Risk Factors Comparison 2024-03-14 to 2023-03-28 Form: 10-K

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You should carefully review and consider the following risk factors and the other information contained in this ~~2022~~ **2023** Form 10- K. Investing in the Company' s common stock or warrants is speculative and involves a high degree of risk due to the nature of the business and the present stage of exploration and advancement of the Company' s mineral properties. The Company may face additional risks and uncertainties that are not presently known, or that are currently deemed immaterial, which may also impair the Company' s business or financial condition. If any of those risks actually occur, the business, financial condition, and results of operations would suffer. The risks discussed below also include forward- looking statements, and actual results may differ substantially from those discussed in these forward- looking statements. See also Cautionary Statement Regarding Forward- Looking Statements in this ~~2022~~ **2023** Form 10- K. The following discussion should be read in conjunction with the Financial Statements and Notes. Summary of Risk Factors: The following list provides a summary of risk factors discussed in further detail below: Risks related to changes in the Company' s operations at the Hycroft Mine, including: • Risks associated with cessation of mining operations at the Hycroft Mine; • Uncertainties concerning estimates of mineral resources; • Risks relating to a lack of a completed pre- feasibility or feasibility study; and • Risks related to the Company' s ability to **finance and** establish commercially feasible mining operations. Industry- related risks, including: • Fluctuations in the prices of gold and silver; • ~~The intense~~ **Intense** competition ~~in the recruitment and retention of qualified employees and contractors~~ within the mining industry **for mineral properties, employees, contractors and consultants** ; • The commercial success of, and risks relating to, the Company' s **exploration and** development activities; • Uncertainties and risks related to reliance on contractors and consultants; • Availability and cost of equipment, supplies, energy, or commodities; • The inherently hazardous nature of mining activities, including **safety and** environmental risks; • Potential effects of U. S. federal and state governmental regulations, including environmental regulation and permitting requirements; • Uncertainties relating to obtaining ~~or~~ **,** retaining **or renewing** approvals and permits from governmental regulatory authorities; • Cost of compliance with current and future government regulations, including environmental regulations; • Potential challenges to **title in our** mineral properties ~~titles~~ ; • Inadequate insurance to cover all **risks associated with our** business **, or cover the replacement costs of our assets or may not be available for some** risks; • Risks associated with ~~proposed~~ **potential** legislation **in Nevada** that could significantly increase the cost of mine development on the Company' s unpatented mining claims; • Risks associated with regulations and pending legislation involving climate change could result in increased costs, which could have a material adverse effect the Company' s business; • Changes to the climate and regulations regarding climate change; and • Continued uncertainties relating to the COVID- 19 pandemic or other pandemics. Business- related risks, including: • Risks related to the Company' s ability to raise capital on favorable terms or at all; • The loss of key personnel or the Company' s failure to attract and retain personnel; • Risks related to the Company' s substantial indebtedness, including operating and financial restrictions under existing indebtedness, cross- acceleration and the Company' s ability to generate sufficient cash to service the indebtedness; • ~~Risks related to having sufficient liquidity to service current indebtedness without a material cash flow; •~~ The costs related to land reclamation requirements; • Future litigation or similar legal proceedings could have a material adverse effect on the Company' s business and results of operations; • Risks related to **information and operational** technology systems **, new technologies** and security breaches; and • Risks that principal stockholders will be able to exert significant influence over matters submitted to stockholders for approval. Risks related to the Company' s common stock and warrants, including: • Volatility in the price of the Company' s common stock and warrants; • Risks relating to a potential dilution as a result of future equity offerings; • Risks relating to a short " squeeze " resulting in sudden increases in demand for the Company' s common stock; • Risks relating to ~~the Company' s proposed reverse stock split; • Risks relating to~~ decreased liquidity of the Company' s common stock as a result of the ~~proposed~~ reverse stock split; • Risks relating to information published by third parties about the Company that may not be reliable or accurate; • Risks associated with interest rate changes; • Volatility in the price of the Company' s common stock could subject it to securities litigation; • Risks associated with the Company' s current plan not to pay dividends; • Risks associated with future offerings of senior debt or equity securities; • Risks related to **a failure to comply with the Nasdaq Stock Market LLC (" Nasdaq ") listing requirements and a potential** delisting by Nasdaq; • Risks warrants may expire worthless; • Risks that certain warrants are being accounted for as a liability; • Anti – takeover provisions could make a third- party acquisition of the Company difficult; and • Risks related to limited access to the Company' s financial information due to the fact the Company elected to take advantage of the disclosure requirement exemptions granted to ~~emerging growth companies and~~ smaller reporting companies. Risks Related to Changes in the Hycroft Mine' s Operations The Company has mineral resources at the Hycroft Mine, but the mine may not be brought into production. The Company is not currently conducting commercial mining operations at the Hycroft Mine. There is no certainty that the mineral resources estimated at the Hycroft Mine will be mined or, if mined, processed profitably. The Company has no specific plans and cannot currently predict when the Hycroft Mine may be back in production. The commercial viability of the Hycroft Mine is dependent on many factors, including metal prices, the availability of and ability to raise capital for development, government policy and regulation and environmental protection, which are beyond the Company' s control. The Company may not generate commercial- scale revenues until the Hycroft Mine is back in production. The figures for the Company' s mineral resources are estimates based on interpretation and assumptions and the Hycroft Mine may yield less mineral production or less profit under actual conditions than is currently estimated. Unless otherwise indicated, mineral resource figures in the Company' s filings with the SEC, press releases, and other public statements made from time to time are based upon estimates made by the Company' s personnel and independent geologists. These estimates are imprecise and depend upon geologic interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be inaccurate. There can be no assurance that mineral resources or other mineralization figures will be accurate or that this mineralization could be mined or processed profitably. Because the Company has not completed a feasibility study or recommenced commercial production at the Hycroft Mine, mineral resource estimates may require adjustments or downward revisions based upon further exploration or advancement work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that recovery of minerals in small- scale tests will be duplicated in ~~large~~ **larger** - scale tests under on- site conditions or in production scale. Until mineral resources are mined and processed, the quantity of ore and grades must be considered as an estimate only. In addition, the quantity of mineral resources may vary depending on metal prices, which largely determine whether mineral resources are classified as ore (economic to mine) or waste (uneconomic to mine). Current mineral resource estimates were calculated using sales prices of $ 1, 900 per ounce of gold price and $ 24. 50 per ounce of silver. A material decline in the current price of gold or silver or material changes in processing methods or cost assumptions could require a reduction in mineral resource estimates. Any material reductions in estimates of mineral resources, or of the Company' s ability to upgrade these mineral resources to mineral reserves and extract these mineral resources, could have a material adverse effect on the Company' s prospects, and restrict its ability to successfully implement strategies for long- term growth. In addition, the Company cannot provide assurances that gold and silver recoveries experienced in small- scale laboratory tests will be duplicated in larger scale tests under on- site conditions or during production. The Company has not completed a feasibility study for the ~~proposed processing method for the~~ Hycroft Mine ~~and actual capital costs, operating costs, production, and economic returns may differ significantly from those the Company has anticipated~~ . There are no assurances future advancement activities by the Company, if any, will lead to a favorable feasibility study or profitable mining operations. The Company completed and issued the 2023 Hycroft TRS **,** which replaced the 2022 Hycroft TRS. The 2023 Hycroft TRS provides an initial assessment of the mineral resource estimate and is not a feasibility study for the Hycroft Mine. Typically, a company will not make a production decision until it has completed a feasibility study ~~. Feasibility studies derive estimates of cash operating costs based upon, among other things: • anticipated tonnage, grades and metallurgical characteristics of the mineral reserves to be mined and processed; • anticipated recovery rates of gold and other metals from the mineral reserves; • cash operating costs of comparable facilities and equipment; and • anticipated climatic conditions and environmental protection measures. Completing a feasibility study for the Hycroft Mine will require significant additional work and study to reduce the range of uncertainty associated with the study' s estimates and conclusions. Cash operating costs, production, and economic returns, and other estimates contained in studies or estimates prepared by or for the Company may differ significantly from those anticipated by the Company. In addition, if estimated costs are too high, there may be further delays or a cancellation of advancement at the Hycroft Mine~~ . There is no certainty that a feasibility study for the Hycroft Mine will be completed or, if completed, that it will result in sufficiently favorable estimates of the economic viability of the Hycroft Mine to justify a construction decision. The Company may not be able to successfully establish mining operations or profitably produce precious metals. The Company currently has no commercial mining operations or sustaining revenue from the exploration, development and care and maintenance operations currently conducted at the Hycroft Mine. Mineral exploration and advancement involve a high degree of risk and few properties that are explored are ultimately developed into producing mines. The future advancement of the Hycroft Mine will require obtaining permits and financing and the construction and operation of the mine, processing plants, and related infrastructure. The Company' s ability to establish mining operations or profitably produce precious metals from the Hycroft Mine will be affected by: • timing and cost, which can be considerable, of the construction of additional mining and processing facilities; • availability and costs of skilled labor and mining equipment; • availability and cost of appropriate refining arrangements; • necessity to obtain additional environmental and other governmental approvals and permits, and the timing of those approvals and permits; • availability of funds to finance equipment purchases, construction, and advancement activities; • management of an increased workforce and coordination of contractors; • potential opposition from non- governmental organizations, environmental groups, or local groups, which may delay or prevent advancement activities; and • potential increases in construction and operating costs due to changes in the cost of fuel, power, labor, ~~materials and~~ supplies and foreign exchange rates. It is common in new mining operations to experience unexpected problems and delays during advancement, construction, start- up commissioning, and transition to commercial operations. In addition, delays in the commencement of mineral production often occur. Accordingly, there are no assurances that, if the Company decides to initiate construction or mining activities, that it will be able to successfully establish mining operations or profitably produce gold and silver at the Hycroft Mine. Industry- Related Risks The market prices of gold and silver are volatile. A decline in gold or silver prices could result in decreased revenues, decreased net income, increased losses, and decreased cash inflows which may negatively affect the business. Gold and silver are commodities. ~~Their~~ **Commodity** prices fluctuate and are affected by many factors beyond the Company' s control, including interest rates, expectations regarding inflation, speculation, currency values, central bank activities, governmental decisions regarding the disposal of precious metals stockpiles, global and regional demand and production, political and economic conditions and other factors. The prices of gold and silver, as quoted by The London Bullion Market Association on December 31, ~~2022~~ **2023** and December 31, ~~2021~~ **2022** , were $ ~~1~~ **2** , ~~813~~ **062** . ~~75~~ **40** and $ 1, ~~805~~ **813** . ~~85~~ **75** per ounce for gold, respectively, and $ 23. ~~945~~ **79** and $ 23. ~~085~~ **945** per ounce for silver, respectively. The prices of gold and silver may decline in the future. A substantial or extended decline in gold or silver prices would adversely impact the Company' s financial position. In addition, sustained lower gold or silver prices may materially adversely affect the Company' s business, including: • halting, delaying, modifying, or canceling plans for the mining of oxide, transitional, and sulfide ores or the development of new and existing projects; • reducing existing mineral resources by removing ore from mineral resources that can no longer be economically processed at prevailing prices; and • causing the Company to recognize an impairment to the carrying values of its long- lived assets. The Company faces intense competition in the recruitment and retention of qualified employees and contractors. The mining industry is intensely competitive for employees and contractors ~~,~~ and includes several large established mining companies with substantial mining capabilities and with greater financial and technical resources than the Company' s. The Company competes with other mining companies in the recruitment and retention of qualified managerial and technical employees as well as contractors. If unable to successfully attract and retain qualified employees and contractors, the Company' s exploration and development programs and / or operations may be slowed or suspended, which may materially adversely impact the Company' s financial condition ~~,~~ and results of operations. The Company cannot be certain that future **exploration and** development activities will be commercially successful. Substantial expenditures are required to construct and operate the Hycroft Mine **,** including additional equipment and infrastructure that is typically seen in milling and ~~POX~~ **processing** operations to allow for extraction of gold and silver from the sulfide mineral resource, to further develop the Hycroft Mine to establish mineral reserves and identify new mineral resources through exploration drilling and analysis. In ~~2023~~ **2024** , the Company expects to continue to advance its ~~POX~~ evaluation reflected in the 2023 Hycroft TRS. In conjunction with the 2023 Hycroft TRS, the Company intends to ~~focus its technical efforts for 2023 on, among other things, (1) completing~~ **complete additional exploration drilling, focusing** ~~metallurgical testing including bench top autoclave tests and reviewing the results thereof; (2) following- up~~ on higher ~~grades encountered during the 2021 drill program to improve the overall~~ grade **opportunities, conducting trade-** ~~of~~ **off studies using** ~~mineral resources; and (3) assessing~~ the **results from** ~~potential to convert material currently considered waste and upgrade inferred material to a higher resource classification in the designed pits through Phase 2 of~~ the 2022- 2023 ~~exploration~~ drill program **and variability test work program and conduct alternatives analyses** . The Company cannot provide any assurance that an economic process can be developed for the sulfide mineral resource using POX or other similar sulfide extraction processes, that any mineral resources discovered will be in sufficient quantities and grades to justify commercial operations or that the funds required for development can be obtained on a timely or economic basis. Several factors, including costs, actual mineralization, consistency and reliability of ore grades, and commodity and reagent quantities and prices **,** affect successful project development. The efficient operation of processing facilities, the existence of competent operational management, as well as the availability and reliability of appropriately skilled and experienced consultants also can affect successful project development. The Company can provide no assurance that the **exploration,** development and advancement of the Hycroft Mine sulfide processing operations will result in economically viable mining operations. The Company' s reliance on third- party contractors and consultants to conduct exploration and development projects exposes the Company to risks. In connection with the exploration and development of the Hycroft Mine, the Company contracts and engages third **-** party contractors and consultants to assist with aspects of the ~~projects~~ - **project** . As a result, the Company is subject to a number of risks, some of which are outside its control, including: • negotiating agreements with contractors and consultants on acceptable terms; • the inability to replace a contractor or consultant and their operating equipment in the event that either party terminates the agreement; • reduced control over those aspects of exploration or development operations ~~which~~ **that** are the responsibility of the contractor or consultant; • failure of a contractor or consultant to perform under their agreement or disputes relative to their performance; • interruption of exploration or development operations or increased costs in the event that a contractor or consultant ceases their business due to insolvency or other unforeseen events; • failure of a contractor or consultant to comply with applicable legal and regulatory requirements, to the extent they are responsible for such compliance; and • problems of a contractor or consultant with managing their workforce, labor unrest or other employment issues. In addition, the Company may incur liability to third parties as a result of the actions of contractors or consultants. The occurrence of one or more of these risks could increase the Company' s costs, interrupt or delay exploration or development activities or the ability to access its mineral resources, and materially adversely affect the Company' s liquidity, results of operations and financial position. A shortage of equipment and supplies and / or the time it takes such items to arrive at the Hycroft Mine could adversely affect the Company' s ability to operate. The Company is dependent on various supplies and equipment to engage in exploration and development activities. The shortage of supplies, equipment, and parts and / or the time it takes such items to arrive at the Hycroft Mine could have a material adverse effect on the Company' s ability to explore and develop the Hycroft Mine. Such shortages could also result in increased costs and cause delays in exploration and development projects. Mining **, exploration,** development and processing operations pose inherent risks and costs that may negatively impact the Company' s business. Mining **, exploration,** development and processing operations involve many hazards and uncertainties, including, among others: • metallurgical or other processing problems; • ground or slope failures; • industrial accidents; • unusual and unexpected rock formations or water conditions; • environmental contamination or leakage; • flooding and periodic interruptions due to inclement or hazardous weather conditions or other acts of nature; • fires; • seismic activity; • **supply and transportation interruptions; •** pandemics adversely affecting the availability of workforces and supplies; • mechanical equipment failure and facility performance problems; and • availability of skilled labor, critical materials, equipment, reagents, and consumable items. These occurrences could result in damage to, or destruction of, the Company' s properties or production facilities, personal injury or death, environmental damage, delays in future mining or processing, increased future production costs, long- lived asset impairments, monetary losses and legal liability, any of which could have a material adverse effect on future **exploration and** development plans, the Company' s ability to raise additional capital, and / or the Company' s financial condition, results of operations and liquidity. Environmental regulations could require the Company to make significant expenditures or expose the Company to potential liability. To the extent the Company becomes subject to environmental liabilities, the payment of such liabilities, or the costs that may be incurred, including costs to remedy environmental pollution, would reduce funds otherwise available to the Company and could have a material adverse effect on the Company' s financial condition, results of operations, and liquidity. If unable to fully remedy an environmental violation or release of hazardous substances, the Company might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy or corrective action. The environmental standards that may ultimately be imposed at a mine site can vary and may impact the ~~cost of~~ remediation **costs** . Actual ~~remedial~~ **remediation** costs may exceed the financial accruals ~~that have been~~ made for such remediation. Additionally, the timing of the remedial costs may be materially different from the current remediation plan. The potential exposure may be significant and could have a material adverse effect on the Company' s financial condition and results of operations. Moreover, governmental authorities and private parties may bring lawsuits based upon damage to property or natural resources and injury to persons resulting from the environmental, health and safety impacts of the Company' s past and current operations, which could lead to the imposition of substantial fines, remediation costs, penalties, injunctive relief and other civil and criminal sanctions. Substantial costs and liabilities, including those required to restore the environment after the closure of mines, are inherent in mining operations. The Company cannot provide any assurance that any such law, regulation, enforcement or private claim will not have a material negative effect on the Company' s business, financial condition or results of operations. The Company relies upon numerous governmental permits that are difficult to obtain, and the Company may not be able to obtain or renew all of the required permits, or such permits may not be timely obtained or renewed. In the ordinary course of business, the Company is required to obtain and renew governmental permits for the current limited operations at the Hycroft Mine. Additional governmental permits are needed to accomplish the long- term plans to mine sulfide ores under plans yet to be developed. Obtaining or renewing the necessary governmental permits is a complex and time- consuming process involving costly undertakings by the Company. The duration and success of efforts to obtain and renew permits are contingent upon many variables not within the Company' s control, including the interpretation of applicable requirements implemented by the permitting authority and intervention by third parties in any required environmental review. The Company may be unable to obtain or renew necessary permits on a timely basis or at all, and the cost to obtain or renew permits may exceed the Company' s estimates. Failure to comply with permit terms may result in injunctions, fines, suspension or revocation of permits and other penalties. The Company can provide no assurance that it has been, or will at all times be, in full compliance with all of the terms of its permits or that the Company has all required permits. The costs and delays associated with compliance with these permits and with the permitting process could alter all or a portion of any mine plan proposed in the future, delay or stop the Company from proceeding with the development of the Hycroft Mine or increase the costs of development or production, any or all of which may materially adversely affect the Company' s business, prospects, results of operations, financial condition and liquidity. Failure to comply with environmental regulations could result in penalties and costs. While the Company is not conducting active mining operations at the Hycroft Mine, the facilities and prior operations have been and are, and the Company' s future development plans may continue to be, subject to extensive federal and state environmental regulation, including those enacted under the following laws: • **CERCLA** ~~Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended~~ ; • **RCRA** ~~Resource Conservation and Recovery Act of 1976, as amended~~ ; • Clean Air Act ~~of 1963, as amended~~ ; • **NEPA** ~~National Environmental Policy Act of 1970, as amended~~ ; • Clean Water Act ~~of 1972, as amended~~ ; • Safe Drinking Water Act ~~of 1974, as amended~~ ; • **FLPMA** ~~Federal Land Policy and Land Management Act of 1976, as amended~~ ; and • Bald and Golden Eagle Protection Act of 1940, as amended. Additional regulatory authorities may also have or have had jurisdiction over some of the Company' s operations and mining projects including the Environmental Protection Agency, NDEP, the U. S. Fish and Wildlife Service, BLM, and the Nevada Department of Wildlife (" NDOW "). These environmental regulations require the Company to obtain various permits, approvals and licenses and also impose standards and controls relating to development and production activities. For instance, the Company is required to hold a Nevada Reclamation Permit with respect to the Hycroft Mine. This permit mandates concurrent and post- mining reclamation of mines and requires the posting of reclamation bonds sufficient to guarantee the cost of mine reclamation. Changes to the amount required to be posted for reclamation bonds could materially affect the Company' s financial position, results of operations, cash flows and liquidity. Also, the U. S. Fish and Wildlife Service may designate critical habitat and suitable habitat areas it believes are necessary for **the** survival of a threatened or endangered species. A critical habitat or suitable habitat designation could result in further material **land- use** restrictions ~~to land use~~ and may materially delay or prohibit land access for development. For example, the Company had to obtain certain permits associated with mining in the area of an eagle habitat. Failure to obtain such required permits or failure to comply with federal and state regulations could also result in delays in beginning or expanding exploration, future operations, incurring additional costs for investigation or cleanup of hazardous substances, payment of penalties for non- compliance or discharge of pollutants, and post- mining closure, reclamation, and bonding, all of which could have a material adverse impact on the Company' s financial performance, results of operations, and liquidity. Compliance with current and future government regulations may cause the Company to incur significant costs. Mining operations are subject to extensive federal and state legislation governing matters such as mine safety, occupational health, labor standards, prospecting, exploration, production, exports, toxic and hazardous substances, explosives, management of natural resources, land use, water use, air emissions, waste disposal, environmental review, and taxes. While the Company has ceased mining operations at the Hycroft Mine, continued compliance with these regulations and other legislation relating to regulation obligations **concerning** ~~with respect to~~ the Hycroft Mine and its future exploration and development could require significant financial outlays to comply with these laws. The enactment of new legislation or more stringent enforcement of current legislation may also increase these costs, which could ~~have a material~~ **materially and** ~~negative~~ **negatively** ~~effect~~ **affect** ~~on~~ the Company' s financial position, results of operations, and liquidity. The Company can provide no assurances that it will be able to adapt to these regulatory developments on a timely or cost- effective basis. Violations of these laws, regulations **,** and other regulatory requirements could lead to substantial fines, penalties or other sanctions, including possible shutdown of future operations ~~, as applicable~~ . There are uncertainties as to title matters in the mining industry. Any defects in such title could cause the Company to lose its rights in mineral properties and jeopardize the business. The Hycroft Mine consists of private mineral rights, leases covering private lands, ~~leases of~~ patented mining claims, and unpatented mining claims. Areas of the Hycroft Mine are unpatented mining claims located on lands administered by the BLM Nevada State office to which the Company has only possessory title. Because title to unpatented mining claims is subject to inherent uncertainties, it is difficult to determine conclusively ownership of such claims. These uncertainties relate to such things as sufficiency of mineral discovery, proper location and posting and marking of boundaries, and possible conflicts with other claims not determinable from descriptions of record. The Company believes a substantial portion of all mineral exploration, development and mining in the United States now occurs on unpatented mining claims, and this uncertainty is inherent in the mining industry. The present status of the Company' s unpatented mining claims located on public lands allows the Company the right to mine and remove valuable minerals, such as precious and base metals, from the claims conditioned upon applicable environmental reviews and permitting programs. The Company is generally allowed to use the surface of the land solely for purposes related to mining and processing the mineral- bearing ores. However, legal ownership of the land remains with the United States. The Company remains at risk ~~that~~ **of** the mining claims **being** ~~may be~~ forfeited either to the United States or to rival private claimants due to failure to comply with statutory requirements. **Before** ~~Prior to~~ 1994, a mining claim locator who was able to prove the discovery of valuable, locatable minerals on a mining claim ~~,~~ and to meet all other applicable federal and state requirements and procedures pertaining to the location and maintenance of federal unpatented mining claims ~~,~~ had the right to prosecute a patent application to secure fee title to the mining claim from the Federal government. ~~The~~ **However, the** right to pursue a patent ~~, however,~~ has been subject to a moratorium since October 1994 ~~,~~ through federal legislation restricting the BLM from accepting any new mineral patent applications. If the Company does not obtain fee title to its unpatented mining claims, the Company **cannot** ~~can provide no assurance~~ --- **assure** that it will be able to obtain compensation in connection with the forfeiture of such claims. There may be challenges to title to the mineral properties in which the Company holds a material interest. If there are title defects **concerning** ~~with respect to~~ any properties, the Company may be required to compensate other persons or ~~perhaps~~ reduce its interest in the affected property. Also, in any such case, the investigation and resolution of title issues would divert management' s time from ongoing business operations. The Company' s insurance may not cover all of the risks associated with the business. The mining industry is subject to risks and hazards, including, but not limited to, environmental hazards, industrial accidents, the encountering of unusual or unexpected geological formations, slide- ins, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in damage to, or destruction of, mineral properties, equipment or facilities, personal injury or death, environmental damage, long- lived asset impairments, monetary losses **,** and possible legal liability. Insurance fully covering many of these risks is not generally available to the Company and if it is, the Company may elect not to obtain it because of the high premium costs or commercial impracticality. Any liabilities incurred for these risks and hazards could be significant and could materially and adversely affect the Company' s results of operations, cash flows, and financial condition. Legislation has been proposed periodically that could, if enacted, significantly affect the cost of mine development on the Company' s unpatented mining claims. Members of the U. S. Congress have periodically introduced bills ~~which~~ **that** would supplant or alter the provisions of the Mining Law of 1872. Such bills have proposed, among other things, to either eliminate or greatly limit the right to a mineral patent and to impose a federal royalty on production from unpatented mining claims. Such proposed legislation could change the cost of holding unpatented mining claims and could significantly impact the Company' s ability to develop mineralized material on unpatented mining claims. A majority of the Company' s mining claims at the Hycroft Mine are unpatented claims. Although the Company is unable to predict what legislated royalties might be, the enactment of these proposed bills could adversely affect the potential for development of the Company' s unpatented mining claims and the economics of any future mine operations on federal unpatented mining claims. Passage of such legislation could materially adversely affect the Company' s financial performance and results of operations. Regulations and pending legislation governing issues involving climate change could result in increased operating costs, which could have a material adverse effect on the Company' s business. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to various climate change interest groups and the potential impact of climate change. Legislation and increased regulation regarding climate change could materially increase the Company' s costs, and the costs of its suppliers, for further exploration and development of the Hycroft Mine, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Any adopted future climate change regulations could also negatively impact the Company' s ability to compete with companies situated in areas not subject to such regulations. Given the political significance and uncertainty around the impact of climate change and how it should be dealt with, the Company cannot predict how legislation and regulation will affect its financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increased awareness, and any adverse publicity in the global marketplace about potential impacts on climate change by the Company or other companies in the mining industry could cause reputational harm. Climate change could have an adverse impact on the Company' s cost of operations. The potential physical impacts of climate change on the Company' s development activities or future operations are highly uncertain and would be particular to the areas in which the Company operates. These climate changes may include changes in rainfall and storm patterns and intensities, water shortages, and changing temperatures. These changes in climate could materially adversely affect mining operations, including by affecting the moisture levels and pH of ore on leach pads, could materially and adversely affect the cost to construct and operate the Hycroft Mine, and materially and adversely affect the Company' s financial performance and operations. The ~~on- going~~ **ongoing** effects of the coronavirus pandemic **or other pandemics** may adversely impact our business and financial condition. The effects of the COVID- 19 pandemic have largely abated. However, the remaining ~~on- going~~ **ongoing** effects are uncertain. **The** ~~In the future, the~~ pandemic could begin worsening again in the U. S. and elsewhere, creating renewed uncertainty. The worsening of the ~~current~~ COVID- 19 pandemic could continue to, and **possible** future similar epidemics or **other possible** pandemics could also, materially and negatively impact the Company' s business **,** including without limitation, employee health, workforce productivity, insurance premiums, ability to travel, the availability of industry experts and personnel, restrictions or delays to current and future drill and work programs and / or the timing to process drilling and other metallurgical testing, and other factors that will depend on future developments beyond the Company' s control, which may have a material and adverse effect on its business, financial condition and results of operations.

Additionally, the Company' s financial condition and results could be adversely and materially impacted due to pandemic closures or restrictions requested or mandated by governmental authorities, disruption to supply chains, and credit losses when vendors or counterparties fail to satisfy their obligations to the Company. Business- Related Risks The Company will need to raise additional capital, but such capital may not be available on favorable terms or at all. The exploration and development of the Hycroft Mine for mining and processing mineral resources will require significant investment. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development, or production at the Hycroft Mine. The covenants in the Sprott Credit Agreement could significantly limit the Company' s ability to secure new or additional credit facilities, increase the cost of borrowing, and make it difficult or impossible to raise additional capital on favorable terms or at all. The Company' s primary future cash requirements for ~~2023~~ **2024** will be to fund working capital needs, capital and project expenditures, satisfying debt service required under the Sprott Credit Agreement, and other corporate expenses so the Company can continue to develop the Hycroft Mine by conducting targeted exploration drilling and completing the necessary technical studies to determine the likely timeline to bring the sulfide mineral resources into commercial **-** scale operation. As of December 31, ~~2022~~ **2023** , the Company had unrestricted cash of $ ~~142~~ **106** . ~~0~~ **2** million. Stockholders are cautioned that expectations regarding the Company' s liquidity and capital resources are based on a number of assumptions that are believed to be reasonable but could prove to be incorrect. For example, the Company' s expectations are based on assumptions regarding commodity prices, anticipated costs and other factors that are subject to ~~a number of~~ risks, many of which are beyond the Company' s control. If the Company' s assumptions prove to be incorrect, it may require additional financing sooner than expected to continue to operate the business, which may not be available on favorable terms or at all and which could have a material adverse effect on the Company' s results of operations, financial condition, and liquidity. If the Company loses key personnel or **cannot** ~~is unable to~~ attract and retain additional personnel, the Company may be unable to **explore and** develop the business. The Company' s development in the future will be highly dependent on the efforts of key management employees, specifically ~~,~~ Diane Garrett, its President and Chief Executive Officer ~~,~~ **;** Stanton Rideout, its Executive Vice President and Chief Financial Officer ~~,~~ **;** and other key employees the Company may hire in the future. The Company will need to recruit and retain other qualified managerial and technical employees to build and maintain its operations. If the Company is unable to successfully recruit and retain such persons, the Company' s **exploration,** development and growth plans could be significantly curtailed. The Sprott Credit Agreement imposes significant operating and financial restrictions that may limit the Company' s ability to operate its business. The Sprott Credit Agreement imposes significant operating and financial restrictions on the Company and its restricted subsidiaries. These restrictions limit the Company' s ability and the ability of restricted subsidiaries to, among other things, as applicable: • incur additional debt; • pay dividends or make other restricted payments, including certain investments; • create or permit certain liens; • sell assets; • engage in certain transactions with affiliates; and • consolidate or merge with or into other companies, or transfer all or substantially all of the Company' s assets or the assets of its restricted subsidiaries. These restrictions could limit the Company' s ability to finance future operations or capital needs, make acquisitions or pursue available business opportunities. In addition, the Sprott Credit Agreement requires the Company to comply with a number of customary covenants, **as well as cross acceleration defaults. The customary covenants** ~~including~~ **include** : • ~~covenants related to the~~ delivery of monthly, quarterly and annual consolidated financial statements, **and semi-annual** budgets **or** ~~and annual~~ projections; • maintaining required insurance; • compliance with laws (including environmental); • compliance with Employee Retirement Income Security Act of 1974, as amended (" ERISA "); • maintenance of ownership of 100 % of the Hycroft Mine; • restrictions on consolidations, mergers or sales of assets; • limitations on liens; • limitations on issuance of certain equity interests; • limitations on issuance of additional indebtedness; • limitations on transactions with affiliates; and • other customary covenants. The Company has received several waivers to date from covenant obligations under the Sprott Credit Agreement. The Company can make no assurances that it will satisfy these covenants or that its lenders will continue to waive any future failure to do so. A breach of any of the covenants under the Sprott Credit Agreement could result in a default. See Note ~~10~~ **9** – Debt, Net to the Notes to the Financial Statements for further information. If a default occurs under the Sprott Credit Agreement and / or the Royalty Agreement among the Company, Hycroft Resources and Development, LLC, a wholly owned subsidiary of the Company, and Sprott Private Resource Lending II (~~CO~~ **Co**) Inc. (the " Sprott Royalty Agreement "), the lenders could elect to declare the debt, together with accrued interest and other fees, to be immediately due and payable and proceed against the collateral securing that debt, which, in the case of the Sprott Credit Agreement and the Sprott Royalty Agreement, constitutes all or substantially all of the Company' s assets. The Company' s substantial indebtedness could adversely affect its financial condition. As of December 31, ~~2022~~ **2023** , the Company had substantial outstanding indebtedness under the Sprott Credit Agreement and the Subordinated Notes. Subject to the limits and terms contained in the Sprott Credit Agreement, if the Company is unable to incur additional debt or grant additional security interests from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes, then the risks related to the Company' s high level of debt could intensify. This high level of debt and royalty payment obligations could: • make it more difficult for the Company to satisfy obligations with respect to its outstanding debt; • require a substantial portion of the Company' s cash flows to be dedicated to debt service and / or royalty payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes; • limit the Company' s ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements; • increase vulnerability to commodity price volatility, including increases in prices of commodities the Company purchases and decreases in prices of gold and silver that the Company sells, each as part of operations, general adverse economic and industry conditions; • limit flexibility in planning for and reacting to changes in the industry in which the Company competes; • place the Company at a disadvantage compared to other, less leveraged competitors; and • increase the Company' s cost of borrowing. Any of the above- listed factors could have an adverse effect on the Company' s business, financial condition and results of operations, the Company' s ability to meet payment obligations under the debt, and the price of the Company' s common stock. The Sprott Credit Agreement contains restrictive covenants that limit the Company' s ability to engage in activities that may be in the Company' s long- term best interests. Failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of nearly all of the Company' s debt. If the Company defaults on its obligations to pay any of its indebtedness or otherwise defaults under the agreements governing the indebtedness, lenders could accelerate such debt and the Company may be subject to restrictions on the payment of other debt obligations or cause a cross- acceleration. Any default under the agreements governing the Company' s indebtedness that is not waived by the required lenders or holders of such indebtedness, and the remedies sought by the holders of such indebtedness, could prevent the Company from paying principal, premium, if any, and interest on other debt instruments. If unable to generate sufficient cash flow or otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on indebtedness and royalty payment obligations, or if otherwise fail to comply with the various covenants in any agreement governing the indebtedness, the Company would be in default under the terms of the agreements governing such indebtedness and other indebtedness under the cross- default and cross- acceleration provisions of such agreements. In the event of such default: • the lenders or holders of such indebtedness could elect to terminate any commitments thereunder, declare all the funds borrowed thereunder due and payable and, if not promptly paid, in the case of the Company' s secured debt, institute foreclosure proceedings against company assets; and • even if the lenders or holders do not declare a default, they may be able to cause all of the Company' s available cash to be used to repay indebtedness owed to them. As a result of such default and any actions the lenders may take in response thereto, the Company could be forced into bankruptcy or liquidation. The Company may not have sufficient cash or may not be able to generate sufficient cash to service outstanding indebtedness and may be forced to take other actions to satisfy indebtedness obligations, which may not be successful. The Company' s ability to make scheduled payments on its debt, including pursuant to the Sprott Credit Agreement and Subordinated Notes, and royalty obligations or refinance debt obligations (if necessary) depends on its financial condition, which is subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond the Company' s control, including the market prices of gold and silver. The Company may be unable to maintain a level of cash flow sufficient to permit it to pay the principal, premium, if any, and interest on the Company' s indebtedness and royalty obligations. If cash flows and capital resources are insufficient to fund the Company' s debt service obligations and royalty obligations, it could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets, seek additional debt or equity capital or restructure or refinance indebtedness. The Company may be unable to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow the Company to meet its scheduled debt service obligations. The Sprott Credit Agreement restricts the Company' s ability to dispose of assets and use the proceeds from those dispositions and may also restrict the ability to raise debt to be used to repay other indebtedness when it becomes due. The Company may be unable to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service and royalty payment obligations then due. The Company' s inability to generate sufficient cash flows to satisfy its debt and royalty obligations, or to refinance indebtedness on commercially reasonable terms or at all, would materially and adversely affect the Company' s financial position and results of operations and the ability to satisfy its obligations. If the Company cannot make scheduled payments on its debt, it will be in default and the lenders under the Sprott Credit Agreement and the Sprott Royalty Agreement could foreclose against the assets securing its borrowings and the Company could be forced into bankruptcy or liquidation. Land reclamation requirements for the Hycroft Mine may be burdensome and expensive and **may** include requirements that the Company provide financial assurance supporting those requirements. Land reclamation requirements are generally imposed on companies with mining operations to minimize **the** long- term effects of land disturbance. Reclamation may include requirements to control dispersion of potentially deleterious effluents, treat ground and surface water to drinking water standards, and reasonably re- establish pre- disturbance landforms and vegetation. To carry out reclamation obligations imposed on the Company in connection with its activities at the Hycroft Mine, the Company must allocate financial resources that might otherwise be spent on further **exploration and** development programs. The Company has established a provision for its reclamation obligations on the Hycroft Mine, as appropriate, but this provision may be inadequate. If required to carry out unanticipated reclamation work, the Company' s financial position could be adversely affected. The Company is also required by U. S. federal and state laws and regulations to provide financial assurance sufficient to allow a third party to implement approved reclamation plans for the Hycroft Mine if the Company is unable to do so. Third party financial assurances may not be available to the Company or the Company may elect not to obtain it because of the high costs, associated collateral requirements may be too expensive, or it may be commercially impractical, which could materially adversely affect the Company' s financial position. Future litigation or similar legal proceedings could have a material adverse effect on the Company' s business and results of operations. Lawsuits and other administrative or legal proceedings may arise in the course of the Company' s operations. The Company may also face heightened regulatory or other public scrutiny as a result of going public via a transaction with a special purpose acquisition company **(" SPAC ")**. These sorts of lawsuits or proceedings can involve substantial costs, including the costs associated with investigation, litigation and possible settlement, judgment, penalty or fines. In addition, lawsuits and other legal proceedings may be time- consuming and may require a commitment of management and personnel resources that will be diverted from the Company' s normal business operations. Although the Company generally maintains insurance to mitigate certain costs, there can be no assurance that costs associated with lawsuits or other legal proceedings will not exceed the limits of the Company' s insurance policies. Moreover, the Company may be unable to continue to maintain its existing insurance policies at a reasonable cost, if at all, or to secure additional coverage, which may result in costs associated with lawsuits and other legal proceedings being uninsured. The Company' s business, financial condition, and results of operations could be adversely affected if a judgment, penalty or fine is not fully covered by insurance. The Company is dependent upon information **and operational** technology systems **and new technologies** that are subject to disruption, damage, failure, and risks associated with implementation and integration. The Company is dependent upon information technology systems to conduct its operations. The information technology systems are subject to disruption, damage or failure from a variety of sources, including, without limitation, computer viruses, security breaches, **cyberattacks** ~~cyber- attacks~~, natural disasters and defects in design. Cybersecurity incidents are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions in systems, extortion to prevent or the unauthorized release of confidential or otherwise protected information and the corruption of data. Given the unpredictability of the timing, nature and scope of information technology disruptions, the Company could potentially be subject to operational downtimes, operational delays, extortion, the compromising of confidential or otherwise protected information, destruction or corruption of data, security breaches, other manipulation or improper use of systems and networks or financial losses from remedial actions, any of which could have a material adverse effect on the Company' s cash flows, financial condition or results of operations. The Company could also be adversely affected by system or network disruptions if new or upgraded information technology systems are defective, not installed properly or not properly integrated into its operations. System modification failures could have a material adverse effect on the Company' s operations, financial position and results of operations and could, if not successfully implemented, adversely impact the effectiveness of the Company' s internal controls over financial reporting. The two largest stockholders of the Company can exert significant influence over matters submitted to stockholders for approval, which could delay or prevent a change in corporate control or result in the entrenchment of management or the Board of Directors, possibly conflicting with the interests of the Company' s other stockholders. As of March ~~27~~ **13** , ~~2023~~ **2024** , 2176423 Ontario Limited, an entity affiliated with Eric Sprott **,** ~~(" Eric Sprott ")~~ and American Multi- Cinema, Inc. (" AMC ") owned approximately 9 % and ~~12~~ **11** %, respectively, of the Company' s outstanding voting securities ~~, respectively,~~ and each ~~have~~ **has** the right to acquire 23, 408, 240 additional shares, respectively, of common stock upon the exercise of warrants held by them. In addition, AMC has the right to receive an additional 61, 189 shares of common stock upon vesting of restricted stock units granted to AMC for ~~their~~ **its** Board of Directors representative. Because of their significant stockholdings, each of ~~Eric~~ **Mr.** Sprott and AMC could exert significant influence in determining the outcome of corporate actions requiring stockholder approval and otherwise influence the business. This influence could have the effect of delaying or preventing a change in control of the Company or entrenching management or the Board of Directors, which could conflict with the interests of other stockholders and, consequently, could adversely affect the market price of the Company' s common stock. Risks related to the Company' s Common Stock and Warrants The market prices and trading volume of shares of the Company' s common stock have ~~recently~~ experienced, and may continue to experience, extreme volatility, which could cause purchasers of the Company' s common stock to incur substantial losses. The market prices and trading volume of shares of the Company' s common stock have ~~recently~~ experienced, and may continue to experience, extreme volatility, which could cause purchasers to incur substantial losses. For example, during ~~2022~~ **2023** , the market price of the Company' s common stock fluctuated from an intra- day low of $ ~~0~~ **1** . ~~28~~ **63** per share on ~~March 2~~ **November 15** , ~~2022~~ **2023** to an intra- day high of $ ~~3~~ **7** . ~~10~~ **18** on ~~March 29~~ **January 13** , ~~2022~~ **2023** , and the last recorded sales price of the Company' s common stock on Nasdaq on March ~~27~~ **13** , ~~2023~~ **2024** was $ ~~0~~ **2** . ~~3852~~ **32** per share ~~. • During the three months ended March 31, 2022, for example, daily trading volume ranged from approximately 78, 900 to 386, 186, 700 shares. Within the month of March 2022, the market price of the Company' s common stock fluctuated from an intra- day low of $ 0. 28 on March 2, 2022 to an intra- day high of $ 3. 10 on March 29, 2022~~ . • The Company believes the historical volatility may reflect market and trading dynamics unrelated to the Company' s underlying business, or macro or industry fundamentals, and it is unknown how long these dynamics will last. Under the circumstances **,** investing in the Company' s common stock may cause stockholders to incur the risk of losing all or a substantial portion of their investment. • Extreme fluctuations in the market price of the Company' s common stock ~~has~~ **have** been accompanied by reports of strong and atypical retail investor interest, including on social media and online forums. The market volatility and trading patterns the Company has experienced ~~creates~~ - **create** several risks for stockholders, including the following: ◦ the market price of the Company' s common stock has experienced and may experience in the future rapid and substantial increases or decreases unrelated to the Company' s financial performance or prospects ~~,~~ or macro or industry fundamentals, and substantial increases may be significantly inconsistent with the risks and uncertainties the Company continues to face; ◦ factors in the public trading market for the Company' s common stock include the sentiment of retail investors (including as may be expressed on financial trading and other social media sites and online forums), the direct access by retail investors to broadly available trading platforms, the amount and status of short interest in the Company' s securities, access to margin debt, trading in options and other derivatives on the Company' s common stock and any related hedging and other trading factors; ◦ the Company' s market capitalization, as implied by various trading prices, ~~currently~~ **has at times** ~~reflects~~ **reflected** valuations that diverge significantly from those seen prior to recent volatility, and to the extent these valuations reflect trading dynamics unrelated to the Company' s financial performance or prospects, purchasers of its common stock could incur substantial losses if there are declines in market prices driven by a return to earlier valuations; and ◦ to the extent volatility in the Company' s common stock is caused, as has widely been reported, by a " short squeeze " in which coordinated trading activity causes a spike in the market price of ~~its~~ **the Company' s** common stock as traders with a short position make market purchases to avoid or to mitigate potential losses, stockholders purchase at inflated prices unrelated to the Company' s financial performance or prospects, and may thereafter suffer substantial losses as prices decline once the level of short- covering purchases has abated. The market price of the Company' s shares of common stock and publicly ~~-~~ traded warrants may fluctuate widely. The trading price of the Company' s common stock and warrants listed for trading may fluctuate substantially and may be lower than their current prices. The market prices and trading volume of shares of the Company' s common stock have experienced, and may experience in the future, extreme volatility, which could cause purchasers of the Company' s common stock to incur substantial losses. The Company may continue to incur rapid and substantial increases or decreases in its stock price in the foreseeable future that may not coincide in timing with the disclosure of news or developments by or affecting the Company. Accordingly, the market price of shares of the Company' s common stock may fluctuate dramatically, and may decline rapidly, regardless of any developments in the Company' s business. Overall, there are various factors, many of which are beyond the Company' s control, that could negatively affect the market price of the Company' s common stock or result in fluctuations in the price or trading volume of the Company' s common stock, including: • publication of research reports by analysts or others about the Company or the precious metals market, which may be unfavorable, inaccurate, inconsistent or not disseminated on a regular basis; • changes in market interest rates that may cause purchasers of shares of the Company' s common stock to demand a different yield; • changes in market valuations of similar companies; • market reaction to any additional equity, debt or other securities that the Company may issue in the future, and which may or may not dilute the holdings of existing stockholders; • actual or anticipated variations in the Company' s annual or quarterly results of operations; • additions or departures of key personnel or Board of Directors members; • actions by institutional or significant stockholders; • short interest in the Company' s stock and the market response to such short interest; • the dramatic increase in the number of individual holders of the Company' s stock and their participation in social media platforms targeted at speculative investing; • speculation in the press or investment community about the Company or industry; • strategic actions by the Company or its competitors, such as acquisitions or other investments; • the ongoing impacts and developments relating to the COVID- 19 pandemic; • legislative, administrative, regulatory or other actions affecting the Company or industry; • investigations, proceedings, or litigation that involve or affect the Company; and • general market, economic and political conditions, such reductions in precious metals prices, increases in fuel and other commodity prices used in business operations, currency fluctuations, and acts of war or terrorism. In addition, in the past, following periods of volatility in the overall market and the market prices of particular companies' securities, securities class action litigations have often been instituted against these companies. Litigation of this type, if instituted against the Company, could result in substantial costs and a diversion of management' s attention and resources. Any adverse determination in any such litigation or any amounts paid to settle any such actual or threatened litigation could require the Company to make significant payments. You may experience dilution as a result of future equity offerings. On March 14, 2022, the Company entered into definitive agreements to issue 46, 816, 480 units in a private placement **with select investors (the " Private Placement Offering ")** , with each unit consisting of one **- tenth** share of the Company' s common stock **(on a post 1- for- 10 reverse stock split basis)** and one warrant to purchase one **- tenth** share of common stock. In addition, the Company conducted an " at- the- market " registered public offering in which it sold ~~89~~ **8** , ~~553~~ **955** , ~~584~~ **358** additional shares of common stock **(on a post 1- for- 10 reverse stock split basis)** . The private placement and the " at- the- market " registered public offering substantially increased the number of issued and outstanding shares of common stock. In the future, the Company may issue additional shares of common stock to raise cash to bolster the Company' s liquidity, to pay indebtedness, for working capital, to finance strategic initiatives and future acquisitions or for other purposes. The Company may also issue securities convertible into, or exchangeable for, or that represent the right to receive, shares of common stock. The Company may also acquire interests in other companies or other assets by using a combination of cash and shares of common stock or using only shares of common stock. The Company may sell shares or other securities in any other offering at a price per share that is less than the prices per share paid by stockholders, and stockholders purchasing shares or other securities in the future could have rights superior to existing stockholders. The price per share at which the Company sells additional shares of common stock, or securities convertible into, exercisable or exchangeable for shares of common stock, in future transactions may be higher or lower than the prices per share paid by stockholders. Additional equity offerings may dilute the holdings of existing stockholders or reduce the market price of the Company' s common stock, or both. Any of these events may dilute the ownership interests of current stockholders, reduce earnings per share or have an adverse effect on the price of shares of the Company' s common stock. Further, sales of substantial amounts of the Company' s common stock, or the perception that these sales could occur, could have a material adverse effect on the price of the Company' s common stock. A " short squeeze " due to a sudden increase in demand for shares of the Company' s common stock that largely exceeds supply and / or focused investor trading in anticipation of a potential short squeeze have led to, may be currently leading to, and could again lead to, extreme price volatility in shares of the Company' s common stock. Stockholders may purchase shares of the Company' s common stock to hedge existing exposure or to speculate on the price of the Company' s common stock. Speculation on the price of the Company' s common stock may involve long and short exposures. To the extent aggregate short exposure exceeds the number of shares of common stock available for purchase on the open market, stockholders with short exposure may have to pay a premium to repurchase shares of the Company' s common stock for delivery to lenders of the Company' s common stock. Those repurchases may, in turn, dramatically increase the price of shares of the Company' s common stock until additional shares are available for trading or borrowing. This is often referred to as a " short squeeze. " A short squeeze and / or focused investor trading in anticipation of a short squeeze have led to, and could again lead to volatile price movements in shares of the Company' s common stock that may be unrelated or disproportionate to the Company' s financial performance or prospects and, once stockholders purchase the shares of the Company' s common stock necessary to cover their short positions, or if investors no longer believe a short squeeze is viable, the price of the Company' s common stock may rapidly decline. Stockholders that purchase shares of the Company' s common stock during a short squeeze may lose a significant portion of their investment. The Company cautions stockholders against investing in the Company' s common stock, unless stockholders are prepared to incur the risk of losing all or a substantial portion of their investment. ~~There can be no assurance that the Company' s proposed reverse stock split will increase the price of the Company' s common stock. At the annual meeting of the Company' s stockholders to be held on May 24, 2023, the Company will ask stockholders to approve (among other proposals) a proposal to approve the amendment of the Company' s Second Amended and Restated Certificate of Incorporation (the " Certificate of Incorporation "), to effectuate a reverse stock split of the Company' s outstanding shares of common stock, at a ratio of no less than 1- for- 10 and no more than 1- for- 25, with such ratio to be determined at the sole discretion of the Board, and with such action to be effected at such time and date, if at all, as determined by the Board of Directors (the " Reverse Stock Split "). The~~

~~Company expects that the Reverse Stock Split will increase the per share trading price of the Company' s common stock. However, the effect of the Reverse Stock Split on the per share trading price of the Company' s common stock cannot be predicted with any certainty, and the history of reverse stock splits for other companies is varied. It is possible that the per share trading price of the common stock after the Reverse Stock Split will not increase in the same proportion as the reduction in the number of the Company' s outstanding shares of common stock following the Reverse Stock Split. In addition, although the Company believes the Reverse Stock Split may enhance the marketability of the Company' s common stock to certain potential investors, there can be no assurance that, if implemented, the Company' s common stock will be more attractive to investors. Even if the Reverse Stock Split is implemented, the per share trading price of the Company' s common stock may decrease due to factors unrelated to the Reverse Stock Split, including the Company' s future performance. If the Reverse Stock Split is consummated and the per share trading price of the common stock declines, the percentage decline as an absolute number and as a percentage of our overall market capitalization may be greater than would occur in the absence of the Reverse Stock Split. Despite approval of the Reverse Stock Split by the Company' s stockholders and the implementation thereof by the Board of Directors, there is no assurance that the price of the Company' s common stock would be, or remain, following the Reverse Stock Split at a level high enough to enable us the Company to comply with the Minimum Bid Price Requirement or to attract capital investment in the Company. The proposed Reverse Stock Split may decrease the liquidity of the Company' s common stock and result in higher transaction costs. The liquidity of the Company' s common stock may be negatively impacted by the Reverse Stock Split, given the reduced number of shares that will be outstanding after the Reverse Stock Split, particularly if the per share trading price does not increase as a result of the Reverse Stock Split. In addition, if the Reverse Stock Split is implemented, it may increase the number of stockholders who own " odd lots " of fewer than 100 shares of common stock. Brokerage commissions and other costs of transactions in odd lots are generally higher than the costs of transactions of more than 100 shares of common stock. Accordingly, the Reverse Stock Split may not result in increasing the marketability of the Company' s common stock.~~ Information available in public media that is published by third parties, including blogs, articles, online forums, message boards and social and other media may include statements not attributable to the Company and may not be reliable or accurate. The Company has received, and may in the future receive, a high degree of media coverage that is published or otherwise disseminated by third parties, including blogs, articles, online forums, message boards and social and other media. This includes coverage that is not attributable to statements made by the Company' s directors, officers or employees. Investors should read carefully, evaluate and rely only on the information contained in documents filed by the Company with the SEC in determining whether to purchase shares of the Company' s common stock. Information provided by third parties may not be reliable or accurate and could materially impact the trading price of the Company' s common stock which could cause stockholders to incur losses on their investments. Increases in market interest rates may cause potential investors to seek higher returns and therefore **, may** reduce demand for the Company' s common stock, which could result in a decline in the Company' s stock price. One of the factors that may influence the price of the Company' s common stock is the return on the Company' s common stock (i. e., the amount of distributions as a percentage of the price of the Company' s common stock) relative to market interest rates. An increase in market interest rates ~~, which are currently at low levels relative to historical rates,~~ may lead prospective purchasers of the Company' s common stock to expect a return, which the Company may be unable or choose not to provide. Further, higher interest rates would likely increase the Company' s borrowing costs and potentially decrease the cash available. Thus, higher market interest rates could cause the market price of the Company' s common stock to decline. Volatility in the price of the Company' s common stock may subject ~~it~~ **the Company** to securities litigation. As discussed above, historically, the market for the Company' s common stock has been characterized by significant price volatility when compared to seasoned issuers, and the Company expects that its share price will continue to be more volatile than **that of** a seasoned issuer for the indefinite future. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and liabilities and could divert management' s attention and resources. The Company does not anticipate paying common stock dividends in the foreseeable future. The Company currently plans to invest all available funds and future cash flows, if any, in the **exploration and** development and growth of its business. The Company has never paid dividends on its common stock and currently has no plans to do so. The Company' s debt agreements contain provisions that restrict its ability to pay dividends. As a result, a rise in the market price of the Company' s common stock, which is uncertain and unpredictable, is the only source of potential gain for the foreseeable future and stockholders should not rely on an investment in the Company' s common stock for dividend income. Future offerings of debt, which would be senior to the Company' s common stock upon liquidation, and / or preferred equity securities, which may be senior to its common stock for purposes of distributions or upon liquidation, could adversely affect the market price of its common stock. In the future, the Company may attempt to increase capital resources by making additional offerings of debt or preferred equity securities, including convertible or non- convertible senior or subordinated notes, convertible or non- convertible preferred stock, medium- term notes and trust preferred securities. Upon liquidation, holders of the Company' s debt securities and shares of preferred stock and lenders with respect to other borrowings will receive distributions of available assets prior to the holders of common stock. In addition, any preferred stock the Company may issue could have a preference on liquidating distributions or a preference on distribution payments that could limit the Company' s ability to make a distribution to the holders of its common stock. Since the Company' s decision to issue securities in any future offering will depend on market conditions and other factors beyond its control, the Company cannot predict or estimate the amount, timing, or nature of future offerings. Thus, stockholders bear the risk of future offerings reducing the market price of the Company' s common stock. ~~The Company received a delisting notice from the Nasdaq Stock Market and the Company' s common stock and warrants could be delisted from trading unless the common stock price trades above $ 1. 00 per share. As previously disclosed, on October 3, 2022, the Company received notice (the " Notice ") from the Nasdaq Stock Market LLC ("~~

~~Nasdaq ") that the Company was not in compliance with Nasdaq Listing Rule 5550 (a) (2), as the minimum bid price of our common stock had been below $ 1. 00 per share for 30 consecutive business days. The Notice had no immediate effect on the listing of the Company' s common stock, which continues to trade at this time on the Nasdaq Capital Market under the symbol " HYMC. " In accordance with Nasdaq Listing Rule 5810 (c) (3) (A), the Company has 180 calendar days, or until April 3, 2023, to regain compliance with the minimum bid price requirement. To regain compliance, the closing bid price of the Company' s common stock must meet or exceed $ 1. 00 per share for at least ten consecutive business days during this 180- calendar day period. In the event the Company does not regain compliance by April 3, 2023, the Company may be eligible for an additional 180 calendar day grace period if it meets the continued listing requirement for market value of publicly held shares ($ 1 million) and all other initial listing standards for the Nasdaq Capital Market, with the exception of the minimum bid price, and provide written notice to Nasdaq of its intention to cure the deficiency during the second compliance period by effecting a reverse stock split. The Company' s Board of Directors has approved an amendment to the Company' s certificate of incorporation that would effect a reverse stock split. The amendment must be approved by stockholders. The Company expects to submit the amendment to stockholders at its annual meeting of stockholders to be held on May 24, 2023. If the Company does not regain compliance within the allotted compliance period (s), Nasdaq will provide notice that the Company' s common stock will be subject to delisting from the Nasdaq Capital Market. In that event, the Company may appeal such delisting determination to a hearings panel. Further, if the Company does regain compliance, the Company cannot provide assurance that the trading price of its common stock will not fall below $ 1. 00 per share for a period of 30 consecutive trading days and that it will not receive another notice that it was not in compliance with the $ 1. 00 minimum bid price requirement set forth in Nasdaq Listing Rule 5550 (a) (2) for continued listing on the Nasdaq Capital Market or that it will be able to regain compliance with the minimum bid price requirement, even if it maintains compliance with the other listing requirements.~~ There is no guarantee that the Company' s outstanding warrants will ever be in the money, and they may expire worthless. The Company' s outstanding warrants have a strike price that is higher than the last recorded ~~sales~~ - **sale** price of the Company' s common stock on Nasdaq on March ~~27~~ **13** , ~~2023~~ **2024** . Specifically, the Company has ~~34~~ **33** , ~~289~~ **937** , ~~898~~ **583** warrants outstanding that expire on May 29, 2025 that entitle holders to purchase one **- tenth** share of the Company' s common stock at an exercise price of $ 11. 50, 9, 583, 334 warrants outstanding that expire on October 6, 2025 that entitle holders to purchase one **- tenth** share of the Company' s common stock at an exercise price of $ 10. 50 per share and 46, 816, 480 warrants outstanding that expire on March 15, 2027 that entitle holders to purchase one **- tenth** share of the Company' s common stock at an exercise price of $ 1. 068 per share. Certain of the Company' s warrants are being accounted for as a warrant liability and are recorded at fair value with changes in fair value each period reported in earnings, which could increase the volatility in the Company' s net income (loss) and may have an adverse effect on the market price of the Company' s common stock. In addition to other securities, warrants to purchase shares of the Company' s common stock were issued in a private placement to the SPAC sponsor and underwriter (the " 5- Year Private Warrants ") in the aggregate amount of 7, 740, 000 shares of common stock at an exercise price of $ 11. 50 per share on May 29, 2020, and concurrently with the closing of the Recapitalization Transaction, as part of a forward purchase unit offering, the Company issued an additional 2, 500, 000 5- Year Private Warrants to the SPAC sponsor at an exercise price of $ 11. 50 per share. The Company determined that the 5- Year Private Warrants are a liability required to be marked- to- market with the non- cash fair value adjustments recorded in earnings at each reporting period. Changes in the trading price of the Company' s common stock and the fair value of the 5- Year Private Warrants could result in significant volatility in the warrant liability and net income (loss) in the Company' s Consolidated Statements of Operations. Once the 5- Year Private Warrants are sold to a third- party, they are classified as public warrants and are no longer marked- to- market. Anti- takeover provisions contained in the Company' s charter and bylaws, as well as provisions of Delaware law, could impair a takeover attempt. The Company' s charter contains provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. The Company is also subject to anti- takeover provisions under Delaware law, which could delay or prevent a change of control. Together, these provisions may make it more difficult to remove management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for the Company' s securities. These provisions include: • no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates; • the right of the Company' s Board of Directors to appoint a director to fill a vacancy created by the expansion of the Board of Directors or the resignation, death or removal of a director in certain circumstances, which prevents stockholders from being able to fill vacancies on the Company' s Board of Directors; • a prohibition on stockholders calling a special meeting and the requirement that a meeting of stockholders may only be called by members of the Company' s Board of Directors, which may delay the ability of stockholders to force consideration of a proposal or to take action, including the removal of directors; • the ability of the Company' s Board of Directors to determine whether to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer; • limiting the liability of, and providing indemnification to, the directors and officers; and • advance notice procedures that stockholders must comply with in order to nominate candidates to the Company' s Board of Directors or to propose matters to be acted upon at a meeting of stockholders, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer' s own slate of directors or otherwise attempting to obtain control of the Company. The Company is ~~an " emerging growth company " and~~ a " smaller reporting company, " and the applicable reduced disclosure requirements may make the Company' s common stock less attractive to stockholders. The Company ~~qualifies as an " emerging growth company " as defined in Section 2 (a) (19) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012, as amended (the " JOBS Act "). As such, the Company elected to take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies, including (i) the exemption from the auditor attestation requirements with respect to internal control over financial reporting under Section 404 of the Sarbanes- Oxley Act, (ii) the exemptions from say-~~

~~on- pay, say- on- frequency and say- on- golden parachute voting requirements and (iii) reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements. As a result, the Company' s stockholders may not have access to certain information they deem important. The Company will remain an emerging growth company until the earliest of (i) the last day of the fiscal year (a) following February 12, 2023, the fifth anniversary of the IPO, (b) in which the Company has total annual gross revenue of at least $ 1. 07 billion or (c) in which the Company~~ is ~~deemed to be a large accelerated filer, which means the market value of its common stock held by non- affiliates exceeds $ 700 million as of the last business day of the Company' s prior second fiscal quarter, and (ii) the date on which the Company has issued more than $ 1. 0 billion in non-convertible debt during the prior three- year period. In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the exemption from complying with new or revised accounting standards provided in Section 7 (a) (2) (B) of the Securities Act as long as the Company qualifies as an emerging growth company. An emerging growth company can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non- emerging growth companies, but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company' s consolidated financial statements with another public company which is neither an emerging growth company nor an emerging growth company that has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used. The Company is also~~ a " smaller reporting company **,** " ~~,~~ and will remain a smaller reporting company until the fiscal year following the determination that the Company' s voting and non- voting common stock held by non- affiliates is $ 250 million or more measured on the last business day of the second fiscal quarter, or the Company' s annual revenues are $ 100 million or more during the most recently completed fiscal year and the voting and non- voting common stock held by non- affiliates is $ 700 million or more measured on the last business day of the second fiscal quarter. ~~Similar to emerging growth companies, smaller~~ **Smaller** reporting companies are able to provide simplified executive compensation disclosure and have certain other reduced disclosure obligations, including, among other things, being required to provide only two years of audited consolidated financial statements. The Company' s stockholders may find ~~its~~ **the Company' s** common stock less attractive as a result of the **Company' s** status as **a** ~~an " emerging growth company " and~~ " smaller reporting company " and the Company' s reliance on the reduced disclosure requirements afforded to these companies.