

AMERICAN

RESOURCES CORPORATION

(NASDAQ: AREC)

Environmental Track Record

Summer 2020

AMERICAN RESOURCES CORPORATION - TRUE ENVIRONMENTAL TRACK RECORD

American Resources Corporation (ARC) has been a critical player in the United States mining industry. The company has brought a forward-looking perspective to an old, inefficient and legacy industry. ARC has had a thesis that thermal coal in our region cannot, nor will it be able to in the future, compete with natural gas and alternative energy for power generation in the United States. ARC sees the future of coal mining as predominantly that for metallurgical coal or specialty uses, which is used in steel production and has a significantly smaller demand and production profile.

Furthermore, the company has completed eight acquisitions (four through 363 bankruptcy sales) of highly-distressed coal mining operations whereby reclamation liabilities would have otherwise fallen back to the state and or surety companies. With these acquisitions, ARC has focused on the metallurgical and industrial quality of mines, while proceeding full-force towards reclamation of the thermal coal operations.

Unlike its peers, the Company was transparent with the state to transfer the non-desired permits in reclamation only status. This created an extraordinarily difficult timeline to complete the reclamation, but none-the-less, the company preferred communicating its true intentions to the state, versus doing what the industry typically does and kick the can down the road to future generations.

TOTAL ACQUIRED RECLAMATION BONDS:

\$48.0 MILLION

CURRENT RECLAMATION BONDS:

\$29.5 MILLION

CURRENT RECLAMATION OR BOND RELEASES IN PROGRESS:

\$7.5 MILLION

PRIMARY ENERGIES – WASTE REMOVED, FUTURE BEGINS

A former coal load out facility that we acquired with no additional economic purpose.

We have commenced and completed reclamation at the site cleaning and a removing any waste.

We have found a partner to repurpose the site to bring future opportunity to the area.

The company is current modifying the post mine land use to get immediate bond release and enable our partner to move forward with its development to help improve the local community.

Before American Resources



After American Resources



HIGH SULFUR MINE 16 THERMAL COAL MINE – PIKE COUNTY, KY

This was a high sulfur thermal coal mine in Pike County KY. The company shut the mine down permanently and has completed all ground work with the help of its environmental partner and will be seeding the property to begin the process of growing vegetation. We designed the remediation work with strict guidelines of the land owner to ensure the usability of the land for their desired purpose while also providing a visual appeal that they desired for the community.

Before American Resources



After American Resources



MINE 23 – HIGH SULFUR THERMAL COAL MINE – PIKE COUNTY, KY

The mine was an acquired during 2016 bankruptcy which was a prior mine of James River Coal Company. During due diligence of the acquisition we identified the mine as an out of the money operation due to logistics costs and coal quality. As such we shut the mine down and pulled all valuable infrastructure from the operation to be used at our metallurgical coal operations. The property is currently in the final stages of reclamation with the goal of starting bond release in the fall of 2020.

Before American Resources



After American Resources – in progress



PERRY COUNTY COAL CONTAINMENT POND – PERRY COUNTY, KY

The Company acquired the assets of Perry County Coal from Cambrian Coal during their bankruptcy in Fall of 2019. Due to its financial struggles the company did very little if anything to maintain the property. This containment pond has not been cleaned out in our estimate of over 15 years. This pond is now completely cleaned out to its as built status.

Before American Resources



After American Resources



COLD WATER BRANCH (MINE 21) – PIKE COUNTY, KY

Acquired as part of the McCoy Elkhorn complex, which was a prior thermal coal mine that had been reclaimed. A seep was developed as a result of the prior companies' reclamation activities. Our team created a water diversion system to protect the landowners vegetation for the long term preservation of the site. Our team worked directly with the community to ensure it was built to their esthetics as well as purpose.



PERRY COUNTY COAL GARBAGE PILE – PERRY COUNTY, KY

The Company acquired the assets of Perry County Coal from Cambrian Coal during their bankruptcy in Fall of 2019. Due to its financial struggles the company did very little if anything to maintain the property. Furthermore they treated it as a landfill and for some reason created a massive garbage pile approximately the size of almost a football field over three years in a non approved location right at the front of the property.

Before American Resources



After American Resources



MINE 22 – PIKE COUNTY, KY

Acquired out of bankruptcy, was formerly a James River Coal Company. There was no work completed on site prior to American Resources Corporation acquiring the mine. The mine has completed phase 1 reclamation and are in queue to receive phase 2 and final phase bond releases given the great current vegetation growth on site.

Before American Resources



After American Resources



KRAGON COAL LOADOUT – JACKSON, KY

This was a very old coal loadout was acquired by the company in 2016 from Arch Coals during their bankruptcy process. Arch sat on this load out and kicked the can down the road for years, with no intention of ever running it.

American Resources moved aggressively to begin reclamation with the goal of completing a post mine land use so landowner can use the property to better the community.

Before American Resources



After American Resources



LAYNES BRANCH — PIKE COUNTY, KY

A permit acquired from bankruptcy which was formerly a McCoy Elkhorn site. The site is a water treatment location that we have made significant progress on taming and processing the water to be in compliance with the regulatory authorities.



HIGH SULFUR MINE 16 BACKSIDE DISCHARGE – PIKE COUNTY, KY

When we acquired McCoy Elkhorn from bankruptcy, they had a plan that both American Resources and the state agreed was not adequate nor would be a good solution for the community or the environment given the exceedingly high risk of damage to the community the way it was designed. American Resources worked aggressively and extensively to develop and design a solution that would result in a positive solution in the near term while it evaluated a more long-term solution to contain the water in the underground works.

Given the small footprint available the Company and its environmental partner created and built a containment pond and treatment site using a natural lime treatment solution that can solve the problem. The result is a beautiful solution and one that can be effectively managed.

After American Resources



AUSTIN SURFACE MINE – LESLIE COUNTY, KY

Acquired from Arch Coal out of bankruptcy in 2016. The Company has received 1/3 of its bonds back since acquisition and is making final changes to the hollow fills this fall to receive the next phase of bond releases. There was some work completed prior to our acquisition but it was not up to code and we had to redo a significant portion to ensure in compliance with environmental law. We hope to receive another 1/3 of our bonds back on this property in the next six months.



GOLD STAR MINE (INDIANA) - MOUNTAINS MOVED

When American Resources took over as manager the property was completely out of compliance and for no good reason the prior operator, under the oversight of local DNR, enabled three massive mountains, taller and wider than the prep plant itself to be created out of refuse material that needed to be moved to its approved location per the permit. By some estimates it was going to take over \$2.7 million to achieve this and would burn an estimated 86,000 gallons of pollutive diesel fuel.

American Resources, instead of letting this fall back to the taxpayers, accomplished such task all while doing it with environmentally friendly equipment utilizing less than 1/6th of the diesel fuel consumption.

Before American Resources



After American Resources



KNOTT COUNTY THERMAL COAL MINE

This thermal coal mine, located in Knott County, was acquired by ARC through its acquisition of ICG Knott County, LLC in 2016. The company worked to see the reclamation through to completion given it does not fit the company's business model, and yet ARC did not want to keep the permit outstanding in hopes of a new thermal market, as so many other companies have done in the past.

Before Reclamation



After Reclamation



MISC RECLAMATION PROJECTS

Before Reclamation



After Reclamation

