IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
ALEON METALS, LLC *et al.*,[1]	)	Case No. 25-90
Debtors.	)	(Joint Administration Requested)

DECLARATION OF PAUL SHIN IN SUPPORT OF DEBTORS' EMERGENCY MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO OBTAIN SENIOR SECURED SUPERPRIORITY POSTPETITION FINANCING; (II) GRANTING (A) LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS, AND (B) ADEQUATE PROTECTION TO THE PREPETITION SECURED PARTIES; (III) AUTHORIZING THE USE OF CASH COLLATERAL; (IV) MODIFYING THE AUTOMATIC STAY; (V) SCHEDULING A FINAL HEARING; AND (VI) GRANTING RELATED RELIEF

I, Paul Shin, declare under penalty of perjury as follows:

1. I am a Senior Vice President of the U.S. Debt Advisory & Restructuring Group at Jefferies, LLC ("Jefferies"), a global investment banking firm with its principal office located at 520 Madison Avenue, New York, New York 10022.

2. I submit this declaration ("Declaration") in support of the *Debtors' Emergency Motion for the Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Senior Secured Superpriority Postpetition Financing; (II) Granting (A) Liens and Superpriority Administrative Expense Claims, and (B) Adequate Protection to the Prepetition Secured Parties;*

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Aleon Metals, LLC (1610); Aleon Renewable Metals, LLC (9215); and Gladieux Metals Recycling, LLC (6057). The location of the Debtors' service address is: P.O. Box 2290, 302 Midway Road, Freeport, TX 77542.

(III) Authorizing the Use of Cash Collateral; (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing; and (VI) Granting Related Relief (the "Motion").[2]

3. Jefferies is a Securities and Exchange Commission registered broker-dealer and a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC).

4. Jefferies, together with affiliated investment banking advisors, has over 5,900 employees in over 45 offices around the world. Jefferies' team has extensive expertise in advising financially distressed companies in restructurings and reorganizations, including in proceedings under chapter 11 of the Bankruptcy Code.

5. I received a B.S. from New York University's Stern School of Business and an M.B.A. from INSEAD, and I have FINRA Series 79 and Series 63 licenses.

6. I joined Jefferies in 2017, and I have 19 years of experience working in financial services, including over 10 years working as an advisor in various types of corporate restructurings and reorganizations. I have advised parties in the chapter 11 cases of, among others, Number Holdings, Inc., Benefytt Technologies, Inc., Qualtek LLC, Rockley Photonics Holdings Ltd., Carbonlite Recycling LLC, Rosehill Resources Inc., Endologix Inc., Blackjewel LLC, Gibson Brands Inc., Real Industry Inc., American Apparel Inc., and Speedstar Holding Corporation.

7. The views and opinions expressed in this Declaration are based on my professional experience generally and my experience working with the Debtors specifically. In reaching my conclusions, I have relied, in part, on (a) my personal knowledge; (b) information provided by other members of the Jefferies team and the Debtors' management, employees, and other professional advisors; and (c) the Debtors' books and records. With respect to statements made

[2] Capitalized terms used but not defined herein have the meanings ascribed to them in the Motion.

based on documents or information prepared or supplied by the Debtors or their other advisors, I have relied upon the accuracy of such documents and information. I believe that the statements set forth herein are true and accurate to the best of my knowledge, information, and belief. I am over the age of twenty-one (21) years, and if called upon to testify in this matter, my testimony would be consistent with this Declaration.

8. I began working with the Debtors in June 2025 and have reviewed and analyzed the Debtors' operations and financial condition, and a range of available strategic alternatives. Shortly after being engaged by the Debtors, Jefferies launched a broad marketing process to evaluate strategic alternatives, including a potential sale of the Debtors' assets, and identify potential sources of new capital. Between June 2025 and the Petition Date, Jefferies reached out to and solicited restructuring proposals from over 92 parties.

BRIDGE FINANCING

9. In May 2025, prior to Jefferies' engagement, and in response to the Debtors' liquidity shortfall, I understand that certain of the Debtors' prepetition bondholders (the "Prepetition Superpriority Lenders") provided $15 million of superpriority secured bridge financing to the Debtors (the "Initial Bridge Financing"). In July 2025, as the Debtors' cash position again became constrained, the Prepetition Superpriority Lenders provided approximately $2.8 million of additional superpriority secured bridge financing to the Debtors (the "Additional Bridge Financing" and together with the Initial Bridge Financing, the "Bridge Financing"). I understand that each of the Debtors were obligated as borrowers or guarantors under the Bridge Financing, which was secured by a first priority lien on substantially all of the Debtors' assets.

10. The Bridge Financing provided the Debtors with liquidity to expand the prepetition marketing outreach, continue actively engaging with already contacted and interested parties, and

facilitate an orderly transition into these chapter 11 cases. Around this time, Jefferies also began to consider sources of debtor-in-possession financing, including from lenders and other key stakeholders within the existing prepetition capital structure and third-party financial institutions experienced in distressed financing transactions.

11. Aside from the DIP Lenders, I and other Jefferies team members sought proposals for postpetition financing from 13 alternative investors who routinely provide debtor-in-possession financings and who Jefferies believed were well positioned to evaluate a financing of the sort needed by the Debtors. However, given the Debtors' prepetition capital structure, and, as I understand, that substantially all of the Debtors' assets were encumbered by the liens securing the Bridge Financing and the Prepetition Obligations, and the fact that the Prepetition Superpriority Lenders would not consent to be primed by a third-party lender, none of the potential lenders approached by Jefferies were willing to submit an indication of interest to provide such financing.

12. While this outreach was ongoing, the Debtors and their advisors also continued to negotiate with certain of the Prepetition Bondholders regarding the terms and conditions of a proposed debtor-in-possession financing (the "DIP Facility") and these chapter 11 cases. After good faith and arms'-length negotiations, certain of the Prepetition Bondholders agreed to provide liquidity support during these chapter 11 cases on the terms reflected in the DIP Credit Agreement, the other DIP Documents, and the Motion. Following the above-described marketing process, the Debtors ultimately determined that the DIP Facility was the best and only available financing under the circumstances.

THE DIP FACILITY

13. The proposed DIP Facility[3] provides for an additional $62,502,000 of liquidity (the "New Money DIP Loans") during the pendency of these chapter 11 cases to be accessed through three draws. As noted in the Motion, the Debtors will have access to (a) following entry of the Interim Order, an initial approximately $17,500,000, (b) following entry of the Final Order, an additional draw of approximately $33,500,000, and (c) a final draw in an approximate amount of $11,502,000 each in accordance with the DIP Credit Agreement. Such liquidity should permit the Debtors to fund necessary operations and administrative expenses during a 60-day postpetition sale process, in which the DIP Lenders have also agreed to serve as the stalking horse bidder for substantially all of the Debtors' assets.

14. The DIP Credit Agreement was the result of several rounds of negotiations. As more fully described in the Motion, the material terms of the DIP Credit Agreement include the following:

a. The DIP Facility consists of New Money DIP Loans in the amount of $62,502,000 available in no more than three draws: (1) $17,500,000, subject to and effective upon entry of the Interim Order, (2) at least $33,500,000, subject to and effective upon entry of the Final Order, and (3) no later than October 1, 2025, a final draw of the remaining amount of the New Money DIP Commitments in the amount of no more than $11,502,000;

b. Roll-Up Loans on a basis of $2.00 for each $1.00 of New Money DIP Loan made by the DIP Lenders: (1) $35,000,000, subject to and effective upon entry of the Interim Order, (2) at least $67,000,000, subject to and effective upon entry of the Final Order, and (3) no later than October 1, 2025, the full remaining amount of the Roll-Up Loans in the amount of no more than $23,004,000.

c. Interest on the outstanding principal amount of the DIP Facility would accrue at a rate of SOFR + 10% or Base Rate + 9% per

[3] The material terms of the proposed DIP Facility are set forth in detail in the Motion. For the avoidance of doubt, any description of the proposed terms of the DIP Facility herein or in the Motion is qualified in its entirety by reference to the DIP Credit Agreement.

annum, except in the event of default, in which case the interest rate would increase by 2% per annum; provided, that the interest on the New Money DIP Loans would be payable in cash and the interest on the Roll-Up Loans would be payable-in-kind;

d. The Debtors would pay the DIP Lenders (i) a commitment fee equal to three percent of the New Money DIP Commitments (as defined in the DIP Credit Agreement) and (ii) an exit fee equal to three percent of the amount of New Money DIP Loans repaid, prepaid, accelerated, or assigned, in each case, payable in cash;

e. The Debtors' obligations under the DIP Facility would be secured by first priority priming liens on substantially all of the Debtors' assets;

f. The DIP Lenders' claims under the DIP Facility would have priority over all other administrative expenses subject to an agreed carve out; and

g. Unless terminated earlier due to an event of default, the DIP Facility will mature upon the earliest of: (i) thirty-five days following the Petition Date (unless the Final Order has been entered), (ii) the effective date of an Acceptable Plan, (iii) the sale of all or substantially all of the Debtors' assets, (iv) the date on which the Debtors seek approval of a disclosure statement for a plan, other than an Acceptable Plan, (v) sixty days following the Petition Date (or such later date as may be agreed to in writing by the requisite lenders under the DIP Credit Agreement), and (vi) the date on which all DIP Loans become due and payable in accordance with the DIP Credit Agreement.

15. Jefferies has reviewed the terms and provisions of the DIP Facility, including the terms and conditions under which the DIP Loan Parties would be permitted to use Cash Collateral, the associated economics and covenants, and other significant terms. Based on my experience as a restructuring investment banker and the outreach efforts described above, I believe that the DIP Facility is the best and only financing available to the Debtors under the circumstances.

16. Based on discussions with the Debtors' management and Ankura Consulting Group, LLC, the Debtors' proposed financial advisor, I understand that the Debtors are not expected to generate enough revenue to meet their anticipated cash needs during the pendency of

these chapter 11 cases.[4] Therefore, absent entry into the DIP Facility, I believe that the Debtors would not have sufficient liquidity to continue operating in the ordinary course and would be forced to cease operations. The DIP Facility is thus necessary to provide the Debtors with capital to continue ordinary operations and pay other projected expenses associated with the administration of the cases.

17. I believe that the principal economic terms proposed under the DIP Facility, such as the contemplated pricing, fees, and interest rate, are customary and usual for debtor-in-possession financings of this type. Additionally, based on the discussions I observed and participated in, I believe the DIP Lenders viewed the Roll-Up Loans and the milestones in the DIP Credit Agreement as integral to the proposed DIP Facility and would not have otherwise provided the DIP Facility. I believe that the proposed DIP Facility will prevent substantial value destruction by (a) providing the Debtors with access to crucial liquidity throughout these chapter 11 cases to continue operations with minimal disruption; (b) funding the administrative costs of the chapter 11 cases; and (c) providing a runway for the Debtors to pursue a sale process for the benefit of the Debtors' estates and all other parties in interest.

18. In sum, for the reasons stated above, I believe that the DIP Facility is the best and only financing available to the Debtors and that the terms of the DIP Facility are reasonable and necessary under the circumstances of these cases and thus in the best interests of the estates.

[4] The proposed initial DIP budget developed by the Debtors and their advisors is described in greater detail in the *Declaration of Roy Gallagher in Support of the Debtors' Chapter 11 Petitions and First Day Motions*, filed contemporaneously herewith, and is attached as Exhibit B to the Interim Order.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: August 17, 2025

/s/ Paul Shin
Paul Shin