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CLERK
US BANKRUPTCY COURT
DISTRICT OF DELAWARE

26 August 2015s

Judge Hon. Mary Walrath

Impact Statement: Allied Nevada Gold Corp Chapter 11 Bankruptcy 15-10503

Your Honour,

I am a pre-bankruptcy share holder of Allied Nevada Gold Corp.

I believe the term applied to investors such as myself is retail investor. Retail investors are generally made up of an assortment of individuals whom after meeting their monthly household obligations and have taken care of the whims and latest trends for their children, perhaps assisting parents and even extended family have some disposable income which they use to try and get ahead. This income is hard earned, it is not given. In my case it is hard earned working as a Performance Coach in the Oil and Gas sector, a sector you may be aware whose Oil price is currently being savaged by the glut of surplus Oil and Saudi market share dominance.

I first read about Allied Nevada Gold Corp, after the spin off from another Gold miner, namely Vista Gold, whose stock I also own. During the run up to the peak of Gold prices in September 2011, I watched the stock react to events such as drilling results and news releases from management, and also taking time to reference the history books regarding the economy and where the safest place was for one's money during these unprecedented times. Throughout the next few years I watched as the stock price fell from a high of \$44 to just a dollar or so in the early part of 2015. This fall in stock price was in part due to the precipitous decline in Gold price. There were no immune Gold mining companies to this decline, and in fact the entire Gold space fell out of investor favour and was severely routed. For contrarian retail investors such as myself, this represents opportunity. I felt that after doing my due diligence on the company over the last few years and understanding their business model, scrutinising their financials and news releases on their website that the company was worth investing in. My main safety cushion as it were, was the fact that the companies directors owned 8 Million shares between them and also that the most recent financial filing, at the time of my investment, September 2014, showed shareholder equity at \$726M.

I listened with great interest to the November 4th Conference call which discussed the newly released 3Q financials, and listened to Tracey Thom, Randy Buffington and Stephen Jones clearly state that the company was in good shape for the next quarter, and indeed for the next year. Although their statements are pre-fixed at the beginning of the conference call by caveats such as 'forward looking statements' and 'risks, uncertainties and assumptions' there can be no denying that information provided by Board of Directors, and Chief Financial Officers influences retail investors decision making and is indeed a very useful tool while carrying out due diligence.

During the call several pieces of information from Stephen Jones were not forward looking and therefore by definition did not involve any risk, uncertainty or assumption. These were the adjusted cash costs for the quarter of \$856 per ounce of Gold and a \$199 per ounce Silver credit. Pertinent information for a retail investor to absorb when contemplating investing in a market where the average Gold price for the quarter was \$1275 an ounce of Gold and \$19.24 an ounce of Silver. It was during this conference call that Stephen Jones stated that the company had enough cash to last for 12 months, given recent events a fairly ridiculously inadequate assessment of the companies finances from their CFO, I think you would have to agree?

The next few weeks saw a plethora of news releases from the company, and each one was of a positive nature. This is extremely interesting given the fact that at the time of these news releases we now know the company was negotiating with Creditors regarding the possibility of entering Chapter 11 bankruptcy protection. Unfortunately for the retail investor this was something they did not share, and as such totally mislead the investing community into believing that the company was on a sound financial footing and with the inclusion of improving economics for the mill expansion programme, made a compelling investment opportunity.

Even after the unexpected share offering on December 9th 2014, the company gave no indication of pending bankruptcy, even though they were already negotiating with Creditors. The move into the new year of 2015 saw more news releases, and the news release from January 21st was the tipping point for me, from an investment perspective. The company boasted Gold and Silver sales increases YOY of 19% and 115% respectively. This was the last news release prior to filing for bankruptcy. There was no reference given to the ongoing discussions initiated by the board to its Creditors whereby they would wilfully write down hundreds of millions of dollars of assets and transfer the equity in a deal that would decimate the retail investment community, and literally destroy the financial lives of many hard working people. On the last trading day of January I bought 67700 shares of Allied Nevada common stock, at a share price of \$1.10.

The figures and financials for this disgustingly immoral and corrupt bankruptcy are well documented in other motions and are available online. I will not go into those details for the remainder of this statement.

The impact of Stephen Jones's creative accounting under the guidance, instruction and assistance from Randy Buffington, Robert Buchan and Tracey Thom, among others has lead to financial ruin. Not only for me, but my family, and even those close to me

have been greatly affected. I have received emails from people who may never financially recover from this.

To write off shareholders equity while at the same time transferring this equity to Creditors in the form of a Gold and Silver mine is not comprehensible to the average retail investor. Shareholders such as myself invested in this company as they moved forward in their plans to expand the mine, into a 'world class facility'. We paid their salaries, we bought their equipment, we supported them every step of the way, only to be thrown under the bus and told that we were 'not entitled' to any recovery because we were Class 10 shareholders. 'Not entitled', 'enough is enough', 'hopelessly insolvent', 'incentivise bonus' are just some of the phrases filed by the debtors in their motions. Interestingly there are no phrases such as 'sorry', 'pay cut' or 'offer to resign' from the debtors. Instead, and astonishingly they propose to give themselves bonuses, and have used language that is mocking and insulting in nature toward the shareholders whose company they preside over as DIP. Indeed it would almost be another matter entirely if the company had entered Chapter 11, and the BOD had held their hands up, apologised and made amends by attempting to restore shareholder equity while meeting obligations to Creditors. Sadly, this is not the case here.

Questions have to be asked regarding the competence of the current management team.

- Can anyone explain how Stephen Jones is still the CFO? He bought them into bankruptcy, it was during his tenure that the company entered into an incredibly risky currency swap, that has gone so disastrously wrong that the companies share price now sits at 05c. The company still has 10+M Oz Gold and over 460M Oz Silver, yet the share price is 05c. The current BOD are still all in place. Their latest attempt at a POR assures them the entitlement of running the company as they emerge out of bankruptcy and resume their plan to re-open the mine just as Gold begins to catch a bid off seasonal lows and market uncertainty. They would have no debt but would own a percentage of the largest Gold and Silver mine in the US that is producing Gold at \$856 Oz and Silver at a \$200 credit, while shareholder's lives lie in financial ruin due to their cavalier attitude, incompetence, fraudulent and suspicious activity and sheer arrogance.
- After he became the CFO, did the company employ someone else to the position of Executive Vice President Financial Services and Business Development, Allied Nevada Gold Corp ? If not, then why was he employed as one in the first place ?
- In the Q3 2014 Earnings Conference Call On November 04, 2014, why did he state that he got 12 months of run rate when in ten working days time, they were filing the S-3 form ?
- If he knew that "As of December 31, 2014, we were not in compliance with the Tangible Net Worth covenant contained in the Revolver and certain capital lease obligations." Why did he not file an 8-K in Jan 2015 to inform his shareholders as this is a significant material event ?

- Significant Net non-cash adjustment = \$505,956,000

Mill expansion project (in thousands)

Process equipment

\$195,631

Construction in progress and other

161,403

Mine development

30,822

TOTAL

\$387,856

Why was material impairment not brought to the attention of the shareholders in January 2015 but only after the BK and until the release of the 10-K ?

This should be under Item 2.06 Material Impairments in the 8-K which the management have deliberately failed to file.

Other erroneous and quite startling coincidences begin to arise when one looks a little closer at the most recent POR. If one looks at the background of the current CEO Robert Mackay Buchan, a very real and obvious plot to steal the company from its rightful owners the shareholders, bankrupt the company, then emerge from bankruptcy with no debt and sell the company privately! Too sensational for your palate? Digest the following information:

Robert Mackay Buchan participated in the formation of CMP Funds, and served as its President from 1984 to 1988) and also participated in the creation of **Dundee Bancorp in 1987 and served as its Vice-Chairman until 1994**. During that period, he ran the merchant banking division, DCC Equities. **In 1994, he left Dundee to form Kinross Gold Corporation acting as that company's CEO** from 1993 to 2004 and in 2005 he started Katanga Copper Company, and served as that company's Chairman until 2007 when he formed Allied Nevada Gold Corporation serving as that company's Chairman since inception.

<http://www.zoominfo.com/p/Robert-Buchan/302401>

Dundee Corporation: New Name For Dundee Bancorp Inc.

[Dundee Corporation: New Name For Dundee Bancorp Inc.](#)

Now do you know who is Dundee Corporation ?

Dundee Corp is the parent of Dundee Securities who underwrote the April 2013 equity offering:

<http://www.marketwired.com/press-release/allied-nevada-announces-us1505-million-bought-deal-financing-tsx-anv-1784550.htm>

And the investors of that April 2013 secondary are suing ANV!

Buchan has a lot knowledge and experience in not only the mining industry but also in banking and investment and he has a of heaps of connections in this industry... He could have sold the company if he chose to but he did not... why ?

And this is the crux of the problem...

Will he and the BOD be going to sell the company to his buddies after they have taken the company private ? **This is a real possibility, and this is the real reason they have continued to offer current Equity shareholders worthless warrants, that will be worth nothing if the company goes private, as it intends to do!**

My disbelief that this is even possible in a day and an age where the transparency of business dealing must be law abiding and can be easily verified is beyond comprehension. To be able to write down \$1.1B in assets in a few short months is one thing, most accountants could spend the afternoon transferring figures from one column to another, but to be able to get away with it, to steal another persons money, to mock them in open court with motions whose language is pedantic, scornful and unrepentant is absolutely outrageous.

The evident collusion of the board of directors, and their creditors has already been documented and can be proven. Trading anomalies such as Allied Nevada Gold Corp being the most heavily shorted stock on the NYSE last year for example. Yes you read that correctly, ANV was THE most shorted stock on the entire trading exchange for the whole of last year. Why do you think this was? Who would gain from shorting a Gold miner to such an extent, and what could be their motive? Is it possible that the BOD have orchestrated this Chapter 11 bankruptcy with Creditors as far back as early last year? The evidence suggests they have, furthermore it is probable given recent motions filed on Primeclerk website. Manipulation of a stock is illegal, yet ANV board of directors and their Creditors stand to make billions by doing so. Even in Chapter 11 bankruptcy, the manipulation continues, with shares traded at 200 a trade to keep the stock down, skipping bids and only filling where beneficial to the company. Why would someone trade 200 shares at 05c, which for the mathematically challenged out there is \$10? What can be gained from such a minuscule trade? A retail investor most certainly is not prepared to pay brokerage fees on a trade of this size, so what is the bigger picture? The bigger picture is that the shorting continues as the company attempts to give the impression that ANV is worthless. But we know different, and so do the Creditors and the board of directors who are fighting tooth and nail to steal the largest Gold and Silver mine in the United States from its rightful owners, the shareholders!

Observing how Chapter 11 bankruptcies play out has been an education. I have observed how managers can lie, mis-represent, collude, steal and manipulate in their attempts to obtain what is not rightfully theirs. I even looked on the Investopedia website at the definition of the word Shareholder - The first line of the definition reads: Shareholders are the owners of a company - thats what it says, verbatim! I own shares in a company, therefore I am part owner, along with all the other shareholders. The management team owns 8M shares between them. Yet they are prepared to write that investment off, as are the Creditors whose debt runs into the millions of dollars. Why? Why would Creditors be prepared to write off such huge amounts of debt? Maybe it is because they know that a percentage in the largest Gold and Silver mine

in the US will make them more money than they ever dreamed of? Yes, that's the conclusion I arrived at, after studying the situation for a nanosecond!!

Even now, as we enter the 6th month of this Chapter 11 bankruptcy we find ourselves in a battle with the other side, and by the other side I am referring to our Equity Committee and their legal representation. Unbelievable, but true! How a lawyer of a firm hired to protect the interests of an EC appointed by the US Trustee can stand up in court and state that there is no need for an examiner to be appointed because the accounts have already been examined is utterly preposterous! Really Mr Gregory Mascitti? You forget yourself sir, as I have read the dockets and indeed no examiner has been appointed thus far therefore your statement is false, and I put it to you that you are in fact a stooge for the debtors. Standing there before the court in your expensive suit, greased back hair and wing-tip shoes from Ralph Lauren cannot hide the fact that you are a snake! Why on earth would a member of the very law firm chosen to represent the Official Committee of Equity Security Holders stand up in court and argue that there be no requirement for the accounts to be examined? I further put it to our very own members of the Official Committee of Equity Security Holders, the 4 horsemen of the Apocalypse as they are now to be known, that they too are in bed with the debtors. Each member has significant interest in the company and we learn from an earlier motion that one in particular has his life savings tied up in ANV. So let me get this right. You have your entire life savings tied up in the company yet you are prepared to accept a deal that gives you no hope whatsoever, save an event only equal to Armageddon or the second coming of Jesus himself, of recouping your losses? You have along with the other 3 horsemen agreed to a deal without waiting for a possible examiner to be appointed, without waiting for our valuation which has been worked on for months, without questioning the unaudited valuation from Moelis and Company, all under the dubious direction of Leclairryan law firm of New York City, who themselves have so massively under performed, that if there was a line of under performance, they would be so far below that line the company would be the polar opposite of performance, whatever that may be! The claims against the estate of the members of the Official Committee of Equity Security Holders much watched very closely here, compensation for such blatant lethargy and capitulation must be rewarded - somehow. Put it this way, if you had your life savings tied up in a bankruptcy, would you accept a deal that offers no hope of recovery? No, I didn't think so!

Which brings me on nicely to another part of this fraudulent bankruptcy case, the unaudited valuation by Moelis and Company. I never actually saw myself as a mining expert until I read Moelis and Companies valuation of Allied Nevada and the Hycroft mine. It was then that I realised that I too am a valuation expert! You see Moelis and Company used a well traveled formula, not usually associated with mining valuations. All you do is: Think of a number, half it, divide it by two, take away the number you first thought of, and bingo! You have a valuation of the largest Gold and Silver mine in the entire United States that was worth \$1.4B in December of 2014, now valued at 'between \$200-300M, and they did it all without the aid of a black hat, a rabbit, or even a magic wand! But that's not all, no! No, along with this world class unaudited valuation comes a caveat. A caveat in a valuation that a company has billed time for

working on during a Chapter 11 bankruptcy, fraudulently initiated by the debtors with their Creditors, do tell? The caveat is that the valuation was not done in accordance with US law. Oh! Ah! Really? You sure? How do you know? Well..... they kinda put that in as well, you know to cover their backsides. You don't say? What did they put in exactly. Well it reads like this: 'A valuation for the debtors by Moelis and Company, which stated that the companies enterprise value was now between \$200m-\$300m, also states that the valuation was not done in accordance with US law'. It goes on 'not necessarily indicative of actual value, which may be significantly higher or lower than the estimate herein'. Damn! And there was me falling hook, line and sinker for their valuation that the mine I had bought into, and indeed own a percentage of, was in fact not worth \$1.4B, did not have assets including but not limited to 10M+ ounces of Gold and 460+M ounces of Silver, but is only worth \$200-300M! Well at least they owned up to their own waste of time right? I've decided to put a valuation on the mine as well: More than what Moelis and Company lied about, there that's my valuation, I'll wait until our experts come back with a figure though! Even more unbelievable is another fraud so transparent it beggars belief. The Creditors of Unsecured notes have now retained SRK as their mining consultants for, wait for it, another unaudited valuation! And as a little sweetener, the Creditors have agreed to cancel their debt against the estate! How lovely of them! So let me see if I understand this correctly. The debtors hire Moelis and Company who value the mine at a full \$1.1B under the previous pre-bankruptcy filing figure. Brian Tuttle puts forward a motion, pro se, demanding an examiner be appointed to look at the companies accounts, the motion is to be heard on September 11th 2015. A couple of days after the Judge has agreed to hear the motion, the Creditors now say they want a valuation of the mine. Why could that be I wonder? I know, I'll ask my 5 year old daughter. OK, she came back to me and said 'It was most probably because the Creditors who are as guilty as hell for colluding with management to steal the equity from the rightful owners of the company, the shareholders and are scared there may be an examiner appointed by the Judge. So most probably they have retained SRK, who will miraculously file a motion before the September 11th hearing stating that Moelis and Company are in fact right with their valuation, and there would be no need for an examiner'. Well, thank you for clearing that up little miss 5 year old Ironside, Columbo and Murder She Wrote all in one! I must be underestimating the quality of family day care these days!

In conclusion to this brief, I am left with several startling questions: Do we now live in a society where white collar crime is so rampant and almost accepted, that the directors accompanied by their higher echelon parasites who reside in their mansions and weekend homes in the Hamptons now act with impunity? Does the law now turn a blind eye to the gratuitous under the table business deals that infest our daily lives like the plague, while ignoring the far reaching ramifications of such blatant thievery from the hands of the hard working men and woman whose toil this great land was built on? Can it be possible for CEO's, CFO's and company directors to wilfully, and with complete disregard to the laws of this nation write down assets with creative accounting techniques, and seek to emerge from bankruptcy not as DIP, but as owners without any repercussions for their disgustingly inept and criminal behaviour?

If this bankruptcy is allowed to proceed the very fabric of this nation hangs in the balance. The little guy will have no where to turn. The idea that we can 'get ahead' will be just a pipe dream. The greed and brutal tactics employed by the legal teams to so wilfully dispose of our assets and our equity on paper, to deprive us of earning any upside in the most valuable Gold and Silver mine in North America, will have prevailed. Faith in humanity among the investment community, whose interest has been piqued by this world wide renowned case, will likely never be restored. The trust required by investors from management teams the world over will have been breached and as a result the many public offerings by companies who rely on the investment from Class 10 shareholders will be dramatically affected to the detriment of the mining industry as a whole.

The entire investment community watches with baited breath. Does justice prevail, or are the white collar crimes of Stephen Jones et al, about to pay dividends? Only Judge Walrath and the US Trustee can alter the truly disgraceful course this case has taken. This once proud and profitable company which has been destroyed by the greedy actions of a few men and woman, must be returned to its rightful owners. The crimes of the board of directors, the Creditors and other individuals or institutions must be investigated and punishment must be swift and custodial in its severity.

I implore you to do the right thing for the many good people of Allied Nevada Gold Corps, the shareholders, their families and the investment community as a whole, and support the Ad Hoc committee in its motions to reverse this catastrophic injustice, and remove the current BOD, replace them with honourable managers with proven track records within the mining industry, that possess that rare commodity, not Gold, but integrity,

Sincerely yours,

Rich Carnegie