

# HYCROFT MINING CORPORATION SECURITIES CLASS ACTION NOTICE OF CERTIFICATION

## **Read this notice carefully as it may affect your legal rights**

### **THE CLASS:**

This Notice is directed to:

All persons, other than Excluded Persons<sup>1</sup>, who purchased common shares of Hycroft Mining Corporation (“Hycroft”) between May 9, 2013 and May 17, 2013 pursuant to its May 17, 2013 secondary public offering (“SPO”) under the Canadian Prospectus, and who continued to hold some or all of those common shares on July 22, 2013 (the “Class” and “Class Member(s)”).

<sup>1</sup>**Excluded Person** means Hycroft, Cormark Securities Inc. and Dundee Securities Ltd.’s subsidiaries, affiliates, officers, directors, senior employees, legal representatives, heirs, predecessors, successors and assigns, and any member of the immediate families of Scott A. Caldwell and Robert M. Buchan (collectively, the “Individual Defendants”) and any entity in which any of the foregoing has or had an interest during the distribution period for the Prospectus, or at any time that a document incorporated by reference in the Prospectus was released, and, with respect to the Class definition found at paragraph 1(g) of the Second Fresh as Amended Statement of Claim, means United States citizens or residents who acquired Hycroft’s securities in the SPO in a trade under the U.S. prospectus;

### **SUMMARY OF THE LAWSUIT:**

In 2014, a proposed securities class action was commenced against Hycroft and its former Presidents and Chief Executive Officers, Scott A. Caldwell and Robert M. Buchan, in the Ontario Superior Court of Justice (the “Court”). The lawsuit alleges that Hycroft and the Individual Defendants released documents and made other statements in the period leading up to the SPO and released the Prospectus for the SPO containing misrepresentations about the Company’s business and operations concerning: (1) its ability to process and leach ore placed on Hycroft’s Lewis Leach

Pad and resulting unreasonable gold-production and cash-cost guidance projections; and (2) the retention of a third-party engineering firm to investigate material problems with the Lewis Leach Pad weeks prior to releasing the Prospectus for the SPO. The lawsuit further alleges that when the Company issued statements correcting these misrepresentations on July 22, August 6, and August 7, 2013, the price of Hycroft’s stock declined to reflect the true state of events, thereby harming Class Members.

The lawsuit asks the Court to award monetary damages to Class Members for the alleged misrepresentations in Hycroft’s public disclosures. If the Plaintiff is successful in its lawsuit, you may be eligible to receive compensation from Hycroft or the Individual Defendants for damage or loss which you may have incurred as a result of the alleged misrepresentations. A copy of the latest version of the Statement of Claim, as well as other legal documents associated with this action, can be found at [www.morgantico.com](http://www.morgantico.com).

### **THE CERTIFICATION ORDER:**

On October 24, 2017, the Honourable Justice Perell of the Ontario Superior Court of Justice certified the action: *LBP Holdings Ltd. v Hycroft Mining Corporation, et al.*, Court File No.: CV-14-50851300-CP (the “Class Action”) as a class proceeding against Hycroft and the Individual Defendants on consent, and appointed LBP Holdings Ltd. as the representative plaintiff.

The Class Action has been certified on behalf of the Class (described above) composed of “Class Members” other than Excluded Persons.

### **WHAT DOES CERTIFICATION MEAN:**

The Certification Order means that the lawsuit may proceed to pre-trial discovery and may eventually advance to trial as a class action on behalf of all Class Members for damages arising out of alleged misrepresentations in certain Hycroft disclosure documents.

Certification is a procedural step that defines the form of the litigation, allowing it to be pursued on behalf of the Class.

The substance of the litigation (i.e. the allegation that the Defendants made misrepresentations in their public disclosure documents) has not been adjudicated by the Court. The Defendants deny the allegations.

### **WHO IS INCLUDED IN THE LAWSUIT:**

#### **YOU DO NOT NEED TO DO ANYTHING TO PARTICIPATE IN THE CLASS ACTION**

Class Members are automatically included in a class action once certified, and you do not need to do anything at this time if you wish to participate in this Class Action. This includes Class Members who reside anywhere in Canada, not just in Ontario.

As a Class Member, you will not be required to pay any costs in the event that this Class Action is unsuccessful.

#### **YOU MUST OPT-OUT IF YOU DO NOT WANT TO BE BOUND BY THE OUTCOME OF THE CLASS ACTION**

Class Members who wish to pursue their own action or who do not want to be bound by the outcome of the Class Action **MUST OPT-OUT of the Class Action.**

**If you want to opt-out of the Class Action, you must send an OPT-OUT FORM stating that you elect to opt-out of the Class in the Hycroft Mining Corporation Class Action.**

The Opt-Out Form is available at [www.morgantico.com](http://www.morgantico.com), or by calling Morganti & Co., P.C. at (647) 344-1900. Any Class Member who wishes to opt-out of the Class Action shall deliver a

completed Opt-Out Form by email to [hdavarinia@morgantilegal.com](mailto:hdavarinia@morgantilegal.com) or by regular mail or courier to:

**Morganti & Co., P.C.**

One Yonge Street, Suite 1506

Toronto Ontario, M5E 1E5

**The Opt-Out Form must be postmarked if sent by mail, or received if sent by e-mail or courier, on or before November 30, 2018 at 5:00pm E.S.T.**

Each Class Member who does not opt-out of the Class Action will be bound by the terms of any judgement or settlement, whether favourable or not, and will not be allowed to pursue an independent action. If the Class Action is successful, you may be entitled to share in the amount of any award or settlement recovered. In order to determine if you are entitled to share in the award or settlement and the amount, if any, of your share, it may be necessary to conduct an individual determination. There may be costs payable by you if you submit a claim and it is determined that you are not entitled to share in the award or settlement.

You will have the opportunity to decide if you wish to proceed with your individual entitlement determination before it begins.

No person may opt-out a minor or mentally incapable Member of the Class without permission of the courts after notice to the Children's Lawyer and/or the Public Guardian and Trustee, as appropriate.

If you wish to pursue other claims against the Defendants relating to the matters at issue in the Class Action, you should immediately seek independent legal advice. If you do not exclude yourself from participating in this Class Action, all of your claims relating to the subject matter of this litigation will be determined by the result obtained in the Class Action, whether by settlement or judgement.

Please see the "Additional Information" section for directions to obtain further detail on the scope of the certified Class Action and the claims that will be advanced against the Defendants.

**CLASS COUNSEL AND LEGAL FEES:**

The Plaintiff and the Class in this Class Action are represented by Morganti & Co., P.C. (“Class Counsel”).

Morganti & Co., P.C. is acting on a contingency basis, such that legal fees, disbursements and applicable taxes will only be payable in the event of success in the Class Action. Morganti & Co., P.C. is also paying all disbursements incurred in the Class Action, subject to reimbursement in the event of success.

In the event of success in the Class Action, Class Counsel will make a motion to the Court to have their fees and disbursements approved.

As stated above, as a Class Member, you will not be required to pay any costs in the event that the Class Action is unsuccessful.

**ADDITIONAL INFORMATION:**

This Notice was approved by the Ontario Superior Court of Justice. The Court office cannot answer any questions about the matters in this Notice. The order of the Court and other information are available at [www.morgantico.com](http://www.morgantico.com).

Questions relating to the Class Action should be directed by email or telephone to Class Counsel:

**Morganti & Co., P.C.**

Attn: Hadi Davarinia

One Yonge Street, Suite 1506

Toronto Ontario, M5E 1E5

Tel: 647-344-1900 ext. 5

Email: [hdavarinia@morgantilegal.com](mailto:hdavarinia@morgantilegal.com)

**PERSONAL LEGAL ADVICE:**

Class Members who seek the advice or guidance of their personal lawyers may do so at their own expense.

**The publication of this notice was authorized by  
the Ontario Superior Court of Justice.**

**Questions about this Notice should NOT be  
directed to the Court.**