	109,621	—	109,621
Other operating costs	5,705	21,084	26,789
Loss from operations	(68,282)	(21,084)	(89,366)
Interest expense - Note 10	(141)	(43,317)	(43,458)
Fair value adjustment to Seller Warrants - Note 18	—	(45)	(45)
Interest income	199	—	199
Loss before reorganization items and income taxes	(68,224)	(64,446)	(132,670)
Reorganization items	—	—	—
Loss before income taxes	$ (68,224)	$ (64,446)	$ (132,670)
Total Assets	$ 177,298	$ 55,328	$ 232,626
2019			
Revenue - Note 13	$ 13,709	$ —	$ 13,709
Cost of sales	30,669	—	30,669
Other operating costs	10,909	6,072	16,981
Loss from operations	(27,869)	(6,072)	(33,941)
Interest expense - Note 10	(786)	(64,060)	(64,846)
Fair value adjustment to Seller Warrants - Note 18	—	—	—
Interest income	797	—	797
Loss before reorganization items and income taxes	(27,858)	(70,132)	(97,990)
Reorganization items	—	(905)	(905)
Loss before income taxes	$ (27,858)	$ (71,037)	$ (98,895)
Total Assets	$ 119,789	$ 14,848	$ 134,637

18. Fair Value Measurements

Recurring fair value measurements

The following table sets forth by level within the fair value hierarchy, the Company's liabilities measured at fair value on a recurring basis (in thousands).

	Hierarchy Level	December 31, 2020	December 31, 2019
Liabilities:			
Other liabilities, current			
Accrued compensation for phantom shares	3	$ —	$ 1,590
Other liabilities, non-current			
Warrant liability - Note 12	2	62	18
Total		$ 62	$ 1,608

Accrued compensation for phantom shares

Certain of Seller's phantom shares, which were satisfied in full upon closing of the Recapitalization Transaction, were carried at fair value due to holders of such awards being entitled to variable cash payments based upon valuations of Seller's common stock. The historical fair value of such obligation was computed using inputs and assumptions that were significant and unobservable as Seller was a privately held entity and, as such, were classified within Level 3 of the fair value hierarchy. The inputs and assumptions included estimates of consideration to be received by holders of phantom shares based on the estimated fair value of the consideration that may be allocated to such holders from the various financing transactions Seller was considering at such time based on the implied equity value.

Warrant liability

As part of the Recapitalization Transaction, the Company assumed Seller's obligations under the Seller Warrant Agreement and the 12.7 million Seller Warrants outstanding became exercisable into shares of the Company's common stock. The Seller Warrant Agreement also contains certain terms and features to reduce the exercise price and increase the number of shares of common stock each warrant is exercisable into. As a result, Seller Warrants are considered derivative financial instruments and carried at fair value. The fair value of Seller Warrants was computed by an independent third-party consultant (and validated by the Company) using a Monte Carlo simulation-based model that requires a variety of inputs, including contractual terms, market prices, exercise prices, equity volatility and discount rates. The Company updates the fair value calculation on at least an annual basis, or more frequently if changes in circumstances and assumptions indicate a change from the existing carrying value. See *Note 12 - Stockholders' Equity* for additional information on the Seller Warrants.

Items disclosed at fair value

Debt

The Sprott Credit Agreement and the Subordinated Notes are privately held and, as such, there is no public market or trading information available for such debt instruments. As of December 31, 2020, the fair value of the Company's debt instruments was $154.9 million. The fair value of the principal of the Company's debt instruments, including capitalized interest, was estimated using a market approach in which pricing information for publicly traded, non-convertible debt instruments with speculative ratings were analyzed to derive a mean trading multiple to apply to the December 31, 2020 balances. As of December 31, 2019, Seller determined that certain of its debt instruments' carrying value exceeded the estimated fair value, which was based on the estimated fair value of the consideration that may be allocated to such debt instruments from the various financing transactions Seller was considering at such time. Accordingly, as of December 31, 2019, Seller estimated that the fair value of the 2.0 Lien Notes and 1.5 Lien Notes was approximately $262.4 million, compared to the carrying value of $345.5 million.

Royalty obligation

As of December 31, 2020, the estimated net present value of the Company's royalty obligation was $148.4 million, compared to the carrying value of $30.0 million. The net present value of the Company's royalty obligation was modeled using the following level 3 inputs: (1) market consensus inputs for future gold and silver prices; (2) a precious metals industry consensus discount rate of 5.0%; and (3) estimates of the Hycroft Mine's life-of-mine gold and silver production volumes and timing.

19. Supplemental Cash Flow Information

The following table provides supplemental cash flow information (in thousands):

	Year Ended December 31,	
	2020	2019
Cash paid for interest	$ 5,366	$ 10,23
Significant non-cash financing and investing activities:		
Exchange of Seller's 1.5 Lien Notes for HYMC common stock	160,254	-
Exchange of Seller's 1.25 Lien Notes for Subordinated Notes	80,000	-
Exchange of Seller's 1.25 Lien Notes for HYMC common stock	48,459	-
Write-off of Seller's debt issuance costs	8,202	-
Plant, equipment, and mine development additions included in accounts payable	1,229	2,45
Accrual of deferred financing and equity issuance costs	94	1,02

In addition to the supplemental cash flow information shown above, *Note 3 - Recapitalization Transaction* and *Note 9 - Debt, Net* provide additional details on non-cash transactions that were part of the Recapitalization Transaction, as well as information on non-cash interest charges.

20. Employee Benefit Plans

401(k) Plan

The Hycroft Mining Corporation 401(k) Plan (the "401(k) Plan") is a defined contribution plan that is available to all employees of the Company upon their date of hire. The 401(k) Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended, and Section 401(k) of the Internal Revenue Code. Administrative fees of the 401(k) Plan are paid by the Company. The assets of the 401(k) Plan are held and the related investments are executed by the 401(k) Plan's trustee.

Participants in the 401(k) Plan exercise control and direct the investment of their contributions and account balances among various investment alternatives. The Company matches a percentage of employee deferrals to the 401(k) Plan up to certain limits. For the years ended December 31, 2020 and 2019, the Company's matching contributions totaled $0.9 million, and $0.5 million, respectively.

21. Commitments and Contingencies

From time to time, the Company is involved in various legal actions related to its business, some of which are class action lawsuits. Management does not believe, based on currently available information, that contingencies related to any pending or threatened legal matter will have a material adverse effect on the Company's financial statements, although a contingency could be material to the Company's results of operations or cash flows for a particular period depending on the results of operations and cash flows for such period. Regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources, and other factors.

On February 7, 2020, a purported class action complaint was filed by a purported holder of the Seller Warrants, in the Court of Chancery of the State of Delaware against Seller and the Company. The complaint sought a declaratory judgment that the Recapitalization Transaction constitutes a "Fundamental Change" under the terms of the Seller Warrant Agreement and thereby requiring that Seller Warrants be assumed by the Company as part of the Recapitalization Transaction, in addition to asserting claims for: (1) breach or anticipatory breach of contract against Seller; (2) breach or anticipatory breach of the implied covenant of good faith and fair dealing against Seller; and (3) tortious interference with contractual relations against the Company. The complaint sought unspecified money damages and also sought an injunction enjoining Seller and the Company from consummating the Recapitalization Transaction. On February 26, 2020, the Company and Seller entered into an amendment to the Purchase Agreement whereby Seller's liabilities and obligations under the Seller Warrant Agreement were included as an assumed liability under the Purchase Agreement. On March 27, 2020, the Company and Seller filed motions to dismiss the complaint. On May 15, 2020, a hearing was held and the complaint was dismissed. On May 21, 2020, Plaintiff filed a motion to alter or amend the Court's order in order to retain jurisdiction in order to file application for a mootness fee, to which the Company and Seller, while disputing factual assertions and characterizations, did not oppose. On June 30, 2020, the motion was granted and the Court retained jurisdiction over the action to hear any mootness fee application. The matter was settled and a $0.1 million mootness fee was paid on September 8, 2020.

Financial commitments not recorded in the financial statements

As of December 31, 2020 and December 31, 2019, the Company's off-balance sheet arrangements consisted of operating lease agreements, a net profit royalty arrangement, and a future purchase obligation for consignment inventory.

Operating leases

During the year ended December 31, 2020, the Company signed two leases for the rental of mining equipment. The operating leases for mobile mining equipment were used to supplement the Company's own fleet. Each lease had less than a year remaining as of December 31, 2020. The total remaining minimum lease payments for the two leases was approximately $4.8 million as of December 31, 2020.

The Company also holds operating leases. Rent expense is $0.2 million annually and the leases expire between March 2021 and January 2022.

As the Company has elected to take advantage of the extended transition period for complying with new or revised accounting standards, the Company will not adopt ASU 2016-02 until January 2022, or it no longer qualifies as an emerging growth company, and no right of use asset or liability will be recorded on the balance sheet for existing operating leases.

Net profit royalty

A portion of the Hycroft Mine is subject to a mining lease that requires a 4% net profit royalty be paid to the owner of certain patented and unpatented mining claims. The mining lease also requires an annual advance payment of $120,000 every year mining occurs on the leased claims. All advance annual payments are credited against the future payments due under the 4% net profit royalty. An additional payment of $120,000 is required for each year total tons mined on the leased claims exceeds 5.0 million tons. As of December 31, 2020, total tons mined from the leased claims exceeded 5.0 million tons, requiring an incremental amount of $120,000 due to the owner of the mining claims. The total payments due under the mining lease are capped at $7.6 million, of which the Company has paid or accrued $2.7 million and included $0.4 million in *Other assets, non-current* in the consolidated balance sheets as of December 31, 2020.

Consignment inventory

During the first quarter of 2020, Hycroft entered into an agreement with a spare parts supplier that requires the supplier to maintain a specified inventory of replacement parts and components that are exclusively for purchase by Hycroft. Pursuant to the agreement, the Company is required to purchase all of the un-replenished consignment stock inventory, totaling $2.5 million, over the two-year life of the Inventory Consignment agreement. As of December 31, 2020, the Company had prepaid $0.8 million towards the un-replenished consignment stock inventory, which is included in Prepaids and other in the consolidated balance sheets. See *Note 2 - Summary of Significant Accounting Policies* and *Note 5 - Prepaids and Other* for additional detail.

22. Related Party Transactions

Certain amounts of the Company's indebtedness disclosed in *Note 9 - Debt, Net* have historically, and with regard to the $80.0 million of Subordinated Notes, are currently, held by five financial institutions. As of December 31, 2020, three of the financial institutions, Highbridge Capital Management, LLC (“Highbridge”), Mudrick Capital Management, L.P (“Mudrick”) and, Whitebox Advisors, LLC (“Whitebox”), held more than 10% of the common stock of the Company and, as a result, each are considered a related party (the "Related Parties") in accordance with ASC 850, *Related Party Disclosures*. For the years ended December 31, 2020 and 2019, *Interest expense, net of capitalized interest* included $31.3 million and $57.6 million, respectively, for the debt held by Related Parties. As of December 31, 2020 and 2019, the Related Parties held a total $71.2 million and $497.2 million, respectively, of debt. Additionally, the Company's Compensation Committee and Board of Directors approved annual Director compensation arrangements for non-employee directors, of which $0.2 million is payable to Mudrick. During the year ended December 31, 2020, the Company paid $0.1 million to Mudrick and Mudrick vested in 5,047 restricted stock units that will convert into the same number of shares of the Company's common stock upon the Mudrick representative no longer serving on the Company's Board of Directors.

In connection with the closing of the Public Offering on October 6, 2020, Highbridge and Mudrick acquired 833,333, and 3,222,222 of the units, consisting of shares of common stock and warrants to purchase common stock, issued in the Public Offering, respectively. Refer to *Note 12 - Stockholders' Equity* for further information.

23. Subsequent Events

Appointment of Chief Operating Officer

John William Henris was appointed as the Company's Executive Vice President and Chief Operating Officer, effective as of January 11, 2021. The Company entered into an employment agreement dated as of January 11, 2021 with Mr. Henris, and issued him 33,423 restricted stock units vesting on the fourth anniversary of the grant date, subject to his continued employment.

PART IV

ITEM 15. EXHIBITS

(a) Exhibits

Exhibit Number	Description
2.1	Purchase Agreement, dated as of January 13, 2020, by and among Mudrick Capital Acquisition Corporation, MUDS Acquisition Sub, Inc. and Hycroft Mining Corporation (Incorporated by reference to Exhibit 2.1. to the Registrant's Form 8-K, filed with the SEC on January 14, 2020).
2.2	Amendment to Purchase Agreement, dated as of February 26, 2020, by and among Mudrick Capital Acquisition Corporation, MUDS Acquisition Sub, Inc. and Hycroft Mining Corporation (incorporated by reference to Annex A-1 to the joint proxy statement/prospectus on Form S-4 of the Registrant filed with the SEC on April 7, 2020).
3.1	Second Amended and Restated Certificate of Incorporation of Mudrick Capital Acquisition Corporation (Incorporated by reference to Exhibit 3.1 to the Registrants Form 8-K, filed with the SEC on June 4, 2020).
3.2	Amended and Restated Bylaws of Mudrick Capital Acquisition Corporation (Incorporated by reference to Exhibit 3.2 to the Registrant's Form 8-K, filed with the SEC on June 4, 2020).
4.1	Warrant Agreement, dated as of October 22, 2015, by and between Hycroft Mining Corporation, Computershare Inc. and its wholly owned subsidiary, Computershare Trust Company N.A., a federally chartered trust company, collectively as warrant agent (Incorporated by reference to Exhibit 10.11 to the joint proxy statement/prospectus on Form S-4/A of the Registrant filed with the SEC on April 7, 2020).
4.2	Warrant Agreement, dated February 7, 2018, by and between and Mudrick Capital Acquisition Corporation and Continental Stock Transfer & Trust Company, LLC (Incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K, filed with the SEC on February 13, 2018).
4.3	Warrant Agreement, dated May 28, 2020, by and between Hycroft Mining Holding Corporation (f/k/a/ Mudrick Capital Acquisition Corporation) and Continental Stock Transfer & Trust Company, LLC (Incorporated by reference to Exhibit 4.3 to the Registrant's Form 8-K, filed with the SEC on June 4, 2020).
4.4	Warrant Agreement dated October 6, 2020 between Hycroft Mining Holding Corporation and Continental Stock Transfer & Trust Company (Incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed with the SEC on October 6, 2020.)
4.5	Warrant Adjustment Certificate, dated November 9, 2020 from Hycroft Mining Holding Corporation to Continental Stock Transfer & Trust Company (Incorporated by reference to Exhibit 4.5 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on November 9, 2020).
4.6	Warrant Adjustment Certificate dated January 19, 2021 from Hycroft Mining Holding Corporation to Continental Stock Transfer & Trust Company (Incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on January 20, 2021).
10.1	Amended and Restated Credit Agreement, dated as of May 29, 2020, by and between Hycroft Mining Holding Corporation, as borrower, MUDS Acquisition Sub, Inc., MUDS Holdco, Inc., Hycroft Resources & Development, LLC and Allied VGH LLC, as guarantors, Sprott Private Resource Lending II (Collector), LP, as lender, and Sprott Resource Lending Corp., as arranger (Incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed with the SEC on June 4, 2020).
10.2	Sprott Royalty Agreement, dated May 29, 2020, by and between the Registrant, Hycroft Resources & Development, LLC and Sprott Private Resource Lending II (Co) Inc. (Incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K, filed with the SEC on June 4, 2020).

10.3	Form of Subscription/Backstop Agreement, dated January 13, 2020, entered into by Mudrick Capital Acquisition Corporation, and certain investment funds affiliated with or managed by Mudrick Capital Management, L.P., Whitebox Advisors LLC, Highbridge Capital Management, LLC, Aristeia Capital, LLC or Wolverine Asset Management, LLC (Incorporated by reference to Exhibit 10.1 to the joint proxy statement/prospectus on Form S-4 of the Registrant, filed with the SEC on February 14, 2020).
10.4	Form of Amendment to Subscription Agreement, dated May 28,2020 entered into by Mudrick Capital Acquisition Corporation, and certain investment funds affiliated with or managed by Mudrick Capital Management, L.P., Whitebox Advisors LLC, Highbridge Capital Management, LLC, Aristeia Capital, LLC or Wolverine Asset Management, LLC. (Incorporated by reference to Exhibit 10.4 to the Registrant's Form 8-K, filed with the SEC on June 4, 2020).
10.5	Amended and Restated Registration Rights Agreement, dated May 29, 2020, by and between Mudrick Capital Acquisition Corporation, Mudrick Capital Acquisition Holdings LLC, Cantor Fitzgerald & Co. and the restricted stockholders (Incorporated by reference to Exhibit 10.5 to the Registrant's Form 8-K, filed with the SEC on June 4, 2020).
10.6	Form of Indemnification Agreement of the Registrant entered May 29, 2020 by each of Randy Buffington, John Ellis, Michael Harrison, David Kirsch, Eugene Davis, Marni Wieshofer, Thomas Weng or Stephen M. Jones (Incorporated by reference to Exhibit 10.6 to the Registrant's Form 8-K, filed with the SEC on June 4, 2020).
10.7	HYMC 2020 Performance and Incentive Pay Plan (Incorporated by reference to Exhibit 10.7 to the Registrant's Form 8-K, filed with the SEC on June 4, 2020).
10.8	Employment Agreement, dated March 15, 2019, by and between Hycroft Mining Corporation and Randy Buffington (Incorporated by reference to Exhibit 10.8 to the Registrant's Form 8-K, filed with the SEC on June 4, 2020).
10.9	Employment Agreement, dated March 15, 2019, by and between Hycroft Mining Corporation and Stephen M. Jones (Incorporated by reference to Exhibit 10.9 to the Registrant's Form 8-K, filed with the SEC on June 4, 2020).
10.10	Employment Agreement, dated March 25, 2019, by and between Hycroft Mining Corporation and Jeffrey Stieber (Incorporated by reference to Exhibit 10.10 to the Registrant's Form S-1, filed with the SEC on July 13, 2020).
10.11	Seller Support Agreement, dated as of January 13, 2020, by and among Mudrick Capital Acquisition Corporation and certain investment funds affiliated with or managed by Mudrick Capital Management, L.P., Whitebox Advisors LLC, Highbridge Capital Management, LLC, Aristeia Capital, LLC and Wolverine Asset Management, LLC (Incorporated by reference to Exhibit 10.2 to the joint proxy statement/prospectus on Form S-4 of the Registrant, filed with the SEC on February 14, 2020).
10.12	Exchange Agreement, dated as of January 13, 2020, by and among MUDS Acquisition Sub, Inc., Hycroft Mining Corporation and certain investment funds affiliated with or managed by Mudrick Capital Management, L.P., Whitebox Advisors LLC, Highbridge Capital Management, LLC, Aristeia Capital, LLC and Wolverine Asset Management, LLC, in each case, signatory thereto (Incorporated by reference to Exhibit 10.3 to the joint proxy statement/prospectus on Form S-4 of the Registrant filed with the SEC on February 14, 2020).
10.13	Omnibus Amendment to Note Purchase Agreements and Exchange Agreement, dated May 28, 2020 by and between MUDS Acquisition Sub, Inc., Hycroft Mining Corporation and certain of its direct and indirect subsidiaries and certain investment funds affiliated with or managed by Mudrick Capital Management, L.P., Whitebox Advisors LLC, Highbridge Capital Management, LLC, Aristeia Capital, LLC and Wolverine Asset Management, LLC, in each case, signatory thereto (Incorporated by reference to Exhibit 10.12 to the Registrant's Form 8-K, filed with the SEC on June 4, 2020).

10.14 Note Exchange Agreement, dated as of January 13, 2020, by and among Hycroft Mining Corporation and certain investment funds affiliated with or managed by Mudrick Capital Management, L.P., Whitebox Advisors LLC, Highbridge Capital Management, LLC, Aristeia Capital, LLC or Wolverine Asset Management, LLC, in each case, signatory thereto (Incorporated by reference to Exhibit 10.7 to the joint proxy statement/prospectus on Form S-4 of the Registrant, filed with the SEC on February 14, 2020).

10.15 Omnibus Amendment to Note Purchase Agreements and Note Exchange Agreement, dated May 28, 2020 by and between MUDS Acquisition Sub, Inc., Hycroft Mining Corporation and certain of its direct and indirect subsidiaries and certain investment funds affiliated with or managed by Mudrick Capital Management, L.P., Whitebox Advisors LLC, Highbridge Capital Management, LLC, Aristeia Capital, LLC and Wolverine Asset Management, LLC, in each case, signatory thereto (Incorporated by reference to Exhibit 10.14 to the Registrant's Form 8-K, filed with the SEC on June 4, 2020).

10.16 Parent Sponsor Letter Agreement, dated as of January 13, 2020, by and among Mudrick Capital Acquisition Holdings LLC and Mudrick Capital Acquisition Corporation (Incorporated by reference to Exhibit 10.4 to the joint proxy statement/prospectus on Form S-4 of the Registrant filed with the SEC on February 14, 2020).

10.17 Forward Purchase Contract, dated January 24, 2018, between Mudrick Capital Acquisition Corporation and Mudrick Capital Acquisition Holdings LLC (Incorporated by reference to Exhibit 10.10 to the Registrant's registration statement on Form S-1/A, filed with the SEC on January 26, 2018).

10.18 Underwriting Agreement, dated February 7, 2018, between the Registrant and Cantor Fitzgerald & Co. as representatives of the several underwriters (Incorporated by reference to Exhibit 1.1 to the Registrant's Form 8-K, filed with the SEC on February 13, 2018).

10.19 Amendment to Underwriting Agreement, dated as of February 12, 2020, by and among the Registrant and Cantor Fitzgerald & Co., as representatives of the several underwriters (Incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed with the SEC on February 14, 2020).

10.20 Restricted Stock Unit Agreement (Performance) dated as of February 20, 2019, by and between Hycroft Mining Corporation and Randy Buffington (Incorporated by reference to Exhibit 10.19 to the Registrant's Form 8-K, filed with the SEC on June 4, 2020).

10.21 Restricted Stock Unit Agreement (Time) dated as of February 20, 2019, by and between Hycroft Mining Corporation and Randy Buffington (Incorporated by reference to Exhibit 10.20 to the Registrant's Form 8-K, filed with the SEC on June 4, 2020).

10.22 Restricted Stock Unit Agreement (Performance) dated as of February 20, 2019, by and between Hycroft Mining Corporation and Stephen Jones (Incorporated by reference to Exhibit 10.21 to the Registrant's Form 8-K, filed with the SEC on June 4, 2020).

10.23 Restricted Stock Unit Agreement (Time) dated as of February 20, 2019, by and between Hycroft Mining Corporation and Stephen Jones (Incorporated by reference to Exhibit 10.22 to the Registrant's Form 8-K, filed with the SEC on June 4, 2020).

10.24 Amendment to the Restricted Stock Unit Agreement (Performance) dated as of May 29, 2020 by and between Hycroft Mining Corporation and Randy Buffington (Incorporated by reference to Exhibit 10.23 to the Registrant's Form 8-K, filed with the SEC on June 4, 2020).

10.25 Amendment to the Restricted Stock Unit Agreement (Time) dated as of May 29, 2020 by and between Hycroft Mining Corporation and Randy Buffington (Incorporated by reference to Exhibit 10.24 to the Registrant's Form 8-K, filed with the SEC on June 4, 2020).

10.26 Amendment to the Restricted Stock Unit Agreement (Performance) dated as of May 29, 2020 by and between Hycroft Mining Corporation and Stephen Jones (Incorporated by reference to Exhibit 10.25 to the Registrant's Form 8-K, filed with the SEC on June 4, 2020).

10.27	Amendment to the Restricted Stock Unit Agreement (Time) dated as of May 29, 2020 by and between Hycroft Mining Corporation and Stephen Jones (Incorporated by reference to Exhibit 10.26 to the Registrant's Form 8-K, filed with the SEC on June 4, 2020).
10.28	Restricted Stock Unit Agreement (Performance) dated as of February 20, 2019, by and between Hycroft Mining Corporation and Jeffrey Stieber (Incorporated by reference to Exhibit 10.28 to the Registrant's Form S-1, filed with the SEC on July 13, 2020).
10.29	Restricted Stock Unit Agreement (Time) dated as of February 20, 2019, by and between Hycroft Mining Corporation and Jeffrey Stieber (Incorporated by reference to Exhibit 10.29 to the Registrant's Form S-1, filed with the SEC on July 13, 2020).
10.30	Amendment to the Restricted Stock Unit Agreement (Performance) dated as of May 29, 2020 by and between Hycroft Mining Corporation and Jeffrey Stieber (Incorporated by reference to Exhibit 10.30 to the Registrant's Form S-1, filed with the SEC on July 13, 2020).
10.31	Amendment to the Restricted Stock Unit Agreement (Time) dated as of May 29, 2020 by and between Hycroft Mining Corporation and Jeffrey Stieber (Incorporated by reference to Exhibit 10.31 to the Registrant's Form S-1, filed with the SEC on July 13, 2020).
10.32	Transition and Succession Agreement, dated July 1, 2020, between Randy Buffington and Hycroft Mining Holding Corporation and Autar Gold Corporation (Incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed with the SEC on July 2, 2020).
10.33	Restricted Stock Unit Agreement (Time-Vesting), dated July 1, 2020, between Randy Buffington and Hycroft Mining Holding Corporation (Incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K, filed with the SEC on July 2, 2020).
10.34	Consulting Agreement, dated July 1, 2020, between Randy Buffington and Hycroft Mining Holding Corporation (Incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K, filed with the SEC on July 2, 2020).
10.35	Transition and Succession Agreement, dated September 8, 2020, among Hycroft Mining Holding Corporation, Autar Gold Corporation and Stephen M. Jones (Incorporated by reference to Exhibit 10.1 to Registrant's Form 8-K, filed with the SEC on September 8, 2020).
10.36	Consulting Agreement, dated September 8, 2020, between Hycroft Mining Holding Corporation and Stephen M. Jones (Incorporated by reference to Exhibit 10.2 to Registrant's Form 8-K, filed with the SEC on September 8, 2020).
10.37	Employment Agreement, dated August 31, 2020, between Diane R. Garrett and Hycroft Mining Holding Corporation (Incorporated by reference to Exhibit 10.1 to Registrant's Form 8-K, filed with the SEC on August 31, 2020).
10.38	Restricted Stock Unit Agreement (Time-Vesting), dated August 31, 2020, between Diane R. Garrett and Hycroft Mining Holding Corporation (Incorporated by reference to Exhibit 10.2 to Registrant's Form 8-K, filed with the SEC on August 31, 2020).
10.39	Employment Agreement, dated October 20, 2020 between Stanton Rideout and Hycroft Mining Holding Corporation (Incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed with the SEC on October 21, 2020).
10.40	Restricted Stock Unit Agreement (Time Vesting), dated October 20, 2020 between Stanton Rideout and Hycroft Mining Holding Corporation (Incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K, filed with the SEC on October 21, 2020).

10.41	Employment Agreement dated January 11, 2021 between Hycroft Mining Holding Corporate and Jack Henris (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on January 12, 2021).
10.42	Form of Initial Restricted Stock Unit Agreement (Time-Vesting) (Incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on January 12, 2021).
21.1	Subsidiaries of the Registrant. **
23.1	Consent of independent registered public accounting firm - Plante & Moran PLLC.*
23.2	Consent of third-party qualified person - M3 Engineering and Technology Corporation. **
23.3	Consent of third-party qualified person - Steven Newman. **
23.4	Consent of third-party qualified person - SRK Consulting (U.S.), Inc. **
23.5	Consent of third-party qualified person - Richard F. DeLong. **
96.1	Technical Report Summary, Heap Leaching Feasibility Study prepared for Hycroft Mining Corporation and issued effective as of July 31, 2019 by M3 Engineering and Technology Corporation and other qualified persons (Incorporated by reference to Exhibit 96.1 to the joint proxy statement/prospectus on Form S-4/A of the Registrant filed with the SEC on April 24, 2020).

Rule 13a-14(a)/15d-14(a) Certifications.

31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended*

Section 1350 Certifications.

32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*

Mine Safety Disclosure Exhibits.

95.1	Mine Safety Disclosures**

Interactive Data File.

101.INS	Inline XBRL Instance Document (the Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)*
101.SCH	Inline XBRL Taxonomy Extension Schema Document*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

*Filed herewith.
** Filed with the Original Filing on March 24, 2021

SIGNATURES

Pursuant to the requirements of the Securities Exch ange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HYCROFT MINING HOLDING CORPORATION
(Registrant)

Date: April 9, 2021

By: /s/ Diane R. Garrett
Diane R. Garrett
President, Chief Executive Officer, and Director
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title
/s/ Diane R. Garrett Diane R. Garrett	President, Chief Executive Officer, and Director *(Principal Executive Officer)*
/s/ Stanton Rideout Stanton Rideout	Executive Vice President and Chief Financial Officer *(Principal Finance and Accounting Officer)*
/s/ David Kirsch David Kirsch	Chairman of the Board of Directors
/s/ Eugene Davis Eugene I. Davis	Director
/s/ John Ellis John J. Ellis	Director
/s/ Michael J. Harrison Michael James Harrison	Director
/s/ Thomas S. Weng Thomas S. Weng	Director
/s/ Marni Wieshofer Marni Wieshofer	Director