

BEN'S CREEK LOADS SECOND UNIT TRAIN



Ben's Creek has started mining a second shift with its highwall miner (above).

A second unit train of 100 railcars departed from the Ben's Creek loadout carrying 11,000 tons of high vol B metallurgical-grade coal for delivery to Integrity Coal Sales Inc. A third unit train has been booked, which the company expects to arrive later this month.

"We now expect regular train deliveries of our product to Integrity to fulfil our commitments and therefore we do not intend to announce subsequent rail deliveries as they occur," Ben's Creek CEO Adam Wilson said.

Initially, Ben's Creek had been supplying Integrity with run-of-mine coal via truck as it completed the restoration of the prep plant and the associated railway spur. Following completion, the company built an inventory of clean coal, which it is now delivering, via its 3.2-mile rail spur connecting to the Norfolk Southern railway system, which transports the coal to the port of Norfolk, Virginia.

This is a milestone for the Ben's Creek project, from the commencement of both highwall mining and underground mining, and the processing of the coal through the restored prep plant, the company said. The mine is located in southern West Virginia near the Kentucky border.

"We have also commenced the second shift on the first highwall miner and are in the process of renovating our second highwall miner, which we purchased earlier this year," Wilson said. "We expect in due course to receive a new permit for the area that is to be mined using the new highwall miner. The company is targeting to reach full production using both highwall miners by the end of summer 2022."

During late May, the company said it has started underground mining to produce high vol A (HVA) coal. HVA is higher quality coal and it commands premium price. Spot prices for HVA coal are \$468 per metric ton.

Ben's Creek has proven recoverable coal reserves of 2.34 million tons (comprising the coal reserves at the Lower Alma and Pond Creek mines) and has coal resources of 17.2 million in-place tons with a potential of a further 30.9 million tons.

Alpha Eliminates Remaining Term Loan Balance

Tennessee-based Alpha Metallurgical Resources Inc. recently announced several positive financial updates, including the elimination of its remain-

ing term loan balance. On June 3, Alpha made a voluntary prepayment of \$99.4 million on its term loan, which eliminated all remaining principal and paid the loan in full.

Alpha has eliminated its long-term debt, Alpha Chair and CEO David Stetson said. "As we have mentioned consistently over the past few quarterly calls, this is a critically important milestone for our company, and a significant step in further strengthening Alpha's balance sheet," he said. "In just under a year's time, more than \$550 million has been paid toward eliminating Alpha's long-term debt load, which allowed us to extinguish the term loan and its carrying costs two years ahead of maturity."

Alpha's board of directors authorized a \$600 million share repurchase program. As of June 3, the company has acquired 860,934 shares of common stock at a cost of \$126.3 million.

The company said it has also received a reduction of \$40.1 million in collateral requirements related to its self-insured workers compensation at certain locations in West Virginia.

Additionally, as part of routine surety program review and negotiation, the company has received a \$16.5 million reduction in surety collateral requirements, while securing multiyear visibility on surety program terms and conditions.

"These collateral releases, which are in the form of letters of credit, directly increase our ABL availability, and thus our financial liquidity, by nearly \$57 million," CFO Andy Eidson said. "Taken together with the final payment to eliminate Alpha's term loan, these developments represent a further de-risking of our balance sheet and demonstrate our commitment to building a company that is resilient through any market."

He added that the company is excited about where Alpha is heading,

and will continue to move forward with this positive momentum.

Kentucky Operator Warned Miners About Inspectors

A federal appeals court has ruled unanimously that the operator of a Muhlenberg County, Kentucky, coal mine violated the federal Mine Safety and Health Act more than a decade ago by giving underground miners advance notice that mine inspectors were conducting an inspection.

The 6th Circuit Court of Appeals' decision on May 11 is the latest action in long-standing litigation involving an incident on April 20, 2012, at the Paradise No. 9 mine, operated by KenAmerican Resources Inc.

During a statutorily required inspection, U.S. Department of Labor Mine Safety and Health Administration inspectors were monitoring a phone used to contact miners underground when, as they prepared to descend, they overheard someone down in the mine ask the dispatcher on the surface level if they "have company outside," to which the dispatcher responded affirmatively.

MSHA inspectors then issued a citation to KenAmerican Resources Inc. for providing advance notice of an inspection. Federal law prohibits mine operators from such notice.

The mine operator appealed the citation, arguing the law against giving advance notice of an inspection does not apply to mine operators. They also argued that they had only provided advance notice that MSHA was "at the mine," and had not provided advance notice of an inspection. The operator also argued the citation violated their free-speech rights.

"The 6th Circuit has reaffirmed that KenAmerican Resources Inc.'s actions violated federal law," Solicitor of Labor Seema Nanda said. "Mine workers are safer when federal inspectors can see mine conditions as they exist on a day-to-day basis, not

when conditions have been altered to avoid violations."

In its decision, the court rejected all arguments made to challenge the citation and held that the law plainly prohibits operators from providing advance notice. The court also found the case's facts clearly show the mine's

operator provided advance notice that MSHA inspectors were conducting an inspection.

"Our statutorily mandated inspections are at the heart of the Mine Safety and Health Administration's enforce-

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MONTHLY STATS FROM COAL COUNTRY — USA

TOP 10 COAL-PRODUCING STATES AND REGIONS

	(Thousands of Short Tons)		Week Ending (6/11/22)
	YTD '22	YTD '21	% Change
Wyoming	108,950	99,325	9.7
West Virginia	36,408	35,445	2.7
Pennsylvania	18,907	20,743	-8.9
Illinois	16,571	18,901	-12.3
Montana	12,597	11,874	6.1
Kentucky	12,332	11,853	4.0
North Dakota	11,956	11,762	1.7
Indiana	8,817	8,519	3.5
Texas	6,933	6,772	2.4
Utah	5,391	5,493	-1.9
Appalachian Total	70,963	71,831	-1.2
Interior Total	41,149	43,262	-4.9
Western Total	148,784	137,359	8.3
U.S. Total	260,895	252,452	3.3

WEEKLY SPOT PRICES

	(\$/ton)	Week Ending	
		(6/10/22)	(5/20/22)
Central Appalachia	(12,500 Btu, 1.2 SO ₂)	\$138.80	\$125.80
Northern Appalachia	(13,000 Btu, < 3.0 SO ₂)	\$109.90	\$98.95
Illinois Basin	(11,800 Btu, 5.0 SO ₂)	\$126.00	\$122.75
Powder River Basin	(8,800 Btu, 0.8 SO ₂)	\$16.55	\$15.50
Uinta Basin	(11,700 Btu, 0.8 SO ₂)	\$39.55	\$37.25

Source: Energy Information Administration