

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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|--|---|---------------------------------|
|  | X |                                 |
|  | : |                                 |
| <b>In re</b>                                     | : | <b>Chapter 11</b>               |
|  | : |                                 |
| <b>SANTA FE GOLD CORPORATION, <i>et al.</i>,</b> | : | <b>Case No. 15-11761 (____)</b> |
|  | : |                                 |
| <b>Debtors.<sup>1</sup></b>                      | : | <b>Jointly Administered</b>     |
|  | : |                                 |
|  | X |                                 |

**DEBTORS' MOTION FOR ENTRY OF AN ORDER  
EXTENDING THE DEADLINE TO FILE SCHEDULES AND  
STATEMENTS OF FINANCIAL AFFAIRS**

The debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”), hereby move (the “Motion”) for entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), extending the time by which the Debtors must file their schedules of assets and liabilities and statements of financial affairs (collectively, the “Schedules”) by thirty (30) days, through and including October 9, 2015. In support of the Motion, the Debtors submit the *Declaration of Jakes Jordaan in Support of Chapter 11 Petitions and First Day Relief* (the “First Day Declaration”), filed contemporaneously herewith, and respectfully state as follows:

**Jurisdiction**

1. The Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334(b) and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and the Debtors consent pursuant to Rule 9013-1(f) of the

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Santa Fe Gold Corporation (4315); Azco Mica, Inc. (8577); The Lordsburg Mining Company (4474); and Santa Fe Gold (Barbados) Corporation (N/A). The Debtors’ mailing address is 1219 Banner Mine Road, Lordsburg, New Mexico 88045.

Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution. Venue of these proceedings and the Motion in this Court is proper under 28 U.S.C. § 1408 and § 1409.

2. The statutory bases for the relief requested herein are sections 105(a) and 521 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), Rule 1007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Rule 9006-2.

### **Background**

3. On the date hereon (the “Petition Date”), the Debtors commenced their bankruptcy cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the “Chapter 11 Cases”). The Debtors are operating their respective businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in the Chapter 11 Cases and no committees have been appointed or designated.

4. The events leading up to the Petition Date and the facts and circumstances supporting the relief requested herein are set forth in the First Day Declaration.

### **Relief Requested**

5. Section 521 of the Bankruptcy Code and Bankruptcy Rule 1007(c) require the Debtors to file their Schedules within fourteen (14) days of the Petition Date unless the Court orders otherwise. Therefore, absent the relief requested in this Motion, the Debtors must file their Schedules by September 9, 2015. In light of this, by this Motion, the Debtors request that the Court enter the Proposed Order, extending the 14-day period within which the Debtors must

file their Schedules by thirty (30) days, through and including October 9, 2015, without prejudice to the Debtors' ability to request additional extensions.<sup>2</sup>

### **Basis for Relief Requested**

6. Pursuant to Bankruptcy Rule 1007(c), which provides, in part, that "any extension of time for the filing of the schedules, statements and other documents required under this rule may be granted only on motion for cause shown and on notice to the United States trustee and to any committee . . . trustee, examiner, or other party as the court may direct" Fed. R. Bankr. P. 1007(c), the Court has authority to grant the requested extension. The Debtors and their professional advisors have spent, and continue to spend, a substantial amount of time, energy, and resources ensuring that the Debtors have a smooth transition into chapter 11. As a result, and due to the burdens occasioned by preparing for these Chapter 11 Cases, including negotiating and executing their post-petition credit agreement, the Debtors anticipate that they will be unable to complete their Schedules within fourteen (14) days of the Petition Date.

7. To prepare their Schedules, the Debtors must compile information from various books, records, and documents relating to a myriad of claims, assets, and contracts. In addition, as set forth more fully in the First Day Declaration and the *Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to Pay Amounts Attributable to Pre-Petition (A) Wages, Salaries, and Other Compensation; (B) Reimbursable Employee Expenses; and (C) Employee Benefits; (II) Authorizing the Debtors to Continue Their Existing Employee Compensation and Benefits Programs Post-Petition; and (III) Granting Related Relief* filed contemporaneously herewith, the Debtors have very few employees and very few resources to allot to preparation of the Schedules. Thus, the Debtors' collection of the necessary information for the Schedules will

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<sup>2</sup> By operation of Local Rule 9006-2, the deadline to file the Schedules is automatically extended until such time as the Court has had an opportunity to consider and act upon the relief requested herein.

require a significant expenditure of time and effort from the Debtors' few employees and by the Debtors' professional advisors.

8. In view of the amount of work entailed in completing the Schedules, and the competing demands upon the Debtors' employees and professional advisors to assist in the Debtors' efforts to effectuate a sale of the Debtors' assets with a corresponding auction process during the initial post-petition period, the Debtors will not be able to properly and accurately complete the Schedules within the 14-day period following the Petition Date. At present, the Debtors anticipate that they will require a thirty (30) day extension of the current deadline to file the Schedules. The Debtors, therefore, request that the Court extend the time to file the Schedules through and including October 9, 2015.

9. The Debtors submit that the amount of information that they must compile and the many hours required to complete the Schedules, together with the competing demands on the Debtors' limited resources and the fact that, given their current state of affairs, the Debtors must carefully allot those limited resources to pursuing a sale of the Debtors' assets while successfully transitioning into the Chapter 11 Cases, constitute good and sufficient cause for granting the extension of time requested herein. As a result, the Debtors request that the Court grant such an extension, without prejudice to the Debtors' right to seek any further extensions from the Court. The requested extension will enhance the accuracy of the Schedules and avoid the necessity of substantial subsequent amendments.

10. Accordingly, the Debtors submit that the Court should grant the relief requested herein.

#### **Notice**

11. Notice of this Motion shall be provided to: (i) the United States Trustee; (ii) counsel to Waterton Global Value, L.P., in its capacity as the senior pre-petition lender;

(iii) counsel to Sandstorm Gold (Barbados) Ltd., in its capacity as the second lien pre-petition lender; (iv) counsel to Waterton Global Value, L.P., by its investment manager, Altitude Management Limited, in its capacity as the debtor-in-possession lender; and (v) those parties listed on the list of creditors holding the twenty (20) largest unsecured claims against the Debtors (on a consolidated basis), as identified in their chapter 11 petitions. As this Motion is seeking “first day” relief, within two business days of the hearing on this Motion, the Debtors will serve copies of this Motion and any order entered in respect to this Motion as required by Local Rule 9013-1(m). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

**Conclusion**

WHEREFORE, the Debtors respectfully request that the Court (i) enter the Proposed Order granting the relief requested herein and (ii) grant such other and further relief as may be just and proper.

Dated: August 26, 2015  
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Kenneth J. Enos

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*Proposed Counsel to the Debtors and Debtors in Possession*

**EXHIBIT A**

**Proposed Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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| <b>In re</b>                                     | : | <b>Chapter 11</b>               |
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| <b>SANTA FE GOLD CORPORATION, <i>et al.</i>,</b> | : | <b>Case No. 15-11761 (____)</b> |
|  | : |                                 |
| <b>Debtors.<sup>1</sup></b>                      | : | <b>Jointly Administered</b>     |
|  | : |                                 |
|  | : | <b>Ref. Docket No. ____</b>     |

**ORDER EXTENDING THE DEADLINE  
TO FILE SCHEDULES AND STATEMENTS OF FINANCIAL AFFAIRS**

Upon consideration of the motion (the “Motion”)<sup>2</sup> of the Debtors for entry of an order (the “Order”), pursuant to sections 105(a) and 521 of the Bankruptcy Code, Bankruptcy Rule 1007, and Local Rule 9006-2, extending the time by which the Debtors must file their Schedules, as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012; and venue of the Chapter 11 Cases and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that this Court may enter a final order consistent with Article III of the United States Constitution; and proper and adequate notice of the Motion, the hearing thereon, and opportunity for objection having been given; and the relief requested in the Motion being in the best interests

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Santa Fe Gold Corporation (4315); Azco Mica, Inc. (8577); The Lordsburg Mining Company (4474); and Santa Fe Gold (Barbados) Corporation (N/A). The Debtors’ mailing address is 1219 Banner Mine Road, Lordsburg, New Mexico 88045.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.



of the Debtors and their estates and creditors; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Motion is GRANTED to the extent set forth herein.
2. The time by which the Debtors must file the Schedules is extended by thirty (30) days, through and including October 9, 2015.
3. Entry of this Order is without prejudice to the Debtors' right to seek further extensions of the time within which to file the Schedules.
4. The Debtors are authorized and empowered to take such actions as may be necessary and appropriate to implement the terms of this Order.
5. This Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order.

Dated: August \_\_, 2015  
Wilmington, Delaware

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UNITED STATES BANKRUPTCY JUDGE