

HYCROFT MINING CORPORATION

June 2, 2020

Computershare Inc
250 Royall Street
Canton MA 02021

Re: WARRANT ADJUSTMENT CERTIFICATE

Ladies and Gentlemen:

BACKGROUND

This certificate is given pursuant to Section 5.2 of that certain Warrant Agreement, dated as of October 22, 2015 (the “Warrant Agreement”), between Hycroft Mining Corporation, a Delaware corporation (the “Company”), and Computershare Inc., a Delaware corporation, and its wholly-owned subsidiary, Computershare Trust Company, N.A., a federally chartered trust company, together as Warrant Agent. Capitalized terms used and not defined herein have the meanings ascribed to them in the Warrant Agreement.

On May 29, 2020, pursuant to that certain Purchase Agreement, dated as of January 13, 2020 and amended as of February 26, 2020 (as amended, the “Purchase Agreement”), between the Company, Mudrick Capital Acquisition Corporation, a Delaware corporation (“MUDS”), and MUDS Acquisition Sub, Inc., a Delaware corporation and an indirect, wholly-owned subsidiary of Parent (“Acquisition Sub”), the parties thereto consummated the business combination contemplated thereby, whereby, among other things, Acquisition Sub acquired from the Company the issued and outstanding equity interests of the Company’s direct subsidiaries and Acquisition Sub acquired substantially all of the other assets and assumed substantially all of the liabilities of the Company. In connection with the consummation of the business combination, the Company has adopted a plan of dissolution and liquidation and filed a certificate of dissolution with the Secretary of State of the State of Delaware and will cease to exist. MUDS is a blank check company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. In connection with the consummation of the business combination, MUDS changed its name to “Hycroft Mining Holding Corporation.” MUDS is hereinafter referred to as “HYMC” where the reference is to a time after the consummation of the business combination.

On February 26, 2020, the Purchase Agreement was amended to provide for the assumption by MUDS of the Company’s liabilities and obligations under the Warrant Agreement upon consummation of the business combination. The Company has elected to treat the business combination as if it constituted a Fundamental Change under the Warrant Agreement. Each warrant issued under the Warrant Agreement outstanding and unexercised immediately prior to the consummation of the business combination was assumed by HYMC and, as a result of the consummation of the business combination, is now exercisable into HYMC Class A common stock (the “Warrant Shares”), subject to the terms and conditions of the Warrant Agreement and an

equitable adjustment made to the exercise price and number of shares into which such warrants are exercisable following consummation of the business combination.

CERTIFICATION

The kind of securities or other property constituting Warrant Shares changed upon consummation of the business combination contemplated by the Purchase Agreement. Accordingly, pursuant to Section 5.2 of the Warrant Agreement, the undersigned executive officer of the Company, hereby certifies solely in such capacity and not in an individual capacity, on behalf of the Company, that, as of date first written above:

1. Stephen M. Jones is the duly appointed Executive Vice President, Chief Financial Officer and Secretary of the Company.

2. Immediately following the consummation of the business combination contemplated by the Purchase Agreement, the Warrant Shares are constituted by HYMC Class A common stock.

3. The Initial Share Number, the Converted Share Number, the Cheap Stock Factor, the Per Warrant Share Number and the Exercise Price, as of immediately prior to, and as adjusted to reflect, the consummation of the business combination contemplated by the Purchase Agreement, are as follows:

		<i>Pre-Adjustment</i>	<i>As Adjusted</i>
Initial Share Number	-	3,000,000	2,897,568 *
Conversion Share Number	-	132,787,993	132,787,993 *
Total Share Number	-	135,787,993	135,685,561
Adjusted Equity Value	-	\$678,566,705	\$678,566,705
Cheap Stock Factor	-	1	1
Per Warrant Share Number	-	2.26143	.252343
Exercise Price	-	\$5.00	\$44.82

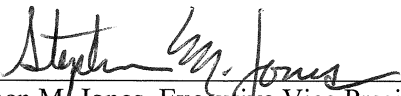
4. A true and correct copy of the computations of the adjustments made to the Initial Share Number, the Conversion Share Number, and the Cheap Stock Factor, are set forth in Exhibit A attached hereto and the calculations of the As Adjusted Per Warrant Share Number and Exercise Price are set forth under “*HYMC Share Adjustment*” on Exhibit A attached hereto.

* Actual number of shares outstanding upon dissolution; all Second Lien Convertible Notes were converted to shares of common stock prior to dissolution.

DIRECTION TO WARRANT AGENT

Pursuant to Section 5.2(ii) of the Warrant Agreement, you are hereby directed as Warrant Agent to give written notice to each Registered Holder in the manner provided in Section 10.2 of the Warrant Agreement, which notice shall state the information herein provided.

HYCROFT MINING CORPORATION

By: 

Stephen M. Jones, Executive Vice President,
Chief Financial Officer and Secretary

Exercise Price

Unless otherwise stated, all amounts in \$mm

Capital Lease & Term Loan Deficiency	30-Jun-18	30-Sep-18	31-Dec-18	31-Mar-19	30-Jun-19	30-Sep-19	31-Dec-19	31-Mar-20	29-May-20
Total GUC Pool	\$ 24.5	\$ 24.5	\$ 55.2	\$ 55.1	\$ 57.5	\$ 57.6	\$ 57.6	\$ 57.6	\$ 57.6
Less: 503(b)(9)	18.1	18.1	18.1	18.3	18.3	16.3	16.3	16.3	16.3
Plus: Graymont Contract Rejection	-	-	-	-	-	-	-	-	-
Plus: Cashman Contract Rejection	-	-	-	-	-	-	-	-	-
Plus: Swap Provider Deficiency Claim	-	-	-	-	-	-	-	-	-
General Unsecured Claims (excl. 503(b)(9))	18.1	18.1	18.1	18.3	18.3	16.3	16.3	16.3	16.3
Est. Capital Lease & Term Loan Obligations Deficiency CI	24.5	24.5	55.2	55.1	57.5	57.6	57.6	57.6	57.6
8.750% Senior Notes	324.2	324.2	324.2	324.2	324.2	324.2	324.2	324.2	324.2
Interest on Senior Notes During Case	17.7	17.7	17.7	17.7	17.7	17.7	17.7	17.7	17.7
Unsecured Debt Immediately Prior to Effective Date	384.4	384.4	415.1	415.2	417.6	415.7	415.7	415.7	415.7
Multiplier	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Product	422.8	422.8	456.6	456.8	459.4	457.3	457.3	457.3	457.3
New Second Lien Convertible Notes	170.5	173.4	179.9	186.6	193.6	200.9	208.4	216.2	221.3
Adjusted Equity Value	\$ 593.3	\$ 596.2	\$ 636.5	\$ 643.4	\$ 653.0	\$ 658.1	\$ 665.7	\$ 673.5	\$ 678.6
Total Share Number (mm)	105.287	107.024	110.925	114.972	119.171	123.527	128.047	132.736	135.686
Exercise Price (\$)	\$ 5.64	\$ 5.57	\$ 5.74	\$ 5.60	\$ 5.48	\$ 5.33	\$ 5.20	\$ 5.07	\$ 5.00
Warrant Share Number	22,333,699	22,702,003	23,529,464	24,387,956	25,278,640	26,202,726	27,161,464	28,156,156	28,781,786
Share Number Per Warrant	1,754,7906	1,783,28809	1,848,743,639	1,916,196,53	1,986,178,895	2,058,79	2,134,12	2,212,27	2,261,43

HYMC Share Adjustment

Total Shares Outstanding	135,685,561
Shares of MUDDS issued to common stockholders	15,140,584
MUDDS shares per share of Hycof	0.1116
New Exercise Price	\$ 44.82
Shares Exercisable per warrant	0.252343
Total Warrants Outstanding	12,721,623
Total Shares Exercisable	3,210,213

Hycroft Mining Corporation

Share Allocation

PIK Interest Periods

Period Ending	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019	9/30/2019	12/31/2019	3/31/2020	5/29/2020
Period #	11	12	13	14	15	16	17	18	19
Days in Preceding Period	90	90	90	90	90	90	90	90	59
Period Length (Quarterly)	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.6556

Convertible 2L Balance

Beginning Balance	\$164,317,166	\$170,479,062	\$173,372,881	\$179,874,364	\$186,619,653	\$193,617,890	\$200,878,560	\$208,411,506	\$216,226,938
Plus: Additional Issuance (Retirements)		(\$3,372,671)							
Plus: Accrued PIK Interest	6,161,894	6,266,490	6,501,483	6,745,289	6,998,237	7,260,671	7,532,946	7,815,431	5,086,384
Ending Balance	\$170,479,060	\$173,372,881	\$179,874,364	\$186,619,653	\$193,617,890	\$200,878,560	\$208,411,506	\$216,226,938	\$221,313,322

Allocation by Share Count

Allocation - Pre 2L Conversion

Unsecured Claims/Outstanding Shares	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	2,897,568
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Allocation - Post 2L Conversion

Shares from 2L Conversion	102,287,436	104,023,729	107,924,618	111,971,792	116,170,734	120,527,136	125,046,904	129,736,163	132,787,993
Unsecured Claims/Outstanding Shares	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	2,897,568
Total	105,287,436	107,023,729	110,924,618	114,971,792	119,170,734	123,527,136	128,046,904	132,736,163	135,685,561