

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2023
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to



Commission File Number: 001-38061
Warrior Met Coal, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)
16243 Highway 216
Brookwood Alabama
(Address of Principal Executive Offices)

81-0706839
(I.R.S. Employer Identification No.)
35444
(Zip Code)

(205) 554-6150
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	HCC	New York Stock Exchange
Rights to Purchase Series A Junior Participating Preferred Stock, par value \$0.01 per share	--	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. Yes No

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of voting stock held by non-affiliates of the registrant, based on the closing price of the common stock on June 30, 2023, the registrant's most recently completed second fiscal quarter, as reported by the New York Stock Exchange, was approximately \$2.0 billion.

Number of shares of common stock outstanding as of February 12, 2024: 52,255,168

Documents Incorporated By Reference

Portions of the registrant's definitive proxy statement for its 2021 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission within 120 days of December 31, 2023, are incorporated by reference into Part III of this report for the year ended December 31, 2023.

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FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (this “Annual Report”) includes statements of our expectations, intentions, plans and beliefs that constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and are intended to come within the safe harbor protection provided by those sections. These statements, which involve risks and uncertainties, relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable and may also relate to our future prospects, developments and business strategies. We have used the words “anticipate,” “approximately,” “assume,” “believe,” “could,” “contemplate,” “continue,” “estimate,” “expect,” “target,” “future,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should” and similar terms and phrases, including in references to assumptions, in this Annual Report to identify forward-looking statements. These forward-looking statements are made based on expectations and beliefs concerning future events affecting us and are subject to uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control, that could cause our actual results to differ materially from those matters expressed in or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to:

- the impact of global pandemics, such as the COVID-19 pandemic, including its impact on our business, employees, suppliers and customers, the steelmaking coal and steel industries, and global economic markets;
- the impacts of inflation on our business, including on our costs and our profitability;
- our relationships with, and other conditions affecting, our customers;
- successful implementation of our business strategies;
- unavailability of, or price increases in, the transportation of our metallurgical (“met”) or steelmaking coal;
- significant cost increases and fluctuations, and delay in the delivery of raw materials, mining equipment and purchased components;
- work stoppages, negotiation of labor contracts, employee relations and workforce availability;
- competition and foreign currency fluctuations;
- litigation, including claims not yet asserted;
- terrorist attacks or security threats, including cybersecurity threats;
- global steel demand and the downstream impact on steelmaking coal prices;
- impact of weather and natural disasters on demand and production;
- a substantial or extended decline in pricing or demand for steelmaking coal;
- inherent difficulties and challenges in the coal mining industry that are beyond our control;
- our ability to develop or acquire steelmaking coal reserves in an economically feasible manner;
- geologic, equipment, permitting, site access, operational risks and new technologies related to mining;
- inaccuracies in our estimates of our steelmaking coal reserves;
- costs associated with our workers’ compensation benefits;
- challenges to our licenses, permits and other authorizations;
- challenges associated with environmental, health and safety laws and regulations;
- regulatory requirements associated with federal, state and local regulatory agencies, and such agencies’ authority to order temporary or permanent closure of our mines;

- climate change concerns and our operations' impact on the environment;
- failure to obtain or renew surety bonds on acceptable terms, which could affect our ability to secure reclamation and coal lease obligations;
- our obligations surrounding reclamation and mine closure;
- our substantial indebtedness and debt service requirements;
- our ability to comply with covenants in our Second Amended and Restated Credit Facility (the "ABL Facility" or the "Second Amended and Restated Credit Agreement") and the Indenture (as defined below);
- adequate liquidity and the cost, availability and access to capital and financial markets;
- our expectations regarding our future cash tax rate as well as our ability to effectively utilize our federal and state net operating loss carry forwards ("NOLs");
- our ability to continue paying our quarterly dividend or pay any special dividend;
- the timing and amount of any stock repurchases we make under our stock repurchase program or otherwise;
- any consequences related to our transfer restrictions under our certificate of incorporation and our Rights Agreement (as defined below);
- geopolitical events, including the effects of the Russia-Ukraine war;
- the inability to transport our products to customers due to rail performance issues or the impact of weather and mechanical failures at the McDuffie Terminal at the Port of Mobile in Alabama; and
- other factors, including the other factors discussed in "Risk Factors."

These forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Forward-looking statements should, therefore, be considered in light of various factors, including those set forth under "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," "Part I, Item IA. Risk Factors" and elsewhere in this Annual Report, and those set forth from time to time in our other filings with the Securities and Exchange Commission (the "SEC"). These documents are available through our website or through the SEC's Electronic Data Gathering and Analysis Retrieval system at <http://www.sec.gov>. In light of such risks and uncertainties, we caution you not to place undue reliance on these forward-looking statements.

When considering forward-looking statements made by us in this Annual Report or elsewhere, such statements speak only as of the date on which we make them. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements in this Annual Report after the date of this Annual Report, except as may be required by law. In light of these risks and uncertainties, you should keep in mind that any forward-looking statement made in this Annual Report or elsewhere might not occur.

GLOSSARY OF SELECTED TERMS

The following is a glossary of selected terms used in the Annual Report:

Ash. Impurities consisting of silica, iron, alumina and other incombustible matter that are contained in coal. Since ash increases the weight of coal, it adds to the cost of handling and can affect the burning characteristics of coal.

Assigned reserves. Coal that is planned to be mined at an operation that is currently operating, currently idled or for which permits have been submitted and plans are eventually to develop the mine and begin mining operations.

Bituminous coal. A common type of coal with moisture content less than 20% by weight. It is dense and black and often has well-defined bands of bright and dull material.

British thermal unit ("Btu"). A measure of the thermal energy required to raise the temperature of one pound of pure liquid water one degree Fahrenheit at the temperature at which water has its greatest density (39 degrees Fahrenheit).

Coal seam. Coal deposits occur in layers. Each layer is called a "seam."

Coke. A hard, dry carbon substance produced by heating coal to a very high temperature in the absence of air. Coke is used in the manufacture of iron and steel. Its production results in a number of useful by-products.

Coke strength after reaction ("CSR"). Refers to coke "hot" strength, generally a quality reference in a simulated reaction condition in an industrial blast furnace.

Continuous miner. A machine used in underground mining to cut coal from the seam and load onto conveyors or shuttle cars in a continuous operation. In contrast, a conventional mining unit must stop extracting in order to begin loading.

Continuous mining. A form of underground mining that cuts the coal from the seam and loads the coal on to a conveyor system continuously, thus eliminating the separate cycles of cutting, drilling, shooting and loading.

CSX. CSX Corporation.

EPA. Environmental Protection Agency.

Development Stage Property. A property that has mining reserves disclosed, but no material extraction.

Hard coking coal ("HCC"). Hard coking coal is a type of steelmaking coal that is a necessary ingredient in the production of strong coke. It is evaluated based on the strength, yield and size distribution of coke produced from such coal, which is dependent on the rank and plastic properties of the coal. Hard coking coals trade at a premium to other coals due to their importance in producing strong coke and because they are a limited resource.

Indicated mineral resource. That part of a mineral resource for which quantity and grade or quality are estimated on the basis of adequate geological evidence and sampling. The level of geological certainty associated with an indicated mineral resource is sufficient to allow a qualified person (as defined in the SEC rules) to apply modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Because an indicated mineral resource has a lower level of confidence than the level of confidence of a measured mineral resource, an indicated mineral resource may only be converted to a probable mineral reserve.

Inferred mineral resource. That part of a mineral resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. The level of geological uncertainty associated with an inferred mineral resource is too high to apply relevant technical and economic factors likely to influence the prospects of economic extraction in a manner useful for evaluation of economic viability.

Longwall mining. A form of underground mining that employs a shearer with two rotating drums pulled mechanically back and forth across a long exposed coal face. A hydraulic system supports the roof of the mine while the drums are mining the coal. Conveyors move the loosened coal to an underground mine conveyor that transports coal to the surface. Longwall mining is the most efficient underground mining method.

Measured mineral resource. That part of a mineral resource for which quantity and grade or quality are estimated on the basis of conclusive geological evidence and sampling. The level of geological certainty associated with measured mineral resource is sufficient to allow a qualified person (as defined in the SEC rules) to apply modifying factors, in sufficient detail to support mine planning and final evaluation of the economic viability of the deposit. Because a measured mineral resource has a higher level of confidence than the level of confidence of either an indicated mineral resource or an inferred mineral resource, a measured mineral resource may be converted to a proven mineral reserve or to a probable mineral reserve.

Metallurgical ("met") or steelmaking coal. The various grades of coal with suitable carbonization properties to make coke or to be used as a pulverized injection ingredient for steel manufacture, including hard coking coal (see definition above), semi-soft coking coal and PCI coal. Steelmaking coal quality depends on four important criteria: (1) volatility, which affects coke yield; (2) the level of impurities, including sulfur and ash, which affect coke quality; (3) composition, which affects coke strength; and (4) other basic characteristics that affect coke oven safety. Steelmaking coal typically has particularly high Btu characteristics but low ash and sulfur content.

Metric ton. Equal to approximately 2,205 pounds. The international standard for quoting price per ton is based in U.S. dollars per metric ton. Unless otherwise indicated, the metric ton is the unit of measure referred to in this Annual Report and any reference to "ton(s)" or "tonnage" in this Annual Report refers to metric ton(s). One metric ton is equivalent to 1.10231 short tons.

Mineable Coal. That portion of the coal reserve base which is commercially mineable and excludes all coal that will be left, such as in pillars, fenders or property barriers.

Mineral Reserve. Is an estimate of tonnage and grade or quality of indicated and measured mineral resources that, in the opinion of the qualified person, can be the basis of an economically viable project. More specifically, it is the economically mineable part of a measured or indicated mineral resource, which includes diluting materials and allowances for losses that may occur when the material is mined or extracted.

Mineral Resource. Is a concentration or occurrence of material of economic interest in or on the Earth's crust in such form, grade or quality, and quantity that there are reasonable prospects for economic extraction. A mineral resource is a reasonable estimate of mineralization, taking into account relevant factors such as cut-off grade, likely mining dimensions, location or continuity, that, with the assumed and justifiable technical and economic conditions, is likely to, in whole or in part, become economically extractable. It is not merely an inventory of all mineralization drilled or sampled.

Modifying Factors. The factors that a qualified person must apply to indicated and measured mineral resources and then evaluate in order to establish the economic viability of mineral reserves. A qualified person must apply and evaluate modifying factors to convert measured and indicated mineral resources to proven and probable mineral reserves. These factors include, but are not restricted to: Mining; processing; metallurgical; infrastructure; economic; marketing; legal; environmental compliance; plans, negotiations, or agreements with local individuals or groups; and governmental factors. The number, type and specific characteristics of the modifying factors applied will necessarily be a function of and depend upon the mineral, mine, property, or project.

MSHA. Mine Safety and Health Administration.

Overburden. Layers of earth and rock covering a coal seam. In surface mining operations, overburden must be removed prior to coal extraction.

PCI coal. Coal used by steelmakers for pulverized coal injection (PCI) into blast furnaces to use in combination with the coke used to produce steel. The use of PCI allows a steel maker to reduce the amount of coke needed in the steel making process.

Preparation plant. Preparation plants are usually located on a mine site, although one plant may serve several mines. A preparation plant is a facility for crushing, sizing and washing coal to remove impurities and prepare it for use by a particular customer. The washing process has the added benefit of removing some of the coal's sulfur content.

Probable mineral reserves. Are the economically mineable part of an indicated and, in some cases, a measured mineral resource.

Productivity. As used in this Annual Report, refers to clean metric tons of coal produced per underground man hour worked, as published by the MSHA.

Proven mineral reserves. Are the economically mineable part of a measured mineral resource and can only result from conversion of a measured mineral resource.

Reclamation. The process of restoring land and the environment to their original or otherwise rehabilitated state following mining activities. The process commonly includes "recontouring" or reshaping the land to its approximate original appearance, restoring topsoil and planting native grass and ground covers. Reclamation operations are usually underway before the mining of a particular site is completed. Reclamation is closely regulated by both state and federal law.

Recoverable reserves. Metric tons of mineable coal that can be extracted and marketed after deduction for coal to be left behind within the seam (i.e. pillars left to hold up the ceiling, coal not economical to recover within the mine, etc.) and adjusted for reasonable preparation and handling losses.

Reserve. That part of a mineral deposit that could be economically and legally extracted or produced at the time of the reserve determination.

Roof. The stratum of rock or other mineral above a coal seam; the overhead surface of a coal working place.

SEC. Securities and Exchange Commission.

Slurry Impoundment. The entire structure used for coal slurry waste disposal, including the embankment, basin, beach, pool, and slurry. During the process of mining and cleaning coal, waste is created and must be permanently disposed of in an impoundment. Slurry, a combination of silt, dust, water, bits of coal and clay particles is the most commonly disposed of material held in an impoundment.

Subsidence. Lateral or vertical movement of surface land that occurs when the roof of an underground mine collapses. Longwall mining causes planned subsidence by the mining out of coal that supports the overlying strata.

Sulfur. One of the elements present in varying quantities in coal that contributes to environmental degradation when coal is burned. Sulfur dioxide is produced as a gaseous by-product of coal combustion.

Surface mine. A mine in which the coal lies at or near the surface and can be extracted by removing the covering layer of soil (see "Overburden") without tunneling underground.

Ton or tonnage. See "metric ton" above.

Thermal coal. Coal used by power plants and industrial steam boilers to produce electricity, steam or both. It generally is lower in Btu heat content and higher in volatile matter than steelmaking coal.

Underground mine. Also known as a "deep" mine, it is usually located several hundred feet or more below the earth's surface. An underground mine's coal is typically removed mechanically and transferred by shuttle car, conveyor and hoist to the surface.

Item 1. Business**Overview**

Warrior Met Coal, Inc. (together with its subsidiaries, the "Company" or "Warrior") is a U.S.-based, environmentally and socially minded supplier to the global steel industry headquartered in Brookwood, Alabama. We are dedicated entirely to mining non-thermal steelmaking coal used as a critical component of steel production by metal manufacturers in Europe, South America and Asia. We are a large-scale, low-cost producer and exporter of premium quality met or steelmaking coal, also known as hard coking coal ("HCC"), operating highly efficient longwall operations in our underground mines based in Alabama, Mine No. 4 and Mine No. 7. Our steelmaking coal production totaled 6.9 million metric tons in 2023. Our natural gas operations remove and sell natural gas from our owned and leased coal seams by reducing natural gas levels in our mines.

We operate as a single reportable segment. See the financial statements beginning on page F-1 of this Annual Report for our consolidated revenues, profit/loss and total assets.

Our Competitive Strengths

We believe that we have the following competitive strengths:

Leading pure play steelmaking coal producer focused on premium steelmaking coal products. Unlike other publicly listed U.S. coal companies, substantially all of our revenue is derived from the sale of premium steelmaking coal in the global seaborne markets. Our resources are primarily allocated to the mining, transportation and marketing of steelmaking coal. The premium nature of our steelmaking coal makes it ideally suited as a base feed coal for steel makers and our Mine No. 7 steelmaking coal results in price realizations near or above the S&P Global Platts Index (as defined below). Our Mine No. 4 steelmaking coal transitioned in the second half of the year from a Mid Vol to a High Vol A quality coal that typically trades at a larger discount to the price of coal from Mine No. 7. The combination of low sulfur, low-to-medium ash, high CSR, low volatility ("Low Vol") to high volatility ("High Vol"), and other characteristics of our coal, as well as our ability to blend them, makes our HCC product an important component within our customers' overall coking coal requirements. As a result of our premium steelmaking coal, we are able to achieve higher realized prices and operating margins relative to other U.S. steelmaking coal producers.

World-class Blue Creek provides us with a high-return growth project. Blue Creek represents one of the last remaining large scale untapped premium quality, High Vol A coal reserves in the U.S. with a mine life of 40 or more years. High Vol A coals have traditionally priced at a slight discount to the Australian premium Low Vol and the U.S. Low Vol coals; however, we have observed extended periods in which they achieved a premium over these indices. We expect High Vol A coals will continue to become increasingly scarce as a result of Central Appalachian producers mining thinner and deeper reserves, which is expected to continue to support prices. We believe this creates an opportunity for Blue Creek to take advantage of favorable pricing dynamics driven by the declining supply of premium High Vol A coals. We expect our fourth longwall to start at Blue Creek in the second quarter of 2026. The startup of Blue Creek is expected to increase our annual High Vol A production by 4.4 million metric tons per year, thereby increasing our annual production capacity by 60%. We expect to also have the ability to add a fifth longwall which would increase our annual High Vol A production to 9.6 million metric tons, thereby increasing our total annual production capacity by 98% over our nameplate capacity of 7.3 million metric tons. We anticipate that Blue Creek will not only decrease our cash costs and further improve our position in the first quartile global cost curve but, due to Blue Creek's expected low-cost structure, we expect that it will significantly drive down our all-in cash cost breakeven point and enhance our profitability and cash flow generation.

Highly flexible cost structure protects through-the-cycle profitability. We have "variabilized" our cost structure in our labor, royalties and logistics contracts, increasing the proportion of our cost structure that varies in response to changes in HCC prices based on a variety of indices. Our logistics costs are structured to reduce cash requirements in lower HCC price environments and to increase cash requirements within a range with higher HCC prices. Our royalties are calculated as a percentage of the price we realize and therefore increase or decrease with changes in HCC prices. In addition, we can adjust our usage of continuous miner units in response to HCC pricing. Our variable cost structure dramatically lowers our cash cost of sales if our realized price falls, while being effectively capped in higher price environments, allowing us to generate significant operating cash flow. Our highly flexible cost structure provides us with a key competitive advantage relative to our competitors and which we expect should allow us to remain profitable in all coal market conditions.

Robust logistics and significant logistical cost advantage to the seaborne market. We have developed a logistics strategy based on multiple modalities, multiple carriers for both rail and river transportation and multiple terminals to ensure reliability of supply and cost-competitive rates. Our ability to move our coals via rail and/or barge is a significant advantage for

Warrior. Our two operating mines and Blue Creek are located approximately 300 miles from our primary export terminal capacity in Mobile, Alabama. Our proximity to port and the flexibility of our logistics networks underpin our logistical cost advantage compared to other U.S. steelmaking coal producers. We sell our coal to a diversified customer base of blast furnace steel producers, primarily located in Europe, South America and Asia. We have a shipping time and distance advantage serving customers throughout the Atlantic Basin relative to competitors located in Australia and Western Canada. Our strategic location is enhanced by our long-tenured, well-established customer portfolio.

High realized prices and low variable cost structure drive industry leading margins. The coal from our mines is competitive in quality with the premium HCC produced in Australia, which is used to set pricing for the industry. The combination of low sulfur, low-to-medium ash, Low Vol to High Vol A and high coking strength drives our consistently high price realization relative to other U.S. steelmaking coal producers who typically focus on lower rank steelmaking coals. We believe Mine No. 4 and Mine No. 7 are two of the lowest cost steelmaking coal mines in North America.

Clean balance sheet to drive robust cash flow generation. Unlike other U.S. coal producers in our peer group, we have no pension or OPEB legacy liabilities. With minimal legacy liabilities, we are not burdened by the annual fixed obligations that are typically associated with these types of liabilities. Our clean balance sheet and its low sustaining capital expenditure requirements position us to generate strong cash flows across a range of steelmaking coal price environments. Additionally, we expect our cash flows to benefit from a low cash tax rate, which will enable strong cash conversion from our operating profits.

Disciplined financial policies to ensure stable performance. We believe maintaining financial discipline will provide us with the ability to manage the volatility in our business resulting from changes in steelmaking coal prices. We intend to preserve a strong and conservative balance sheet, with sufficient liquidity and financial flexibility to support our operations. As such, we will seek to maintain a conservative financial leverage target of 1.50 - 2.00x based on normalized EBITDA and seek to maintain minimum liquidity of \$250 million during the development of Blue Creek. We plan to continually evaluate our liquidity needs based on our estimated capital needs. As of December 31, 2023, we had approximately \$845.6 million of available liquidity consisting of \$107.4 million of borrowing capacity under the ABL Facility and \$738.2 million of cash and cash equivalents. In the event we generate cash flow in excess of the needs of our business, we plan to take a holistic approach to capital allocation and will evaluate a range of options, including debt repayment. We will seek to preserve our capital structure with low financial leverage that is largely free from legacy liabilities in order to ensure maximum free cash flow generation.

Highly experienced leadership team with deep industry expertise. Our Chief Executive Officer ("CEO"), Walter J. Scheller, III, is the former CEO of Walter Energy, Inc. ("Walter Energy") and has ten years of direct experience managing Mine No. 4 and Mine No. 7, and over 30 years of experience in longwall coal mining. Furthermore, following the acquisition of certain assets of Walter Energy, we hired several key personnel with extensive direct operational experience in steelmaking coal longwall mining, including our Chief Operating Officer, Jack Richardson, and a member of our board of directors (the "Board"), Stephen D. Williams. We have a strong record of operating safe mines and are committed to environmental excellence. Our dedication to safety is at the core of all of our overall operations as we work to further reduce workplace incidents by focusing on policy awareness and accident prevention. Our continued emphasis on enhancing our safety performance has resulted in total reportable incidence rates of 2.02 at Mine No. 4 and 1.82 at Mine No. 7 for the year ended December 31, 2023, which is 57% lower than the national total reportable incidence rate for all underground coal mines in the United States of 4.39 for the nine months ended September 30, 2023, which represents the latest data available.

Strong focus on reducing greenhouse gas emissions and water usage. Investors and other third parties are increasingly focused on sustainability matters. With a view towards being an industry leader in environmental stewardship, we are actively engaged in several initiatives that occur before, during and after mining to reduce greenhouse gas ("GHG") emissions, including the capture of coalbed methane. In 2022, we refocused on our long-term environmental goals and successfully set aggressive, yet achievable targets for decreasing our carbon footprint. In connection with this strategy, we established targets which include a 50% reduction in GHG emissions by 2030 and a 25% water usage reduction by 2030 from our 2021 baseline year. We are pleased to report that in 2022, we successfully captured and collected approximately 69% of the methane produced in our mines which would have otherwise been vented to the atmosphere resulting in a 16% reduction in total methane emissions as compared to the 2021 baseline year. We were also able to reduce Scope 1 and Scope 2 GHG emissions by 13% compared to the 2021 baseline year.

We also operate a low-quality gas plant, which is able to improve the quality of ordinarily unsaleable gas that would otherwise escape to the atmosphere. The improved gas is then sold and used by consumers. This plant operates using a complex system that concentrates the methane by removing other gases such as nitrogen and oxygen. In 2021, in conjunction with a third party, we also installed our first flare system to destroy methane vented from open degasification boreholes. We also continuously work to evaluate and test emerging technologies that can optimize our water usage and successfully achieved a

99.93% compliance record with the EPA National Pollutant Discharge Elimination System ("NPDES") program, which addresses water pollution by regulating point source discharges. We remain committed to taking steps to decrease our carbon footprint by reducing GHG emissions and minimizing our impact on the environment.

Our Business Strategies

Our objective is to increase stockholder value through our continued focus on asset optimization and cost management to drive profitability and cash flow generation. Our key strategies to achieve this objective are described below:

Maximize profitable production. In the year ended December 31, 2023, we produced 6.9 million metric tons of steelmaking coal from Mine No. 7 and Mine No. 4. Based on our management's operational experience, we are confident in our ability to continue to produce at or close to capacity in a safe and efficient manner, and with a comparable cost profile to our current costs, should market conditions warrant.

Maximize organic growth and profitability. On May 3, 2022, we announced the relaunch of the development of Blue Creek into a new, world-class longwall mine located in Alabama near our existing mines. The new single longwall mine at Blue Creek is expected to have the capacity to produce an average of 4.4 million metric tons per annum of premium High Vol A steelmaking coal over the first ten years of production. Once fully developed, we expect Blue Creek to be a transformational investment that will increase annual production capacity by 60% and expand our product portfolio to our global customers, offering two premium HCCs that are expected to achieve the highest premium steelmaking coal prices in the seaborne markets. We will also have the ability to add a fifth longwall which would increase our annual High Vol A production to 9.6 million metric tons, thereby increasing our total annual production capacity by 98% over our nameplate capacity of 7.3 million metric tons. We anticipate that Blue Creek will decrease our cash costs and further improve our position in the first quartile global cost curve and, due to Blue Creek's expected low-cost structure, we expect that it will significantly drive down our all-in cash cost breakeven point and enhance our profitability and cash flow generation.

Broaden our marketing reach and maintain strong correlation between realized coal prices and the S&P Platts Index. We have implemented a strategy to improve both our sales and marketing focus, with a goal of achieving better pricing relative to the S&P Platts Index for our Mine No. 7 coal and the East Coast High Vol A indices for our Mine No. 4 coal, which includes: (i) opportunistic selling into the spot steelmaking coal market and (ii) to a lesser extent selected instances of entering into fixed price contracts. Each of these elements is intended to further embed our coal product among a broader group of steel customers. Traditionally, we have predominantly marketed our coal to European and South American buyers. In recent years, due to a combination of market dynamics and geopolitical events we have expanded the marketing of our coal to Asia and we are actively marketing our coal to India and Southeast Asia buyers. For the year ended December 31, 2023, our sales geographic customer mix was 48% in Europe, 29% in Asia, 21% in South America and 2% in the U.S. When advantageous, we work with strategic partners to assist in the marketing of our coals. We benefit from the local presence and knowledge of these partners to capture the highest value for our premium coals.

Capitalize on opportunities for technological innovation to continue to reduce our impact on the environment. We are fully committed to being a responsible corporate citizen to our employees, customers, communities, and other stakeholders. We are committed to providing our products in a responsible manner. In 2022, we partnered with a third-party consultant to develop a sustainability strategy that is focused on the following objectives, among others: materiality and risk assessment, creating and tracking measurable goals, GHG reduction, water usage reduction, enhancing governance standards and performing a community impact assessment. In 2023, we committed to installing a new Environmental Management Information System ("EMIS"), which we plan to continually improve and enhance over time. The EMIS system enhances our ability to monitor and track water quality and usage, waste management, and GHG emissions, which streamlines our ability to measure and evaluate our environmental performance data against our stated objectives and goals. Final evaluations are being conducted towards our goal of installing the first full-scale Regenerative Thermal Oxidizer ("RTO") to address ventilation air methane ("VAM") emissions on our property. With permits obtained in 2023 and fabrication anticipated to begin in 2024, this RTO system is a significant step towards our emission reduction goals. The RTO system is anticipated to result in material emission reductions, and we are currently evaluating other locations where this technology would be environmentally beneficial.

Description of Our Business

Our underground mining operations are headquartered in Brookwood, Alabama and as of December 31, 2023, based on a reserve report prepared by Marshall Miller & Associates, Inc., were estimated to have approximately 82.9 million metric tons of recoverable reserves located in west central Alabama between the cities of Birmingham and Tuscaloosa. Operating at approximately 2,000 feet below the surface, Mines No. 4 and No. 7 are two of the deepest underground coal mines in North

America. The steelmaking coal is mined using longwall extraction technology with development support from continuous miners.

Our two operating mines and Blue Creek are located approximately 300 miles from our export terminal at the Port of Mobile in Alabama, which we believe to be the shortest mine-to-port distance of any U.S.-based steelmaking coal producer. Our low and variable cost structure, and our flexible and efficient rail and barge network underpins our cost advantage and dependable access to the seaborne markets. We sell our coal to a diversified customer base of blast furnace steel producers, primarily located in Europe, South America and Asia. We have a shipping time and distance advantage serving our customers throughout the Atlantic Basin relative to competitors located in Australia and Western Canada.

Our HCC, mined from the Southern Appalachian region of the United States, is characterized by low-to-high volatile matter ("VM") and high coke strength after reaction ("CSR"). These qualities make our coal ideally suited as a coking coal for the manufacture of steel. As a result of our high-quality coal, our realized price has historically approximated the Platts Premium Low Volatility FOB Australian Index price (the "S&P Platts Index"). Our Mine No. 4 steelmaking coal transitioned in the second half of the year from a Mid Vol to a High Vol A quality coal that typically trades at a larger discount to the price of Mine No. 7 coal. We now primarily target the East Coast High Vol A indices price for our Mine No. 4 coal. In contrast, coal produced in the Central Appalachian region of the United States is typically characterized by medium-to-high VM and a CSR that is below the requirements of the Australian Index price.

The steelmaking coal from our Mines No. 4 and No. 7 is sold as high-quality Low Vol and High Vol A steelmaking coal. Mines No. 4 and No. 7 are located near Brookwood, Alabama, and are serviced by CSX railroad. A coal producer is typically responsible for transporting the coal from the mine to an export coal-loading facility. Exported coal is usually sold at the loading port, with the buyer responsible for further transportation from the port to their location. Both mines also have access to our barge load-out facility on the Black Warrior River. Service via both rail and barge culminates in delivery to the Port of Mobile in Alabama, where shipments are exported to our international customers via ocean vessels. Substantially all of our steelmaking coal sales consist of sales to international customers. We are currently in the process of testing alternative outbound logistics routes to increase transportation and vessel shipping optionality.

We also have 67.6 million metric tons of recoverable reserves and 39.7 million metric tons of coal resources exclusive of reserves, which total 107.3 million metric tons, at Blue Creek located to the northwest of Mine No. 4, based on a reserve report prepared by Marshall Miller and Associates, Inc. We have the ability to acquire adjacent reserves that would increase total reserves to 144 million metric tons at Blue Creek. According to our third-party reserve report, the steelmaking coal reserve base of Blue Creek is a high-quality High Vol A coal that is characterized by low-sulfur and high CSR. Our two operating mines have demonstrated an ability to produce an average run rate of 7.0 million metric tons of HCC and 7.5 million metric tons of HCC when operating at full capacity.

Coal Preparation and Blending

Our steelmaking coal mines have preparation and blending facilities convenient to each mine. The steelmaking coal preparation and blending facilities receive, blend, process and ship steelmaking coal that is produced from the mines. Using these facilities, we are able to ensure a consistent quality and efficiently blend our steelmaking coal to meet our customers' specifications.

Marketing, Sales and Customers

Steelmaking coal prices can differ substantially by region and are impacted by many factors, including the overall economy, demand for steel, location, market, quality and type of steelmaking coal, mine operation costs and the cost of customer alternatives. The major factors influencing our business are the global economy and demand for steel. Our operations' high-quality steelmaking coal is considered among the highest quality steelmaking coals in the world and is preferred as a base steelmaking coal in our customers' blends. Our marketing strategy is to focus on international markets mostly in Europe and South America where we have a shipping time and distance advantage and where our steelmaking coal is in demand.

We focus on long-term customer relationships where we have a competitive advantage. We typically sell our steelmaking coal under fixed supply contracts primarily with indexed pricing terms and volume terms of one to three years. Some of our sales of steelmaking coal can, however, occur in the spot market as dictated by available supply and market demand. For more information regarding our customers, see Note 2 to our consolidated financial statements included elsewhere in this Annual Report.

Competition

Substantially all of our steelmaking coal sales are exported. Our major competitors are businesses that sell into our core business areas of Europe, South America and Asia. We primarily compete with producers of premium steelmaking coal from Australia, Canada, Russia, Mozambique and the United States. The principal factors on which we compete are steelmaking coal prices at the port of delivery, coal quality and characteristics, customer relationships and the reliability of supply. The demand for our steelmaking coal is significantly dependent on the general global economy and the worldwide demand for steel. Although there are significant challenges in the current economy, we believe that we have competitive strengths in our business areas that provide us with distinct advantages.

Suppliers

Supplies used in our business include petroleum-based fuels, explosives, tires, conveyance structure, ventilation supplies, lubricants and other raw materials as well as spare parts and other consumables used in the mining process. We use third-party suppliers for a significant portion of our equipment rebuilds and repairs, drilling services and construction. We believe adequate substitute suppliers are available and we are not dependent on any one supplier; however, we procure some equipment from a concentrated group of suppliers, and obtaining this equipment often involves long lead times. Occasionally, demand for such equipment by mining companies can be high and some types of equipment may be in short supply. We continually seek to develop relationships with suppliers that focus on reducing our costs while improving quality and service. We also purchase services at our mine sites, including services related to maintenance for mining equipment, construction and temporary labor. We do not believe that we have any material operational or financial risk associated with our dependence on any individual service providers.

Inflation

We have exposure to inflation in connection with the purchase of supplies that are used directly or indirectly in the normal course of production, such as belt structure, roof bolts, cable, magnetite, rock dust and other supplies, plus labor and parts used to repair and rebuild equipment. These inflationary pressures have contributed to rising costs for us and may continue to do so in the future. We are applying a number of different strategies to mitigate the impact of inflation on our operations, including placing purchase orders earlier, utilizing short term contracts and leveraging our supplier relationships.

Environmental, Social and Governance

The Company takes pride in its environmental record and strives to be an industry leader in environmental stewardship. We recently partnered with a third-party consultant to develop a sustainability strategy. This plan was made publicly available in January 2023 and can be found in the "Corporate Sustainability" section of our website. The Company recently released its annual Environmental, Social and Corporate Governance ("ESG") sustainability report that was prepared in accordance with the Global Reporting Initiative Standards (Core Option) and the Sustainability Accounting Standards Board standards for Coal Operations and highlights our goals of becoming an industry leader in environmental stewardship, maintaining a strong environmental compliance record and safety statistics that are better than the industry average, and forming collaborative partnerships focused on workforce development and our communities.

We continually invest in new technologies to lessen our environmental impact and to improve our efficiencies and productivity. Our executive leadership team, from our Board down, is fully committed to being a responsible corporate citizen to our employees, customers, communities, and other stakeholders. Highlights of our sustainability strategies are detailed below.

Environmental

We work to safely and efficiently produce some of the highest quality HCC steelmaking coal for our global customers while prioritizing the safety of our environmental footprint. This includes accounting for and working to reduce our GHG emissions, water usage and impact on biodiversity.

GHG Emissions

We are proud of our environmental performance, including our award-winning reclamation activities. In 2022, we successfully captured and collected approximately 69% of the methane produced in our mines which would have otherwise been vented to the atmosphere resulting in a 16% reduction in total methane emissions as compared to the 2021 measured

baseline. We were also able to reduce Scope 1 and Scope 2 GHG emissions by 13% compared to the 2021 baseline year. These emission reductions have been realized even with a 13% increase in production compared to the baseline year.

Methane is collected and then processed at our gas plant, transforming it into a useful and marketable gas product. We have expanded our degasification and flaring efforts in strategic locations in 2022 and 2023 and will continue to be more aggressive in proactive degasification processes in coming years to achieve our stated goals. Our flare system expansion has resulted in the verified offset of more than 63-thousand metric tons of CO₂e for periods ending in 2022, as recognized by the California Air Resource Board under the California Global Warming Solutions Program.

Final evaluations are being conducted towards our goal of installing the first full-scale RTO to address VAM emissions on our property. With permits obtained in 2023 and fabrication anticipated to begin in 2024, this RTO system is a significant step towards our emission reduction goals. The RTO system is anticipated to result in material emission reductions, and we are currently evaluating other locations where this technology would be environmentally beneficial.

Water Management

We continuously work to evaluate and test emerging technologies that can optimize our water usage. Freshwater is primarily used for processing coal or sent underground for use in mining operations. This optimizes the performance of our mining machinery and helps create and maintain a safe environment for our workforce. In 2023, we earned the Water Quality Stewardship Award from the Alabama Mining Association, reflecting our ongoing dedication to environmental excellence. In 2023, we committed to new EMIS software, which enhances our ability to optimize and monitor our environmental performance. Further, we collaborated with Innovative Wireless Technologies ("IWT") to install wireless sensors which allows us to enhance our real-time monitoring of environmental and water data using a mesh node communication system which provides constant readings of water levels and certain water quality parameters at sensitive locations.

We also successfully completed testing of a dewatering pilot system for slurry tailings. After more than a year of testing and optimizing the system, we are pleased to report successful results of the dry slurry system. Due to the success observed during the testing of the pilot unit, Warrior made an immediate commitment towards the construction of the full-scale dry slurry system. The full-scale system was completed in October 2023, more than two years ahead of our previously stated plans. This unit is currently undergoing testing and system optimization while awaiting final regulatory approvals.

The second portion of the final phase of our water efficiency plans involves automating mechanical controls for water withdrawal systems across several critical Warrior sites. This is currently the only aspect of the plan not yet completed but is anticipated to be installed well ahead of schedule. The implementation of the newly installed full-scale dry slurry system and monitoring system is anticipated to allow the company to achieve our stated goals. The automating of mechanical controls for water withdrawal systems should enable Mine 7 to recycle more than 50% of water utilized for processing, thus resulting in a significant long-term reduction of our water demand.

In addition to improving how we track and measure water consumption, we will strategically draw water from local rivers and springs to store in reservoirs which can be utilized during periods of low flow to prevent possible stress to the local hydrologic balance. These actions, which are foundational to a three-phased water efficiency and optimization plan developed in 2022, provide an actionable pathway to meet and surpass our goal of reducing water usage by 25% by 2030.

Waste Management

We have a strong environmental compliance record (99.93%) with the EPA's NPDES program, which addresses water pollution by regulating point sources that discharge pollutants into U.S. waters. According to the World Resources Institute, we do not have any mines operating within or near regions identified with high or extremely high baseline water stress. In 2023, we implemented the EMIS software, which enhances our monitoring and tracking for water quality and usage, waste management, and GHG emissions, among other items. Currently, we control nine certified tailings impoundment facilities that are subject to MSHA regulations and certification. Of these nine impoundments, seven are classified as low hazard facilities and only two of the seven are active. Our two high-hazard tailings impoundments undergo rigorous risk analyses and regular independent inspections to ensure safety and compliance.

Biodiversity

We recognize the importance of our natural surroundings and aim to be the best stewards of the delicate and diverse natural ecosystem located on our properties and within the surrounding areas. In 2021 and 2022, we earned the Land Stewardship Award from the Alabama Mining Association for a wetland development project. We strive to conduct all mining-related activities and environmental studies with the intent to minimize ecosystem impacts. Our Alabama Department of Environmental Management-authorized NPDES discharge permits include quarterly toxicity tests that detect potential water

quality issues that could impact local aquatic life. If any evidence of potential impact is discovered, alternative operational plans are activated. Field experts are also consulted during the permitting process to provide guidance related to potential biodiversity impacts.

Social

Safety

The safety of our employees is rooted in our core values. Our health and safety policies and programs are the cornerstone of our operating philosophy and are integrated into all of our daily operations and activities. We are proud of our safety record, which includes a safety incidence rate that has consistently been over 20% better than the U.S. industry average rate. In 2023, our total incidence rate was 1.90, which is 57% lower than the national total reportable incidence rate for all underground coal mines in the United States of 4.39 for the nine months ended September 30, 2023, which represents the latest data available.

Training

We strive to recruit, hire and retain a talented and diverse team of people. Our employees are supported with training and development opportunities to pursue their career paths and to ensure compliance with our policies. We incorporate training best practices, provide continuing education and constantly reinforce individual skills. Our employees make us who we are, and we offer tools to identify, grow and nurture our talent, including our future leaders development program, annual supervisor and development training, employee education assistance and annual performance evaluations. In 2023, our training initiatives were expansive: over 260 training sessions were conducted, involving more than 1,500 employees. This resulted in over 4,500 training days, accumulating to more than 36,000 hours of dedicated training. These figures underscore our commitment to providing comprehensive and practical training to our workforce.

Human Capital

As of December 31, 2023, we had 1,143 employees, of whom 711 were hourly employees and 432 were salaried employees. The Company prioritizes employee safety, wellbeing, personal and professional development, and diversity and inclusion. The Board's Compensation Committee has direct oversight of our human resource policies and practices, including diversity, equity, and inclusion, employee relations, workplace culture, and talent development and retention.

Compensation and Benefits: To recruit and retain the best and brightest talent, we have established a top-tier benefits package, which includes competitive salaries and performance-based incentives. We also offer full-time employees the opportunity to participate in retirement benefits through a company-sponsored 401(k) account which includes a generous company match. Our total compensation and benefits package is designed to stay competitive and to assist in achieving our goals of attracting, rewarding, and retaining employees by always focusing on employees and their families first. We also offer our employees paid time off and an Employee Assistance Program which is a comprehensive network of accredited counselors and other specialized professional who provide support on several issues, including mental health, relationships, wellbeing, stress and personal finances. In 2023, we launched a volunteer PTO program through which employees receive PTO to volunteer with organizations or causes that are important to them.

Talent Attraction: We acknowledge the importance of developing and growing a strong and diverse workforce. Our policies and practices support diversity and equality. To help achieve this, we engage a broad range of communication channels, tools, and processes to attract highly capable external candidates to generate an experienced and diverse candidate pool. We also work with universities to attract top candidates in key fields, while seeking to develop our in-house talent and providing opportunities for employees to increase their level of responsibility within the organization. We have also elevated our efforts on minority and veteran recruiting by visiting and recruiting from Historically Black Colleges and Universities, growing existing partnerships and seeking new partnerships with groups to provide diverse internships, and attending and recruiting at military job fairs.

Employee Development and Retention: We also recognize that employee engagement, development and talent retention are important factors in maintaining a highly skilled workforce and minimizing time and costs associated with turnover. In addition to the highly competitive compensation and benefits package discussed above, our retention program focuses on valuing employees, their families, and helping each employee have an appropriate work-life balance. To monitor this balance and other aspects of engagement, we seek candid feedback from employees via an annual employee engagement survey. The results are aggregated and then used by management to continually improve our culture and retain our employees. We also offer tuition reimbursement opportunities for those who wish to further their education. In 2023, we invested \$0.4 million in leadership development training demonstrating our commitment to fostering a skilled and capable workforce. These

efforts help employees pursue career paths that are both interesting and rewarding, and will also assist in their pursuit of their individual goals, while at the same time helping to develop robust talent pipelines that support broader company succession planning efforts.

Diversity, Equity and Inclusion: We work to foster an environment in which each person can thrive. This includes treating everyone with respect, valuing diversity, and fostering safe and inclusive environments. Warrior's Code of Business Conduct and Ethics and Human Rights Policy promote and support diversity by offering a workplace in which people are protected from harassment and discrimination based on gender, race, age, sexual orientation, and other factors. Employees have the right and are empowered to report issues via several reporting channels, including our third party-managed confidential employee hotline should they wish to remain anonymous. As of December 31, 2023, our Board was 33% female and 17% racially and/or ethnically diverse and more than 24% of our workforce was racially or ethnically diverse, up from 18% as of December 31, 2022. While only 4% of our entire full-time workforce is comprised of women, women play an integral role across our operations and support facilities, like our central mining office, where they represent more than 33% of the workforce.

Human Rights: Respect for human rights is a fundamental value, and we are committed to treating employees and stakeholders with dignity, respect, and equality consistent with the United Nations Universal Declaration for Human Rights. In an effort to ensure a safe and inclusive work environment, Warrior has implemented policies and in 2024, we are enhancing our corporate training program to include training on human rights, anti-bullying, harassment, and discrimination.

Community Engagement

We understand the importance of making a difference in our community and that the support of our community is essential to our current and future mining operations. Effectively engaging with members of the community is just as important as mining our premium quality steelmaking coal for our customers around the world. In that spirit, we work to proactively foster constructive relationships that are founded on trust, dialogue, and collaboration for the overall benefit of our community. This includes engagement with local schools, landowners, local government officials, and residents—many of whom are also Warrior employees or their family members. Our External Affairs group works and engages with trade associations, community partners, non-governmental organizations (NGOs) and nonprofit organizations to provide helpful information and expertise regarding the Company and industry. In 2023, we contributed over one million dollars to local nonprofits through sponsorships and other donations. In 2024, our volunteer PTO benefit will continue to be available to all full-time employees to enable them to provide hands-on assistance to organizations or causes that are important to them throughout each year.

Governance

Our Board oversees our policies, creating strategies and initiatives that embrace ESG matters. The Board's Nominating and Corporate Governance Committee has responsibility for developing our Corporate Governance Guidelines, recommending qualified Board candidates and overseeing evaluation of the Board and our management team. Additionally, all four Board Committees (Nominating and Corporate Governance, Audit, Compensation, and Sustainability, Environmental Health and Safety) play specific and important roles in setting the tone for the Company by providing oversight for and fostering a culture of strong corporate governance, ethics, and compliance as described in the charters on our website.

The Company has dedicated employees that oversee the Company's efforts with respect to various environmental issues, including our efforts with respect to the programs discussed above. Through their efforts, as well as oversight by our senior management and the Board, we continue to make significant progress in improving our environmental stewardship. The Sustainability, Environmental, Health & Safety Committee of the Board (the "EHS Committee") is tasked with assessing the effectiveness of the Company's sustainability, environmental, health and safety policies, programs and initiatives, as well as reviewing and monitoring the Company's compliance with applicable sustainability, environmental, health and safety laws, rules and regulations. The EHS Committee receives quarterly reports from Company management, during which the EHS Committee reviews and discusses the Company's various sustainability, environmental, health and safety initiatives and any issues related to these areas.

Environmental and Regulatory Matters

Our businesses are subject to numerous federal, state and local laws and regulations with respect to matters such as permitting and licensing, employee health and safety, reclamation and restoration of property and protection of the environment. In the U.S., environmental laws and regulations include, but are not limited to, the Clean Air Act and its state and local counterparts with respect to air emissions; the Clean Water Act and its state counterparts with respect to water discharges and dredge and fill operations; the Resource Conservation and Recovery Act and its state counterparts with respect to solid and hazardous waste generation, treatment, storage and disposal, as well as the regulation of underground storage tanks; the

Comprehensive Environmental Response, Compensation and Liability Act and its state counterparts with respect to releases, threatened releases and remediation of hazardous substances; the Endangered Species Act with respect to protection of threatened and endangered species; the National Environmental Policy Act with respect to the impacts of federal actions such as the issuance of permits and licenses; and the Surface Mining Control and Reclamation Act of 1977 and its state counterparts with respect to environmental protection and reclamation standards for mining activities. Compliance with these laws and regulations may be costly and time-consuming and may delay commencement, continuation or expansion of exploration or production at our operations. These laws are constantly evolving and may become more stringent. The ultimate impact of complying with existing laws and regulations is not always clearly known or determinable due in part to the fact that certain implementing regulations for these environmental laws have not yet been promulgated and in certain instances are undergoing revision or judicial review. These laws and regulations, particularly new legislative or administrative proposals (or judicial interpretations of existing laws and regulations) related to the protection of the environment, could result in substantially increased capital, operating and compliance costs and could have a material adverse effect on our operations and/or, along with analogous foreign laws and regulations, our customers' ability to use our products.

Due in part to the extensive and comprehensive regulatory requirements, along with changing interpretations of these requirements, violations occur from time to time in our industry and at our operations. Expenditures relating to environmental compliance are a major cost consideration for our operations and environmental compliance is a significant factor in mine design, both to meet regulatory requirements and to minimize long-term environmental liabilities. To the extent that these expenditures, as with all costs, are not ultimately reflected in the prices of our products and services, operating results will be reduced. We believe that our major North American competitors are confronted by substantially similar conditions and thus do not believe that our relative position with regard to such competitors is materially affected by the impact of environmental laws and regulations. However, the costs and operating restrictions necessary for compliance with environmental laws and regulations may have an adverse effect on our competitive position with regard to foreign producers and operators who may not be required to undertake equivalent costs in their operations. In addition, the specific impact on each competitor may vary depending on a number of factors, including the age and location of its operating facilities, applicable legislation and its production methods.

Permitting and Approvals

Numerous governmental permits and approvals are required for mining and natural gas operations. We are required to prepare and present to federal, state and local authorities data pertaining to the effect or impact that any proposed exploration project for production of coal or gas may have on the environment, the public and our employees. In addition, we must also submit a comprehensive plan for mining and reclamation upon the completion of mining operations. The requirements are costly and time-consuming and may delay commencement or continuation of exploration, production or expansion at our operations. Typically, we submit necessary mining permit applications several months, or even years, before we anticipate mining a new area.

Applications for permits and permit renewals at our mining and gas operations are subject to public comment and may be subject to litigation from third parties seeking to deny issuance of a permit or to overturn the applicable agency's grant of the permit application, which may also delay commencement, continuation or expansion of our mining and gas operations. Further, regulations provide that applications for certain permits or permit modifications in the U.S. can be delayed, refused or revoked if an officer, director or a stockholder with a 10% or greater interest in the entity is affiliated with or is in a position to control another entity that has outstanding permit violations or has had a permit revoked. Significant delays in obtaining, or denial of, permits could have a material adverse effect on our business.

Mine Safety and Health

The MSHA, under the Federal Mine Safety and Health Act of 1977 (the "Mine Act") and the Mine Improvement and New Emergency Response Act of 2006 (the "MINER Act"), as well as regulations adopted under these federal laws impose rigorous safety and health standards on mining operations. Such standards are comprehensive and affect numerous aspects of mining operations, including, but not limited to: training of mine personnel, mining procedures, ventilation, blasting, use of mining equipment, dust and noise control, communications and emergency response procedures. For instance, MSHA implemented a rule in August 2014 to reduce miners' exposure to respirable coal dust, which reduced respirable dust standards for certain occupants and miners and required certain monitoring of shift dust levels. In August 2016, Phase III of MSHA's respirable dust rule went into effect, further lowering the respirable dust standards. Separately, MSHA has implemented a rule imposing a requirement on certain continuous mining machines, requiring operators to provide proximity detection systems. MSHA monitors compliance with these laws and standards by regularly inspecting mining operations and taking enforcement actions where MSHA believes there to be non-compliance. These federal mine safety and health laws and regulations have a significant effect on our operating costs.

Workers' Compensation and Black Lung

We are insured for workers' compensation benefits for work related injuries that occur within our operations. Workers' compensation liabilities, including those related to claims incurred but not reported, are recorded principally using annual valuations based on discounted future expected payments using historical data of the operating subsidiary or combined insurance industry data when historical data is limited. Beginning on June 1, 2020, the Company has a deductible policy where the Company is responsible for the first \$1.0 million for each workers' compensation related claim from any of our employees.

In addition, certain of our subsidiaries are responsible for medical and disability benefits for black lung disease under the Federal Coal Mine Health and Safety Act of 1969, the Mine Act and the Black Lung Benefits Revenue Act of 1977 and the Black Lung Benefits Reform Act of 1977, each as amended (together, the "Black Lung Benefits Act"), and are insured under a guaranteed cost insurance policy beginning on April 1, 2016 through May 31, 2018 for black lung claims of any of our employees. From June 1, 2018 to May 31, 2020, the Company had a deductible policy where the Company was responsible for the first \$0.5 million for each black lung claim from any of our employees. Beginning on June 1, 2020, the Company has a deductible policy where the Company is responsible for the first \$1.0 million for each black lung related claim from any of our employees.

We also assumed all of the black lung liabilities of Walter Energy and its U.S. subsidiaries. We are self-insured for these black lung liabilities and have posted \$18.6 million in surety bonds and \$9.0 million of collateral recognized as short term investments in addition to maintaining a black lung trust of \$1.8 million that was acquired from Walter Energy. We received a letter from the Department of Labor ("DOL") on February 21, 2020, under its new process for self-insurance renewals, which would require us to increase the amount of collateral posted to \$39.8 million, but we appealed such increase. We received another letter from the DOL on December 8, 2021 requesting additional information to support our appeal of the collateral requested by the DOL. On February 9, 2022, the DOL held a conference with representatives from the Company related to our appeal. On July 12, 2022, we received a decision on our appeal from the DOL lowering the amount of collateral required to be posted from \$39.8 million to \$28.0 million. We appealed this decision. In addition, on January 19, 2023, the DOL proposed revisions to regulations under the Black Lung Benefits Act governing authorization of self-insurers. The proposed rules require, among other requirements, all self-insured operators to post security of at least 120 percent of their projected black lung liabilities. The changes in the estimated claims to be paid or changes in the amount of collateral required by the DOL may have a greater impact on our profitability and cash flows in the future. Under the Black Lung Benefits Act, each coal mine operator must make payments to a trust fund for the payment of benefits and medical expenses to claimants who last worked in the coal industry prior to January 1, 1970. The trust fund is funded by an excise tax on production; however, this excise tax does not apply to coal shipped outside the United States. Based on our limited sales of coal in the United States, we do not expect to incur a material expense related to this excise tax. However, the excise tax may result in a material expense to us in the future if our coal sales in the United States significantly increase. The Patient Protection and Affordable Care Act includes significant changes to the federal black lung program, including an automatic survivor benefit paid upon the death of a miner with an awarded black lung claim and the establishment of a rebuttable presumption with regard to pneumoconiosis among miners with 15 or more years of coal mine employment that are totally disabled by a respiratory condition. These changes could have a material impact on our costs expended in association with the federal black lung program. In addition to possibly incurring liability under federal statutes we may also be liable under state laws for black lung claims. For additional information, please see "Part I, Item 1A. Risk Factors—Risks Related to Our Business—We are responsible for medical and disability benefits for black lung disease under federal law."

Surface Mining Control and Reclamation Act

The Surface Mining Control and Reclamation Act of 1977 ("SMCRA") requires that comprehensive environmental protection and reclamation standards be met during the course of and following completion of mining activities. Permits for all mining operations must be obtained from the Federal Office of Surface Mining Reclamation and Enforcement ("OSM") or, where state regulatory agencies have adopted federally approved state programs under the SMCRA, the appropriate state regulatory authority. The Alabama Surface Mining Commission reviews and approves SMCRA permits in Alabama.

SMCRA permit provisions include requirements for coal prospecting, mine plan development, topsoil removal, storage and replacement, selective handling of overburden materials, mine pit backfilling and grading, subsidence control for underground mines, surface drainage control, mine drainage and mine discharge control, treatment and revegetation. These requirements seek to limit the adverse impacts of coal mining and more restrictive requirements may be adopted from time to time.

Before a SMCRA permit is issued, a mine operator must submit a bond or otherwise secure the performance of reclamation obligations. The Abandoned Mine Land Fund, which is part of SMCRA, imposes a general funding fee on all coal produced. The proceeds are used to reclaim mine lands closed or abandoned prior to 1977. On November 15, 2021, the Abandoned Mine Land Program was extended through September 2034.

We maintain extensive coal refuse areas and slurry impoundments at our mining complexes. Such areas and impoundments are subject to comprehensive regulation. Structural failure of an impoundment can result in damage to the environment and natural resources, such as bodies of water that the coal slurry reaches, as well as create liability for related personal injuries, property damages and injuries to wildlife. Some of our impoundments overlie mined out areas, which can pose a heightened risk of failure and the assessment of damages arising out of such failure. If one of our impoundments were to fail, we could be subject to substantial claims for the resulting environmental contamination and associated liability, as well as for related fines and penalties.

On December 12, 2008, the OSM finalized rulemaking regarding the interpretation of the stream buffer zone provisions of SMCRA, which confirmed that excess spoil from mining and refuse from coal preparation could be placed in permitted areas of a mine site that constitute waters of the U.S. The rule was subsequently vacated based, in part, upon the fact that the U.S. Fish & Wildlife Service was not consulted with respect to possible effects on endangered species under terms of the Endangered Species Act. On December 20, 2016, the OSM published a new, finalized "Stream Protection Rule," setting standards for "material damage to the hydrologic balance outside the permit area" that are applicable to surface and underground mining operations. However, on February 16, 2017, former President Trump signed a joint congressional resolution disapproving the Stream Protection Rule pursuant to the Congressional Review Act. Accordingly, the regulations in effect prior to the Stream Protection Rule apply, including OSM's 1983 rule, which requires coal companies to keep operations 100 feet from streams or otherwise minimize any damage. It remains unclear whether and how additional actions by the Biden Administration could further impact regulatory or enforcement activities pursuant to the SMCRA.

Drainage flowing from or caused by mining activities can be acidic with elevated levels of dissolved metals, a condition referred to as "acid mine drainage" ("AMD"). Treatment of AMD can be costly. Although we do not currently face material costs associated with AMD, there can be no assurance that we will not incur significant costs in the future.

Surety Bonds/Financial Assurance

We use surety bonds and letters of credit to provide financial assurance for certain transactions and business activities. Federal and state laws require us to obtain surety bonds or other acceptable security to secure payment of certain long-term obligations including mine closure or reclamation costs and other miscellaneous obligations. The amount of security required to be obtained can change as the result of changes to federal or state laws, as well as changes to the factors used to calculate the bonding or security amounts.

Surety bond rates have increased in recent years and the market terms of such bonds have generally become less favorable. In addition, the number of companies willing to issue surety bonds has decreased. Bonding companies may also require posting of collateral, typically in the form of letters of credit to secure the surety bonds. Moreover, the changes in the market for coal used to generate electricity in recent years have led to bankruptcies involving prominent coal producers. Several of these companies relied on self-bonding to guarantee their responsibilities. In response to these bankruptcies, the OSM issued a Policy Advisory in August 2016 to state agencies that are authorized under the SMCRA to implement the act in their states, notifying those state agencies that the OSM would more closely review self-bonding arrangements. Certain states had previously announced or have since announced that they would either limit or no longer accept self-bonding to secure reclamation obligations under the state mining laws. Although the Policy Advisory was rescinded in October 2017, some states may be reluctant to approve self-bonding arrangements. This may lead to increased demand for other forms of financial assurance, which may strain capacity for those instruments and increase our costs of obtaining and maintaining the amounts of financial assurance needed for our operations. These actions, individually and collectively, may increase the amount of financial assurance needed and limit the types of acceptable instruments, straining the capacity of the surety markets to meet demand. This may increase the time required to obtain, and increase the cost of obtaining, the required financial assurances. Although Alabama's regulatory framework technically allows for self-bonding, as a practical matter, due to the onerous regulatory requirements for self-bonding, mining companies in Alabama utilize surety bonds, collateral bonds, or letters of credit to meet their financial assurance requirements. As of December 31, 2023, we had outstanding surety bonds with parties for post-mining reclamation at all of our mining operations totaling \$44.3 million, \$18.6 million for black lung liabilities and \$5.2 million for miscellaneous purposes.

Climate Change

Global climate change continues to attract considerable public and scientific attention, with widespread concern about the impacts of human activity, especially the emission of GHGs, such as carbon dioxide and methane. Some of our operations directly emit GHGs. Further, the products that we produce result in the release of carbon dioxide into the atmosphere by end-users. Laws and regulations governing emissions of GHGs have been adopted by foreign governments (including the European Union and member countries), U.S. Congress and regulatory agencies, individual states in the U.S. and regional governmental

authorities. In particular, in December 2009, the EPA published findings that GHG emissions present an endangerment to public health and welfare because, according to the EPA, emissions of such gases contribute to warming of the earth's atmosphere and other climatic changes. The EPA's findings focus on six GHGs, including carbon dioxide and nitrous oxide (which are emitted from coal combustion) and methane (which is emitted from coal beds). The findings by the EPA allowed the agency to proceed with the adoption and implementation of regulations to restrict emissions of GHGs under existing provisions of the Clean Air Act, including rules that regulate emissions of GHGs from motor vehicles and certain large stationary sources of emissions such as power plants or industrial facilities. Also, in August 2022, President Biden signed the Inflation Reduction Act of 2022 ("IRA") into law. The IRA contains billions of dollars in incentives for the development of renewable energy, clean hydrogen, clean fuels, electric vehicles, investments in advanced biofuels and supporting infrastructure and carbon capture and sequestration, amongst other provisions. These incentives could accelerate the transition of the economy away from the use of fossil fuels towards lower- or zero-carbon emissions alternatives, which could decrease demand for, and in turn the prices of, fossil fuel energy products. Also, almost one-half of U.S. states have taken legal measures to reduce emissions of GHGs primarily through the planned development of GHG emission inventories and/or regional GHG cap and trade programs. Further, numerous proposals have been made and are likely to continue to be made at the international, national, regional and state levels of government that are intended to limit emissions of GHGs by enforceable requirements and voluntary measures.

In June 2010, Earthjustice petitioned the EPA to make a finding that emissions from coal mines may reasonably be anticipated to endanger public health and welfare, and to list them as a stationary source subject to further regulation of emissions. On April 30, 2013, the EPA denied the petition. Judicial challenges seeking to force the EPA to list coal mines as stationary sources have likewise been unsuccessful to date. If the EPA were to make an endangerment finding in the future, we may have to further reduce our methane emissions, install additional air pollution controls, pay certain taxes or fees for our emissions, incur costs to purchase credits that permit us to continue operations as they now exist at our underground coal mines or perhaps curtail coal production.

In addition, on May 23, 2023, the EPA published proposed emission limits and guidelines for carbon dioxide from fossil-fuel-fired power plants. The proposed limits and guidelines require ambitious reductions in carbon dioxide emissions, which, if finalized, could have a material adverse impact on coal-fired power plants and the demand for thermal coal nationally. While the proposed power plant rules do not affect our marketing of our steelmaking coal, the continued regulatory focus could lead to future GHG regulations for the mining industry and its steelmaking customers, which ultimately could make it more difficult or costly for us to conduct our operations or adversely affect demand for our products.

Demand for steelmaking coal and natural gas also may be impacted by international efforts to reduce GHG emissions. In December 2015, the United States joined the international community at the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change in Paris, France. The text of the Paris Agreement calls for nations to undertake "ambitious efforts" to hold the increase in the global average temperature to well below 2° C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5° C above pre-industrial levels; reach global peaking of GHG emissions as soon as possible; and take action to conserve and enhance sinks and reservoirs of GHGs, among other requirements. The Paris Agreement went into effect on November 4, 2016. The Paris Agreement establishes a framework for the parties to cooperate and report actions to reduce GHG emissions. Although the United States withdrew from the Paris Agreement, effective November 4, 2020, President Biden issued an executive order on January 20, 2021 to rejoin the Paris Agreement, which took effect on February 19, 2021. On April 21, 2021, the United States announced that it was setting an economy-wide target of reducing its GHG emissions by 50-52 percent below 2005 levels in 2030. In November 2021, in connection with the 26th session of the Conference of Parties (as defined below) in Glasgow, Scotland, the United States and other world leaders made further commitments to reduce GHGs, including reducing global methane emissions by at least 30% by 2030 and ending the international public finance of new unabated coal power generation abroad by the end of 2021. The resulting Glasgow Climate Pact calls upon the parties to "accelerate efforts towards the phase-down of unabated coal power and phase-out inefficient fossil fuel subsidies." Furthermore, many state and local leaders have stated their intent to intensify efforts to support the international commitments. It is possible that the Paris Agreement and subsequent domestic and international regulations will have adverse effects on the market for steelmaking coal, natural gas, and other fossil fuel products.

Methane must be expelled from our underground coal mines for mining safety reasons. Our gas operations extract methane from our underground steelmaking coal mines prior to mining. With the exception of some methane that is vented into the atmosphere when the steelmaking coal is mined, much of the methane is captured and sold into the natural gas market and used as fuel. If regulation of GHG emissions does not exempt the release of methane, we may have to curtail steelmaking coal production, pay certain taxes or fees for our emissions or incur costs to purchase credits that allow us to continue operations as they now exist at our underground steelmaking coal mines.

The existing laws and regulations or other current and future efforts to stabilize or reduce GHG emissions could adversely impact the demand for, price of and value of our products and reserves. As our operations also emit GHGs directly, current or future laws or regulations limiting GHG emissions could increase our own costs. Although the potential impacts on us of additional climate change regulation are difficult to reliably quantify, they could be material.

Finally, climate change may cause more extreme weather conditions such as more intense hurricanes, thunderstorms, tornadoes and snow or ice storms, as well as rising sea levels and increased volatility in seasonal temperatures. Extreme weather conditions can interfere with our services and increase our costs, and damage resulting from extreme weather may not be fully insured. However, at this time, we are unable to determine the extent to which climate change may lead to increased storm or weather hazards affecting our operations.

Clean Air Act

The Clean Air Act and comparable state laws that regulate air emissions affect coal mining operations both directly and indirectly. Direct impacts on coal mining may occur through permitting requirements and/or emission control requirements relating to particulate matter, such as fugitive dust, or fine particulate matter measuring 2.5 micrometers in diameter or smaller. The Clean Air Act indirectly affects our mining operations by extensively regulating the air emissions of sulfur dioxide, nitrogen oxides, mercury, ozone and other compounds emitted by steel manufacturers, coke ovens and coal-fired utilities. These laws are constantly evolving and may become more stringent. For example, on July 31, 2023, the EPA proposed new, more stringent emission standards for hazardous air pollutants for integrated iron and steel manufacturing facilities. As described above, existing and proposed regulations also subject GHG emissions to regulation under the Clean Air Act.

Clean Water Act

The federal CWA and corresponding state and local laws and regulations affect our operations by restricting the discharge of pollutants, including dredged and fill materials, into waters of the United States. CWA requirements that may directly or indirectly affect our operations include the following:

- *Water Discharge.* The CWA and corresponding state laws affect our operations by imposing restrictions on discharges of wastewater into creeks and streams. These restrictions, more often than not, require us to pre-treat the wastewater prior to discharging it. Permits requiring regular monitoring and compliance with effluent limitations and reporting requirements govern the discharge of pollutants into regulated waters. Our mining operations maintain water discharge permits as required under the NPDES program of the CWA. We believe that we have obtained all permits required under the CWA and corresponding state laws and are in substantial compliance with such permits. However, new requirements under the CWA and corresponding state laws may cause us to incur significant additional costs that could adversely affect our operating results. We are in material compliance with our current permits; however, there can be no guarantee that we will be able to meet new or future standards with respect to our permit applications.
- *Dredge and Fill Permits.* Many mining activities, such as the development of refuse impoundments, freshwater impoundments, refuse fills, and other similar structures, may result in impacts to waters of the United States, including wetlands, streams and, in certain instances, man-made conveyances that have a hydrologic connection to such streams or wetlands. Under the CWA, coal companies are required to obtain a Section 404 permit from the U.S. Army Corps of Engineers ("USACE") prior to conducting such mining activities. The USACE is authorized to issue general "nationwide" permits for specific categories of activities that are similar in nature and that are determined to have minimal adverse effects on the environment. Permits issued pursuant to Nationwide Permit 21 generally authorize the disposal of dredged and fill material from surface coal mining activities into waters of the United States, subject to certain restrictions. The USACE may also issue individual permits for mining activities that do not qualify for Nationwide Permit 21.

Recent regulatory actions and court decisions created some uncertainty over the scope of CWA jurisdiction. On June 29, 2015, the EPA and the USACE jointly promulgated final rules expanding the scope of waters protected under the CWA, revising regulations that had been in place for more than 25 years. However, on October 22, 2019, the agencies published a final rule to repeal the 2015 rules and then, on April 21, 2020, the EPA and the USACE published a final rule replacing the 2015 rule, and significantly reducing the waters subject to federal regulation under the Clean Water Act. On August 30, 2021, a federal court struck down the replacement rule and, on January 18, 2023, the EPA and the USACE published a final rule that would restore water protections that were in place prior to 2015. However, on May 25, 2023, the Supreme Court issued an opinion substantially narrowing the scope of "waters of the United States" protected under the CWA. On September 8, 2023, the EPA and the USACE published a final rule conforming their regulations to the decision. These

recent actions provide much needed clarity, as confusion over the scope of CWA jurisdiction had led to significant permitting delays, litigation, and uncertainty in the mining industry.

Resource Conservation and Recovery Act

The Resource Conservation and Recovery Act ("RCRA") and corresponding state laws establish standards for the management of solid and hazardous wastes generated at our various facilities. Besides affecting current waste disposal practices, RCRA also addresses the environmental effects of certain past hazardous waste treatment, storage and disposal practices. In addition, RCRA also requires certain of our facilities to evaluate and respond to any past release, or threatened release, of hazardous waste that may pose a risk to human health or the environment.

RCRA may affect coal mining operations by establishing requirements for the proper management, handling, transportation and disposal of solid and hazardous wastes. Currently, certain coal mine wastes, such as earth and rock covering a mineral deposit (commonly referred to as overburden) and coal cleaning wastes, are exempted from hazardous waste management under RCRA. Any change or reclassification of this exemption could significantly increase our coal mining costs.

Comprehensive Environmental Response, Compensation and Liability Act

The Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and similar state laws affect our steelmaking coal mining operations by, among other things, imposing investigation and cleanup requirements for threatened or actual releases of hazardous substances. Under CERCLA, joint and several liability may be imposed on operators, generators, site owners, lessees and others regardless of fault or the legality of the original activity that caused or resulted in the release of the hazardous substances. Although the EPA excludes most wastes generated by coal mining and processing operations from the hazardous waste laws, the universe of materials and substances governed by CERCLA is broader than "hazardous waste" and as such even non-hazardous wastes can, in certain circumstances, contain hazardous substances, which if released into the environment are governed by CERCLA. Alabama's version of CERCLA mirrors the federal version with the important difference that there is no joint and several liability. Liability is consistent with one's contribution to the contamination. In addition, the disposal, release or spilling of some products used by coal companies in operation, such as chemicals, could trigger the liability provisions of CERCLA or similar state laws. Thus, we may be subject to liability under CERCLA and similar state laws for properties that (1) we currently own, lease or operate, (2) we, our predecessors, or former subsidiaries have previously owned, leased or operated, (3) sites to which we, our predecessors or former subsidiaries, sent waste materials, and (4) sites at which hazardous substances from our facilities' operations have otherwise come to be located.

Endangered Species Act and Similar Laws

The federal Endangered Species Act and other related federal and state statutes, such as the federal Bald and Golden Eagle Protection Act, protect species threatened or endangered with possible extinction. Protection of threatened, endangered and other special status species may have the effect of prohibiting or delaying us from obtaining mining permits and may include restrictions on our activities in areas containing the affected species. Also, the designation of previously unidentified threatened, endangered or special status species in areas where we operate could cause us to incur additional costs or become subject to operating delays, restrictions or bans.

Seasonality

Our primary business is not materially impacted by seasonal fluctuations. Demand for steelmaking coal is generally more heavily influenced by other factors such as the global economy, demand for steel, interest rates and commodity prices.

Available Information

We are required to file annual, quarterly and current reports, proxy statements and other information with the SEC. Our filings with the SEC are also available to the public from commercial document retrieval services and at the SEC's website at <http://www.sec.gov>.

Our common stock is listed and traded on the New York Stock Exchange under the symbol "HCC." Our reports, proxy statements and other information filed with the SEC can also be inspected and copied at the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

We also make available on our website (<http://www.warriormetcoal.com>) all of the documents (including any amendments thereto) that we file or furnish with the SEC, free of charge, as soon as reasonably practicable after we

electronically file such material with the SEC. Our Code of Business Conduct and Ethics, Corporate Governance Guidelines and the charters of our audit committee, compensation committee, nominating and corporate governance committee and sustainability, environmental, health & safety committee are also available on our website and in print free of charge to any stockholder who requests them. Requests should be sent by mail to our corporate secretary at our executive office at 16243 Highway 216, Brookwood, Alabama 35444. Information contained on our website is not incorporated by reference into this Annual Report. We intend to disclose on our website any amendments or waivers to our Code of Business Conduct and Ethics that are required to be disclosed pursuant to Item 5.05 of Form 8-K.

Item 1A. Risk Factors

Our business involves substantial risks. Any of the risk factors described below or elsewhere in this Annual Report could significantly and adversely affect our business prospects, financial condition and results of operations. The risks described below are not the only ones facing us. Additional risks and uncertainties not presently known to us or that we currently deem to be immaterial may also adversely affect us.

Summary of Risk Factors

The following is a summary of some of the risks and uncertainties that could materially adversely affect our business, financial condition and results of operations. You should read this summary together with the more detailed description of each risk factor contained below.

Risks Related to Our Business

- Deterioration in global economic conditions, including the impacts of global pandemics, conflicts including wars, and inflation on our business, may adversely affect our business, results of operations and cash flows and if we fail to implement our business strategies successfully, our financial performance could be harmed;
- We may be unsuccessful or delayed in developing Blue Creek, which could significantly affect our operations and/or limit our long-term growth;
- If transportation for our steelmaking coal is disrupted, unavailable or more expensive for our customers, our ability to sell steelmaking coal could suffer;
- Work stoppages, labor shortages and other labor relations matters may harm our business. Union-represented labor creates an increased risk of work stoppages and higher labor costs;
- Significant competition, as well as changes in foreign markets or economies, could harm our sales, profitability and cash flows;
- Our sales in foreign jurisdictions are subject to risks and uncertainties, such as new tariffs and other trade measures, which could adversely affect our results of operations, financial position and cash flows;

Risks Related to Our Industry

- Substantially all of our revenues are derived from the sale of steelmaking coal and our business may suffer from a substantial or extended decline in steelmaking coal pricing and demand or other factors beyond our control. This lack of diversification of our business could adversely affect our financial condition, results of operations and cash flows;
- Met coal mining involves many hazards and operating risks, and is dependent upon many factors and conditions beyond our control, which may cause our profitability and financial position to decline;
- Negative views with respect to environmental and social matters and related governance considerations could harm the perception of our Company by certain investors, environmental and climate change activist groups and financial institutions, including banks and insurance companies, adversely affecting our ability to obtain financing and insurance coverage, and otherwise achieve our strategic priorities;
- Our inability to develop steelmaking coal reserves in an economically feasible manner or our inability to acquire additional steelmaking coal reserves that are economically recoverable may adversely affect our business;

- Any significant downtime of our major pieces of mining equipment could impair our ability to supply steelmaking coal to our customers and materially and adversely affect our results of operations and cash flows;
- We may not recover our investments in our mining, exploration and other assets, which may require us to recognize impairment charges related to those assets;

Risks Related to Regulatory Compliance

- We are responsible for medical and disability benefits for black lung disease under federal law. Changes in the estimated claims to be paid or changes in the amount of collateral required may affect our operating results and cash flows;
- Extensive federal and state environmental, health and safety laws and regulations impose significant costs on our operations and future regulations could increase these costs, limit our ability to produce or adversely affect our ability to meet our customers' demands;
- Failure to obtain or renew surety bonds on acceptable terms could affect our ability to secure reclamation and coal lease obligations and, therefore, our ability to mine or lease steelmaking coal;
- We have reclamation and mine closing obligations. If the assumptions underlying our accruals are inaccurate, we could be required to expend greater amounts than anticipated;

Risks Related to our Financial Results and Finances

- Our substantial indebtedness could adversely affect our ability to raise additional capital to fund our operations and dividend policy, limit our ability to react to changes in the economy or our industry and prevent us from making debt service payments on the Notes;
- We may be unable to generate sufficient taxable income from future operations, which may limit or eliminate our ability to utilize our significant federal and state tax NOLs or our deferred tax assets;

Risks Related to the Ownership of our Common Stock

- The market price of our common stock may fluctuate significantly and investors in our common stock could incur substantial losses;
- Any declaration and payment of future dividends to holders of our common stock may be limited by restrictive covenants of our ABL Facility and the indenture governing the Notes (the "Indenture"), and will be on the sole discretion of the Board and will also depend on many factors;
- Our common stock is subject to the 382 Transfer Restrictions (as defined below) under our certificate of incorporation and the Amended Rights Agreement (as defined below) which are intended to prevent a Section 382 "ownership change," which if not complied with, could result in the forfeiture of such stock and related dividends or substantial dilution of the stock ownership, respectively; and
- Delaware law and our charter documents may impede or discourage a takeover or change of control, which could adversely affect the price of our common stock.

Risks Related to Our Business

Our activities may be adversely affected by global pandemics, including the COVID-19 pandemic, which may prevent us from meeting our targeted production levels and/or executing our planned development initiatives (including, but not limited to, the development of Blue Creek), negatively impact our customers' demand for steelmaking coal and their ability to honor

or renew contracts, adversely affect the health and welfare of Company personnel or prevent our vendors and contractors from performing normal and contracted activities.

The extent to which the COVID-19 pandemic, or any other global pandemic, will ultimately affect our business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted. Such developments may include, with respect to any global pandemic, the geographic spread of the virus, the severity of the disease, the duration of the outbreak, the actions that may be taken by various governmental authorities in response to the outbreak and the impact on the U.S. or global economy. The COVID-19 pandemic has resulted, and may continue to result, in disruptions to economic and industrial activity worldwide. We are highly dependent on the global steel industry. Our sales are primarily derived from coal shipments to customers located in regions that are, or may become, heavily affected by the COVID-19 pandemic, particularly Asia and Europe. Not only is steel production in these regions at risk of decline, but we may also face additional challenges in the event that transportation restrictions are put in place that affect our ability to deliver coal to our customers in these regions. These factors may influence our customers' ability to honor or renew their contracts.

In addition to the potential impact on global steelmaking coal demand, COVID-19 or any other global pandemic may result in disruptions or restrictions on our employees' ability to operate our coal mines in the ordinary course of business, which would restrict our production capacity. Similarly, we cannot predict how, if at all, the outbreak will affect our suppliers' ability to provide the mining materials and equipment we require. If our production capacity or our ability to meet our supply needs is affected, our business and our financial results could be materially and adversely affected. Finally, the COVID-19 pandemic has substantially affected national and international financial markets, which could affect our ability to obtain financing for our business and/or pursue our planned development projects, including the development of our Blue Creek mine.

Deterioration in global economic conditions as they relate to the steelmaking industry, as well as generally unfavorable global economic, financial and business conditions, may adversely affect our business, results of operations and cash flows.

Demand for steelmaking coal depends on domestic and foreign steel demand. As a result, if economic conditions in the global steelmaking industry deteriorate as they have in past years, the demand for steelmaking coal may decrease. In addition, the global financial markets have been experiencing volatility and disruption over the last several years including, due to the COVID-19 pandemic. These markets have experienced, among other things, volatility in security prices, commodities and currencies, diminished liquidity and credit availability, rating downgrades and declining valuations of certain investments. Weaknesses in global economic conditions have had an adverse effect and could have a material adverse effect on the demand for our steelmaking coal and, in turn, on our sales, pricing and profitability.

In addition, future governmental policy changes in foreign countries may be detrimental to the global coal market. For example, the Chinese government has from time to time implemented regulations and promulgated new laws or restrictions, such as the unofficial ban on Australian coal in November 2020, on their domestic coal industry, sometimes with little advance notice, which has impacted worldwide coal demand, supply and prices. The ban on Australian coal has significantly impacted the global steelmaking coal market in recent years. This unofficial ban was lifted in January 2023. During the past several years, the Chinese government has initiated a number of anti-smog measures aimed at reducing hazardous air emissions through temporary production capacity restrictions with the steel, coal and coal-fired power sectors. It is possible that policy changes from foreign countries may be detrimental to the global coal markets and, thus, impact our business, financial condition or results of operations.

Additionally, we face risks related to ongoing wars, including the Russia-Ukraine war that began in February 2022 and the Israel-Hamas war that began in October 2023. The extent and duration of the military conflicts, resulting sanctions and future market or supply disruptions in these regions, are impossible to predict, but could be significant and may have a severe adverse effect on the region. Globally, various governments, such as the European Union, have banned imports from Russia including commodities such as natural gas and coal. These events significantly impacted coking coal markets by disrupting previously existing trading patterns. The resulting volatility, including market expectations of potential changes in coal prices and inflationary pressures on steel products, may significantly affect prices for our coal or the cost of supplies and equipment.

The wars, trade and monetary sanctions, as well as any escalation of the conflicts and future developments, could significantly affect coking coal prices and the demand for our coal. This could have a material adverse effect on our business, financial condition and results of operations, along with our operating costs, making it difficult to execute our planned capital expenditure program or the development of Blue Creek. Additionally, the geopolitical and macroeconomic consequences of the wars and associated sanctions cannot be predicted, but could severely impact the world economy. If any of these events occur, the resulting political instability and societal disruption could reduce overall demand for our coal, causing a reduction in our revenues or an increase in our costs, which would materially adversely affect our results of operations, financial condition and cash flows.

If steelmaking coal prices drop to or below levels experienced in 2015 and the first half of 2016 for a prolonged period or if there are further downturns in economic conditions, particularly in developing countries such as China and India, our business, financial condition or results of operations could be adversely affected. While we are focused on cost control and operational efficiencies, there can be no assurance that these actions, or any others we may take, will be sufficient in response to challenging economic and financial conditions. In addition, the current level of steelmaking coal prices may not be sustainable.

Our business is subject to the risk of increases or fluctuations in the cost, including increases due to inflation, and delay in the delivery, of raw materials, mining equipment and purchased components.

Met coal mining consumes large quantities of commodities including steel, copper, rubber products, diesel and other liquid fuels, and requires the use of capital equipment. Some commodities, such as steel, are needed to comply with roof control plans required by regulation. The cost of roof bolts we use in our mining operations depends on the price of scrap steel. The prices we pay for commodities and capital equipment are strongly impacted by the global market. A rapid or significant increase in the costs of commodities or capital equipment we use in our operations could impact our mining operations costs because we may have a limited ability to negotiate lower prices and, in some cases, may not have a ready substitute.

Inflation rates in the U.S. have increased to levels not seen in several years, and have been even higher in the mining sector, which may result in decreased demand for our products, increases in our operating costs, constrained credit and liquidity, reduced government spending and volatility in financial markets. Future increases in costs for supplies that are used directly or indirectly in the normal course of our business and increases in other operating costs, such as increases in steel prices, freight rates, labor and other materials and supplies may negatively impact our profitability. Our efforts to recover inflation-based cost increases from suppliers or customers may be hampered as a result of the structure of our contracts and the contract bidding process as well as competitive pressure in the industry, economic conditions and the countries to which we sell our export coal. Accordingly, substantial inflation may have an adverse impact on our business, including the development of Blue Creek, financial position, results of operations and cash flows. Inflation has also resulted in higher interest rates in the U.S., which could increase our cost of debt borrowing in the future.

We use equipment in our steelmaking coal mining and transportation operations such as continuous mining units, conveyors, shuttle cars, rail cars, locomotives, roof bolters, shearers and shields. Some equipment and materials are needed to comply with regulations, such as proximity detection devices on continuous mining machines. We procure some of this equipment from a concentrated group of suppliers, and obtaining this equipment often involves long lead times. Occasionally, demand for such equipment by mining companies can be high and some types of equipment may be in short supply. Delays in receiving or shortages of this equipment, as well as the raw materials used in the manufacturing of supplies and mining equipment, which, in some cases, do not have ready substitutes, or the cancellation of our supply contracts under which we obtain equipment and other consumables, could limit our ability to obtain these supplies or equipment. In addition, there continues to be consolidation in the supplier base providing mining materials and equipment, which has resulted in a limited number of suppliers for certain types of equipment and supplies. If any of our suppliers experiences an adverse event (including as a result of the COVID-19 pandemic), decides to cease producing products used by the mining industry, or decides to no longer do business with us, we may be unable to obtain sufficient equipment and raw materials in a timely manner or at a reasonable price to allow us to meet our production goals and our revenues may be materially adversely impacted.

We use considerable quantities of steel in the mining process. If the price of steel or other materials increases substantially or if the value of the U.S. dollar declines relative to foreign currencies with respect to certain imported supplies or other products, our operating expenses could increase. Any of the foregoing events could materially and adversely impact our business, financial condition, results of operations and cash flows.

We typically sell our steelmaking coal under fixed supply contracts primarily with indexed pricing terms that vary and volume terms of one to three years and are therefore exposed to commodity price risk on our sales.

Sales commitments in the steelmaking coal market are typically not long-term in nature and are generally no longer than one to three years in duration. Globally the market is evolving to shorter term pricing. Many of our steelmaking coal supply agreements are priced on the basis of a variety of indices, where prices are determined on or before shipment by averaging the leading spot indexes reported in the market. As a result, our sales are subject to fluctuations in market pricing and we are not protected from oversupply or market conditions where we cannot sell our coal at economic prices. To limit this exposure, to the extent we are able, we have incorporated, and will continue to incorporate, economic hardship clauses in our sales contracts. However, there can be no assurances that we will be able to mitigate such conditions as they arise. Met coal has been an extremely volatile commodity over the past ten years and prices may become volatile again in the future given the rapid increase of the last few years and the sharp decline in the second half of 2019. Any sustained failure to be able to market our

coal during such periods would have a material adverse effect on our business, results of operations, cash flows and ability to pay dividends to our stockholders.

The failure of our customers to honor or renew contracts could adversely affect our business.

A significant portion of the sales of our steelmaking coal is to customers with whom we have had a relationship for a long period of time. Typically, our customer contracts are for terms of one to three years or are evergreen with respect to contracted volumes. The success of our business depends on our ability to retain our current customers, renew our existing customer contracts and solicit new customers. Our ability to do so generally depends on a variety of factors, including the quality and price of our products, our ability to market these products effectively, our ability to deliver on a timely basis and the level of competition that we face. If our customers do not honor contract commitments, or if they terminate agreements or exercise force majeure provisions allowing for the temporary suspension of performance during specified events beyond the parties' control, such as the COVID-19 pandemic, and we are unable to replace the contract, our revenues will be materially and adversely affected. Changes in the steelmaking coal industry may cause some of our customers not to renew, extend or enter into new steelmaking coal supply agreements or to enter into agreements to purchase fewer metric tons of steelmaking coal or on different terms than in the past.

Our ability to collect payments from our customers could be impaired and, as a result, our financial position could be materially and adversely affected if their creditworthiness deteriorates, if they declare bankruptcy, or if they fail to honor their contracts with us.

Our ability to receive payment for steelmaking coal sold and delivered depends on the continued creditworthiness and financial stability of our customers. A significant number of our customers are affected by the COVID-19 pandemic, which may result in a deterioration of their financial stability and, in some cases, a bankruptcy. If we determine that a customer is not creditworthy or if a customer declares bankruptcy, we may not be required to deliver steelmaking coal sold under the customer's sales contract. If this occurs, we may decide to sell the customer's steelmaking coal on the spot market, which may be at prices lower than the contracted price, or we may be unable to sell the steelmaking coal at all. In addition, if customers refuse to accept shipments of our steelmaking coal for which they have an existing contractual obligation, our revenues will decrease and we may have to reduce production at our mines until our customers' contractual obligations are honored. Further, competition with other steelmaking coal suppliers could cause us to extend credit to customers on terms that could increase the risk of payment default. Our inability to collect payment from counterparties to our sales contracts may materially adversely affect our business, financial condition, results of operations and cash flows.

A significant reduction of, or loss of, purchases by our largest customers could materially adversely affect our profitability.

For the year ended December 31, 2023, we derived approximately 56.7% of our total sales revenues from our five largest customers. There are inherent risks whenever a significant percentage of total revenues are concentrated with a limited number of customers, and it is not possible for us to predict the future level of demand for our steelmaking coal that will be generated by our largest customers. We expect to renew, extend or enter into new supply agreements with these and other customers; however, we may be unsuccessful in obtaining such agreements with these customers and these customers may discontinue purchasing steelmaking coal from us, reduce the quantity of steelmaking coal that they have historically purchased from us or pressure us to reduce the prices that we charge for our steelmaking coal due to market, economic or competitive conditions, including effects from the COVID-19 pandemic. If any of our major customers were to significantly reduce the quantities of steelmaking coal they purchase from us and we are unable to replace these customers with new customers (or we fail to obtain new, additional customers), or if we are otherwise unable to sell steelmaking coal to those customers on terms as favorable to us as the terms under our current agreements, our profitability could suffer significantly.

If we fail to implement our business strategies successfully, our financial performance could be harmed.

Our future financial performance and success are dependent in large part upon our ability to successfully implement our business strategies. We may not be able to implement our business strategies successfully or achieve the anticipated benefits. If we are unable to do so, our long-term growth, profitability and ability to service any debt we incur in the future may be materially adversely affected. Even if we are able to implement some or all of the key elements of our business plan successfully, our operating results may not improve to the extent we anticipate, or at all. Implementation of our business strategies, including the development of Blue Creek, could also be affected by a number of factors beyond our control, such as global economic conditions (including effects of the COVID-19 pandemic), steelmaking coal prices, domestic and foreign steel demand, inflation and environmental, health and safety laws and regulations.

A key element of our business strategy involves increasing production at our existing mines and developing Blue Creek recoverable reserves in a cost-efficient manner. As we expand our business activities, there will be additional demands

on our financial, technical, operational and management resources. These aspects of our strategy are subject to numerous risks and uncertainties, including:

- an inability to retain or hire experienced crews and other personnel and other labor relations matters;
- a lack of customer demand for our mined steelmaking coal;
- an inability to secure necessary equipment, raw materials or engineering in a timely manner to successfully execute our expansion plans;
- unanticipated delays that could limit or defer the production or expansion of our mining activities and jeopardize our long-term relationships with our existing customers and adversely affect our ability to obtain new customers for our mined steelmaking coal; and
- a lack of available cash or access to sufficient debt or equity financing for investment in our expansion.

We may be unsuccessful or delayed in developing Blue Creek, which could significantly affect our operations and/or limit our long-term growth.

The development of Blue Creek will require substantial capital expenditures that we may not recover. In addition, during our development of Blue Creek we will face numerous financial, regulatory, environmental, political and legal uncertainties that are beyond our control and that may cause unforeseen delays in, or unexpectedly increase the costs associated with, the completion of Blue Creek. Accordingly, we may not be able to complete the development of Blue Creek on schedule, at the budgeted cost or at all, and any such delays or increased costs could have a material adverse effect on our financial condition, results of operations or cash flows. We spent approximately \$319.1 million on the development of Blue Creek in 2023, \$366.0 million on the project to date and expect to invest approximately \$325.0 to \$375.0 million in 2024. Our planned development of Blue Creek involves numerous risks, including, but not limited to, the following:

- uncertainties in the national and worldwide economy and the price of steelmaking coal;
- our ability to obtain additional debt and/or equity financing to fund the development, permitting, construction and mining activities of Blue Creek on terms that are acceptable to us, or at all;
- difficulties or delays in securing federally owned mineral leases within the mine plan;
- the diversion of management's attention from our existing mining operations;
- our ability to obtain favorable tax or other incentives;
- potential opposition from non-governmental organizations, local groups, or local residents;
- the fact that our development, construction, ramp-up and operating costs may be higher than our estimates and further increase our planned capital expenditure and liquidity requirements;
- shortages of construction materials and equipment or delays in the delivery of such materials and equipment;
- unanticipated facility or equipment malfunctions or breakdowns;
- delays from unexpected adverse geological and/or weather conditions, accidents, and other factors beyond our control, including the COVID-19 pandemic;
- failure to obtain, or delays in obtaining, all necessary governmental and third-party rights-of-way, easements, permits, licenses and approvals;
- local infrastructure conditions and other logistical challenges;
- the possibility that we may have insufficient expertise to engage in such development activity profitably or without incurring inappropriate amounts of risks;

- the fact that the steelmaking coal reserves at Blue Creek may not be as economically recoverable as planned;
- difficulties in integrating Blue Creek with our existing mining operations and failure to achieve any estimated economies of scale; and
- our ability to hire qualified construction and other personnel.

We cannot assure you that we will be able to overcome these risks or successfully develop Blue Creek. If we are unable to complete, or are substantially delayed in completing, the development of Blue Creek, our business, financial condition, results of operations, cash flows and ability to pay dividends to our stockholders could be adversely affected. Furthermore, even if Blue Creek is successfully developed, constructed, and placed into operation, we cannot assure you that it will operate at a profit sufficient to recover our total investment. In addition, if its development is successful, the operation of Blue Creek would exacerbate our existing mining and operation risks discussed elsewhere in this Report, including, but not limited to, risks related to increasing the concentration of our mining operations in Alabama, hazards and operating risks, transportation risks, liability risks and regulatory risks. See “-Risks Related to Our Business-All of our mining operations are located in Alabama, making us vulnerable to risks associated with having our production concentrated in one geographic area”, “-Steelmaking coal mining involves many hazards and operating risks, and is dependent upon many factors and conditions beyond our control, which may cause our profitability and financial position to decline”, “-If transportation for our steelmaking coal is disrupted, unavailable or more expensive for our customers, our ability to sell steelmaking coal could suffer”, “-Our business is subject to inherent risks, some for which we maintain third party insurance. We may incur losses and be subject to liability claims that could have a material adverse effect on our financial condition, results of operations or cash flows” and “-Our mines are subject to stringent federal and state safety regulations that increase our cost of doing business at active operations and may place restrictions on our methods of operation. In addition, federal, state or local regulatory agencies have the authority to order certain of our mines to be temporarily or permanently closed under certain circumstances, which could materially and adversely affect our ability to meet our customers’ demands.”

We may be unsuccessful in integrating the operations of any future acquisitions, including acquisitions involving new lines of business, with our existing operations, and in realizing all or any part of the anticipated benefits of any such acquisitions.

From time to time, we may evaluate and acquire assets and businesses that we believe complement our existing assets and business. The assets and businesses we acquire may be dissimilar from our existing lines of business. Acquisitions may require substantial capital or the incurrence of substantial indebtedness. Our capitalization and results of operations may change significantly as a result of future acquisitions. Acquisitions and business expansions involve numerous risks, including the following:

- difficulties in the integration of the assets and operations of the acquired businesses;
- inefficiencies and difficulties that arise because of unfamiliarity with new assets and the businesses associated with them and new geographic areas;
- the possibility that we have insufficient expertise to engage in such activities profitably or without incurring inappropriate amounts of risk; and
- the diversion of management’s attention from other operations.

Further, unexpected costs and challenges may arise whenever businesses with different operations or management are combined, and we may experience unanticipated delays in realizing the benefits of an acquisition. Entry into certain lines of business may subject us to new laws and regulations with which we are not familiar and may lead to increased litigation and regulatory risk. Also, following an acquisition, we may discover previously unknown liabilities associated with the acquired business or assets for which we have no recourse under applicable indemnification provisions. If a new business generates insufficient revenue or if we are unable to efficiently manage our expanded operations, our results of operations may be adversely affected.

If transportation for our steelmaking coal is disrupted, unavailable or more expensive for our customers, our ability to sell steelmaking coal could suffer.

Transportation costs represent a significant portion of the total cost of steelmaking coal to be delivered to our customers and, as a result, the cost of delivery is a factor in a customer’s purchasing decision. Overall price increases in our

transportation costs could make our steelmaking coal less competitive with the same or alternative products from competitors with lower transportation costs. We typically depend upon overland conveyor, trucks, rail or barges to transport our products. Disruption or delays of any of these transportation services due to weather-related problems, which are variable and unpredictable, strikes or lock-outs, accidents, infrastructure damage, governmental regulation, third-party actions, lack of capacity or other events beyond our control, such as the COVID-19 pandemic, could impair our ability to supply our products to our customers and result in lost sales and reduced profitability. In addition, increases in transportation costs resulting from emission control requirements and fluctuations in the price of gasoline and diesel fuel, could make steelmaking coal produced in one region of the United States less competitive than steelmaking coal produced in other regions of the United States or abroad.

All of our steelmaking coal mines are served by only one rail carrier, which increases our vulnerability to these risks, although our access to barge transportation partially mitigates that risk. In addition, the majority of the steelmaking coal produced by our underground mining operations is sold to steelmaking coal customers who typically arrange and pay for transportation from the state-run docks at the Port of Mobile in Alabama to the point of use. As a result, disruption at the docks, port congestion and delayed steelmaking coal shipments may result in demurrage fees to us. If this disruption were to persist over an extended period of time, demurrage costs could significantly impact our profits. In addition, there are limited cost-effective alternatives to the port. The cost of securing additional facilities and services of this nature could significantly increase transportation and other costs. An interruption of rail or port services could significantly limit our ability to operate and, to the extent that alternate sources of port and rail services are unavailable or not available on commercially reasonable terms, could increase transportation and port costs significantly. Further, delays of ocean vessels could affect our revenues, costs and relative competitiveness compared to the supply of steelmaking coal and other products from our competitors.

We are currently in the process of testing alternative outbound logistics routes in order to increase transportation and vessel shipping optionality, but we cannot provide any assurance that we will be able to reduce our transportation risks.

An increase in transportation costs, including increases resulting from emission control requirements and fluctuation in the price of diesel fuel, could have an adverse effect on our ability to increase or to maintain production on a profit-making basis and could therefore adversely affect our revenues and earnings. Increases in transportation costs could also reduce overall demand for coal or make our coal production less competitive than coal produced from other sources or other regions.

Our business may require substantial ongoing capital expenditures, and we may not have access to the capital required to reach full productive capacity at our mines.

Maintaining and expanding mines and related infrastructure is capital intensive. Specifically, the exploration, permitting and development of steelmaking coal reserves, mining costs, the maintenance of machinery, facilities and equipment and compliance with applicable laws and regulations require ongoing capital expenditures. While a significant amount of the capital expenditures required at our mines has been spent, we must continue to invest capital to maintain our production. In addition, any decisions to increase production at our existing mines or the development of the high-quality met coal recoverable reserves at Blue Creek could also affect our capital needs or cause future capital expenditures to be higher than in the past and/or higher than our estimates. We cannot assure you that we will be able to maintain our production levels or generate sufficient cash flow, or that we will have access to sufficient financing to continue our production, exploration, permitting and development activities at or above our present levels and on our current or projected timelines, and we may be required to defer all or a portion of our capital expenditures. Our results of operations, business and financial condition may be materially adversely affected if we cannot make such capital expenditures.

To fund our capital expenditures, we will be required to use cash from our operations, incur debt or sell equity securities. Using cash from operations will reduce cash available for maintaining or increasing our operations activities. Our ability to obtain bank financing or our ability to access the capital markets for future equity or debt offerings, on the other hand, may be limited by our financial condition at the time of any such financing or offering and the covenants in our existing debt agreements, as well as by general economic conditions, contingencies and uncertainties that are beyond our control, such as the COVID-19 pandemic. If cash flow generated by our operations or available borrowings under our bank financing arrangements are insufficient to meet our capital requirements and we are unable to access the capital markets on acceptable terms or at all, we could be forced to curtail the expansion of our existing mines and the development of our properties, which, in turn, could lead to a decline in our production and could materially and adversely affect our business, financial condition and results of operations.

Work stoppages, such as the strike initiated by the UMWA in April 2021, and other labor relations matters may harm our business. Union-represented labor creates an increased risk of work stoppages and higher labor costs.

If we fail to maintain satisfactory labor relations, disputes with the unionized portion of our workforce could affect us adversely. Union-represented labor creates an increased risk of work stoppages and higher labor costs. As of March 31, 2021, 66.8% of our employees were represented by the UMWA. In connection with the acquisition of certain assets of Walter Energy, we negotiated the Collective Bargaining Agreement (“CBA”) with the UMWA, which was ratified by the UMWA’s members on February 16, 2016 and had a five-year term. The CBA contract with the UMWA expired on April 1, 2021, and the UMWA initiated a strike. On February 16, 2023, the labor union representing certain of the Company’s hourly employees announced that they were ending the strike and made an unconditional offer to return to work. The return-to-work process for eligible employees who wished to return to work which began in February has been completed. The Company continues to engage in good faith efforts with the labor union to reach an agreement on a new contract. Future work stoppages, labor union issues or labor disruptions at our mining operations, as well as at the operations of key customers or service providers, could impede our ability to produce and deliver our products, to receive critical equipment and supplies or to collect payment. This may increase our costs or impede our ability to operate one or more of our operations.

We require a skilled workforce to run our business. If we cannot hire qualified people to meet replacement or expansion needs, we may not be able to achieve planned results.

Efficient steelmaking coal mining using modern techniques and equipment requires skilled laborers with mining experience and proficiency as well as qualified managers and supervisors. The demand for skilled employees sometimes causes a significant constriction of the labor supply resulting in higher labor costs. When steelmaking coal producers compete for skilled miners, recruiting challenges can occur and employee turnover rates can increase, which negatively affect operating efficiency and costs. If a shortage of skilled workers exists and we are unable to train or retain the necessary number of miners, it could adversely affect our productivity, costs and ability to expand production.

Significant competition, as well as changes in foreign markets or economies, could harm our sales, profitability and cash flows. In addition, foreign currency fluctuations could adversely affect the competitiveness of our coal abroad.

We compete with other producers primarily on the basis of price, steelmaking coal quality, transportation costs and reliability of delivery. The consolidation of the global steelmaking coal industry over the last several years has contributed to increased competition among steelmaking coal producers and we cannot assure you that the result of current or further consolidation will not adversely affect us. In addition, some of our global competitors have significantly greater financial resources and/or a broader portfolio of coals than we do, and in recent periods a number of our competitors idled production in light of lower steelmaking coal prices in 2015 and the first half of 2016. The production that was idled by our competitors may restart, and in some instances has already restarted, and may affect domestic and foreign steelmaking coal supply into the seaborne market and associated prices and impact our ability to retain or attract steelmaking coal customers.

Further, potential changes to international trade agreements, trade concessions, foreign currency fluctuations or other political and economic arrangements may benefit steelmaking coal producers operating in countries other than the United States. We may be adversely impacted on the basis of price or other factors with companies that in the future may benefit from favorable foreign trade policies or other arrangements. In addition, increases in steelmaking coal prices could encourage existing producers to expand capacity or could encourage new producers to enter the market. Overcapacity and increased production within the steelmaking coal industry, both domestically and internationally, could materially reduce steelmaking coal demand and prices and therefore materially reduce our revenues and profitability. In addition, our ability to ship our steelmaking coal to international customers depends on port and transportation capacity. Increased competition within the domestic steelmaking coal industry for international sales could result in us not being able to obtain throughput capacity at port facilities, as well as transport capacity, could cause the rates for such services to increase to a point where it is not economically feasible to export our steelmaking coal.

The general economic conditions in foreign markets and changes in currency exchange rates are factors outside of our control that may affect international steelmaking coal prices. If our competitors’ currencies decline against the U.S. dollar or against our customers’ currencies, those competitors may be able to offer lower prices to our customers. Furthermore, if the currencies of our overseas customers were to significantly decline in value in comparison to the U.S. dollar, on which our sales contracts are based, those customers may seek decreased prices for the steelmaking coal that we sell to them. These factors, in addition to adversely affecting the competitiveness of our steelmaking coal in international markets, may also negatively impact our collection of trade receivables from our customers and could reduce our profitability or result in lower steelmaking coal sales.

Our sales in foreign jurisdictions are subject to risks and uncertainties that may have a negative impact on our profitability.

Substantially all of our steelmaking coal sales consist of sales to international customers and we expect that international sales will continue to account for a substantial portion of our revenue. A number of foreign countries in which we sell our steelmaking coal implicate additional risks and uncertainties due to the different economic, cultural and political environments. Such risks and uncertainties include, but are not limited to:

- longer sales-cycles and time to collection;
- tariffs and international trade barriers and export license requirements, including any that might result from the current global trade uncertainties;
- fewer or less certain legal protections for contract rights;
- different and changing legal and regulatory requirements;
- potential liability under the U.S. Foreign Corrupt Practices Act of 1977, as amended, or comparable foreign regulations;
- government currency controls;
- fluctuations in foreign currency exchange and interest rates; and
- political and economic instability, changes, hostilities and other disruptions (including as a result of the COVID-19 pandemic), as well as unexpected changes in diplomatic and trade relationships.

Negative developments in any of these factors in the foreign markets into which we sell our steelmaking coal could result in a reduction in demand for steelmaking coal, the cancellation or delay of orders already placed, difficulty in collecting receivables, higher costs of doing business and/or non-compliance with legal and regulatory requirements, each or any of which could materially adversely impact our cash flows, results of operations and profitability.

New tariffs and other trade measures could adversely affect our results of operations, financial position and cash flows.

New and existing tariffs as well as other trade measures that may be implemented by the U.S. or retaliatory trade measures or tariffs implemented by other countries could result in reduced economic activity, increased costs in operating our business, reduced demand and/or changes in purchasing behaviors for steelmaking coal, material changes in the pricing of steelmaking coal, limits on trade with the United States or other potentially adverse economic outcomes. While we have historically been successful at managing the impacts of trade barriers on our business, we cannot predict future developments, and such existing or future tariffs could have a material adverse effect on our results of operations, financial position and cash flows.

We may be subject to litigation, the disposition of which could negatively affect our profitability and cash flow in a particular period, or have a material adverse effect on our business, financial condition and results of operations.

Our profitability or cash flow in a particular period could be affected by an adverse ruling in any litigation that may be filed against us in the future. In addition, such litigation could have a material adverse effect on our business, financial condition and results of operations. See "Part I, Item 3. Legal Proceedings."

Terrorist attacks and cyber-attacks or other security breaches may negatively affect our business, financial condition and results of operations and cash flows.

Our business is affected by general economic conditions, fluctuations in consumer confidence and spending, and market liquidity, all of which can decline as a result of numerous factors outside of our control, such as terrorist attacks and acts of war. Future terrorist attacks against U.S. targets, rumors or threats of war, actual conflicts involving the United States or its allies, or military or trade disruptions affecting our customers could cause delays or losses in transportation and deliveries of steelmaking coal to our customers, decreased sales of our steelmaking coal and extension of time for payment of accounts receivable from our customers. Strategic targets such as energy-related assets may be at greater risk of future terrorist attacks than other targets in the United States. It is possible that any, or a combination, of these occurrences could have a material adverse effect on our business, financial condition and results of operations.

In addition, we have become increasingly dependent upon digital technologies, including information systems, infrastructure and cloud applications and services, to operate our businesses, process and record financial and operating data, communicate with our employees and business partners, analyze seismic and drilling information, estimate quantities of steelmaking coal reserves, as well as other activities related to our businesses. We own and operate some of these systems and applications while others are owned and operated by our third-party service providers. In the ordinary course of our business, we and our service providers collect, process, transmit and store data, such as proprietary business information and personally identifiable information. As our dependence on digital technologies has increased, our IT systems and those of third parties are vulnerable to malicious and intentional cyberattacks involving malware and viruses, accidental or inadvertent incidents, the exploitation of security vulnerabilities or “bugs” in software or hardware, among other scenarios. Both the frequency and magnitude of cyberattacks is expected to increase and attackers are becoming more sophisticated. A cyber-attack may involve persons gaining unauthorized access to our digital systems for purposes of gathering, monitoring, releasing, misappropriating or corrupting proprietary or confidential information, or causing operational disruption. Unauthorized physical access to one of our facilities or electronic access to our information systems could result in, among other things, unfavorable publicity, litigation by affected parties, damage to sources of competitive advantage, disruptions to our operations, loss of customers, financial obligations for damages related to the theft or misuse of such information and costs to remediate such security vulnerabilities, any of which could have a substantial impact on our results of operations, financial condition or cash flows. As cyber incidents continue to evolve, we may be required to expend additional resources to continue to modify or enhance our protective measures or to investigate and remediate any vulnerability to cyber incidents. Additionally, we may be unable to anticipate, detect or prevent future attacks, particularly as the methodologies utilized by attackers change frequently or are not recognized until launched, and we may be unable to investigate or remediate incidents because attackers are increasingly using techniques and tools designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence. The COVID-19 pandemic has presented additional operational and cybersecurity risks due to continued work-from-home arrangements that have facilitated increased risk of social engineering events (for example phishing) and of the exploitation of vulnerabilities inherent in many non-corporate networks.

To that end, we have implemented security protocols, controls, and systems with the intent of maintaining the physical and electronic security of our operations and protecting our and our counterparties' confidential information and information related to identifiable individuals against unauthorized access. Despite such efforts, we have been and may be subject to security breaches, which have resulted and could result in unauthorized access to our facilities or the information that we are trying to protect. For example, on July 29, 2023, the Company discovered a ransomware attack impacting its on-premises information technology systems, including the theft of certain Company data. Upon learning of the incident, the Company immediately retained external resources to investigate, isolate and contain the threat, and restore the Company's affected information technology systems, and the Company was able to recover access to all material data. The Company did not incur during the third quarter of 2023, and does not expect to incur in the future, any material cyber-security-related expenses related to the incident.

As of December 1, 2023, the Company has a cyber insurance policy. In the future, existing liquidity and cash flows may be insufficient to cover all losses that may be incurred in the continually evolving area of cyber risk.

While the Company was able to manage this incident without any significant disruptions to our operations or any material financial impact, there can be no assurance that we will not be the target of a similar or more sophisticated attack in the future, which could materially adversely affect our business, results of operations, or financial condition.

Our executive officers and other key personnel are important to our success and the loss of one or more of these individuals could harm our business.

Our executive officers and other key personnel have significant experience in the steelmaking coal or other commodity businesses and the loss of certain of these individuals could harm our business, absent the completion of an orderly transition. Moreover, there may be a limited number of persons with the requisite experience and skills to serve in our senior management positions. Although we have been successful in attracting qualified individuals for key management and corporate positions in the past, there can be no assurance that we will continue to be successful in attracting and retaining a sufficient number of qualified personnel in the future or that we will be able to do so on acceptable terms. The loss of key management personnel could harm our ability to successfully manage our business functions, prevent us from executing our business strategy and have a material adverse effect on our results of operations and cash flows.

Risks Related to Our Industry

Our business may suffer as a result of a substantial or extended decline in steelmaking coal pricing or the failure of any recovery or stabilization of steelmaking coal prices to endure, as well as any substantial or extended decline in the demand for steelmaking coal and other factors beyond our control, which could negatively affect our operating results and cash flows.

Our profitability depends on the prices at which we sell our steelmaking coal, which are largely dependent on prevailing market prices. A substantial or extended decrease in steelmaking coal pricing or the failure of a price recovery or stabilization following such decrease will negatively affect our operating cash flows. We have experienced significant price fluctuations in our steelmaking coal business, and we expect that such fluctuations will continue. Demand for, and therefore the price of, steelmaking coal is driven by a variety of factors, including, but not limited to, the following:

- the domestic and foreign supply and demand for steelmaking coal;
- the quantity and quality of steelmaking coal available from competitors;
- the demand for and price of steel;
- adverse weather, climatic and other natural conditions, including natural disasters;
- domestic and foreign economic conditions, including slowdowns in domestic and foreign economies and financial markets;
- global and regional political events;
- domestic and foreign legislative, regulatory and judicial developments, environmental regulatory changes and changes in energy policy and energy conservation measures that could adversely affect the steelmaking coal industry;
- capacity, reliability, availability and cost of transportation and port facilities, and the proximity of available steelmaking coal to such transportation and port facilities; and
- other factors beyond our control, such as terrorism, war, and pandemics, including the COVID-19 pandemic.

The steelmaking coal industry also faces concerns with respect to oversupply from time to time, which could materially adversely affect our financial condition and results of operations. In addition, reductions in the demand for steelmaking coal caused by reduced steel production by our customers, increases in the use of substitutes for steel (such as aluminum, composites or plastics) or less expensive substitutes for steelmaking coal and the use of steelmaking technologies that use less or no steelmaking coal can significantly adversely affect our financial results and impede growth. Our natural gas business is also subject to adverse changes in pricing due to, among other factors, changes in demand and competition from alternative energy sources.

Our customers are continually evaluating alternative steel production technologies which may reduce demand for our product.

Our product is primarily used as HCC for blast furnace steel producers. High-quality HCC commands a significant price premium over other forms of coal because of its value in use in blast furnaces for steel production. High-quality HCC is a scarce commodity and has specific physical and chemical properties which are necessary for efficient blast furnace operation. Alternative technologies are continually being investigated and developed with a view to reducing production costs or for other reasons, such as minimizing environmental or social impact. If competitive technologies emerge or are increasingly utilized that use other materials in place of our product or that diminish the required amount of our product, such as electric arc furnaces or pulverized coal injection processes, demand and price for our steelmaking coal might fall. Many of these alternative technologies are designed to use lower quality coals or other sources of carbon instead of higher cost high-quality HCC. While conventional blast furnace technology has been the most economic large-scale steel production technology for a number of years, and while emergent technologies typically take many years to commercialize, there can be no assurance that over the longer term competitive technologies not reliant on HCC could emerge which could reduce demand and price premiums for HCC.

Substantially all of our revenues are derived from the sale of steelmaking coal. This lack of diversification of our business could adversely affect our financial condition, results of operations and cash flows.

We rely on the steelmaking coal production from our two active steelmaking coal mines for substantially all of our revenues. For the year ended December 31, 2023, revenues from the sale of steelmaking coal accounted for approximately 98.3% of our total revenues. As noted above, demand for steelmaking coal depends on domestic and foreign steel demand. At times, the pricing and availability of steel can be volatile due to numerous factors beyond our control. The COVID-19 pandemic has adversely affected the economies and financial markets of many countries, including those of our customers, which are primarily located in Europe, South America and Asia. Any economic downturn (including any downturn related to the COVID-19 pandemic or another global pandemic) could adversely affect demand for our steelmaking coal and contribute to volatile supply and demand conditions affecting prices and volumes. In addition, the ability of our suppliers' and customers' employees to work may be significantly impacted by individuals contracting or being exposed to COVID-19, or as a result of control measures taken by us, other businesses and the government to curtail the spread of the virus, which may significantly affect the demand for steelmaking coal. When steel prices are lower, the prices that we charge steelmaking customers for our steelmaking coal may decline, which could adversely affect our financial condition, results of operations and cash flows. Since we are heavily dependent on the steelmaking industry, adverse economic conditions in this industry, even in the presence of otherwise favorable economic conditions in the broader coal industry, could have a significantly greater impact on our financial condition and results of operations than if our business were more diversified. In addition, our lack of diversification may make us more susceptible to such adverse economic conditions than our competitors with more diversified operations and/or asset portfolios, such as those that produce thermal coal in addition to steelmaking coal.

All of our mining operations are located in Alabama, making us vulnerable to risks associated with having our production concentrated in one geographic area.

All of our mining operations are geographically concentrated in Alabama. As a result of this concentration, we may be disproportionately exposed to the impact of delays or interruptions in production caused by significant governmental regulation, transportation capacity constraints, constraints on the availability of required equipment, facilities, personnel or services, curtailment of production, extreme weather conditions, natural disasters, pandemics (such as the COVID-19 pandemic) or interruption of transportation or other events that impact Alabama or its surrounding areas. If any of these factors were to impact Alabama more than other steelmaking coal producing regions, our business, financial condition, results of operations and cash flows will be adversely affected relative to other mining companies with operations in unaffected regions or that have a more geographically diversified asset portfolio.

Steelmaking coal mining involves many hazards and operating risks, some of which may not be fully covered by insurance, and is dependent upon many factors and conditions beyond our control. The occurrence of a significant accident or other event that is not fully insured could curtail our operations and may cause our profitability and financial position to decline.

Our mining operations, including our preparation and transportation infrastructure, are subject to inherent hazards and operating risks that could disrupt operations, decrease production and increase the cost of mining for varying lengths of time. Specifically, underground mining and related processing activities present risks of injury to persons and damage to property and equipment. In addition, steelmaking coal mining is dependent upon a number of conditions beyond our control that can disrupt operations and/or affect our costs and production schedules at particular mines. These risks, hazards and conditions include, but are not limited to:

- variations in geological conditions, such as the thickness of the steelmaking coal seam and amount of rock embedded in the steelmaking coal deposit and variations in rock and other natural materials overlying the steelmaking coal deposit, that could affect the stability of the roof and the side walls of the mine;
- mining, process and equipment or mechanical failures, unexpected maintenance problems and delays in moving longwall equipment;
- the unavailability of raw materials, equipment (including heavy mobile equipment) or other critical supplies such as tires, explosives, fuel, lubricants and other consumables of the type, quantity and/or size needed to meet production expectations;
- adverse weather and natural disasters, such as heavy rains or snow, forest fires, flooding and other natural events, including seismic activities, ground failures, rock bursts or structural cave-ins or slides, affecting our operations or transportation to our customers;

- railroad delays or derailments;
- environmental hazards, such as subsidence and excess water ingress;
- delays and difficulties in acquiring, maintaining or renewing necessary permits or mining rights;
- availability of adequate skilled employees and other labor relations matters;
- security breaches or terroristic acts;
- unexpected mine accidents, including rock-falls and explosions caused by the ignition of met coal dust, natural gas or other explosive sources at our mine sites or fires caused by the spontaneous combustion of steelmaking coal or similar mining accidents;
- competition and/or conflicts with other natural resource extraction activities and production within our operating areas, such as natural gas extraction or oil and gas development; and
- other hazards that could also result in personal injury and loss of life, pollution and suspension of operations.

These risks and conditions could result in damage to or the destruction of our mineral properties, equipment or production facilities, personal injury or death, environmental damage, delays in mining, regulatory investigations, actions and penalties, repair and remediation costs, monetary losses and legal liability. In addition, a significant mine accident could potentially cause a suspension of operations or a complete mine shutdown. Our insurance coverage may not be available or sufficient to fully cover claims that may arise from these risks and conditions. We may elect not to obtain insurance for any or all of these risks if we believe that the cost of available insurance is excessive relative to the risks presented. In addition, pollution or environmental risks generally are not fully insurable. Moreover, a significant mine accident could potentially cause a mine shutdown. The occurrence of an event that is not fully covered by insurance or that results in a mine shutdown could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We have also seen adverse geological conditions in the mines, such as variations in steelmaking coal seam thickness, variations in the competency and make-up of the roof strata, fault-related discontinuities in the steelmaking coal seam and the potential for ingress of excessive amounts of natural gas or water. Such adverse conditions may increase our cost of sales and reduce our profitability and may cause us to decide to close a mine. Any of these risks or conditions could have a negative impact on our financial condition, results of operations and cash flows.

In addition, if any of the foregoing changes, conditions or events occurs and is not excusable as a force majeure event, any resulting failure on our part to deliver steelmaking coal to the purchaser under our contracts could result in economic penalties, suspension or cancellation of shipments or ultimately termination of the agreement, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our business is subject to inherent risks, some for which we maintain third party insurance. We may not have adequate insurance coverage for some business risks. We may incur losses and be subject to liability claims that could have a material adverse effect on our financial condition, results of operations or cash flows.

We maintain insurance policies that provide limited coverage for some, but not all, potential risks and liabilities associated with our business. The insurance that we maintain may contain certain deductible amounts and cover risks and liabilities typical for a coal mining business including, but not limited to, property, general liability and business interruption. Although we maintain insurance for a number of risks and hazards, we may not be insured or fully insured against the losses or liabilities that could arise from a significant accident in our coal operations. We may elect not to obtain insurance for any or all of these risks if we believe that the cost of available insurance is excessive relative to the risks presented. Moreover, a significant mine accident could potentially cause a mine shutdown. The occurrence of an event that is not fully covered by insurance or that results in a mine shutdown could have a material adverse effect on our business, financial condition, results of operations and cash flows. The risk of increased insurance costs may be exasperated where an adverse event results in us asserting an insurance claim, the cost of which our insurers may seek to recoup during a future insurance renewal through increased premiums or limitations on coverage.

As a result of market conditions, premiums and deductibles for certain insurance policies can increase substantially, and in some instances certain insurance may become unavailable or available only for reduced amounts of coverage. As a result, we may not be able to renew our existing insurance policies or procure other desirable insurance on commercially

reasonable terms, if at all. In addition, certain environmental, contamination and pollution risks generally are not fully insurable. Even where insurance coverage applies, insurers may contest their obligations to make payments. One of the tools used to manage this risk is an insurance captive, which allows us to control premiums, increase control over claims management, tailor coverage to our specific needs and improve risk control. Our financial condition, results of operations and cash flows could be materially and adversely affected by losses and liabilities from uninsured or under-insured events, as well as by delays in the payment of insurance proceeds, or the failure by insurers to make payments.

We also may incur costs and liabilities resulting from claims for damages to property or injury to persons arising from our operations. We must compensate employees for work-related injuries. If we do not make adequate provision for our workers' compensation and black lung liabilities, or we are pursued for applicable sanctions, costs and liabilities, our operations and profitability could be adversely affected. Certain of our subsidiaries are responsible for medical and disability benefits for black lung disease under federal law and are insured beginning April 1, 2016 for claims made by or on behalf of any of our employees. As a result of our limited operating history as a stand-alone company, the DOL required us to provide insurance coverage rather than be self-insured for these obligations.

The number and quality of viable financing alternatives available to us may be significantly impacted by unfavorable lending and investment policies by financial institutions associated with concerns about environmental impacts of carbon based fuels. Negative views with respect to environmental and social matters and related governance considerations could result in a low ESG or sustainability score and could harm the perception of our Company by certain investors and activists or result in the exclusion of our securities from consideration by those investors. In addition, there are fewer insurance companies willing to provide line of business coverages related to ESG concerns which can result in higher company premiums and retained losses.

Global climate change continues to attract considerable public and scientific attention, with widespread concern about the impacts of human activity, especially the emission of GHGs, such as carbon dioxide and methane. Some of our operations, such as methane release resulting from steelmaking coal mining, directly emit GHGs.

Increased attention to climate change, societal expectations on companies to address climate change and investor and societal expectations regarding voluntary ESG disclosures may result in negative views of us with respect to ESG issues that could result in a low ESG score or similar sustainability score, could harm the perception of our Company by certain investors, or could result in the exclusion of our securities from consideration by those investors.

Certain financial institutions, including banks and insurance companies, have taken actions to limit available financing, insurance and other services to entities that produce or use fossil fuels. Increasingly, the actions of such financial institutions and insurance companies are based upon non-standardized ESG or "sustainability" scores, ratings and benchmarking studies provided by various organizations that assess corporate governance related to environmental and social matters. Currently, there are no universal standards for such scores or ratings, but the importance of sustainability evaluations is becoming more broadly accepted by investors and stockholders. Further, there have been efforts in recent years by members of the general financial and investment communities, including investment advisors, sovereign wealth funds, public pension funds, universities, other institutional investors and activists, to divest themselves and to promote the divestment of securities issued by companies involved in carbon based fuels or that have low ratings or scores in studies and assessments of the type noted above, including coal producers. These entities also have been pressuring lenders to limit financing available to such companies. Companies in the energy industry, and in particular those focused on coal, natural gas or petroleum extraction and refining, often perform worse under ESG assessments compared to companies in other industries. These may have adverse consequences including, but not limited to:

- restricting our ability to access capital and financial markets in the future;
- excluding our securities from the portfolios of certain investment funds and investors;
- reducing the demand and price for our equity securities;
- increasing the cost of borrowing;
- causing a decline in our credit ratings;
- reducing the availability, and/or increasing the cost of, third-party insurance;
- increasing our retention of risk through self-insurance;

- making it more difficult to obtain surety bonds, letters of credit, bank guarantees or other financing; and
- limiting our flexibility in business development activities such as the development of Blue Creek, mergers, acquisitions or divestitures.

ESG expectations, including both the matters in focus and the management of such matters, continue to evolve rapidly. For example, in addition to climate change, there is increasing attention on topics such as diversity and inclusion, human rights, and human and natural capital, in companies' own operations as well as their supply chains. In addition, perspectives on ESG considerations continue to evolve, and we cannot currently predict how regulators', investors' and other stakeholders' views on ESG matters may affect the regulatory and investment landscape and affect our business, financial condition, and results of operations. If we do not, or are perceived to not, adapt or comply with investor or stakeholder expectations and standards on ESG matters, we may suffer from reputational damage and our business, financial condition and results of operations could be materially and adversely affected. Any reputational damage associated with ESG factors may also adversely impact our ability to recruit and retain employees and customers.

Moreover, while we may publish voluntary disclosures regarding ESG matters from time to time, many of the statements in those voluntary disclosures are based on hypothetical expectations and assumptions that may or may not be representative of current or actual risks or events, or forecasts of expected risks or events, including the costs associated therewith. Such expectations and assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved in measuring and reporting on many ESG matters.

In March 2022, the SEC proposed new rules relating to the disclosure of a range of climate-related risks and other information. To the extent this rule is finalized as proposed, we and/or our customers could incur increased costs related to the assessment and disclosure of climate-related information. Enhanced climate disclosure requirements could also accelerate any trend by certain stakeholders and capital providers to restrict or seek more stringent conditions with respect to their financing of certain carbon intensive sectors.

Any future laws, regulations or other policies related to greenhouse gas emissions may adversely impact our business in material ways. The degree to which any particular law, regulation or policy impacts us will depend on several factors, including the substantive terms involved, the relevant time periods for enactment and any related transition periods.

Defects in title of any real property or leasehold interests in our properties or associated steelmaking coal reserves could limit our ability to mine or develop these properties or result in significant unanticipated costs.

All of our mining operations are conducted on properties owned or leased by us. Our right to mine our steelmaking coal reserves may be materially adversely affected by defects in title or boundaries or if our property interests are subject to superior property rights of third parties. We do not have title insurance for any of our real property or leasehold interests and, title to most of our owned or leased properties and mineral rights is not usually verified until we make a commitment to mine a property, which may not occur until after we have obtained necessary permits and completed exploration of the property. Any challenge to our title or leasehold interests could delay the mining of the property, result in the loss of some or all of our interest in the property or steelmaking coal reserves and increase our costs. In order to conduct our mining operations on properties where these defects exist, we may incur unanticipated costs perfecting title. In addition, if we mine or conduct our operations on property that we do not own or lease, we could incur civil damages or liabilities for such mining operations and be subject to conversion, negligence, trespass, regulatory sanction and penalties. Some leases have minimum production requirements or require us to commence mining operations in a specified term to retain the lease. Failure to meet those requirements could result in losses of prepaid royalties and, in some rare cases, could result in a loss of the lease itself.

We face uncertainties in estimating our proven and probable steelmaking coal reserves, and inaccuracies in our estimates of our steelmaking coal reserves could result in decreased profitability from lower than expected revenues or higher than expected costs.

Our future performance depends on, among other things, the accuracy of our estimates of our proven and probable steelmaking coal reserves. Reserve estimates are based on a number of sources of information, including engineering, geological, mining and property control maps and data, our operational experience of historical production from similar areas with similar conditions and assumptions governing future pricing and operational costs. We update our estimates of the quantity and quality of proven and probable steelmaking coal reserves at least annually to reflect the production of steelmaking coal from the reserves, updated geological models and mining recovery data, the tonnage contained in new lease areas acquired and

estimated costs of production and sales prices. There are numerous factors and assumptions inherent in estimating steelmaking coal quantities, qualities and costs to mine, including many factors beyond our control, such as the following:

- geological and mining conditions, including faults in the steelmaking coal seam;
- historical production from the area compared with production from other producing areas;
- the percentage of steelmaking coal ultimately recoverable;
- the assumed effects of regulations and taxes and other payments to governmental agencies;
- our ability to obtain, maintain and renew all required permits;
- future improvements in mining technology;
- assumptions concerning the timing of the development of the reserves; and
- assumptions concerning equipment and operational productivity, future steelmaking coal prices, operating costs, including those for critical supplies such as fuel, tires and explosives, capital expenditures and development and reclamation costs.

Each of these factors may vary considerably from the assumptions used in estimating the reserves. As a result, estimates of the quantities and qualities of economically recoverable steelmaking coal attributable to any particular group of properties, classifications of reserves based on risk of recovery, estimated cost of production, and estimates of future net cash flows expected from these properties as prepared by different engineers or by the same engineers at different times may vary materially due to changes in the above factors and assumptions. Actual production recovered from identified reserve areas and properties, and revenues and expenditures associated with our mining operations may vary materially from estimates. Any inaccuracy in our estimates related to our reserves could result in decreased profitability from lower-than-expected revenues and/or higher than expected costs.

Our inability to develop steelmaking coal reserves in an economically feasible manner or our inability to acquire additional steelmaking coal reserves that are economically recoverable may adversely affect our business.

Our long-term profitability depends in part on our ability to cost-effectively mine and process steelmaking coal reserves that possess the quality characteristics desired by our customers. As we mine, our steelmaking coal reserves decline. As a result, our future success depends upon our ability to develop or acquire additional steelmaking coal reserves that are economically recoverable to replace the reserves that we produce. Coal is economically recoverable when the price at which our steelmaking coal can be sold exceeds the costs and expenses of mining and selling such steelmaking coal. We may not be able to obtain adequate economically recoverable replacement reserves when we require them and, even if available, such reserves may not be at favorable prices or we may not be capable of mining those reserves at costs that are comparable to our existing steelmaking coal reserves. Our ability to develop or acquire steelmaking coal reserves in the future may also be limited by the availability of cash from our operations or financing under our existing or future financing arrangements, as well as certain restrictions under such arrangements. If we are unable to develop or acquire replacement reserves, our future production may decrease significantly as existing reserves are depleted and this may have a material adverse impact on our cash flows, financial position and results of operations.

Any significant downtime of our major pieces of mining equipment could impair our ability to supply steelmaking coal to our customers and materially and adversely affect our results of operations and cash flows.

We depend on several major pieces of mining equipment to produce and transport our steelmaking coal, including, but not limited to, longwall mining systems, continuous mining units, our preparation plant and blending facilities, and conveyors. Obtaining or repairing these major pieces of mining equipment often involves long lead times. If any of these pieces of equipment or facilities suffer major damage or are destroyed by fire, abnormal wear, flooding, incorrect operation or otherwise, we may be unable to replace or repair them in a timely manner or at a reasonable cost, which would impact our ability to produce and transport steelmaking coal and materially and adversely affect our business, results of operations, financial condition and cash flows. Moreover, MSHA and other regulatory agencies sometimes make changes with regards to requirements for pieces of equipment. For example, in 2015, MSHA promulgated a new regulation requiring the implementation of proximity detection devices on all continuous mining machines. Such changes could cause delays if manufacturers and suppliers are unable to make the required changes in compliance with mandated deadlines.

If either our preparation plant or river barge load-out facilities, or those of a third party processing or loading our steelmaking coal, suffer extended downtime, including major damage, or are destroyed, our ability to process and deliver steelmaking coal to prospective customers would be materially impacted, which would materially adversely affect our business, results of operations, financial condition and cash flows.

We may not recover our investments in our mining, exploration and other assets, which may require us to recognize impairment charges related to those assets.

The value of our assets may be adversely affected by numerous uncertain factors, some of which are beyond our control, including unfavorable changes in the economic environments in which we operate, lower-than-expected coal pricing, technical and geological operating difficulties, an inability to economically extract our coal reserves and unanticipated increases in operating costs. These may cause us to fail to recover all or a portion of our investments in those assets and may trigger the recognition of impairment charges in the future, which could have a substantial impact on our results of operations.

Because of the volatile and cyclical nature of the U.S. and international coal markets, it is reasonably possible that our current estimates of projected future cash flows from our mining assets may change in the near term, which may result in the need for adjustments to the carrying value of our assets.

Risks Related to Regulatory Compliance

We are responsible for medical and disability benefits for black lung disease under federal law. We assumed certain historical self-insured black lung liabilities of Walter Energy and its subsidiaries incurred prior to April 1, 2016 in connection with the acquisition of certain assets of Walter Energy. We are self-insured for these black lung liabilities and have posted certain collateral with the Department of Labor as described below. Changes in the estimated claims to be paid or changes in the amount of collateral required by the Department of Labor may have a greater impact on our profitability and cash flows in the future.

We are responsible for medical and disability benefits for black lung disease under the Federal Coal Mine Health and Safety Act of 1969, the Mine Act and the Black Lung Benefits Act, each as amended, and are self-insured for black lung related claims asserted by or on behalf of former employees of Walter Energy and its subsidiaries as assumed in the acquisition of certain assets of Walter Energy for the period prior to April 1, 2016. We perform an annual actuarial evaluation of the overall black lung liabilities as of each December 31st. The calculation is performed using assumptions regarding rates of successful claims, discount factors, benefit increases and mortality rates, among others. If the number of or severity of successful claims increases, or we are required to accrue or pay additional amounts because the successful claims prove to be more severe than our original assessment, our operating results and cash flows could be negatively impacted. Our self-insurance program for these legacy liabilities is unique to the industry and was specifically negotiated with the DOL. As of December 31, 2023, we have posted \$18.6 million in surety bonds and \$9.0 million of collateral recognized as short term investments in addition to maintaining a black lung trust of \$1.8 million that was acquired in the acquisition of certain assets of Walter Energy. We received a letter from the DOL on February 21, 2020 under its new process for self-insurance renewals that would require us to increase the amount of collateral posted to \$39.8 million, but we appealed such increase. We received another letter from the DOL on December 8, 2021 requesting additional information to support our appeal of the collateral requested by the DOL. On February 9, 2022, the DOL held a conference call with representatives from the Company related to our appeal. On July 12, 2022, we received a decision on our appeal from the DOL lowering the amount of collateral required to be posted from \$39.8 million to \$28 million. We appealed this decision. In addition, on January 19, 2023, the DOL proposed revisions to regulations under the Black Lung Benefits Act governing authorization of self-insurers. The proposed rules require, among other requirements, all self-insured operators to post security of at least 120 percent of their projected black lung liabilities. For additional information see "Part I, Item 1. Business-Environmental and Regulatory Matters-Workers' Compensation and Black Lung." Our estimated total black lung liabilities as of December 31, 2023 were \$28.8 million (net of the black lung trust). In future years, the DOL could require us to increase the amount of the collateral which could negatively impact our cash flows.

Our failure to obtain and renew permits necessary for our mining operations could negatively affect our business.

Mining companies must obtain numerous permits that impose strict regulations on various environmental and operational matters in connection with steelmaking coal mining. These include permits issued by various federal, state and local agencies and regulatory bodies. The permitting rules, and the interpretations of these rules, are complex, change frequently and are often subject to discretionary interpretations by the regulators, all of which may make compliance more difficult or impractical, and may possibly preclude the continuance of ongoing operations or the development of future mining operations. The public, including non-governmental organizations, anti-mining groups and individuals, have certain statutory rights to comment upon and submit objections to requested permits and environmental impact statements prepared in connection with applicable regulatory processes, and otherwise engage in the permitting process, including bringing citizens' lawsuits to

challenge the issuance of permits, the validity of environmental impact statements or performance of mining activities. Accordingly, required permits may not be issued or renewed in a timely fashion or at all, or permits issued or renewed may be conditioned in a manner that may restrict our ability to efficiently and economically conduct our mining activities, any of which would materially reduce our production, cash flow and profitability.

Extensive environmental, health and safety laws and regulations impose significant costs on our operations and future regulations could increase those costs, limit our ability to produce or adversely affect the demand for our products.

Our businesses are subject to numerous federal, state and local laws and regulations with respect to matters such as:

- permitting and licensing requirements;
- employee health and safety, including occupational and mine health and safety;
- workers' compensation;
- black lung disease;
- reclamation and restoration of property; and
- environmental laws and regulations, including those related to GHGs and climate change, air quality, water quality, stream and surface water quality and protection, management of materials generated by mining operations, the storage, treatment and disposal of wastes, protection of plant and wildlife such as endangered species, protection of wetlands and remediation of contaminated soil and groundwater.

In addition, the coal industry in the U.S. is affected by significant legislation mandating certain benefits for current and retired coal miners. Compliance with these requirements imposes significant costs on us and can result in reduced productivity. Moreover, the possibility exists that new health and safety legislation and/or regulations may be adopted and/or orders may be entered that may materially and adversely affect our mining operations. We must compensate employees for work-related injuries. If we do not make adequate provisions for our workers' compensation liabilities, it could harm our future operating results. In addition, the erosion through tort liability of the protections we are currently provided by workers' compensation laws could increase our liability for work-related injuries and materially and adversely affect our operating results.

Compliance with applicable federal, state and local laws and regulations may be costly and time-consuming and may delay commencement or interrupt continuation of exploration or production at one or more of our operations. These laws are constantly evolving and may become increasingly stringent. The ultimate impact of complying with existing laws and regulations is not always clearly known or determinable due in part to the fact that certain implementing regulations for these laws have not yet been promulgated and in certain instances are undergoing revision. These laws and regulations, particularly new legislative or administrative proposals (or judicial interpretations of existing laws and regulations), along with analogous foreign laws and regulations, could result in substantially increased capital, operating and compliance costs and could have a material adverse effect on our operations and/or our customers' ability to use our products.

Due in part to the extensive and comprehensive regulatory requirements, along with changing interpretations of these requirements, violations of applicable federal, state and local laws and regulations occur from time to time in our industry and at our operations. Changes in the law may require an unprecedented compliance effort on our part, could divert management's attention, and may require significant expenditures. To the extent that these expenditures, as with all costs, are not ultimately reflected in the prices of our products and services, operating results will be detrimentally impacted. We believe that our major North American competitors are confronted by substantially similar conditions and thus do not believe that our relative position with regard to such competitors is materially affected by the impact of safety and environmental laws and regulations. However, the costs and operating restrictions necessary for compliance with safety and environmental laws and regulations, which is a major cost consideration for our operations, may have an adverse effect on our competitive position with regard to foreign producers and operators who may not be required to undertake equivalent costs in their operations. In addition, the specific impact on each competitor may vary depending on a number of factors, including the age and location of its operating facilities, applicable state legislation and its production methods.

Additionally, MSHA and state regulators may also order the temporary or permanent closing of a mine in the event of certain violations of safety rules, accidents or imminent dangers. In addition, regulators may order changes to mine plans or operations due to their interpretation or application of existing or new laws or regulations. Any required changes to mine plans or operations may result in temporary idling of production or addition of costs.

Our mines are subject to stringent federal and state safety regulations that increase our cost of doing business at active operations and may place restrictions on our methods of operation. In addition, federal, state or local regulatory agencies have the authority to order certain of our mines to be temporarily or permanently closed under certain circumstances, which could materially and adversely affect our ability to meet our customers' demands.

The Mine Act and the MINER Act impose stringent health and safety standards on mining operations. Regulations that have been adopted under the Mine Act and the MINER Act are comprehensive and affect numerous aspects of mining operations, including training of mining personnel, mining procedure, the equipment used in emergency procedures, and other matters. Alabama has a similar program for mine safety and health regulation and enforcement. The various requirements mandated by law or regulation can place restrictions on our methods of operations, and potentially lead to fees and civil penalties for the violation of such requirements, creating a significant effect on operating costs and productivity.

In addition, federal, state or local regulatory agencies have the authority under certain circumstances following significant health and safety incidents, such as fatalities, to order a mine to be temporarily or permanently closed. If this occurred, we may be required to incur capital expenditures to re-open the mine. In the event that these agencies order the closing of our mines, our steelmaking coal sales contracts generally permit us to issue force majeure notices, which suspend our obligations to deliver steelmaking coal under these contracts; however, our customers may challenge our issuances of force majeure notices. If these challenges are successful, we may have to purchase steelmaking coal from third-party sources, if available, to fulfill these obligations or incur capital expenditures to re-open the mines and/or negotiate settlements with the customers, which may include price reductions, the reduction of commitments, and the extension of time for delivery or the termination of customers' contracts. Any of these actions could have a material adverse effect on our business and results of operations.

Increased focus by regulatory authorities on the effects of coal mining on the environment and recent regulatory developments related to coal mining operations, including the federal leasing program, could increase our costs to receive new permits to mine steelmaking coal, make it more difficult to comply with our existing permits to mine coal or to obtain federal land and mineral leases, or otherwise adversely affect us.

Regulatory agencies are increasingly focused on the effects of coal mining on the environment, particularly relating to water quality, which has resulted in more rigorous permitting requirements and enforcement efforts. See "Part I, Item 1. Business-Environmental and Regulatory Matters" for a detailed discussion of these regulations and programs.

The SMCRA requires that comprehensive environmental protection and reclamation standards be met during the course of and following completion of mining activities. Among other requirements, the SMCRA provides that the applicable regulatory authority may not issue a permit unless the operation has been designed to prevent material damage to the hydrologic balance outside the permit area. In 1983, the OSM issued rules providing that no land within 100 feet of a stream shall be disturbed by surface mining activities, unless specifically authorized by the regulatory authority. On December 20, 2016, the OSM published a new, finalized "Stream Protection Rule," setting standards for "material damage to the hydrologic balance outside the permit area" that are applicable to surface and underground mining operations. However, on February 16, 2017, former President Trump signed a joint congressional resolution disapproving the Stream Protection Rule pursuant to the Congressional Review Act. Accordingly, the regulations in effect prior to the Stream Protection Rule now apply, including OSM's 1983 rule. It remains unclear whether and how additional actions by the Biden Administration could further impact regulatory or enforcement activities pursuant to the SMCRA.

Section 404 of the Clean Water Act ("CWA") requires mining companies to obtain USACE permits to place material in streams for the purpose of creating slurry ponds, water impoundments, refuse areas, valley fills or other mining activities. As is the case with other steelmaking coal mining companies, our construction and mining activities require Section 404 permits. The issuance of permits to construct valley fills and refuse impoundments under Section 404 of the CWA has been the subject of many court cases and increased regulatory oversight, resulting in additional permitting requirements that are expected to delay or even prevent the opening of new mines. For example, in recent years, regulators have adopted more stringent water quality standards for materials such as selenium. We have begun to incorporate these new requirements into our current permit applications; however, there can be no guarantee that we will be able to meet these or any other new standards with respect to our permit applications.

Additionally, in January 2011, the EPA rescinded a federal CWA permit held by another coal mining company for a surface mine in Appalachia citing associated environmental damage and degradation. On April 23, 2013, the D.C. Circuit ruled that the EPA has the power under the CWA to retroactively veto a Section 404 dredge and fill permit "whenever" it makes a determination about certain adverse effects, even years after the USACE has granted the permit to an applicant. On March 24, 2014, the U.S. Supreme Court denied petitions for review. Subsequently, on July 19, 2016, the D.C. Circuit affirmed the district

court's further ruling that the EPA's decision to withdraw approval for disposal sites satisfied administrative requirements. The D.C. Circuit held that the EPA's ex post withdrawal was a product of its broad veto authority under the CWA, not a procedural defect. While our operations are not directly impacted by this ruling, it could be an indication that other surface mining water permits could be subject to more substantial review in the future.

Recent regulatory actions and court decisions created some uncertainty over the scope of CWA jurisdiction. On June 29, 2015, in response to Supreme Court decisions discussing the scope of CWA jurisdiction, the EPA and the USACE jointly promulgated final rules expanding the scope of waters protected under the CWA, revising regulations that had been in place for more than 25 years. However, on October 22, 2019, the agencies published a final rule to repeal the 2015 rules and then on April 21, 2020, the EPA and the USACE published a replacement rule that would have significantly reduced the scope of waters subject to federal regulation under the CWA. On August 30, 2021, a federal court struck down the replacement rule and, on January 18, 2023, the EPA and the USACE published a final rule that would restore water protections that were in place prior to 2015. However, on May 25, 2023, the Supreme Court issued an opinion substantially narrowing the scope of "waters of the United States" protected under the CWA. On September 8, 2023, the EPA and the USACE published a final rule conforming their regulations to the decision. These recent actions provided much needed clarity, as confusion over the scope of CWA jurisdiction had led to significant permitting delays, litigation, and uncertainty in the mining industry.

It is unknown what future changes will be implemented to the permitting review and issuance process or to other aspects of mining operations, but increased regulatory focus, future laws and judicial decisions could materially and adversely affect all coal mining companies. In addition, the public, including non-governmental organizations, anti-mining groups and individuals, have certain statutory rights to comment upon and submit objections to requested permits and environmental impact statements prepared in connection with applicable regulatory processes, and otherwise engage in the permitting process, including bringing citizens' lawsuits to challenge the issuance of permits, the validity of environmental impact statements or performance of mining activities.

In each jurisdiction in which we operate, we could incur additional permitting and operating costs, may be unable to obtain new permits or maintain existing permits and could incur fines, penalties and other costs, any of which could materially adversely affect our business. If steelmaking coal mining methods are limited or prohibited, it could significantly increase our operational costs and make it more difficult to economically recover a significant portion of our reserves. In the event that we cannot increase the price we charge for steelmaking coal to cover the higher production costs without reducing customer demand for our steelmaking coal, there could be a material adverse effect on our financial condition and results of operations. In addition, increased public focus on the environmental, health and aesthetic impacts of coal mining could harm our reputation and reduce demand for steelmaking coal.

Regulation of air emissions, including GHG emissions, could increase our operating costs and impact the demand for, price of and value of our products.

The Clean Air Act and comparable state laws that regulate air emissions affect coal mining operations both directly and indirectly. Direct impacts on coal mining may occur through permitting requirements and/or emission control requirements relating to particulate matter, such as fugitive dust, or fine particulate matter measuring 2.5 micrometers in diameter or smaller. The Clean Air Act indirectly affects our mining operations by extensively regulating the air emissions of sulfur dioxide, nitrogen oxides, mercury, ozone and other compounds emitted by steel manufacturers, coke ovens and coal-fired utilities. Increased regulation of air emissions could increase our operating costs and impact the demand for, price of and value of our products.

Additionally, climate change continues to attract public and scientific attention, and increasing attention by government as well as private businesses is being paid to reducing GHG emissions. There are three primary sources of GHGs associated with the steelmaking coal industry. First, the end use of our steelmaking coal by our customers in steelmaking is a source of GHGs. Second, combustion of fuel by equipment used in steelmaking coal production and to transport our steelmaking coal to our customers is a source of GHGs. Third, steelmaking coal mining itself can release methane, which is considered to be a more potent GHG than carbon dioxide, directly into the atmosphere. These emissions from steelmaking coal consumption, transportation and production are subject to pending and proposed regulation as part of initiatives to address global climate.

There are many legal and regulatory approaches currently in effect or being considered to address GHGs, including international treaty commitments and new foreign, federal and state legislation and regulations, that may impose carbon emissions taxes or fees, incentivize emission reductions, or establish a "cap and trade" program. In particular, in August 2022, President Biden signed the IRA into law. The IRA contains billions of dollars in incentives for the development of renewable energy, clean hydrogen, clean fuels, electric vehicles, investments in advanced biofuels and supporting infrastructure and carbon capture and sequestration, amongst other provisions. These incentives could accelerate the transition of the economy

away from the use of fossil fuels towards lower- or zero-carbon emissions alternatives. Also, at the international level, in December 2015, the United States participated in the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change (“Conference of Parties”) in Paris, France. The resulting Paris Agreement calls for the parties to undertake “ambitious efforts” to limit the average global temperature, and to conserve and enhance sinks and reservoirs of GHG. The Paris Agreement went into effect on November 4, 2016. The Paris Agreement establishes a framework for the parties to cooperate and report actions to reduce GHG emissions. Although the United States withdrew from the Paris Agreement effective November 4, 2020, President Biden issued an Executive Order on January 20, 2021 to rejoin the Paris Agreement, which went into effect on February 19, 2021. On April 21, 2021, the United States announced that it was setting an economy-wide target of reducing its GHG emissions by 50-52 percent below 2005 levels in 2030. In November 2021, in connection with the 26th session of the Conference of Parties in Glasgow, Scotland, the United States and other world leaders made further commitments to reduce GHGs, including reducing global methane emissions by at least 30% by 2030 and ending the international public finance of new unabated coal power generation abroad by the end of 2021. The resulting Glasgow Climate Pact calls upon the parties to “accelerate efforts towards the phase-down of unabated coal power and phase-out inefficient fossil fuel subsidies.”

The existing laws and regulations or other current and future efforts to stabilize or reduce GHG emissions could adversely impact the demand for, price of and value of our products and reserves. As our operations also emit GHGs directly, current or future laws or regulations limiting GHG emissions could increase our own costs. For example, methane must be expelled from our underground steelmaking coal mines for mining safety reasons. Although our natural gas operations capture methane from our underground steelmaking coal mines, some methane is vented into the atmosphere when the steelmaking coal is mined. In June 2010, Earthjustice petitioned the EPA to make a finding that emissions from coal mines may reasonably be anticipated to endanger public health and welfare, and to list them as a stationary source subject to further regulation of emissions. On April 30, 2013, the EPA denied the petition. Judicial challenges seeking to force the EPA to list coal mines as stationary sources have likewise been unsuccessful to date. If the EPA were to make an endangerment finding in the future, we may have to further reduce our methane emissions, install additional air pollution controls, pay certain taxes or fees for our emissions, incur costs to purchase credits that permit us to continue operations as they now exist at our underground steelmaking coal mines or perhaps curtail steelmaking coal production. Although the potential impacts on us of additional climate change regulation are difficult to reliably quantify, they could be material.

In addition, there have also been efforts in recent years to influence the investment community, including investment advisors and certain sovereign wealth, pension and endowment funds promoting divestment of fossil fuel equities and pressuring lenders to limit funding to companies engaged in the extraction of fossil fuel reserves. Such environmental activism and initiatives aimed at limiting climate change and reducing air pollution could interfere with our business activities, operations and ability to access capital.

Increasing attention to climate change risk has also resulted in a recent trend of governmental investigations and private litigation by local and state government agencies as well as private plaintiffs in an effort to hold companies accountable for the effects of climate change. Claims have been made against certain companies alleging that GHG emissions constitute a public nuisance under federal and/or state common law. Private individuals or public entities may seek to enforce environmental laws and regulations against us and could allege personal injury, property damages or other liabilities. While we are not a party to any such litigation, we could be named in actions making similar allegations. An unfavorable ruling in any such case could significantly impact our operations and could have an adverse impact on our financial condition.

Further, climate change may cause more extreme weather conditions such as more intense hurricanes, thunderstorms, tornadoes and snow or ice storms, as well as rising sea levels and increased volatility in seasonal temperatures. Extreme weather conditions can interfere with our services and increase our costs, and damage resulting from extreme weather may not be fully insured. However, at this time, we are unable to determine the extent to which climate change may lead to increased storm or weather hazards affecting our operations.

President Biden's regulatory agenda, and a closely divided Congress, creates some regulatory uncertainty for the coal mining industry. Changes in mining or environmental laws could increase costs and harm our business, financial condition and results of operations.

President Biden's regulatory agenda, as well as a closely divided Congress, creates some regulatory uncertainty in the coal mining industry. President Biden has indicated that he is supportive of various programs and initiatives designed to, among other things, curtail climate change, clean up abandoned mines, and “green” the mining industry. In fact, during his first week in office, President Biden issued several executive orders to, among other things, make climate considerations an essential element of U.S. policy. Also, in August 2022, he signed into law the IRA, which provides billions of dollars in incentives for the development of renewable energy. However, he has also called for heavy investment in infrastructure projects, many of

which require the use of steel. Indeed, on November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act, which invests billions of dollars in new funding to repair roads and bridges, expand and modernize rail service, and support other infrastructure projects. It remains unclear what other actions President Biden will take to implement his policy initiatives, and what support he will have for any potential legislature from Congress. Further, it is uncertain to what extent any new mining or environmental laws or regulations, or any repeal of existing mining or environmental laws or regulations, may affect our coal mining operations. However, such actions could materially increase our costs or impair our ability to explore and develop other mining projects, which could materially harm our business, financial condition and results of operations.

Our operations may impact the environment or cause exposure to hazardous substances and our properties may have environmental contamination, which could result in material liabilities to us.

Our operations currently use hazardous materials from time to time. We could become subject to claims for toxic torts, natural resource damages and other damages as well as for the investigation and cleanup of soil, surface water, groundwater and other media. Such claims may arise, for example, out of conditions at sites that we currently own or operate, as well as at sites that we previously owned or operated, or may acquire. Our liability for such claims may be joint and several, so that we may be held responsible for more than our share of the contamination or other damages, or even for the entire amount of damages assessed.

We maintain extensive steelmaking coal refuse areas and slurry impoundments at our mining complexes. Such areas and impoundments are subject to comprehensive regulation. Slurry impoundments have been known to fail, releasing large volumes of steelmaking coal slurry into the surrounding environment. Structural failure of an impoundment can result in extensive damage to the environment and natural resources, such as bodies of water that the steelmaking coal slurry reaches, as well as create liability for related personal injuries, property damages and injuries to wildlife. Some of our impoundments overlie mined out areas, which can pose a heightened risk of failure and the assessment of damages arising out of such failure. If one of our impoundments were to fail, we could be subject to substantial claims for the resulting environmental contamination and associated liability, as well as for related fines and penalties.

Drainage flowing from or caused by mining activities can be acidic with elevated levels of dissolved metals, a condition referred to as AMD. Treatment of AMD can be costly. Although we do not currently face material costs associated with AMD, it is possible that we could incur significant costs in the future.

These and other similar unforeseen impacts that our operations may have on the environment, as well as exposures to hazardous substances or wastes associated with our operations, could result in costs and liabilities that could materially and adversely affect us. See also “Part I, Item 1. Business—Environmental and Regulatory Matters.”

Failure to obtain or renew surety bonds on acceptable terms could affect our ability to secure reclamation and coal lease obligations and, therefore, our ability to mine or lease steelmaking coal.

Federal and state laws require us to obtain surety bonds or post other financial security to secure performance or payment of certain long-term obligations, such as mine closure or reclamation costs, federal and state workers’ compensation and black lung benefits costs, coal leases and other obligations. The amount of security required to be obtained can change as the result of new federal or state laws, as well as changes to the factors used to calculate the bonding or security amounts. We may have difficulty procuring or maintaining our surety bonds. Our bond issuers may demand higher fees or additional collateral, including letters of credit or other terms less favorable to us upon those renewals. Because we are required by state and federal law to have these bonds or other acceptable security in place before mining can commence or continue, our failure to maintain surety bonds, letters of credit or other guarantees or security arrangements would materially and adversely affect our ability to mine or lease steelmaking coal. That failure could result from a variety of factors, including lack of availability, higher expense or unfavorable market terms, the exercise by third-party surety bond issuers of their right to refuse to renew the surety and restrictions on availability of collateral for current and future third-party surety bond issuers under the terms of our financing arrangements.

We have reclamation and mine closing obligations. If the assumptions underlying our accruals are inaccurate, we could be required to expend greater amounts than anticipated.

The SMCRA establishes operational, reclamation and closure standards for our mining operations. Alabama has a state law counterpart to SMCRA. We accrue for the costs of current mine disturbance and of final mine closure and reclamation, including the cost of treating mine water discharge where necessary. The amounts recorded are dependent upon a number of variables, including the estimated future closure costs, estimated proven reserves, assumptions involving profit margins,

inflation rates and the assumed credit-adjusted risk-free interest rates. If these accruals are insufficient or our liability in a particular year is greater than currently anticipated, our future operating results could be materially affected.

Risks Related to our Financial Results and Finances

We have a substantial amount of indebtedness. Our substantial indebtedness could adversely affect our ability to raise additional capital to fund our operations and dividend policy, limit our ability to react to changes in the economy or our industry and prevent us from making debt service payments on the Notes.

As of December 31, 2023, we had approximately \$173.2 million of outstanding indebtedness (consisting of \$156.5 million of Notes, net of \$3.5 million in unamortized debt discount and debt issuance costs and \$20.2 million of financing lease obligations), all of which are secured, and \$107.4 million of availability under our ABL Facility (subject to meeting the borrowing base and other conditions therein).

Our substantial indebtedness could have important consequences for us. For example, it could:

- restrict us from making strategic acquisitions, engaging in development activities, introducing new technologies or exploiting business opportunities;
- cause us to make non-strategic divestitures;
- require us to dedicate a substantial portion of our cash flow from operations to the repayment of our indebtedness, thereby reducing funds available to us for other purposes, including the payment of quarterly dividends or any special dividends, as well as engaging in any stock repurchases;
- limit our flexibility in planning for, or reacting to, changes in our operations or business;
- limit our ability to raise additional capital for working capital, capital expenditures, operations, debt service requirements, strategic initiatives or other purposes;
- limit, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds or dispose of assets;
- prevent us from raising the funds necessary to repurchase all of the Notes tendered to us upon the occurrence of certain changes of control, which failure to repurchase would constitute a default under the Indenture;
- make it more difficult for us to satisfy our obligations with respect to our indebtedness, including the Notes, and any failure to comply with the obligations of any of our debt instruments, including restrictive covenants and borrowing conditions, could result in an event of default under the Indenture and the agreements governing other indebtedness;
- make us more highly leveraged than some of our competitors, which may place us at a competitive disadvantage;
- make us more vulnerable to downturns in our business or the economy; or
- expose us to the risk of increased interest rates, as certain of our borrowings, including borrowings under the ABL Facility, are at variable rates of interest and are based upon benchmarks that are subject to potential change or elimination, including as a result of the FCA Announcement (as defined below).

In addition, our ABL Facility and the Indenture contain restrictive covenants that limit our ability to engage in activities that may be in our long-term best interest. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of substantially all of our indebtedness.

We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness that may not be successful.

Our ability to pay principal and interest on the Notes and the ABL Facility and to satisfy our other debt obligations will depend upon, among other things:

- our future financial and operating performance (including the realization of any cost savings described herein), which will be affected by prevailing economic, industry and competitive conditions and financial, business, legislative, regulatory and other factors, many of which are beyond our control, and
- our future ability to borrow under the ABL Facility, the availability of which depends on, among other things, our complying with the covenants in the ABL Facility.

We cannot assure you that our business will generate cash flow from operations, or that we will be able to draw under the ABL Facility or otherwise, in an amount sufficient to fund our liquidity needs, including the payment of principal and interest on the Notes.

If our cash flows and capital resources are insufficient to service our indebtedness, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness, including the Notes. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. In addition, the terms of existing or future debt agreements, including the ABL Facility and the Indenture, may restrict us from adopting some of these alternatives. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. We may not be able to consummate those dispositions for fair market value or at all. Furthermore, any proceeds that we could realize from any such dispositions may not be adequate to meet our debt service obligations then due. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, could result in a material adverse effect on our business, results of operations and financial condition and could negatively impact our ability to satisfy our obligations under the Notes.

If we cannot make scheduled payments on our indebtedness, we will be in default, and holders of the Notes could declare all outstanding principal and interest to be due and payable, the lenders under the ABL Facility could terminate their commitments to loan money, our secured lenders (including the lenders under the ABL Facility and the holders of the Notes) could foreclose against the assets securing their loans and the Notes and we could be forced into bankruptcy or liquidation.

Despite our current indebtedness levels, we may still be able to incur substantially more debt, including secured indebtedness.

As of December 31, 2023, we had approximately \$173.2 million of total debt outstanding (consisting of \$156.5 million of Notes, net of \$3.5 million in unamortized debt discount and debt issuance costs, and \$20.2 million of financing lease obligations). Despite our current indebtedness, we may be able to incur substantial additional debt in the future, including secured indebtedness. As of December 31, 2023, the Company had no amounts drawn under the ABL Facility and there were \$8.7 million of letters of credit issued and outstanding under the ABL Facility. At December 31, 2023, the Company had \$107.4 million of availability under the ABL Facility (calculated net of \$8.7 million of letters of credit issued and outstanding at such time). Although covenants under the Indenture and the ABL Facility will limit our ability to incur additional indebtedness, these restrictions are subject to a number of qualifications and exceptions and, under certain circumstances, debt incurred in compliance with these restrictions could be substantial. Further, subsidiaries that we designate as unrestricted subsidiaries can incur unlimited additional indebtedness that is structurally senior to the Notes. In addition, the Indenture and the ABL Facility will not limit us from incurring obligations that do not constitute indebtedness as defined therein.

If we incur any additional indebtedness secured by liens that rank equally with those securing the Notes, including any additional notes or term loan facilities, the holders of that indebtedness will be entitled to share ratably with the holders in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of our company. If new debt is added to our current debt levels, the related risks that we and our subsidiaries now face could intensify. Additionally, we may recapitalize, incur additional indebtedness and take a number of other actions that could have the effect of diminishing our ability to make payments on the Notes when due.

Our debt agreements contain restrictions that will limit our flexibility in operating our business.

The ABL Facility and the Indenture contain, and any other existing or future indebtedness of ours would likely contain, a number of covenants that will impose significant operating and financial restrictions on us, including restrictions on our and our subsidiaries' ability to, among other things:

- incur additional debt, guarantee indebtedness or issue certain preferred shares;

- pay dividends on or make distributions in respect of, or repurchase or redeem, our capital stock or make other restricted payments;
- prepay, redeem or repurchase subordinated debt;
- make loans or certain investments;
- sell certain assets;
- grant or assume liens;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;
- enter into certain transactions with our affiliates;
- alter the businesses we conduct;
- enter into agreements restricting our subsidiaries' ability to pay dividends; and
- designate our subsidiaries as unrestricted subsidiaries.

As a result of these covenants, we will be limited in the manner in which we conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs.

In addition, our ABL Facility requires us to maintain a minimum fixed charge coverage ratio at any time when the average availability is less than a certain amount at such time. In that event, we must satisfy a minimum fixed charge ratio of 1.0 to 1.0.

A failure to comply with the covenants under the ABL Facility or any of our other future indebtedness could result in an event of default, which, if not cured or waived, could have a material adverse effect on our business, financial condition and results of operations. In the event of any such event of default, the lenders thereunder:

- will not be required to lend any additional amounts to us;
- could elect to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be due and payable and terminate all commitments to extend further credit;
- could require us to apply all of our available cash to repay these borrowings; or
- could effectively prevent us from making debt service payments on the Notes (due to a cash sweep feature).

Such actions by the lenders under the ABL Facility could also cause cross defaults under our other indebtedness. If we were unable to repay those amounts, the lenders under the ABL Facility could proceed against the collateral granted to them to secure the ABL Facility. If any of our outstanding indebtedness under the ABL Facility or our other indebtedness, including the Notes, were to be accelerated, there can be no assurance that our assets would be sufficient to repay such indebtedness in full.

The need to maintain capacity for required letters of credit could limit our ability to provide financial assurance for self-insured obligations and negatively impact our ability to fund future working capital, capital expenditure or other general corporate requirements.

Our ABL Facility includes, among other things, provisions that provide for the issuance of letters of credit. Obligations secured by letters of credit may increase in the future. If we do not maintain sufficient borrowing capacity under our ABL Facility, we may be unable to provide financial assurance for self-insured obligations and could negatively impact our ability to fund future working capital, capital expenditure or other general corporate requirements.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase.

Borrowings under our ABL Facility are at variable rates of interest and are based upon benchmarks that are subject to potential change or elimination, including as a result of the FCA Announcement, and therefore expose us to interest rate risk. If

interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease.

We may be unable to generate sufficient taxable income from future operations, or other circumstances could arise, which may limit or eliminate our ability to utilize our significant federal and state tax NOLs or our deferred tax assets.

In connection with the acquisition of certain assets of Walter Energy consummated on March 31, 2016, we acquired deferred tax assets primarily associated with federal and state NOLs attributable to Walter Energy's write-off of its investment in Walter Energy Canada Holdings, Inc. As of December 31, 2023, we believe we have utilized all of our federal NOLs and federal general business credit carryforwards, subject to the filing of the 2023 federal income tax return.

On February 12, 2021, the Alabama Governor signed into law Alabama House Bill 170, now Act 2021-1 (the "Act"). The Act makes several changes to the state's business tax structure. Among the provisions of the Act, is the repeal of the so-called corporate income tax "throwback rule." That rule required all sales originating in Alabama and delivered to a jurisdiction where the seller was not subject to tax, to be included in the seller's Alabama income tax base. Thus, prior to repeal of the throwback rule, we had to rely on our Alabama NOL carryforwards to shelter taxes imposed under such throwback rule. As a result of the now repealed throwback rule, effective January 1, 2021, all such sales should now be excluded from Alabama taxable income without the need to utilize Alabama NOLs. As a result of the repeal of the throwback rule, we determined that it is not more likely than not that we would have sufficient taxable income to utilize all of our Alabama deferred income tax assets prior to expiration. Therefore, at December 31, 2023, we have a valuation allowance against our state deferred income tax assets of approximately \$41.0 million.

Certain factors could change or circumstances could arise that could further limit or eliminate the amount of the available federal and state NOLs to the Company, such as an ownership change, an adjustment by a tax authority or changes in state and federal tax legislation. Also, certain circumstances, including our failing to generate sufficient future taxable income from operations, could limit our ability to fully utilize our deferred tax assets. Under the Internal Revenue Code of 1986, as amended (the "Code"), and similar state laws, a company is generally allowed a deduction for federal and state NOLs against its federal and state taxable income. At December 31, 2023, we had state NOLs of approximately \$928.2 million. These state NOLs represent a deferred tax asset of approximately \$6.9 million, net of the valuation allowance.

Our federal and state NOLs are subject to adjustment on audit by the Internal Revenue Service (the "IRS") and state authorities. The IRS has not audited any of the tax returns for any of the years in which the losses giving rise to the federal and state NOLs were generated. Were the IRS to challenge the size or availability of our federal and state NOLs and prevail in such challenge, all or a portion of our federal and state NOLs, or our ability to utilize our federal and state NOLs to offset any future taxable income, may be impaired, which could have a significant negative impact on our financial condition, results of operations and cash flows.

A company's ability to deduct its federal and state NOLs and utilize certain other available tax attributes can be substantially constrained under the general annual limitation rules of Section 382 of the Code if it undergoes an "ownership change" as defined in Section 382 or if similar provisions of state law apply. We experienced an ownership change in connection with the acquisition of certain assets of Walter Energy and as such, the limitations under Section 382 would generally apply unless an exception to such rule applies. An exception to the limitation rules of Section 382 is applicable to certain companies under the jurisdiction of a bankruptcy court. Due to certain uncertainties as to whether such exception applies to us, we filed a request for a private letter ruling from the IRS on these points.

On September 18, 2017, the IRS issued to us a private letter ruling, which favorably resolved these uncertainties. Based on such private letter ruling, we believe that there is no current limitation under Section 382 on the utilization of our federal NOLs to shield our income from federal taxation and that a similar analysis would be applied to our state NOLs. The private letter ruling was issued based on, among other things, certain facts and assumptions, as well as certain representations, statements and undertakings provided to the IRS by us. If any of these material facts, assumptions, representations, statements or undertakings are, or become, incorrect, inaccurate or incomplete, the private letter ruling may be invalidated and our ability to rely on the conclusions reached therein could be jeopardized.

While we do not believe an ownership change has occurred since April 1, 2016, because the rules under Section 382 are highly complex and actions of our stockholders which are beyond our control or knowledge could impact whether an ownership change has occurred, we cannot give you any assurance that another Section 382 ownership change has not occurred or will not occur in the future. As a result of our qualifying for the aforementioned exception, were we to have undergone a

subsequent ownership change prior to April 1, 2018, our federal and state NOLs would effectively be reduced to zero. An ownership change after such date would severely limit our ability to utilize our federal and state NOLs and other tax attributes.

Certain transactions, including public offerings by us or our stockholders and redemptions may cause us to undergo an “owner shift” which by itself or when aggregated with other owner shifts that we have undergone or will undergo could cause us to experience an ownership change. Our certificate of incorporation contains transfer restrictions (the “382 Transfer Restrictions”) to minimize the likelihood of an ownership change. See “Risks Related to the Ownership of Our Common Stock-Our common stock is subject to the 382 Transfer Restrictions under our certificate of incorporation and the Amended Rights Agreement which are intended to prevent a Section 382 “ownership change,” which if not complied with, could result in the forfeiture of such stock and related distributions or substantial dilution of the stock ownership, respectively. Accordingly, this may impact the market price of our common stock and discourage third parties from seeking strategic transactions with us that could be beneficial to our stockholders.” The 382 Transfer Restrictions were originally set to expire in April 2020. Pursuant to the first amendment to the certificate of incorporation approved by the Company’s stockholders at the Company’s Annual Meeting of Stockholders held on April 23, 2019, the Company effected a three-year extension of the 382 Transfer Restrictions until April 19, 2023, which became effective on March 18, 2020 upon the filing of a certificate of amendment setting forth such amendment with the Secretary of State of the State of Delaware. Pursuant to the second amendment to the certificate of incorporation approved by the Company’s stockholders at the Company’s Annual Meeting of Stockholders held on April 26, 2022, the Company effected a further extension of the 382 Transfer Restrictions until April 19, 2026. In addition, on February 14, 2020, we adopted an NOLs rights agreement, which was amended on March 4, 2022 and December 8, 2023 (the “Rights Agreement,” and as amended, the “Amended Rights Agreement”), to supplement the 382 Transfer Restrictions through April 19, 2026 and increase the exercise price, respectively. See “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations-Amended Rights Agreement.” We may engage in transactions or approve waivers of the 382 Transfer Restrictions or the Amended Rights Agreement that may cause an ownership shift. In doing so, we expect to first perform the calculations necessary to confirm that our ability to use our federal and state NOLs and other federal and state income tax attributes will not be affected or otherwise determine that such transactions or waivers are in our best interests. For example, under certain circumstances, the Board may determine it is in our best interest to exempt certain transactions from the operation of the 382 Transfer Restrictions and the Amended Rights Agreement, if such transaction is determined not to be detrimental to the utilization of our federal and state NOLs or otherwise in our best interests. These calculations are complex and reflect certain necessary assumptions. Accordingly, it is possible that we could approve or engage in a transaction involving our common stock that causes an ownership change and impairs the use of our federal and state NOLs and other federal and state income tax attributes. For more information, see “Risks Related to the Ownership of Our Common Stock-We could engage in or approve transactions involving our common stock that adversely affect significant stockholders and our other stockholders.”

Certain U.S. federal income tax provisions currently available, including coal percentage depletion and foreign-derived intangible income, may be eliminated by future legislation.

From time to time, legislation is proposed that could result in the reduction or elimination of certain U.S. federal income tax provisions currently available to companies engaged in the exploration, development, production and exportation of coal reserves. These proposals have included, but are not limited to: (1) the elimination of current deductions, (2) the repeal of the percentage depletion allowance or deductions under Code Section 250: Foreign-Derived Intangible Income. The passage of these or other similar proposals could increase our taxable income and negatively impact our cash flows and the value of an investment in our common stock.

Risks Related to the Ownership of our Common Stock

The market price of our common stock may fluctuate significantly and investors in our common stock could incur substantial losses.

The market price of our common stock could fluctuate significantly due to a number of factors, including:

- our quarterly or annual earnings, or those of other companies in our industry;
- actual or anticipated fluctuations in our operating and financial results, including reserve estimates;
- changes in accounting standards, policies, guidance, interpretations or principles;
- the public reaction to our press releases, our other public announcements and our filings with the SEC;

- announcements by us or our competitors of significant acquisitions, dispositions or innovations;
- changes in financial estimates and recommendations by securities analysts following our stock, or the failure of securities analysts to cover our common stock;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of other comparable companies;
- declaration of bankruptcy by any of our customers or competitors;
- general economic conditions, overall market fluctuations, and changes in the price of steelmaking coal, steel or other commodities, including the impact of the COVID-19 pandemic on any of the foregoing;
- additions or departures of key management personnel;
- actions by our stockholders;
- the trading volume of our common stock;
- sales of our common stock by us or the perception that such sales may occur; and
- changes in business, legal or regulatory conditions, or other developments (including the COVID-19 pandemic) affecting participants in, and publicity regarding, the steelmaking coal mining business, the domestic steel industry or any of our significant customers.

In particular, the realization of any of the risks described in these "Risk Factors" could have a material and adverse impact on the market price of our common stock in the future and cause the price of our stock to decline. In addition, the stock market in general has experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock, regardless of our actual performance. In the past, following periods of volatility in the market price of a company's securities, stockholders have often instituted securities class action litigation against the company. If we were to be involved in a class action lawsuit, it could divert the attention of senior management, and, if adversely determined, have a material adverse effect on our business, results of operations and financial condition.

If securities or industry analysts adversely change their recommendations regarding our stock or if our operating results do not meet their expectations, our stock price could decline.

The trading market for our common stock could be influenced by the research and reports that industry or securities analysts may publish about us or our business. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if one or more of the analysts who cover our company downgrade our stock or if our operating results do not meet their expectations, our stock price could decline.

The requirements of being a public company, including compliance with the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the requirements of the Sarbanes-Oxley Act, require application of significant resources and management attention, and we may be unable to comply with these requirements in a timely or cost-effective manner.

We are responsible for maintaining systems and documentation necessary to evaluate the effectiveness of our internal control over financial reporting. These activities may divert management's attention from other business concerns. To maintain and improve our controls and procedures, we must commit significant resources, may be required to hire additional staff and need to continue to provide effective management oversight, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The requirements of being a public company, including compliance with the reporting requirements of the Exchange Act, and the requirements of the Sarbanes-Oxley Act, require application of significant resources and management attention, and we may be unable to comply with these requirements in a timely or cost-effective manner.

As a public company, we must comply with laws, regulations and requirements, certain corporate governance provisions of the Sarbanes-Oxley Act of 2002, related regulations of the SEC and the requirements of the New York Stock Exchange. Complying with these statutes, regulations and requirements occupies a significant amount of time for our Board and management and requires us to incur significant costs. We are required to:

- maintain a comprehensive compliance function;
- comply with rules promulgated by the New York Stock Exchange;
- prepare and distribute periodic public reports in compliance with our obligations under the federal securities laws;
- maintain internal policies; and
- engage outside counsel and accountants in the above activities.

We are responsible for assessing the operating effectiveness of internal controls over financial reporting and we may conclude that our internal controls over financial reporting are ineffective. During the course of the preparation of our financial statements, we evaluate our internal controls to identify and correct deficiencies in our internal controls over financial reporting. If we fail to maintain an effective system of disclosure controls or internal control over financial reporting, including satisfaction of the requirements of the Sarbanes-Oxley Act, we may not be able to accurately or timely report on our financial results or adequately identify and reduce fraud. As a result, the financial condition of our business could be adversely affected, current and potential future stockholders could lose confidence in us and/or our reported financial results, which may cause a negative effect on the trading price of our common stock. We could also be exposed to litigation or regulatory proceedings, which may be costly or divert management attention. Additionally, our independent registered public accounting firm may issue an adverse report indicating that our internal controls are not effective due to deficiencies in how our controls are documented, designed, operated or reviewed. Efforts to remediate any such deficiencies and otherwise comply with these requirements may strain our resources, and we may be unable to do so in a timely or cost-effective manner.

Any declaration and payment of future dividends to holders of our common stock or stock repurchases will depend on future financial performance and may be limited by restrictive covenants of our ABL Facility and the Indenture, and will be at the sole discretion of the Board and will also depend on many factors.

Our ability to declare future dividends and make future share repurchases will depend on our future financial performance, which in turn depends on the successful implementation of our strategy and on financial, competitive, regulatory, technical and other factors, general economic conditions, demand and selling prices for our products and other factors specific to our industry, many of which are beyond our control. Therefore, our ability to generate cash depends on the performance of our operations and could be limited by decreases in our profitability or increases in costs, regulatory changes, capital expenditures or debt servicing requirements.

In addition, any declaration and payment of future dividends to holders of our common stock may be limited by restrictive covenants of our ABL Facility and the Indenture, and will be at the sole discretion of the Board and will depend on many factors, including our financial condition, earnings, capital requirements, level of indebtedness, borrowing availability under our ABL Facility, statutory and contractual restrictions applying to the payment of dividends and other considerations that the Board deems relevant. The terms of our ABL Facility and the Indenture may restrict our ability to pay cash dividends on our common stock. We are prohibited from paying any cash dividend on our common stock unless we satisfy certain conditions. Furthermore, we are permitted under the terms of our ABL Facility and the Indenture to incur additional indebtedness, the terms of which may severely restrict or prohibit the payment of dividends and the associated debt service may impact our ability to satisfy the conditions for paying dividends under our ABL Facility and the Indenture. The agreements governing our current and future indebtedness may not permit us to pay dividends on our common stock.

Accordingly, the Company cannot make any assurance that future dividends will be paid or future repurchases will be made.

An investor's percentage ownership in us may be diluted by future issuances of capital stock or securities or instruments that are convertible into our capital stock, which could reduce its influence over matters on which stockholders vote.

The Board has the authority, without action or vote of our stockholders, to issue all or any part of our authorized but unissued shares of common stock, including shares issuable upon the exercise of options, shares that may be issued to satisfy our obligations under our incentive plans, shares of our authorized but unissued preferred stock and securities and instruments that are convertible into our common stock. Issuances of common stock or voting preferred stock would reduce an investor's influence over matters on which our stockholders vote and, in the case of issuances of preferred stock, likely would result in its interest in us being subject to the prior rights of holders of that preferred stock.

We may issue preferred stock whose terms could adversely affect the voting power or value of our common stock.

Our certificate of incorporation authorizes us to issue, without the approval of our stockholders, one or more classes or series of preferred stock having such designations, preferences, limitations and relative rights, including preferences over our common stock respecting dividends and distributions, as the Board may determine. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of our common stock. In addition, the issuance of such preferred stock could make it more difficult for a third party to acquire us. For example, we might grant holders of preferred stock the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we might assign to holders of preferred stock could affect the residual value of the common stock. On February 14, 2020, the Company entered into the Rights Agreement, which was amended on March 4, 2022 to extend the expiration date to April 19, 2026 and increase the exercise price to \$56.00 and on December 8, 2023 to increase the exercise price to \$159.00. In connection with the adoption of the Rights Agreement, the Board approved a certificate of designations of Series A Junior Participating Preferred Stock (as defined below) designating 140,000 shares of preferred stock, which was filed on February 14, 2020 with the Secretary of State of the State of Delaware and became effective on such date. See "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations-Designation of Series A Junior Participating Preferred Stock."

Our common stock is subject to the 382 Transfer Restrictions under our certificate of incorporation and the Amended Rights Agreement which are intended to prevent a Section 382 "ownership change," which if not complied with, could result in the forfeiture of such stock and related dividends or substantial dilution of the stock ownership, respectively. Accordingly, this may impact the market price of our common stock and discourage third parties from seeking strategic transactions with us that could be beneficial to our stockholders.

Our certificate of incorporation contains certain transfer restrictions on our shares, which we refer to as the "382 Transfer Restrictions." The 382 Transfer Restrictions are intended to prevent the likelihood that we will be deemed to have an "ownership change" within the meaning of Section 382 of the Code that could limit or eliminate our ability to utilize significant federal and state NOLs and other federal and state income tax attributes under and in accordance with the Code and regulations promulgated by the IRS and similar state rules. In 2022, the 382 Transfer Restrictions were amended to expire on April 19, 2026.

In particular, without the approval of the Board, no person or group of persons treated as a single entity under Treasury Regulation Section 1.382-3 will be permitted to acquire, whether directly, indirectly or constructively, and whether in one transaction or a series of related transactions, any of our common stock or any other instrument treated as stock for purposes of Section 382, to the extent that after giving effect to such purported acquisition (a) the purported acquirer, or any other person by reason of the purported acquirer's acquisition, would become a Substantial Holder (as defined below), or (b) the percentage of ownership of our common stock by a person that, prior to giving effect to the purported acquisition, is already a Substantial Holder would be increased. A "Substantial Holder" is a person that owns (as determined for purposes of Section 382 of the Code) at least 4.99% of the total value of our common stock, including any instrument treated as stock for purposes of Section 382 of the Code.

Furthermore, under our certificate of incorporation, the Board has the sole power to determine compliance with the 382 Transfer Restrictions and we cannot assure you that the Board will concur with any conclusions reached by any holder of our securities or their respective advisors, and/or approve or ratify any proposed acquisitions of our securities. The Board has established procedures to consider requests and if the Board determines that a Prohibited Transfer (as defined in our certificate of incorporation) has occurred, such Prohibited Transfer shall, to the fullest extent permitted by law, be void *ab initio* and have no legal effect, and upon written demand by us, the Purported Transferee (as defined in the certificate of incorporation) shall disgorge or cause to be disgorged our securities, together with any dividends or distributions received, with respect to such securities.

On February 14, 2020, we adopted the Rights Agreement, which was amended on March 4, 2022 to extend the expiration date to April 19, 2026 and increase the exercise price to \$56.00 and on December 8, 2023 to increase the exercise price to \$159.00, to supplement the 382 Transfer Restrictions. In general terms, the Amended Rights Agreement works by imposing a significant penalty upon any person or group that acquires 4.99% or more of the outstanding common stock or any existing stockholder who currently owns 5.00% or more of the common stock that acquires any additional shares of common stock (such person, group or existing stockholder, an "Acquiring Person") without the approval of the Board. Under the Amended Rights Agreement, from and after February 28, 2020, each share of our common stock carries with it one preferred share purchase right until the earlier of the date when the preferred share purchase rights become exercisable or expire. The Amended Rights Agreement also gives discretion to the Board to determine that someone is an Acquiring Person even if they do not own 4.99% or more of the outstanding common stock but do own 4.99% or more in value of the Company's outstanding stock, as determined pursuant to Section 382 of the Code and the regulations promulgated thereunder. In addition, the Board has established procedures to consider and approve requests to exempt certain acquisitions of the Company's securities from the Amended Rights Agreement if the Board determines that doing so would not limit or impair the availability of the federal and state NOLs or is otherwise in the best interests of the Company and conditioned upon and subject to the satisfaction of certain continuing factual representations and covenants. See "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations-Amended Rights Agreement."

The 382 Transfer Restrictions and the Amended Rights Agreement may make our stock less attractive to large institutional holders and limit the price that investors might be willing to pay for shares of our common stock and otherwise have an adverse impact on the market for our common stock. In addition, these restrictions could discourage a third party from proposing a change of control or other strategic transaction concerning the Company or otherwise have the effect of delaying or preventing a change of control of the Company that other stockholders may view as beneficial. Because of the complexity of applying Section 382, and because the determination of ownership for purposes of Section 382 does not correspond to SEC beneficial ownership reporting on Schedules 13D and 13G, stockholders and potential acquirers of our securities should consult with their legal and tax advisors prior to making any acquisition of our securities that could implicate the 382 Transfer Restrictions.

We could engage in or approve transactions involving our common stock that adversely affect significant stockholders and our other stockholders.

Under the 382 Transfer Restrictions that are contained in our certificate of incorporation and the Amended Rights Agreement, our 4.99% stockholders will effectively be required to seek the approval of, or a determination by, the Board before they engage in certain transactions involving our common stock. Furthermore, we could engage in or approve transactions involving our common stock that limit our ability to approve future transactions involving our common stock by our 4.99% stockholders without impairing the use of our federal or state income tax attributes. In addition, we could engage in or approve transactions involving our common stock that cause stockholders owning less than 4.99% to become 4.99% stockholders, resulting in those stockholders' having to either disgorge our securities, and any dividends or distributions related to such securities, in accordance with the 382 Transfer Restrictions or seek the approval of, or a determination by, the Board before they could engage in certain future transactions involving our common stock.

Provisions in our certificate of incorporation and bylaws and Delaware law, as well as the Amended Rights Agreement, make it more difficult to effect a change in control of the Company, which could adversely affect the price of our common stock.

The existence of some provisions in our certificate of incorporation and bylaws and Delaware corporate law, as well as the Amended Rights Agreement, could delay or prevent a change in control of our company, even if that change would be beneficial to our stockholders. Our certificate of incorporation and bylaws contain provisions that may make acquiring control of our company difficult, including:

- the Board's ability to issue, from time to time, one or more series of preferred stock and, with respect to each such series, to fix the terms thereof by resolution;
- provisions relating to the appointment of directors upon an increase in the number of directors or vacancy on the Board;
- provisions requiring stockholders to hold at least a majority of our outstanding common stock in the aggregate to request special meetings;

- provisions that restrict transfers of our stock (including any other instruments treated as stock for purposes of Section 382) that could limit our ability to utilize federal and state NOLs;
- provisions that provide that the doctrine of “corporate opportunity” will not apply with respect to the Company, to any of our stockholders or directors, other than any stockholder or director that is an employee, consultant or officer of ours; and
- provisions that set forth advance notice procedures for stockholders’ nominations of directors and proposals for consideration at meetings of stockholders.

In addition, we have elected to opt out of Section 203 of the Delaware General Corporation Law (“DGCL”), which, subject to some exceptions, prohibits business combinations between a Delaware corporation and an interested stockholder, which is generally defined as a stockholder who becomes a beneficial owner of 15% or more of a Delaware corporation’s voting stock for a three-year period following the date that the stockholder became an interested stockholder.

These provisions also could discourage proxy contests and make it more difficult for you and other stockholders to elect directors and take other corporate actions. As a result, these provisions could make it more difficult for a third party to acquire us, even if doing so would benefit our stockholders, which may limit the price that investors are willing to pay in the future for shares of our common stock.

The related party transactions and corporate opportunities provisions in our certificate of incorporation permit us to enter into transactions in which one or more of our directors or officers may be a party to or may be interested in and could enable our non-employee directors or stockholders and their affiliates to benefit from corporate opportunities that might otherwise be available to us.

Subject to the limitations of applicable law, our certificate of incorporation, among other things:

- permits us to enter into contracts and transactions in which one or more of our officers or directors may be a party to or may be financially or otherwise interested in so long as such contract or transaction is approved by the Board in accordance with the DGCL;
- permits any of our stockholders or non-employee directors and their affiliates to engage in a corporate opportunity in the same or similar business activities or lines of business in which we engage or propose to engage, compete with us and to make investments in any kind of property in which we may make investments and will not be deemed to have (i) acted in a manner inconsistent with his or her fiduciary or other duties to us regarding the opportunity, (ii) acted in bad faith or in a manner inconsistent with our best interests or (iii) be liable to us or our stockholders for breach of any fiduciary duty by reason of the fact that they have engaged in such activities; and
- provides that if any of our stockholders, non-employee directors or their affiliates acquire knowledge of a potential business opportunity, transaction or other matter (other than one expressly offered to any non-employee director in writing solely in his or her capacity as our director), such stockholder, non-employee director or affiliate will have no duty to communicate or offer that opportunity to us, and will be permitted to pursue or acquire such opportunity or offer that opportunity to another person and will not be deemed to have (i) acted in a manner inconsistent with his or her fiduciary or other duties to us regarding the opportunity, (ii) acted in bad faith or in a manner inconsistent with our best interests or (iii) be liable to us or our stockholders for breach of any fiduciary duty by reason of the fact that they have pursued or acquired such opportunity or offered the opportunity to another person.

Our stockholders or their affiliates, or our non-employee directors, may become aware, from time to time, of certain business opportunities (such as acquisition opportunities) and may direct such opportunities to other businesses in which they have invested, in which case we may not become aware of or otherwise have the ability to pursue such opportunity. Further, such businesses may choose to compete with us for these opportunities, possibly causing these opportunities to not be available to us or causing them to be more expensive for us to pursue. As a result, our renouncing our interest and expectancy in any business opportunity that may be from time to time presented to our stockholders and their affiliates, or our non-employee directors, could adversely impact our business or prospects if attractive business opportunities are procured by such parties for their own benefit rather than for ours.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Cybersecurity Risk Management and Strategy

We recognize the importance of assessing, identifying, and managing material risks associated with cybersecurity threats, as such term is defined in Item 106(a) of Regulation S-K. These risks include, among other things, operational risks; intellectual property theft; fraud; extortion; harm to employees or customers; violation of privacy or security laws; other litigation and legal risk; and reputational risks. We have in place and continuously monitor and improve cybersecurity processes, technologies, and controls to aid in our efforts to assess, identify, and manage such material risks. We continue to make investments in people, processes and technology to enhance our cybersecurity risk assessment, identification and management capabilities and to strengthen our cybersecurity risk response posture. Additionally, as part of the Company's Information Technology controls framework, management has established a suite of preventative and detective controls which enhance and strengthen the Company's cybersecurity program.

We rely on information systems and networks as well as various other technologies to conduct and support our business. We have implemented security protocols, controls, and systems with the intent of maintaining the physical and electronic security of our operations and protecting our and our counterparties' confidential information and information related to identifiable individuals against unauthorized access. Some of these systems and networks are managed, hosted, and provided by third parties, and as a result, are also sources of cybersecurity risk. Third party cybersecurity incidents could affect a provider's ability to deliver a product or service to the Company or result in lost or compromised information of the Company or its customers. We have implemented measures intended to secure our information systems and networks and prevent unauthorized access to or loss of sensitive data. Where third parties house financially significant or sensitive data, the Company obtains and reviews attest reports covering cyber-related controls at these third parties, designs and implements complementary user entity controls, maintains open lines of communication for cyber incident notifications, and has contractual safeguards in place in the event a cyber incident occurs.

We evaluate cybersecurity risk independently, and we have integrated cybersecurity risk into the Company's overall Enterprise Risk Management ("ERM") process. The IT function is responsible for cybersecurity risk and reports to our Chief Administrative Officer. The Chief Financial Officer and the Director of Treasury and Risk Management are responsible for our ERM process, which is performed annually and updated throughout the year and involves a cross-functional group of management, including our Director of IT who has over 20 years of information technology experience. Pursuant to our ERM process, cybersecurity risk is evaluated based on likelihood, severity, speed of onset and persistence (the duration of time during which the organization could be impacted). The Company also leverages third parties, where needed, in connection with cybersecurity risk management, strategy and incident response.

In the event that management identifies significant risk exposures with respect to cybersecurity, it will present such exposure to our Audit Committee. Our Cyber Security Incident Response Plan coordinates the activities we take to prepare for, detect, respond to and recover from cybersecurity incidents, which include processes to triage, assess severity for, escalate, contain, investigate, and remediate the incident, as well as to comply with potentially applicable legal obligations and mitigate brand and reputational damage. This would include notifying the appropriate individuals, investigating the incident, evaluating materiality, and responding to the incident. We have in the past and may continue to retain outside legal counsel, where necessary, to guide incident response efforts and perform a confidential and privileged review of the facts and circumstances surrounding suspected or confirmed cybersecurity incidents. If an incident were to occur, the Company may engage other service providers, where needed, to assist with the collection of forensic artifacts and perform additional procedures necessary to resolve and report any material cybersecurity incidents. Although we have cyber insurance and believe that our cybersecurity processes and controls are adequate, cybersecurity risk has increased due to remote access and increased sophistication of cybersecurity adversaries, as well as the increased frequency of malware attacks. As such, technology failures or cybersecurity breaches could still create system disruptions or unauthorized disclosure or alterations of confidential information and disruptions to the systems of our third-party suppliers and providers.

We have been and may be subject to security breaches, which have resulted in and could result in unauthorized access to our facilities or the information that we are trying to protect. When these incidents occur, we have taken appropriate remediation steps and, through investigation, determined that the events or incidents did not have a material effect on our business, results of operations, or financial results. Although we are not aware of any material cybersecurity incidents, because

of the past cybersecurity threats and what we have learned in responding to those threats, we have enhanced our cybersecurity protection efforts.

We describe whether and how risks from identified cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition, under the heading "Terrorist attacks and cyber-attacks or other security breaches may negatively affect our business, financial condition and results of operations and cash flows" included as part of our risk factor disclosures at Item 1A of this Annual Report on Form 10-K, which disclosures are incorporated by reference herein.

Cybersecurity Governance

Cybersecurity is an important part of our risk management processes and an area of increasing focus for our Board and management. Though management is responsible for the day-to-day management of risks the Company faces, including cybersecurity risks, the Board, as a whole and through its committees, has the ultimate responsibility for oversight of the Company's risks and risk management strategy. The company performs assessments to evaluate its cybersecurity risk as it relates to the organization and assets.

The Board has delegated to certain committee's oversight responsibility for risks that are directly related to each such committee's area of focus. The Audit Committee oversees our major financial risk exposures, including cybersecurity. The Audit Committee receives periodic reports from management regarding cybersecurity and management's assessment of current and future cybersecurity risks. The ERM process, which includes cybersecurity, is performed annually and updates are discussed quarterly, both internally and with the Audit Committee. The Audit Committee communicates the results of the annual process and quarterly updates to the full Board. The Board and committees thereof, including the Audit Committee, regularly receive reports from the Company's management and the Company's outside counsel, as appropriate, regarding the risks faced by, or anticipated to be faced by, the Company, including risks from cybersecurity threats. When such reports relating to cybersecurity are delivered to the Audit Committee, the Audit Committee's review of such reports, and discussions with management, informs the Audit Committee in detail of the material risks facing the Company related to cybersecurity.

Item 2. Properties

We operate two underground mines based in Alabama, Mine No. 4 and Mine No. 7 and own property in Alabama for the development of the Blue Creek mine. Mine No. 4 and Mine No. 7 are deep underground mines with a long history of operations as discussed in further detail below. Mine No. 4, Mine No. 7 and Blue Creek were considered material properties. Our mining operations also consist of other surface steelmaking and thermal coal mines, two of which are currently under lease to third parties and four of which are not operating.

Information concerning our mining properties in this Annual Report on Form 10-K has been prepared in accordance with the requirements of subpart 1300 of Regulation S-K, which first became applicable to us for the fiscal year ended December 31, 2021. These requirements differ significantly from the previously applicable disclosure requirements of SEC Industry Guide 7. Among other differences, subpart 1300 of Regulation S-K requires us to disclose our mineral resources, in addition to our mineral reserves, as of the end of the most recently completed fiscal year both in the aggregate and for each of our individually material mining properties.

As used in this Annual Report on Form 10-K, the terms "mineral resource," "measured mineral resource," "indicated mineral resource," "inferred mineral resource," "mineral reserve," "proven mineral reserve" and "probable mineral reserve" are defined and used in accordance with subpart 1300 of Regulation S-K. Under subpart 1300 of Regulation S-K, mineral resources may not be classified as "mineral reserves" unless the determination has been made by a qualified person that the mineral resources can be the basis of an economically viable project. As such, you are cautioned that, except for that portion of mineral resources classified as mineral reserves, mineral resources do not have demonstrated economic value. Likewise, you are cautioned not to assume that all or any part of measured and indicated mineral resources will ever be converted to mineral reserves.

Technical Report Summary

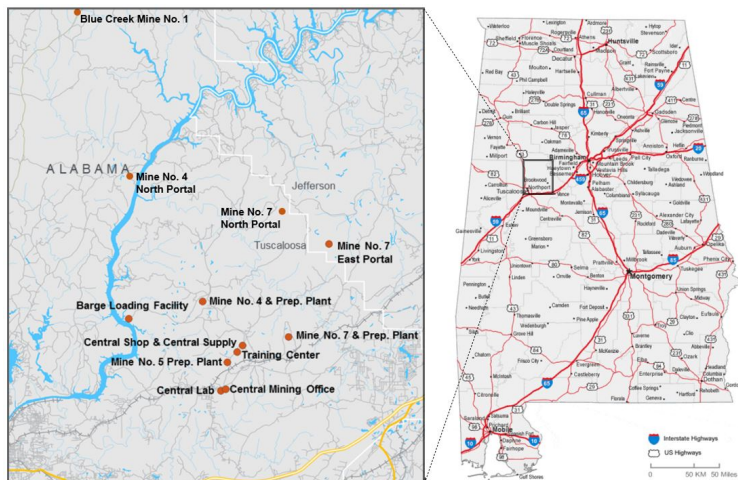
The information that follows relating to our individually material properties: Mine No. 4, Mine No. 7 and Blue Creek, is derived, for the most part, from, and in some instances is an extract from, the technical report summaries ("TRS") relating to such properties prepared in compliance with Item 601(b)(96) and subpart 1300 of Regulation S-K by Marshall Miller & Associates, Inc.. Portions of the following information are based on assumptions, qualifications and procedures that are not fully described herein. Reference should be made to the full text of the TRSS, incorporated herein by reference and made a part of this Annual Report on Form 10-K. With regard to Mine No. 7 and Mine No. 4, there have been no material changes in the mineral reserves or mineral resources from the TRSSs filed for Mine No. 7 and Mine No. 4 as Exhibits 96.1 and 96.2, respectively, to the Amendment No. 1 on Form 19-K/A to the Company's Annual Report on Form 10-K for the year ended December 31, 2022 (the "2023 Mine No. 7 and Mine No. 4 TRSSs"). The Company is therefore not filing new TRSSs for Mine No. 7 and Mine No. 4 in connection with this Annual Report and is incorporating the 2023 Mine No. 7 and Mine No. 4 TRSSs herein by reference.

Overview and Highlights

As of December 31, 2023, and under the SEC's new rules governing mineral reserves, specifically subpart 1300 of Regulation S-K under the Modernization of Property Disclosures for Mining Registrants, we had estimated reserves totaling 159.1 million metric tons and estimated mineral resources exclusive of reserves of 39.7 million metric tons. Mine No. 4 and Mine No. 7, our two operating mines, had approximately 82.9 million metric tons of recoverable reserves and our undeveloped

Blue Creek mine contained 67.6 million metric tons of recoverable reserves and 39.7 million metric tons of in-place mineral resources exclusive of reserves, which total 107.3 million metric tons.

The following map shows the major locations of our mining operations.



In addition to our underground and surface mines, we utilize a substantial amount of existing infrastructure which includes administration buildings, a central supply maintenance shop, a central supply warehouse, a training center, a central lab for coal quality testing, and a barge loading facility.

Our operations are located in Tuscaloosa County in central Alabama and our headquarters is in the town of Brookwood, Alabama. The nearest major population centers are Tuscaloosa, Alabama and Birmingham, Alabama. Infrastructure in the areas surrounding our operations are very diverse, well established and robust due to the large populations and current industrial activity in the surrounding metropolitan areas of Birmingham and Tuscaloosa. An international airport is located approximately 30 miles to the east of our operations. Access to all of our properties is via well maintained, paved, two-lane public roads with interstate access in close proximity. All of the primary infrastructure that our operations need to operate (power, water, transportation/roads) is available with reasonable access requirements. All of our operations receive power provided by Alabama Power Company. Our operations also are well serviced by major mining equipment manufacturers,

rebuild facilities, and mine supply vendors. Specialized mining service providers including slope, shaft, and preparation plant construction companies are located in the immediate area.

The following table provides the production (in thousands of metric tons) for our operating mines for each of the three years ended December 31, 2023, 2022 and 2021:

Location/Mine	Production		
	2023	2022	2021
Alabama:			
Warrior Met Coal Mining, LLC			
No. 4	2,272	1,415	736
No. 7	4,664	4,314	4,349
Total Alabama	6,936	5,729	5,085

All mining operations are subject to federal and state laws and must obtain permits to operate mines, coal preparation and related facilities, haul roads, and other incidental surface disturbances necessary for mining to occur. Permits generally require that the permittee post a performance bond in an amount established by the regulatory program to provide assurance that any disturbance or liability created during mining operations is properly restored to an approved post-mining land use and that all regulations and requirements of the permits are fully satisfied before the bond is returned to the permittee. Significant penalties exist for any permittee who fails to meet the obligations of the permits including cessation of mining operations, which can lead to potential forfeiture of the bond. We have obtained all mining and discharge permits to operate our mines and processing loadout or related facilities. As of December 31, 2023, we had outstanding surety bonds with parties for post-mining reclamation at all of our mining operations totaling \$44.3 million and \$5.2 million for miscellaneous purposes.

A substantial amount of the coal that the Company mines is produced from mineral reserves leased from third-party landowners. These leases convey mining rights to the Company in exchange for royalties to be paid to the landowner as either a fixed amount per ton or as a percentage of the sales price. Although coal leases have varying renewal terms and conditions, they generally last for the economic life of the reserves. Coal royalty expense was \$120.5 million, \$138.9 million, and \$65.4 million, for the years ended December 31, 2023, December 31, 2022, and December 31, 2021, respectively.

The following table provides the location and quality of our proven and probable mineral reserves as of December 31, 2023.

Summary of Mineral Reserves as of December 31, 2023⁽¹⁾
(in millions of metric tons)⁽²⁾

Location/Mine	Status of Operation ⁽⁴⁾	Mineral Reserves ⁽³⁾⁽⁵⁾			Quality (Dry Basis)				
		Proven ⁽³⁾	Probable ⁽³⁾	Reserves ⁽³⁾	Owned	Leased	% Ash	% Sulfur	% VM
Alabama:									
No. 4	Production	36.0	0.5	36.5	—	36.5	10.2	1	30
No. 7	Production	34.1	12.3	46.4	0.3	46.1	10.2	0.7	22
Blue Creek ⁽⁶⁾	Development	43.3	24.3	67.6	11.3	49.2	10.0	0.7	32
Other ⁽⁷⁾	Various	8.6	—	8.6	6.9	1.7	3.2 - 23.5	0.7 - 6.01	N/A
Total		122.0	37.1	159.1	18.5	133.5			
Total Warrior Met Coal		122.0	37.1	159.1	18.5	133.5			

(1) The price used and the time frame and point of reference used is discussed in the description of each mine below.

(2) 1 metric ton is equivalent to 1.102311 short tons.

- (3) Reserves are further categorized as Proven and Probable as defined by subpart 1300 of Regulation S-K under the Modernization of Property Disclosures for Mining Registrants. Proven reserves are reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling and (b) the sites of inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established. Probable reserves are reserves for which quantity and grade and/or quality are computed from information similar to that used for proven reserves, but the sites for inspection, sampling and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than for proven reserves, is high enough to assume continuity between points of observation. The range of steelmaking coal sales prices used to assess our Mine No. 4 reserves were based on 98 percent of the average of premium low-vol and mid-vol forecast through 2030 and was held constant beyond that date and varies between \$152 to \$187 per metric ton. The range of steelmaking coal sales prices used to assess our Mine No. 7 reserves were based on 98 percent of the premium low-vol forecast through 2030 and was held constant beyond that date and varies between \$172 to \$206 per metric ton. The categories for proven and probable coal reserves are based on distances from valid points of measurement as determined by the qualified person for the area under consideration. Measured resources, which may convert to proven reserves, is based on a 0.25 mile radius from a valid point of observation. The distance between 0.25 and 0.75 of a mile radius was selected to define indicated resources. Inferred resources are commonly assumed to be located between 0.75 miles and 3 miles from a point of observation. The mineral reserves were estimated within an accuracy threshold of plus or minus 15 percent.
- (4) The "Status of Operation" for each mine is classified as follows: Development - an established commercially mineable deposit (reserves) is being prepared for extraction but that is not yet in production. Production - the mine is actively operating. Various - consists of idle mines and mines that are actively operating under third party leases.
- (5) See a description of the material mineral reserve estimates for each mine below. Coal reserve tons were estimated at a 10% moisture and represent the saleable product from the property. Our mineral reserves are controlled either through direct ownership of the property or through third-party leases. Third-party leases have initial terms extending up to 30 years and generally provide for terms or renewals through the anticipated life of the associated mine. These renewals are conditioned upon the payment of minimum royalties. Under current mining plans, Mine No. 4 and Mine No. 7 will be mined out within the period of existing leases or within the time period of probable lease renewal periods. All mineral reserves reported are either 100% owned or controlled through lease agreements.
- (6) Total Blue Creek Mine reserve tonnage includes: 11.3 million owned, 49.2 million leased, and an additional 7.1 million with option to mine.
- (7) Our other mines consist of other surface steelmaking and thermal coal mines, two of which are currently under lease to third parties and four of which are not operating. The proven and probable mineral reserves for these properties were prepared by McGehee Engineering Corporation.

The following table provides the location and quality of our measured, indicated and inferred mineral resources, exclusive of reserves, as of December 31, 2023.

Summary of Mineral Resources Exclusive of Reserves as of December 31, 2023⁽¹⁾
(in millions of metric tons)⁽²⁾

Location/Mine	Status of Operation ⁽³⁾	Demonstrated Coal Resources (in-place)				Quality (Dry Basis)		
		Measured	Indicated	Measured + Indicated	Inferred	% Ash	% Sulfur	% VM
Alabama:								
Blue Creek	Development	—	39.7	39.7	—	18.8	1.4	31
Total Alabama		—	39.7	39.7	—			
Total Warrior Met Coal		—	39.7	39.7	—			

(1) The price used and the time frame and point of reference used is discussed in the description of Blue Creek below.

(2) 1 metric ton is equivalent to 1.102311 short tons.

(3) The "Status of Operation" for each mine is classified as follows: Development - an established commercially mineable deposit (reserves) is being prepared for extraction but that is not yet in production.

Material Mining Properties

The information that follows relating to our individually material properties: Mine No. 4, Mine No. 7 and Blue Creek, is derived, for the most part, from, and in some instances is an extract from, the TRS relating to such properties prepared in compliance with Item 601(b)(96) and subpart 1300 of Regulation S-K by Marshall Miller and Associates, Inc.. Portions of the

following information are based on assumptions, qualifications and procedures that are not fully described herein. Reference should be made to the full text of the TRSs, incorporated herein by reference and made a part of this Annual Report on Form 10-K.

The following table provides a comparison of our material proven and probable mineral reserves as of December 31, 2023 and December 31, 2022:

Summary of Material Mineral Reserves as of December 31, 2023 as compared to December 31, 2022
(in millions of metric tons)⁽¹⁾

Mine	As of December 31,		Change	
	2023	2022	Tons	%
No. 4				
<i>Material Reserves⁽²⁾</i>				
Proven ⁽³⁾	36.0	38.7	(2.7)	(7)%
Probable ⁽³⁾	0.5	0.5	—	—%
Reserves ⁽²⁾	36.5	39.2	(2.7)	(7)%
No. 7				
<i>Material Reserves⁽²⁾</i>				
Proven ⁽³⁾	34.1	38.4	(4.3)	(11)%
Probable ⁽³⁾	12.3	11.3	1.0	9%
Reserves ⁽²⁾	46.4	49.7	(3.3)	(7)%
Blue Creek				
<i>Material Reserves⁽²⁾</i>				
Proven ⁽³⁾	43.3	42.8	0.5	1%
Probable ⁽³⁾	24.3	25.4	(1.1)	(4)%
Reserves ⁽²⁾	67.6	68.2	(0.6)	(1)%

(1) 1 metric ton is equivalent to 1.102311 short tons.

(2) See a description of the material mineral reserve estimates for each mine below. Coal reserve tons were estimated at a 10% moisture and represent the saleable product from the property.

(3) Reserves are further categorized as Proven and Probable as defined by subpart 1300 of Regulation S-K under the Modernization of Property Disclosures for Mining Registrants. Proven reserves are reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling and (b) the sites of inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established. Probable reserves are reserves for which quantity and grade and/or quality are computed from information similar to that used for proven reserves, but the sites for inspection, sampling and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than for proven reserves, is high enough to assume continuity between points of observation.

The Mine No. 4 and Mine No. 7 change in proven and probable mineral reserves and quality is primarily attributable to production and incorporation of additional exploration drilling and associated coal quality data. The Blue Creek change in proven and probable mineral reserves is primarily due to results from additional exploration and changes in property control.

The following table provides a comparison of our material mineral resources exclusive of reserves as of December 31, 2023 and December 31, 2022:

Summary of Material Mineral Resources as of December 31, 2023 as compared to December 31, 2022
(in millions of metric tons)⁽¹⁾

Mine	As of December 31,		Change	
	2023	2022	Tons	%
Blue Creek				
<i>Mineral Resources</i>				
Measured	—	—	—	— %
Indicated	39.7	39.2	0.5	1 %
Measured + Indicated	39.7	39.2	0.5	1 %

(1) 1 metric ton is equivalent to 1.102311 short tons.

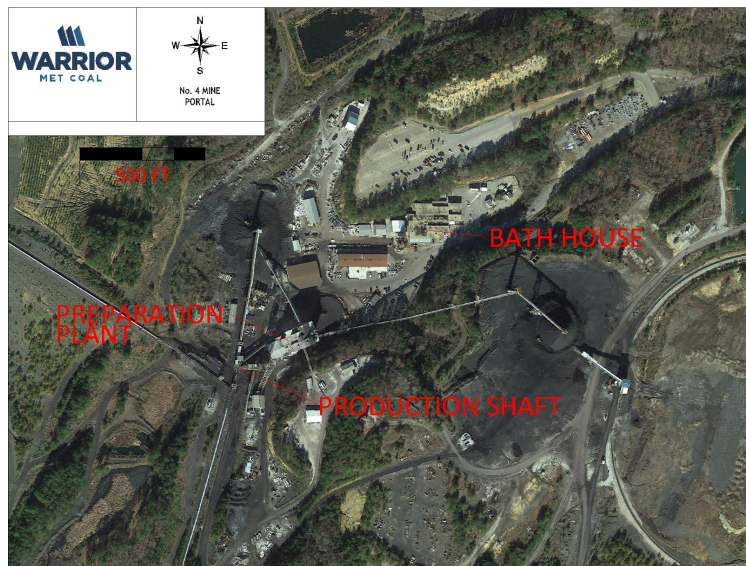
The Blue Creek change in coal resources exclusive of reserves is primarily due to results from additional exploration and laboratory testing.

Mine No. 4

Mine No. 4 was opened by Jim Walter Resources in 1974 and has been in operation since. In 2015, in connection with the chapter 11 filing by Walter Energy, Mine No. 4 was idled. Upon our acquisition of Mine No. 4 in April 2016, the mine began production. The property has been extensively explored as early as 1916 by subsurface drilling efforts carried out by numerous entities, the majority of which were completed prior to our acquisition of the assets including: by Tennessee Coal, Iron & Railroad Company, U.S. Steel, The Pittsburgh & Midway Coal Mining Company and Walter Energy, Inc. The majority

of the drilling was accomplished by means of conventional core hole exploration and air rotary drilling with geophysical logging for coalbed methane wells.

The following shows the current property and facilities layout of Mine No 4.



Mine No 4 is located at approximately 87°19'32" latitude and 33°19'49"N longitude which is approximately 20 miles east of Tuscaloosa, Alabama and 30 miles southwest of Birmingham, Alabama. Access to Mine No. 4 is by State Route 59 ("Lock 17 Road"), a well maintained, paved, two-lane road with interstate access in close proximity to the south, and a short access road to the main entrance of the mine. All of the facilities are in close proximity to high quality, public roads and lie within 2 miles of each other. On site facilities include an administration building, maintenance shop, preparation plant and a stock yard. Mine No. 4 preparation plant services the mine via a skip system which transports extracted coal from an underground bunker to the surface facility. The Mine No. 4 preparation plant has a capacity to process 1,300 raw metric tons per hour.

Rail transportation for the mine sites is provided by CSX railroad and river transportation is available on the Black Warrior River. The rail line and Black Warrior River serves as the primary means of transportation of coal from the mine.

Mine No. 4 is a longwall operation that uses a longwall shearing machine for the extraction of coal at the production face. A chain conveyor is used to remove coal from the longwall face for discharge onto the conveyor belt which then ultimately delivers the coal to a skip system. Development for the longwall is conducted by the extraction of coal from the production faces using continuous miners and haulage using shuttle cars to a feeder-breaker located at the tail of the section conveyor belt. The feeder-breaker crushes large pieces of coal and rock and regulates coal feed onto the mine conveyor. Other

supplemental equipment is used in the production, development and maintenance of the mine such as roof-bolting machines, battery scoops, personnel carriers, supply vehicles, belts, high-voltage cables, transformers, etc.

Mine No. 4 has had multiple improvements to the infrastructure by adding new portal facilities in 2019 and 2021. The Mine No. 4 North portal development was completed in 2023. These facilities have helped to decrease travel time to the active sections, as well as improving the safety of the miners by having shafts closer to the main work areas.

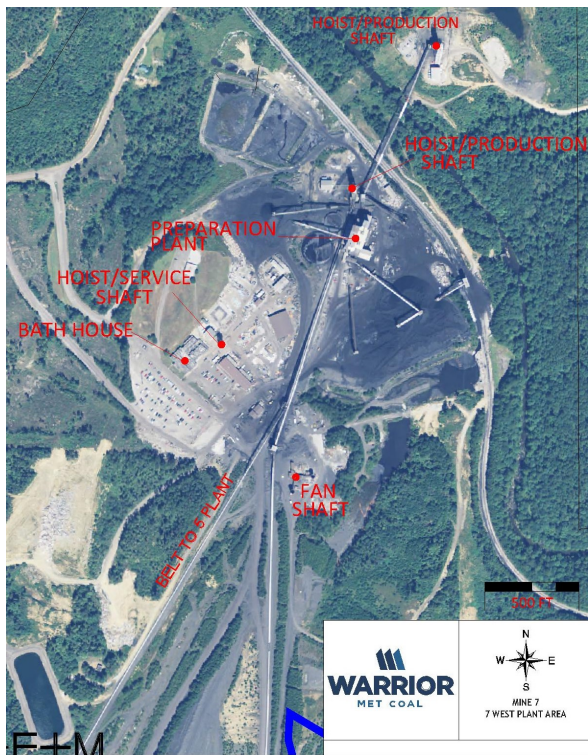
Currently the mine operates a single longwall with advanced features that improves horizon control, dust control, and the latest shield technology for partial automation. The mine routinely updates or rebuilds equipment and during this process, adds the latest safety or production features available. Mine No. 4 preparation plant has also routinely been upgraded with the latest technology. This preparation plant runs the most modern circuits, including an ultrafine coal recovery system. The preparation plant has had numerous upgrades since its original construction, which has helped it to continue to capture a higher percentage of coal with each upgrade. Mine No. 4 preparation plant most recently completed a new fine coal recovery system in 2020, to further improve overall plant recovery. The net book value of property, plant and equipment associated with Mine No. 4 as of December 31, 2023, was \$213.8 million.

As of the filing of this annual report Mine No. 4 is currently active with three continuous mining sections and one longwall. Mine No. 4, inclusive of depleted mine works and future reserve areas, is composed of approximately 46,000 total acres. Of the 46,000 acres, approximately 7,200 are associated with future mining areas. Future mining areas include approximately 6,100 acres of leased mineral holdings and approximately 1,000 acres of uncontrolled mineral holdings. Our controlled reserves are either through direct ownership of the property or through third-party leases. Third-party leases have initial terms extending up to 30 years and generally provide for terms or renewals through the anticipated life of the associated mine. These renewals are conditioned upon the payment of minimum royalties. Under current mining plans, assigned reserves reported will be mined out within the period of existing leases or within the time period of probable lease renewal periods. All recoverable reserves reported are either 100% owned or controlled through lease agreements. There are no significant title encumbrances to the property.

Mine No. 7

Mine No. 7 was opened by Jim Walter Resources in 1974 and has been in operation since. In connection with the acquisition of certain assets of Walter Energy, we acquired the mineral rights for Mine No. 7 in April 2016. The property has been extensively explored as early as 1916 by subsurface drilling efforts carried out by numerous entities, the majority of which were completed prior to our acquisition of the assets including: U.S. Steel, Tennessee Coal, Iron & Railroad Company and Walter Energy, Inc. The majority of the drilling was accomplished by means of conventional core hole exploration and air rotary drilling with geophysical logging for coalbed methane wells.

The following shows the current property and facilities layout of Mine No 7.



Mine 7 is located at approximately 87°14'46" longitude and 33°19'35"N latitude which is approximately 20 miles east of Tuscaloosa, Alabama and 30 miles southwest of Birmingham, Alabama. Access to Mine No. 7 is by Hannah Creek road, a well maintained, paved, two-lane road with interstate access in close proximity to the south via Lock 17 Road. All of the facilities are in close proximity to high quality, public roads. On site facilities include an administration building, maintenance shop, preparation plant and a stock yard. Mine No. 7 preparation plant services the mine via skip system which transports extracted coal from an underground bunker to the surface facility. Mine No. 7 also uses the No. 5 preparation plant via an

overland conveyor. The Mine No. 7 preparation plant has a capacity to process 1,260 raw metric tons per hour and the Mine No. 5 preparation plant has the capacity to process 900 raw metric tons per hour.

Rail transportation for the mine sites is provided by CSX railroad and river transportation is available on the Black Warrior River. The rail line and Black Warrior River serve as the primary means of transportation of coal from the preparation plants.

Mine No. 7 is a longwall operation that uses a longwall shearing machine for the extraction of coal at the production face. A chain conveyor is used to remove coal from the longwall face for discharge onto the conveyor belt which then ultimately delivers the coal to a skip system. Development for the longwall is conducted by the extraction of coal from the production faces using continuous miners and haulage using shuttle cars to a feeder-breaker located at the tail of the section conveyor belt. The feeder-breaker crushes large pieces of coal and rock and regulates coal feed onto the mine conveyor. Other supplemental equipment is used in the production, development and maintenance of the mine such as roof-bolting machines, battery scoops, personnel carriers, supply vehicles, belts, high-voltage cables, transformers, etc.

Mine No. 7 has had multiple improvements to the infrastructure by adding new portal facilities in 2009 and 2018, among others. These facilities have helped to decrease travel time to the active sections, as well as improving the safety of the miners by having shafts closer to the main work areas. Currently the mine operates two longwalls with advanced features that improve horizon control, face alignment, dust controls, and the latest shield technology for partial automation. The mine routinely updates or rebuilds equipment and during this process, adds the latest safety or production features available.

Mine No. 7 and Mine No. 5 preparation plants also are routinely upgraded with the latest technology. These preparation plants run the most modern circuits, including ultrafine coal recovery systems. Both preparation plants have had numerous upgrades since their construction, which has helped them to continue to capture a higher percentage of coal with each upgrade. Mine No. 7 most recently completed a new fine coal recovery system, with another system also currently under construction, at the same plant, to further improve overall plant recovery. The net book value of property, plant and equipment associated with Mine No. 7 as of December 31, 2023, was \$328.1 million.

As of the filing of this annual report Mine No. 7 is currently active with two longwall sections and six continuous mining sections. Mine No. 7, inclusive of depleted mine works and future reserve areas, is composed of approximately 43,000 total acres. Of the 43,000 acres, approximately 10,100 are associated with future mining areas. Future mining areas include approximately 10,000 acres of leased mineral holdings and approximately 100 acres of owned mineral holdings and 300 acres of uncontrolled mineral holdings. Our controlled reserves are either through direct ownership of the property or through third-party leases. Third-party leases have initial terms extending up to 30 years and generally provide for terms or renewals through the anticipated life of the associated mine. These renewals are conditioned upon the payment of minimum royalties. Under current mining plans, assigned reserves reported will be mined out within the period of existing leases or within the time period of probable lease renewal periods. All recoverable reserves reported are either 100% owned or controlled through lease agreements. There are no significant title encumbrances to the property.

Blue Creek

We believe that Blue Creek represents one of the few remaining untapped reserves of premium High Vol A steelmaking coal in the United States and that it has the potential to provide us with meaningful growth. We believe that the combination of a low production cost and the high quality of the High Vol A steelmaking coal mined from Blue Creek, assuming we achieve our expected price realizations, will generate some of the highest steelmaking coal margins in the U.S., generate strong investment returns for us and achieve a rapid payback of our investment across a range of steelmaking coal price environments.

Based on the current schedule, we expect the first development tons from continuous miner units to occur in the third quarter of 2024 with the longwall scheduled to start in the second quarter of 2026. We initially expected to invest approximately \$650.0 to \$700.0 million over five years to develop Blue Creek. These costs include, among others, costs to construct a preparation plant and coal handling facility, longwall and continuous miner equipment, belts and advancement material, outside facilities and related matters. Beyond the initial investment, additional capital will be required for sustaining production. This includes rebuilds and replacement of equipment, mine development and multiple bleeder, intake and return shafts.

More than a year after the relaunch of the Blue Creek mine development in May 2022, Warrior has initiated important and highly beneficial project scope changes that will require incremental capital expenditures over the life of the project while lowering operating costs, increasing flexibility to manage risks, and making better use of multi-channel transportation methods.

Most of these scope changes are transportation and logistics-related, with additional amounts related to inflation for these changes only. These scope changes are expected to increase total capital expenditures for the Blue Creek mine by approximately \$120 - \$130 million over the remainder of the project development period.

While the Company originally planned on a single channel to transport coal from the Blue Creek mine via an overland belt to a third-party owned and operated barge loadout facility, it now plans to build a belt conveyor system to a railroad loadout to transport the majority of the coal. We expect this change to de-risk the single channel to market, lower operating cost and move volumes faster to the port. Warrior will also build and operate a barge loadout itself rather than utilizing a third-party provider. The Company believes that the potential economic benefits associated with these scope changes should provide Warrior with an inherently robust and cost competitive outbound logistics model that will provide additional flexibility to manage alternative transportation methods. The inclusion of the benefits and incremental capital expenditures relating to these specific scope changes did not have a material impact to the project economic metrics of net present value and internal rate of return.

In addition, the Company has experienced inflationary cost increases ranging from 25 to 35 percent in both operating expenses and capital expenditures for its existing mining operations since late 2021. The Company is also experiencing inflationary pressures at Blue Creek, especially in relation to labor, construction materials and certain equipment, that is expected to continue during the remainder of the project development period. As a number of key material contracts are currently being negotiated, and due to uncertainty regarding future inflation rates, the Company is not providing an estimate of the impact of inflation at this time. However, as the Company negotiates and enters into contracts for the larger project components, the Company expects that more information will become available to allow it to provide revised guidance. While cost inflation has impacted the cost of the project, these inflationary pressures are expected to be offset by an inflationary increase in the long-term price assumption for steelmaking coal.

The Blue Creek mine will be a similar operation to our currently active operations, Mine No. 4 and Mine No. 7. The net book value of property, plant and equipment associated with Blue Creek as of December 31, 2023, was \$371.9 million.

The mine property is located approximately 87°26'35" latitude and 33°35'21"N longitude. Access to the Blue Creek property is by State Route 69, a well maintained, paved, two-lane road with interstate access in close proximity to both the north and south. The current mine plan allows for three continuous mining sections and a longwall unit to mine simultaneously through the initial stages of mine development. We believe we will have the ability to add a second longwall subsequent to finalization of development. The project includes surface facilities to be constructed at multiple locations in close proximity. Rail transportation for the proposed mine site is a major rail line and river transportation is available on the Black Warrior River.

We currently control approximately 28,200 total acres of mining rights associated with the Blue Creek project, approximately 85% of which is leased from various entities and individuals. We have plans to continue to acquire additional leases, which are primarily from private entities and individuals as well as federally owned coal via the Bureau of Land Management. Our controlled reserves are either through direct ownership of the property or through third-party leases. Third-party leases have initial terms extending up to 30 years and generally provide for terms or renewals through the anticipated life of the associated mine. These renewals are conditioned upon the payment of minimum royalties. Under current mining plans, assigned reserves reported will be mined out within the period of existing leases or within the time period of probable lease renewal periods. All recoverable reserves reported are either 100% owned or controlled through lease agreements. There are no significant title encumbrances to the property.

The Blue Creek property was formerly controlled by Jim Walter Resources, a subsidiary of Walter Energy. Walter Energy acquired the majority of its mineral rights for the Blue Creek property in 2010 through its purchase of Chevron Mining, Inc. In connection with the acquisition of certain assets of Walter Energy, Inc., we acquired the mineral rights for Blue Creek in April 2016. Since the acquisition, we have strategically purchased and leased mineral and surface rights to further assemble the project. The property has been extensively explored as early as 1957 by means of continuous coring and analytic testing, rotary drilling, ongoing drilling associated with coalbed methane production and by downhole geophysical logging methods. The property has been extensively explored by numerous entities, the majority of which were completed prior to our acquisition of the assets including: U.S. Steel, Tennessee Coal, Iron & Railroad Company, The Pittsburgh & Midway Coal Mining Company/Chevron and Walter Energy. We have performed ongoing exploration since acquiring the property and the data we have acquired is consistent with that of past drilling activities.

A life of mine plan was used by the TRS in developing the estimate of proven and probable reserves. The mine plan was generated based on previous mine plans, anticipated lease acquisitions, and operational criteria with modifications where necessary due to geologic mapping or other factors. Carlson Mining software was utilized to generate the life of mine plan.

The range of steelmaking coal sales prices used to assess our reserves were based on IHS High Volatile A price forecast through 2030 and was held constant beyond that date and varies between \$143 to \$177 per metric ton. The categories for proven and probable coal reserves are based on distances from valid points of measurement as determined by the qualified person for the area under consideration. For the Blue Creek mine estimate, measured resources, which may convert to a proven reserve, is based on a 0.25 mile radius from a valid point of observation. The distance between 0.25 and 0.75 of a mile radius was selected to define indicated resources. Blue Creek mineral reserves were estimated within an accuracy threshold of plus or minus 15 percent.

Internal Controls and Material Assumptions

We maintain an internal staff of engineers and geoscience professionals who worked closely with our independent reserve engineers to ensure the integrity, accuracy and timeliness of the data used to calculate our estimated mineral reserves and resources. Our internal technical team members meet with our independent reserve engineers periodically to discuss the assumptions and methods used in the estimation process. We provide historical information to the independent reserve engineers for our properties, such as ownership interest, production, test data, commodity prices, coal quality and operating and development costs. The estimates of mineral reserves and resources may be materially affected if mining, quality, or infrastructure factors change from those currently anticipated.

These estimates are based on engineering, economic and geologic data, coal ownership information and current and proposed mine plans. Our proven and probable coal reserves are reported as mineral reserves, which is an estimate of tonnage and grade or quality of indicated and measured mineral resources that, in the opinion of the qualified person (as defined in the SEC rules), can be the basis of an economically viable project. More specifically, it is the economically mineable part of a measured or indicated mineral resource, which includes diluting materials and allowances for losses that may occur when the material is mined or extracted. These estimates are periodically updated to reflect past coal production, new drilling information and other geologic or mining data. Acquisitions or dispositions of coal properties will also change these estimates. Changes in mining methods may increase or decrease the recovery basis for a coal seam, as will changes in preparation plant processes.

Our reserve estimates are predicated on engineering, economic, and geological data assembled and analyzed by internal engineers, geologists and finance associates, as well as third-party consultants. We update our reserve estimates annually to reflect past coal production, new drilling information and other geological or mining data, and acquisitions or sales of coal properties.

Item 3. Legal Proceedings

We are involved in various legal proceedings occurring in the ordinary course of business. It is the opinion of management, after consultation with legal counsel, that these matters will not materially affect our consolidated financial position, results of operations or cash flows.

The Company is subject to a wide variety of laws and regulations concerning the protection of the environment, both with respect to the construction and operation of its plants, mines and other facilities and with respect to remediating environmental conditions that may exist at its own and other properties. See "Part I, Item 1. Business—Environmental and Regulatory Matters" for additional information. The Company believes that it is in substantial compliance with federal, state and local environmental laws and regulations. The Company accrues for environmental expenses resulting from existing conditions that relate to past operations when the costs are probable and can be reasonably estimated.

Item 4. Mine Safety Disclosures

The information concerning mine safety violations and other regulatory matters is filed as Exhibit 95 to this Annual Report pursuant to the requirements of Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104).

Part II

Item 5. Market For Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock began trading on the NYSE under the symbol "HCC" on April 13, 2017. Before then, there was no public market for our common stock.

Capital Allocation Policy

On May 17, 2017, the Board adopted a policy (the "Capital Allocation Policy") of paying a quarterly cash dividend. In February 2022, we announced that the Board approved an increase in the regular quarterly cash dividend by 20%, from \$0.05 per share to \$0.06 per share. In February 2023, we announced that the Board approved an increase in the regular quarterly cash dividend by 17% from \$0.06 per share to \$0.07 per share. On February 9, 2024, we announced the Board approved an increase in the regular quarterly cash dividend by 14% from \$0.07 per share to \$0.08 per share and declared a special cash dividend of \$0.50 per share. Our strategy continues to be focused on optimizing our capital structure to improve returns to stockholders, through special cash dividends, while allowing flexibility for us to develop our strategic growth project Blue Creek. We intend on returning cash to stockholders in stronger price markets where we are generating significant amounts of cash flow, and less cash to stockholders during weaker markets. We also intend on using stock repurchases when there is no short- or long-term use for additional cash that will deliver meaningful value to stockholders. We have paid a regular quarterly cash dividend every quarter since the Board adopted the Capital Allocation Policy.

The Capital Allocation Policy states the following: In addition to the regular quarterly dividend and to the extent that the Company generates excess cash that is beyond the then current requirements of the business, the Board may consider returning all or a portion of such excess cash to stockholders through a special dividend or implementation of a stock repurchase program. Any future dividends or stock repurchases will be at the discretion of the Board and subject to consideration of a number of factors, including business and market conditions, future financial performance and other strategic investment opportunities. We will also seek to optimize our capital structure to improve returns to stockholders while allowing flexibility for us to pursue very selective strategic growth opportunities that can provide compelling stockholder returns. Our ability to pay dividends on our common stock is limited by covenants in the ABL Facility and the Indenture and may be further restricted by the terms of any future debt or preferred securities. See "Part I, Item 1A. Risk Factors—Risks Related to the Ownership of our Common Stock—Any declaration and payment of future dividends to holders of our common stock may be limited by restrictive covenants of our ABL Facility and the Indenture, and will be at the sole discretion of the Board and will also depend on many factors" and "Part II, Item 7. Management's Discussion and Analysis of Financial Conditions and Results of Operation—Liquidity and Capital Resources—ABL Facility" and "—Senior Secured Notes."

During the year ended December 31, 2023, we paid \$61.1 million of regular quarterly and special cash dividends under the Capital Allocation Policy.

Holders

As of January 17, 2024, we had approximately 362 holders of record of our common stock.

Stock Repurchases

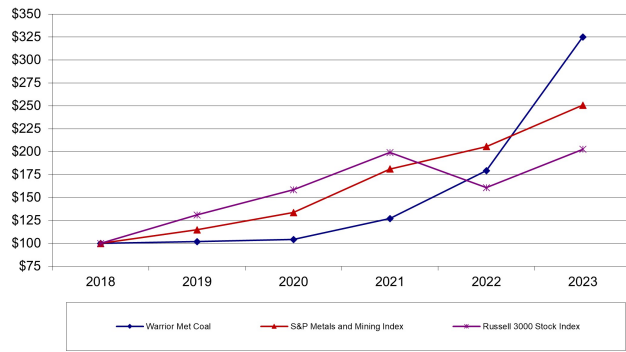
There were no share repurchases of our common stock made during the quarter ended December 31, 2023.

Stock Performance Graph

The performance graph and the information contained in this section is not "soliciting material", is being "furnished" not "filed" with the SEC and is not to be incorporated by reference into any of our filings under the Securities Act or the Exchange Act whether made before or after the date hereof and irrespective of any general incorporation language contained in such filing.

The following graph shows a comparison from April 13, 2017 (the date our common stock commenced trading on the NYSE) through December 31, 2023 of the cumulative total return for our common stock, the S&P Metals and Mining Index and the Russell 3000 Stock Index. The graph assumes that \$100 was invested on April 13, 2017 in our common stock and each index and that all dividends were reinvested.

Note that historical stock price performance is not necessarily indicative of future stock price performance.



ITEM 6. [Reserved]

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides a narrative of our results of operations and financial condition for the years ended December 31, 2023 and December 31, 2022. You should read the following discussion and analysis of our financial condition and results of operations together with our audited financial statements and related notes appearing elsewhere in this Annual Report. Some of the information contained in this discussion and analysis or set forth elsewhere in this Annual Report, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in "Part I, Item 1A. Risk Factors," our actual results could differ materially from the results described in, or implied by, the forward-looking statements contained in the following discussion and analysis. Please see "Forward-Looking Statements."

For a discussion and analysis of our results of operations and financial condition for the year ended December 31, 2021, please refer to Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

Overview

We are a U.S.-based, environmentally and socially minded supplier to the global steel industry. We are dedicated entirely to mining non-thermal steelmaking coal used as a critical component of steel production by metal manufacturers in Europe, South America and Asia. We are a large-scale, low-cost producer and exporter of premium steelmaking coal, also known as hard coking coal ("HCC"), operating highly efficient longwall operations in our underground mines based in Alabama, Mine No. 4 and Mine No. 7.

As of December 31, 2023, Mine No. 4 and Mine No. 7, our two operating mines, had approximately 82.9 million metric tons of recoverable reserves and our undeveloped Blue Creek mine contained 67.6 million metric tons of recoverable reserves and 39.7 million metric tons of coal resources exclusive of reserves, which total 107.3 million metric tons. As a result of our high-quality coal, our Mine No. 7 steelmaking coal realized price has historically been in line with, or at a slight discount to, the Platts Premium Low Volatility ("LV") Free-On-Board Australian Index (the "S&P Platts Index"). Our Mine No. 4 steelmaking coal transitioned in the second half of the year from a Mid Vol to a High Vol A quality that typically trades at a larger discount to the price of coal from Mine No. 7. We now primarily target the East Coast High Vol A indices price for our Mine No. 4 coal. Our steelmaking coal, mined from the Southern Appalachian portion of the Blue Creek coal seam, is characterized by low sulfur, low-to-medium ash, and Low Vol to High Vol. These qualities make our coal ideally suited as a coking coal for the manufacture of steel.

We sell substantially all of our steelmaking coal production to steel producers. Steelmaking coal, which is converted to coke, is a critical input in the steel production process. Steelmaking coal is both consumed domestically in the countries where it is produced and exported by several of the largest producing countries, such as China, Australia, the United States, Canada and Russia. Therefore, demand for our coal will be highly correlated to conditions in the global steelmaking industry. The steelmaking industry's demand for steelmaking coal is affected by a number of factors, including the cyclical nature of that industry's business, technological developments in the steelmaking process and the availability of substitutes for steel such as aluminum, composites and plastics. A significant reduction in the demand for steel products would reduce the demand for steelmaking coal, which would have a material adverse effect upon our business. Similarly, if alternative ingredients are used in substitution for steelmaking coal in the integrated steel mill process, the demand for steelmaking coal would materially decrease, which could also materially adversely affect demand for our steelmaking coal.

Recent Developments

U.S. inflation remains at 3.4%, driven by increased energy and food costs, supply constraints and strong consumer demand. High inflation has been driven by growth in the economy as it bounces back from the novel coronavirus ("COVID-19"), powered in part by low interest rates and government stimulus to counter the pandemic's impact. While we expect inflation to continue to ease in the overall economy during 2024, we have not seen it easing in the coal mining industry and expect that inflation will continue to negatively impact our profitability, as we expect inflation to remain high for steel prices, freight rates, labor and other materials and supplies. Inflation affects, among others, the costs of belt structure, roof bolts, cable, magnetite, rock dust and other supplies, plus labor and parts on equipment repair and rebuilds.

The continued war in Ukraine, the conflict in the Middle East and the global macroeconomic slowdown in the economy created a volatile year for steel demand and for premium steelmaking coal. Seaborne steelmaking coal supply continues to be impacted by production cuts, seasonal rainfall in Australia and impacts from cyclones in Australia. According to WoodMac, for the nine months ended September 30, 2023, seaborne steelmaking coal supply out of Australia was down 6.2% compared to 2022 and 19.2% compared to 2019. During this period of declining supply, demand for premium

steelmaking coal has increased, led by India and Southeast Asia. We expect that demand in India and Southeast Asia will continue to increase driven by their increased demand for high-quality steel and due to these countries having limited domestic resources. Further, we expect the demand for premium high-quality steelmaking coal to increase as steel producers remain focused on reducing carbon emissions in blast furnaces as well as improving yields and steel quality. Due to the supply constraints described above coupled with the increased demand, we expect premium steelmaking coal price premiums to remain strong in the near term.

Collective Bargaining Agreement

Our CBA contract with the United Mine Workers of America ("UMWA") expired on April 1, 2021 and the labor union initiated a strike after an agreement on a new contract was not reached. As a result of the strike, we initially idled Mine No. 4 and scaled back operations at Mine No. 7. In the first quarter of 2022, we restarted operations at Mine No. 4. Due to the reduced operations at Mine No. 4 and Mine No. 7, we incurred idle mine expenses of \$12.1 million and \$33.9 million for the years ended December 31, 2022 and December 31, 2021, respectively. These expenses are reported separately in the Statements of Operations and represent expenses incurred while the respective mine was idled or operating below normal capacity, such as electricity, insurance and maintenance labor. We incurred business interruption expenses of approximately \$8.3 million, \$23.5 million and \$21.4 million for the years ended December 31, 2023, December 31, 2022, and December 31, 2021, respectively, which represent non-recurring expenses that were directly attributable to the labor strike for incremental safety and security, labor negotiations and other expenses. These expenses are also presented separately in the Statements of Operations. On February 16, 2023, the labor union representing certain of our hourly employees announced that they were ending the strike and made an unconditional offer to return to work. The return-to-work process for eligible employees who wished to return to work which began in February has been completed. We continue to engage in good faith efforts with the labor union to reach an agreement on a new contract.

Basis of Presentation

The consolidated financial statements included elsewhere in this Annual Report and the other financial information presented and discussed in this management's discussion and analysis includes the accounts of Warrior Met Coal, Inc. and its subsidiaries (the "Company" or "Warrior").

How We Evaluate Our Operations

Our primary business, the mining and exporting of steelmaking coal for the steel industry, is conducted in one business segment: Mining. All other operations and results are reported under the "All Other" category as a reconciling item to consolidated amounts, which includes the business results from our sale of natural gas extracted as a byproduct from our underground coal mines, royalties from our leased properties and the business results related to the Blue Creek mine development. Our natural gas and royalty businesses do not meet the criteria in ASC 280, *Segment Reporting*, to be considered as operating or reportable segments.

Our management uses a variety of financial and operating metrics to analyze our performance. These metrics are significant factors in assessing our operating results and profitability and include: (i) Segment Adjusted EBITDA; (ii) sales volumes and average selling price, which drive coal sales revenue; (iii) cash cost of sales, a non-GAAP financial measure; and (iv) Adjusted EBITDA, a non-GAAP financial measure.

	For the years ended December 31,		
	2023	2022	2021
(in thousands)			
Segment Adjusted EBITDA	\$ 737,723	\$ 996,974	\$ 474,001
Metric tons sold	6,820	5,099	5,699
Metric tons produced	6,936	5,729	5,084
Average net selling price per metric ton	\$ 241.64	\$ 334.89	\$ 180.43
Cash cost of sales per metric ton	\$ 132.60	\$ 138.35	\$ 96.43
Adjusted EBITDA	\$ 698,866	\$ 994,221	\$ 457,008

Segment Adjusted EBITDA

We define Segment Adjusted EBITDA as net income adjusted for other revenues, cost of other revenues, depreciation and depletion, selling, general and administrative expenses, business interruption expenses, idle mine expenses, loss on early extinguishment of debt, other (expense) income, net interest (income) expense, income tax expense and certain transactions or adjustments that the CEO, our Chief Operating Decision Maker does not consider for the purposes of making decisions to allocate resources among segments or assessing segment performance. Segment Adjusted EBITDA is used as a supplemental financial measure by management and by external users of our financial statements, such as investors, industry analysts, lenders and ratings agencies, to assess:

- our operating performance as compared to the operating performance of other companies in the coal industry, without regard to financing methods, historical cost basis or capital structure;
- the ability of our assets to generate sufficient cash flow to pay distributions;
- our ability to incur and service debt and fund capital expenditures; and
- the viability of acquisitions and other capital expenditure projects and the returns on investment of various investment opportunities, such as Blue Creek.

Sales Volumes and Average Net Selling Price

We evaluate our operations based on the volume of coal we can safely produce and sell in compliance with regulatory standards, and the prices we receive for our coal. Our sales volume and sales prices are largely dependent upon the terms of our coal sales contracts, for which prices generally are set on daily index averages or a quarterly basis. The volume of coal we sell is also a function of the pricing environment in the international steelmaking coal markets and the amounts of Low Vol and High Vol A coal that we sell. We evaluate the price we receive for our coal based on our average net selling price per metric ton.

Our average net selling price per metric ton represents our coal net sales revenue divided by total metric tons of coal sold. In addition, our average net selling price per metric ton is net of the previously mentioned demurrage and quality specification adjustments.

Cash Cost of Sales

We evaluate our cash cost of sales on a cost per metric ton basis. Cash cost of sales is based on reported cost of sales and includes items such as freight, royalties, manpower, fuel and other similar production and sales cost items, and may be adjusted for other items that, pursuant to GAAP, are classified in the Statements of Operations as costs other than cost of sales, but relate directly to the costs incurred to produce steelmaking coal and sell it free-on-board at the Port of Mobile in Alabama. Our cash cost of sales per metric ton is calculated as cash cost of sales divided by the metric tons sold. Cash cost of sales is used as a supplemental financial measure by management and by external users of our financial statements, such as investors, industry analysts, lenders and ratings agencies, to assess:

- our operating performance as compared to the operating performance of other companies in the coal industry, without regard to financing methods, historical cost basis or capital structure; and
- the viability of acquisitions and other capital expenditure projects and the returns on investment of various investment opportunities, such as Blue Creek.

We believe that this non-GAAP financial measure provides additional insight into our operating performance, and reflects how management analyzes our operating performance and compares that performance against other companies on a consistent basis for purposes of business decision making by excluding the impact of certain items that management does not believe are indicative of our core operating performance. We believe that cash costs of sales presents a useful measure of our controllable costs and our operational results by including all costs incurred to produce steelmaking coal and sell it free-on-board at the Port of Mobile in Alabama. Period-to-period comparisons of cash cost of sales are intended to help management identify and assess additional trends potentially impacting our Company that may not be shown solely by period-to-period comparisons of cost of sales. Cash cost of sales should not be considered an alternative to cost of sales or any other measure of financial performance or liquidity presented in accordance with GAAP. Cash cost of sales excludes some, but not all, items that

affect cost of sales, and our presentation may vary from the presentations of other companies. As a result, cash cost of sales as presented below may not be comparable to similarly titled measures of other companies.

The following table presents a reconciliation of cash cost of sales to total cost of sales, the most directly comparable GAAP financial measure, on a historical basis for each of the periods indicated.

(in thousands)	For the years ended December 31,		
	2023	2022	2021
Cost of sales	\$ 910,269	\$ 710,605	\$ 554,282
Asset retirement obligation accretion and valuation adjustment	(2,109)	(1,801)	(2,802)
Stock compensation expense	(3,841)	(3,379)	(1,917)
Cash cost of sales	\$ 904,319	\$ 705,425	\$ 549,563

Adjusted EBITDA

We define Adjusted EBITDA as net income before net interest (income) expense, income tax expense, depreciation and depletion, non-cash asset retirement obligation accretion and valuation adjustments, non-cash stock compensation expense, other non-cash accretion and valuation adjustments, non-cash mark-to-market (gain) loss on gas hedges, loss on early extinguishment of debt, business interruption expenses, idle mine expenses and other income and expenses. Adjusted EBITDA is used as a supplemental financial measure by management and by external users of our financial statements, such as investors, industry analysts, lenders and ratings agencies, to assess:

- our operating performance as compared to the operating performance of other companies in the coal industry, without regard to financing methods, historical cost basis or capital structure; and
- the viability of acquisitions and other capital expenditure projects and the returns on investment of various investment opportunities, such as Blue Creek.

We believe that the presentation of Adjusted EBITDA in this Annual Report provides information useful to investors in assessing our financial condition and results of operations. The GAAP measure most directly comparable to Adjusted EBITDA is net income. Adjusted EBITDA should not be considered an alternative to net income or loss or any other measure of financial performance or liquidity presented in accordance with GAAP. Adjustments exclude some, but not all, items that affect net income and our presentation of Adjusted EBITDA may vary from that presented by other companies.

The following table presents a reconciliation of Adjusted EBITDA to net income, the most directly comparable GAAP financial measure, on a historical basis for each of the periods indicated.

(in thousands)	For the years ended December 31,		
	2023	2022	2021
Net income	\$ 478,629	\$ 641,298	\$ 150,881
Interest (income) expense, net	(22,739)	18,995	35,389
Income tax expense	\$ 72,790	141,806	49,096
Depreciation and depletion	127,356	115,279	141,418
Asset retirement obligation accretion and valuation adjustment ⁽¹⁾	4,535	1,941	3,427
Stock compensation expense ⁽²⁾	18,300	17,621	9,370
Other non-cash accretion and valuation adjustments ⁽³⁾	205	(5,344)	1,881
Non-cash mark-to-market loss on gas hedges ⁽⁴⁾	(1,227)	27,708	1,595
Loss on early extinguishment of debt ⁽⁵⁾	11,699	—	9,678
Business interruption ⁽⁶⁾	8,291	23,455	21,372
Idle mine ⁽⁷⁾	—	12,137	33,899
Other (expense) income ⁽⁸⁾	1,027	(675)	(998)
Adjusted EBITDA	\$ 698,866	\$ 994,221	\$ 457,008

(1) Represents non-cash accretion expense and valuation adjustment associated with our asset retirement obligations (see Note 8 to our consolidated financial statements).

(2) Represents non-cash stock compensation expense associated with equity awards (see Note 12 to our consolidated financial statements).

(3) Represents non-cash accretion expense and valuation adjustments associated with our black lung obligations (see Note 10 to our consolidated financial statements).

(4) Represents non-cash mark-market losses recognized on our gas hedges (see Note 17 to our consolidated financial statements).

(5) Represents a loss incurred in connection with the early extinguishment of debt (see Note 13 to our consolidated financial statements).

(6) Represents business interruption expenses associated with the UMWA strike.

(7) Represents idle mine expenses incurred in connection with reduced operations at Mine No 4 and Mine No. 7.

(8) Represents non-recurring expenses incurred in connection with the ransomware attack discovered by the Company on July 29, 2023, proceeds received upon settlement of a lawsuit, COVID-19 pandemic related expenses and proceeds received upon settlement of a lawsuit and settlement proceeds received for the Shared Services Claim and Hybrid Debt Claim associated with the Walter Canada CCAA and other Walter Claims (each discussed below).

Results of Operations

Year Ended December 31, 2023 and 2022

The following table summarizes certain financial information relating to our operating results that have been derived from our audited financial statements for the years ended December 31, 2023 and 2022.

(in thousands)	For the years ended December 31,			
	2023	% of Total Revenues	2022	% of Total Revenues
Revenues:				
Sales	\$ 1,647,992	98.3 %	\$ 1,707,579	98.2 %
Other revenues	28,633	1.7 %	31,159	1.8 %
Total revenues	1,676,625	100.0 %	1,738,738	100.0 %
Costs and expenses:				
Cost of sales (exclusive of items shown separately below)	910,269	54.3 %	710,605	40.9 %
Cost of other revenues (exclusive of items shown separately below)	37,486	2.2 %	27,047	1.6 %
Depreciation and depletion	127,356	7.6 %	115,279	6.6 %
Selling, general and administrative	51,817	3.1 %	48,791	2.8 %
Business interruption	8,291	0.5 %	23,455	1.3 %
Idle mine	—	—%	12,137	0.7 %
Total costs and expenses	1,135,219	67.7 %	937,314	53.9 %
Operating income	541,406	32.3 %	801,424	46.1 %
Interest expense	(17,960)	(1.1)%	(31,433)	(1.8)%
Interest income	40,699	2.4 %	12,438	0.7 %
Loss on early extinguishment of debt	(11,699)	(0.7)%	—	—%
Other (expense) income	(1,027)	(0.1)%	675	—%
Income before income tax expense	551,419	32.9 %	783,104	45.0 %
Income tax expense	\$ 72,790	4.3 %	\$ 141,806	8.2 %
Net income	\$ 478,629	28.5 %	\$ 641,298	36.9 %

Sales, production and cost of sales components on a per unit basis for the years ended December 31, 2023 and 2022 were as follows:

<i>Steelmaking Coal (metric tons in thousands)</i>	For the years ended December 31,	
	2023	2022
Metric tons sold	6,820	5,099
Metric tons produced	6,936	5,729
Average net selling price per metric ton	\$ 241.64	\$ 334.89
Cash cost of sales per metric ton	\$ 132.60	\$ 138.35
Cost of production %	60 %	53 %
Transportation and royalties %	40 %	47 %

The following list highlights our key accomplishments for the year ended December 31, 2023:

- we achieved strong net income of \$478.6 million, or \$9.20 per diluted share and adjusted EBITDA of \$698.9 million;
- we achieved annual sales volumes of 6.8 million metric tons, a 34% increase compared to the prior year, and production volume of 6.9 million metric tons, a 21% increase compared to the prior year, which represent run rates not seen since 2020;
- we delivered positive cash flows from operations of \$701.1 million and free cash flow of \$176.3 million while continuing to invest a record high \$524.8 million in property, plant and equipment and mine development and retired early approximately 50% of our senior secured notes;

- we maintained a strong balance sheet with total liquidity of \$845.6 million, consisting of cash and cash equivalents of \$738.2 million and \$107.4 million available under our ABL Facility;
- we made excellent progress in developing our world class Blue Creek growth project, which remains on schedule and invested \$319.1 million for the year ended December 31, 2023;
- we achieved a total reportable incidence rate of 1.90, which is 57% lower than the national total reportable incidence rate for all underground coal mines in the United States of 4.39 for the nine months ended September 30, 2023, which represents the latest data available; and
- we demonstrated an ongoing commitment to returning capital to our stockholders paying a regular quarterly dividend of \$0.07 per share, an increase of approximately 17% compared to the prior year and special dividends of \$0.88 per share.

Sales were \$1.6 billion for the year ended December 31, 2023, compared to \$1.7 billion for the year ended December 31, 2022. The \$59.6 million decrease in sales was primarily driven by a \$635.9 million decrease related to a \$93.25 decrease in the average net selling price per metric ton of steelmaking coal offset partially by a \$576.3 million increase due to a 34% or 1.7 million metric ton increase in steelmaking coal sales volume. The 34% increase in sales volumes was driven by increased production due to both Mine No. 4 and Mine No. 7 operating at higher capacity levels combined with improved performance by our rail transportation provider and the McDuffie Terminal. While we continued to achieve some of the highest prices for our premium Mine No. 7 Low Vol steelmaking coal, our Mine No. 4 steelmaking coal transitioned in the second half of the year from Mid Vol to a High Vol A quality that typically trades at a larger discount to the price of coal from Mine No. 7.

For the year ended December 31, 2023, the Company's geographic customer mix was 48% in Europe, 29% in Asia, 21% in South America and 2% in the U.S. For the year ended December 31, 2022, the Company's geographic customer mix was 61% in Europe, 20% in Asia and 19% in South America.

Other revenues for the year ended December 31, 2023 were \$28.6 million compared to \$31.2 million for the year ended December 31, 2022. Other revenues are comprised of revenue derived from our natural gas operations, gains and losses on our natural gas hedges and earned royalty revenue. The \$2.5 million decrease in other revenues is primarily driven by a decrease in gas revenues of \$26.5 million related to a \$4.24 or 60% decrease in the Southern Louisiana natural gas price average partially offset by a \$28.9 million loss recognized in the prior year on the fair value adjustment related to our natural gas swap contracts.

Cost of sales (exclusive of items shown separately below) was \$910.3 million, or 54.3% of total revenues for the year ended December 31, 2023, compared to \$710.6 million, or 40.9% of total revenues for the year ended December 31, 2022. The \$199.7 million increase in cost of sales was primarily driven by a \$238.1 million increase due to a 34% or 1.7 million metric ton increase in steelmaking coal sales volumes offset partially by a \$39.2 million decrease due to a \$5.75 per metric ton decrease in the average cash cost of sales per metric ton. The decrease in average cash cost of sales per metric ton is primarily due to decreased transportation and royalty costs driven by lower average net selling prices and its impact on our transportation and royalty costs partially offset by higher labor costs due to the returning employees from the labor strike.

Cost of other revenues was \$37.5 million for the year ended December 31, 2023, compared to \$27.0 million for the year ended December 31, 2022. The \$10.4 million increase is primarily due to an increase in gas compression costs, asset retirement obligation accretion expense and a decrease of approximately of \$5.2 million in our black lung obligation valuation adjustment benefit recorded annually in the fourth quarter primarily attributable to changes in discount rates and claims history.

Depreciation and depletion was \$127.4 million, or 7.6% of total revenues, for the year ended December 31, 2023, compared to \$115.3 million, or 6.6% of total revenues for the year ended December 31, 2022. The \$12.1 million increase in depreciation and depletion is primarily driven by a 34% or 1.7 million metric ton increase in steelmaking coal sales volumes as depreciation and depletion is first capitalized into coal inventory and relieved when the tons are sold.

Selling, general and administrative expenses were \$51.8 million, or 3.1% of total revenues for the year ended December 31, 2023 compared to \$48.8 million, or 2.8% of total revenues for the year ended December 31, 2022. The \$3.0 million increase in selling, general and administrative expenses is primarily driven by an increase in employee related expenses.

Business interruption expenses were \$8.3 million, 0.5% of total revenues for the year ended December 31, 2023, compared to \$23.5 million, or 1.3% of total revenues for the year ended December 31, 2022. These expenses decreased compared to the prior period primarily due to the end of the labor strike in February 2023 and represent non-recurring expenses that are directly attributable to the labor strike for incremental safety and security, legal and labor negotiations and other expenses. We expect to incur ongoing legal expenses associated with the labor negotiations.

Idle mine expenses were \$12.1 million, or 0.7% of total revenues for the year ended December 31, 2022. These expenses represent idle expenses incurred in connection with the idling of Mine No. 4 and reduced operations at Mine No. 7, such as electricity, insurance and maintenance labor.

Interest expense was \$18.0 million, or 1.1%, of total revenues, for the year ended December 31, 2023, compared to \$31.4 million, or 1.8% of total revenues, for the year ended December 31, 2022. The \$13.5 million decrease is due to the retirement of debt of \$162.4 million.

Interest income was \$40.7 million, or 2.4% of total revenues, for the year ended December 31, 2023, compared to \$12.4 million, or 0.7% of total revenues, for the year ended December 31, 2022. The \$28.3 million increase was primarily driven by an increase in yields earned on cash investments.

For the year ended December 31, 2023, we recognized a loss on early extinguishment of debt of \$11.7 million upon the extinguishment of \$146.1 million of our Notes. The loss on early extinguishment of debt represents a premium paid to retire the debt, fees incurred in connection with the transaction, accelerated amortization of debt discount and debt issuance costs.

Other expense for the year ended December 31, 2023 represents non-recurring expenses incurred in connection with the ransomware attack discovered by the Company on July 29, 2023 and proceeds received from the Chapter 11 Cases (as defined below) from Walter Energy, Inc. We do not anticipate any additional material expenses in the future related to this ransomware incident. Other income for the year ended December 31, 2022 represents proceeds received in connection with the settlement of a lawsuit offset partially by COVID-19 pandemic related expenses.

For the year ended December 31, 2023, we recognized income tax expense of \$72.8 million or an effective tax rate of 13.2% primarily due to pre-tax income of \$551.4 million offset partially by an income tax benefit of \$26.1 million due to a deduction under Section 250 of the Code: Foreign-Derived Intangible Income ("FDII") and \$21.8 million of depletion. For the year ended December 31, 2022, we recognized income tax expense of \$141.8 million or an effective tax rate of 18.1% primarily due to pre-tax income of \$783.1 million offset partially by an income tax benefit due to \$23.6 million of depletion.

At December 31, 2023, we had state NOLs of approximately \$928.2 million. These NOLs represent a deferred tax asset of approximately \$6.9 million, net of the valuation allowance. See Note 7 of the Notes to the Financial Statements for more information.

Liquidity and Capital Resources

Overview

Our sources of cash have been steelmaking coal and natural gas sales to customers, proceeds received from the Notes (as defined below) and access to our ABL Facility. Historically, our primary uses of cash have been for funding the operations of our coal and natural gas production operations, working capital, our capital expenditures, our reclamation obligations, payment of principal and interest on our Notes, professional fees and other non-recurring transaction expenses. In addition, we used available cash on hand to repurchase shares of common stock and to pay our quarterly and special dividends, each of which reduces or reduced cash and cash equivalents.

Going forward, we will use cash to fund debt service payments on our Notes, the ABL Facility and our other indebtedness, to fund operating activities, working capital, capital expenditures, our reclamation obligations, professional fees and other non-recurring transaction expenses and strategic investments, the development of Blue Creek, and, if declared, to pay our quarterly and/or special dividends. Our ability to fund our capital needs, including the development of Blue Creek, going forward will depend on our ongoing ability to generate cash from operations and borrowing availability under the ABL Facility, and, in the case of any future strategic investments, capital needs, the development of Blue Creek, or special dividends financed partially or wholly with debt financing and our ability to access the capital markets to raise additional capital.

Our ability to generate positive cash flow from operations in the future will be, at least in part, dependent on continued stable global economic conditions and a resolution of the CBA contract negotiations with the labor union representing certain of our hourly employees.

Our available liquidity as of December 31, 2023 was \$845.6 million, consisting of \$738.2 million of cash and cash equivalents and \$107.4 million, net of outstanding letters of credit, of availability under our ABL Facility. As of December 31, 2023, no loans were outstanding under the ABL Facility and there were \$8.7 million of letters of credit issued and outstanding under the ABL Facility.

During the year ended December 31, 2023, we repurchased in the open market and extinguished approximately \$8.0 million principal amount of our Notes at a discount to par value. The discounts to par value and the interest expense savings from this open-market purchase is estimated to be approximately \$4.0 million through the maturity of our Notes. In connection with the extinguishment of our Notes, we recognized a loss on early extinguishment of debt of \$0.1 million which is included in interest income (expense), net in the Statements of Operations. In addition, in the third quarter of 2023, we retired approximately \$146.1 million of our Notes and recognized a loss on early extinguishment of debt of \$11.7 million, which represents a premium paid to retire the debt, accelerated amortization of debt discount, net, and fees incurred in connection with the transaction.

In the future, we may, at any time and from time to time, seek to retire or purchase additional Notes in open-market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will be upon such terms and at such prices as we may determine, and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions, if any, and other factors.

We are responsible for medical and disability benefits for black lung disease under the Federal Coal Mine Health and Safety Act of 1969, as amended. Beginning on April 1, 2016 through May 31, 2018, we were insured under a guaranteed cost insurance policy, through a third-party insurance carrier, for black lung claims raised by any employee subsequent to the acquisition of certain assets of Walter Energy. Beginning on June 1, 2018 through May 31, 2020, we had a deductible policy where we are responsible for the first \$0.5 million for each black lung claim. Since June 1, 2020, we have a deductible policy where we are responsible for the first \$1.0 million for each black lung claim.

In addition, in connection with the acquisition of certain assets of Walter Energy, we assumed all black lung liabilities of Walter Energy and its U.S. subsidiaries incurred prior to March 31, 2016, for which we are self-insured. We have posted \$18.6 million in surety bonds and \$9.0 million of collateral recognized as short term investments in addition to maintaining a black lung trust of \$1.8 million that was acquired from Walter Energy. We received a letter from the U.S. Department of Labor ("DOL") on February 21, 2020 under its new process for self-insurance renewals that would require us to increase the amount of collateral posted to \$39.8 million, but we appealed such increase. We received another letter from the DOL on December 8, 2021 requesting additional information to support our appeal of the collateral requested by the DOL. On February 9, 2022, the DOL held a conference call with representatives from the Company related to our appeal. On July 12, 2022, we received a decision on our appeal from the DOL lowering the amount of collateral required to be posted from \$39.8 million to \$28 million. We appealed this decision. In addition, on January 19, 2023, the DOL proposed revisions to regulations under the Black Lung Benefits Act governing authorization of self-insurers. The proposed rules requires, among other requirements, all self-insured operators to post security equal to 120 percent of their projected black lung liabilities.

In the ordinary course of our business, we are required to provide surety bonds and letters of credit to provide financial assurance for certain transactions and business activities. Federal and state laws require us to obtain surety bonds or other acceptable security to secure payment of certain long-term obligations including mine closure or reclamation costs and other miscellaneous obligations. As of December 31, 2023, we had outstanding surety bonds and letters of credit with parties for post-mining reclamation at all of our mining operations totaling \$44.3 million, \$18.6 million as collateral for self-insured black lung related claims and \$5.2 million for miscellaneous purposes.

We believe that our future cash flows from operations, together with cash on our balance sheet and proceeds from the borrowings under our ABL Facility, will provide adequate resources to fund our debt service payments and planned operating and capital expenditure needs, including the development of Blue Creek, for at least the next twelve months and beyond. However, we will continue to assess our liquidity needs in light of the ongoing CBA contract negotiations with the labor union representing certain of our hourly employees and the ongoing impact of inflation.

The Company's principal contractual commitments include repayments of long-term debt and related interest, potential minimum throughput payments associated with our rail and port providers, asset retirement obligation payments, black lung obligation payments, payments on various coal and land leases, payments under financing lease obligations and payments

associated with our natural gas swap contracts. Currently, there are no known trends or expected changes anticipated in future periods that would not be indicative of past results for our contractual commitments.

Refer to the respective notes to the financial statements for further information about our credit facilities and long-term debt (Note 13), commitments and contingencies (Note 15), asset retirement obligations (Note 8), black lung obligations (Note 10), lease payment obligations (Note 14), share repurchase programs (Note 16) and derivative instruments (Note 17).

If our cash flows from operations are less than we require, we may need to incur additional debt or issue additional equity. From time to time, we may need to access the long-term and short-term capital markets to obtain financing. Our access to, and the availability of, financing on acceptable terms and conditions in the future will be affected by many factors, including: (i) our credit ratings, (ii) the liquidity of the overall capital markets, (iii) the current state of the global economy and (iv) restrictions in our ABL Facility, the indenture governing the Notes (the "Indenture"), and any other existing or future debt agreements. There can be no assurance that we will have or continue to have access to the capital markets on terms acceptable to us or at all.

Statements of Cash Flows

Cash balances were \$738.2 million, \$829.5 million and \$395.8 million at December 31, 2023, December 31, 2022, and December 31, 2021, respectively.

The following table sets forth, a summary of the net cash provided by (used in) operating, investing and financing activities for the period (in thousands):

	For the years ended December 31,		
	2023	2022	2021
Net cash provided by operating activities	\$ 701,108	\$ 841,904	\$ 351,543
Net cash used in investing activities	(527,207)	(255,144)	(71,146)
Net cash (used in) provided by financing activities	(265,184)	(153,119)	(96,474)
Net (decrease) increase in cash and cash equivalents and restricted cash	\$ (91,283)	\$ 433,641	\$ 183,923

Operating Activities

Net cash flows from operating activities consist of net income adjusted for noncash items, such as depreciation and depletion of property, plant and equipment and mineral interests, deferred income tax expense, stock-based compensation, amortization of debt issuance costs and debt discount, accretion expense and valuation adjustment associated with our asset retirement obligations, mark-to-market adjustments on gas hedges, loss on early extinguishment of debt and changes in net working capital. The timing between the conversion of our billed and unbilled receivables into cash from our customers, production and sale of coal inventory and disbursements to our vendors is the primary driver of changes in our working capital.

Net cash provided by operating activities was \$701.1 million for the year ended December 31, 2023, and was primarily attributed to net income of \$478.6 million adjusted for depreciation and depletion expense of \$127.4 million, deferred income tax expense of \$52.9 million, stock-based compensation expense of \$18.2 million, loss on early extinguishment of debt of \$11.7 million, accretion and valuation adjustment of asset retirement obligations of \$4.5 million and amortization of debt issuance costs and debt discount of \$2.1 million and a decrease in net working capital of \$5.7 million. The decrease in our working capital was primarily attributable to a decrease in trade accounts receivable offset partially by an increase in inventories, an increase in accrued expenses and other current liabilities and an increase in income tax receivable. The decrease in trade accounts receivable is due to the timing of sales and collections combined with a \$93.25 decrease in our steelmaking coal average net selling price per metric ton offset partially by a 1.7 million increase in steelmaking coal metric tons sold. The increase in inventories is due to an increase in production.

Net cash provided by operating activities was \$841.9 million for the year ended December 31, 2022, and was primarily attributed to net income of \$641.3 million adjusted for depreciation and depletion expense of \$115.3 million, deferred income tax expense of \$141.8 million, stock-based compensation expense of \$17.6 million, mark-to-market loss on gas hedges of \$4.0 million, amortization of debt issuance costs and debt discount of \$3.2 million, accretion expense and valuation adjustment of asset retirement obligations of \$1.9 million, an increase in other operating activities of \$0.8 million and an increase in net

working capital of \$84.0 million. The increase in our working capital was primarily attributable to an increase in inventories and trade accounts receivable offset partially by an increase in accrued expenses and other current liabilities.

Investing Activities

Net cash used in investing activities was \$527.2 million for the year ended December 31, 2023, primarily comprised of \$491.7 million of purchases of property, plant and equipment and \$33.1 million of capitalized mine development costs associated with our Blue Creek development. We spent approximately \$91.7 million in sustaining capital and spent an additional \$400.0 million in other discretionary capital, which primarily included capital spent on the development of Blue Creek of \$319.1 million, deposits on two extra sets of longwall shields of \$50.9 million and capital spent on the bunker at Mine No. 4 of \$24.5 million. The current period also includes \$2.4 million cash paid to acquire the remaining ownership interest in gas wells owned by an independent third party.

Net cash used in investing activities was \$255.1 million for the year ended December 31, 2022, primarily comprised of \$205.2 million of purchases of property, plant and equipment and \$48.9 million of capitalized mine development costs associated with our Mine No. 4 and Blue Creek development. We spent approximately \$87.1 million in sustaining capital and spent an additional \$118.1 million in other discretionary capital, which primarily included deposits on two extra sets of longwall shields of \$55.3 million and capital spent on the development of Blue Creek of \$47.1 million and the portal facilities at Mine No. 4 of \$15.7 million. The current period also includes \$3.5 million cash payments in connection with the acquisition of leased mineral rights offset partially by \$2.5 million net cash acquired in connection with the acquisition of the remaining 50% interest in Black Warrior Methane and Black Warrior Transmission.

Financing Activities

Net cash used in financing activities was \$265.2 million for the year ended December 31, 2023, primarily due to the retirements of debt related to our Notes of \$162.4 million, payment of quarterly and special dividends of \$61.1 million and principal repayments of financing lease obligations of \$32.3 million.

Net cash used in financing activities was \$153.1 million for the year ended December 31, 2022, primarily due to the payment of quarterly and special dividends of \$79.7 million, retirements of debt related to our Notes of \$39.4 million and principal repayments of financing lease obligations of \$30.3 million.

Capital Allocation Policy

On May 17, 2017, the Board adopted the Capital Allocation Policy of paying a quarterly cash dividend of \$0.05 per share. In February 2022, we announced that the Board approved an increase in the regular quarterly cash dividend by 20%, from \$0.05 per share to \$0.06 per share. In February 2023, we announced that the Board approved an increase in the regular quarterly cash dividend by 17%, from \$0.06 per share to \$0.07 per share. On February 9, 2024, we announced the Board approved an increase in the regular quarterly cash dividend by 14% from \$0.07 per share to \$0.08 per share and declared a special cash dividend of \$0.50 per share. Our strategy continues to be focused on optimizing our capital structure to improve returns to stockholders, through special cash dividends, while allowing flexibility for us to develop our strategic growth project Blue Creek. We intend on returning cash to stockholders in stronger price markets where we are generating significant amounts of cash flow, and less cash to stockholders during weaker markets. We also intend on using stock repurchases when there is no short- or long-term use for additional cash that will deliver meaningful value to stockholders. We have paid a regular quarterly cash dividend every quarter since the Board adopted the Capital Allocation Policy.

The Capital Allocation Policy states the following: In addition to the regular quarterly dividend and to the extent that the Company generates excess cash that is beyond the then current requirements of the business, the Board may consider returning all or a portion of such excess cash to stockholders through a special dividend or implementation of a stock repurchase program. Any future dividends or stock repurchases will be at the discretion of the Board and subject to consideration of a number of factors, including business and market conditions, future financial performance and other strategic investment opportunities. The Company will also seek to optimize its capital structure to improve returns to stockholders while allowing flexibility for the Company to pursue selective strategic growth opportunities that can provide compelling stockholder returns.

During the year ended December 31, 2023, we have paid \$61.1 million of regular quarterly and special cash dividends under the Capital Allocation Policy.

Stock Repurchase Program

On March 26, 2019, the Board approved the Company's second stock repurchase program (the "New Stock Repurchase Program") that authorizes repurchases of up to an aggregate of \$70.0 million of the Company's outstanding common stock. The Company fully exhausted its previous stock repurchase program (the "First Stock Repurchase Program") of \$40.0 million of its outstanding common stock. The New Stock Repurchase Program does not require the Company to repurchase a specific number of shares or have an expiration date. The New Stock Repurchase Program may be suspended or discontinued by the Board at any time without prior notice.

Under the New Stock Repurchase Program, the Company may repurchase shares of its common stock from time to time, in amounts, at prices and at such times as the Company deems appropriate, subject to market and industry conditions, share price, regulatory requirements and other considerations as determined from time to time by the Company. The Company's repurchases may be executed using open market purchases or privately negotiated transactions in accordance with applicable securities laws and regulations, including Rule 10b-18 of the Exchange Act and repurchases may be executed pursuant to Rule 10b5-1 under the Exchange Act. Repurchases will be subject to limitations in the ABL Facility and the Indenture. The Company intends to fund repurchases under the New Stock Repurchase Program from cash on hand and/or other sources of liquidity. Any future repurchases of shares of the Company's common stock will be subject to the 1% excise tax under the IRA.

As of December 31, 2022, the Company has repurchased 0.5 million shares for approximately \$10.6 million, leaving \$59.4 million of share repurchases authorized under the New Stock Repurchase Program.

ABL Facility

On December 6, 2021, we entered into the Second Amended and Restated Asset-Based Revolving Credit Agreement (the "Second Amended and Restated Credit Agreement"), by and among us and certain of our subsidiaries, as borrowers, the guarantors party thereto, the lenders from time to time party thereto and Citibank, as administrative agent (in such capacity, the "Agent"), which amends and restates in its entirety the existing Amended and Restated Asset-Based Revolving Credit Agreement (as amended, the "ABL Facility"). The Second Amended and Restated Credit Agreement, among other things, (i) extended the maturity date of the ABL Facility to December 6, 2026; (ii) changed the calculation of the interest rate payable on borrowings from being based on a London Inter-Bank Offered Rate to be based on a Secured Overnight Financing Rate, with corresponding changes to the applicable interest rate margins with respect to such borrowings, (iii) amended certain definitions related to the calculation of the borrowing base; (iv) increased the commitments that may be used to issue letters of credit to \$65.0 million; and (v) amended certain baskets contained in the covenants to conform to the baskets contained in the indenture governing the Notes (the "Indenture"). The Second Amended and Restated Credit Agreement also allows us to borrow up to \$116.0 million through November 2026, subject to availability under the borrowing base and other conditions.

Under the ABL Facility, up to \$10.0 million of the commitments may be used to incur swingline loans from Citibank and up to \$65.0 million of the commitments may be used to issue letters of credit. The ABL Facility will mature on December 6, 2026. As of December 31, 2023, no loans were outstanding under the ABL Facility and there were \$8.7 million of letters of credit issued and outstanding under the ABL Facility. At December 31, 2023, the Company had \$107.4 million of availability under the ABL Facility.

Revolving loan (and letter of credit) availability under the ABL Facility is subject to a borrowing base, which at any time is equal to the sum of certain eligible billed and unbilled accounts, certain eligible inventory, certain eligible supplies inventory and qualified cash, in each case, subject to specified advance rates. The borrowing base availability is subject to certain reserves, which may be established by the agent in its reasonable credit discretion. The reserves may include rent reserves, lower of cost or market reserve, port charges reserves and any other reserves that the Agent determines in its reasonable credit judgment to the extent such reserves relate to conditions that could reasonably be expected to have an adverse effect on the value of the collateral included in the borrowing base.

Subject to permitted exceptions, the obligations of the borrowers under the ABL Facility are guaranteed by each of our domestic subsidiaries and secured by (i) first-priority security interests in the ABL Priority Collateral (as defined in the Indenture), which includes, among other things, certain accounts receivables, inventory and cash of ours and the guarantors, and (ii) second-priority security interests in the Notes Priority Collateral (as defined in the Indenture), which includes, among other things, material mining properties, shares of capital stock of the guarantors, intellectual property, as extracted collateral (to the extent not constituting inventory), and certain fixed assets of ours and the guarantors.

Borrowings under the ABL Facility bear interest at a rate equal to either (i) SOFR, plus a credit adjustment spread, ranging currently from approximately 11 bps to 43 bps depending on the interest period selected by us, or (ii) an alternate base

rate plus, in each case of the foregoing (i) and (ii), an applicable margin, which is determined based on the average availability of the commitments under the ABL Facility, ranging currently from 150 bps to 200 bps or 50 bps to 100 bps, respectively. In addition to paying interest on the outstanding borrowings under the ABL Facility, we are required to pay a fee in respect of unutilized commitments, which is based on the availability of the commitments under the ABL Facility, ranging from 25 bps to 37.5 bps. We are also required to pay a fee on amounts available to be drawn under outstanding letters of credit under the ABL Facility at a rate not in excess of 200 bps, and certain administrative fees.

We are able to voluntarily repay outstanding loans and reduce unused commitments, in each case, in whole or in part, at any time without premium or penalty. We are required to repay outstanding loans and cash collateralize letters of credit anytime the outstanding loans and letters of credit exceed the maximum availability then in effect. We are also required to use net proceeds from certain significant asset sales to repay outstanding loans, but may re-borrow following such prepayments if the conditions to borrowings are met.

The ABL Facility contains customary covenants for asset-based credit agreements of this type, including among other things: (i) requirements to deliver financial statements, other reports and notices; (ii) restrictions on the existence or incurrence of certain indebtedness; (iii) restrictions on the existence or incurrence of certain liens; (iv) restrictions on making certain restricted payments; (v) restrictions on making certain investments; (vi) restrictions on certain mergers, consolidations and asset dispositions; (vii) restrictions on certain transactions with affiliates; and (viii) restrictions on modifications to certain indebtedness. Additionally, the ABL Facility contains a springing fixed charge coverage ratio of not less than 1.00 to 1.00, which ratio is tested if availability under the ABL Facility is less than a certain amount. As of December 31, 2023, we were not subject to this covenant. Subject to customary grace periods and notice requirements, the ABL Facility also contains customary events of default.

We were in compliance with all applicable covenants under the ABL Facility as of December 31, 2023.

Senior Secured Notes

On December 6, 2021, we issued \$350.0 million in aggregate principal amount of 7.875% senior secured notes due 2028 (the "Notes") at an initial price of 99.343% of their face amount. The Notes were issued to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and to certain non-U.S. persons in transactions outside the United States in accordance with Regulation S under the Securities Act. We used the net proceeds of the offering of the Notes, together with cash on hand, to fund the redemption of all of our outstanding 8.00% senior secured notes due 2024 (the "Existing Notes"), including payment of the redemption premium in connection with such redemption.

The Notes will accrue interest at a rate of 7.875% per year from December 6, 2021. Interest on the Notes will be payable on June 1 and December 1 of each year, commencing on June 1, 2022. The Notes will mature on December 1, 2028.

At any time prior to December 1, 2024, we may redeem the Notes, in whole or in part, at a price equal to 100.00% of the principal amount of the Notes redeemed plus the Applicable Premium (as defined in the Indenture) and accrued and unpaid interest, if any, to, but excluding, the applicable redemption date. The Notes are redeemable at our option, in whole or in part, from time to time, on or after December 1, 2024, at redemption prices specified in the Indenture, plus accrued and unpaid interest, if any, to, but excluding the redemption date. At any time on or prior to December 1, 2024, we may redeem up to 40% of the aggregate principal amount of the Notes with the proceeds of certain equity offerings, at a redemption price of 107.875% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to but excluding the redemption date. We are also required to make offers to purchase the Notes (i) at a purchase price of 101.00% of the principal amount thereof in the event we experience specific kinds of change of control triggering events, (ii) at a purchase price of 103.00% of the principal amount thereof prior to making certain restricted payments, and (iii) at a purchase price of 100.00% of the principal amount thereof in the event we make certain asset sales or dispositions and do not reinvest the net proceeds therefrom or use such net proceeds to repay certain indebtedness, in each case, plus accrued and unpaid interest, if any, to, but excluding the date of purchase.

During the year ended December 31, 2023, we repurchased in the open market and extinguished approximately \$8.0 million principal amount of our Notes. In connection with the extinguishment of our Notes, we recognized a loss on early extinguishment of debt of \$0.1 million which is included in interest income (expense), net in the Statements of Operations.

Offers to Purchase the Notes

On August 9, 2023, we commenced an offer to purchase (the "Restricted Payment Offer"), in cash, up to \$150.0 million principal amount of its outstanding Notes, at a repurchase price of 103% of the aggregate principal amount of such Notes, plus accrued and unpaid interest with respect to such Notes to, but not including, the date of repurchase (the "Restricted

Payment Repurchase Price"). Concurrently with, but separate from, the Restricted Payment Offer, we commenced a cash tender offer (the "Tender Offer" and, together with the Restricted Payment Offer, the "Offers") to purchase up to \$150.0 million principal amount of the Notes at a repurchase price of 104.25% of the aggregate principal amount of such Notes, plus accrued and unpaid interest to, but not including, the date of repurchase (the "TO Repurchase Price"). The Offers expired on September 7, 2023 (the "Expiration Date").

Restricted Payment Offer

As of the Expiration Date, \$0.2 million aggregate principal amount of the Notes were validly tendered and not validly withdrawn pursuant to the Restricted Payment Offer. Pursuant to the terms of the Restricted Payment Offer:

(1) an automatic pro ration factor of 49.5674% was applied to the \$0.2 million aggregate principal amount of the Notes that were validly tendered and not validly withdrawn in the Restricted Payment Offer (rounded down to avoid the purchase of Notes in a principal amount other than in integrals of \$1,000), which resulted in \$0.1 million aggregate principal amount of the Notes (the "RP Pro-Rated Tendered Notes");

(2) we accepted all \$0.1 million aggregate principal amount of the RP Pro-Rated Tendered Notes for payment of the Restricted Payment Repurchase Price in cash; and

(3) the remaining balance of \$0.1 million aggregate principal amount of the Notes tendered that were not RP Pro-Rated Tendered Notes were not accepted for payment and were returned to the tendering holder of the Notes.

We consummated the Restricted Payment Offer on September 8, 2023.

Accordingly, pursuant to the terms of the Indenture, we will have the ability from time to time in the future to make one or more restricted payments (the "Proposed Restricted Payment") in the form of special dividends to holders of our common stock and/or repurchases of our common stock in the aggregate amount of up to \$299.9 million consistent with the terms of the Capital Allocation Policy adopted by our Board. Any future Proposed Restricted Payments will be at the discretion of the Board and subject to a number of factors and there can be no assurance that we will make any Proposed Restricted Payments in the future.

Tender Offer

As of the Expiration Date, \$294.8 million aggregate principal amount of the Notes were validly tendered and not validly withdrawn pursuant to the Tender Offer. Pursuant to the terms of the Tender Offer:

(1) an automatic pro ration factor of 49.5674% was applied to the \$294.8 million aggregate principal amount of the Notes that were validly tendered and not validly withdrawn in the Tender Offer (rounded down to avoid the purchase of Notes in a principal amount other than in integrals of \$1,000), which resulted in \$146.0 million aggregate principal amount of the Notes (the "TO Pro-Rated Tendered Notes");

(2) we accepted all \$146.0 million aggregate principal amount of the TO Pro-Rated Tendered Notes for payment of the TO Repurchase Price in cash; and

(3) the remaining balance of \$148.8 million aggregate principal amount of the Notes tendered that were not TO Pro-Rated Tendered Notes were not accepted for payment and were returned to the tendering holder of the Notes.

We consummated the Tender Offer on September 11, 2023.

In connection with the payments for the RP Pro-Rated Tendered Notes and the TO Pro-Rated Tendered Notes, we recognized a loss on early extinguishment of debt of \$11.7 million during the year ended December 31, 2023.

Short-Term Investments

During the year ended December 31, 2023, we had \$9.0 million of collateral recognized as short term investments. These investments were posted as collateral for the self-insured black lung related claims asserted by or on behalf of former employees of Walter Energy and its subsidiaries, which were assumed in the acquisition of certain assets of Walter Energy and relate to periods prior to March 31, 2016.

Capital Expenditures

Our mining operations require investments to maintain, expand, upgrade or enhance our operations and to comply with environmental regulations. Maintaining and expanding mines and related infrastructure is capital intensive. Specifically, the exploration, permitting and development of steelmaking coal reserves, mining costs, the maintenance of machinery and equipment and compliance with applicable laws and regulations require ongoing capital expenditures. The cost of our capital expenditures are also impacted by inflation and any prolonged inflation could result in higher costs and decreased margins and earnings. While a significant amount of the capital expenditures required at our mines has been spent, we must continue to invest capital to maintain our production. In addition, any decisions to increase production at our mines and the development of the high-quality steelmaking coal recoverable reserves at Blue Creek could also affect our capital needs or cause future capital expenditures to be higher than in the past and/or higher than our estimates.

To fund our capital expenditures, we may be required to use cash from our operations, incur debt or sell equity securities. Our ability to obtain bank financing or our ability to access the capital markets for future equity or debt offerings may be limited by our financial condition at the time of any such financing or offering and the covenants in our current or future debt agreements, as well as by general economic conditions, contingencies and uncertainties, including as a result of the COVID-19 pandemic, that are beyond our control.

Our capital expenditures were \$491.7 million and \$205.2 million for the years ended December 31, 2023 and December 31, 2022, respectively. During 2023, we spent approximately \$91.7 million in sustaining capital and an additional \$400.0 million in other discretionary capital, which primarily included capital spent on the development of Blue Creek of \$319.1 million, final payments on two extra sets of longwall shields of \$50.9 million and capital spent on the bunker at Mine No. 4 of \$24.5 million. Our deferred mine development costs were \$33.1 million and \$48.9 million for the years ended December 31, 2023 and December 31, 2022, respectively, and primarily relate to the development of Blue Creek and Mine No. 4. We evaluate our spending on an ongoing basis in connection with our mining plans and the prices of steelmaking coal taking into consideration the funding available to maintain our operations at optimal production levels.

Our capital spending is expected to range from \$435.0 million to \$500.0 million for the full year 2024, consisting of sustaining capital expenditures of approximately \$100.0 to \$110.0 million and discretionary capital expenditures of approximately \$335.0 to \$390.0 million for the development of Blue Creek reserves and Mine No. 4. Our sustaining capital expenditures include expenditures related to longwall operations, continuous miners, new ventilation, and bleeder shafts.

Amended Rights Agreement

On February 14, 2020, we adopted an NOL Rights Agreement, which was amended on March 4, 2022 by Amendment No. 1 to the Rights Agreement and on December 8, 2023 by Amendment No. 2 to the Rights Agreement, to supplement the 382 Transfer Restrictions. The Company's stockholders ratified the Rights Agreement at the 2020 Annual Meeting of Stockholders and ratified the Amendment No. 1 to Rights Agreement at the 2022 Annual Meeting of Stockholders.

The Amended Rights Agreement is intended to supplement the 382 Transfer Restrictions and is designed to serve the interests of all stockholders by preserving the availability of our federal and state NOLs and is similar to plans adopted by other companies with significant federal and state NOLs.

Pursuant to the Amended Rights Agreement, one preferred stock purchase right (a "Right" or the "Rights") was distributed to stockholders of the Company for each share of common stock of the Company outstanding as of the close of business on February 28, 2020. Initially, these Rights will not be exercisable and will trade with the shares of common stock. If the Rights become exercisable, each Right will initially entitle stockholders to buy one one-thousandth of a share of a newly created series of preferred stock designated as "Series A Junior Participating Preferred Stock" at an exercise price of \$159.00 per Right. While the Amended Rights Agreement is in effect, any person or group that acquires beneficial ownership of 4.99% or more of the common stock or any existing stockholder who currently owns 5.00% or more of the common stock that acquires any additional shares of common stock (such person, group or existing stockholder, an "Acquiring Person") without approval

from the Board would be subject to significant dilution in their ownership interest in the Company. In such an event, each Right will entitle its holder to buy, at the exercise price, common stock having a market value of two times the then current exercise price of the Right and the Rights held by such Acquiring Person will become void. The Amended Rights Agreement also gives discretion to the Board to determine that someone is an Acquiring Person even if they do not own 4.99% or more of the Common Stock but do own 4.99% or more in value of the outstanding stock, as determined pursuant to Section 382 of the Code and the regulations promulgated thereunder. In addition, the Board has established procedures to consider and approve requests to exempt certain acquisitions of the Company's securities from the Amended Rights Agreement if the Board determines that doing so would not limit or impair the availability of the federal and state NOLs or is otherwise in the best interests of the Company and conditioned upon and subject to the satisfaction of certain continuing factual representations and covenants. The Board may redeem the Rights for \$0.01 per Right at any time before any person or group triggers the Amended Rights Agreement. The distribution of the Rights is not a taxable event for stockholders of the Company and will not affect the Company's financial condition or results of operations (including earnings per share).

The Rights will expire on the earliest of (i) the close of business on April 19, 2026, (ii) the time at which the Rights are redeemed as provided in the Amended Rights Agreement, (iii) the time at which the Rights are exchanged as provided in the Amended Rights Agreement, (iv) the time at which the Board determines that the NOLs are fully utilized or no longer available under Section 382 of the Code, (v) the effective date of the repeal of Section 382 of the Code if the Board determines that the Amended Rights Agreement is no longer necessary or desirable for the preservation of NOLs, or (vi) the closing of any merger or other acquisition transaction involving the Company pursuant to an agreement of the type described in the Amended Rights Agreement. Additional details about the Amended Rights Agreement are contained in our Current Reports on Form 8-K filed with the SEC on February 14, 2020, March 4, 2022 and December 8, 2023.

Update on the Development of Blue Creek

More than a year after the relaunch of the Blue Creek mine development in May 2022, Warrior has initiated important and highly beneficial project scope changes that will require incremental capital expenditures over the life of the project while lowering operating costs, increasing flexibility to manage risks, and making better use of multi-channel transportation methods. Most of these scope changes are transportation and logistics-related, with additional amounts related to inflation for these changes only. They are expected to increase total capital expenditures for the Blue Creek mine by approximately \$120 - \$130 million over the remainder of the project development period.

While the Company originally planned on a single channel to transport coal from the Blue Creek mine via an overland belt to a third-party owned and operated barge loadout facility, it now plans to build a belt conveyor system to a railroad loadout to transport the majority of the coal. We expect this change to de-risk the single channel to market, lower operating cost and move volumes faster to the port. Warrior will also build and operate a barge loadout itself rather than utilizing a third-party provider. The Company believes that the potential economic benefits associated with this scope change should provide Warrior with an inherently robust and cost competitive outbound logistics model that will provide additional flexibility to manage alternative transportation methods. The inclusion of the benefits and incremental capital expenditures relating to these specific scope changes did not have a material impact to the project economic metrics of net present value and internal rate of return.

In addition, the Company has experienced inflationary cost increases ranging from 25 to 35 percent in both operating expenses and capital expenditures for its existing mining operations since late 2021. The Company is also experiencing inflationary pressures at Blue Creek, especially in relation to labor, construction materials and certain equipment, that is expected to continue during the remainder of the project development period. As a number of key material contracts are currently being negotiated, and due to uncertainty regarding future inflation rates, the Company is not providing an estimate of the impact of inflation at this time. However, as the Company negotiates and enters into contracts for the larger project components, the Company expects that more information will become available to allow it to provide revised guidance. While cost inflation has impacted the cost of the project, these inflationary pressures are expected to be offset by an inflationary increase in the long-term price assumption for steelmaking coal.

The Company is also employing a number of techniques to mitigate the impact of the inflationary costs such as ordering and purchasing equipment earlier, offering earlier payments for additional discounts on both equipment and services and other contract term modifications.

Subject to the considerations discussed above, our revised estimate of capital expenditures in 2024 for the development of the Blue Creek mine is approximately \$325 to \$375 million and is subject to change. The Company anticipates that its strong cash flow generation and current available liquidity, as well as ability to finance \$120 to \$130 million of capital expenditures

through equipment leases, will allow us to be opportunistic as we evaluate funding options for Blue Creek with the goal of maintaining an efficient and low-cost of capital.

The project remains on schedule with the first development tons from continuous miner units expected in the third quarter of 2024 and the longwall scheduled to start up in the second quarter of 2026.

Critical Accounting Policies and Estimates

The financial statements are prepared in conformity with GAAP, which require the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses in the period presented. Management evaluates these estimates and assumptions on an ongoing basis, using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Nevertheless, actual results may differ significantly from management's estimates.

We believe the following discussion addresses our most critical accounting estimates, which are those that are most important to the presentation of our financial condition and results of operations and require management's most difficult, subjective and complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. These estimates are based upon management's historical experience and on various other assumptions that we believe reasonable under the circumstances. Changes in estimates used in these and other items could have a material impact on our financial statements. Our significant accounting policies are described in Note 2 to our financial statements included elsewhere in this Annual Report.

Coal Reserves

Our mineral reserves and resources estimates are calculated in accordance with subpart 1300 of Regulation S-K under the Modernization of Property Disclosures for Mining Registrants of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Our mineral reserves and resources are updated on an annual basis. There are numerous uncertainties inherent in estimating quantities and values of mineral reserves and resources, including many factors that are beyond our control. As a result, estimates of mineral reserves and resources are by their nature uncertain. Information about our reserves and resources consists of estimates based on engineering, economic and geological data assembled by our internal engineers and geologists or third-party consultants. A number of sources of information are used to determine accurate recoverable reserve and resource estimates including:

- geological conditions;
- historical production from the area compared with production from other producing areas;
- the assumed effects of regulations and taxes by governmental agencies;
- previously completed geological and reserve studies;
- assumptions governing future prices; and
- future operating costs.

Some of the factors and assumptions, which will change from time to time, that impact mineral reserve and resource estimates include, among other factors:

- mining activities;
- new engineering and geological data;
- acquisition or divestiture of reserve holdings; and
- modification of mining plans or mining methods.

Each of these factors may vary considerably from the assumptions used in estimating reserves and resources. For these reasons, estimates of economically recoverable quantities of coal attributable to a particular group of properties, and

classifications of these reserves and resources based on risk of recovery and estimates of future net cash flows, may vary substantially. Actual production, revenues and expenditures with respect to reserves and resources will likely vary from estimates and these variances may be material. Variances could affect our projected future revenues and expenditures, as well as the valuation of coal reserves, resources and depletion rates. As of December 31, 2023, we had estimated reserves totaling 159.1 million metric tons and estimated mineral resources exclusive of reserves of 39.7 million metric tons.

Asset Retirement Obligations

Our asset retirement obligations primarily consist of spending estimates to reclaim surface lands and supporting infrastructure at both surface and underground mines in accordance with applicable reclamation laws in the United States as defined by each mining permit. Significant reclamation activities include reclaiming refuse piles and slurry ponds, reclaiming the pit and support acreage at surface mines, and sealing portals at underground mines. Asset retirement obligations are determined for each mine using various estimates and assumptions, including estimates of disturbed acreage as determined from engineering data, estimates of future costs to reclaim the disturbed acreage and the timing of related cash flows, discounted using a credit-adjusted, risk-free rate. Our asset retirement obligations also include estimates to reclaim gas wells in accordance with the Oil and Gas Board of Alabama. On at least an annual basis, we review our entire asset retirement obligation liability and make necessary adjustments for permit changes, the anticipated timing of mine closures, and revisions to cost estimates and productivity assumptions to reflect current experience. As changes in estimates occur, the carrying amount of the obligation and asset are revised to reflect the new estimate after applying the appropriate credit-adjusted, risk-free discount rate. For sites where there is no asset, expense or income is recognized for changes in estimates. If our assumptions differ from actual experience, or if changes in the regulatory environment occur, our actual cash expenditures and costs that we incur could be materially different than currently estimated. At December 31, 2023, we had recorded asset retirement obligation liabilities of \$84.2 million, including \$12.5 million reported as a current liability.

Income Taxes

In connection with the acquisition of certain assets of Walter Energy consummated on March 31, 2016, we acquired deferred tax assets primarily associated with federal and state NOLs attributable to Walter Energy's write-off of its investment in Walter Energy Canada Holdings, Inc. As of December 31, 2023, we believe we have utilized all of our federal NOLs and federal general business credit carryforwards, subject to the filing of the 2023 federal income tax return. The Company has state NOL carryforwards of approximately \$928.2 million, which expire predominantly on December 31, 2029 through December 31, 2034.

We believe the utilization of the state NOLs, subject to certain limitations, will significantly reduce the amount of state income taxes payable by us as compared to what we would have had to pay at the statutory rates without these NOL benefits. Under state law provisions similar to Section 382 of the Code, these NOLs could be subject to annual limitations, further limitations, or elimination, as described below, if we were to undergo a subsequent ownership change in the future. To the extent we have taxable income in the future and can utilize these NOL carryforwards, subject to certain limitations, to reduce taxable income, our cash taxes will be significantly reduced in those future years. See "Part I, Item 1A. Risk Factors—Risks Related to Our Business—We may be unable to generate sufficient taxable income from future operations, or other circumstances could arise, which may limit or eliminate our ability to utilize our significant federal and state tax NOLs or maintain our deferred tax assets."

On September 18, 2017, the IRS issued to us a private letter ruling, which favorably resolved certain questions about our ability to qualify for an exception to the annual limitations under Section 382 of the Code on the utilization of NOLs to reduce taxable income. Based on such private letter ruling, we believe that there is no limitation on the utilization of our NOLs to shield our income from federal taxation, and that a similar approach would be applied at the state level. The private letter ruling was issued based on, among other things, certain facts and assumptions, as well as certain representations, statements and undertakings provided to the IRS by us. If any of these facts, assumptions, representations, statements or undertakings are, or become, incorrect, inaccurate or incomplete, the private letter ruling may be invalid and the conclusions reached therein could be jeopardized. If we were to undergo a subsequent ownership change, our ability to utilize our federal and state NOLs and other tax attributes could be subject to severe limitations.

GAAP requires that deferred tax assets and liabilities be recognized using enacted tax rates for the effect of temporary differences between the book and tax bases of recorded assets and liabilities. Deferred tax assets are required to be reduced by a valuation allowance if it is "more likely than not" that some portion or the entire deferred tax asset will not be realized. In our evaluation of the need for a valuation allowance on our deferred tax assets, we consider, among other things, all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, the

overall business environment, our historical financial results, our industry's historically cyclical financial results, our cumulative three-year income or loss position and potential current and future tax planning strategies.

On February 12, 2021, the Alabama Governor signed into law Alabama House Bill 170, now Act 2021-1 (the "Act"). The Act makes several changes to the state's business tax structure. Among the provisions of the Act, is the repeal of the so-called corporate income tax "throwback rule." That rule required all sales originating in Alabama and delivered to a jurisdiction where the seller was not subject to tax, to be included in the seller's Alabama income tax base. Thus, prior to repeal of the throwback rule, we had to rely on its Alabama NOL carryforwards to shelter taxes imposed under such throwback rule. As a result of the now repealed throwback rule, effective January 1, 2021, all such sales should now be excluded from Alabama taxable income without the need to utilize Alabama NOLs. As a result of the repeal of the throwback rule, we have determined that it is not more likely than not that we would have sufficient taxable income to utilize all of our Alabama deferred income tax assets prior to expiration. Therefore, at December 31, 2023, we have a valuation allowance against our state deferred income tax assets of approximately \$41.0 million.

Recently Adopted Accounting Standards

See Note 2 of our consolidated financial statements for disclosures related to new accounting pronouncements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk***Commodity Price Risk***

We are exposed to commodity price risk on sales of coal. We typically sell our steelmaking coal under contracts primarily with pricing terms of three months and volume terms of one to three years. Sales commitments in the steelmaking coal market are typically not long-term in nature, and we are, therefore, subject to fluctuations in market pricing.

We occasionally enter into natural gas swap contracts to hedge the exposure to variability in expected future cash flows associated with the fluctuations in the price of natural gas related to our forecasted sales. Our natural gas swap contracts economically hedge certain risk but are not designated as hedges for financial reporting purposes. All changes in the fair value of these derivative instruments are recorded as other revenues in the Statements of Operations. Historically, all of our derivative instruments were entered into for hedging purposes rather than speculative trading. As of December 31, 2023, the Company had no natural gas swap contracts outstanding.

We have exposure to price risk for supplies that are used directly or indirectly in the normal course of production, such as diesel fuel, steel, explosives and other items. We manage our risk for these items through strategic sourcing contracts in normal quantities with our suppliers. We historically have not entered into any derivative commodity instruments to manage the exposure to changing price risk for supplies.

Credit Risk

Financial instruments that potentially subject us to a concentration of credit risk consist principally of trade receivables. We provide our products to customers based on an evaluation of the financial condition of our customers. In some instances, we require letters of credit, cash collateral or prepayments from our customers on or before shipment to mitigate the risk of loss. Exposure to losses on receivables is principally dependent on each customer's financial condition. We monitor the exposure to credit losses and maintain allowances for anticipated losses. For the years ended December 31, 2023 and 2022 we did not have any allowances for credit losses associated with our trade accounts receivables.

Interest Rate Risk

We are exposed to market risk from changes in interest rates. Our Notes have a fixed rate of interest of 7.875% per annum and are payable semi-annually in arrears on June 1 and December 1 of each year.

Our ABL Facility bears an interest rate equal to SOFR, plus a credit adjustment spread, ranging currently from 11 bps to 43 bps, or an alternate base rate plus an applicable margin, which is determined based on the average availability of the commitments under the ABL Facility, ranging currently from 150 bps to 200 bps or 50 bps to 100 bps, respectively. Any debt that we incur under the ABL Facility will expose us to interest rate risk. If interest rates increase significantly in the future, our exposure to interest rate risk will increase. As of December 31, 2023, assuming we had \$116.0 million outstanding under our ABL Facility, a 100 basis point increase or decrease in interest rates would increase or decrease our annual interest expense under the ABL Facility by approximately \$1.1 million.

Impact of Inflation

We have exposure to inflation for supplies that are used directly or indirectly in the normal course of production, such as belt structure, roof bolts, cable, magnetite, rock dust and other supplies, plus labor and parts on repair and rebuild equipment. These inflationary pressures have contributed to rising costs for us and may continue to do so in the future. We are applying a number of different strategies to mitigate the impact of inflation on our operations, including placing purchase orders earlier, utilizing short term contracts and leveraging our supplier relationships.

Item 8. Financial Statements and Supplementary Data

The information required by this item appears beginning on page F-1 following the signature pages of this Annual Report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Exchange Act, our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) under the Exchange Act) as of December 31, 2023. Based on the evaluation of our disclosure controls and procedures as of December 31, 2023, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2023, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities and Exchange Act of 1934, as amended). Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2023. In making this assessment, our management used the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Our management has concluded that, as of December 31, 2023, our internal control over financial reporting is effective based on this assessment and these criteria.

Our independent registered public accounting firm, Ernst & Young LLP (PCAOB ID: 0042), has audited the effectiveness of our internal control over financial reporting, as stated in their attestation report included in this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Rule 10b5-1 Trading Arrangements

From time to time, members of the Company's Board of Directors and officers of the Company may enter into Rule 10b5-1 trading plans, which allow for the purchase or sale of common stock under pre-established terms at times when directors and officers might otherwise be prevented from trading under insider trading laws or because of self-imposed blackout periods. Such trading plans are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act and comply with the Company's insider trading policy. Other than as described below, during the three months ended December 31, 2023, none of the Company's directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

On November 7, 2023, Jack K. Richardson, Chief Operating Officer of the Company, adopted a Rule 10b5-1 trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act (a "Rule 10b5-1 Plan").

Mr. Richardson's plan, which provides for the potential sale of up to 88,000 shares of the Company's common stock, terminates upon the earlier of December 31, 2025 or the date all shares subject to the plan have been sold.

On November 8, 2023, Walter J. Scheller, III, Chief Executive Officer and director of the Company, adopted a Rule 10b5-1 Plan. Mr. Scheller's plan, which provides for the potential sale of up to 150,000 shares of the Company's common stock, terminates upon the earlier of December 31, 2025 or the date all shares subject to the plan have been sold.

On November 9, 2023, Kelli K. Gant, Chief Administrative Officer and Corporate Secretary of the Company, adopted a Rule 10b5-1 Plan. Ms. Gant's plan, which provides for the potential sale of up to 20,000 shares of the Company's common stock, terminates upon the earlier of December 31, 2025 or the date all shares subject to the plan have been sold.

On November 15, 2023, Dale W. Boyles, Chief Financial Officer of the Company, adopted a Rule 10b5-1 Plan. Mr. Boyles' plan, which provided for the potential sale of up to 69,000 shares of the Company's common stock, terminated upon the earlier of December 31, 2025 or the date all shares subject to the plan have been sold.

On November 28, 2023, Mr. Boyles terminated the above-referenced Rule 10b5-1 Plan.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

Information regarding our Code of Business Conduct and Ethics and Corporate Governance Guidelines for our principal executive officer and principal financial and accounting officer are described in "Item 1. Business" in this Annual Report. Pursuant to paragraph 3 of General Instruction G to Form 10-K, we incorporate by reference into this Item 10 the information to be disclosed in our definitive proxy statement, which is to be filed pursuant to Regulation 14A with the SEC within 120 days after the close of the year ended December 31, 2023.

Item 11. Executive Compensation

Pursuant to paragraph 3 of General Instruction G to Form 10-K, we incorporate by reference into this Item 11 the information to be disclosed in our definitive proxy statement, which is to be filed pursuant to Regulation 14A with the SEC within 120 days after the close of the year ended December 31, 2023.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Equity Compensation Plans

The following table sets forth certain information relating to our equity compensation plans as of December 31, 2023:

	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants, and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants, and Rights ⁽¹⁾	Number of Securities Remaining Available for Future Issuance
Equity compensation plans approved by security holders:			
2017 Equity Incentive Plan	650,460	\$ —	4,332,083

(1) The weighted-average exercise price does not take into account restricted stock units or phantom units, which do not have an exercise price.

Pursuant to paragraph 3 of General Instruction G to Form 10-K, we incorporate by reference into this Item 12 all other information to be disclosed in our definitive proxy statement, which is to be filed pursuant to Regulation 14A with the SEC within 120 days after the close of the year ended December 31, 2023.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Pursuant to paragraph 3 of General Instruction G to Form 10-K, we incorporate by reference into this Item 13 the information to be disclosed in our definitive proxy statement, which is to be filed pursuant to Regulation 14A with the SEC within 120 days after the close of the year ended December 31, 2023.

Item 14. Principal Accounting Fees and Services

Pursuant to paragraph 3 of General Instruction G to Form 10-K, we incorporate by reference into this Item 14 the information to be disclosed in our definitive proxy statement, which is to be filed pursuant to Regulation 14A with the SEC within 120 days after the close of the year ended December 31, 2023.

Part IV

Item 15. Exhibits and Financial Statement Schedules

(a) (1) Financial Statements

Our consolidated financial statements are included in this Annual Report beginning on page F-1.

(a) (2) Financial Statement Schedules

All schedules have been omitted because they are either not applicable, not required or the information called for therein appears in the consolidated financial statements or notes thereto.

(a) (3) Exhibits

Exhibit Number	Description
2.1#	Amended and Restated Asset Purchase Agreement, dated as of March 31, 2016, by and among Warrior Met Coal, LLC and the other purchasers party thereto, as buyers, and Walter Energy, Inc. and certain subsidiaries of Walter Energy, Inc., as sellers (incorporated by reference to Exhibit 2.1 to the Registrant's Registration Statement on Form S-1 (File No. 333-216499) filed with the Commission on March 7, 2017).
2.2	Form of Certificate of Conversion of Warrior Met Coal, LLC (incorporated by reference to Exhibit 2.2 to the Registrant's Amendment No. 2 to the Registration Statement on Form S-1 (File No. 333-216499) filed with the Commission on April 3, 2017).
3.1	Certificate of Incorporation of Warrior Met Coal, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-8 (File No. 333-217389) filed with the Commission on April 19, 2017).
3.2	Certificate of Amendment of the Certificate of Incorporation of Warrior Met Coal, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-38061) filed with the Commission on March 20, 2020).
3.3	Second Certificate of Amendment of the Certificate of Incorporation of Warrior Met Coal, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-38061) filed with the Commission on April 26, 2022).
3.4	Amended and Restated Bylaws of Warrior Met Coal, Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-380619) filed with the Commission on December 7, 2022).
3.5	Certificate of Designations of Series A Junior Participating Preferred Stock of Warrior Met Coal, Inc., as filed with the Secretary of State of the State of Delaware on February 14, 2020 (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-38061) filed with the Commission on February 14, 2020).
4.1	Indenture, dated as of December 6, 2021, by and among Warrior Met Coal, Inc. the Subsidiary Guarantors party thereto from time to time and Wilmington Trust, National Association, as trustee and as priority lien collateral trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 001-38061) filed with the Commission on December 7, 2021).
4.2	Specimen Certificate for shares of common stock, par value \$0.01 per share, of the Company (incorporated by reference to Exhibit 4.1 to the Registrant's Amendment No. 2 to the Registration Statement on Form S-1 (File No. 333-216499) filed with the Commission on April 3, 2017).
4.3	Rights Agreement, dated as of February 14, 2020, between Warrior Met Coal, Inc. and Computershare Trust Company, N.A., as rights agent (including the form of Certificate of Designations of Series A Junior Participating Preferred Stock attached thereto as Exhibit A, the form of Right Certificate attached thereto as Exhibit B and the Summary of Rights to Purchase Preferred Shares attached thereto as Exhibit C (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 001-38061) filed with the Commission on February 14, 2020)).

4.4	Amendment No. 1 to the Rights Agreement dated as of March 4, 2022 between Warrior Met Coal, Inc. and Computershare Trust Company, N.A. (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 001-38061) filed with the Commission on March 4, 2022).
4.5	Amendment No. 2 to Rights Agreement dated as of December 8, 2023, between Warrior Met Coal, Inc. and Computershare Trust Company, N.A., as Rights Agent (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 001-38061) filed with the Commission on December 8, 2023).
4.6*	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.
10.1#	Second Amended and Restated Asset-Based Revolving Credit Agreement, dated as of December 6, 2021, by and among Warrior Met Coal, Inc. and certain of its subsidiaries, as borrower, the guarantors party thereto, the lenders party thereto and Citibank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-38061) filed with the Commission on December 7, 2021).
10.2	Intercreditor Agreement, dated as of December 6, 2021, among Citibank, N.A., initial ABL agent, Wilmington Trust, National Association, initial term agent and initial term representative, and each additional term agent and additional term representative from time to time party thereto.
10.3†	Warrior Met Coal, Inc. 2017 Equity Incentive Plan (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-38061) filed with the Commission on April 19, 2017).
10.4†	Warrior Met Coal, LLC 2016 Equity Incentive Plan (incorporated by reference to Exhibit 10.11 to the Registrant's Amendment No. 1 to the Registration Statement on Form S-1 (File No. 333-216499) filed with the Commission on March 27, 2017).
10.5†	Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-38061) filed with the Commission on April 19, 2017).
10.6†	Employment Agreement, dated March 31, 2016 by and between Warrior Met Coal, LLC and Walter J. Scheller, III (incorporated by reference to Exhibit 10.7 to the Registrant's Registration Statement on Form S-1 (File No. 333-216499) filed with the Commission on March 7, 2017).
10.7†	Employment Agreement, dated March 31, 2016 by and between Warrior Met Coal, LLC and Jack K. Richardson (incorporated by reference to Exhibit 10.9 to the Registrant's Registration Statement on Form S-1 (File No. 333-216499) filed with the Commission on March 7, 2017).
10.8†	Employment Agreement, dated January 1, 2017, by and between Warrior Met Coal, LLC and Dale W. Boyles (incorporated by reference to Exhibit 10.10 to the Registrant's Registration Statement on Form S-1 (File No. 333-216499) filed with the Commission on March 7, 2017).
10.09†	Employment Agreement, dated March 31, 2016, by and between Warrior Met Coal, LLC and Kelli K. Gant (incorporated by reference to Exhibit 10.15 to the Registrant's Annual Report on Form 10-K (File No. 001-38061) filed with the Commission on February 14, 2018).
10.10†	Employment Agreement, dated March 31, 2016, by and between Warrior Met Coal, LLC and Brian M. Chopin (incorporated by reference to Exhibit 10.11 to the Registrant's Annual Report on Form 10-K (File No. 001-38061) filed with the Commission on February 19, 2020.)
10.11†	Employment Agreement, dated March 1, 2020, by and between Warrior Met Coal, Inc. and Charles Lussier (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-38061) filed with the Commission on April 29, 2020.)
10.12†	Form of Warrior Met Coal, Inc. 2017 Equity Incentive Plan Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-38061) filed with the Commission on June 5, 2017).
10.13†	Restricted Unit Award Agreement, dated March 31, 2016, by and between Warrior Met Coal, LLC and Walter J. Scheller, III (incorporated by reference to Exhibit 10.13 to the Registrant's Amendment No. 3 to the Registration Statement on Form S-1 (File No. 333-216499) filed with the Commission April 10, 2017).
10.14†	Restricted Unit Award Agreement, dated April 20, 2016, by and between Warrior Met Coal, LLC and Jack K. Richardson (incorporated by reference to Exhibit 10.15 to the Registrant's Amendment No. 3 to the Registration Statement on Form S-1 (File No. 333-216499) filed with the Commission on April 10, 2017).

- [10.15†](#) [Restricted Unit Award Agreement, dated January 1, 2017, by and between Warrior Met Coal, LLC and Dale W. Boyles \(incorporated by reference to Exhibit 10.16 to the Registrant's Amendment No. 3 to the Registration Statement on Form S-1 \(File No. 333-216499\) filed with the Commission on April 10, 2017\).](#)
- [10.16†](#) [Restricted Unit Award Agreement, dated March 31, 2016, by and between Warrior Met Coal, LLC and Stephen D. Williams \(incorporated by reference to Exhibit 10.17 to the Registrant's Amendment No. 3 to the Registration Statement on Form S-1 \(File No. 333-216499\) filed with the Commission on April 10, 2017\).](#)
- [10.17†](#) [Restricted Unit Award Agreement, dated February 24, 2017, by and between Warrior Met Coal, LLC and Stephen D. Williams \(incorporated by reference to Exhibit 10.18 to the Registrant's Amendment No. 3 to the Registration Statement on Form S-1 \(File No. 333-216499\) filed with the Commission on April 10, 2017\).](#)
- [10.18†](#) [Phantom Unit Award Agreement, dated March 31, 2016, by and between Warrior Met Coal, LLC and Stephen D. Williams \(incorporated by reference to Exhibit 10.19 to the Registrant's Amendment No. 3 to the Registration Statement on Form S-1 \(File No. 333-216499\) filed with the Commission on April 10, 2017\).](#)
- [10.19†](#) [Restricted Stock Unit Award Agreement, dated April 19, 2017, by and between Warrior Met Coal, Inc. and Stephen D. Williams \(incorporated by reference to Exhibit 10.23 to the Registrant's Annual Report on Form 10-K \(File No. 001-38061\) filed with the commission on February 21, 2019\).](#)
- [10.20†](#) [Form of Restricted Stock Unit Award Agreement \(for non-employee directors\), dated April 27, 2017 \(incorporated by reference to Exhibit 10.24 to the Registrant's Annual Report on Form 10-K \(File No. 001-38061\) filed with the commission on February 21, 2019\).](#)
- [10.21†](#) [Form of Restricted Stock Unit Award Agreement \(for non-employee directors\) \(incorporated by reference to Exhibit 10.25 to the Registrant's Annual Report on Form 10-K \(File No. 001-38061\) filed with the commission on February 21, 2019\).](#)
- [10.22†](#) [Form of Amendment to Restricted Stock Unit Award Agreement \(for non-employee directors\).](#)
- [10.23†](#) [Form of Warrior Met Coal, Inc. 2017 Equity Incentive Plan Restricted Stock Unit Award Agreement \(Time-Based Vesting Award\) \(incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q \(File No. 001-38061\) filed with the Commission on May 2, 2018\).](#)
- [10.24†](#) [Form of Warrior Met Coal, Inc. 2017 Equity Incentive Plan Restricted Stock Unit Award Agreement \(Performance-Based Vesting Award\) \(incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q \(File No. 001-38061\) filed with the Commission on May 2, 2018\).](#)
- [10.25†](#) [Form of Warrior Met Coal, Inc. 2017 Equity Plan Restricted Stock Unit Award Agreement \(Performance-Based Vesting Award - 2019 Retention Grant\) \(incorporated by reference to Exhibit 10.26 to the Registrant's Annual Report on Form 10-K \(File No. 001-38061\) filed with the commission on February 21, 2020\).](#)
- [10.26†](#) [Form of Amendment to Restricted Stock Unit Award Agreements \(for executive officers\), effective January 1, 2020 \(incorporated by reference to Exhibit 10.27 to the Registrant's Annual Report on Form 10-K \(File No. 001-38061\) filed with the commission on February 21, 2020\).](#)
- [10.27†](#) [Form of Warrior Met Coal, Inc. 2017 Equity Plan Restricted Stock Unit Award Agreement \(Time-Based Vesting Award - Revised\) \(incorporated by reference to Exhibit 10.26 to the Registrant's Annual Report on Form 10-K \(File No. 001-38061\) filed with the commission on February 21, 2020\).](#)
- [10.28†](#) [Form of Warrior Met Coal, Inc. 2017 Equity Plan Restricted Stock Unit Award Agreement \(Performance-Based Vesting Award - Revised\) \(incorporated by reference to Exhibit 10.26 to the Registrant's Annual Report on Form 10-K \(File No. 001-38061\) filed with the commission on February 21, 2020\).](#)
- [10.29†](#) [Form of Restricted Stock Unit Award Agreement \(for non-employee director grants in 2023\) \(incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q \(File No. 001-38061\) filed with the commission on May 3, 2023\).](#)
- [10.30†](#) [Form of Restricted Stock Unit Award Agreement \(for non-employee director grants in 2023 with deferral election\) \(incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q \(File No. 001-38061\) filed with the commission on May 3, 2023\).](#)
- [10.31†](#) [Warrior Met Coal, Inc. Transformational Retention/Incentive Award Agreement, dated May 1, 2023, by and between Warrior Met Coal, Inc. and Walter J. Scheller, III \(incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q \(File No. 001-38061\) filed with the commission on May 3, 2023\).](#)
- [10.32†](#) [Form of Warrior Met Coal, Inc. Transformational Retention/Incentive Award Agreement \(for non-CEO named executive officers\), dated May 1, 2023 \(incorporated by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q \(File No. 001-38061\) filed with the commission on May 3, 2023\).](#)
- [21.1*](#) [List of Subsidiaries of the Company.](#)

23.1*	Consent of Ernst & Young LLP.
23.2*	Consent of Marshall Miller & Associates, Inc.
23.3*	Consent of McGehee Engineering Corp.
31.1*	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended.
31.2*	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended.
32.1**	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
95*	Mine Safety Disclosures Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 299.104)
96.1	Technical Report Summary for Mine No. 7 - S-K 1300 Report (incorporated by reference to Exhibit 96.1 to the Registrant's Amendment No. 1 on Form 10-K/A (File No. 001-38061) filed with the commission on May 18, 2023 to the Registrant's Annual Report on Form 10-K (File No. 002-38061) filed with the commission on February 15, 2023)
96.2	Technical Report Summary for Mine No. 4 - S-K 1300 Report (incorporated by reference to Exhibit 96.2 to the Registrant's Amendment No. 1 on Form 10-K/A (File No. 001-38061) filed with the commission on May 18, 2023 to the Registrant's Annual Report on Form 10-K (File No. 002-38061) filed with the commission on February 15, 2023)
96.3*	Technical Report Summary for Blue Creek - S-K 1300 Report.
97.1*	Warrior Met Coal, Inc. Policy for the Recovery of Erroneously Awarded Compensation.
101INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation LinkBase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition LinkBase Document
101.LAB*	Inline XBRL Taxonomy Extension Label LinkBase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation LinkBase Document
104*	Cover Page Interactive Data File (formatted Inline XBRL and included in the Interactive Data Files submitted under Exhibit 101).

* Filed herewith.

** Furnished herewith.

† Management contract, compensatory plan or arrangement.

The schedules to this agreement have been omitted for this filing pursuant to Item 601(b)(2) of Regulation S-K. The Company will furnish copies of such schedules to the SEC upon request.

Item 16. Form 10-K Summary

None.

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Statements of Operations for the years ended December 31, 2023, December 31, 2022, and December 31, 2021

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Statements of Changes in Equity for the years ended December 31, 2023, December 31, 2022, and December 31, 2021

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Statements of Cash Flows for the years ended December 31, 2023, December 31, 2022, and December 31, 2021

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Notes to Financial Statements

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Warrior Met Coal, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Warrior Met Coal, Inc. (the Company) as of December 31, 2023 and 2022, the related statements of operations, changes in equity, and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 14, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

Description of the Matter

Asset Retirement Obligations

At December 31, 2023, the Company had recorded asset retirement obligations of approximately \$84.2 million for the estimated costs to reclaim surface lands and supporting infrastructure in accordance with applicable reclamation laws in the United States as defined by each mining permit. Changes in the asset retirement obligations are more fully described in Note 8 to the consolidated financial statements.

The calculation of reclamation obligations requires significant judgment due to the inherent complexity in estimating the amount and timing of future costs and determining an appropriate rate to discount these costs back to their present value.

Auditing the Company's asset retirement obligations involved a high degree of subjectivity as estimates underlying the determination of the obligation were based on assumptions unique to mining operations and subject to various laws and regulations governing the protection of the applicable environment, including estimates of disturbed acreage as determined from engineering data, estimates of future costs to reclaim the disturbed acreage and the timing and amount of related cash flows, which are discounted using a credit-adjusted, risk-free rate. Actual costs incurred in future periods could differ from amounts estimated and future changes to environmental laws and regulations could increase the extent of reclamation work required.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's process for evaluating the asset retirement obligations. For example, we tested controls over management's review of the assumptions described above.

To test the asset retirement obligations, our audit procedures included, among others, involving our specialist to assist us in evaluating the Company's reclamation cost estimates, including estimates of disturbed acreage, the scope of estimated reclamation activities against regulatory requirements, the associated future reclamation costs, and the timing of related cash flows, and the Company's reclamation methodology against industry practice. We also evaluated management's methodology for determining the credit adjusted risk-free rate used to discount the asset retirement obligations.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2016.

Birmingham, Alabama
February 14, 2024

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Warrior Met Coal, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Warrior Met Coal, Inc.'s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Warrior Met Coal, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the balance sheets of the Company as of December 31, 2023 and 2022, the related statements of operations, changes in equity, and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and our report dated February 14, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Birmingham, Alabama
February 14, 2024

WARRIOR MET COAL, INC.
BALANCE SHEETS
(in thousands)

	December 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 738,197	\$ 829,480
Short-term investments	9,030	8,608
Trade accounts receivable	98,225	151,826
Other receivables	4,379	3,637
Income tax receivable	7,833	—
Inventories, net	183,949	154,039
Prepaid expenses and other	27,553	25,519
Total current assets	1,069,166	1,173,109
Mineral interests, net	80,442	88,636
Property, plant and equipment, net	1,179,609	738,947
Deferred income taxes	5,854	7,572
Other long-term assets	21,987	19,831
Total assets	<u>\$ 2,357,058</u>	<u>\$ 2,028,095</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 36,245	\$ 39,026
Accrued expenses	81,612	77,435
Asset retirement obligations	12,500	3,900
Short-term financing lease obligations	11,463	24,089
Other current liabilities	5,850	8,674
Total current liabilities	147,670	153,124
Long-term debt	153,023	302,588
Asset retirement obligations	71,666	64,581
Black lung obligations	26,966	27,407
Financing lease obligations	8,756	9,002
Deferred income taxes	74,531	23,378
Other long-term liabilities	—	500
Total liabilities	482,612	580,580
Stockholders' Equity:		
Common stock, \$0.01 par value per share (Authorized -140,000,000 shares, 54,240,764 issued and 52,018,923 outstanding as of December 31, 2023 and 53,875,409 issued and 51,653,568 outstanding as of December 31, 2022)	542	539
Preferred stock, \$0.01 par value per share (10,000,000 shares authorized, no shares issued and outstanding)	—	—
Treasury stock, at cost (2,221,841 shares as of December 31, 2023, and December 31, 2022)	(50,576)	(50,576)
Additional paid in capital	279,332	269,956
Retained earnings	1,645,148	1,227,596
Total stockholders' equity	1,874,446	1,447,515
Total liabilities and stockholders' equity	<u>\$ 2,357,058</u>	<u>\$ 2,028,095</u>

The accompanying notes are an integral part of these consolidated financial statements.

WARRIOR MET COAL, INC.
STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	For the years ended December 31,		
	2023	2022	2021
Revenues:			
Sales	\$ 1,647,992	\$ 1,707,579	\$ 1,028,283
Other revenues	28,633	31,159	30,933
Total revenues	<u>1,676,625</u>	<u>1,738,738</u>	<u>1,059,216</u>
Costs and expenses:			
Cost of sales (exclusive of items shown separately below)	910,269	710,605	554,282
Cost of other revenues (exclusive of items shown separately below)	37,486	27,047	28,899
Depreciation and depletion	127,356	115,279	141,418
Selling, general and administrative	51,817	48,791	35,593
Business interruption	8,291	23,455	21,372
Idle mine	—	12,137	33,899
Total costs and expenses	<u>1,135,219</u>	<u>937,314</u>	<u>815,463</u>
Operating income	541,406	801,424	243,753
Interest expense	(17,960)	(31,433)	(36,500)
Interest income	40,699	12,438	1,111
Loss on early extinguishment of debt	(11,699)	—	(9,678)
Other (expense) income	(1,027)	675	1,291
Income before income taxes	551,419	783,104	199,977
Income tax expense	72,790	141,806	49,096
Net income	<u>\$ 478,629</u>	<u>\$ 641,298</u>	<u>\$ 150,881</u>
Basic and diluted net income per share:			
Net income per share—basic	\$ 9.21	\$ 12.42	\$ 2.94
Net income per share—diluted	<u>\$ 9.20</u>	<u>\$ 12.40</u>	<u>\$ 2.93</u>
Weighted average number of shares outstanding—basic	51,973	51,622	51,382
Weighted average number of shares outstanding—diluted	<u>52,045</u>	<u>51,715</u>	<u>51,445</u>
Dividends per share:	<u>\$ 1.16</u>	<u>\$ 1.54</u>	<u>\$ 0.20</u>

The accompanying notes are an integral part of these consolidated financial statements.

WARRIOR MET COAL, INC.
STATEMENTS OF CHANGES IN EQUITY
(in thousands)

	Common Stock	Preferred Stock	Treasury Stock	Additional Paid in Capital	Retained Earnings	Total Stockholders' Equity
Balance at December 31, 2020	<u>\$ 534</u>	<u>\$ —</u>	<u>\$ (50,576)</u>	<u>\$ 249,746</u>	<u>\$ 525,537</u>	<u>\$ 725,241</u>
Net income	—	—	—	—	150,881	150,881
Dividends paid (\$0.20 per share)	—	—	—	—	(10,455)	(10,455)
Stock compensation	—	—	—	9,355	—	9,355
Other	3	—	—	(3,042)	—	(3,039)
Balance at December 31, 2021	<u>\$ 537</u>	<u>\$ —</u>	<u>\$ (50,576)</u>	<u>\$ 256,059</u>	<u>\$ 665,963</u>	<u>\$ 871,983</u>
Net income	—	—	—	—	641,298	641,298
Dividends paid (\$1.54 per share)	—	—	—	—	(79,665)	(79,665)
Stock compensation	—	—	—	17,621	—	17,621
Other	2	—	—	(3,724)	—	(3,722)
Balance at December 31, 2022	<u>\$ 539</u>	<u>\$ —</u>	<u>\$ (50,576)</u>	<u>\$ 269,956</u>	<u>\$ 1,227,596</u>	<u>\$ 1,447,515</u>
Net income	—	—	—	—	478,629	478,629
Dividends paid (\$1.16 per share)	—	—	—	—	(61,077)	(61,077)
Stock compensation	—	—	—	18,300	—	18,300
Other	3	—	—	(8,924)	—	(8,921)
Balance at December 31, 2023	<u>\$ 542</u>	<u>\$ —</u>	<u>\$ (50,576)</u>	<u>\$ 279,332</u>	<u>\$ 1,645,148</u>	<u>\$ 1,874,446</u>

The accompanying notes are an integral part of these consolidated financial statements.

WARRIOR MET COAL, INC.
STATEMENTS OF CASH FLOWS
(in thousands)

	For the years ended December 31,		
	2023	2022	2021
OPERATING ACTIVITIES			
Net income	\$ 478,629	\$ 641,298	\$ 150,881
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and depletion	127,356	115,279	141,418
Deferred income tax expense	52,871	141,806	49,096
Stock-based compensation expense	18,207	17,621	9,370
Mark-to-market loss on gas hedges	—	4,043	1,595
Amortization of debt issuance costs and debt discount, net	2,094	3,165	1,741
Accretion and valuation adjustment of ARO	4,535	1,941	3,427
Loss on early extinguishment of debt	11,699	—	9,678
Changes in operating assets and liabilities:			
Trade accounts receivable	53,601	(29,676)	(38,852)
Other receivables	1,187	7,225	(2,849)
Income tax receivable	(7,833)	—	—
Inventories	(30,785)	(79,845)	45,693
Prepaid expenses and other current assets	(2,034)	888	11,387
Accounts payable	215	(5,442)	(20,322)
Accrued expenses and other current liabilities	(8,645)	22,803	(16,444)
Other	11	798	5,724
Net cash provided by operating activities	<u>701,108</u>	<u>841,904</u>	<u>351,543</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(491,674)	(205,242)	(57,893)
Deferred mine development costs	(33,112)	(48,935)	(13,462)
Acquisition of leased mineral rights	—	(3,500)	—
Acquisitions, net of cash acquired	(2,421)	2,533	—
Proceeds from sale of property, plant and equipment	—	—	209
Net cash used in investing activities	<u>(527,207)</u>	<u>(255,144)</u>	<u>(71,146)</u>
FINANCING ACTIVITIES			
Dividends paid	(61,077)	(79,665)	(10,455)
Proceeds from issuance of debt	—	—	347,701
Repayments under ABL Facility	—	—	(40,000)
Retirements of debt	(162,358)	(39,382)	(350,304)
Principal repayments of financing lease obligations	(32,330)	(30,348)	(29,022)
Debt issuance costs paid	—	—	(11,352)
Other	(9,419)	(3,724)	(3,042)
Net cash used in financing activities	<u>(265,184)</u>	<u>(153,119)</u>	<u>(96,474)</u>
Net (decrease) increase in cash and cash equivalents	(91,283)	433,641	183,923
Cash and cash equivalents at beginning of period	829,480	395,839	211,916
Cash and cash equivalents at end of period	<u>\$ 738,197</u>	<u>\$ 829,480</u>	<u>\$ 395,839</u>

The accompanying notes are an integral part of these consolidated financial statements.

WARRIOR MET COAL, INC.
STATEMENTS OF CASH FLOWS (CONTINUED)
(in thousands)

	For the years ended December 31,		
	2023	2022	2021
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest paid, net of capitalized interest	\$ 23,970	\$ 27,810	\$ 36,359
Cash paid for income taxes	\$ 27,004	\$ —	\$ —
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Financing leases - equipment	\$ 11,312	\$ 8,150	\$ 46,961

The accompanying notes are an integral part of these consolidated financial statements.

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1—Business and Basis of Presentation

Description of the Business

Warrior Met Coal, Inc. is a U.S.-based, environmentally and socially minded supplier to the global steel industry. The Company is dedicated entirely to mining non-thermal steelmaking coal used as a critical component of steel production by metal manufacturers in Europe, South America and Asia. The Company is a large-scale, low-cost producer and exporter of premium steelmaking coal, also known as hard-coking coal ("HCC"), operating highly efficient longwall operations in its underground mines based in Alabama. The HCC that the Company produces from the Blue Creek coal seam contains very low sulfur and has strong coking properties. The Company also generates ancillary revenues from the sale of natural gas extracted as a byproduct from the underground coal mines and royalty revenues from leased properties.

Basis of Presentation

The accompanying financial statements include the accounts of Warrior Met Coal, Inc and its subsidiaries (the "Company"). All significant intercompany transactions and balances have been eliminated in consolidation.

Collective Bargaining Agreement

The Company's Collective Bargaining Agreement ("CBA") contract with the United Mine Workers of America ("UMWA") expired on April 1, 2021 and the labor union initiated a strike after an agreement on a new contract was not reached. As a result of the strike, the Company initially idled Mine No. 4 and scaled back operations at Mine No. 7. In the first quarter of 2022, the Company restarted operations at Mine No. 4. Due to the reduced operations at Mine No. 4 and Mine No. 7, the Company incurred idle mine expenses of \$12.1 million and \$33.9 million for the years ended December 31, 2022 and December 31, 2021, respectively. These expenses are reported separately in the Statements of Operations and represent expenses incurred while the respective mine is idled or operating below normal capacity, such as electricity, insurance and maintenance labor. The Company incurred business interruption expenses of approximately \$8.3 million, \$23.5 million and \$21.4 million for the years ended December 31, 2023, December 31, 2022, and December 31, 2021 respectively, which represent non-recurring expenses that were directly attributable to the labor strike for incremental safety and security, labor negotiations and other expenses. These expenses are also presented separately in the Statements of Operations. On February 16, 2023, the labor union representing certain of the Company's hourly employees announced that they were ending the strike and made an unconditional offer to return to work. The return-to-work process for eligible employees who wished to return to work which began in February has been completed. The Company continues to engage in good faith efforts with the labor union to reach an agreement on a new contract.

Acquisitions

On March 31, 2023, the Company acquired the remaining ownership interest in gas wells owned by an independent third party for \$2.4 million. The purchase consideration has been allocated to the assets acquired and liabilities assumed based upon their estimated fair values at the date of acquisition. The acquisition is not deemed to be material to the financial statements.

On March 1, 2022, the Company acquired the remaining 50% interest in Black Warrior Methane and Black Warrior Transmission for \$0.3 million. The purchase consideration has been allocated to the assets acquired and liabilities assumed based upon their estimated fair values at the date of acquisition. The acquisition is not deemed to be material to the financial statements.

Note 2—Summary of Significant Accounting Policies

Use of Estimates

The Company prepares its financial statements in conformity with GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Due to the inherent uncertainty involved in making estimates, actual results could differ from those estimates.

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

Concentrations of Credit Risk and Major Customers

The Company's principal line of business is mining and marketing steelmaking coal to foreign steel producers. For the year ended December 31, 2023, approximately 98.3% of sales were derived from coal shipments to customers, located primarily in Europe, South America and Asia. At December 31, 2023 approximately 97.8% of trade receivables were related to these customers. For the year ended December 31, 2023, the Company's geographic customer mix was 48% in Europe, 29% in Asia, 21% in South America and 2% in the U.S.

During the year ended December 31, 2023, E-Commodities Holdings Private Limited, Salzgitter Flachstahl GMBH and Exiros BV Sucursal Uruguay accounted for \$246.4 million, or 14.9%, \$205.7 million, or 12.4%, and \$195.3 million, or 11.8% of total revenues, respectively. During the year ended December 31, 2022, Xcoal Energy & Resources, Salzgitter Flachstahl GMBH and Thyssenkrupp Steel Europe AG accounted for \$330.1 million, or 19.1%, \$207.8 million or 12.0% and \$187.0 million, or 10.8% of total revenues, respectively. During the year ended December 31, 2021, Xcoal Energy & Resources and Salzgitter Flachstahl GMBH accounted for \$526.2 million, or 51.0%, and \$118.1 million, or 11.4% of total revenues, respectively.

Revenue Recognition

Revenue is recognized when performance obligations under the terms of a contract with the Company's customers are satisfied; for all contracts this occurs when control of the promised goods have been transferred to the Company's customers and risk of loss passes to the customer. For coal shipments to domestic customers via rail, control is transferred when the railcar is loaded. For coal shipments to international customers via ocean vessel, control is transferred when the vessel is loaded at the Port of Mobile in Alabama. Occasionally, the Company will sell coal stockpiles at the barge loadout or port upon which control, title and risk of loss transfers when stockpiles are segregated. For all steelmaking coal sales under average pricing contracts where pricing is not finalized when revenue is recognized, revenue is recorded based on estimated consideration to be received at the date of the sale. For natural gas sales, control is transferred when the gas has been transferred to the pipeline. Revenue is disaggregated between coal sales within the Company's mining segment and natural gas sales included in all other revenues, as disclosed in Note 20.

The Company's coal and gas sales generally include up to 45-day payment terms following the transfer of control of the goods to the customer. The Company typically does not include extended payment terms in its contracts with customers.

Trade Accounts Receivable and Allowance for Credit Losses

Trade accounts receivable are stated at cost. Trade accounts receivable represent customer obligations that are derived from revenue recognized from contracts with customers. Credit is extended based on an evaluation of the individual customer's financial condition. The Company maintains trade credit insurance on the majority of its customers and the geographic regions of coal shipments to these customers. In some instances, the Company requires letters of credit, cash collateral or prepayments from its customers on or before shipment to mitigate the risk of loss. These efforts have consistently resulted in the Company recognizing no historical credit losses. The Company also has never had to have a claim against its trade credit insurance policy.

In order to estimate the allowance for credit losses on trade accounts receivable, the Company utilizes an aging approach in which potential impairment is calculated based on how long a receivable has been outstanding (e.g., current, 1-31, 31-60, etc.). The Company calculates an expected credit loss rate based on the Company's historical credit loss rate, the risk characteristics of its customers, and the current steelmaking coal and steel market environments. As of December 31, 2023, the estimated allowance for credit losses was immaterial and did not have a material impact on the Company's financial statements.

Shipping and Handling

Costs incurred to transport coal to the point of sale at the Port of Mobile, Alabama, are included in cost of sales and the gross amounts billed to customers, if any, to cover shipping and handling to the ultimate/final destination are included in sales.

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include short-term deposits and highly liquid investments that have original maturities of three months or less when purchased and are stated at cost, which approximates fair value.

Short-Term Investments

Instruments with maturities greater than three months, but less than twelve months, are included in short-term investments. The Company purchases United States Treasury bills with maturities ranging from six to twelve months which are classified as held to maturity and are carried at amortized cost, which approximates fair value. The Company also purchases fixed income securities and certificates of deposits with varying maturities that are classified as available for sale and are carried at fair value. Securities classified as held to maturity securities are those securities that management has the intent and ability to hold to maturity.

As of December 31, 2023, the Company's short-term investments of \$9.0 million consisted of cash and fixed income securities. The short-term investments are posted as collateral for the self-insured black lung related claims asserted by or on behalf of former employees of Walter Energy, Inc. ("Walter Energy") and its subsidiaries, which were assumed by the Company and relate to periods prior to March 31, 2016.

Inventories

Inventories are valued at the lower of cost or net realizable value. Coal inventory costs include labor, supplies, equipment costs, operating overhead, freight, royalties, depreciation and depletion and other related costs. Coal inventories are valued using the first-in, first-out inventory valuation method. The valuation of coal inventories is subject to estimates due to possible gains and losses resulting from inventory movements from the mine site to storage facilities, inherent inaccuracies in belt scales and aerial surveys used to measure quantities and fluctuations in moisture content. Periodic adjustments to coal tonnages on hand are made for an estimate of coal shortages and overages due to these inherent gains and losses, primarily based on historical results from aerial surveys and periodic coal pile clean-ups. Supplies inventories are valued using the average cost method of accounting. Management evaluates its supplies inventory in terms of excess and obsolete exposures which includes such factors as anticipated usage, inventory turnover, inventory levels and ultimate market value. A reserve for excess and obsolete supplies inventory is established and charged to cost of sales in the Statements of Operations.

Deferred Longwall Move Expenses

Direct costs, including labor and supplies, associated with moving longwall equipment and the related equipment refurbishment costs are deferred and included in prepaid expenses. These deferred costs are amortized on a units-of-production basis into cost of sales over the life of the subsequent panel of coal mined by the longwall equipment. See Note 4 for further disclosures related to deferred longwall move expenses.

Advanced Mining Royalties

Lease rights to coal reserves are often acquired in exchange for royalty payments. Advance mining royalties are advance payments made to lessors under terms of mineral lease agreements that are recoupable against future production royalties. These advance payments are deferred and charged to operations as the coal reserves are mined. Advance mining royalties are included in other long-term assets.

Property, Plant and Equipment

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Depreciation is recorded principally on the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized on the straight-line method over the lesser of the useful life of the improvement or the remaining lease term. Estimated useful lives used in computing depreciation expense range from three to ten years for machinery and equipment, and from fifteen to thirty years for land improvements and buildings. Well life is used to estimate the useful life for gas properties and related development, and mine life is used for amortizing mine development costs. Gains and losses upon disposition are reflected in the Statements of Operations in the period of disposition. Maintenance and repair expenditures are charged to cost of sales as incurred.

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

Deferred Mine Development

Costs of developing new underground mines and certain underground expansion projects are capitalized. Underground development costs, which are costs incurred to make the coal physically accessible, may include construction permits and licenses, mine design, construction of access roads, main entries, airshafts, roof protection and other facilities. Mine development costs are amortized primarily on a units-of-production basis over the estimated reserve tons directly benefiting from the capital expenditures. Costs amortized during the production phase of a mine are capitalized into inventory and expensed to cost of sales as the coal is sold. Coal sales revenue related to incidental production during the development phase are recorded as sales with an offset to cost of sales based on the estimated cost per ton sold for the mine when the asset is in place for its intended use.

Owned and Leased Mineral Interests

Costs to obtain coal reserves and lease mineral rights are capitalized based on cost or the fair value at acquisition and depleted using the units-of-production method over the life of proven and probable reserves. Lease agreements are generally long-term in nature (original terms range from 10 to 50 years) and substantially all of the leases contain provisions that allow for automatic extension of the lease term provided certain requirements are met. Depletion expense was \$9.6 million, \$7.4 million, and \$8.3 million for the years ended December 31, 2023, December 31, 2022, and December 31, 2021, respectively, and is included in depreciation and depletion in the accompanying Statements of Operations.

Asset Retirement Obligations

The Company has certain asset retirement obligations primarily related to mine closing reclamation costs, perpetual water care costs and other costs associated with dismantling and removing facilities. Asset retirement obligations are determined for each mine using various estimates and assumptions, including estimates of disturbed acreage as determined from engineering data, estimates of future costs to reclaim the disturbed acreage and the timing of related cash flows, discounted using a credit-adjusted, risk-free rate. The Company's asset retirement obligations also include estimates to reclaim gas wells in accordance with the Oil and Gas Board of Alabama. On at least an annual basis, the Company reviews the entire asset retirement obligation liability and makes necessary adjustments for permit changes, the anticipated timing of mine closures, and revisions to cost estimates and productivity assumptions to reflect current experience. As changes in estimates occur, the carrying amount of the obligation and asset are revised to reflect the new estimate after applying the appropriate credit-adjusted, risk-free discount rate. The future costs of these obligations are accrued at the estimated fair value in the period in which they are incurred if a reasonable estimate of fair value can be made. The present value of the estimated asset retirement cost is capitalized as part of the carrying amount of the long-lived asset. For sites where there is no asset, expense or income is recognized for changes in estimates.

Capitalized asset retirement costs are amortized on a units-of-production basis over the estimated reserves. Accretion of the asset retirement obligation is recognized over time and generally will escalate over the life of the producing asset, typically as production declines. Accretion is included in cost of sales on the Statements of Operations.

Accrued mine closing costs, perpetual care costs and reclamation costs and other costs of dismantling and removing facilities are regularly reviewed by management and revised for changes in future estimated costs and regulatory requirements, as necessary. For ongoing operations, adjustments to the liability result in an adjustment to the corresponding asset. For some operations, adjustments to the liability are recognized as income or expense in the period the adjustment is recorded as no asset was recorded to offset the liability established during acquisition accounting related to the acquisition of certain assets of Walter Energy as the operations were idle at that time. Any difference between the recorded obligation and the actual cost of reclamation is recorded in profit or loss in the period the obligation is settled. See Note 8 for further disclosures related to asset retirement obligations.

Impairment of Long-Lived Assets

Property, plant and equipment and other long-lived assets are reviewed for impairment at least annually or whenever events or changes in circumstances indicate that the book value of the asset may not be recoverable. The Company periodically evaluates whether events and circumstances have occurred that would indicate possible impairment. When impairment indicators exist, the Company uses an estimate of the future undiscounted cash flows of the related asset or asset group over the remaining life in measuring whether or not the asset values are recoverable. If the carrying amount of an asset or asset group exceeds its estimated future cash flows, impairment is recognized equal to the amount by which the carrying amount of the

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

asset exceeds the fair value of the asset or asset group. Fair value is generally determined using market quotes, if available, or a discounted cash flow approach. The Company's estimate of future undiscounted cash flows is based on assumptions including long-term steelmaking coal pricing forecasts, anticipated production volumes and mine operating costs for the life of the mine or estimated useful life of the asset.

Equity Award Compensation

The Company accounts for equity award-based compensation to employees and non-employee/directors in accordance with ASC 718 requiring employee equity awards to be accounted for under the fair value method. The Company recognizes forfeitures as they occur. The Company recognizes compensation expense associated with equity awards for all awards made to employees as the requisite service, performance and market vesting conditions are met. For units granted containing only service and performance conditions, the fair value of the award is equal to the market price of the Company's common stock at the date of grant. For units granted containing only a market condition, the fair value of the award is determined utilizing a Monte Carlo simulation model which incorporates the total stockholder return hurdles set for each grant.

Compensation expense for equity awards with a service-only condition is recognized over the employee's requisite service period using a graded vesting method. For awards with a performance condition that affects vesting, the performance condition is not considered in determining the award's grant-date fair value; however, the performance conditions are considered when estimating the quantity of awards that are expected to vest. No compensation expense is recorded for awards with performance conditions until the performance condition is determined to be probable of achievement. For awards with a market condition that affects vesting, the market condition is considered in determining the award's grant-date fair value. Compensation expense for awards with a market condition is recognized straight-line over the derived or implied service period.

Compensation expense for equity awards is included in cost of sales (exclusive of items shown separately below) and selling, general and administrative costs in the accompanying Statements of Operations.

Deferred Financing Costs

The costs to obtain new debt financing or amend existing financing agreements are deferred and amortized to interest expense over the life of the related indebtedness or credit facility using the straight-line method. As of December 31, 2023 and December 31, 2022, there were \$3.0 million and \$4.0 million, respectively, of unamortized origination fees related to the ABL Facility (as defined in Note 13) in other long-term assets on the accompanying Balance Sheet. As of December 31, 2023 and December 31, 2022 there were \$3.5 million and \$8.0 million, respectively, of unamortized deferred financing costs and debt discount, net, related to the Notes (as defined in Note 13), which is presented as a net deduction from the carrying amount of the related debt recognized in the accompanying Balance Sheet.

Income Taxes

The Company records a tax provision for the expected tax effects of the reported results of operations. The provision for income taxes is determined using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax impact of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. Deferred income tax assets and liabilities are measured using the currently enacted tax rates that apply to taxable income in effect for the years in which those tax assets and liabilities are expected to be realized or settled. The Company records a valuation allowance to reduce deferred income tax assets to the amount that is believed more likely than not to be realized. When the Company concludes that all or part of the net deferred income tax assets are not realizable in the future, the Company makes an adjustment to the valuation allowance that is charged to earnings in the period that such determination was made.

The Company recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three level hierarchy has been established for valuing assets and liabilities based on how transparent (observable) the inputs are that are used to determine fair value, with the inputs considered most observable categorized as Level 1 and those that are the least observable categorized as Level 3. Hierarchy levels are defined as follows:

Level 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.

Level 3: Unobservable inputs that are supported by little or no market activity that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

Leases

The Company determines if an arrangement is a lease at inception. The Company has an accounting policy election that leases with an initial term of 12 months or less are not recorded on its balance sheet and lease payments are recognized in the Statements of Operations on a straight-line basis over the lease term. A right-of-use asset represents the Company's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. For purpose of calculating such present values, lease payments include components that vary based on an index or rate, using the prevailing index or rate at the commencement date and exclude components that vary based upon other factors. For those leases that do not contain a readily determinable implicit rate, the Company uses its incremental borrowing rate at commencement to determine the present value of lease payments. Variable lease payments not included within lease contracts are expensed as incurred. The Company's leases may include options to extend or terminate the lease, and such options are reflected in the term when their exercise is reasonably certain. Lease expense is recognized on a straight-line basis over the lease term.

New Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires a public entity to disclose significant segment expenses and other segment items on an annual and interim basis and provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. Additionally, it requires a public entity to disclose the title and position of the Chief Operating Decision Maker (CODM). The ASU does not change how a public entity identifies its operating segments, aggregates them, or applies the quantitative thresholds to determine its reportable segments. The new standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. A public entity should apply the amendments in this ASU retrospectively to all prior periods presented in the financial statements. We expect this ASU to only impact our disclosures with no impacts to our results of operations, cash flows or financial condition.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which focuses on the rate reconciliation and income taxes paid. ASU No. 2023-09 requires a public business entity ("PBE") to disclose, on an annual basis, a tabular rate reconciliation using both percentages and currency amounts, broken out into specified categories with certain reconciling items further broken out by nature and jurisdiction to the extent those items exceed a specified threshold. In addition, all entities are required to disclose income taxes paid, net of refunds received disaggregated by federal, state/local, and foreign and by jurisdiction if the amount is at least 5% of total income tax payments, net of refunds received. For PBEs, the new standard is effective for annual periods beginning after December 15, 2024, with early adoption permitted. An entity may apply the amendments in this ASU prospectively by providing the revised disclosures for the period ending December 31, 2025 and continuing to provide the pre-ASU disclosures for the prior periods, or may apply the amendments retrospectively by providing the revised disclosures for all period presented. The Company early adopted this ASU and the required disclosures are disclosed in Note 7.

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 3—Inventories, net

Inventories, net are summarized as follows (in thousands):

	December 31, 2023	December 31, 2022
Coal	\$ 129,989	\$ 109,822
Raw materials, parts, supplies and other, net	53,960	44,217
Total inventories, net	\$ 183,949	\$ 154,039

Note 4—Prepaid Expenses and Other

Prepaid expenses and other consisted of the following (in thousands):

	December 31, 2023	December 31, 2022
Deferred longwall move expenses	\$ 18,513	\$ 18,952
Prepaid insurance	1,991	1,424
Other	7,049	5,143
Total prepaid expenses and other	\$ 27,553	\$ 25,519

Note 5—Mineral Interests and Property, Plant and Equipment, net

Mineral interests totaled \$147.7 million and the related accumulated depletion totaled \$67.3 million and \$59.1 million as of December 31, 2023 and December 31, 2022, respectively.

Property, plant and equipment are summarized as follows (in thousands):

	December 31, 2023	December 31, 2022
Land	\$ 74,631	\$ 72,404
Land improvements	18,372	18,372
Building and leasehold improvements	99,121	81,737
Mine development and infrastructure costs	95,021	70,805
Machinery and equipment	1,087,635	852,141
Financing lease right of use asset	105,469	97,550
Construction in progress	425,124	168,025
Total	1,905,373	1,361,034
Less: Accumulated depreciation	(725,764)	(622,087)
Property, plant and equipment, net	\$ 1,179,609	\$ 738,947

Depreciation and depletion expense was \$127.4 million, \$115.3 million, and \$141.4 million, for the years ended December 31, 2023, December 31, 2022, and December 31, 2021, respectively. Construction in progress includes capitalized interest of \$12.1 million and \$1.4 million as of December 31, 2023 and December 31, 2022, respectively.

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 6—Other Long-Term Assets

Other long-term assets consisted of the following (in thousands):

	December 31, 2023	December 31, 2022
Advance mining royalties	\$ 11,268	\$ 7,087
ABL Facility origination fees	3,003	4,003
Other	7,716	8,741
Total other long-term assets	<u>\$ 21,987</u>	<u>\$ 19,831</u>

Note 7—Income Taxes

Income tax expense consisted of the following (in thousands):

	For the years ended December 31.		
	2023	2022	2021
Current			
Federal	\$ 19,914	\$ —	\$ —
State	5	—	—
	<u>19,919</u>	<u>—</u>	<u>—</u>
Deferred			
Federal	51,153	143,897	19,031
State	1,718	(2,091)	30,065
	<u>52,871</u>	<u>141,806</u>	<u>49,096</u>
Total	<u>\$ 72,790</u>	<u>\$ 141,806</u>	<u>\$ 49,096</u>

For the year ended December 31, 2023, the Company recognized income tax expense of \$72.8 million or an effective tax rate of 13.2%. The Company's federal income tax payments were \$27.0 million in 2023 and there were no federal income tax payments in 2022 or 2021. As of December 31, 2023, the Company has a current income tax receivable of \$7.8 million, which is expected to be applied to estimated income tax payments in 2024.

Total income tax expense differs from the expected tax expense (computed by multiplying the U.S. federal statutory rate of 21% by income before income taxes as a result of the following (in thousands):

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

	For the years ended December 31,					
	2023		2022		2021	
	Amount	Rate	Amount	Rate	Amount	Rate
Income before income tax expense	551,419		\$ 783,104		\$ 199,977	
Tax expense at statutory tax rate	115,798	21.0 %	\$ 164,452	21.0 %	\$ 41,995	21.0 %
Effect of:						
Section 250: foreign derived intangible income	(26,077)	(4.7)%	—	— %	—	— %
Depletion	(21,811)	(4.0)%	(23,638)	(3.0)%	(12,227)	(6.1)%
State and local income tax, net of federal effect	1,925	0.3 %	2,115	0.3 %	(22,387)	(11.2)%
Valuation allowance on deferred tax assets	(417)	(0.1)%	(4,519)	(0.6)%	45,952	23.0 %
Section 45I marginal well credit	—	— %	(87)	— %	(4,702)	(2.4)%
Other	3,372	0.6 %	3,483	0.4 %	465	0.2 %
Tax expense recognized	<u>\$ 72,790</u>	<u>13.2 %</u>	<u>\$ 141,806</u>	<u>18.1 %</u>	<u>\$ 49,096</u>	<u>24.6 %</u>

The rates for all periods include a benefit related to depletion and a benefit or expense related to adjustments to the valuation allowance on deferred tax assets and Internal Revenue Code ("IRC") Section 45I marginal well credits. For the year ended December 31, 2023, the Company recognized an income tax benefit of \$26.1 million related to a deduction under IRC Section 250: Foreign-Derived Intangible Income. The Tax Cuts and Jobs Act was enacted on December 22, 2017 and enacted IRC Section 250: FDII, which provides for among other things, a deduction of 37.5% with respect to foreign-derived intangible income. Beginning in 2026, the deduction is reduced from 37.5% to 22.5% of foreign-derived intangible income. The Company has historically not been eligible to claim the deduction due to the deduction being limited to taxable income and the Company's ability to utilize its net operating losses to offset taxable income.

On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 ("IRA") into law. The IRA contains a number of revisions to the Internal Revenue Code, including a 15% corporate minimum income tax and a 1% excise tax on corporate stock repurchases in tax years beginning after December 31, 2022. While these tax law changes have no immediate effect and are not expected to have a material adverse effect on our results of operations going forward, we will continue to evaluate its impact as further information becomes available.

Deferred Taxes

Deferred income tax assets and liabilities reflect the effects of tax losses, credits, and the future income tax effects of temporary differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates that apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Significant components of the Company's deferred income tax assets and liabilities were (in thousands):

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

	December 31, 2023	December 31, 2022
Deferred income tax assets:		
Net operating loss and credit carryforwards	\$ 47,940	\$ 98,533
Inventory	2,204	1,560
Asset retirement obligations	17,900	14,466
Black lung obligations	6,134	6,391
Accrued expenses	6,259	5,955
Other	1,299	864
Total deferred income tax assets	81,736	127,769
Less: valuation allowance for deferred income tax assets	(41,016)	(41,433)
Net deferred income tax assets	40,720	86,336
Deferred income tax liabilities:		
Prepaid expenses	(6,757)	(8,308)
Property, plant and equipment	(100,834)	(92,748)
Other	(1,806)	(1,086)
Total deferred income tax liabilities	(109,397)	(102,142)
Net deferred income tax liability	\$ (68,677)	\$ (15,806)

During the year ended December 31, 2023, the Company fully utilized all of its federal net operating loss ("NOL") carryforwards and general business credits. The Company has state NOL carryforwards of approximately \$928.2 million, which expire predominantly on December 31, 2029 through December 31, 2035.

A company generally is allowed a deduction for federal and state NOLs against its federal and state taxable income. If a Company undergoes an "ownership change" as defined in Section 382 of the Code or similar provisions of state law, its ability to deduct federal and state NOLs against its federal or state taxable income and utilize certain other available tax attributes can be limited. While the Company does not believe an ownership change has occurred since April 1, 2016, because the rules under Section 382 are highly complex and actions of the Company's stockholders which are beyond its control or knowledge could impact whether an ownership change has occurred, the Company cannot give you any assurance that another Section 382 ownership change has not occurred or will not occur in the future. As a result of the Company qualifying for the aforementioned exception, were the Company to have undergone a subsequent ownership change prior to April 1, 2018, its federal and state NOLs would effectively be reduced to zero. An ownership change after such date would severely limit the Company's ability to utilize its federal and state NOLs and other tax attributes.

Amended Rights Agreement

On February 14, 2020, the Company adopted the Rights Agreement, which was amended on March 4, 2022 by Amendment No. 1 to the Rights Agreement and on December 8, 2023 by Amendment No. 2 (the "Rights Agreement", and as amended, the "Amended Rights Agreement"), in an effort to prevent the imposition of significant limitations due to an "ownership change" within the meaning of Section 382 of the Code on the Company's ability to utilize its current federal and state NOLs to reduce its future tax liabilities. The Company's stockholders ratified the Rights Agreement at the 2020 Annual Meeting of Stockholders and ratified the Amendment No. 1 to the Rights Agreement at the 2022 Annual Meeting of Stockholders.

The Amended Rights Agreement is intended to supplement the 382 Transfer Restrictions and is designed to serve the interests of all stockholders by preserving the availability of the Company's federal and state NOLs and is similar to plans adopted by other companies with significant federal and state NOLs.

Pursuant to the Amended Rights Agreement, one preferred stock purchase right (a "Right" or the "Rights") was distributed to stockholders of the Company for each share of common stock of the Company outstanding as of the close of business on February 28, 2020. Initially, these Rights will not be exercisable and will trade with the shares of common stock. If the Rights become exercisable, each Right will initially entitle stockholders to buy one one-thousandth of a share of a newly created series of preferred stock designated as "Series A Junior Participating Preferred Stock" at an exercise price of \$159.00

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

per Right. While the Amended Rights Agreement is in effect, any person or group that acquires beneficial ownership of 4.99% or more of the common stock or any existing stockholder who currently owns 5.00% or more of the common stock that acquires any additional shares of common stock (such person, group or existing stockholder, an "Acquiring Person") without approval from the Board would be subject to significant dilution in their ownership interest in the Company. In such an event, each Right will entitle its holder to buy, at the exercise price, common stock having a market value of two times the then current exercise price of the Right and the Rights held by such Acquiring Person will become void. The Amended Rights Agreement also gives discretion to the Board to determine that someone is an Acquiring Person even if they do not own 4.99% or more of the common stock but do own 4.99% or more in value of the outstanding stock, as determined pursuant to Section 382 of the Code and the regulations promulgated thereunder. In addition, the Board has established procedures to consider and approve requests to exempt certain acquisitions of the Company's securities from the Amended Rights Agreement if the Board determines that doing so would not limit or impair the availability of the federal and state NOLs or is otherwise in the best interests of the Company and conditioned upon and subject to the satisfaction of certain continuing factual representations and covenants. The Board may redeem the Rights for \$0.01 per Right at any time before any person or group triggers the Amended Rights Agreement. The distribution of the Rights is not a taxable event for stockholders of the Company and will not affect the Company's financial condition or results of operations (including earnings per share).

The Rights will expire on the earliest of (i) the close of business on April 19, 2026, (ii) the time at which the Rights are redeemed as provided in the Amended Rights Agreement, (iii) the time at which the Rights are exchanged as provided in the Amended Rights Agreement, (iv) the time at which the Board determines that the NOLs are fully utilized or no longer available under Section 382 of the Code, (v) the effective date of the repeal of Section 382 of the Code if the Board determines that the Amended Rights Agreement is no longer necessary or desirable for the preservation of NOLs, or (vi) the closing of any merger or other acquisition transaction involving the Company pursuant to an agreement of the type described in the Amended Rights Agreement.

Valuation Allowance

The Company periodically assesses whether it is more likely than not that it will generate sufficient taxable income to realize its deferred income tax assets. The Company establishes valuation allowances if it is not likely it will realize its deferred income tax assets. In making this determination, the Company considers all available positive and negative evidence and makes certain assumptions. The Company considers, among other things, scheduled reversals of deferred tax liabilities, projected future taxable income, the overall business environment, its historical financial results, the industry's historically cyclical financial results, its cumulative three-year income or loss position and potential current and future tax planning strategies.

On February 12, 2021, the Alabama Governor signed into law Alabama House Bill 170, now Act 2021-1 (the "Act"). The Act makes several changes to the state's business tax structure. Among the provisions of the Act, is the repeal of the so-called corporate income tax "throwback rule." That rule required all sales originating in Alabama and delivered to a jurisdiction where the seller was not subject to tax, to be included in the seller's Alabama income tax base. Thus, prior to repeal of the throwback rule, the Company had to rely on its Alabama NOL carryforwards to shelter taxes imposed under such throwback rule. As a result of the now repealed throwback rule, effective January 1, 2021, all such sales should now be excluded from Alabama taxable income without the need to utilize Alabama NOLs. As a result of the repeal of the throwback rule, the Company determined that it is not more likely than not that the Company would have sufficient taxable income to utilize all of the Company's Alabama deferred income tax assets prior to expiration. Therefore, at December 31, 2023, we have a valuation allowance against our state deferred income tax assets of approximately \$41.0 million.

The following table shows the balance of the Company's valuation allowance and the associated activity during 2023:

	December 31, 2023
Beginning balance	\$ 41,433
Addition/(Reduction) - current tax expense/(benefit)	(417)
Ending balance	<u>\$ 41,016</u>

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

Uncertain Tax Positions

The Company has filed income tax returns in the U.S. and in various state and local jurisdictions which are routinely examined by tax authorities in these jurisdictions. Federal and state NOLs and carryforwards are subject to adjustments based on examination and the statute of limitations is currently open for all such loss and credit carryforwards. The Company had no unrecognized tax benefits or accruals for unrecognized tax benefits as of December 31, 2023 and 2022, respectively.

The Company did not record any interest or penalties associated with income taxes for years ended December 31, 2023, 2022 and 2021, respectively, but would record interest and penalties within income tax expense.

Note 8—Asset Retirement Obligations

Changes in the asset retirement obligations (“ARO”) were as follows (in thousands):

	December 31, 2023	December 31, 2022
Balance at beginning of period	\$ 68,481	\$ 70,677
Accretion expense	4,175	3,485
Revisions to estimates	16,290	(3,470)
Obligations settled	(4,780)	(2,211)
Balance at end of period	<u>\$ 84,166</u>	<u>\$ 68,481</u>

The portion of costs expected to be paid within a year as of December 31, 2023 is \$12.5 million. The portion of costs expected to be incurred beyond one year as of December 31, 2023 is \$71.7 million. There were no assets that were legally restricted for purposes of settling asset retirement obligations at December 31, 2023. Alabama's regulatory framework technically allows for self-bonding. However, as a practical matter, due to the onerous regulatory requirements for self-bonding, mining companies in Alabama utilize surety bonds, collateral bonds, or letters of credit to meet their financial assurance requirements. At December 31, 2023, the Company had outstanding surety bonds and letters of credit with parties for post-mining reclamation at all of its mining operations totaling \$44.3 million, and \$5.2 million for miscellaneous purposes.

For the years ended December 31, 2023 and December 31, 2022, the change to the liability was primarily attributable to the net impact of changes in discount rates, changes in the timing of scheduled reclamation and current estimates of the costs and scope of remaining reclamation work. For the years ended December 31, 2023 and December 31, 2022, \$0.3 million or \$0.01 per share and \$1.4 million or \$0.03 per share, respectively, of the adjustment to the liability was reflected as income in the period because there was no asset recorded to offset the adjustment to the respective liability. This portion of the liability relates to operations that were idle at the time of purchase accounting for the acquisition of certain assets in 2016 and no value was attributed to any asset as an offset for the asset retirement obligation.

Note 9—Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	December 31, 2023	December 31, 2022
Accrued wages and employee benefits	\$ 36,828	\$ 32,808
Accrued operating expenses	26,082	30,357
Accrued royalties	12,729	9,389
Accrued freight	4,195	1,842
Accrued interest	1,064	2,038
Accrued non-income taxes	714	1,001
Total accrued expenses	<u>\$ 81,612</u>	<u>\$ 77,435</u>

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 10—Pneumoconiosis ("Black Lung") Obligations

The Company is responsible for medical and disability benefits for black lung disease under the Federal Coal Mine Health and Safety Act of 1969, as amended. Beginning on April 1, 2016 through May 31, 2018, the Company was insured under a guaranteed cost insurance policy, through a third-party insurance carrier, for black lung claims raised by any employee subsequent to the acquisition of certain assets of Walter Energy. Beginning on June 1, 2018 through May 31, 2020, the Company had a deductible policy where the Company is responsible for the first \$0.5 million for each black lung claim. Since June 1, 2020, the Company has a deductible policy where the Company is responsible for the first \$1.0 million for each black lung claim.

In addition, in connection with the acquisition of certain assets of Walter Energy, the Company assumed all black lung liabilities of Walter Energy and its U.S. subsidiaries incurred prior to March 31, 2016, for which the Company is self-insured. Due to a limited operating history as a stand-alone company and as a result of being self-insured for these historical black lung claims, the Department of Labor ("DOL") required the Company to post \$17.0 million in the form of Treasury bills or surety bonds as collateral, in addition to maintaining a black lung trust acquired in the Walter Energy acquisition. The Company received a letter from the DOL on February 21, 2020 under its new process for self-insurance renewals that would require it to increase the amount of collateral posted to \$39.8 million, but the Company has appealed such increase. The Company received another letter from the DOL on December 8, 2021 requesting additional information to support its appeal of the collateral requested by the DOL. On February 9, 2022, the DOL held a conference call with representatives from the Company related to our appeal. On July 12, 2022, we received a decision on our appeal from the DOL lowering the amount of collateral required to be posted from \$39.8 million to \$28 million. We appealed this decision. In addition, on January 19, 2023, the DOL proposed revisions to regulations under the Black Lung Benefits Act governing authorization of self-insurers. The proposed rules requires, among other requirements, all self-insured operators to post security of at least 120 percent of their projected black lung liabilities. As of December 31, 2023 and December 31, 2022, the Company had \$18.6 million of surety bonds, respectively, and \$9.0 million and \$8.6 million of collateral recognized as short term investments, respectively. There were also \$1.8 million and \$2.1 million of assets held in a black lung trust, which is offset against the long-term portion of the black lung obligations within the Balance Sheet as of December 31, 2023 and December 31, 2022, respectively. The estimated total black lung liabilities (net of black lung trust assets) were \$28.8 million as of December 31, 2023, of which \$1.9 million is classified in other current liabilities and the remainder of \$27.0 million is shown as a long-term liability in a separate line item in the Balance Sheets. As of December 31, 2022, the estimated black lung liabilities (net of the black lung trust assets) were \$30.3 million, of which \$2.8 million is classified in other current liabilities and \$27.4 million is classified as a long-term liability in a separate line item in the Balance Sheets. Accretion of the black lung liabilities is included in cost of other revenues on the Statements of Operations. The Company performs an annual evaluation of its black lung liabilities at each balance sheet date. The calculation uses assumptions regarding rates of successful claims, discount factors, benefit increases and mortality rates, among others.

Note 11—Employee Benefit Plans

Defined Contribution Plans

The Company sponsors a defined contribution plan to assist its eligible employees in providing for retirement. Generally, under the terms of the plan, employees make voluntary contributions through payroll deductions and the Company makes matching contributions, as defined by the plan. Contributions to these defined contribution plans amounted to \$4.0 million for the year ended December 31, 2023, \$3.2 million for the year ended December 31, 2022 and \$2.5 million for the year ended December 31, 2021 accounted for in cost of sales, cost of other revenues and selling, general and administrative costs in the Statements of Operations.

Collective Bargaining Agreement

The Company's CBA contract with the UMWA expired on April 1, 2021. While the Company continues to engage in good faith negotiations with the UMWA, the Company has not reached a new contract. On February 16, 2023, the labor union representing certain of the Company's hourly employees announced that they were ending the strike and made an unconditional offer to return to work. Approximately 21.1% of the Company's employees were represented by the UMWA as of December 31, 2023.

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 12—Equity Award Plans

Warrior Met Coal, Inc. 2017 Equity Incentive Plan

In connection with the Company's initial public offering, the Company adopted the Warrior Met Coal, Inc. 2017 Equity Incentive Plan (the "2017 Equity Plan").

Under the 2017 Equity Plan, directors, officers, employees, consultants and advisors and those of affiliated companies, as well as those who have accepted offers of employment or consultancy from the Company or the Company's affiliated companies, may be granted equity interest in Warrior Met Coal, Inc. in the form of stock options, stock appreciation rights, restricted stock, restricted stock units, stock bonus awards, and performance awards.

The total number of shares of common stock, including incentive stock options, available for grant of awards under the 2017 Equity Plan as of December 31, 2023 is 4,332,083. If any outstanding award expires, is canceled, forfeited, or settled in cash, the shares allocable to that award will again be available for grant under the 2017 Equity Plan.

As of December 31, 2023, the equity awards granted under the 2017 Equity Plan are comprised of common stock, restricted stock awards, and restricted stock unit awards. The Company recognized stock compensation expense of \$18.3 million for the year ended December 31, 2023 associated with awards granted under the 2017 Equity Plan. Unrecognized compensation expense related to the 2017 Equity Plan amounted to approximately \$1.7 million as of December 31, 2023.

A summary of activity related to restricted stock unit award grants under the 2017 Equity Incentive Plan during the year ended December 31, 2023 is as follows:

	Shares	Weighted Average Grant Date Fair Value
Non-vested at December 31, 2022	756,063	\$ 26.99
Granted	508,927	\$ 29.90
Canceled	(5,982)	\$ 36.60
Forfeited	(324)	\$ 37.43
Vested	(608,224)	\$ 29.10
Outstanding at December 31, 2023	<u>650,460</u>	

Note 13—Debt

The Company's debt consisted of the following (in thousands):

	December 31, 2023	December 31, 2022	Weighted Average Interest Rate at December 31, 2023	Final Maturity
Senior secured notes	\$ 156,517	\$ 310,618	7.875%	December 2028
ABL facility	—	—	Varies ¹	December 2026
Debt discount, net	(3,494)	(8,030)		
Total debt	<u>153,023</u>	<u>302,588</u>		
Less: current debt	—	—		
Total long-term debt	<u>\$ 153,023</u>	<u>\$ 302,588</u>		

¹ Borrowings under the ABL Facility bear interest at a rate equal to Secured Overnight Financing Rate ("SOFR") ranging currently from 1.5% and 2.0%, plus a credit adjustment spread, ranging currently from 0.11448% to 0.42826%, or an alternate base rate plus an applicable margin, which is determined based on the average availability of the commitments under the ABL Facility, ranging from 0.5% to 1.0%.

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

The Company's minimum debt repayment schedule, excluding interest, as of December 31, 2023 is as follows (in thousands):

	Payments Due					
	2024	2025	2026	2027	2028	Thereafter
Senior secured notes	\$ —	\$ —	\$ —	\$ —	\$ 153,023	\$ —
ABL facility	—	—	—	—	—	—
Total	\$ —	\$ —	\$ —	\$ —	\$ 153,023	\$ —

ABL Facility

On December 6, 2021, the Company entered into the Second Amended and Restated Asset-Based Revolving Credit Agreement (the "Second Amended and Restated Credit Agreement"), by and among the Company and certain of its subsidiaries, as borrowers, the guarantors party thereto, the lenders from time to time party thereto and Citibank, as administrative agent (in such capacity, the "Agent"), which amends and restates in its entirety the existing Amended and Restated Asset-Based Revolving Credit Agreement (as amended, the "ABL Facility"). The Second Amended and Restated Credit Agreement, among other things, (i) extended the maturity date of the ABL Facility to December 6, 2026; (ii) changed the calculation of the interest rate payable on borrowings from being based on a London Inter-Bank Offered Rate to be based on a Secured Overnight Financing Rate, with corresponding changes to the applicable interest rate margins with respect to such borrowings, (iii) amended certain definitions related to the calculation of the borrowing base; (iv) increased the commitments that may be used to issue letters of credit to \$65.0 million; and (v) amended certain baskets contained in the covenants to conform to the baskets contained in the indenture governing the Notes (the "Indenture"). The Second Amended and Restated Credit Agreement also allows the Company to borrow up to \$116.0 million through November 2026, subject to availability under the borrowing base and other conditions.

Under the ABL Facility, up to \$10.0 million of the commitments may be used to incur swingline loans from Citibank and up to \$65.0 million of the commitments may be used to issue letters of credit. The ABL Facility will mature on December 6, 2026. As of December 31, 2023, no loans were outstanding under the ABL Facility and there were \$8.7 million of letters of credit issued and outstanding under the ABL Facility. At December 31, 2023, the Company had \$107.4 million of availability under the ABL Facility.

Subject to permitted exceptions, the obligations of the borrowers under the ABL Facility are guaranteed by each of the Company's domestic subsidiaries and secured by (i) first-priority security interests in the ABL Priority Collateral (as defined in the Indenture), which includes, among other things, certain accounts receivables, inventory and cash of the Company and the guarantors, and (ii) second-priority security interests in the Notes Priority Collateral (as defined in the Indenture), which includes, among other things, material mining properties, shares of capital stock of the guarantors, intellectual property, as extracted collateral (to the extent not constituting inventory), and certain fixed assets of the Company and the guarantors.

The ABL Facility contains customary covenants for asset-based credit agreements of this type, including among other things: (i) requirements to deliver financial statements, other reports and notices; (ii) restrictions on the existence or incurrence of certain indebtedness; (iii) restrictions on the existence or incurrence of certain liens; (iv) restrictions on making certain restricted payments; (v) restrictions on making certain investments; (vi) restrictions on certain mergers, consolidations and asset dispositions; (vii) restrictions on certain transactions with affiliates; and (viii) restrictions on modifications to certain indebtedness. Additionally, the ABL Facility contains a springing fixed charge coverage ratio of not less than 1.00 to 1.00, which ratio is tested if availability under the ABL Facility is less than a certain amount. As of December 31, 2023, the Company was not subject to this covenant. Subject to customary grace periods and notice requirements, the ABL Facility also contains customary events of default.

The Company was in compliance with all applicable covenants under the ABL Facility as of December 31, 2023.

Senior Secured Notes

On December 6, 2021, the Company issued \$350.0 million in aggregate principal amount of 7.875% senior secured notes due 2028 (the "Notes") at an initial price of 99.3% of their face amount. The Notes were issued to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and to certain non-U.S. persons in transactions outside the United States in accordance with Regulation S under the Securities Act. The Company used

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

the net proceeds of the offering of the Notes, together with cash on hand, to fund the redemption of all of the Company's outstanding 8.00% senior secured notes due 2024 (the "2017 Notes"), including payment of the redemption premium in connection with such redemption. As a result, the Company recognized a loss on early extinguishment of debt of \$9.7 million which represents the write-off of previously capitalized 2017 Notes debt issuance costs and debt discount, along with the redemption premium.

The Notes will accrue interest at a rate of 7.875% per year from December 6, 2021. Interest on the Notes will be payable on June 1 and December 1 of each year, commencing on June 1, 2022. The Notes will mature on December 1, 2028. The Notes are fully and unconditionally guaranteed on a joint and several basis by each of the Company's direct and indirect wholly-owned domestic restricted subsidiaries that are guarantors under the ABL Facility (subject to customary release provisions).

At any time prior to December 1, 2024, the Company may redeem the Notes, in whole or in part, at a price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium (as defined in the Indenture) and accrued and unpaid interest, if any, to, but excluding, the applicable redemption date. The Notes are redeemable at the Company's option, in whole or in part, from time to time, on or after December 1, 2024, at redemption prices specified in the Indenture, plus accrued and unpaid interest, if any, to, but excluding the redemption date. At any time on or prior to December 1, 2024, the Company may redeem up to 40% of the aggregate principal amount of the Notes with the proceeds of certain equity offerings, at a redemption price of 108% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to but excluding the redemption date. The Company is also required to make offers to purchase the Notes (i) at a purchase price of 101% of the principal amount thereof in the event it experiences specific kinds of change of control triggering events, (ii) at a purchase price of 103% of the principal amount thereof prior to making certain restricted payments, and (iii) at a purchase price of 100% of the principal amount thereof in the event it makes certain asset sales or dispositions and does not reinvest the net proceeds therefrom or use such net proceeds to repay certain indebtedness, in each case, plus accrued and unpaid interest, if any, to, but excluding the date of purchase.

During the year ended December 31, 2023, the Company repurchased in the open market and extinguished approximately \$8.0 million principal amount of the Notes. In connection with the extinguishment of our Notes, we recognized a loss on early extinguishment of debt of \$0.1 million which is included in interest expense in the Statements of Operations.

Offers to Purchase the Notes

On August 9, 2023, we commenced an offer to purchase (the "Restricted Payment Offer"), in cash, up to \$150.0 million principal amount of its outstanding Notes, at a repurchase price of 103% of the aggregate principal amount of such Notes, plus accrued and unpaid interest with respect to such Notes to, but not including, the date of repurchase (the "Restricted Payment Repurchase Price"). Concurrently with, but separate from, the Restricted Payment Offer, we commenced a cash tender offer (the "Tender Offer" and, together with the Restricted Payment Offer, the "Offers") to purchase up to \$150.0 million principal amount of the Notes at a repurchase price of 104.25% of the aggregate principal amount of such Notes, plus accrued and unpaid interest to, but not including, the date of repurchase (the "TO Repurchase Price"). The Offers expired on September 7, 2023 (the "Expiration Date").

Restricted Payment Offer

As of the Expiration Date, \$200,000 aggregate principal amount of the Notes were validly tendered and not validly withdrawn pursuant to the Restricted Payment Offer. Pursuant to the terms of the Restricted Payment Offer:

(1) an automatic pro ration factor of 49.5674% was applied to the \$200,000 aggregate principal amount of the Notes that were validly tendered and not validly withdrawn in the Restricted Payment Offer (rounded down to avoid the purchase of Notes in a principal amount other than in integrals of \$1,000), which resulted in \$99,000 aggregate principal amount of the Notes (the "RP Pro-Rated Tendered Notes");

(2) we accepted all \$99,000 aggregate principal amount of the RP Pro-Rated Tendered Notes for payment of the Restricted Payment Repurchase Price in cash; and

(3) the remaining balance of \$101,000 aggregate principal amount of the Notes tendered that were not RP Pro-Rated Tendered Notes were not accepted for payment and were returned to the tendering holder of the Notes.

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

We consummated the Restricted Payment Offer on September 8, 2023.

Accordingly, pursuant to the terms of the Indenture, we will have the ability from time to time in the future to make one or more restricted payments (the "Proposed Restricted Payment") in the form of special dividends to holders of our common stock and/or repurchases of our common stock in the aggregate amount of up to \$299,901,000 consistent with the terms of the Capital Allocation Policy adopted by our Board. Any future Proposed Restricted Payments will be at the discretion of the Board and subject to a number of factors and there can be no assurance that we will make any Proposed Restricted Payments in the future.

Tender Offer

As of the Expiration Date, \$294,770,000 aggregate principal amount of the Notes were validly tendered and not validly withdrawn pursuant to the Tender Offer. Pursuant to the terms of the Tender Offer:

(1) an automatic pro ration factor of 49.6% was applied to the \$294,770,000 aggregate principal amount of the Notes that were validly tendered and not validly withdrawn in the Tender Offer (rounded down to avoid the purchase of Notes in a principal amount other than in integrals of \$1,000), which resulted in \$146,002,000 aggregate principal amount of the Notes (the "TO Pro-Rated Tendered Notes");

(2) we accepted all \$146,002,000 aggregate principal amount of the TO Pro-Rated Tendered Notes for payment of the TO Repurchase Price in cash; and

(3) the remaining balance of \$148,768,000 aggregate principal amount of the Notes tendered that were not TO Pro-Rated Tendered Notes were not accepted for payment and were returned to the tendering holder of the Notes.

We consummated the Tender Offer on September 11, 2023.

In connection with the payments for the RP Pro-Rated Tendered Notes and the TO Pro-Rated Tendered Notes, we recognized a loss on early extinguishment of debt of \$11.7 million during the year ended December 31, 2023.

Note 14—Leases

The Company primarily enters into rental agreements for certain mining equipment that are for periods of 12 months or less, some of which include options to extend the leases. Leases that are for periods of 12 months or less are not recorded on the balance sheet in accordance with the Company's accounting policy election described in Note 2. The Company recognizes lease expense on these agreements on a straight-line basis over the lease term. Additionally, the Company has certain finance leases for mining equipment that expire over various contractual periods. These leases have remaining lease terms of one to five years and do not include an option to renew. Amortization expense for finance leases is included in depreciation and depletion expense.

Supplemental balance sheet information related to leases was as follows (in thousands):

	December 31, 2023	December 31, 2022
Finance lease right-of-use assets, net ⁽¹⁾	\$ 67,014	\$ 69,596
Finance lease liabilities		
Current	11,463	24,089
Noncurrent	8,756	9,002
Total finance lease liabilities	\$ 20,219	\$ 33,091
Weighted average remaining lease term - finance leases (in months)	20.8	27.2
Weighted average discount rate - finance leases ⁽²⁾	7.02 %	6.96 %

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

(1) Finance lease right-of-use assets, recorded net of accumulated amortization of \$38.5 million and \$28.0 million, are included in property, plant and equipment, net in the Balance Sheets as of December 31, 2023 and December 31, 2022, respectively. See Note 5 for additional disclosure.

(2) When an implicit discount rate is not readily available in a lease, the Company uses its incremental borrowing rate based on information available at the commencement date when determining the present value of lease payments.

The components of lease expense were as follows (in thousands):

	For the year ended December 31,	
	2023	2022
Operating lease cost ⁽¹⁾	\$ 29,675	\$ 36,106
Finance lease cost:		
Amortization of leased assets	21,720	17,587
Interest on lease liabilities	1,935	3,284
Net lease cost	<u>\$ 53,330</u>	<u>\$ 56,977</u>

(1) Includes leases that are for periods of 12 months or less.

Maturities of lease liabilities were as follows (in thousands):

	Finance Leases ⁽¹⁾
2024	15,874
2025	4,423
2026	922
2027	—
Thereafter	—
Total	<u>21,219</u>
Less: amount representing interest	<u>(1,000)</u>
Present value of lease liabilities	<u>\$ 20,219</u>

(1) Finance lease payments include \$3.0 million of future payments required under signed lease agreements that have not yet commenced. These finance leases will commence during fiscal year 2024 with lease terms between one to two years.

Supplemental cash flow information related to leases was as follows (in thousands):

	For the year ended December 31,	
	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	\$ 1,935	\$ 3,284
Financing cash flows from finance leases	\$ 32,330	\$ 30,348
Non-cash right-of-use assets obtained in exchange for lease obligations:		
Finance leases	\$ 11,312	\$ 8,150

Note 15—Commitments and Contingencies

Environmental Matters

The Company is subject to a wide variety of laws and regulations concerning the protection of the environment, both with respect to the construction and operation of its plants, mines and other facilities and with respect to remediating environmental conditions that may exist at its own and other properties.

The Company believes that it is in substantial compliance with federal, state and local environmental laws and regulations. The Company accrues for environmental expenses resulting from existing conditions that relate to past operations

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

when the costs are probable and can be reasonably estimated. As of December 31, 2023 and December 31, 2022, there were no accruals for environmental matters other than asset retirement obligations for mine reclamation.

Miscellaneous Litigation

From time to time, the Company is party to a number of lawsuits arising in the ordinary course of their businesses. The Company records costs relating to these matters when a loss is probable and the amount can be reasonably estimated. The effect of the outcome of these matters on the Company's future results of operations cannot be predicted with certainty as any such effect depends on future results of operations and the amount and timing of the resolution of such matters. As of December 31, 2023 and December 31, 2022, there were no items accrued for miscellaneous litigation.

Walter Canada Settlement Proceeds

On July 15, 2015, Walter Energy and certain of its wholly owned U.S. subsidiaries, including Jim Walter Resources, Inc. ("JWR") filed voluntary petitions for relief under chapter 11 of title 11 of the U.S. Bankruptcy Code (the "Chapter 11 Cases") in the Northern District of Alabama, Southern Division. On December 7, 2015, Walter Energy Canada Holdings, Inc., Walter Canadian Coal Partnership and their Canadian affiliates (collectively "Walter Canada") applied for and were granted protection under the Companies' Creditors Arrangement Act (the "CCAA") pursuant to an Initial Order of the Supreme Court of British Columbia.

In connection with the Company's acquisition of certain core operating assets of Walter Energy, the Company acquired a receivable owed to Walter Energy by Walter Canada for certain shared services provided by Walter Energy to Walter Canada (the "Shared Services Claim") and a receivable for unpaid interest owed to Walter Energy from Walter Canada in respect of a promissory note (the "Hybrid Debt Claim"). Each of these claims were asserted by the Company in the Walter Canada CCAA proceedings. Walter Energy deemed these receivables to be uncollectable for the year ended December 31, 2015 and the Company did not assign any value to these receivables in acquisition accounting as collectability was deemed remote. During the year ended December 31, 2023 and December 31, 2022, the Company received approximately \$0.2 million and \$0.7 million, respectively, which is reflected as other income in the Statements of Operations. The collectability of additional amounts, if any, related to the Shared Services Claim and Hybrid Debt Claim depends on the outcome of, and the timing of any resolutions of, the Walter Canada CCAA proceedings and cannot be predicted with certainty.

Commitments and Contingencies—Other

The Company is party to various transportation and throughput agreements with rail and barge transportation providers and the Alabama State Port Authority. These agreements contain annual minimum tonnage guarantees with respect to coal transported from the mine sites to the Port of Mobile in Alabama, unloading of rail cars or barges, and the loading of vessels. If the Company does not meet its minimum throughput obligations, which are based on annual minimum amounts, it is required to pay the transportation providers or the Alabama State Port Authority a contractually specified amount per metric ton for the difference between the actual throughput and the minimum throughput requirement. At December 31, 2023 and December 31, 2022, the Company had no liability recorded for minimum throughput requirements.

Royalty Obligations

A substantial amount of the coal that the Company mines is produced from mineral reserves leased from third-party landowners. These leases convey mining rights to the Company in exchange for royalties to be paid to the landowner as either a fixed amount per ton or as a percentage of the sales price. Although coal leases have varying renewal terms and conditions, they generally last for the economic life of the reserves. Coal royalty expense was \$120.5 million, \$138.9 million, and \$65.4 million, for the years ended December 31, 2023, December 31, 2022, and December 31, 2021, respectively.

Note 16—Stockholders' Equity

Common Shares

The Company is authorized to issue up to 140,000,000 common shares, 0.01 par value per share. Holders of common shares are entitled to receive dividends when authorized by the Company's Board of Directors (the "Board").

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

Stock Repurchase Program

On March 26, 2019, the Board approved the Company's second stock repurchase program (the "New Stock Repurchase Program") that authorizes repurchases of up to an aggregate of \$70.0 million of the Company's outstanding common stock. The Company fully exhausted its previous stock repurchase program (the "First Stock Repurchase Program") of \$40.0 million of its outstanding common stock. The New Stock Repurchase Program does not require the Company to repurchase a specific number of shares or have an expiration date. The New Stock Repurchase Program may be suspended or discontinued by the Board at any time without prior notice.

Under the New Stock Repurchase Program, the Company may repurchase shares of its common stock from time to time, in amounts, at prices and at such times as the Company deems appropriate, subject to market and industry conditions, share price, regulatory requirements and other considerations as determined from time to time by the Company. The Company's repurchases may be executed using open market purchases or privately negotiated transactions in accordance with applicable securities laws and regulations, including Rule 10b-18 of the Exchange Act and repurchases may be executed pursuant to Rule 10b5-1 under the Exchange Act. Repurchases will be subject to limitations in the ABL Facility and the Indenture. The Company intends to fund repurchases under the New Stock Repurchase Program from cash on hand and/or other sources of liquidity. Any future repurchases of shares of the Company's common stock will be subject to the 1% excise tax under the IRA.

As of December 31, 2022, the Company has repurchased 500,000 shares for approximately \$10.6 million, leaving \$59.4 million of share repurchases authorized under the New Stock Repurchase Program.

Dividends

The Company declared the following dividends on common shares as of the filing date of this Form 10-K:

Dividend per Share	Dividends Paid	Dividend Type	Declaration Date	Record Date	Payable Date
\$ 0.07	<i>(in millions)</i> 3.6	Quarterly	February 9, 2023	February 20, 2023	February 27, 2023
\$ 0.88	46.4	Special	February 13, 2023	February 28, 2023	March 7, 2023
\$ 0.07	3.7	Quarterly	April 25, 2023	May 5, 2023	May 12, 2023
\$ 0.07	3.7	Quarterly	July 28, 2023	August 7, 2023	August 14, 2023
\$ 0.07	3.7	Quarterly	October 24, 2023	November 3, 2023	November 10, 2023
\$ 0.08	4.2	Quarterly	February 9, 2024	February 20, 2024	February 26, 2024
\$ 0.50	26.3	Special	February 9, 2024	March 1, 2024	March 7, 2024

Preferred Shares

The Company is authorized to issue up to 10,000,000 shares of preferred stock, \$0.01 par value per share.

Note 17—Derivative Instruments

The Company enters into natural gas swap contracts from time to time to hedge the exposure to variability in expected future cash flows associated with the fluctuations in the price of natural gas related to the Company's forecasted sales. As of December 31, 2023 and December 31, 2022, the Company had no natural gas swap contracts outstanding.

The Company's natural gas swap contracts economically hedge certain risks but are not designated as hedges for financial reporting purposes. All changes in the fair value of these derivative instruments are recorded as other revenues in the Statements of Operations. The Company recognized a loss of \$1.2 million and \$27.7 million for the years ended December 31, 2023 and December 31, 2022, respectively.

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 18—Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value for which the fair value option was not elected:

Cash and cash equivalents, short-term investments, restricted cash, receivables and accounts payable—The carrying amounts reported in the Balance Sheet approximate fair value due to the short-term nature of these assets and liabilities.

Debt—The Company's outstanding debt is carried at cost. As of December 31, 2023, the Company had no borrowings outstanding under the ABL Facility, with \$107.4 million available, net of \$8.7 million of letters of credit issued and outstanding at such time. The estimated fair value of the Notes as of December 31, 2023 is approximately \$156.0 million based upon observable market data (Level 2).

Note 19—Net Income per Share

The computation of basic net income per share is based on the number of weighted average common shares outstanding during the period. The computation of diluted net income per share is based on the weighted average number of shares outstanding plus the incremental shares that would be outstanding assuming issuance of restricted stock. The number of incremental shares is calculated by applying the treasury stock method. Basic and diluted net income per share was calculated as follows (in thousands, except per share data):

	For the years ended December 31,		
	2023	2022	2021
Numerator:			
Net income	\$ 478,629	\$ 641,298	\$ 150,881
Denominator:			
Weighted-average shares used to compute net income per share—basic	51,973	51,622	51,382
Dilutive restricted stock awards and units	72	93	63
Weighted-average shares used to compute net income per share—diluted	52,045	51,715	51,445
Net income per share—basic	<u>\$ 9.21</u>	<u>\$ 12.42</u>	<u>\$ 2.94</u>
Net income per share—diluted	<u>\$ 9.20</u>	<u>\$ 12.40</u>	<u>\$ 2.93</u>

As of December 31, 2023, there were 208,735 restricted stock unit awards for which the service-based vesting conditions for these awards were not met as of the measurement date. As such, these awards were excluded from basic earnings per share. These awards had a 71,999 share impact on dilutive weighted average shares for the year ended December 31, 2023.

As of December 31, 2023, there were 422,277 shares granted under the 2017 Equity Plan to employees, for which neither the service based nor performance based vesting conditions were met as of the measurement date. As such, these shares have been excluded from basic and diluted earnings per share.

Note 20—Segment Information

The Company identifies a business as an operating segment if: i) it engages in business activities from which it may earn revenues and incur expenses; ii) its operating results are regularly reviewed by the Chief Operating Decision Maker (“CODM”), who is the Company’s Chief Executive Officer, to make decisions about resources to be allocated to the segment and assess its performance; and iii) it has available discrete financial information. The Company has determined that its two underground mining operations are its operating segments. The CODM reviews financial information at the operating segment level to allocate resources and to assess the operating results and financial performance for each operating segment. Operating segments are aggregated into a reportable segment if the operating segments have similar quantitative economic characteristics and if the operating segments are similar in the following qualitative characteristics: i) nature of products and services; ii) nature of production processes; iii) type or class of customer for their products and services; iv) methods used to distribute the products or provide services; and v) if applicable, the nature of the regulatory environment.

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

The Company has determined that the two operating segments are similar in both quantitative and qualitative characteristics and thus the two operating segments have been aggregated into one reportable segment. The Company has determined that its natural gas and royalty businesses and the Blue Creek mine development did not meet the criteria in ASC 280 to be considered as operating or reportable segments. Therefore, the Company has included their results in an "all other" category as a reconciling item to consolidated amounts.

The Company does not allocate all of its assets, or its depreciation and depletion expense, selling, general and administrative expenses, other post-retirement benefits, transactions costs, restructuring costs, interest expense, reorganization items, net and income tax expense by segment.

The following tables include reconciliations of segment information to consolidated amounts (in thousands):

	For the years ended December 31,		
	2023	2022	2021
Revenues			
Mining	\$ 1,647,992	1,707,579	\$ 1,028,283
All other	28,633	31,159	30,933
Total revenues	<u>\$ 1,676,625</u>	<u>\$ 1,738,738</u>	<u>\$ 1,059,216</u>

	For the years ended December 31,		
	2023	2022	2021
Capital Expenditures			
Mining	\$ 168,238	151,194	\$ 55,344
All other	323,436	54,048	2,549
Total capital expenditures	<u>\$ 491,674</u>	<u>\$ 205,242</u>	<u>\$ 57,893</u>

The Company evaluates the performance of its segment based on Segment Adjusted EBITDA, which is defined as net income adjusted for other revenues, cost of other revenues, depreciation and depletion, selling, general and administrative, other postretirement benefits, and certain transactions or adjustments that the CODM does not consider for the purposes of making decisions to allocate resources among segments or assessing segment performance. Segment Adjusted EBITDA does not represent and should not be considered as an alternative to cost of sales under GAAP and may not be comparable to other similarly titled measures used by other companies. Below is a reconciliation of Segment Adjusted EBITDA to net income, which is its most directly comparable financial measure calculated and presented in accordance with GAAP (in thousands):

WARRIOR MET COAL, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

	For the years ended December 31,		
	2023	2022	2021
Segment Adjusted EBITDA	\$ 737,723	\$ 996,974	\$ 474,001
Other revenues	28,633	31,159	30,933
Cost of other revenues	(37,486)	(27,047)	(28,899)
Depreciation and depletion	(127,356)	(115,279)	(141,418)
Selling, general and administrative	(51,817)	(48,791)	(35,593)
Business interruption	(8,291)	(23,455)	(21,372)
Idle mine	—	(12,137)	(33,899)
Loss on early extinguishment of debt	(11,699)	—	(9,678)
Other (expense) income	(1,027)	675	1,291
Interest income	40,699	12,438	1,111
Interest expense	(17,960)	(31,433)	(36,500)
Income tax expense	(72,790)	(141,806)	(49,096)
Net income	\$ 478,629	\$ 641,298	\$ 150,881

Note 21—Subsequent Events

On February 9, 2024, the Board declared a regular quarterly cash dividend of \$0.08 per share, which was an increase of 14% over the regular cash dividend declared by the Board on October 24, 2023, totaling approximately \$4.2 million, which will be paid on February 26, 2024 to stockholders of record as of the close of business on February 20, 2024.

On February 13, 2024, the Board declared a special cash dividend of \$0.50 per share, totaling approximately \$26.3 million, which will be paid on March 7, 2024 to stockholders of record as of the close of business on March 1, 2024.

WARRIOR MET COAL, INC.
Subsidiaries List

Name of Subsidiary	Jurisdiction of Organization
Warrior Met Coal Intermediate Holdco, LLC	Delaware
Warrior Met Coal Gas, LLC	Delaware
Warrior Met Coal TRI, LLC	Delaware
Warrior Met Coal Land, LLC	Delaware
Warrior Met Coal LA, LLC	Delaware
Warrior Met Coal Mining, LLC	Delaware
Warrior Met Coal BC, LLC	Delaware
Warrior Met Coal WV, LLC	Delaware
WMC Blue Creek Holdco, Inc.	Delaware
Black Warrior Methane Corp.	Alabama
Black Warrior Transmission Corp.	Alabama
Blue Canary, Inc.	Vermont

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

Registration Statement (Form S-8 No. 333-217389) pertaining to the Warrior Met Coal, Inc. 2017 Equity Incentive Plan;

Registration Statement (Form S-8 No. 333-223049) pertaining to the Warrior Met Coal, LLC 2016 Equity Incentive Plan; and

Registration Statement (Form S-3ASR No. 333-234368 and 333-267688) pertaining to the registration of debt securities, common stock, preferred stock, rights, depositary shares, warrants, and purchase contracts;

of our reports dated February 14, 2024, with respect to the financial statements of Warrior Met Coal, Inc. and the effectiveness of internal control over financial reporting of Warrior Met Coal, Inc. included in this Annual Report (Form 10-K) of Warrior Met Coal, Inc. for the year ended December 31, 2023.

/s/ Ernst & Young LLP

Birmingham, Alabama
February 14, 2024

CONSENT OF MARSHALL MILLER & ASSOCIATES, INC.

Marshall Miller & Associates, Inc. hereby consents to the use by Warrior Met Coal, Inc. (the "Company") in connection with the Company's Annual Report on Form 10-K for the year ended December 31, 2023 (the "Annual Report"), and any amendments thereto, and to the incorporation by reference in the Company's Registration Statement on Form S-8 (No. 333-217389), the Company's Registration Statement on Form S-8 (No. 333-223049), and the Company's Registration Statement on Form S-3ASR (No. 333-267688) of information contained in our report dated May 17, 2023 and February 13, 2024 relating to estimates of certain coal reserves in the Annual Report. We hereby further consent to the reference to Marshall Miller & Associates, Inc. in those filings and any amendments thereto.

Marshall Miller & Associates, Inc.

By: /s/ Steven A. Keim
Name: Steven A. Keim
Title: President

Dated: February 14, 2024

CONSENT OF MCGEHEE ENGINEERING CORP.

McGehee Engineering Corp. hereby consents to the use of information contained in our report (the "Reserve Report") dated January 17, 2024 relating to estimates of certain coal reserves held by Warrior Met Coal, Inc. (the "Company") in connection with the Company's Annual Report on Form 10-K for the year ended December 31, 2023 (the "Annual Report"), and any amendments thereto, and to the incorporation by reference in the Company's Registration Statement on Form S-8 (No. 333-217389), the Company's Registration on Form S-8 (No. 333-223049), and the Company's Registration Statement on Form S-3ASR (No. 333-267688) of information contained in the Reserve Report relating to estimates of certain coal reserves in the Annual Report. We hereby further consent to the reference to McGehee Engineering Corp. in those filings and any amendments thereto.

McGehee Engineering Corp.

By: /s/ Sanford M. Hendon
Name: Sanford M. Hendon
Title: Vice-President

Dated: February 14, 2024

CERTIFICATIONS

I, Walter J. Scheller, III, Chief Executive Officer, certify that:

1. I have reviewed this Annual Report on Form 10-K of Warrior Met Coal, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 14, 2024

By:

WARRIOR MET COAL, INC.

/s/ Walter J. Scheller, III

Walter J. Scheller, III

Chief Executive Officer

CERTIFICATIONS

I, Dale W. Boyles, Chief Financial Officer, certify that:

1. I have reviewed this Annual Report on Form 10-K of Warrior Met Coal, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 14, 2024

By:

WARRIOR MET COAL, INC.

/s/ Dale W. Boyles

Dale W. Boyles

Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officers of Warrior Met Coal, Inc. (the "Company"), do hereby certify, to such officer's knowledge, that:

The Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the "Form 10-K") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

WARRIOR MET COAL, INC.

Date: February 14, 2024

By:

/s/ Walter J. Scheller, III

Walter J. Scheller, III

Chief Executive Officer

Date: February 14, 2024

By:

/s/ Dale W. Boyles

Dale W. Boyles

Chief Financial Officer

This certification accompanies the Form 10-K pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability under that section. This certification shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Item 4. Mine Safety Disclosures

Mine Safety and Health Administration Safety Data

Warrior Met Coal, Inc. ("we," "our" or the "Company") is committed to the safety of its employees and to achieving a goal of providing a workplace that is incident free. In achieving this goal the Company has in place health and safety programs that include regulatory-based training, accident prevention, workplace inspection, emergency preparedness response, accident investigations and program auditing. These programs are designed to comply with regulatory mining-related coking coal safety and environmental standards. Additionally, the programs provide a basis for promoting a best-in-industry safety practice.

The operation of our mines is subject to regulation by the Mine Safety and Health Administration ("MSHA") under the Federal Mine Safety and Health Act of 1977 (the "Mine Act"). MSHA inspects our mines on a continual basis and issues various citations and orders when it believes a violation has occurred under the Mine Act. As required by Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, each operator of a coal or other mine is required to include certain mine safety results in its periodic reports filed with the Securities and Exchange Commission ("SEC"). Within this disclosure, we present information regarding certain mining safety and health citations which MSHA has issued with respect to our mining operations. In evaluating this information, consideration should be given to factors such as: (i) the number of citations and orders will vary depending on the size of the coal mine, (ii) the number of citations issued will vary from inspector to inspector and mine to mine, and (iii) citations and orders can be contested and appealed and, in that process, are sometimes dismissed and remaining citations are often reduced in severity and amount.

During the year ended December 31, 2023 none of the Company's mining complexes received written notice from MSHA of (i) a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of coal or other mine health or safety hazards under section 104(e) of the Mine Act or (ii) the potential to have such a pattern.

The first table below presents the total number of specific citations and orders issued by MSHA to the Company and its subsidiaries, together with the total dollar value of the proposed MSHA civil penalty assessments received, during the year ended December 31, 2023. The second table presents legal actions pending before the Federal Mine Safety and Health Review Commission ("FMSHRC") for each of our mining complexes as of December 31, 2023 together with the number of legal actions initiated and the number of legal actions resolved during the year ended December 31, 2023.

Mining Complex ⁽¹⁾⁽²⁾	Section 104 S&S Citations	Section 104(b) Orders	Section 104(d) Citations and Orders	Section 110(b)(2) Violations	Section 107(a) Orders	Proposed MSHA Assessments ⁽²⁾ (\$ in thousands)	Fatalities
Warrior Met Coal Mining, LLC, No. 4	195	—	6	—	1	\$558.0	1
Warrior Met Coal Mining, LLC, No. 7	262	—	4	—	1	\$748.8	—
Warrior Met Coal BC, LLC	2	—	—	—	—	\$0.6	—

(1) MSHA assigns an identification number to each coal mine and may or may not assign separate identification numbers to related facilities such as preparation plants. We are providing the information in the table by mining complex rather than MSHA identification number because we believe that this presentation is more useful to investors. For descriptions of each of these mining operations, please refer to the descriptions under "Part 1, Item 1. Business; and "Part 1, Item 2. Properties" in our Annual Report on Form 10-K for the year ended December 31, 2023. Idle facilities are not included in the table above unless they received a citation, order or assessment by MSHA during the current year or are subject to pending legal actions.

(2) Amounts listed under this heading include proposed assessments received from MSHA in the current year for alleged violations, regardless of the issuance date of the related citation or order.

(3) The table includes references to specific sections of the Mine Act as follows:

- *Section 104 S&S Citations* include citations for health or safety standards that could significantly and substantially contribute to serious injury if left unabated.
- *Section 104(b) Orders* represent failures to abate a citation under 104(a) within the period of time prescribed by MSHA and that the period of time prescribed for the abatement should not be further extended. This results in an order of immediate withdrawal from the area of the mine affected by the condition until MSHA determines that the violation has been abated.
- *Section 104(d) Citations and Orders* are for unwarrantable failure to comply with mandatory health and safety standards where such violation is of such a nature as could significantly or substantially contribute to the cause and effect of a coal or other mine safety or health hazard.
- *Section 110(b)(2) Violations* are for flagrant violations.
- *Section 107(a) Orders* are for situations in which MSHA determined an imminent danger existed.

Mining Complex Legal Actions ⁽¹⁾		Pending as of December 31, 2023	Initiated During 2023	Resolved During 2023
Warrior Met Coal Mining, LLC, No. 4	29 CFR Part 2700, Subpart B	—	—	1
	29 CFR Part 2700, Subpart C	12	12	8
	29 CFR Part 2700, Subpart D	—	—	—
	29 CFR Part 2700, Subpart E	2	2	—
	29 CFR Part 2700, Subpart F	—	—	—
	29 CFR Part 2700, Subpart H	—	—	1
Warrior Met Coal Mining, LLC, No. 7	29 CFR Part 2700, Subpart B	—	—	1
	29 CFR Part 2700, Subpart C	25	12	12
	29 CFR Part 2700, Subpart D	—	—	—
	29 CFR Part 2700, Subpart E	6	5	2
	29 CFR Part 2700, Subpart F	—	—	—
	29 CFR Part 2700, Subpart H	—	—	—
Warrior Met Coal BC, LLC	29 CFR Part 2700, Subpart B	—	—	—
	29 CFR Part 2700, Subpart C	—	1	1
	29 CFR Part 2700, Subpart D	—	—	—
	29 CFR Part 2700, Subpart E	—	—	—
	29 CFR Part 2700, Subpart F	—	—	—
	29 CFR Part 2700, Subpart H	—	—	—

(1) Effective January 27, 2011, the SEC adopted amendments to its rules to implement Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “final rule”). The final rule modified previous reporting requirements and requires that the total number of legal actions pending before the FMSHRC as of the last day of the time period covered by the report be categorized according to type of proceeding, in accordance with the categories established in the Procedural Rules of FMSHRC. SEC rules require that six different categories of pending legal actions be disclosed. Categories for which there is no pending litigation for the respective mine are not listed in the table. The types of proceedings are listed as follows:

- “29 CFR Part 2700, Subpart B” These legal actions include proceedings initiated under FMSHRC Procedural Rule 29 CFR Part 2700, Subpart B such as contests of citations and orders filed prior to receipt of a proposed penalty assessment from MSHA, contests related to orders for which penalties are not assessed (such as imminent danger orders under Section 107 of the Mine Act), and emergency response plan dispute proceedings.
- “29 CFR Part 2700, Subpart C” These legal actions include proceedings initiated under FMSHRC Procedural Rule 29 CFR Part 2700, Subpart C and are contests of citations and orders after receipt of proposed penalties.

- “29 CFR Part 2700, Subpart D” These legal actions include proceedings initiated under FMSHRC Procedural Rule 29 CFR Part 2700, Subpart D and are complaints for compensation, which are cases under section 111 of the Mine Act.
- “29 CFR Part 2700, Subpart E” These legal actions include proceedings initiated under FMSHRC Procedural Rule 29 CFR Part 2700, Subpart E and are complaints of discharge, discrimination or interference and temporary reinstatement under section 105 of the Mine Act.
- “29 CFR Part 2700, Subpart F” These legal actions include proceedings initiated under FMSHRC Procedural Rule 29 CFR Part 2700, Subpart F such as applications for temporary relief under section 105(b)(2) of the Mine Act from any modification or termination of any order issued thereunder, or from any order issued under section 104 of the Mine Act (other than citations issued under section 104(a) or (f) of the Mine Act).
- “29 CFR Part 2700, Subpart H” These legal actions include proceedings initiated under FMSHRC Procedural Rule 29 CFR Part 2700, Subpart H and are appeals of judges’ decisions or orders to FMSHRC, including petitions for discretionary review and review by FMSHRC on its own motion.



**Warrior Met Coal, Inc.
Blue Creek Mine Property
Year End 2023 Reserve Analysis
Technical Report Summary**

February 13, 2024

Prepared for:
Warrior Met Coal, Inc.
16243 Highway 216
Brookwood, Alabama 35444

Prepared by:
MARSHALL MILLER & ASSOCIATES, INC.
582 Industrial Park Road
Bluefield, Virginia 24605
www.mma1.com



Statement of Use and Preparation

This Technical Report Summary (*TRS*) was prepared for the sole use of **Warrior Met Coal, Inc. (Warrior Met)** and its affiliated and subsidiary companies and advisors. Copies or references to information in this report may not be used without the written permission of Warrior Met.

The report provides a statement of coal resources and coal reserves for Warrior Met, as defined under the **United States Securities and Exchange Commission (SEC)**.

The statement is based on information provided by Warrior Met and reviewed by various professionals within **Marshall Miller & Associates, Inc. (MM&A)**.

MM&A professionals who contributed to the drafting of this report meet the definition of *Qualified Persons (QPs)*, consistent with the requirements of the SEC.

The information in this TRS related to coal resources and reserves is based on, and fairly represents, information compiled by the QPs. At the time of reporting, MM&A's QPs have sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity they are undertaking to qualify as a QP as defined by the SEC.

Certain information set forth in this report contains "forward-looking information", including production, productivity, operating costs, capital costs, sales prices, and other assumptions. These statements are not guarantees of future performance and undue reliance should not be placed on them. The assumptions used to develop forward-looking information and the risks that could cause the actual results to differ materially are detailed in the body of this report.

MM&A hereby consents (i) to the use of the information contained in this report dated December 31, 2023, relating to estimates of coal resources and coal reserves controlled by Warrior Met, (ii) to the use of MM&A's name, any quotation from or summarization of this TRS in Warrior Met's SEC filings, and (iii) to the filing of this TRS as an exhibit to Warrior Met's SEC filings.

This report was prepared by:

Qualified Person: /s/ Marshall Miller & Associates, Inc.

Date: February 13, 2024



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1 Executive Summary

1.1 Property Description

Warrior Met Coal, Inc. (*Warrior Met*) authorized Marshall Miller & Associates, Inc. (*MM&A*) to prepare this Technical Report Summary (*TRS*) of its controlled coal reserves, located at its *Blue Creek Mine (BCM)* property in northern Tuscaloosa County, Alabama (the *Property*). The mine is currently being developed with seam access (shaft & slope installation) underway, and construction of surface facilities including bathhouse, preparation plant, loadouts, conveyor belts, and refuse disposal areas. The report provides a statement of coal resources and coal reserves for Warrior Met, as defined under the **United States Securities and Exchange Commission (SEC)** standards.

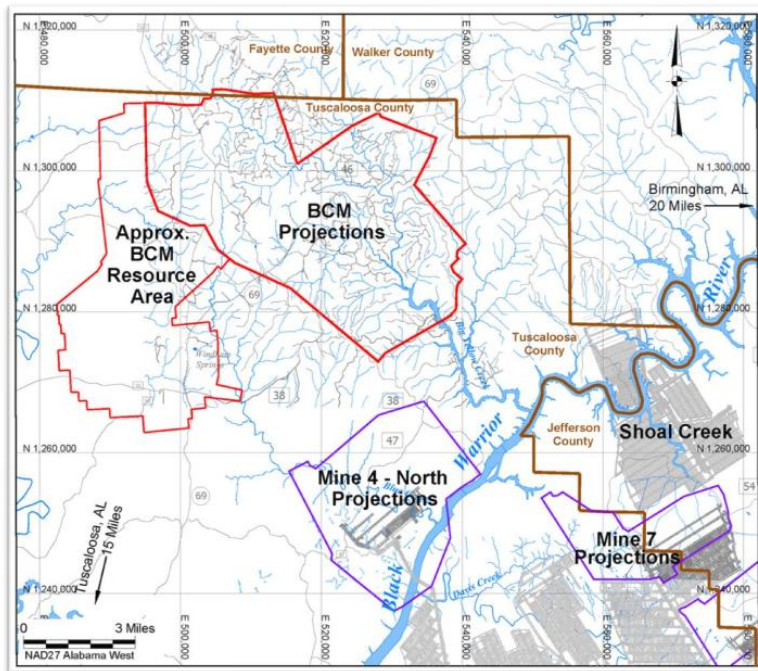
Coal resources and coal reserves are herein reported in metric units of measurement and are rounded to millions of tonnes (*Mt*).

The property is located in northwestern Alabama, approximately 27 miles north of the city of Tuscaloosa and 36 miles west of the city of Birmingham in the southern region of the US. Highway 69 North bisects the property controlled by Warrior Met. *Figure 1-1* displays the property's location. Warrior Met currently controls approximately 28,200 total acres of mining rights associated with the Project (the *Property*). Specific to reserve areas, Warrior Met controls approximately 10,600 acres of property, approximately 72-percent of which is leased from various entities and individuals.

Based upon the current layout of the mine, the acquisition of additional leases will be required in the eastern and western portions of the Property, including leases from private entities and individuals, as well as a significant number of federally owned tracts from the **Bureau of Land Management (BLM)**.

To mitigate risk associated with the BLM tracts, MM&A has assisted Warrior Met in developing a mine plan for the property which excludes the BLM tracts. This is not presented in the TRS, but it is important to note that financial modeling associated with this alternative mine plan showed favorable economics absent the BLM tracts, albeit at a reduced tonnage.

Figure 1-1: Blue Creek Project Location Map



Note: Coordinates/Gridlines are shown in the NAD27 Alabama West coordinate system.

1.2 Ownership

The Property was formerly controlled by **Jim Walter Resources (Walter)**, the predecessor company of Warrior Met. Walter acquired the majority of its mineral rights for the Blue Creek property in 2010 through its purchase of **Chevron Mining, Inc. (Chevron)**-owned coal assets located in Alabama. Warrior Met acquired mineral rights and mining operations from Walter in 2016, including two active operating longwall mines (Mine No. 4 and Mine No. 7), located south and southeast of the Project.

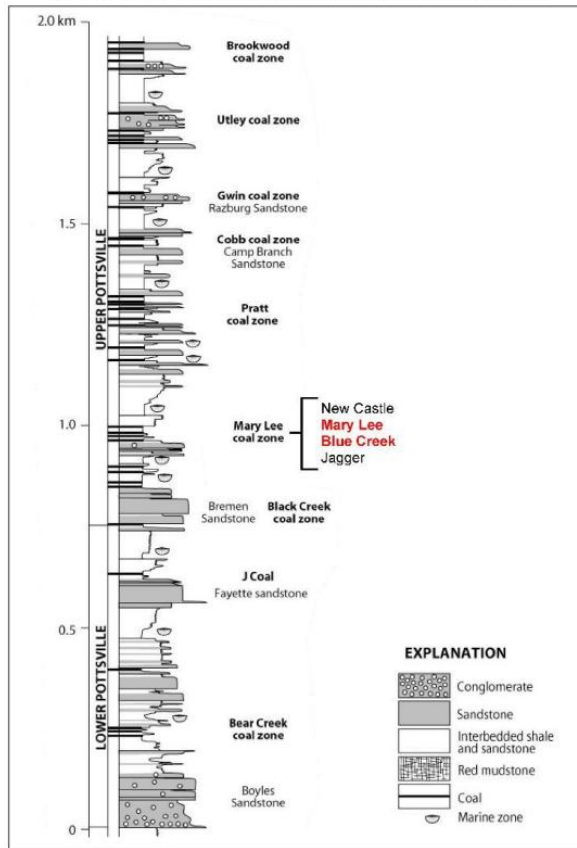
Reserves and resources associated with these adjacent properties are not included in this report but have been assessed by MM&A under separate engagements. *Figure 1-1* outlines the location of the Property in relation to Warrior Met’s adjacent properties.

1.3 Geology

Operations at the Blue Creek Mine Complex extract the Mary Lee and Blue Creek coal beds by longwall mining methods. The strata of economic interest for this TRS belong to the Pennsylvanian-age Mary Lee Coal Group or Zone and the subject seams are the principal coal seams of interest within that

formation for the present evaluation. Due to the high value of this coal, it has been extensively mined in the region. The Blue Creek Mine is among the first in the region that targets the higher volatile portion of the basin, with existing and former operations in the basin generally targeting the low and mid volatile coal zones. The seam is situated below drainage throughout the Property and will be accessed by mine shafts and/or slopes.

Figure 1-2: Generalized Stratigraphic Column of Warrior Basin Sequence with Mary Lee Coal Zone Highlighted in red (after Pashin, 2005)



Warrior Met expects that market placement at BCM will largely be based upon the High-Volatile A Indices (HVA). The mine's production will fit with high-volatile A parameters, so it is anticipated that market placement will be generally priced according to the HVA.



1.4 Exploration Status

Since as early as 1957, the Property has been extensively explored by means of: continuous coring and analytic testing, rotary drilling, ongoing drilling associated with coalbed methane (CBM) production, and by downhole geophysical logging methods. The majority of the data was acquired or generated by previous owners of the Property. These sources comprise the primary data used in the evaluation of the coal resources and coal reserves identified on the Property. MM&A examined the data available for the evaluation and incorporated all pertinent information into this TRS. Where data appeared to be anomalous or not representative, that data was excluded (or not honored) from the digital databases and subsequent processing by MM&A.

Ongoing exploration has been carried out by Warrior Met since acquiring the Property, and Warrior Met's recently acquired exploration data (through December 2023) has been consistent with past drilling activities.

1.5 Operations and Development

Due to its coal reserve and seam characteristics, the BCM employs the longwall mining method. The mine plan presented in this TRS utilizes a single longwall supported by continuous mining units. Warrior Met is considering an alternative mine plan which would increase tonnage via production from two longwall units. However, this alternative mine plan is not considered as part of this TRS. The mine will produce coal that is suitable for export into the high volatile-A metallurgical coal markets.

Run-of-mine coal will be transported to the surface via the slope. A service shaft and hoist serve as the primary means of transportation of miners, supplies, and equipment to the coal mine. An additional fan (exhaust) shaft is used for mine ventilation, and a third shaft (primary intake) is required to support longwall production. Bleeder shafts will be installed in each longwall district as they are developed.

Run-of-mine coal will be processed in a new preparation plant with a capacity of 1,800 raw-tons-per-hour (1,633 raw tonnes-per-hour). MM&A's assessment of coal quality information suggests that the operation will be capable of producing a 10-percent ash, sub-1-percent sulfur, high volatile-A coking coal in Resource and Reserve areas tagged as A through D. Exploration data suggests that the western portions of the property will net a higher ash and higher sulfur product which has been considered in reserve delineation and supporting financial modeling. Clean coal production will be transported to a newly constructed rail loadout and a portion of the coal is expected to be trucked to a barge loadout on the Black Warrior River.

The development schedule set forth in this TRS mirrors Warrior Met's continued continuous miner development plan with longwall mining expected to commence in year 2026. At a steady state, the mine will produce between 3 and 5 million tonnes (Mt) of coal annually and employ approximately 435 employees.

1.6 Mineral Resource

A coal resource estimate was prepared as of December 31, 2023, for the Blue Creek Mine, summarized in *Table 1-1*. Resources presented in *Table 1-1* include both resources inclusive of reserve and resources exclusive of reserve. Resources inclusive of reserve serve (see Areas A, B, C, D and E1 in *Appendix A*) serve as the basis for the life-of-mine plan and cost model developed at the pre-feasibility level to support reserves which are stated in this report.

Resources exclusive of reserve represent those coal tonnes on the western portion of the property which are not yet considered for reserve status (See “*Areas E2 and E3*” in *Appendix A*). Such tonnes are currently excluded from reserve consideration due to a combination of limited exploration information (especially related to quality) and some quality information suggesting elevated ash and sulfur percentages which may not meet current markets. Resources represent in-place coal tonnages *exclusive* of the interburden, but inclusive of any high-ash partings within the Mary Lee and Blue Creek coal seams. As such, in-situ tonnages and quality as presented in *Table 1-1* reflect the inclusion of high-ash partings which are ultimately removed after mining during coal preparation.

Table 1-1: Coal Resources Summary as of December 31, 2023

Seam	Coal Resource (Dry Tonnes, In Situ, Mt)				Resource Quality (Dry)		
	Measured	Indicated	Inferred	Total	Ash%	Sulfur%	VM%
Inclusive of Reserves							
Mary Lee	18.3	12.6	0.0	30.9	-	-	-
Blue Creek	48.5	25.5	0.0	74.0	-	-	-
Total	66.8	38.1	0.0	104.9	13.9	0.7	30
Exclusive of Reserves							
Mary Lee	0.0	12.9	0.0	12.9	-	-	-
Blue Creek	0.0	26.8	0.0	26.8	-	-	-
Total	0.0	39.7	0.0	39.7	18.8	1.4	31
Grand Total							
	66.8	77.8	0.0	144.5	-	-	-

Note 1: For A through E1, Resource tonnes are inclusive of reserve tonnes since they include the in-situ tonnes from which recoverable coal reserves are derived.
 Note 2: For E2 and E3, Resource tonnes are exclusive of reserve tonnes since they include the in-situ tonnes for which no recoverable reserve tonnes have been estimated.
 Note 3: Coal resources are reported on a dry basis, inclusive of high-ash partings which are ultimately removed during coal preparation. Surface moisture and inherent moisture are excluded.
 Note 4: Coal resource quality reported on a raw, weight-averaged basis.
 Totals may not add due to rounding.

1.7 Mineral Reserve

In areas A through E1, the resource estimate has been used as the basis for this reserve calculation, which utilizes a reasonable pre-feasibility level analysis, a life-of-mine (*LOM*) mine plan and practical recovery factors. Such factors include a mine recovery of 67 percent derived from an engineered mine plan, the consideration of out-of-seam and in-seam dilution material, an effective a wash recovery of 61 percent and the consideration of moisture factors. Projected mine recovery for Blue Creek in comparison to Warrior Met’s other active mines is lower due to faults present in the reserve area which were considered when designing the mine plan. Production modeling was completed with an effective start date based on mining development faces circa October 1, 2023.



Factors that would typically preclude conversion of a coal resource to coal reserve, include the following: inferred resource classification; absence of coal quality; poor mine recovery; lack of access; geological encumbrances associated with overlying and underlying strata; seam thinning and splitting; structural complications; and insufficient exploration have all been considered. Reserve consideration excludes those portions of the resource area which exhibit the aforementioned geological and operational encumbrances.

Proven and probable coal reserves were derived from the defined in-situ coal resource considering relevant processing, economic (including technical estimates of capital, revenue and cost), marketing, legal, environmental, socioeconomic, and regulatory factors. The proven and probable coal reserves on the Property are summarized below in *Table 1-2*.

Table 1-2: Coal Reserves Summary, Specific to Mining Areas A through E1, (Marketable Sales Basis) as of December 31, 2023

Seam	Demonstrated Coal Reserves (Wet Tonnes, Washed or Direct Shipped, Mt)						Quality (Dry Basis)			Wash Recovery %
	By Reliability Category			By Control Type			Ash%	Sulfur%	VM%	
	Proven	Probable	Total	Owned	Leased	Option				
Mary Lee	11.4	7.7	19.1	3.1	13.8	2.2	13.0	0.9	32	
Blue Creek	31.9	16.6	48.5	8.2	35.5	4.8	8.8	0.6	32	
Total	43.3	24.3	67.6	11.3	49.2	7.1	10.0	0.7	32	

Note 1: Marketable reserve tonnes are reported on a moist basis, including a combination of surface and inherent moisture. The combination of surface and inherent moisture is modeled at 10-percent, comparable to Warrior Met's current product moisture at its operating mines. Actual product moisture is dependent upon multiple geological factors, operational factors, and product contract specifications.

Note 2: Wash recovery is based on LOM planning and reflects projected plant recovery after the consideration of out-of-seam dilution. Wash recover is not stated on a seam-by-seam basis, as the Mary Lee and Blue Creek seams are mined together – allocation of dilution material on a seam-by-seam basis would introduce confusion with regards to wash recovery. Detailed reserve tables (see Appendix) show projected in-seam wash recovery on a seam-by-seam basis, absent dilution assumptions.

Note 3: Coal Reserves are based upon sales assumptions provided to MM&A by Warrior Met and were relied upon by MM&A. Financial modeling assumes a long-term average sale price of approximately \$198/tonne (free on board [FOB]-mine). See Chapter 16 for further details on marketing assumptions.

Totals may not add due to rounding.

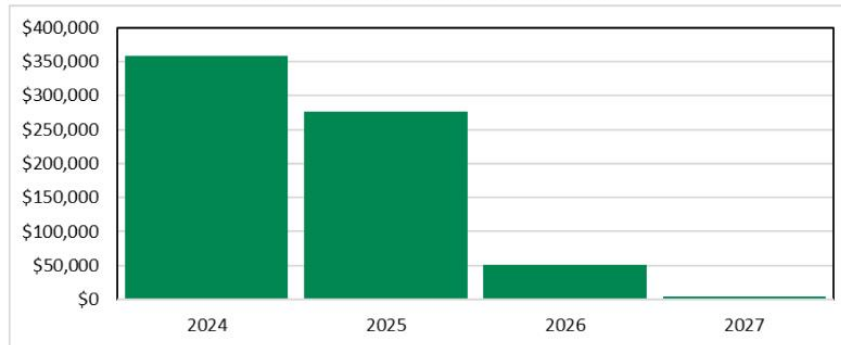
In summary, the Project includes a total of 67.6 Mt (moist basis) of marketable coal reserves as of December 31, 2023. Of that total, 64 percent are proven, and 36 percent are probable. There are 11.3 Mt of owned coal reserves, 49.2 Mt of leased coal reserves and 7.1 Mt of reserve associated with lease options. All the reserves are considered suitable for the metallurgical coal market.

1.8 Capital Summary

Warrior Met and MM&A have collaborated to develop a capital expenditure (CAPEX) forecast. MM&A assumes that major equipment rebuilds occur over the course of each machine's operating life. All the equipment presented for use in the Project is standard well-proven equipment, used in numerous mines throughout the United States. No prototypes or experimental pieces of equipment are included.

The initial investment, defined as the CAPEX from project inception through the first full year of longwall production is summarized in *Figure 1-3*.

Figure 1-3: Initial Investment Capital (\$'000)



Note: Capital figures are based upon MM&A's best estimates and are supported by a combination of MM&A's experience in comparable projects & comparable quotations. Such a level is sufficient to meet the criteria of a pre-feasibility level financial assessment. At Warrior Met's request more Capital has been front-loaded into 2024 to mitigate the risk of extended lead times impacting timely delivery of the equipment.

Beyond the Initial Investment of \$684 million, excluding approximately \$366 million in sunk cost through December 31, 2023, CAPEX is necessary for sustaining production. This includes rebuilds and replacement of equipment, mine development and multiple bleeder, intake and return shafts. Based on a previous detailed study of a mine in the basin, with pricing increased based on other recent purchases by Warrior Met or recent inflation trends, combined with a review of Warrior Met's spending patterns, sustaining capital has been estimated at slightly under \$9.50 per tonne. No efficiency or production increase projects have been included as they will be analyzed on a stand-alone basis when considered.

1.9 Operating Costs

MM&A used a combination of recent pricing information provided by Warrior Met and detailed operating cost estimates from a previous study of a property in the region. Where necessary, operating costs were adjusted to reflect differences between this mine and the studied mine. Hourly labor rates and salaries were based upon recent information and expectations. Fringe-benefit costs were developed for vacation and holidays, federal and state unemployment insurance, retirement, workers' compensation and pneumoconiosis, casualty and life insurance, healthcare, and bonuses. A cost factor for mine supplies was developed that relates expenditures to mine advance rates for roof-control costs. Other mine-supply costs are typically related to factors such as feet of section advance, run-of-mine (ROM) tonnes mined, and days worked. Other factors were developed for maintenance and repair costs, rentals, mine power, outside services and other direct mining costs.

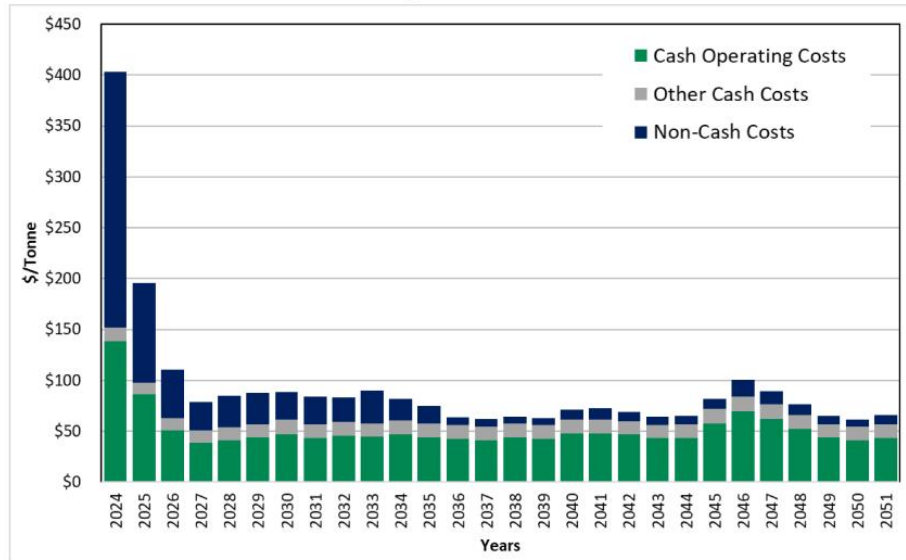
Operating costs factors were developed in a similar manner for the coal preparation plant processing, refuse handling, and coal loading.

Property taxes and insurance and bonding were calculated based on regional information and experience at Warrior Met's other mines. Appropriate royalty rates were assigned for production from

leased coal lands, and sales related taxes were calculated for state severance taxes, the federal black lung excise tax, and federal and state reclamation fees.

A summary of the operating costs (OPEX) for the Property is provided in *Figure 1-4*.

Figure 1-4: OPEX



*The LOM model and associated economic analysis is intended to prove the economic viability of the subject coal tonnage, allowing controlled tonnes to be classified as "reserve". The development of costs incorporates a combination of Warrior Met's historical performance and MM&A's knowledge of mine productivity and cost structures for comparable operations.

1.10 Economic Evaluation

The pre-feasibility financial model prepared for this TRS was developed to test the economic viability of the coal resource area. The results of this financial model are not intended to represent a bankable feasibility study, required for financing of any current or future mining operations contemplated for the Warrior Met property, but are intended to establish the economic viability of the estimated coal reserves. Economic models include non-controlled tonnes which are expected to be acquired by Warrior Met. Cash flows are simulated on an annual basis based on projected production from the coal reserves. The discounted cash flow analysis presented herein is based on an effective date of January 1, 2024.

On an un-levered basis, the NPV of the real cash flow after taxes represents the Enterprise Value of the Property. The cash flow, excluding debt service, is calculated by subtracting direct and indirect operating expenses and capital expenditures from revenue. Direct costs include labor, operating supplies, maintenance and repairs, facilities, costs for materials handling, coal preparation, refuse



disposal, coal loading, reclamation, and general and administrative costs. Indirect costs include statutory and legally agreed upon fees related to direct extraction of the mineral. The indirect costs are the Federal black lung tax, Federal and State reclamation taxes, property taxes, coal production royalties, and income taxes.

Table 1-3 shows LOM tonnage, P&L, and EBITDA for Blue Creek.

Table 1-3: Life-of-Mine Tonnage, P&L before Tax, and EBITDA

Tonnes (000)	Pre-Tax P&L (\$000)	P&L per Tonne	EBITDA (\$000)	EBITDA per Tonne
103,500	\$12,400,000	\$120	\$14,300,000	\$138

Note 1: The LOM model includes tonnages contained within adverse tracts which are not included in reserve estimates.

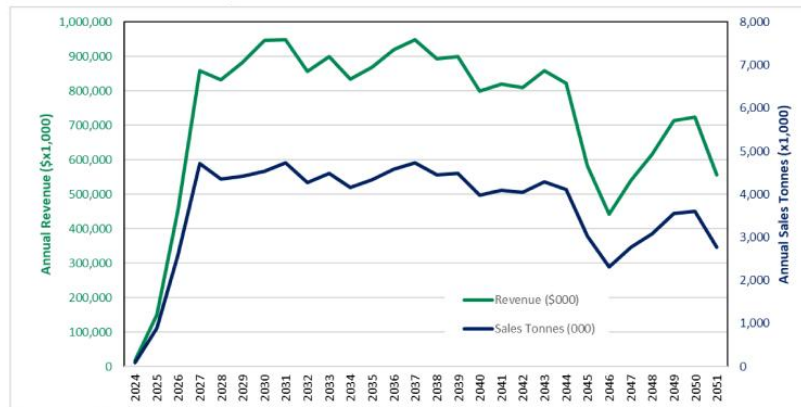
Note 2: The LOM model does not consider resources exclusive of reserves on the western portion of the property.

Note 3: The LOM model and associated economic analysis is intended to prove the economic viability of the subject coal tonnage, allowing controlled tonnes to be classified as "reserve". The exercise should not be construed to represent a valuation of Warrior Met's holdings. Long-term cash flows incorporate forward-looking market projections which are expected to vary over time based upon historic volatility of coal markets. The development of costs incorporates a combination of Warrior Met's historical performance and MM&A's knowledge of mine productivity and cost structures for comparable operations.

As shown in Table 1-3, Blue Creek has positive EBITDA over the LOM. Overall, the operation shows positive LOM P&L and EBITDA of \$12.4 billion and \$14.3 billion, respectively.

Warrior Met's Blue Creek annual production and revenue are shown in Figure 1-5 and the Mine's after-tax cash flow summary in constant dollars, excluding debt service, is shown in Figure 1-6 below.

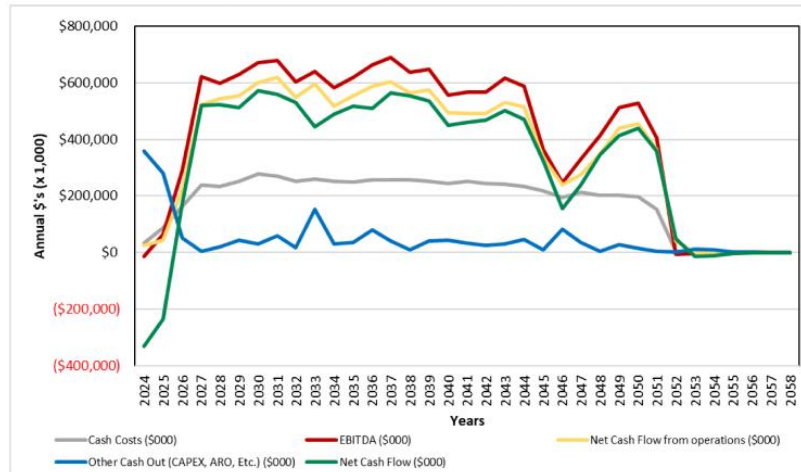
Figure 1-5: Blue Creek Production and Revenue



Note 1: The LOM model includes a portion of tonnage contained within adverse tracts which are not included in reserve estimates.

Note 2: The LOM model and associated economic analysis is intended to prove the economic viability of the subject coal tonnage, allowing controlled tonnes to be classified as "reserve". The exercise should not be construed to represent a valuation of Warrior Met's holdings. Long-term cash flows incorporate forward-looking market projections which are expected to vary over time based upon historic volatility of coal markets. The development of costs incorporates a combination of Warrior Met's historical performance and MM&A's knowledge of mine productivity and cost structures for comparable operations.

Figure 1-6: After-tax Cash Flow Summary (000)



Note 1: The LOM model includes a portion of tonnage contained within adverse tracts which are not included in reserve estimates.
 Note 2: The LOM model and associated economic analysis is intended to prove the economic viability of the subject coal tonnage, allowing controlled tonnes to be classified as "reserve". The exercise should not be construed to represent a valuation of Warrior Met's holdings. Long-term cash flows incorporate forward-looking market projections which are expected to vary over time based upon historic volatility of coal markets. The development of costs incorporates a combination of Warrior Met's historical performance and MM&A's knowledge of mine productivity and cost structures for comparable operations.

Consolidated cash flows are driven by annual sales tonnage, which starts at 4.7 million tonnes in 2027, the first year of longwall production and averages 4.1 million tonnes per year from 2027 to 2050 the final full year of production. Projected consolidated revenue averages approximately \$805 million per year during the period 2027 to 2050. Revenue totals \$20.5 billion for the property's life.

Consolidated cash flow from the operation is positive throughout the projected operating period, with the exception of mine development years 2024 and 2025. In 2026, when the longwall starts, cash flow becomes positive. In the post-production years, cash flow becomes negative due to end-of-mine reclamation spending. Consolidated cash flow from the operation averages approximately \$462 million per year from 2027 to 2050 and totals \$11.1 billion over the mine life. Capital and Land expenditures, excluding sunk cost, through December 31, 2023, total \$1.6 billion over the property's life.

1.10.1 Cash Flow Analysis

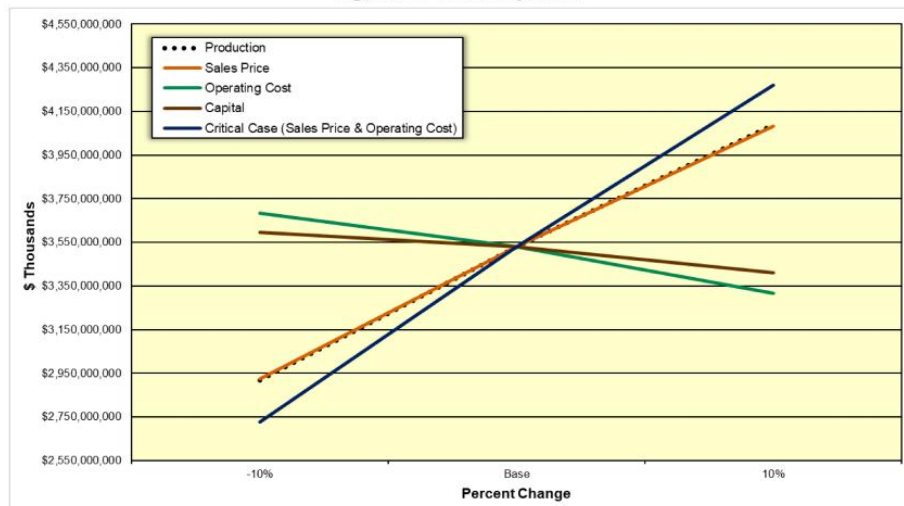
Cash flow after tax, but before debt service, generated over the life of the property was discounted to NPV at a 9% discount rate, which represents Warrior Met's typical WACC. On an un-levered basis, the NPV of the property cash flows represents the Enterprise Value of the property and amounts to \$3.5 billion. The pre-feasibility financial model prepared for the TRS was developed to test the economic viability of each coal resource area. The NPV estimate was made for the purpose of confirming the economics for classification of coal reserves and not for purposes of valuing Warrior Met or its BCM

assets. The mine plan was not optimized, and actual results of the operation may be different, but in all cases, the mine production plan assumes the property is under competent management.

1.10.2 Sensitivity Analysis

Sensitivity of the NPV results to changes in the key drivers is presented in the chart below. The sensitivity study shows the NPV at the 9% discount rate when Base Case sales prices, operating costs, production, plant yield and capital costs are increased and decreased +/- 10%. A critical case combining Sales price and operating cost was also done reflecting the combined effect of plus 10% operating cost with -10% sales price to -10% operating cost and +10% sales price.

Figure 1-7: Sensitivity of NPV



1.11 Permitting

Warrior Met was successful in obtaining **Mine Safety and Health Administration (MSHA)** approval in March 2021 for the Slurry Impoundment No. 1 facility, which was designed with approximately 1,200 acre-foot of capacity. While the Slurry Impoundment No. 1 facility is no longer planned to be utilized as a primary tailings facility, a **United States Army Corps of Engineers (USACE)** 404 Individual Permit and **Surface Mine Control and Reclamation Act (SMCRA)** permit could be prepared and obtained in approximately 18 months to be fully permitted for use if found necessary to provide long-term support of the Blue Creek Mine. If a situation was to arise where the combined refuse facility or dewatering system required modification, a backup series of incised slurry cells is being designed and planned for use to provide system redundancy to allow for several months of availability without interrupting operations while necessary adjustments are made.



Warrior Met reports that it has completed the initial design of the combined refuse disposal area which will provide approximately 10,000,000 cubic yards of initial capacity, which should accommodate up to the first 6 years of production while expansion designs are evaluated. Warrior Met performed geotechnical studies on the combined refuse materials in 2023 and submitted an updated plan to reflect these refuse handling options to MSHA in Q1 2023. MSHA technical support staff is currently reviewing Warrior Met's responses to review comments and estimate issuance for the combined coarse facility is anticipated in Q1 2024.

Additional mine permits which are currently in place include those from: **Alabama Surface Mining Commission (ALSMC)**; **Alabama Department of Environmental Management (ADEM)**; USACE; and MSHA. All of the currently approved permits have been renewed as needed and remain in good standing.

1.12 Conclusion and Recommendations

Sufficient data have been obtained through various exploration and sampling programs to support the geological interpretations of seam structure and thickness for coal horizons situated on the subject. The data is of sufficient quantity and reliability to reasonably support the coal resource and coal reserve estimates in this TRS.

The geological data and pre-feasibility study, which considers mining plans, revenue, and operating and capital cost estimates, are sufficient to support the classification of coal reserves provided herein.

As of the writing of this report, Warrior Met has recently been conducting core drilling on the Property, and a sustained program of continued exploration is recommended. Mine development continues as entries are developed in preparation for initial longwall production. Warrior Met is aware of potential geotechnical and hydrogeological encumbrances related to tectonic faulting.

This geologic evaluation conducted in conjunction with the preliminary feasibility study concludes that the 67.6 Mt of marketable underground coal reserves identified on the Property are economically mineable under reasonable expectations of: continued acquisition of mining rights within future mine plan areas, future market prices for metallurgical coal products, estimated operation costs, and capital expenditures.



2 Introduction

2.1 Registrant, Terms of Reference, and Scope of Work

This report was prepared for the sole use of **Warrior Met Coal, Inc. (Warrior Met)** and its affiliated and subsidiary companies and advisors. The report provides a statement of coal resources and coal reserves for Warrior Met, as defined under the **United States Securities and Exchange Commission (SEC)** standards.

The report provides a statement of coal reserves for Warrior Met. Exploration results and resource calculations were used as the basis for the mine planning and the preliminary feasibility study completed to determine the extent and viability of the reserve.

Coal resources and coal reserves are herein reported in metric units of measurement and are rounded to millions of metric tonnes (*Mt*).

2.2 Information Sources

The technical report is based on information provided by Warrior Met and reviewed by MM&A's professionals, including geologists, mining engineers, civil engineers, and environmental scientists. MM&A's professionals hold professional registrations and memberships which qualify them as Qualified Persons in accordance with SEC guidelines. Sources of data and information are listed below in *Table 2-1*:

Table 2-1: Information Provided to MM&A by Warrior Met

Category	Information Provided by Warrior Met	Report Section
Geological	Geologic data including digital databases and original source data including geologist logs, driller's logs, geophysical logs.	9.1
Coal Quality	Database of coal quality information supplemented with original source laboratory sheets where available.	10.1
Mining	Historical productivities and manpower projections.	13
Coal Preparation	Flow Sheet descriptions information related to coal processing.	14
Costs	Historical and budgetary operating cost information used to derive cost drivers for reserve financial modeling	18

Note: While the sources of data listed in *Table 2-1* are not exhaustive, they represent a significant portion of information which supports this TRS. MM&A reviewed the provided data and found it to be reasonable prior to incorporating it into the TRS. The TRS contains "forward-looking information" including forecasts of productivity and annual coal production, operating and capital cost estimates, coals sales price forecasts, the assumption that Warrior Met will continue to acquire necessary permits, and other assumptions. The TRS statements and conclusions are not a guarantee of future performance and undue reliance should not be placed on them. The ability of Warrior Met to recover the estimated coal reserves is dependent on multiple factors beyond the control of MM&A including, but not limited to geologic factors, mining conditions, regulatory approvals, and changes in regulations. In all cases, the plans assume the Property is under competent management.

Warrior Met engaged MM&A to conduct a coal reserve evaluation of the BCM coal property as of December 31, 2023. For the evaluation, the following tasks were to be completed:

- > Process the information supporting the estimation of coal resources and reserves into geological models;
- > Develop life-of-reserve mine (*LOM*) plans and a financial model;
- > Hold discussions with Warrior Met company management;
- > Conduct a site visit of existing surface facilities; and
- > Prepare and issue a Technical Report Summary providing a statement of coal reserves which would include:
 - A description of the mines and facilities.
 - A description of the evaluation process.
 - An estimation of coal resources and reserves with compliance elements as stated under the new SEC Guidelines which became effective for the first fiscal year that commenced on or after January 1, 2022.

2.3 Personal Inspections

MM&A is very familiar with the Blue Creek property, having provided a variety of services since 1991 (including geophysical logging) to the present, and MM&A has conducted multiple site visits to the property. Most recently, MM&A visited the site in October of 2023, and observed construction of surface facilities including the bathhouse, preparation plant, loadouts, conveyor belts, and refuse disposal areas.

Figure 2-1: Blue Creek Mine Construction Site (October 23, 2023)



Figure 2-2: Blue Creek Mine Construction Site (October 23, 2023)



2.4 Updates to Previous TRS

This TRS reflects an update to a TRS, published in early 2023 to reflect resources and reserves as of December 31, 2023. Material revisions reflected in this TRS include:

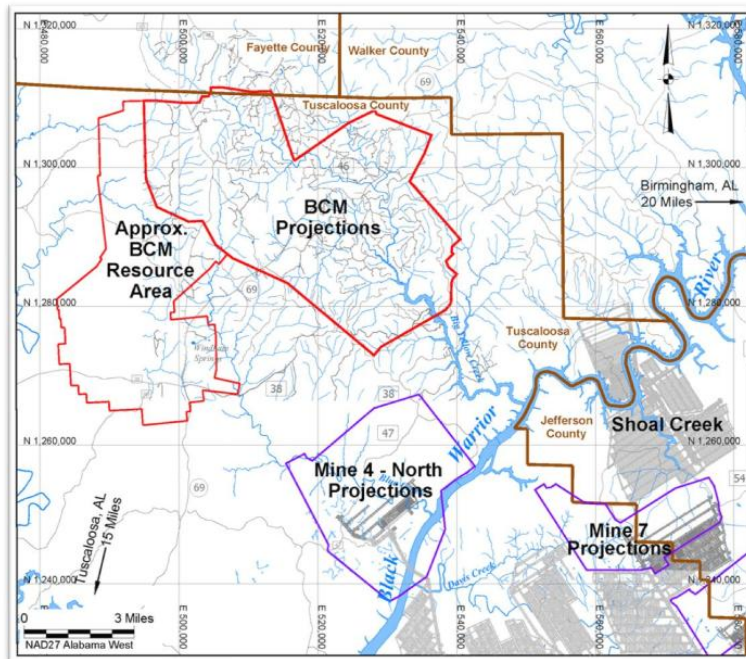
1. Pre-feasibility level financial model updates based upon current cost drivers (both OPEX and CAPEX).
2. Inclusion of a rail loadout and associated conveyor system to the development schedule, capital schedule and operating cost structure.
3. Removal of the overland conveyor system which was originally anticipated to feed the barge loadout.
4. Revisions to development schedule and anticipated production rates.
5. Updated projected sales realization values provided by Warrior Met.
6. Changes to Property Control which occurred in calendar year 2023.
7. Incorporation of exploration drilling information obtained in calendar year 2023 and subsequent updates to geological models.

3 Property Description

3.1 Location

The Project is located in Tuscaloosa County, in northwestern Alabama, approximately 27 miles north of the city of Tuscaloosa and 36 miles west of the city of Birmingham in the southern region of the US. Highway 69 North bisects the Property. *Figure 3-1* displays the Project's location.

Figure 3-1: Blue Creek Project Location Map



Note: Coordinates/Gridlines are shown in the NAD27 Alabama West coordinate system.

The BCM Property is adjoined by two nearby longwall mining operations that have extracted coal from the same Mary Lee and Blue Creek seams:

- > Peabody's Shoal Creek on the east
- > Warrior Met's Mine No. 4 on the south

BCM reserves and resources are located in two principal areas and five (5) blocks or areas:



- > Resource (Inclusive of Reserve) & Associated Reserve:
 - Area A
 - Area B
 - Area C
 - Area D
 - Area E1
- > Western Resource (Exclusive of Reserve), No Corresponding Reserve
 - Area E2
 - Area E3

3.2 Titles, Claims or Leases

MM&A has not carried out a separate title verification for the coal property and has not verified leases, deeds, surveys or other property control instruments pertinent to the subject resources. Warrior Met has represented to MM&A that it controls the mining rights to the reserves as shown on its property maps, and MM&A has accepted these as being a true and accurate depiction of the mineral rights controlled by Warrior Met.

3.3 Mineral Rights

Warrior Met, through its predecessor Walter, acquired the majority of its mineral rights for the Blue Creek property in 2010 through its purchase of the Chevron-owned coal assets located in Alabama. At the time of purchase, this acquisition included the North River longwall mine operating in the Pratt seam (which has since been divested). Since this acquisition, Warrior Met has strategically purchased and leased mineral and surface rights (and other tracts with options to lease) to further assemble the Project. Currently, Warrior Met currently controls approximately 28,200 total acres of mining rights associated with the Project (the *Property*). Specific to reserve areas, Warrior Met controls approximately 10,600 acres of property, approximately 72-percent of which is leased from various entities and individuals.

In comparison to its other active operations, reserves associated with the BCM mine plan include relatively more adverse mineral control parcels, although mineral control acquisitions associated with the initial mining districts at BCM are largely complete. Warrior Met has employed a similar strategy of obtaining leases as needed to support the near future mining at its active operations—as such, MM&A honored mine planning for controlled reserve delineation in areas with intermittent control at BCM. Adverse tonnes are not included in reserve tabulations but are included in financial modeling under the assumption that their leases will be obtained by Warrior Met.

Warrior Met was notified by **Bureau of Land Management (BLM)** of a failure to determine a Finding of No Significant Impact (*FONSI*) on the 4N-Cassidy Environmental Assessment (*EA*) in 2023. After several discussions with BLM representatives, BLM requested Warrior Met combine the existing 4N and Blue



Creek EA packages into one combined environmental impact statement (*EIS*) to expedite review for both lease requests.

Due to the new National Environmental Policy Act (*NEPA*) amendments codified within the Fiscal Responsibility Act of 2023, signed into law by President Joe Biden on June 3, 2023, *EIS* reviews are to be completed in under 24-months. After several discussions with BLM, Warrior Met notified BLM of their intent to accept the BLM request to combine both applications into a single *NEPA* *EIS* review, while still maintaining their respective status as separate lease applications. Warrior Met has supplied BLM with an updated Memorandum of Understanding (*MOU*) and a Notice of Intent (*NOI*) for the combined *EIS* and is currently awaiting formal issuance of the *NOI* in the Federal Register to initiate the 24-month review period.

Due to the new codified review schedule and significant amount of existing work already performed on both lease packages, Warrior Met anticipates the federal coal leases for both the Blue Creek and 4N applications to be finalized in 2025.

To mitigate risk associated with the BLM tracts, MM&A has assisted Warrior Met in developing an alternative mine plan for the property which excludes the BLM tracts. This is not presented in the TRS, but it is important to note that financial modeling associated with this alternative mine plan showed favorable economics absent the BLM tracts, albeit at a reduced tonnage.

It is of importance to note that tracts categorized as “owned” represent those in which Warrior Met owns a percentage of tract’s mineral rights. In addition to Warrior Met, other parties and entities own various portions of the “owned” tracts mineral rights. Additionally, the “leased” category includes those tracts in which Warrior Met leases a percentage of the tract’s mineral rights.

By assignment, as part of the Study, MM&A has not completed a review of the major leases. Due to confidentiality, only general facts related to the major leases are noted.

The majority of the coal leases have an identical initial term of 20 years from the date of execution with an additional 20-year lease term extension. A portion of the coal leases have 10-year term extensions. Certain leases have performance terms related to mining execution.

The leases can be extended so long as mining operations are being conducted on the leased premises. The leases are then held by a series of earned production royalty payments. The annual minimum royalty is reduced by the amount of earned production royalty paid on mined coal. All annual minimum royalty payments are recoupable against any earned royalty due under the coal leases on a lease-by-lease basis. The royalty rates for the BCM project are estimated to be 8.0% of the sales revenue free on board (*FOB*) at the mine after deduction of all transportation and loading costs between the mine and the vessel. By assignment, MM&A has not independently verified property boundaries specific to each lease; however, MM&A has reviewed Warrior Met-supplied boundary mapping.



3.4 Encumbrances

No title encumbrances are known. By assignment, MM&A has not completed a query related to title encumbrances.

3.5 Other Risks

There is always risk involved in property control. Warrior Met has had their legal teams examine the deeds and title control in order to minimize the risk. Historically, property control has not posed any challenges related to Warrior Met's operations. A significant portion of uncontrolled tracts which must be obtained by Warrior Met in order to execute the mine plan presented herein are owned by the Federal Government's Bureau of Land Management (*BLM*). Regionally, operators (including Warrior Met's predecessors) have experienced a successful track record of obtaining mining rights to *BLM* properties. In comparison to its active operations, the BCM project carries an elevated level of risk with regards to property control based upon its intermittent control in areas outside of the initial longwall mining districts.

4 Accessibility, Climate, Local Resources, Infrastructure and Physiography

4.1 Topography, Elevation, and Vegetation

The Property is located in the physiographic region of northern Alabama within the Black Warrior Basin (*BWB*) region of the US. The area is rugged upland of moderate topography with more than 200 feet of relief adjacent to major streams. The area is dissected by streams that flow to the southeast and eventually to the Black Warrior River. A major drainage within the Property is Big Yellow Creek and its two tributaries, Little Yellow Creek and Four Mile Creek. The upland topographic features are controlled by lithology, with large flat surfaces formed by underlying sandstone with steeper slopes formed by weathered shale and siltstones. Maximum relief within the Property is approximately 460 feet with elevation ranging from 260 feet above mean sea level (*MSL*) along the banks of the Big Yellow River to 720 feet along the top of the flat ridges.

4.2 Access and Transport

General access to the Project complex is very good via State Route 69 which traverses the central portion of the Property from southwest to northeast. State Route 69 is a well maintained, paved, two-lane road with Interstate access in close proximity to both the north and south. SR-69 directly intersects Interstates 59 and 20 approximately 30 miles to the south at Tuscaloosa and intersects Interstate 22 about 23 miles to the north (with Birmingham about 40 miles to the east).

Direct access to the preparation and coal handling facilities, as well as the supply yard at the mine slope is off of County Route 46 (Brandon School Road) which runs southeast to northwest through the



Property from State Route 69. Brandon School Road is also a paved two-lane road, and these facilities lie within about 2.5 miles of the intersection with SR-69. The deep mine's portal and shaft facilities lie along an unimproved road approximately one-quarter mile off of SR-69. All of the initial facilities are in close proximity to high quality, public roads and lie within 3 miles of each other. A multitude of coalbed methane (CBM) and gas well roads bisect the Property providing exceptional surface access to areas overlying the mineral boundaries.

A rail loadout is being constructed on a rail line located approximately 8 miles to the northwest at the intersection of Brandon School Road and County Route 30 near the town of Berry. The loadout will be fed via overland conveyor from the mine's surface facilities. A portion of the product would be shipped from a new barge loadout being constructed on the Black Warrior River located approximately 10 miles southeast of the proposed preparation plant. Trucks will be utilized to transport coal from the mine's surface facilities to the barge loadout.

It is anticipated that coal will be shipped into the seaborne metallurgical markets. As part of a commercial real estate transaction with Alabama State Port Authority in 2014, Warrior Met secured expansion capacity of the McDuffie Terminal to accommodate planned production.

4.3 Proximity to Population Centers

The Property lies in close proximity to two large population centers. The city of Tuscaloosa lies approximately 27 miles south and Birmingham lies about 36 miles east of the proposed mine site. The Tuscaloosa and Birmingham metropolitan areas have populations of approximately 277 thousand and 1.16 million respectively (as of 2022). Both areas have large industrial and manufacturing bases with employers such as Honda, Michelin and Mercedes-Benz having production facilities in the area. The city of Birmingham is home to the Birmingham-Shuttlesworth International Airport which handles close to 3-million passengers annually.

4.4 Climate and Length of Operating Season

The typical climate in this portion of Alabama is rather humid but temperate. The average annual temperature is 66 degrees Fahrenheit. The climate is hot during the summer when temperatures are typically in the 90-degree Fahrenheit range and cool during the winter when temperatures are typically in the upper 40-degree Fahrenheit range. The warmest month is generally July, and the coldest month is generally January. Alabama receives on average 56 inches of rainfall per year. The area is somewhat prone to severe thunderstorms resulting in occasional tornado activity and the inland effects of seasonal hurricanes. Seasonal variations in climate typically do not affect underground mining in the area, however, weather events could potentially impact the efficiency of surface and preparation plant operations on a very limited basis.

4.5 Infrastructure

Infrastructure in the area surrounding the Blue Creek site is very diverse, well established and robust due to the large populations and current industrial activity in the surrounding metropolitan areas of



Birmingham and Tuscaloosa. All of the primary infrastructure that the mine will need to operate (power, water, transportation/roads) is available with reasonable access requirements.

Below is a list of the regional infrastructure near the proposed Blue Creek operation:

Electrical Power	The immediate area contains numerous coal-fired power plants producing base-load electricity. Major transmission and distribution lines are located within the area of interest. Alabama Power is the local utility which will provide electricity for the Project.
Water and Sewer	Public water is available locally through Oakman Water Works, Inc. No public sewer systems are available.
Roads	The area is serviced by an extensive network of well-maintained, federal, state and county highways in close proximity to the proposed mine site.
Railroads	A major commercial railroad is located along the western edge of the area of interest.
Barge	The Black Warrior River, located east of the Property, provides a means of barge transportation.
Airports	Birmingham-Shuttlesworth International Airport is located approximately 40 miles to the east.
Mining Service Providers, Equipment Manufacturers and Supply Companies	The Property is well serviced by major mining equipment manufacturers, rebuild facilities, and mine supply vendors. Specialized mining service providers including slope, shaft, and preparation plant construction companies are located in the immediate area.
Hospitals – Ambulance, Med Flights	There are numerous fully functioning hospitals (including major trauma centers) within a 50-mile radius of the area of interest. The area is serviced by a network of public and private ambulance and helicopter medical flight providers.
Emergency Services – Fire, Police	There are numerous fire departments and emergency medical service (EMS) providers within a 50-mile radius of the proposed mine site. The area is well serviced by a large network of federal, state and local law enforcement agencies with central dispatch and communications systems, including emergency 911 services.
Schools	The region has a well-developed public education network consisting of federal, state and local government-backed schools as well as privately funded schools. These include elementary, middle, and high schools, as well as technical and vocational schools.
College/University	The region contains numerous colleges and universities as well as well-established mining universities and training centers. Namely, the University



of Alabama is located in the city of Tuscaloosa and offers scientific and engineering degrees.

5 History

5.1 Previous Operation

The Property has gone through multiple ownership changes throughout its history. Prior to Warrior Met, the Property was controlled by Walter, which acquired the rights to the Property in 2010 through purchase from Chevron. Exploration and development efforts have been ongoing throughout the tenures of various owners.

Although this particular project site has no operational history of its own, the region in general has a long, successful history of mining similar projects. There are currently four operating underground longwall operations mining the Mary Lee and Blue Creek seams on adjacent properties. Warrior Met operates two of the four mines, one of which utilizes two independent longwalls for coal production.

5.2 Previous Exploration

The Property has been extensively explored as early as 1957 by subsurface drilling efforts carried out by numerous entities, most of which were completed prior to acquisition by Warrior Met including: **Tennessee Coal, Iron & Railroad Company; U.S. Steel; The Pittsburgh & Midway (P&M) Coal Mining Company/Chevron;** and Walter. The majority of the drilling was accomplished by means of conventional core hole exploration and air rotary drilling with geophysical logging for CBM wells.

6 Geological Setting, Mineralization and Deposit

6.1 Regional, Local and Property Geology

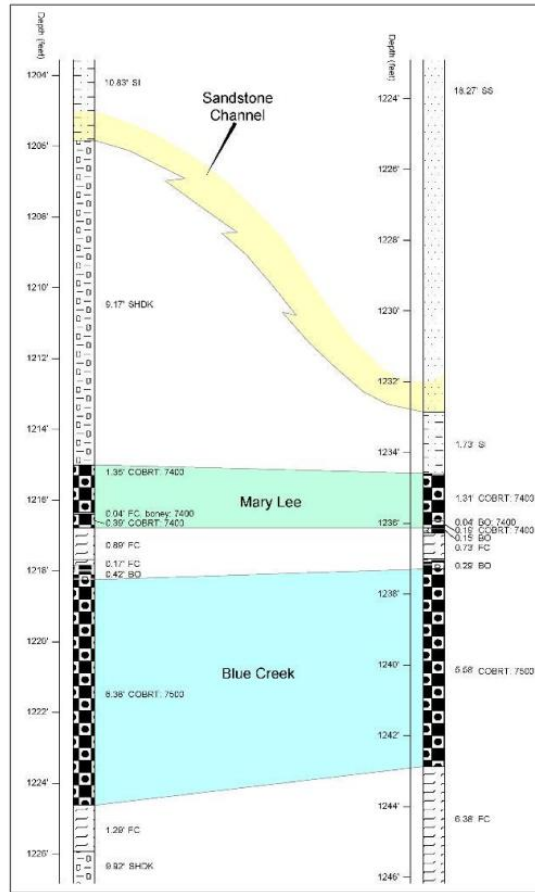
The Black Warrior coal basin (*BWB*), which encompasses the subject Property, is a foreland basin covering approximately 23,000 square miles (59,570 square kilometers) of northwestern and central Alabama. The basin extends approximately 230 miles from west to east and 188 miles from north to south. The *BWB* lies within the Cumberland Plateau portion of the Appalachian Highlands and contains Pennsylvanian System (300 million years) sedimentary coal-bearing strata of the Upper Pottsville Formation. Metallurgical coal deposits in northern Alabama are divided into three coal fields; the Black Warrior, the Cahaba, and the Coosa, of which the Black Warrior is the largest in both size and productivity.

Of the coal groups within the *BWB*, historically the most dominant is the Mary Lee group (see *Figure 6-1*). This sequence is “tagged” or identified with a 4-digit numeric system that generally includes the following strata (in descending stratigraphic order):



-
- > 7200 / 7300 – New Castle (typically present as Upper and Lower benches), 30 to 50 feet above the Mary Lee seam
 - > 7400 – Mary Lee seam
 - > 7450 – Middleman (rock parting)
 - > 7480 – Rider seam (not always present) – included as part of the Middleman
 - > 7490 – Parting between the Rider and Blue Creek seams (not always present) – included as part of the Middleman
 - > 7500 – Blue Creek seam
 - > 7600 – Jagger seam, where present, typically a few feet to tens of feet below the Blue Creek; however, may locally become part of the mineable section with the overlying Blue Creek seam.

Figure 6-1: Geologic Column of the Mary Lee – Blue Creek Sequence



The BWB is bound by the Alabama Valley and Ridge, Highland Rim, and East Gulf Coastal Plain physiographic providences. The southwestern and southeastern margins of the basin are terminated by frontal thrust faulting of the Ouachita and Appalachian orogeny. The basin has regionally southwestward dipping strata that are overlain by Cretaceous and Tertiary age deposits.

The major structural feature within the basin is the Sequatchie anticline, which trends northeast to southwest between the Arkadelphia and Coalburg synclines. Structurally, coal horizons are typically characterized as gently dipping to the southwest and contain minor folds. However, the regional trend has locally been significantly modified by the presence of a prominent structural feature referred to as the Wiley Dome (with relief of several hundreds of feet), which is present on the Blue Creek Mine



property, between the east and west areas of the mine plan. A smaller scale fold referred to as the Whitson anticline is present north of the Wiley dome.

Faulting is widespread across the basin with high-angle, scissor-type normal faults and fault grabens common, which are typically oriented in a southeast to northwest alignment. Vertical displacement typically varies from only a few feet to as much as 350 feet. Multiple published and in-house reports have been compiled and examined during the course of this evaluation, and subsequently compared with the data shown on the base-of-seam structure for the Blue Creek seam.

While faulting on the subject property generally reflects the same regional southeast to northwest pattern, a zone of inferred low-angle faulting (originally identified from a US Steel 1983 report) has been identified on the Property, nearly perpendicular to the regional fault orientation. The dip of this low-angle fault zone has been estimated at approximately 30 to 35 degrees, in contrast to the nearly vertical faults identified elsewhere in the basin. Prior studies as well as recent exploration on the Property have identified locations where the subject coal beds are locally faulted and replaced by fault gouge. The orientation of the low-angle fault zone is northeast-to-southwest and is located on the north side of the Wiley Dome.

Warrior Met mining personnel have reported evidence of fractured / brecciated material within the slope during construction, corresponding to the predicted low-angle fault zone, however mining conditions have been manageable, and no water has been encountered. Mine areas A and B are separated by this fault zone.

6.2 Mineralization

Regional coal rank in the BWB generally ranges from a low-volatile coal in the southeastern portion of the basin to a high-volatile coal to the northwest. Due to the value of the Mary Lee and Blue Creek seams in the low- to medium-volatile coking coal market at its active Mine No. 4 and Mine No. 7 operations (and adjoining mines) to the south and east of the Property, the subject coal seams have been extensively mined in the region. Laboratory data for the Blue Creek Project indicates a typically high volatile (greater than 31% volatile matter) bituminous coal product. Based on analysis of coal samples, the Mary Lee and Blue Creek seams on the Property are considered a high-volatile metallurgical-grade coal product.

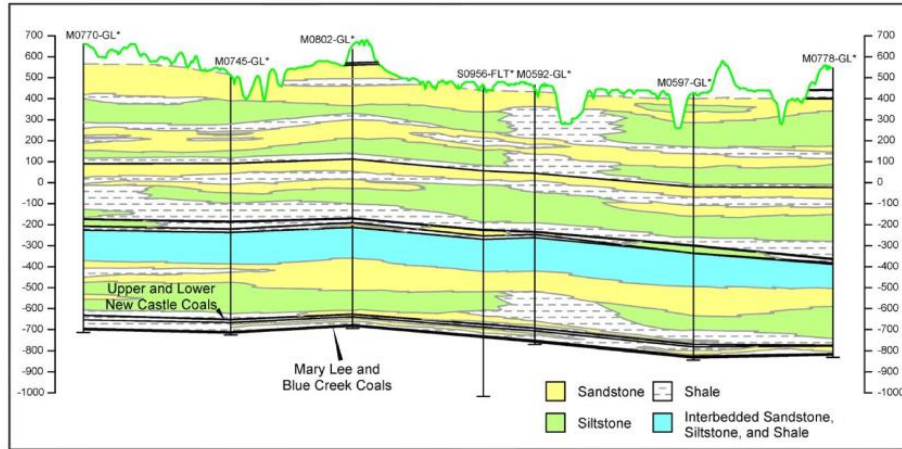
6.3 Deposits

Sediments of the Upper Pottsville Mary Lee coal zone are Lower Pennsylvanian in age and comprised of cyclic sequences (refer to *Figures 1-2* above and *6-2* below) including: sandstone, siltstone/sandy shale, shale (and occasional marine shale zones), and coal. Located within the middle of the Black Warrior Basin stratigraphic sequence, the Mary Lee and Blue Creek horizon is situated below drainage throughout the Property and is accessible by slope and shafts. General lithologic characteristics of the are described below:



- > The New Castle seam is present approximately 15 to 50 feet above the Mary Lee seam.
- > The lithologic composition of the roof strata varies throughout the Property, consisting primarily of a coarsening-upward sequence of shale or sandy shale, with occasional sandstone channels located within the immediate or main roof of the Mary Lee seam.
- > Although rare, areas where sandstone occupies the immediate roof of the Mary Lee seam have been observed from drilling records, where scouring of the seam may occur locally. Where sandstone channels are present within 4 to 6 feet above the Mary Lee (roof bolt horizon), there is potential for increased drawrock conditions and roof instability beneath the sandstone/shale contact.
- > The Mary Lee typically averages 1.75 feet within the eastern mine plan area of the Property; and 1.25 feet in the western area. The Mary Lee seam is the lithologically more consistent of the two seams in terms of thickness; however, it generally thins to the west in Area E. Areas where the Mary Lee seam is absent are inferred to more often be associated with structurally faulted horizons than to depositional factors.
- > The composition of the stratum comprising the Middleman is highly variable and consists of shale, carbonaceous shale, or fireclay, to sandy shale; from a few inches to over 3.0 feet, averaging 1.0 feet to 1.5 feet in thickness.
- > The Blue Creek seam, which represents the better metallurgical quality of the two seams and typically averages 4.35 feet within the eastern mine plan area of the Property; and 2.65 feet in the western area. The Blue Creek seam is subject to more erratic and abrupt thickness variation than the overlying Mary Lee seam. Reasons for this are not entirely clear but may be the result of: seam splitting; channel incision; differential compaction; presence of contemporaneous (“growth”) faults; or other paleographic factors present during or subsequent to deposition of the Blue Creek paleoswamp. The Blue Creek is typically thicker in the eastern portions of the Property and thins or splits to the west.
- > The combined thickness of the Mary Lee – Blue Creek typically averages 7.0 feet within the eastern mine plan area of the Property; and 5.0 feet in the western area. Areas within mine plan projections where the combined thickness of the Mary Lee – Blue Creek horizon are less than a minimum cutting height are generally rare, and where this occurs, roof (and/or floor) strata are expected to be excavated as out-of-seam dilution (*OSD*).
- > Compositional variability and thickness of the floor strata underlying the Blue Creek seam typically occurs within a coarsening-downward sequence varying from: very soft, thick fireclay within the immediate floor, to sandy fireclay, shale, sandy shale, and finally sandstone within the first three feet below the seam. Fireclay varies in thickness, from less than a foot to more than 10 feet. Due to inherently high clay content, this stratum is typically moisture-sensitive and may degrade when exposed to water accumulation on the mine floor.

Figure 6-2: Generalized Geologic Profile Indicating Dominant Overburden Lithologies



7 Exploration

7.1 Nature and Extent of Exploration

Exploration information has largely been collected, analyzed, and summarized by personnel from previous owners of the Property, Warrior Met, and their consultants. Vertical drilling has been the sole method of collecting exploration information since the seam does not outcrop within or near the Property, and there has been no mining on the Property. Spacing and quantity of exploratory drill holes is generally sufficient to define the coal resource within the Property.

Initial exploration on the Project was entirely by drilling to collect data for delineation of coal and CBM resources. As a general practice, continuous core hole exploration is physically logged by a professional geologist while CBM holes are geophysically logged. Geophysical information from CBM wells was obtained by Warrior Met's predecessor from the **Geological Survey of Alabama Oil and Gas Board (GSA)** and used to determine seam thickness and elevation.

7.1.1 Summary of Exploration Data

MM&A was provided with the core hole records or summary information from geophysical logs as summarized below as of December 31, 2023.

- > Total number of holes: 1,265 drill holes utilized for mapping purposes.
- > Total footage: 1,911,000 feet.
- > Hole depths: ranging from 835 feet to 2,275 feet, averaging 1,525 feet.



- > Depth to top of Mary Lee seam: ranging from 810 feet to 1,615 feet, averaging 1,255 feet.
- > A small group of drilling records was identified and categorized as “not honored” for various reasons (poor recovery, faulted, etc.), and as such were ignored for mapping purposes. Additional discussion is provided below in *Section 9.1*.

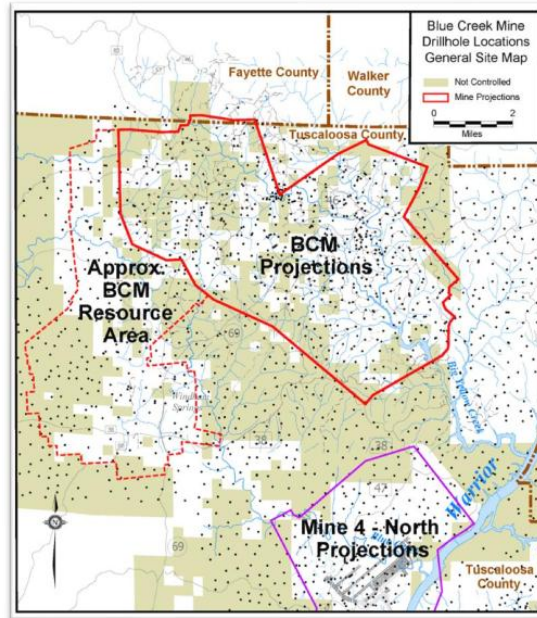
Much of the coal quality information provided to MM&A consisted of previously summarized data in the form of Microsoft® Excel spreadsheets in an Adobe® PDF (*PDF*) format. Where available, scanned copies of coal quality sheets and summary reports were also provided. The most recent drill hole quality data (2023) were derived from exploration activity on the Property. Bulk sample analyses obtained from adjacent mines were made available as was one bulk sample from two combined drill holes from which multiple wedged samples were obtained.

Extensive exploration in the form of subsurface drilling has been carried out on the Property by numerous entities, most of whose efforts were completed prior to acquisition by Warrior Met. Diamond core, rotary, and CBM drilling are the three primary types of exploration on the Property. Data for correlation and mining conditions are derived from core descriptions and geophysical logging (e-logging). The location of the drilling is shown on the maps included within this report.

The concentration of exploration varies across the Property, with the proposed underground mining areas having the highest concentration of drill holes. Drilling on the Property is typically sufficient for delineation of potential underground mineable benches. The M-series and S-series core holes were typically logged by professional geologists, while the remaining core hole data comes from simplified driller’s logs, which often lack specific details regarding geotechnical conditions and specific geology, making correlations and floor and roof conditions difficult to determine. Geophysical logging (e-logging) techniques, by contrast, document specific details useful for geologic interpretation and mining conditions. Mapping of future mining conditions is derived from data-compiled from a variety of past and present exploration programs, but projections and assumptions can be made within a reasonable degree of certainty.

Due to the long history of exploration by various parties on the Property, a wide variety of survey techniques exist for documentation of data point locations. Many of the older exploration drill holes appear to have been located by survey. However, some holes appear to have been approximately located using USGS topography maps or other methods which are less accurate. Therefore, discretion had to be used regarding the accuracy for the location and ground surface elevation of some of these older drill holes. In instances where a drill hole location (or associated coal seam elevations) appeared to be inconsistent with the overall structural trend (or surface topography for surface-mineable areas), the data point was not honored for geological modeling. Others with apparently minor variances were adjusted and then used by MM&A. Moreover, MM&A compiled topographic map files from the USDA website, using 1-meter resolution LIDAR Digital Elevation Models (*DEM’s*). Locations of all drill holes on the Property are shown on *Figure 7-1* below.

Figure 7-1: Drill Hole Location Map



7.2 Non-Drilling Procedures and Parameters

Aside from exploration-based drilling and drilling associated with gas development, no additional information specific to the subject reserve’s thickness and quality characteristics is available. The coal reserve, including the Mary Lee and the Blue Creek seams, is approximately 1,200 to 1,300 feet below drainage across the Property, eliminating the potential of any outcrop examination. Information from mines on adjacent properties does provide some indication regarding anticipated structural trends and thickness continuity. Such parameters have been considered by MM&A in this TRS.

7.3 Drilling Procedures

Core drilling methods utilize NX-size ($2\frac{1}{8}$ inch) or similar-sized core cylinders to recover core samples, which can be used to delineate geologic characteristics, and for coal quality testing. In addition to the core holes, rotary drilled holes also exist on most of the Property. Data for the rotary drilled holes are mainly derived from downhole geophysical logs, which are used to interpret coal and rock thickness and depth since logging of the drill cuttings is not reliable. CBM holes are always logged geophysically, and the resulting interpreted data are incorporated into the geological model. Exploratory drilling generally requires drilling to depths from 800 to 1,600 feet to penetrate the target coal seams on the Property.



A wide variety of core-logging techniques have been implemented on the Property. For many of the core holes, the primary data source is a generalized lithology description by the driller, while others were logged by a professional geologist. These drilling logs were provided to MM&A as a geological database. MM&A geologists were not involved in the production of original core logs but did perform a basic check of information within the provided database.

7.4 Hydrogeology

7.4.1 Introduction

The hydrogeologic aspects of the project area have been assessed based on a previous hydrogeologic study specific to the area, permitting documents, geologic logging records, and experience from other mines in the region. The assessment focuses on the potential for groundwater inflow to the proposed mine. As the majority of available geologic and hydrogeologic information is contained in Areas A, B, C and D, the current hydrogeological summary is most relevant to these areas but may also be applicable to Area E.

Water quality data associated with the Mary Lee and Blue Creek coal horizons in the project area is not available. As such, water quality expectations specific to groundwater inflow to the mine have not been addressed.

In general, the results of the current evaluation suggest that the quantity of groundwater inflow to the proposed mine is not likely to cause significant concern in most areas. Previous hydrogeologic assessment of the subject area and regional experience identifies that larger and persistent fracture zones, often those with high angle or vertical faults and fractures, have the greatest potential to convey larger volumes of water into the mine, especially in areas affected by longwall mining subsidence. While there are numerous larger faults and fracture zones identified in the project area, the current mine plan significantly avoids most major areas of hydrogeologic concern identified via previous hydrogeologic assessment of the Project. The former hydrogeologic study of the area by others suggests possible water inflow challenges in limited portions of the projected mining areas. Most notably, the northern portions of reserve Area D (located immediately adjacent (north and northeast) of the projected slope bottom area) could exhibit hydrogeological challenges. This area is largely isolated from initial longwall mining and is not planned to be mined until the later years of the project's life. Further follow-up studies are recommended to better understand the mechanisms which could contribute to water inflow and to best engineer systems to mitigate such risks.

7.4.2 Summary of Hydrogeologic Findings

In general, the proposed mining is not expected to experience mine-wide, extensive water inflow issues, and in fact, most of the mine may be expected to be relatively dry. However, zones of significant faulting and fracturing do exist in the project area. Experiences in other mines in the region do suggest that the potential for significant water inflow via faults and fracture zones coupled with longwall mining-induced fractures does exist, especially where there is potential for interaction with surface



water features. The current mine plan layout avoids the majority of potentially problematic areas, as designated by a previous assessment by others.

The available hydrogeologic information for the project area indicates that significant water inflow to the mine is more likely to be associated with areas where longwall mining approaches areas of natural faulting and fracturing. In addition, water inflows in such areas are likely to be enhanced by proximity and connection of the combination of longwall mining-induced fractures and natural fractures to surface water bodies that may recharge water into the system. As a result, future drilling activity (core drilling or rotary bit) should include collection of fracture orientation and fracture frequency data. Data collection should include downhole geophysical techniques that allow for in situ measurement of discontinuity orientations. In addition, any core holes drilled should be logged with specific attention given to fracture characteristics, including frequency, orientation, weathering, and infilling. Given the vertical nature of a significant portion of the known fractures, angled drilling may be required to intersect and define the fracture zones.

As mining approaches known fracture and fault zones, the extent, character, and water-bearing potential of the zones should be investigated. Such investigations may include combinations of angled drilling, downhole geophysics, and hydraulic conductivity testing. While many of the major faults and fracture zones have been identified, the extent to which fracturing extends from the mapped lines is unknown and may vary by area. Previous investigation suggests that relatively intense jointing may extend out to approximately 200 feet on either side of some faults, with the most intense fracturing only extending to approximately five feet on each side of known faults. During 2023, Warrior Met mining personnel reported evidence of fractured / brecciated material within the slope during construction, corresponding to the predicted low-angle fault zone; however, mining conditions have been manageable, and no water has as yet been encountered.

As previously mentioned, the current assessment does not address the expected chemical quality of water to be encountered in the proposed mine. Groundwater quality data at the Mary Lee and Blue Creek horizon does not appear to be available. Future exploration activities should consider collection of water samples from the proposed mine horizon, if possible, to provide an initial means for evaluation. Future groundwater quality investigation should include analyses for metals (e.g., iron, manganese, and select “trace” metals), major ions (ex: chloride, sodium, sulfate, magnesium, calcium, and potassium), pH, Total Suspended Solids (TSS), Total Dissolved Solids (TDS), and Specific Conductance (SC). Recent guidance from the **United States Environmental Protection Agency (USEPA)** suggests that coal mine operations with discharges having SC values greater than 300 microsiemens per centimeter ($\mu\text{S}/\text{cm}$) should be closely monitored and operations with discharges of greater than 500 $\mu\text{S}/\text{cm}$ should be required to take mitigative action. The guidance is not law and enforcement of such standards is unknown.



7.5 Geotechnical Data

Geotechnical data specific to the expected mine horizon is somewhat limited and has not been systematically collected as part of the mineral exploration drilling process. However, a report completed by Park (1989) contains site-specific laboratory and core logging geotechnical information for seven holes centrally located within the proposed mine area. Available data includes laboratory results for roof and floor rock and coal, for specific gravity, Uniaxial Compressive Strength (*UCS*), elastic modulus, Poisson's Ratio, angle of internal friction, and cohesion. Core logging geotechnical data includes Rock Quality Designation (*RQD*) values for the roof and floor of the proposed mine. Additional *UCS* values, estimated from Point Load Tests (*PLT*), are also available for one additional hole located along Little Yellow Creek. The available data suggests that the proposed mine area may have the potential for some mine floor instability. Incorporation of additional geotechnical data collection via core drilling and downhole geophysics is recommended.

Pillar sizing and design for the proposed mine is similar to that of Warrior Met's two nearby active mines, and consistent with region-specific design equations initially developed in the 1980's. The stability of the current pillar designs has also been verified using the Analysis of Coal Pillar Stability (*ACPS*) software. The pillar design incorporates a yield pillar concept that may mitigate some of the potential floor heave concerns.

8 Sample Preparation Analyses and Security

8.1 Prior to Sending to the Lab

All of the coal samples have been obtained from the Property by subsurface exploration using core drilling techniques. The protocol for preparing and testing the samples has varied over time and is not well documented for the older holes drilled on the Property. Typical core-drilling sampling methods for coal in the United States involves drilling through the seam, removing the core from the barrel, describing the lithology, wrapping the sample in a plastic sleeve and placing it lengthwise into a covered core box, marking hole ID and depth intervals on each box and lid, and allowing the core to be delivered to a laboratory in correct stratigraphic order, with original moisture content. This process has been the norm for both historical practices at Warrior Met's active and depleted operations and ongoing exploration activities at the Blue Creek property.

This work is typically performed by the supervising driller, geologist, or company personnel. Samples are most often delivered to the company after each shift or acquired by company personnel or representatives. Most of the coal core samples were obtained by previous or current operators on the Property. MM&A did not participate in the collection, sampling and analysis of the core samples. However, it is reasonable to assume, given the consistency of quality from previous operators, that these samples were generally collected and processed under industry best practices. This assumption



is based on MM&A's familiarity with the operating companies and the companies used to perform the analyses.

8.2 Lab Procedures

Coal quality testing has been performed over many years by operating companies using different laboratories and testing regimens. Some of the samples have raw analyses and washabilities on the full seam (with coal and rock parting layers co-mingled) and are mainly useful for characterizing the coal quality for projected production from underground mining. Other samples have coal and rock analyzed separately, the results of which can be manipulated to forecast underground mining quality. Care has been taken to use only those analyses that are representative of the coal quality parameters for the appropriate mining type for each sample.

Standard procedure upon receipt of core samples by the testing laboratory is to: 1) log the depth and thickness of the sample; then 2) perform testing as specified by a representative of the operating company. Samples are then analyzed in accordance with procedures defined under **American Society for Testing and Materials (ASTM)** standards including, but not limited to washability (ASTM D4371); ash (ASTM D3174); sulfur (ASTM D4239); Btu/lb. (ASTM D5865); volatile matter (ASTM D3175); Free Swell Index (*FSI*) (ASTM D720). While not confirmed by MM&A, it is assumed that best practices and ASTM (or equivalent standards at the time of testing) were utilized in laboratory quality testing.

8.3 Opinion of Qualified Person

Based upon the consistency of quality information derived from multiple historical and ongoing exploration campaigns, MM&A finds the security protocols of past an ongoing exploration to be sufficient for resource and reserve documentation. Warrior Met's geology staff reports that it currently manages all exploration-based logistics, including core/channel sampling logging, transportation of material to the requisite laboratories, and the population/security of samples and appropriate laboratory forms.

Currently, Warrior Met's in-house **Central Lab** handles the majority of coal analytical procedures related to exploration. While Warrior Met's Central Lab does not hold certifications, the consistency of analyzed exploration data leads confidence to the accuracy of analyzed results. Occasionally, **CoalTech Petrographics Associates Inc.** (Murrysville, Pennsylvania) or **Precision Testing Lab Inc.** (Daniels, West Virginia) also analyze samples.

Additional laboratories engaged to conduct analyses of shipped coal samples for Warrior Met's other mines include:

- > **SAI Gulf, LLC** (Mobile, Alabama) –moisture, ash, sulfur, and volatile matter.
- > **SGS North America** (Sophia, West Virginia) –phosphorus and iron oxide, in addition to other analyses.
- > **DMT GmbH & Co. KG** (Germany) – analysis of bulk samples collected for pilot scale oven test.



Procedures utilized by Warrior Met are aligned with typical protocols used in the coal industry.

9 Data Verification

9.1 Procedures of Qualified Person

MM&A reviewed the Warrior Met supplied digital geologic database, consisting of data records which include drill hole and coal quality information for holes that lie within and adjacent to the Property. To the extent available, scanned copies of original documents were provided for much of the Property (mining areas A, B, C, D, and E1, E2, and E3), and these were reviewed by MM&A on a test case basis.

These sources comprise the primary data utilized in the evaluation of reserves within the Property. Warrior Met maintains copies of geologist field observation logs for each core hole drilled by Warrior Met and those that could be obtained from other entities. They have compiled the core hole data into a digital geologic database consisting of approximately 1,265 drill holes, supplemented with additional GSA log data interpreted by MM&A. Of these, there are approximately 775 active CBM wells located in the project area operated by Warrior Met's gas division, with an additional 455 wells operated by Urban Oil and Gas. CBM wells are typically drilled on approximately 40-acre centers, which equates to roughly ¼-mile spacing.

Geophysical logs were used wherever available to assist in confirming seam correlation and to verify seam thickness measurements. These are highly useful tools not only for identification of seam thickness, but also to determine intervals between seams; the relative location and amount of displacement found adjacent to faults as depicted on the maps can also be evaluated with this type of data.

The level of accuracy for geophysical logs can be broadly grouped into one of three categories: low-resolution, intermediate-resolution, and high-resolution, due to: vintage of the logs, quality of scanned images, suite of tools used to log the well, source-to-detector spacing, scale of presentation, and so forth. Geophysical logs on the Property are of two general types:

- > CBM wells from various logging companies, which are publicly available from the GSA and have previously been reviewed and recorded by Warrior Met geologists for entry in the Warrior Met geological database. There are approximately 950 gas well geophysical logs within the Property, for which copies of approximately 750 scanned logs or LAS files (within all areas of the mine) were provided and reviewed on a test case basis by MM&A. Classification of these logs ranges from low- to intermediate-resolution.
- > Core holes drilled for P&M and geophysically logged by MM&A between 1991 and 1995, of which there are 87 high-resolution geophysical logs incorporated into this evaluation, most of which are located in the eastern portion of the Property (with a few scattered in the west). Copies of the MM&A geophysical logs are maintained within its archives located in Bluefield, Virginia. (An



additional 23 holes were geophysically logged by MM&A on the Property; however, coordinates are unavailable and consequently have not been utilized in this evaluation.)

A significant effort was put into verifying the integrity of the database. As noted previously, an additional group of drilling records was identified and categorized as not honored and ignored for mapping purposes for the following reasons:

- possessing poor or suspect core recovery; or
- thickness impacted by the influence of tectonic faulting; or
- seam thickness information was interpreted from older vintage and/or lower resolution geophysical logs.
- original records were unavailable from which to confirm suspect information.

Once this was completed, stratigraphic columnar sections were generated in select areas using cross-sectional analysis to establish or confirm coal-seam correlations. Furthermore, reported drill hole collar elevations were checked and verified utilizing a LIDAR topographic model, and adjustments were made as deemed appropriate. When the database was fully vetted, seam thickness, base-of-seam elevation, roof and floor lithology, and overburden maps were finally generated for use in the mine planning process.

9.2 Limitations

As with any exploration program, localized geologic anomalies cannot always be identified; however, the greater the density of samples taken, the lower the risk. Once an area is identified as being of interest for inclusion in the mine plan, additional samples are normally collected to reduce the risk within those specific areas. In general, provision is made in the mine planning portion of the study to allow for localized anomalies that are typically classed more as a nuisance than a hinderance.

9.3 Opinion of Qualified Person

In the eastern portion of the Property (Mining Areas A through E1), sufficient data has been obtained through various exploration and sampling programs to support the geological interpretations of seam structure and thickness for the mineable coal horizons. The data are of sufficient quantity and reliability to reasonably support the coal resource and coal reserve estimates in this TRS, compliant with 2022 SEC Standards.

Acquisition of data (specifically core drilling and coal quality testing) are ongoing within the eastern, western and southwestern portions of the Property (mining Areas E2 and E3). Thus, resource tonnage estimates presented herein specific to mining Areas E2 and E3 are based upon preliminary result. MM&A's interpretation of the limited quality information in areas E1, E2, and E3 suggests an increasing ash and sulfur trend when moving from east to west, prohibiting reserve delineation in areas E2 and E3 based on currently available data. As a result of higher ash and sulfur values in E1 in comparison to areas A through D, MM&A has categorized tonnages in area E1 as indicated. It is Warrior Met's and



MM&A's intentions to continually evaluate the classification of such resources in Areas E1, E2 and E3 via further geologic analysis and an ongoing exploration program to determine quality characteristics of the subject coal.

10 Mineral Processing and Metallurgical Testing

10.1 Testing Procedures

Coal quality data was available for coal samples from the legacy core holes within the resource area. Because these samples were obtained by different entities at different times, some variability exists between sampling and/or testing procedures (i.e., variable float gravity, coal only sampling, etc.). Data from three sets of borings have been provided and are referenced as the M-series, NR5-series, and S-series of holes.

10.1.1 M-Series Holes

The M-series of borings were performed by U.S. Steel and the samples were tested by the U.S. Steel's Research Division. The M-Series borings are further sub-divided into two groups based on the reports in which they were issued. Borings M-360 through M-808 were reported in a memorandum from the U.S. Steel Research Division, "*Evaluation of Mary Lee/Blue Creek-Seam Coal Drill Cores and Composite Samples from the West-West Wilmington Area, Tuscaloosa County, Alabama, December 1980*". From the report, the total seam, including the Middleman, was processed in laboratory analysis. The samples were crushed to minus ¼-inch, and then split for washability and composite analysis. These samples were evaluated at cumulative float specific gravities of 1.35 and 1.55. The resulting samples were tested for Proximate Analysis, Gieseler Plasticity, Free Swelling Index, Hardgrove Grindability, and Petrographic Analysis.

The second set of M-series borings, M-812 through M-817, were reported in a study issued by U.S. Steel, "*West Wilmington Coal Project Tuscaloosa County, Alabama, 1983*". Again, the total seam was considered in this study, including the Middleman. The samples were crushed to minus ¼-inch and then subjected to washability analysis. The samples were evaluated at a cumulative float specific gravity of 1.55. This sample was then divided, half of which was retained for further analysis. Half of the sample was re-analyzed at a float at a specific gravity of 1.37. The resulting samples were subjected to the following tests: Proximate Analysis, Total Sulfur, Ultimate Analysis, Calorific Value Analysis, Gieseler Plasticity, Free Swelling Index, Ash Composition, Ash Fusion Temperature, and Petrographic Analysis.

10.1.2 NR5-Series Holes

The NR5-series of borings were performed by P&M. A report summarizing the NR5 series of borings has not been provided to or reviewed by MM&A. Inferences have been made based on the provided laboratory data sheets. The Mary Lee and Blue Creek samples were processed separately for these



borings, and no Middleman was included. It is unknown if the samples were crushed prior to the washability analysis. These samples were only floated at a cumulative specific gravity of 1.7. The resulting samples were tested by **Commercial Testing & Engineering Company** with report dates in 1990, 1991, and 1992. The tests performed on these samples include Proximate Analysis, Ultimate Analysis, Ash Fusion Temperature, Forms of Sulfur, Water Soluble Alkalis, Hardgrove Grindability, Equilibrium Moisture, Free Swelling Index, Ash Composition, Base-Acid Ratio, Fouling Index, and Slagging Index.

10.1.3 S-Series Holes

The S-series of borings were previously performed by Walter. Since property acquisition, Warrior Met has continued to use the S-series designation for core holes. As with the NR5-series holes, no report has been provided summarizing the sampling and testing methods for the S-series borings. Some inferences have been made from the laboratory data sheets that have been provided. The Mary Lee and Blue Creek samples from these borings were processed separately and the Middleman was not included in the analysis. It is unknown if the samples were crushed prior to the washability analysis. These samples were typically tested at specific gravities of 1.40, 1.50, 1.60, and 1.70.

The resulting samples were tested for ash and sulfur. A composite sample, assumed to be analyzed at a cumulative Float 1.50 specific gravity sample, was tested for a Proximate Analysis and Free Swelling Index. These basic coal quality tests were performed by Warrior Met's in-house lab. Over the years, select samples have been sent to various laboratories including: SGS; Coal Tech Petrographic Associates; and Precision Testing Laboratory for more specialized testing. These analyses include Ultimate Analysis, Hardgrove Grindability, Ash Fusion Temperature, Ash Composition, Coke Reactivity Index, Coke Strength After Reaction, Arnu Dilatometer, Gieseler Plasticity, and Petrographic Analysis. Report dates for the S-series borings include data from 2009 through 2023.

10.2 Warrior Met's Current Exploration Procedures

During Warrior Met's 2023 exploration program on the Property, eight (8) fully cored or spot-cored holes have been drilled. Coal samples were subsequently delivered to Warrior Met's laboratory for analytical testing, the results of which have been included in this report.

10.3 Quality Assessment

Coal quality parameters (yield, ash and sulfur) at a cumulative float gravity of 1.50 were used to assess the consistency of the data across the holes described above. MM&A reconstituted a combined Mary Lee, Middleman and Blue Creek section for each honored drill hole. In instances where a float gravity of 1.50 was not tested, appropriate values were determined using graphical interpolation of similar holes. These values were processed using Carlson Software and the grids were generated to contour and assess consistency across the mine property. MM&A determined that in-seam yield and product ash were generally consistent across Areas A through D when assessing the total mineable section.



Product sulfur appears to generally increase gradually from the eastern to western portion of the Property. Further exploration is recommended to confirm or dispute this trend.

The results of these exploration programs have been assembled and tabulated in a Microsoft® Excel spreadsheet to determine the basic statistical parameters (average, maximum, minimum) of typical chemical and physical coal quality properties. The data has been tabulated for the Mary Lee, Blue Creek, and Total Seam (including the Middleman) by density class.

For Areas A through D, the basic statistical parameters for each seam at a float 1.50 gravity, or nearest available gravity, are shown below in *Table 10-1*. Samples that were deemed to be erroneous were excluded from calculations.

Table 10-1: Yield, Clean Ash and Sulfur (1.5 SG), Eastern Mining Areas A Through D

	Mary Lee Float 1.5			Blue Creek Float 1.5		
	% Rec.	% Ash	% Sulfur	% Rec.	% Ash	% Sulfur
Average	88.15	12.79	0.90	91.91	8.53	0.61
Maximum	96.26	14.26	1.20	98.01	11.15	0.79
Minimum	76.09	11.51	0.71	73.50	6.98	0.52
No. of Samples	20	20	20	21	21	21

Coal quality for Area E1 is shown on *Table 10-2* below.

Table 10-2: Yield, Clean Ash and Sulfur (1.5 SG), Eastern Mining Area E1

	Mary Lee Float 1.5			Blue Creek Float 1.5		
	% Rec.	% Ash	% Sulfur	% Rec.	% Ash	% Sulfur
Average	87.63	13.22	1.26	84.63	10.65	1.04
Maximum	90.03	13.86	1.85	85.68	10.85	1.36
Minimum	85.78	12.69	0.93	83.43	10.44	0.83
No. of Samples	3	3	3	3	3	3

As stated previously, the method of sampling, testing, and reporting was not consistent across the different data series. Due to the lack of summary reports describing the testing procedures, observations of the reported data were used to determine when a combined sample (i.e., combination of Mary Lee and Blue Creek horizons) sample did or did not include the middleman parting. This observation was used to exclude data when necessary as well as identify what borings required further data processing for inclusion in MM&A's analysis. Where quality results were deemed not useful or unrepresentative, those results were excluded (not honored) from statistical analyses and coal quality modeling but are included within detailed coal quality tables in MM&A's files for informational purposes with the appropriate qualifying comments.

10.4 Derivation of Product Yield

Generalized washabilities (i.e., cumulative float tables at various gravities) were produced for both the Mary Lee and Blue Creek seams. Due to the lack of sizing data, the washabilities are presented on a



whole (by zero) basis with top-sizes varying between 2 inches and one-quarter inch, depending on the vintage of the drill hole. Averages were generated for each respective float specific gravity. This introduced some bias, as certain gravities included analysis for more holes, because not all holes were evaluated at the same gravity increments. Efforts were made to include as much of the provided washability data as possible. Data points that were deemed to be erroneous were omitted from the analysis. Likewise, the M-series data was not included in the average because its test work included the parting between the Mary Lee and Blue Creek seams. Due to the thickness variability of the respective Mary Lee and Blue Creek seams, it was determined that yields were to be calculated independently for each seam, with the assumption that all Middleman material reports to reject circuitry.

All the provided exploration data was from exploration core testing. Quality evaluations associated with slim core testing (including NX-sized core) tend to produce cleaner ash and higher yield than is achievable during the mining process. This is due to the small top-size of the core samples which provide greater coal-ash liberation than expected in a typical run-of-mine product. Additionally, laboratory results are theoretical and do not account for plant inefficiencies or losses. MM&A modified yields and clean ash values as presented in *Table 10-1* above to reflect a 96-percent plant efficiency and a 0.25-percent gain in clean ash for the 1.5 float product.

For Areas A through D, examining the total seam washability shows that washing the combined coal at a 1.50 specific gravity results in a product ash of 10-percent with yields approaching 87-percent on a dry basis. Projecting this cut point on an individual seam basis suggests respective yields of 88-percent and 85-percent for the Blue Creek and Mary Lee seams, inclusive of a 96-percent plant efficiency factor. Average washabilities suggest individual dry product ashes of 8.7-percent and 13.0-percent for the Blue Creek and Mary Lee seams. As the relative thicknesses and subsequent tonnage ratios vary from the average 2.3 to 1 (Blue Creek to Mary Lee), total clean ash will fluctuate. Production timing as incorporated in financial modeling suggests annual average clean ash variations to be in the range of 0.5-percent. Localized higher ash zones and zones with relatively low percentages of Blue Creek coal will result in higher ash fluctuations. Such fluctuations in quality can be mitigated by stockpiling raw and clean coal and blending.

Specific to area E1, MM&A extrapolated and interpolated 1.40 and 1.50 float data to project clean coal qualities in area E1 at a projected float of 1.45, netting a 10.7 ash product (inclusive of aforementioned ash adder) and sulfur values of 1.0 to 1.2-percent. Further, all tonnes associated with Area E1 were defaulted to an "indicated" status, reflective of the amount of supporting coal quality information and information which suggests elevated ash and sulfur.

10.5 Relationship of Tests to the Whole

The actual quality of shipped coal will likely vary due to the following factors: 1) particle size of the coal fed to the plant; 2) specific gravity of the float media in use at the preparation plant; 3) type of plant



circuit(s); 4) efficiency of the plant circuit(s); 5) the moisture content of the final product; and 6) customer requirements.

However, once baseline coal quality is established, additional sampling programs and testing procedures can be implemented to assist with: 1) predicting additionally refined plant yields which account for anticipated particle sizes that reflect a typical run-of-mine (ROM) product and include OSD; 2) assessing optimum specific gravity of preparation plant float media to meet product specifications; and 3) further designing and/or modifying plant circuit(s) if necessary.

In general, the data obtained thus far shows that the quality attributes are reasonably consistent and should allow for predictability of the product coal quality from the subject seams.

10.6 Lab Information

Currently, samples are analyzed at a company-operated coal testing laboratory located in Brookwood, Alabama. While Warrior Met's Central (company) Lab does not hold certifications, the consistency of analyzed exploration data leads confidence to the accuracy of analyzed results. MM&A assumes that laboratory testing has followed appropriate ASTM or equivalent standards, including those defined under ASTM standards including, but not limited to:

- > *ASTM D 4371* – Test Method for Determining Washability Characteristics of Coal
- > *ASTM D 3174* – Method for Ash in the Analysis Sample of Coal and Coke
- > *ASTM D 3175* – Test Method for Volatile Matter in the Analysis Sample of Coal and Coke
- > *ASTM D 5515* - Test Method for Determination of the Swelling Properties of Bituminous Coal Using a Dilatometer (Arnu)
- > *ASTM D 2639* – Test Method for Plastic Properties of Coal (Gieseler)

10.7 Relevant Results, Metallurgical Quality

Table 10-4 presents a summary of the ranges of available metallurgical quality data for the combined seams. This data covers samples from various float gravities as well as the total number of samples analyzed per data set. Data from any erroneous holes were excluded from the reported ranges. Detailed metallurgical quality tables are retained in MM&A's files. Three sets of quality tables provide seam Rheological Information, Petrographic Information, as well as summarize any additional testing. The individual coal sample reports from the various coal testing laboratories are held in the MM&A files and can be provided upon request.

Table 10-3: Metallurgical Characteristics

Elemental Ash Analysis	Total Seam			Wedge Sample
	Min	Max	No. of Samples	
Na ₂ O (Sodium Oxide) + K ₂ O (Potassium Oxide)	1.75	3.76	17	
Base / Acid Ratio (in ash)	0.1	0.2	17	
Audibert-Arnu				
Maximum Dilatation	113	180	5	
Maximum Contraction	-27	-22	5	
Gieseler Plasticity				
Max. Fluidity DDPM (dial divisions per minute)	1300	30000	82	
Fluid Temp. (Plastic) Range °C	71	117	82	
Petrographic Indices				
Hardgrove Grindability Index	54	67	53	
Free Swelling Index (FSI)	8	9	66	
Mean Max Reflectance %	0.95	1.23	127	
Composition Balance Index (CBI)	0.22	1.01	127	
Rank Index (Calculated Strength)	3.22	5.18	127	
Calculated Stability Factor	30	64.5	21	54-56
Coke Reactivity Index (CRI)	31.8	34.5	2	22-24
Coke Strength After Reaction (CSR)	45.2	48	2	62-64

Note:

Warrior Met obtained a sizeable sample for testing via wedging. Such samples provide a more confident analysis for various tests due to the size of the sample in comparison to a relatively small core sample. Stronger reliance should be placed upon the wedge samples.

10.8 Pertinent Results and Opinion of the Qualified Person

Wash recovery factors on a seam-by-seam basis, exclusive of dilution material, is summarized in the table below. Additionally, wash recovery estimates on a LOM basis are included, reflective of dilution material.

Table 10-4: Summary of Wash Recovery Assumptions

Seam	Basis	Wash Recovery (%)
Area A - D		
Mary Lee	Simulations to Achieve 10% Ash Product	84.6%
Blue Creek		88.2%
Area E1		
Mary Lee	Simulations to Target Practically Achievable Ash of 10.7%	65.7%
Blue Creek		71.8%
LOM		
Mary Lee + Blue Creek + Dilution	Above Assumptions + Consideration of Dilution	60.6%

The Qualified Persons finds that the metallurgical and mineral processing information derived from historical and ongoing exploration campaigns is adequate to document mineral resources and reserves



presented herein. The distribution of quality information has been considered in measured and indicated resource status, and subsequently in probable and proven reserve status. Warrior Met's ongoing drilling campaigns are addressing short-term and long-term quality projections.

11 Mineral Resource Estimates

MM&A independently created a geologic model to define the coal resources at the Property. Coal resources were estimated as of December 31, 2023. Resources are reported **inclusive** (Areas A through E1) of coal reserves and **exclusive** of coal reserves (Areas E2 and E3). Resources for Areas A through E1 presented herein are utilized for mine planning purposes, and subsequently, reserve estimates. Due to constraints imposed by differences in coal quality testing methodology, resources represent in-place coal tonnages and in-place coal quality, exclusive of the interburden between the Mary Lee and Blue Creek seams (a.k.a. *Middleman*). Ash bands and partings within the Mary Lee and Blue Creek horizons are included in tonnage and quality projections for the property's resource. Pertinent definitions related to mineral resources are shown below.

- > **Mineral Resource** is a concentration or occurrence of material of economic interest in or on the Earth's crust in such form, grade or quality, and quantity that there are reasonable prospects for economic extraction. A mineral resource is a reasonable estimate of mineralization, taking into account relevant factors such as cut-off grade, likely mining dimensions, location or continuity, that, with the assumed and justifiable technical and economic conditions, is likely to, in whole or in part, become economically extractable. It is not merely an inventory of all mineralization drilled or sampled.
- > **Inferred Mineral Resource** is that part of a mineral resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. The level of geological uncertainty associated with an inferred mineral resource is too high to apply relevant technical and economic factors likely to influence the prospects of economic extraction in a manner useful for evaluation of economic viability. Because an inferred mineral resource has the lowest level of geological confidence of all mineral resources, which prevents the application of the modifying factors in a manner useful for evaluation of economic viability, an inferred mineral resource may not be considered when assessing the economic viability of a mining project and may not be converted to a mineral reserve. No inferred mineral resources are considered as part of this exercise.
- > **Indicated Mineral Resource** is that part of a mineral resource for which quantity and grade or quality are estimated on the basis of adequate geological evidence and sampling. The level of geological certainty associated with an indicated mineral resource is sufficient to allow a qualified person to apply modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Because an indicated mineral resource has a lower level of

confidence than the level of confidence of a measured mineral resource, an indicated mineral resource may only be converted to a probable mineral reserve.

- > **Measured Mineral Resource** is that part of a mineral resource for which quantity and grade or quality are estimated on the basis of conclusive geological evidence and sampling. The level of geological certainty associated with a measured mineral resource is sufficient to allow a qualified person to apply modifying factors, as defined in this section, in sufficient detail to support detailed mine planning and final evaluation of the economic viability of the deposit. Because a measured mineral resource has a higher level of confidence than the level of confidence of either an indicated mineral resource or an inferred mineral resource, a measured mineral resource may be converted to a proven mineral reserve or to a probable mineral reserve.

11.1 Assumptions, Parameters and Methodology

Geological data were imported into Carlson Mining[®] (formerly SurvCADD[®]) geological modelling software in the form of Microsoft[®] Excel files incorporating drill hole collars, seam and thickness picks, bottom seam elevations and raw and washed coal quality. These data files were validated prior to importing into the software. Once imported, a geologic model was created, reviewed and verified- with a key element being a gridded model of coal seam thickness. Resource tonnes were estimated by using the seam thickness grid based on each valid point of observation and by defining resource confidence arcs around the points of observation. Points of observation for Measured and Indicated confidence arcs were defined for all valid drill holes that intersected the seam using standards deemed acceptable by MM&A based on a detailed geologic evaluation and a statistical analysis of all drill holes within the projected reserve areas as described in *Section 11.1.1*. The geological evaluation incorporated an analysis of seam thickness related to depositional environments, adjacent roof and floor lithologies, and structural influences.

After validating coal seam data and establishing correlations, the thickness and elevation for seams of economic interest were used to generate a geologic model. Due to the reasonable continuity of the coal beds, the principal geological interpretation necessary to define the geometry of the coal deposits is the proper modeling of their thickness and elevation. Both coal thickness and quality data are deemed by MM&A to be reasonably sufficient within the resource areas. Therefore, there is a reasonable level of confidence in the geologic interpretations required for coal resource determination based on the available data and the techniques applied to the data.

Table 11-1 below provides the geological mapping and coal tonnage estimation criteria used for the coal resource and reserve evaluation. These cut-off parameters were developed by MM&A based on its experience with comparable mining projects. This experience includes technical and economic evaluations of numerous properties in the region for the purposes of determining the economic viability of the subject coal reserves.



Table 11-1: General Reserve and Resource Criteria

Item	Parameters	Technical Notes & Exceptions*
• General Reserve Criteria		
Reserve Classification	Reserve and Resource	
Reliability Categories	Reserve (Proven and Probable) Resource (Measured and Indicated)	To better reflect verified geological information, “arcs” which represent indicated resource (probable reserve) and measured resource (proven reserve) are limited to those holes in which MM&A verified source data
Effective Date of Resource Estimate	December 31, 2023	Property is currently under development.
Effective Date of Reserve Estimate	December 31, 2023	Property is currently under development.
Seam Density	Variable, dependent upon seam characteristics (based on available drill hole quality). Density estimates are based upon the relative thickness of the 3 primary constituents of the mineable section, with the Mary Lee, Middleman and Blue Creek respectively modeled at 89, 140 and 85 pounds per cubic foot.	
• Underground-Mineable Criteria		
Map Thickness	Total seam thickness	
Minimum Seam Thickness	Approximately attributed to an equivalent 3-foot of combined coal thickness between the Mary Lee and Blue Creek horizons	In some instances, projections extend beyond 3-ft coal thickness cutoff for contiguous mine plan.
Minimum Mining Thickness	5-feet for Longwall Mining; 7-feet for Continuous Mining Sections	
Minimum In-Seam Wash Recovery	Driven by 3-foot coal thickness	
Wash Recovery Applied to Coal Reserves	Variable, dependent upon seam characteristics (based on available drill hole quality). Recovery estimates are based upon the relative thickness of the 3 primary constituents of the mineable section, with the Mary Lee, Middleman and Blue Creek respectively modeled at 85, 0 and 88 percent for mining areas A-D and 66, 0 and 72 percent for Area E1.	
Out-of-Seam Dilution Thickness for Run-of-Mine Tonnes Applied to Coal Reserves	0 inches	Dilution assumed to wash-out of ROM product and is not included in saleable reserves. Financial modeling includes assumption of minimum of 3-inches of Out-of-Seam dilution at 140 lb./ft ³ density
Mine Barrier	Not Applicable—Projections Do Not Border Active or Abandoned Reserves	
CBM Wells	CBM Wells Assumed to be Plugged Ahead of Mining and Mined Through. No reserve/resource reductions considered.	
Adjustments Applied to Coal Reserves	10 percent moisture increase; 4 percent preparation plant inefficiency (included in aforementioned wash recovery). Longwall panel tonnages further decreased by 5-percent factor to account for uncertainty associated with faulting.	

11.1.1 Statistical Analysis for Classification

MM&A completed a statistical analysis on drill holes within the reserve boundaries to determine the applicability of the common United States classification system for measured and indicated coal resources. Historically, in the United States it has been assumed that coal within ¼ mile of a point of observation represents a measured resource whereas coal between ¼ mile and ¾ mile from a point of observation is classified as indicated. Inferred resources are commonly assumed to be located between ¾ mile and 3 miles from a point of observation. Per SEC regulations, only measured and indicated resources may be considered for reserve classification, respectively as proven and probable reserves.



A general acceptable thickness variation for measured resources is approximately 20 percent. Thickness variations for indicated resources are assumed to average less than 30 percent, which is also comparable with historical standards.

MM&A extracted drill hole information from within projected reserve areas, which included coordinates (northing and easting) and combined Mary Lee and Blue Creek seam thickness. The drill holes included diamond core, rotary, and CBM holes. Those holes which lacked source data (i.e., lacked high resolution geophysical logs or original drillers logs) were fileted separately.

Once the data was extracted, matrices were formed to calculate the distance and percent change in seam thicknesses between each combination of drill holes in the reserve area. Distances were then sorted from smallest to largest and the variation in thicknesses was analyzed as a function of distance between drill holes. Ultimately, the average variation in thicknesses between drill holes at ¼-, ¾- and 3-mile intervals were calculated to determine the applicability of common US resource classification systems.

The total number of drill holes used in this study is 517, of which 275 are included as source data. *Table 11-2* is a breakdown of the statistics used in the study with all three bench configurations combined.

Table 11-2: Statistical Analysis of Drill Hole Data Spacing

Classification:	Measured	Indicated	Inferred
Distance Between Drill holes (miles):	0 – ¼	¼ - ¾	¾ - 3
Number of Data Pairs (Source Data Only):	518	4,694	41,192
<i>Number of Data Pairs (All Data):</i>	<i>1,478</i>	<i>10,604</i>	<i>119,622</i>
Average Thickness Variation (Source Data Only):	24%	28%	33%
<i>Average Thickness Variation (All Data):</i>	<i>45%</i>	<i>40%</i>	<i>57%</i>
Percent of Pairs Exhibiting Less Than 20-percent Negative Variability (Source Data Only):	80%	80%	78%
<i>Percent of Pairs Exhibiting Less Than 20-percent Negative Variability (All Data):</i>	<i>73%</i>	<i>75%</i>	<i>69%</i>

As is shown, the thickness variation between holes (verified data only) is approximately equivalent to historically accepted standards. Utilizing all of the drill hole information, including that which lacks source data, significant variations exist which would prohibit historically accepted standards. As such, MM&A only utilized those points of observation with source information for indicated and measured status. Of important note, thickness modeling for resource (and subsequently, reserve) estimates included all available thickness information, including the highly variable, non-vetted drill holes which lack source information. MM&A initially computed resource estimates both with and without the highly variable, non-vetted information. Resources estimates were within 1-percent of one-another, despite the highly variable nature of the non-vetted information.

MM&A geologists and engineers modeled the deposit to reflect the realities of mining. This statistical study demonstrates that for each configuration of mineable seams, the classification system of measured (0 to ¼ mile), indicated (¼ to ¾ mile), and inferred (¾ to 3 miles) is reasonably adequate to

predict seam thickness variation for modeling and mining purposes, for those drill holes which contain sufficient source exploration to be deemed reliable points of observation for thickness.

11.2 Qualified Person's Estimates

Based on the work described and detailed modelling of the areas considering all the parameters defined, a coal resource estimate, summarized in *Table 11-3*, was prepared as of December 31, 2023, for Property (see *Appendix A*). Resources represent in-place coal tonnages *exclusive* of the interburden, but inclusive of any high-ash partings within the Mary Lee and Blue Creek coal seams. As such, in-situ tonnages and quality as presented in *Table 11-3* reflect the inclusion of high-ash partings which are ultimately removed after mining during coal preparation.

Table 11-3: Coal Resources Summary as of December 31, 2023

Seam	Coal Resource (Dry Tonnes, In Situ, Mt)				Resource Quality (Dry)		
	Measured	Indicated	Inferred	Total	Ash%	Sulfur%	VM%
Inclusive of Reserves							
Mary Lee	18.3	12.6	0.0	30.9	-	-	-
Blue Creek	48.5	25.5	0.0	74.0	-	-	-
Total	66.8	38.1	0.0	104.9	13.9	0.7	30
Exclusive of Reserves							
Mary Lee	0.0	12.9	0.0	12.9	-	-	-
Blue Creek	0.0	26.8	0.0	26.8	-	-	-
Total	0.0	39.7	0.0	39.7	18.8	1.4	31
Grand Total	66.8	77.8	0.0	144.5	-	-	-

Note 1: For A through E1, Resource tonnes are inclusive of reserve tonnes since they include the in-situ tonnes from which recoverable coal reserves are derived.

Note 2: For E2 and E3, Resource tonnes are exclusive of reserve tonnes since they include the in-situ tonnes for which no recoverable reserve tonnes have been estimated.

Note 3: Coal resources are reported on a dry basis, inclusive of high-ash partings which are ultimately removed during coal preparation. Surface moisture and inherent moisture are excluded.

Note 4: Coal resource quality reported on a raw, weight-averaged basis. Totals may not add due to rounding.

11.3 Qualified Person's Opinion

Based on the data review, the attendant work done to verify the data integrity and the creation of an independent geologic model, MM&A believes this is a fair and accurate representation of the Property's resources.

Resources exclusive of reserve are limited by quality definition. Initial drilling suggests potentially higher ash and sulfur parameters in comparison to the eastern areas. Sufficient exploration data exists to define the thickness distribution trends of the western area, but ongoing additional exploration is needed to better define quality characteristics of the subject coals. Additionally, the western resource area exhibits thinner seam characteristics than the eastern area. Extrapolation of trends between seam thickness and costs suggests that the coals in the western resource area could be mined at reasonably similar costs to those in the east, albeit higher. The market impact of potentially higher ash and sulfur values is unknown. Warrior Met is conducting an exploration campaign to better define these trends.



12 Mineral Reserve Estimates

12.1 Assumptions, Parameters and Methodology

Coal Reserves are classified as *proven* or *probable* considering “modifying factors” including mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors.

- > **Mineral Reserve** is an estimate of tonnage and grade or quality of indicated and measured mineral resources that, in the opinion of the qualified person, can be the basis of an economically viable project. More specifically, it is the economically mineable part of a measured or indicated mineral resource, which includes diluting materials and allowances for losses that may occur when the material is mined or extracted.
- > **Proven Coal Reserves** are the economically mineable part of a measured coal resource, adjusted for diluting materials and allowances for losses when the material is mined. It is based on appropriate assessment and studies in consideration of and adjusted for reasonably assumed modifying factors. These assessments demonstrate that extraction could be reasonably justified at the time of reporting.
- > **Probable Coal Reserves** are the economically mineable part of an indicated coal resource, and in some circumstances a measured coal resource, adjusted for diluting materials and allowances for losses when the material is mined. It is based on appropriate assessment and studies in consideration of and adjusted for reasonably assumed modifying factors. These assessments demonstrate that extraction could be reasonably justified at the time of reporting.

Upon completion of delineation and calculation of coal resources, MM&A generated a LOM plan for the Project. The footprint of the LOM plan is shown on the maps in various figures throughout the text. The mine plan was generated based on previous mine plans, anticipated lease acquisitions, and operational criteria with modifications where necessary due to geologic mapping, or other factors determined during the evaluation.

Carlson Mining software was used to generate the LOM plan. The mine plan was sequenced based on productivity schedules developed collaboratively between MM&A and Warrior Met. MM&A judged the productivity estimates and plans to be reasonable based on experience and current industry practice. Mining plans encompass a significant portion of uncontrolled tonnage. While a risk, it is assumed that adverse parcels will be acquired as needed by Warrior Met to support longwall mining.

A minimum mining height of 5 feet was used due to the longwall mining method being employed, and 7.0 feet for continuous miner sections. For coal seams thinner than the assigned mining height, the difference between the coal seam height and assigned mining height consists of OSD. Mine recovery generally varies between 30 and 60 percent for continuous mining panels, and 95 percent for longwall. Plant recovery is a function of in-seam recovery, OSD and adjustments to produce a 10-ash product in Areas A-D and a 10.7-percent ash product in Area E1. A typical entry width is 20-feet.



Raw, ROM production data outputs from LOM plan sequencing were processed into Microsoft® EXCEL spreadsheets and summarized on a quarter and annual basis for processing into the economic model. Average seam densities were estimated to determine raw coal tonnes produced from the LOM plan. Average mine recovery and wash recovery factors were applied to determine coal reserve tonnes.

Coal reserve tonnes in this evaluation are reported at a 10.0-percent moisture and represent the saleable product from the Property.

Pricing, as provided by Warrior Met, is described in *Section 16.2*. The pricing data assumes an FOB railcar or barge price of approximately \$206 per metric tonne for calendar year 2024. In 2025, prices drop to approximately \$172 per tonne before climbing to a long-term price of \$204/tonne.

The coal resource mapping and estimation process, described in the report, was used as a basis for the coal reserve estimate. Proven and probable coal reserves were derived from the defined coal resource considering relevant processing, economic (including technical estimates of capital, revenue, and cost), marketing, legal, environmental, socio-economic, and regulatory factors and are presented on a moist, recoverable basis.

As is customary in the United States, the categories for proven and probable coal reserves are based on the distances from valid points of measurement as determined by the QP for the area under consideration. For this evaluation, measured resource, which may convert to a proven reserve, is based on a ¼-mile radius from a valid point of observation.

Points of observation include exploration drill holes and gas wells, approximately half of which have been vetted by the review of original, source information. The geologic model is based on seam depositional modeling, the interrelationship of overlying and underlying strata on seam mineability, seam thickness trends, the impact of seam structure (i.e., faulting), intra-seam characteristics, etc. Once the geologic model was completed, a statistical analysis, described in *Section 11.1.1* was conducted and a ¼-mile radius from a valid point of observation was selected to define Measured Resources. Likewise, the distance between ¼ and ¾ of a mile radius was selected to define Indicated Resources. Indicated Resources may convert to Probable Reserves.

There are no Inferred Resources (greater than a ¾-mile radius from a valid point of observation) within the mine plan, resources, or reserves.

12.2 Qualified Person's Estimates

The coal reserves, as shown in *Table 12-1*, are based on a technical evaluation of the geology and a bankable feasibility study of the coal deposits. The extent to which the coal reserves may be affected by any known environmental, permitting, legal, title, socio-economic, marketing, political, or other relevant issues has been reviewed. Similarly, the extent to which the estimates of coal reserves may be materially affected by mining, metallurgical, infrastructure and other relevant factors has also been considered. Such factors include a mine recovery of 67 percent derived from an engineered mine plan,



the consideration of out-of-seam and in-seam dilution material, an effective a wash recovery of 61 percent and the consideration of moisture factors. Projected mine recovery for Blue Creek in comparison to Warrior Met’s other active mines is lower due to faults present in the reserve area which were considered when designing the mine plan.

The results of this TRS define an estimated 67.6 Mt of proven and probable marketable coal reserves.

Table 12-1: Coal Reserves Summary, Specific to Mining Areas A through E1, (Marketable Sales Basis) as of December 31, 2023

Seam	Demonstrated Coal Reserves (Wet Tonnes, Washed or Direct Shipped, Mt)						Quality (Dry Basis)			Wash Recovery %
	By Reliability Category			By Control Type			Ash%	Sulfur%	VM%	
	Proven	Probable	Total	Owned	Leased	Option				
Mary Lee	11.4	7.7	19.1	3.1	13.8	2.2	13.0	0.9	32	61%
Blue Creek	31.9	16.6	48.5	8.2	35.5	4.8	8.8	0.6	32	
Total	43.3	24.3	67.6	11.3	49.2	7.1	10.0	0.7	32	

Note 1: Marketable reserve tonnes are reported on a moist basis, including a combination of surface and inherent moisture. The combination of surface and inherent moisture is modeled at 10-percent, comparable to Warrior Met’s current product moisture at its operating mines. Actual product moisture is dependent upon multiple geological factors, operational factors, and product contract specifications.

Note 2: Wash recovery is based on LOM planning and reflects projected plant recovery after the consideration of out-of-seam dilution. Wash recover is not stated on a seam-by-seam basis, as the Mary Lee and Blue Creek seams are mined together – allocation of dilution material on a seam-by-seam basis would introduce confusion with regards to wash recovery. Detailed reserve tables (see Appendix) show projected in-seam wash recovery on a seam-by-seam basis, absent dilution assumptions.

Note 3: Coal Reserves are based upon sales assumptions provided to MM&A by Warrior Met and were relied upon by MM&A. Financial modeling assumes a long-term sales price of approximately \$204/tonne (FOB-mine). See Chapter 16 for further details on marketing assumptions.

Totals may not add due to rounding.

12.3 Qualified Person’s Opinion

The estimate of coal reserves was determined in accordance with SEC standards.

The LOM mining plan for the Property was prepared to the level of preliminary feasibility. Mine projections were prepared with a timing schedule to match production with coal seam characteristics. Production timing was carried out from current locations to depletion of the coal reserve area. Coal reserve estimates could be materially affected by the risk factors described in Section 22.2.

Based on the preliminary feasibility study and the attendant economic review, MM&A believes this is a fair and accurate estimation of Property’s coal reserves.

13 Mining Methods and Mine Plan Design

13.1 Geotechnical and Hydrologic Aspects of Mine Design

13.1.1 Horizontal Stress

The orientation and magnitude of horizontal stress in the subject area has not been measured; however, consideration of published data from The World Stress Map Project and industry experience



in the general region suggests that the orientation of the principal horizontal stress may be between approximately N50°E and N70°E. No significant horizontal stress issues are known to have been reported at Warrior Met's Mine No. 4 and Mine No. 7. Future exploration activities may consider conducting horizontal stress-related measurements, potentially via overcoring to determine stress magnitude and direction or by using an Acoustic Televiewer (ATV) downhole geophysical probe to detect principal horizontal stress orientation.

13.1.2 Pillar Design

Pillar design for the proposed mine has been evaluated considering design methodology successfully implemented at nearby mines, as well as with modern pillar design software. Deep mining in the subject region commonly implements a yield pillar design (herein referred to as the Wilson Method) as described in Carr and Wilson (1982) and Martin, et al. (1988). In addition, pillar design specific to the subject area is discussed in Park (1989). In addition to assessment via the Wilson Method, the proposed pillar designs were also evaluated using a software package known as Analysis of Coal Pillar Stability (ACPS), which includes a combination of methodologies initially developed as part of the National Institute for Occupational Safety & Health (NIOSH) Ground Control Toolbar. Pillar sizing and design for the proposed mining is consistent with that of Warrior Met's two active mines that operate locally in similar geologic conditions.

The proposed pillar dimensions are expected to be adequate for mine stability under typical mining conditions. Pillar stability assessment should be updated as additional geotechnical information is collected for the project. Cut-depth, panel sequencing, face ventilation, and seal locations have not been specifically considered for the current pillar stability assessment.

13.1.3 Hydrogeology

Hydrogeologic concerns are expected to be minimal within the majority of the proposed mine area, with the exception of areas near existing faults and overlain by large surface water features (see Section 7.4). Warrior Met currently operates two similar mines in the vicinity, using the same mining methods and in the same coal beds as the proposed mine. These two active mines have reportedly experienced minimal hydrologic concerns or material issues. Mining of the subject reserve is generally projected to occur in areas exhibiting similar hydrogeological conditions as Warrior Met's other active mines, including stream undermining, undermining of aquifers, and mining through hydraulically fractured coalbed methane wells. Based upon the history of the current operations with regards to hydrogeological matters, the proposed operation is not expected to be significantly affected by mine-wide hydrogeologic issues. Former hydrogeologic studies of the area by others suggest possible water inflow challenges in limited portions of the projected mining areas. Most notably, the northern portions of reserve Area D (located immediately adjacent (north and northeast) of the projected slope bottom area) could exhibit hydrogeological challenges. This area is largely isolated from initial longwall mining and is not planned to be mined until the later years of the project's life. Further follow-up studies are recommended to better understand the mechanisms which could contribute to water inflow and to best engineer systems to mitigate such risks.



The mine's slope crosses multiple faults and a heavily fractured/breccia zone which also extends into areas proximal to the slope bottom and adjacent to the initial longwall mining district. This area is roughly encompassed by the aforementioned hydrogeologic concern areas delineated by others, although Warrior Met has not encountered hydrogeologic challenges in these zones during slope development. Warrior Met was aware of this potential encumbrance which was strategically avoided by planned initial longwall mining. MM&A has not conducted a detailed geotechnical or hydrogeological study associated with this potential hazard, but rather makes note to the reader of available lithologic data and researched publications which suggests a possible encumbrance. Warrior Met's initial longwall districts avoid areas which have been previously identified by others as potential hazards.

13.2 Production Rates

Plans summarized in this TRS include a single longwall operation which is supported by continuous mining units. Warrior Met is considering an alternative plan which would include two longwall mining units.

The mine plan and productivity expectations reflect historical performance and efforts have been made to adjust the plan to reflect future conditions. MM&A is confident that the mine plan is reasonably representative to provide an accurate estimation of coal reserves. Mine development and operation have not been optimized within the TRS. Rather, the plan is developed at the Pre-Feasibility level to gain a realistic estimate of potential operational and capital costs to demonstrate the economic viability of the subject reserves.

Productivity for continuous mining sections and longwall units reflect typical rates incurred in the region. At a steady state, the mine produces approximately 4.4 million clean tonnes per year.

Carlson Mining software was used by MM&A to generate the mine plan for the underground mineable coal seams. The mine plan was sequenced based on productivity schedules provided by Warrior Met, which were based on historically achieved productivity levels. All production forecasting ties assumed production rates to geological models as constructed by MM&A's team of geologists and mining engineers. *Table 13-1* below summarizes the production forecast for the Blue Creek Mine illustrating the clean production tonnes and tonnage breakdowns by controlled (reserve) and adverse status. Adverse tonnages represent a risk to the project, as mineral rights must be acquired ahead of mining. Such represent approximately 34-percent of the LOM projected tonnages. Risk 15 and 16, identified in *Chapter 22*, provide a discussion of the relative severity of such risks. Most notably, the acquisition of BLM properties represents a material risk to the project as projected in this TRS.



Table 13-1: Blue Creek Production Forecast Summary

Tonnes x 1,000,000	LOM	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
In Seam Tonnes, (ML + BC)	120.7	0.2	1.0	3.0	5.4	5.0	5.1	5.2	5.4	4.9	5.1
Dilution Tonnes, Raw	50.0	0.1	0.4	1.4	2.3	2.1	2.4	2.2	2.5	2.3	2.1
Total Raw Tonnes	170.7	0.3	1.5	4.4	7.7	7.1	7.4	7.4	7.9	7.2	7.3
Total Clean Tonnes	103.5	0.2	0.9	2.6	4.7	4.4	4.4	4.5	4.7	4.3	4.5
Clean Tonnes - Reserve	67.6	0.2	0.9	2.5	4.7	4.2	4.2	4.3	2.8	3.4	1.9
Clean Tonnes - Adverse	36.0	0.0	0.0	0.1	0.1	0.1	0.3	0.2	1.9	0.8	2.6
Percentage Controlled, %	65%	100%	100%	97%	99%	97%	94%	95%	59%	80%	43%
	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
In Seam Tonnes, (ML + BC)	4.8	5.0	5.3	5.5	5.2	5.2	4.6	4.8	4.7	5.0	4.8
Dilution Tonnes, Raw	2.4	2.3	2.1	2.0	1.9	1.9	1.7	1.7	1.7	1.6	1.5
Total Raw Tonnes	7.2	7.2	7.4	7.5	7.0	7.1	6.3	6.4	6.4	6.6	6.3
Total Clean Tonnes	4.2	4.3	4.6	4.7	4.5	4.5	4.0	4.1	4.1	4.3	4.1
Clean Tonnes - Reserve	0.8	1.2	3.6	3.1	3.1	3.0	2.5	0.6	1.3	2.3	1.9
Clean Tonnes - Adverse	3.4	3.1	1.0	1.6	1.3	1.5	1.5	3.5	2.8	2.0	2.2
Percentage Controlled, %	19%	29%	79%	66%	70%	68%	63%	14%	31%	54%	47%
	2045	2046	2047	2048	2049	2050	2051				
In Seam Tonnes, (ML + BC)	4.2	3.2	3.6	3.5	4.1	4.1	3.0				
Dilution Tonnes, Raw	1.5	1.9	1.7	1.4	1.4	1.8	1.6				
Total Raw Tonnes	5.6	5.1	5.3	4.9	5.5	5.9	4.7				
Total Clean Tonnes	3.0	2.3	2.8	3.1	3.6	3.6	2.7				
Clean Tonnes - Reserve	1.6	1.0	2.2	2.7	2.9	3.3	1.2				
Clean Tonnes - Adverse	1.4	1.3	0.6	0.3	0.6	0.4	1.4				
Percentage Controlled, %	52%	45%	78%	89%	82%	90%	47%				

13.3 Mining-Related Requirements

Although the continuous miner sections are significantly more expensive to operate on a cost-per-tonne basis, they are necessary to open up areas of the mine by developing main entries and gate roads in preparation for the longwall. The LOM plan included in this TRS requires three continuous mining support sections for the majority of the duration of the operation.

13.4 Required Equipment and Personnel

The Blue Creek Project will be a sister operation to Warrior Met’s active operations, Mine No. 7 and Mine No. 4. The longwall shearing machines are used for extraction of coal at the production face. A chain conveyor is used to remove coal from the longwall face for discharge onto the conveyor belt which then ultimately delivers it to the slope. Development for the longwalls is conducted by the extraction of coal from the production faces using continuous miners and haulage using shuttle cars to a feeder-breaker located at the tail of the section conveyor belt. The feeder-breaker crushes large pieces of coal and rock and regulates coal feed onto the mine conveyor. Roof-bolting machines are used to support the roof on the development sections of the longwall mine and battery scoops are available to clean the mine entries and assist in delivery of mine supplies to work areas. Other supplemental equipment such as personnel carriers, supply vehicles, etc., are also used daily.



Mine conveyors typically range in width up to 6 feet. Multiple belt flights are arranged in series to deliver raw coal to the underground storage. Along the main and sub-main entries and panels, a travel way is provided for personnel and materials by rubber-tired equipment or on rail. The haulage slope conveyor will be used to transport ROM coal to the surface where the coal may be sampled, crushed and washed in the preparation plant and stockpiled to await shipment.

Surface ventilation fans are installed as needed to provide a sufficient volume of air to ventilate production sections, coal haulage and transport entries, battery charging stations, and transformers in accordance with approved plans. High-voltage cables deliver power throughout the mine where transformers reduce voltage for specific equipment requirements. *The Mine Improvement and New Emergency Response Act of 2006 (MINER Act)* requires that carbon monoxide detection systems be installed along mine conveyor belts and that electronic two-way tracking and communications systems be installed throughout the underground mine. Water is required to control dust at production sections and along conveyor belts, and to cool electric motors. Water is available from nearby sources and is distributed within the mine by pipelines as required. At a steady state, the mine is projected to employ approximately 435 employees.

14 Processing and Recovery Methods

14.1 Description or Flowsheet

A new coal processing plant is being constructed to handle the run-of-mine coal from the proposed longwall operation. Current plans call for a processing plant with a capacity of 1,800 tonnes per hour (1,620 metric tonne per hour). Following initial sizing of the material, the coarse coal (2-inch by 1-mm) is to be cleaned using a dense media cyclone (DMC) with the overflow from the DMC being dried via clean coal centrifuges.

The undersize material (sub-1-mm) will be divided at 100-mesh via classifying cyclones. The underflow material from the cyclones (greater than 100-mesh) is processed by spirals. The overflow stream from the classifying cyclones (smaller than 100-mesh) is to be treated using stack cell flotation technology.

The cleaned coal from the flotation and spiral units will be combined and dewatered using a screen bowl centrifuge (SBC).

Warrior Met is planning to utilize various novel dewatering techniques and is planning to utilize test batches of coal from bottom development to fine-tune the preparation plant. Warrior Met reports success in utilizing such processes at its active plants.



Table 14-1: 5 Years of Projected Wash Yields for Blue Creek

Total LOM	Basis	Projected Yield %
2024	Projected	63%
2025	Projected	62%
2026	Projected	60%
2027	Projected	61%
2028	Projected	61%
LOM	Projected	61%

15 Infrastructure

15.1 Mine Ventilation

The subject coal reserves will be accessed via a combination of vertical shafts and a slope. Ventilation to the Blue Creek mine workings will be provided through multiple shafts, utilizing an exhausting ventilation fan atop the main return shaft to power the airflow. The fresh-air intake shaft will be divided, housing a personnel/supply elevator to service the mine as well as provide intake air. Prior to longwall startup, a dedicated intake shaft will be developed on the initial mains to support longwall ventilation. In conjunction with the longwall mining plan, each longwall district will be ventilated using a dedicated bleeder shaft with its own exhaust fan. Additional main ventilation shafts will be needed as the mainline entries progress further from the slope bottom.

15.2 Methane

Methane is not expected to adversely affect mine production and should be managed with attention to sound ventilation practices. Coalbed degasification and methane drainage are very mature practices in the BWB and many of the CBM wells began degasification 20 to 30 years ago. Therefore, it is expected that degasification has been completed to the extent that methane will not represent a significant source of production delays.

CBM liberated during mining can create a safety hazard and interrupt production if the concentrations along the working face exceed safe limits. The mine ventilation system has been designed to deliver sufficient volume of air to ensure that the methane concentration in the immediate return of the production sections does not exceed 1 percent. Factors that may affect the concentration and liberation of methane gas during mining include depth of overburden cover, which generally exceeds 1,000 feet in the proposed mine area; geology and structural features such as faults; mine production rates; methane release characteristics of the coal seam; and previous CBM development (vertical and/or horizontal wells).



15.3 Materials Handling

Transport of coal within the mine and to the surface via the slope will be done exclusively with belt conveyors. The Blue Creek conveyors are designed to accommodate constant, high volume longwall production.

15.4 Seam Access

Access to the mine will be provided by a combination of a slope and shafts. Warrior Met reports that as of the issuance of this TRS, the slope and initial shafts have reached their ultimate depth. The decline slope will be for conveyor access, in order to transport ROM coal from the mine and multiple shafts will allow for transport of personnel, materials, and equipment as well as serve for ventilation purposes. Details pertaining to engineering design of slopes and shafts are retained in MM&A and/or Warrior Met's files.

15.5 Surface Infrastructure

15.5.1 Preparation Plant & Materials Handling Infrastructure

The Project includes surface facilities actively being constructed at multiple locations in close proximity to the intersection of State Route 69 and Brandon School Road. The map in *Figure 15-1* illustrates the locations of various site infrastructure.

Warrior Met reports that both the primary service intake shaft and first return ventilation shaft were completed in Q4 2023 and have started lateral in-seam development of the bottom area. Warrior Met completed the construction of the primary Blue Creek office and bathhouse building in January 2024. The construction and installation of the slope head house and ROM belt structure are in advanced stages, with the slope and ROM belts feeding the raw coal storage areas anticipated to be operational in Q3 2024.

Slope development has advanced approximately 4,400 of the designed 4,757 linear feet and has less than 400 feet of remaining development. The slope is anticipated to be completed and tied into the bottom development area in March 2024.

Construction of the preparation plant foundation and supports are currently taking place. An initial circuit of the preparation plant is expected to be operational in Q1 2025. Reclaim tunnels for both the raw and clean coal pile storage areas are underway, with tunnel walls being erected. Completion of the entire preparation facility and supporting infrastructure is anticipated to be completed in Q4 2025.

Figure 15-1: Approximate Location of Plant and Various Infrastructure



15.5.2 Clean Coal Transportation

This TRS assumes that clean coal is shipped to market via a rail loadout NW of the mine's surface facilities near Berry. Coal will be transported to the rail loadout via a conveyor system. Additionally, Warrior Met plans to utilize truck transportation for a portion of the coal to a barge loadout to be constructed on the Black Warrior River.

Development of both the barge and rail loadout facilities were initiated in Q4 2024 with the start of site development and bulk earthwork grading. The rail loadout facility is projected to be operational by Q2 2025, with the barge loadout facility planned to be ready for use in Q4 2025.

The installation of a 9-mile overland clean coal belt is designed and planned to transport products from the clean coal site to the rail loadout facility. This overland clean coal conveyor is partially permitted with final permits pending. The overland conveyor is expected to be fully permitted in March 2024. Work on the initial portion of the overland conveyor system is planned to begin in January 2024, with the completion of the overland conveyor scheduled for Q4 2025.

15.5.3 Water Supply

The Project's water system is designed to deliver water to multiple end-use locations across the mine complex and maintain storage capacity in the freshwater impoundment. A freshwater pump in a proximal waterway will provide the majority of water for the operation, including firefighting water, plant make-up water and water for mining needs. Details pertaining to the design are retained in MM&A and Warrior Met's files.



15.5.3.1 Potable Water

Potable water will be needed at several surface locations such as the bathhouse, plant, and mine office. Additionally, potable water is required for emulsion hydraulic system for longwall equipment, preventing algae buildup in the hydraulic system. Public water is available locally through **Oakman Water Works, Inc. (Oakman)**.

Public sewers are not available in the area, requiring the construction of a sewage treatment facility to handle the raw sewage prior to discharge. Multiple systems may be required to service the preparation plant and the deep mine. Permitting actions through the Health Department and National Pollutant Discharge Elimination System (NPDES) may be required.

15.5.4 Power

Power for the Project is sourced from Alabama Power's 115kV transmission line that lies to the west of the Property. It is anticipated that the final power system will be similar to those employed at Warrior Met's active operations with additional demand starting when the plant and longwall come online. Capital associated with power systems has been included in the pre-feasibility level economic analysis.

16 Market Studies

16.1 Market Description

Drill hole data was utilized to develop average coal quality characteristics for the Project. Detailed metallurgical characteristics are presented in *Table 10-3*. Yield projections are based upon a 10% dry ash product, where possible, with sulfur percentages under 1% for Areas A through D. In the area of the mine plan where the ash is projected to average higher ashes (i.e., Area E1), pricing adjustments have been made.

All the mine production serves the metallurgical markets. The coal is expected to be marketed as a high-volatile A (typically greater than 32 percent and less than 34 percent volatile matter content) product.

Recent exploration activities in Resource and Reserve Area E1 have shown slightly elevated ash and sulfur, and as such, has been classified as an "indicated" status, reflective of the unknowns with processing and marketing. Resource Areas E2 and E3, which do not include reserves, have minimal exploration information to support market placement. The limited quality information in these areas suggests elevated ash and sulfur values which could prohibit metallurgical market placement.

16.2 Price Forecasts

Warrior Met provided MM&A with the most recent **IHS Markit Ltd. (IHS)** coking coal forecast through 2030 as the basis of the pricing assumptions. Pricing was reduced slightly in 2031 and held constant



beyond that date. Warrior Met also provided MM&A with appropriate transportation adjustments to derive FOB-mine realized sales prices from the HIS forecast.

For the purpose of this TRS, coal from the Blue Creek Mine is assumed to be sold at 95% of the US high-vol price listed; although it has qualities that will likely list it among the best high-vol A coals in the US based on strong CSR, and lower sulfur levels.

Warrior Met has recommended utilizing the HVA forecast to determine sales realizations for the Blue Creek Project. To develop the price received FOB the mine, transportation and loading were backed out of the FOB vessel price. The adjusted pricing is detailed in *Table 16-1*.

Table 16-1: Adjusted Pricing

	LOM	2024	2025	2026	2027	2028
Price FOB Vessel	\$230.94	\$234.65	\$200.45	\$207.10	\$214.70	\$223.25
Transportation and Loading	\$31.00	\$29.16	\$31.00	\$31.00	\$31.00	\$31.00
Plant to Rail or Barge Costs	\$1.20	\$3.04	\$1.19	\$1.20	\$1.19	\$1.20
Base Price FOB the Mine	\$198.74	\$202.45	\$168.25	\$174.90	\$182.50	\$191.05
Impact of higher ash area	\$0.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Price received FOB the Mine	\$198.02	\$202.45	\$168.25	\$174.90	\$182.50	\$191.05
	2029	2030	2031	2032	2033	2034
Price FOB Vessel	\$231.80	\$241.30	\$232.75	\$232.75	\$232.75	\$232.75
Transportation and Loading	\$31.00	\$31.00	\$31.00	\$31.00	\$31.00	\$31.00
Plant to Rail or Barge Costs	\$1.19	\$1.20	\$1.19	\$1.19	\$1.19	\$1.19
Base Price FOB the Mine	\$199.60	\$209.10	\$200.55	\$200.55	\$200.55	\$200.55
Impact of higher ash area	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Price received FOB the Mine	\$199.60	\$209.10	\$200.55	\$200.55	\$200.55	\$200.55
	2035	2036	2037	2038	2039	2040
Price FOB Vessel	\$232.75	\$232.75	\$232.75	\$232.75	\$232.75	\$232.75
Transportation and Loading	\$31.00	\$31.00	\$31.00	\$31.00	\$31.00	\$31.00
Plant to Rail or Barge Costs	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19
Base Price FOB the Mine	\$200.55	\$200.55	\$200.55	\$200.55	\$200.55	\$200.55
Impact of higher ash area	\$0.00	\$0.00	\$0.18	\$0.25	\$0.35	\$0.15
Price received FOB the Mine	\$200.55	\$200.55	\$200.38	\$200.30	\$200.21	\$200.40
	2041	2042	2043	2044	2045	2046
Price FOB Vessel	\$232.75	\$232.75	\$232.75	\$232.75	\$232.75	\$232.75
Transportation and Loading	\$31.00	\$31.00	\$31.00	\$31.00	\$31.00	\$31.00
Plant to Rail or Barge Costs	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19	\$1.19
Base Price FOB the Mine	\$200.55	\$200.55	\$200.55	\$200.55	\$200.55	\$200.55
Impact of higher ash area	\$0.46	\$0.42	\$0.56	\$0.41	\$8.53	\$9.43
Price received FOB the Mine	\$200.10	\$200.13	\$199.99	\$200.14	\$192.03	\$191.12
	2047	2048	2049	2050	2051	
Price FOB Vessel	\$232.75	\$232.75	\$232.75	\$232.75	\$232.75	
Transportation and Loading	\$31.00	\$31.00	\$31.00	\$31.00	\$31.11	
Plant to Rail or Barge Costs	\$1.19	\$1.19	\$1.19	\$1.19	\$1.09	
Base Price FOB the Mine	\$200.55	\$200.55	\$200.55	\$200.55	\$200.55	
Impact of higher ash area	\$5.47	\$0.00	\$0.00	\$0.00	\$0.00	
Price received FOB the Mine	\$195.09	\$200.55	\$200.55	\$200.55	\$200.55	

IHS is a well-recognized source of such data. IHS is a global diversified provider of critical information, analytics, and solutions. It offers next-generation information, analytics, and solutions to customers in business, finance, and government, improving their operational efficiency and providing deep insights. IHS serves business and government customers worldwide.

16.3 Contract Requirements

Some contracts are necessary for successful marketing of coal. For Blue Creek, since all mining, preparation and marketing is done in-house, the remaining contracts required include:

- > **Transportation** – The mine will contract with requisite railroad and barge transportation companies to transport the coal to either the domestic customers or to the Mobile export terminal for overseas shipment.
- > **Handling** – Contracts for loading vessels for export sales are necessary. These are typically handled by annual negotiations based on projected shipments.
- > **Sales** – Sales contracts are a mix of spot and contract sales.

17 Environmental Studies, Permitting and Plans, and Social and Community Impacts

17.1 Results of Studies

The Project represents a greenfield site with minimal completed development work. Aside from baseline analysis pertaining to permitting, MM&A is not aware of existing environmental studies on the Property. MM&A did not undertake a review of permitting violation history for the active permits or an Environmental Site Assessment (ESA) of the properties. The property is located adjacent and proximal to multiple active longwall operations which are subject to the same regulatory environment as the proposed BCM mine.

17.2 Requirements and Plans for Waste Disposal

17.2.1 Disposal Methods and Design Concepts

Coal refuse from the preparation plant will be disposed of on site at several locations over the life of the mine. Due to the success of the dry slurry dewatering system installed at Mine No. 7, the same technology is currently being evaluated for use at Blue Creek Mine No. 1, the primary option for refuse disposal. This requires modifying the refuse handling plan for Blue Creek to include a waste product where dewatered tailings are combined with typical coarse refuse and compacted in a combined refuse disposal area. This matches Warrior Met's plan to move away from traditional tailings impoundment structures. Combined refuse will travel by conveyor belt to a central location and then by truck to its final destination as needed. Bulldozers and other mobile equipment will be used to spread and compact the material for the construction of the disposal structures.

The refuse produced by the plant is expected to generate 4 tonnes of coarse refuse per tonne of fine refuse. Volumetrically, this equates to 2.33 cubic yards of coarse refuse produced to every cubic yard



of slurry (on a dry, consolidated, design basis). Warrior Met reports that it is also considering the option of combined coarse/fine refuse storage should slurry impoundments become prohibitive.

17.2.2 Life-of-Mine Storage Requirements

For the life of the Project, it is estimated that the plant will generate 25,000 acre-foot of fine refuse and 95 million cubic yards of coarse refuse. These figures were derived from the MM&A's production model using a coarse to fine ratio and refuse densities provided by Warrior Met. Such figures were reviewed by MM&A and deemed appropriate. These characteristics are also typical of Warrior Met's active facilities that are mining and processing similar material as that expected at the Project. For refuse planning, the assumed ratio of coarse to fine refuse is 4 to 1 by weight and dry, compacted densities are 110 pounds per cubic foot (coarse refuse) and 64 pounds per cubic foot (fine refuse). At full production, BCM is expected to generate an average of 1.7 million cubic yards of coarse refuse and 450 acre-ft of slurry annually.

17.2.3 Storage Areas

Warrior Met has identified 4 slurry impoundment sites and 2 separate coarse refuse sites for refuse disposal. MM&A has confirmed storage volumes for these sites. Total storage estimated within these areas is roughly 13,550 acre-foot for slurry and about 59 million cubic yards for coarse refuse. This represents approximately 31 years of slurry and 35 years of coarse refuse storage, or over half of the LOM needs of the Project.

Preliminary design for these sites appears to be reasonable and it is expected that permit approvals can be obtained for these locations. More detailed design work will be needed; however, general layouts and expected capacities should not result in significant change.

17.2.4 Control of Proposed Storage Areas

Warrior Met currently controls the surface property needed for three of the proposed refuse disposal areas and is in the process of permitting two of the sites. The areas currently controlled by Warrior Met for refuse disposal consist of two slurry impoundment sites and one coarse refuse site. An estimated 13 years of storage for both fine and coarse refuse is contained on these controlled sites.

Warrior Met does control a majority of the surface property for the other sites as well. Property control for the remaining impoundment areas ranges from 60 to 80-percent. Timely property acquisitions will need to be made to utilize these planned sites. MM&A has no reason to believe that the remaining surface properties will not be acquired.

17.2.5 Refuse Permitting

Warrior Met was successful in obtaining **Mine Safety and Health Administration (MSHA)** approval in March 2021 for the Slurry Impoundment No.1 facility, which was designed with approximately 1,200 acre-foot of capacity. While the Slurry Impoundment No. 1 facility is no longer planned to be utilized as a primary tailings facility, a **United States Army Corps of Engineers (USACE)** 404 Individual Permit



and **Surface Mine Control and Reclamation Act (SMCRA)** permit could be prepared and obtained in approximately 18-months to be fully permitted for use if found necessary to provide long-term support of the Blue Creek Mine. If a situation were to arise where the combined refuse facility or dewatering system required modification, a backup series of incised slurry cells is being designed and planned for use to provide system redundancy to allow for several months of availability without interrupting operations while necessary adjustments are made.

Warrior Met reports that it has completed the initial design of the combined refuse disposal area which will provide approximately 10,000,000 cubic yards of initial capacity, which should accommodate up to the first 6 years of production while expansion designs are evaluated. Warrior Met performed geotechnical studies on the combined refuse materials in 2023 and submitted an updated plan to reflect these refuse handling options to MSHA in Q1 2023. MSHA technical support staff is currently reviewing Warrior Met’s responses to review comments and estimate issuance for the combined coarse facility is anticipated in Q1 2024. .

17.3 Permit Requirements and Status

Warrior Met (through its predecessor, Walter) has successfully obtained multiple permits for the proposed operations on the Property. *Table 17-1* depicts the mine permits which are currently in place from: **Alabama Surface Mining Commission (ALSMC)**; **Alabama Department of Environmental Management (ADEM)**; USACE; and MSHA. All of the currently approved permits have been renewed as needed and remain in good standing. The existing SMCRA permit will require a minor revision to accommodate revised surface infrastructure plans which have changed since the Project’s inception.

Permits listed in *Table 17-1* pertain to the proposed preparation plant and portal facilities. Additional permitting actions will be needed for the development and installation of the slurry Impoundment, coarse refuse facility, overland conveyor, rail and barge loading facility.

Table 17-1: Currently Active Permits

Facility Name	Issuing Agency	Permit No.	Permit Type	Approval Date	Expiration Date
Blue Creek Mine No. 1	ASMC	P-3964	Mining		6/20/2027
Blue Creek Transportation	ASMC	P-4003	Mining	12/19/2023	12/19/2028
Blue Creek Mine No.1	ADEM	AL0081477	NPDES - Individual Permit	1/24/2022	1/31/2027
Barge Loadout Loading Facility	USACE	SAM-2011-1645-CMS		9/19/2023	9/18/2028
Blue Creek Mine No. 1	ADEM	ALR10BFR6	NPDES – General Construction		3/31/2026
Blue Creek Transportation Rail Load Out (Fayette County)	ADEM	ALR10C480	NPDES – General Construction	8/21/2023	3/31/2026
Blue Creek Transportation Revision-1 (Fayette County)	ADEM	ALR10C4U9	NPDES – General Construction	1/24/2024	3/31/2026
Blue Creek Mine No. 1	ADEM	ALR10C4C2	NPDES – General Construction	9/22/2023	3/31/2026
Blue Creek Mine No. 1 Alabama Highway 69 Entrance Road	ADEM	ALR10C2XU	NPDES – General Construction	9/30/2022	3/31/2026

Additionally, Warrior Met will require permits related to the coarse and fine refuse facilities, barge loadout, and overland conveyor. Regulatory agencies which will be involved with such permit activities include the USACE, ALSMC, MSHA and ADEM.



The most time-consuming aspect of the required remaining permitting action is associated with the MSHA review of the Slurry Impoundment design. These structures are classified as High-Hazard dams and as such, receive thorough and lengthy technical reviews through MSHA's Technical Support group in Pittsburgh, Pennsylvania. Review approvals for these facilities can be expected to take two to three years. Early submittal is essential to receiving timely approvals for these critical structures. **National Pollutant Discharge Elimination System (NDPES)** discharge for the impoundment area is covered under the existing state mine permit.

While the Coarse Refuse Facility will also require MSHA review and approval, these structures do not have the same complexity in design and can be approved rather quickly. Permits for the overland conveyor, rail loadout and the Barge Loading Facility pose minimal risk of delay to the Project if pursued diligently. The permitting process will need to begin in the near future to match the required construction timeline for these items.

17.4 Local Plans, Negotiations or Agreements

MM&A found no indication of ancillary agreements beyond the scope of Federal or State Regulations.

17.5 Mine Closure Plans

Applicable regulations require that mines be properly closed, and reclamation commenced immediately upon abandonment. In general, site reclamation includes removal of structures, backfilling, regrading, and revegetation of disturbed areas. Sediment control is required during the establishment of vegetation, and bond release generally requires a minimum five-year period of site maintenance, water sampling, and sediment control following mine completion and rough grading. For most mines, unless special issues arise, reclamation and monitoring costs continue for about 7 years after cessation of production. Reclamation of underground mines includes closure and sealing of mine openings such as portals and shafts in addition to the items listed above.

Estimated costs for mine closure for all the Blue Creek facilities, including water quality monitoring during site reclamation, are included in the financial model. As with all mining companies, an accretion calculation is performed annually so the necessary Asset Retirement Obligations (ARO) can be shown as a liability on the balance sheet.

Costs have been included for the closure of some existing facilities prior to the exhaustion of the mine. As Bleeder shafts are determined to no longer be needed, they are sealed and as refuse disposal areas are filled and replaced, reclamation is done. The costs for this non-ARO reclamation work have been accrued on a per-tonne basis in the model.

17.6 Qualified Person's Opinion

Warrior Met's environmental and permitting staff is strongly engaged in the project. As it continues to move forward within existing project timelines and schedules, it is anticipated that Warrior Met will remain on target to obtain all necessary permits.

Estimated expenditures for site closure and reclamation are included in the financial model for this site.

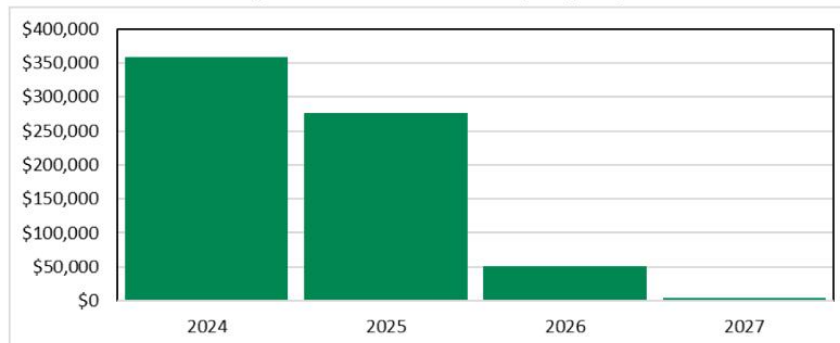
18 Capital and Operating Costs

18.1 Capital

Capital expenditures (CAPEX) are typically reviewed and compared to other projects using three measures: initial investment, LOM capital and LOM capital per ton (or tonne) of production.

For the purpose of this TRS, the initial investment for this project is defined as the capital necessary through the first full year of full production. With the longwall starting in the second Quarter of 2026, CAPEX for the Project through 2027 as shown in *Figure 18-1* totals \$684 million, excluding approximately \$366 million in sunk cost through the end of 2023. Major development capital items include the slope, shafts, bottom development and other purchases necessary to commence production. Remaining expenditures for the new 1,800 TPH (1,620 tonnes per hour) preparation plant and an overland conveyor to the new rail loadout have also been included in the Initial CAPEX.

Figure 18-1: Initial Investment Capital (\$000)



Note: Capital figures are based upon MM&A's best estimates and are supported by a combination of MM&A's experience in comparable projects & comparable quotations. Such a level is sufficient to meet the criteria of a pre-feasibility level financial assessment. At Warrior Met's request more Capital has been front-loaded into 2024 and 2025 to mitigate the risk of extended lead times impacting timely delivery of the equipment.

Beyond the Initial Investment of \$684 million, excluding approximately \$366 million in sunk cost through December 31, 2023, CAPEX is necessary for sustaining production. This includes rebuilds and replacement of equipment, mine development and multiple bleeder, intake and return shafts. Based on a previous detailed study of a mine in the basin, with pricing increased based on other recent purchases by Warrior Met or recent inflation trends, combined with a review of Warrior Met's spending patterns, sustaining capital has been estimated at slightly under \$9.50 per tonne. No efficiency or production increase projects have been included as they will be analyzed on a stand-alone basis when considered. LOM CAPEX and Land totals \$1.6 billion, inclusive of sustaining and replacement items and excluding sunk cost through December 31, 2023. All equipment and infrastructure are assumed to be



purchased new for this project, with the exception of the 54-inch conveyor for the initial tailgate that is currently available from other Warrior Met mines.

For the purpose of calculating tax liability, it is necessary to forecast Depreciation. Development Capital is assumed to have an average depreciable life of 8 years beginning once the mine starts production. Sustaining Capital has been assumed to have an average depreciable life of 5 years, beginning at purchase. The sunk cost, which includes significant expenditures on buildings and other items with longer depreciable lives has been depreciated straight-line over ten years. Since Sunk Capital is not included in the analysis, this only impacts non-cash costs and income taxes.

For the life of the mine, the CAPEX Expenditures from January 1, 2024, forward average \$15.33 per marketed tonne which is reasonable for a project of this magnitude.

18.2 Operating Cost

MM&A used a combination of recent pricing information provided by Warrior Met and detailed operating cost estimates from a previous study of a property in the region. Where necessary, operating costs were adjusted to reflect differences between this mine and the studied mine. Hourly labor rates and salaries were based upon recent information and expectations. Fringe-benefit costs were developed for vacation and holidays, federal and state unemployment insurance, retirement, workers' compensation and pneumoconiosis, casualty and life insurance, healthcare, and bonuses. A cost factor for mine supplies was developed that relates expenditures to mine advance rates for roof-control costs. Other mine-supply costs are typically related to factors such as feet of section advance, ROM tonnes mined, and days worked. Other factors were developed for maintenance and repair costs, rentals, mine power, outside services and other direct mining costs.

Operating costs factors were developed in a similar manner for the coal preparation plant processing, refuse handling, and coal loading, all of which are based on a cost per ROM tonne.

Property taxes and insurance and bonding were calculated based on regional information and experience at Warrior Met's other mines. Appropriate royalty rates were assigned for production from leased coal lands, and sales related taxes were calculated for state severance taxes, the federal black lung excise tax, and federal and state reclamation fees.

Mandated sales related costs such as black lung excise tax are summarized in *Table 18-1*.

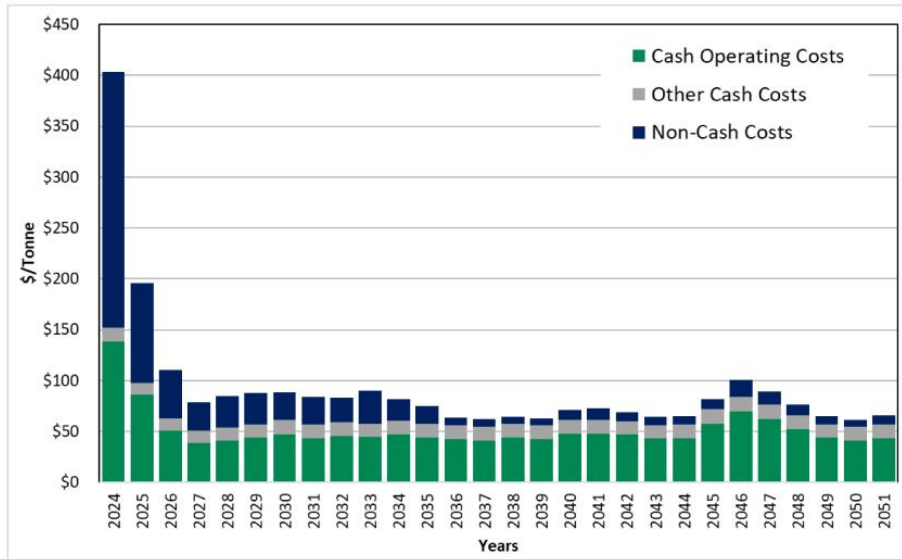
Table 18-1: Estimated Coal Production Taxes and Sales Costs

Description of Tax or Sales Cost	Basis of Assessment	Cost
Federal Black Lung Excise Tax - Underground	Per Tonne	\$0.50
Federal Reclamation Fees – Underground	Per Tonne (Moisture Adjusted)	\$0.121
Alabama Severance Tax	Per Tonne (Moisture Adjusted)	\$0.340
Royalties	Percentage of Revenue (FOB Mine)	8%

Note: 1. Federal black lung excise tax is paid only on coal sold domestically. MM&A assumed 15% of total coal sales to be domestic in the economic analysis discussed below.

A summary of the projected operating costs is in *Figure 18-2*.

Figure 18-2: OPEX



*The LOM model and associated economic analysis is intended to prove the economic viability of the subject coal tonnage, allowing controlled tonnes to be classified as "reserve". The development of costs incorporates a combination of Warrior Met's historical performance and MM&A's knowledge of mine productivity and cost structures for comparable operations.

18.3 Capex & Opex Summary Tables

Table 18-2 shows the projected expenditures for the Operating Life of the Blue Creek Mine. Costs have been considered to the level of pre-feasibility with an accuracy of +/- 25 percent. Cost estimations use historical costs from similar mining operations as a basis to project costs forward with appropriate adjustments based on geological and economic factors.

Table 18-2: Project Operating Life Expenditures

(000)	Total LOM	2024	2025	2026	2027	2028
ROM Tonnes Produced	170,729	330	1,456	4,358	7,669	7,126
Clean Tonnes Produced	103,517	209	896	2,595	4,706	4,358
Mining Costs	\$3,695,274	\$22,819	\$58,014	\$98,414	\$136,105	\$135,676
Preparation and Loading	\$744,644	\$894	\$10,807	\$21,549	\$30,274	\$28,803
General & Administrative	\$250,118	\$4,397	\$10,469	\$9,133	\$9,168	\$9,180
Royalties	\$1,384,071	\$2,831	\$10,104	\$30,326	\$57,452	\$56,199
Property and Sales related Taxes	\$127,203	\$912	\$1,623	\$3,117	\$5,036	\$4,786
Total Capex and Land	\$1,597,073	\$328,309	\$299,294	\$95,075	\$33,094	\$10,841
Total Expenditures	\$7,798,383	\$360,161	\$390,311	\$257,614	\$271,129	\$245,486



(000)	2029	2030	2031	2032	2033	2034
ROM Tonnes Produced	7,442	7,428	7,919	7,179	7,295	7,156
Clean Tonnes Produced	4,423	4,528	4,730	4,268	4,489	4,158
Mining Costs	\$148,246	\$166,844	\$159,311	\$149,791	\$155,170	\$152,919
Preparation and Loading	\$31,141	\$30,528	\$32,020	\$30,072	\$30,407	\$29,992
General & Administrative	\$9,180	\$9,180	\$9,180	\$9,180	\$9,180	\$8,465
Royalties	\$58,711	\$64,466	\$63,015	\$57,682	\$59,532	\$55,178
Property and Sales related Taxes	\$5,440	\$5,440	\$4,987	\$5,211	\$4,990	\$4,995
Total Capex and Land	\$51,089	\$34,839	\$56,660	\$15,877	\$139,013	\$38,150
Total Expenditures	\$303,807	\$311,298	\$325,173	\$267,813	\$398,291	\$289,699
(000)	2035	2036	2037	2038	2039	2040
ROM Tonnes Produced	7,229	7,411	7,462	7,025	7,075	6,270
Clean Tonnes Produced	4,332	4,586	4,733	4,459	4,493	3,986
Mining Costs	\$148,260	\$150,510	\$149,639	\$152,236	\$149,094	\$145,176
Preparation and Loading	\$30,211	\$30,717	\$30,873	\$29,723	\$29,857	\$32,907
General & Administrative	\$8,465	\$8,465	\$8,465	\$8,465	\$8,465	\$8,465
Royalties	\$57,248	\$62,247	\$63,890	\$60,759	\$59,752	\$52,279
Property and Sales related Taxes	\$4,995	\$5,182	\$5,246	\$5,131	\$5,088	\$4,721
Total Capex and Land	\$37,790	\$78,561	\$47,996	\$8,760	\$36,821	\$33,416
Total Expenditures	\$286,969	\$335,683	\$306,109	\$265,074	\$289,078	\$276,964
(000)	2041	2042	2043	2044	2045	2046
ROM Tonnes Produced	6,428	6,418	6,611	6,316	5,639	5,139
Clean Tonnes Produced	4,096	4,050	4,295	4,104	3,036	2,313
Mining Costs	\$155,444	\$148,247	\$142,133	\$137,859	\$135,950	\$123,914
Preparation and Loading	\$28,155	\$28,120	\$28,653	\$27,876	\$25,967	\$24,569
General & Administrative	\$8,465	\$8,465	\$8,465	\$8,465	\$8,465	\$8,465
Royalties	\$54,937	\$53,972	\$57,789	\$55,737	\$44,463	\$33,834
Property and Sales related Taxes	\$4,972	\$4,811	\$4,843	\$4,713	\$4,196	\$3,579
Total Capex and Land	\$35,273	\$25,997	\$34,269	\$39,663	(\$8,370)	\$62,338
Total Expenditures	\$287,247	\$269,612	\$276,152	\$274,313	\$210,672	\$256,700
(000)	2047	2048	2049	2050	2051	2052
ROM Tonnes Produced	5,308	4,935	5,528	5,907	4,669	
Clean Tonnes Produced	2,774	3,074	3,561	3,609	2,656	
Mining Costs	\$135,749	\$123,695	\$118,532	\$111,010	\$81,700	
Preparation and Loading	\$25,085	\$23,933	\$24,479	\$25,163	\$21,870	
General & Administrative	\$8,021	\$8,021	\$8,021	\$8,021	\$8,021	
Royalties	\$38,695	\$42,623	\$45,953	\$47,759	\$36,636	
Property and Sales related Taxes	\$4,034	\$4,023	\$4,296	\$4,322	\$3,295	
Total Capex and Land	\$48,850	\$16,100	\$33,266	\$17,339	(\$7,267)	
Total Expenditures	\$260,435	\$218,396	\$234,547	\$213,615	\$144,255	

Notes

- Cash Bonds Posted have been added to G&A
- Insurance has been added to G&A
- Annual Capex and Land reflects changes in working Capital

19 Economic Analysis

19.1 Assumptions, Parameters and Methods

A pre-feasibility LOM plan was prepared by MM&A for the Blue Creek operation. MM&A prepared mine projections and production timing forecasts based on coal seam characteristics. Production timing was carried out to depletion (exhaustion) of the coal reserve areas, which is projected for the year 2051. All costs and prices are based on 2024 constant United States real dollars.



The mine plan, productivity expectations and cost estimates generally reflect historical performance by Warrior Met and efforts have been made to adjust plans and costs to reflect conditions at Blue Creek. MM&A is confident that the mine plan and MM&A's financial model are reasonably representative to provide an accurate estimation of coal reserves.

A capital forecast was developed by MM&A for mine development, infrastructure, and on-going capital requirements for the life of the mine. Staffing levels were prepared, and operating costs estimated by MM&A. MM&A utilized historical cost data provided by Warrior Met and its own knowledge and experience to estimate direct and indirect operating costs.

The preliminary feasibility financial model, prepared by MM&A for this TRS, was developed to test the economic viability of the coal reserve areas. Economic models include non-controlled tonnes which are expected to be acquired by Warrior Met. The results of this financial model are not intended to represent a bankable feasibility study, required for financing of any current or future mining operations, but are intended to prove the economic viability of the estimated coal reserves. All costs and prices are based on 2024 constant United States dollars.

On an unlevered basis, the NPV of the real cash flows after taxes was estimated for the purpose of classifying coal reserves. The cash flows, excluding debt service, are calculated by subtracting direct and indirect operating expenses and capital expenditures from revenue. Direct costs include labor, operating supplies, maintenance and repairs, facilities costs for materials handling, coal preparation, refuse disposal, coal loading, sampling and analysis services, reclamation, and general and administrative costs. Indirect costs include statutory and legally agreed upon fees related to direct extraction of the mineral. The indirect costs are the federal black lung tax, federal reclamation taxes, property taxes, local transportation prior to delivery at rail or barge loading sites, coal production royalties, sales and use taxes, income taxes and State severance taxes. Warrior Met's historical costs provided a useful reference for MM&A's cost estimates.

Sales revenue is based on the metallurgical coal price information provided to MM&A by Warrior Met, based on the HVA forecast.

Projected debt service is excluded from the P&L and cash flow model to determine enterprise value.

The financial model expresses coal sales prices, operating costs, and capital expenditures in current day dollars without adjustment for inflation. Capital expenditures and reclamation costs are included based on estimates for the mine by year.

Warrior Met will pay royalties for the various current and projected operations. The royalty rates vary by mining method and location. The average royalty rate for Blue Creek is estimated to be 8.0% of the sales revenue FOB the mine after deduction of all transportation and loading costs between the mine and the vessel.



The projection model also includes consolidated income tax calculations at the Warrior Met level, incorporating federal and state income taxes with an overall effective rate of 14%. To the extent the mine generates net operating losses for tax purposes, the losses are assumed to offset other corporate taxable income. The term “cash flows” is used in this report refers to after tax cash flows.

Consolidated cash flows are driven by annual sales tonnage, which starts at 4.7 million tonnes in 2027, the first year of longwall production and averages 4.1 million tonnes per year from 2027 to 2050 the final full year of production. Projected consolidated revenue averages approximately \$805 million per year during the period 2027 to 2050. Revenue totals \$20.5 billion for the property’s life.

Consolidated cash flow from the operation is positive throughout the projected operating period, with the exception of mine development years 2024 and 2025. In 2026, when the longwall starts, cash flow becomes positive. In post-production years, cash flow becomes negative due to end-of-mine reclamation spending. Consolidated cash flow from the operation averages approximately \$462 million per year from 2027 to 2050 and totals \$11.1 billion over the mine life. Capital and Land expenditures, excluding sunk cost, through December 31, 2023, total \$1.6 billion over the property’s life.

Table 19-1 shows the Project LOM after tax cash flows from January 1, 2024, through the completion of reclamation in 2058.

Table 19-1: Blue Creek Project LOM After-tax Cash Flow

(000)	Total LOM	2024	2025	2026	2027	2028
Tonnes Produced	103,517	209	896	2,595	4,706	4,358
Tonnes Sold	103,517	89	896	2,595	4,706	4,358
Revenue	\$20,498,890	\$18,051	\$150,672	\$453,946	\$858,815	\$832,607
Price (\$/tonne FOB Mine)	\$198.02	\$202.45	\$168.25	\$174.90	\$182.50	\$191.05
Mining Costs	\$3,695,274	\$22,819	\$58,014	\$98,414	\$136,105	\$135,676
Preparation and Loading	\$744,644	\$894	\$10,807	\$21,549	\$30,274	\$28,803
Royalties	\$1,384,071	\$2,831	\$10,104	\$30,326	\$57,452	\$56,199
Property and Sales related Taxes	\$127,203	\$912	\$1,623	\$3,117	\$5,036	\$4,786
General & Administrative	\$250,118	\$4,397	\$10,469	\$9,133	\$9,168	\$9,180
Income Taxes	\$1,615,289	(\$9,279)	(\$3,466)	\$23,456	\$68,505	\$63,586
Capital and Land Expenditures	\$1,597,073	\$328,309	\$299,294	\$95,075	\$33,094	\$10,841
Reclamation and Closing Costs	\$15,913	\$0	\$0	\$0	\$0	\$0
Total After Tax Cash Flow	\$11,069,304	(\$332,831)	(\$236,173)	\$172,876	\$519,181	\$523,536
NPV at 9% Discount Factor	\$3,529,386					

(000)	2029	2030	2031	2032	2033	2034
Tonnes Produced	4,423	4,528	4,730	4,268	4,489	4,158
Tonnes Sold	4,423	4,528	4,730	4,268	4,489	4,158
Revenue	\$882,800	\$946,847	\$948,695	\$855,985	\$900,184	\$833,944
Price (\$/tonne FOB Mine)	\$199.60	\$209.10	\$200.55	\$200.55	\$200.55	\$200.55
Mining Costs	\$148,246	\$166,844	\$159,311	\$149,791	\$155,170	\$152,919
Preparation and Loading	\$31,141	\$30,528	\$32,020	\$30,072	\$30,407	\$29,992
Royalties	\$58,711	\$64,466	\$63,015	\$57,682	\$59,532	\$55,178
Property and Sales related Taxes	\$5,440	\$5,440	\$4,987	\$5,211	\$4,990	\$4,995
General & Administrative	\$9,180	\$9,180	\$9,180	\$9,180	\$9,180	\$8,465
Income Taxes	\$67,687	\$63,779	\$64,833	\$57,381	\$57,003	\$56,482
Capital and Land Expenditures	\$51,089	\$34,839	\$56,660	\$15,877	\$139,013	\$38,150
Reclamation and Closing Costs	\$0	\$0	\$0	\$0	\$0	\$0
Total After Tax Cash Flow	\$511,673	\$571,770	\$558,235	\$531,015	\$444,669	\$487,768



(000)	2035	2036	2037	2038	2039	2040
Tonnes Produced	4,332	4,586	4,733	4,459	4,493	3,986
Tonnes Sold	4,332	4,586	4,733	4,459	4,493	3,986
Revenue	\$868,806	\$919,755	\$948,374	\$893,193	\$899,425	\$798,795
Price (\$/tonne FOB Mine)	\$200.55	\$200.55	\$200.38	\$200.30	\$200.21	\$200.40
Mining Costs	\$148,260	\$150,510	\$149,639	\$152,236	\$149,094	\$145,176
Preparation and Loading	\$30,211	\$30,717	\$30,873	\$29,723	\$29,857	\$32,907
Royalties	\$57,248	\$62,247	\$63,890	\$60,759	\$59,752	\$52,279
Property and Sales related Taxes	\$4,995	\$5,182	\$5,246	\$5,131	\$5,088	\$4,721
General & Administrative	\$8,465	\$8,465	\$8,465	\$8,465	\$8,465	\$8,465
Income Taxes	\$63,604	\$75,225	\$79,013	\$73,874	\$75,146	\$72,305
Capital and Land Expenditures	\$37,790	\$78,561	\$47,996	\$8,760	\$36,821	\$33,416
Reclamation and Closing Costs	\$0	\$0	\$0	\$0	\$0	\$0
Total After Tax Cash Flow	\$518,233	\$508,846	\$563,252	\$554,245	\$535,202	\$449,526
(000)	2041	2042	2043	2044	2045	2046
Tonnes Produced	4,096	4,050	4,295	4,104	3,036	2,313
Tonnes Sold	4,096	4,050	4,295	4,104	3,036	2,313
Revenue	\$819,687	\$810,572	\$858,985	\$821,296	\$582,986	\$441,991
Price (\$/tonne FOB Mine)	\$200.10	\$200.13	\$199.99	\$200.14	\$192.03	\$191.12
Mining Costs	\$155,444	\$148,247	\$142,133	\$137,859	\$135,950	\$123,914
Preparation and Loading	\$28,155	\$28,120	\$28,653	\$27,876	\$25,967	\$24,569
Royalties	\$54,937	\$53,972	\$57,789	\$55,737	\$44,463	\$33,834
Property and Sales related Taxes	\$4,972	\$4,811	\$4,843	\$4,713	\$4,196	\$3,579
General & Administrative	\$8,465	\$8,465	\$8,465	\$8,465	\$8,465	\$8,465
Income Taxes	\$73,133	\$74,242	\$81,735	\$77,478	\$46,767	\$29,354
Capital and Land Expenditures	\$35,273	\$25,997	\$34,269	\$39,663	(\$8,370)	\$62,338
Reclamation and Closing Costs	\$0	\$0	\$0	\$0	\$0	\$0
Total After Tax Cash Flow	\$459,307	\$466,718	\$501,098	\$469,504	\$325,548	\$155,937
(000)	2047	2048	2049	2050	2051	2052
Tonnes Produced	2,774	3,074	3,561	3,609	2,656	0
Tonnes Sold	2,774	3,074	3,561	3,609	2,776	0
Revenue	\$541,089	\$616,456	\$714,252	\$723,875	\$556,805	\$0
Price (\$/tonne FOB Mine)	\$195.09	\$200.55	\$200.55	\$200.55	\$200.55	\$0.00
Mining Costs	\$135,749	\$123,695	\$118,532	\$111,010	\$81,700	\$586
Preparation and Loading	\$25,085	\$23,933	\$24,479	\$25,163	\$21,870	\$0
Royalties	\$38,695	\$42,623	\$45,953	\$47,759	\$36,636	\$0
Property and Sales related Taxes	\$4,034	\$4,023	\$4,296	\$4,322	\$3,295	\$590
General & Administrative	\$8,021	\$8,021	\$8,021	\$8,021	\$8,021	\$3,933
Income Taxes	\$41,101	\$53,509	\$67,547	\$70,341	\$53,433	(\$721)
Capital and Land Expenditures	\$48,850	\$16,100	\$33,266	\$17,339	(\$7,267)	(\$46,036)
Reclamation and Closing Costs	\$0	\$0	\$0	\$0	\$0	(\$6,414)
Total After Tax Cash Flow	\$239,553	\$344,551	\$412,159	\$439,920	\$359,116	\$48,062
(000)	2053	2054	2055	2056	2057	2058
Tonnes Produced	0	0	0	0	0	0
Tonnes Sold	0	0	0	0	0	0
Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Price (\$/tonne FOB Mine)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mining Costs	\$388	\$376	\$376	\$365	\$365	\$365
Preparation and Loading	\$0	\$0	\$0	\$0	\$0	\$0
Royalties	\$0	\$0	\$0	\$0	\$0	\$0
Property and Sales related Taxes	\$588	\$392	\$392	\$392	\$392	\$392
General & Administrative	\$2,486	\$1,240	\$1,240	\$1,240	\$790	\$790
Income Taxes	(\$490)	(\$281)	(\$281)	(\$279)	(\$216)	(\$216)
Capital and Land Expenditures	\$10	\$6	\$0	\$1	\$0	\$46
Reclamation and Closing Costs	\$11,450	\$8,874	\$1,260	\$515	\$115	\$115
Total After Tax Cash Flow	(\$14,431)	(\$10,606)	(\$2,986)	(\$2,233)	(\$1,444)	(\$1,444)

Note 1: G&A costs include Insurance premiums and Cash Bond posted.

Note 2: Income Tax credits, when available, are taken against other corporate income.

Note 3: Capital and Land Expenditures include annual Working Capital adjustments.

Note 4: Reclamation and Closing Costs include an adjustment for the projected residual value of Equipment.

19.2 Results

Cash flow after tax, but before debt service, generated over the life of the property was discounted to NPV at a 9% discount rate, which represents Warrior Met’s typical WACC. On an un-levered basis, the NPV of the property cash flows represents the Enterprise Value of the property and amounts to \$3.5 billion. The pre-feasibility financial model, prepared by MM&A for this TRS, was developed to test the economic viability of each coal resource area. The results of this financial model are not intended to represent a bankable feasibility study, as may be required for financing of any current or future mining operations contemplated but are intended to prove the economic viability of the estimated coal reserves. Optimization of the LOM plan was outside the scope of the engagement.

Table 19-2 shows LOM tonnage, P&L, and EBITDA for Blue Creek.

Table 19-2: Life-of-Mine Tonnage, P&L before Tax, and EBITDA

Tonnes (000)	Pre-Tax P&L (\$000)	P&L per Tonne	EBITDA (\$000)	EBITDA per Tonne
103,500	\$12,400,000	\$120.	\$14,300,000	\$138

Note 1: The LOM model includes tonnages contained within adverse tracts which are not included in reserve estimates.

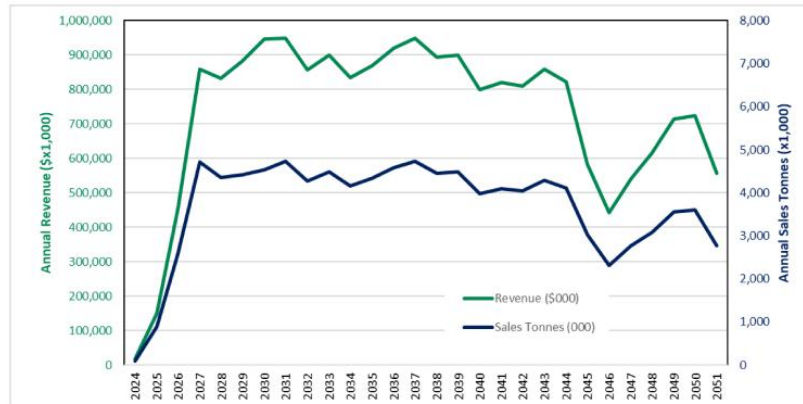
Note 2: The LOM model does not consider resources exclusive of reserves on the western portion of the property.

Note 3: The LOM model and associated economic analysis is intended to prove the economic viability of the subject coal tonnage, allowing controlled tonnes to be classified as “reserve”. The exercise should not be construed to represent a valuation of Warrior Met’s holdings. Long-term cash flows incorporate forward-looking market projections which are expected to vary over time based upon historic volatility of coal markets. The development of costs incorporates a combination of Warrior Met’s historical performance and MM&A’s knowledge of mine productivity and cost structures for comparable operations.

As shown in Table 19-2, Blue Creek has positive EBITDA over the LOM. Overall, the operation shows positive LOM P&L and EBITDA of \$12.4 billion and \$14.3 billion, respectively.

Warrior Met’s Blue Creek annual production and revenue are shown in Figure 19-1 and the Mine’s after-tax cash flow summary in constant dollars, excluding debt service, is shown in Figure 19-2 below.

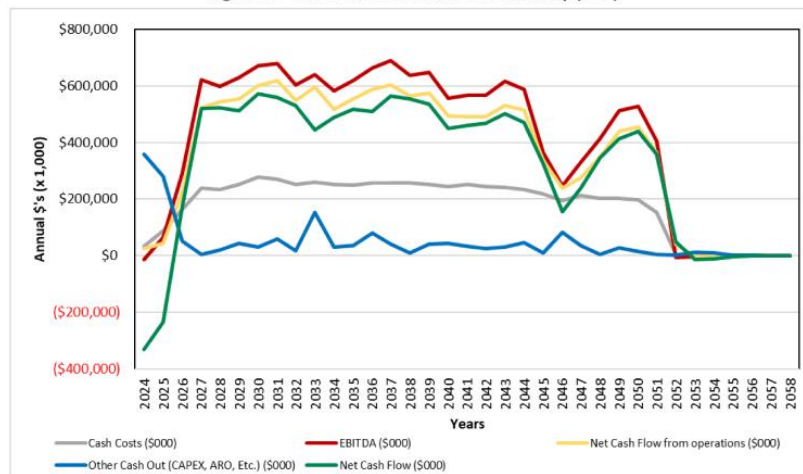
Figure 19-1: Blue Creek Production and Revenue



Note 1: The LOM model includes a portion of tonnage contained within adverse tracts which are not included in reserve estimates.

Note 2: The LOM model and associated economic analysis is intended to prove the economic viability of the subject coal tonnage, allowing controlled tonnes to be classified as "reserve". The exercise should not be construed to represent a valuation of Warrior Met's holdings. Long-term cash flows incorporate forward-looking market projections which are expected to vary over time based upon historic volatility of coal markets. The development of costs incorporates a combination of Warrior Met's historical performance and MM&A's knowledge of mine productivity and cost structures for comparable operations.

Figure 19-2: After-tax Cash Flow Summary (000)



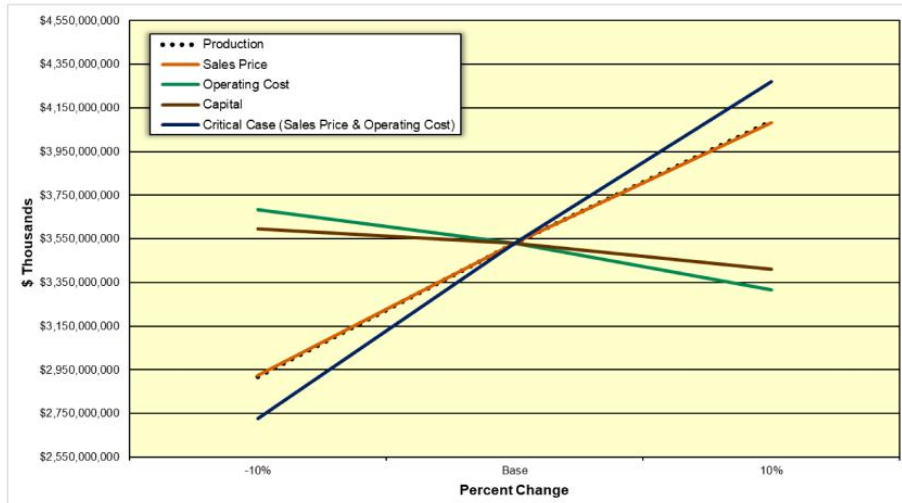
Note 1: The LOM model includes a portion of tonnage contained within adverse tracts which are not included in reserve estimates.

Note 2: The LOM model and associated economic analysis is intended to prove the economic viability of the subject coal tonnage, allowing controlled tonnes to be classified as "reserve". The exercise should not be construed to represent a valuation of Warrior Met's holdings. Long-term cash flows incorporate forward-looking market projections which are expected to vary over time based upon historic volatility of coal markets. The development of costs incorporates a combination of Warrior Met's historical performance and MM&A's knowledge of mine productivity and cost structures for comparable operations.

19.3 Sensitivity

Sensitivity of the NPV results to changes in the key drivers is presented in the chart below. The sensitivity study shows the NPV at the 9% discount rate when base case sales prices, operating costs, and capital costs are increased and decreased within a +/- 10% range.

Figure 19-3: Sensitivity of NPV



19.4 Economic Analysis Summary

This TRS, conducted in accordance with industry standards, is sufficient to conclude the Property has a reasonable potential of obtaining long-term shareholder value given forecast market conditions approaching those used in the analysis. The plan appears to be reasonable, complete, and capable of being executed under competent management.

20 Adjacent Properties

20.1 Information Used

No Proprietary information associated with neighboring properties was used as part of this study. In the event that Warrior Met decides to expand the mine footprint, evaluation of the neighboring properties will be completed.

21 Other Relevant Data and Information

MM&A has performed various technical studies of the Property over the past decade. MM&A utilized this former work as the basis of an updated study which meets those standards set forth by the SEC. Additionally, MM&A has a longstanding history of various geological- and mining-based studies in the Black Warrior Basin, with specific projects conducted for Warrior Met in several operations adjacent to the Property during due diligence activities. This experience was utilized in the development of this TRS.

22 Interpretation and Conclusions

22.1 Conclusion

Sufficient data have been obtained through various exploration and sampling programs and mining operations to support the geological interpretations of seam structure and thickness for coal horizons situated on the Property. The data are of sufficient quantity and reliability to reasonably support the coal resource and coal reserve estimates in this TRS.

The geological data and TRS, which consider mining plans, revenue, and operating and capital cost estimates are sufficient to support the classification of coal reserves provided herein.

This geologic evaluation conducted in conjunction with the feasibility study is sufficient to conclude that Warrior Met currently controls 67.6 million tonnes of marketable underground coal reserves identified on the Property. The LOM model includes 103.5 million tonnes, a portion of which are currently classified as mineral adverse and must be obtained to successfully engage in the venture.

22.2 Project Risk Assessment

The MM&A project team identified project risks for operational, technical and administrative subjects related to the development of the Blue Creek Project. A risk matrix has been constructed to present the risk levels for all the risk factors identified and quantified in the risk assessment process. The risk matrix and risk assessment process are modelled to the standards presented in the Australian and New Zealand Standard on Risk Management (AS/NZS 4360).

The purpose of the risk assessment presented herein is to inform project stakeholders of key aspects of the Project that can be impacted by events, the consequences of which could affect the success of the venture. The significance of an impacted aspect of the operation is directly related to both the probability of occurrence and the severity of the consequences. The initial risk for a risk factor is herein defined as the risk level after the potential impact of the risk factor is addressed by competent and prudent management utilizing control measures readily available. Residual risk for a risk factor is herein defined as the risk level following application of special mitigation measures if management determines



that the initial risk level is unacceptable. Initial risk and residual risk can be quantified numerically, derived by the product of values assigned to probability and consequence ranging from very low risk to very high risk.

Risk aspects identified and evaluated during this assignment total 25. No residual risks are rated Very High; 5 risk aspects are rated High; 10 of the risk aspects are classified as Moderate residual risk, and 10 of the risk aspects were attributed Low and Very Low residual risks.

22.2.1 Assumptions and Limitations

Key assumptions in the risk assessment are outlined below.

1. The identification of project risks is not presumed to be exhaustive. Instead, that listing of risks is presented based on the experiences of the project team.
2. The probability and consequence ratings are subjectively assigned and are assumed to reasonably reflect the condition of the projected mine operations.
3. The Control Measures shown in the matrices presented in this chapter are not exhaustive. They represent a condensed collection of activities that the MM&A team has observed to be effective in coal mining scenarios.
4. Mitigation Measures listed for each risk factor of the operation are not exhaustive. The measures listed, however, have been observed to be effective.
5. The monetary values used in ranking the consequences are assumed to be appropriate for projected investment and expected size of the operation.

The risk assessment is subject to the limitations of the information currently collected, tested, and interpreted at the effective date of the report.

22.2.2 Methodology

The numerical quantities (i.e., risk levels) attributable to either “initial” or “residual” risks are derived by the product of values assigned to probability and consequence ranging from very low risk to very high risk.

$$R = P \times C$$

Where: R = Risk Level
P = Probability of Occurrence
C = Consequence of Occurrence

The Probability (*P*) and Consequence (*C*) parameters recited in the formula are subjective numerical estimates made by MM&A’s team of practiced mine engineers, geologists and managers. Both *P* and *C* are assigned integer values ranging from 1 to 5 for which the value 1 represents the lowest probability and least consequence, and the value 5 represents the highest probability and greatest consequence. The products ($R = P \times C$) which define the Risk Level, are thereafter classified from very low to very high.

Risk Level Table

Risk Level (R)
Very Low (1 to 2)
Low (3 to 5)
Moderate (6 to 11)
High (12 to 19)
Very High (20 to 25)

Very high initial risks are considered to be unacceptable and require corrective action well in advance of project development. In short, measures must be applied to reduce very high initial risks to a tolerable level.

After the consideration and application of mitigation factors, the residual risk can be determined. The residual risk provides a basis for the management team to determine if the residual risk level is acceptable or tolerable. If the risk level is determined to be unacceptable, further actions should be considered to reduce the residual risk to acceptable or tolerable levels to provide justification for continuation of the proposed operation.

22.2.3 Development of the Risk Matrix

22.2.3.1 Quantification of Risk Likelihood and Severity of Impact

Risks have been identified for the technical, operational, and administrative activities expected to be encountered throughout the development, installation, and operation of the Project. The likelihood of risk occurrence was developed and quantified according to *Table 22-1*.

Table 22-1: Probability Levels of Risks and Corresponding Values

Category	Probability Level (P)		
1	Remote	Not likely to occur except in exceptional circumstances.	<10%
2	Unlikely	Not likely to occur; small in degree.	10 - 30%
3	Possible	Capable of occurring.	30 - 60%
4	Likely	High chance of occurring in most circumstances.	60 - 90%
5	Almost Certain	Event is expected under most circumstances; impossible to avoid.	>90%

The lowest rated probability of occurrence is assigned the value of 1 and described as remote, with a likelihood of occurrence of less than 10 percent. Increasing values are assigned to each higher probability of occurrence, culminating with the value of 5 assigned to incidents considered to be almost certain to occur.

The consequences of each risk were estimated and quantified by MM&A according to the following *Table 22-2*.



Table 22-2: Consequence Level Table

Correlation of Events in Key Elements of the Project Program to Event Severity Category							
Category	Severity of the Event	Financial Impact of the Event	Unplanned Loss of Production (Impact on Commercial Operations)	Events Impacting on the Environment	Events Affecting the Program's Social and Community Relations	Resultant Regulatory / Sovereign Risk	Events Affecting Occupational Health & Safety
1	Insignificant	< \$1MM	≤ 12 hours	Insignificant loss of habitat; no irreversible effects on water, soil and the environment.	Occasional nuisance impact on travel.		Event recurrence avoided by corrective action through established procedures (Engineering, guarding, training).
2	Minor	\$1MM to \$4MM	≤ 1 day	No significant change to species populations; short-term reversible perturbation to ecosystem function.	Persistent nuisance impact on travel. Transient adverse media coverage.		First aid – lost time. Event recurrence avoided by corrective action through established procedures.
3	Moderate	\$4MM to \$10MM	≤ 1 week	Appreciable change to species population; medium-term (≤10 years) detriment to ecosystem function.	Measurable impact on travel and water/air quality. Significant adverse media coverage / transient public outrage.	Uncertainty securing or retaining essential approval / license. Change to regulations (tax; bonds; standards).	Medical Treatment – permanent incapacitation Avoiding event recurrence requires modification to established corrective action procedures.
4	Major	\$10MM to \$20MM	1 to 2 weeks	Change to species population threatening viability; long-term (>10 years) detriment to ecosystem function.	Long-term, serious impact on travel and use of water resources; degradation of air quality; sustained and effective public opposition.	Suspension / long-delay in securing essential approval / license. Change to laws (tax; bonds; standards).	Fatality. Avoiding event recurrence requires modification to established corrective action procedures and staff retraining.
5	Critical	> \$20MM	>1 month	Species extinction; irreversible damage to ecosystem function.	Loss of permits.	Withdraw / failure to secure essential approval / license.	Multiple fatalities. Avoiding event recurrence requires major overhaul of policies and procedures.

The lowest rated consequence is assigned the value of 1 and is described as Insignificant Consequence parameters include non-reportable safety incidents with zero days lost accidents, no environmental damage, loss of production or systems for less than one week and cost of less than \$2 million. Increasing values are assigned to each higher consequence, culminating with the value of 5 assigned to critical consequences, the parameters of which include multiple-fatality accidents, major environmental damage, and loss of production or systems for longer than six months and cost of greater than \$20 million.

Composite Risk Matrix $R = P \times C$ and Color-Code Convention

The risk level, defined as the product of probability of occurrence and consequence, ranges in value from 1 (lowest possible risk) to 25 (maximum risk level). The values are color-coded to facilitate identification of the highest risk aspects.

Table 22-3: Risk Matrix

P x C = R		Consequence (C)				
		Insignificant	Minor	Moderate	Major	Critical
		1	2	3	4	5
Probability Level (P)	Remote	1	2	3	4	5
	Unlikely	2	4	6	8	10
	Possible	3	6	9	12	15
	Likely	4	8	12	16	20
	Almost Certain	5	10	15	20	25

22.2.4 Categorization of Risk Levels and Color Code Convention

Very high risks are considered to be unacceptable and require corrective action. Risk reduction measures must be applied to reduce very high risks to a tolerable level.

22.2.5 Summary of Residual Risk Ratings

Each risk factor is numbered, and a risk level for each is determined by multiplying the assigned probability by the assigned consequence. The risk levels are plotted on a risk matrix, *Table 22-4*, to provide a composite view of the Warrior Met risk profile. The average risk level is 7.1, which is defined as Moderate.

Table 22-4: Residual Risk Assessment Matrix

		Consequence				
Critical	>\$50 MM	8,9				
Major	\$10-50MM		13	16	6	
Moderate	\$2-10 MM	7	4, 15	1,3	11	
Minor	\$0.5-\$2 MM	2		12	5	
Low	<\$0.5 MM		14	10		
		<10% Remote	10-30% Unlikely	30-60% Possible	60-90% Likely	>90% Almost Certain

22.2.6 Risk Factors

A high-level approach is utilized to characterize risk factors that are generally similar across a number of active and proposed mining operations in the region. Risk factors that are unique to a specific operation or are particularly noteworthy are addressed individually.

22.2.6.1 Geological and Coal Resource

Coal mining is accompanied by risk that, despite exploration efforts, mining areas will be encountered where geological conditions render extraction of the resource to be uneconomic (such as faulting), or coal quality characteristics that may disqualify the product for sale into target markets.

Offsetting the geological and coal resource risk are the massive size of the controlled property which allows large areas to be mined in the preferred mine areas sufficiently away from areas where coal quality and/or mineability may be less favorable. This flexibility, combined with the extensive work done to define the reserve, reduces the risk at BCM below that of other mine properties.



Table 22-5: Geological and Coal Resource Risk Assessment (Risks 1 and 2)

Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
			P	C	R		P	C	R
Recoverable coal tonnes recognized to be significantly less than previously estimated, including impacts of faulting. Impacts of faulting & associated geotechnical & hydrogeological result in project delays and operational challenges, including decreased productivity.	Reserve base is adequate to serve market commitments and respond to opportunities for many years. Local adverse conditions may increase frequency and cost of production unit relocations. Potential cost overruns and project delays. Reduced productivity on CM and LW sections; increased roof control cost on CM sections and LW gateroads;	Previous and ongoing exploration and extensive regional mining history provide a high level of confidence of coal seam correlation, continuity of the coal seams, and coal resource tonnes. Attempt to locate coal barriers and mains away from areas exhibiting poor mineability; conduct hazard mapping and training to reduce accident risk; conduct ongoing exploration to locate problem areas in ample time to allow adjustment to mine plan	4	4	16	Optimize mine plan to increase resource recovery; develop mine plan to provide readily available alternate mining locations to sustain expected production level. Continue to conduct significant drilling ahead of mining and project infrastructure installation. Assess geomechanical characteristics of roof and floor ahead of mine development, shaft & slope installation.	3	3	9
Coal quality locally proves to be lower than initially projected.	If uncontrolled, production and sale of coal that is out of specification can result in rejection of deliveries, cancellation of coal sales agreements and damage to reputation.	Exploration and vast experience and history in local coal seams provide confidence in coal quality; limited excursions can be managed with careful product segregation and blending.	2	3	6	Develop mine plan to provide readily available alternate mining locations to sustain expected production level; modify coal sales agreements to reflect coal quality.	1	2	2

22.2.6.1 Environmental

Water quality and other permit requirements are subject to modification and such changes could have a material impact on the capability of the operator to meet modified standards or to receive new permits and modifications to existing permits. Permit protests may result in delays or denials to permit applications.

Environmental standards and permit requirements have evolved significantly over the past 50 years and to-date, mining operators and regulatory bodies have been able to adapt successfully to evolving environmental requirements.



Table 22-6: Environmental (Risks 3 and 4)

Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
			P	C	R		P	C	R
Environmental performance standards are modified in the future.	Delays in receiving new permits and modifications to existing permits; cost of testing and treatment of water and soils	Work with regulatory agencies to understand and influence final standards; implement testing, treatment and other actions to comply with new standards.	3	4	12	Modify mining and reclamation plans to improve compliance with new standards while reducing cost of compliance.	3	3	9
New permits and permit modifications are increasingly delayed or denied.	Interruption of production and delayed implementation of replacement production from new mining areas.	Comply quickly with testing, treatment and other actions required; continue excellent compliance performance within existing permits.	2	4	8	Establish and maintain close and constructive working relationships with regulatory agencies, local communities and community action groups. Prepare and submit permits well in advance of needs. Conduct additional drilling to lower risk associated with quality concerns in suspect areas.	2	3	6

22.2.6.2 Regulatory Requirements

Federal and state health and safety regulatory agencies occasionally amend mine laws and regulations. The impact is industry wide. Mining operators and regulatory agencies have been able to adapt successfully to evolving health and safety requirements.

Table 22-7: Regulatory Requirements (Risk 5)

Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
			P	C	R		P	C	R
Federal and state mine safety and health regulatory agencies amend mine laws and regulations.	Cost of training, materials, supplies and equipment; modification of mine examination and production procedures; modification of mining plans.	Participate in hearings and workshops, when possible, to facilitate understanding and implementation; work cooperatively with agencies and employees to facilitate implementation of new laws and regulations.	4	3	12	Familiarity and experience with new laws and regulations results in reduced impact to operations and productivity and improved supplies and equipment options.	4	2	8

22.2.6.3 Market and Transportation

Most of the current and future production is expected to be directed to domestic and international metallurgical markets. Historically the metallurgical markets have been cyclical and highly volatile.



Table 22-8: Market (Risk 6)

Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
			P	C	R		P	C	R
Volatile coal prices drop precipitously.	Loss of revenue adversely affects profitability; reduced cash flow may disrupt capital expenditures plan.	Cost control measures implemented; capital spending deferred.	4	5	20	High-cost operations closed, and employees temporarily furloughed.	4	4	16

Occasional delays or interruption of rail, river and terminals service may be expected. The operator can possibly minimize the impact of delays by being a preferred customer by fulfilling shipment obligations promptly and maintaining close working relationships. Multiple shipment means (rail and barge) help minimize this risk.

Table 22-9: Transportation (Risk 7)

Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
			P	C	R		P	C	R
Rail or river transport is delayed; storage and shipping access at river and ocean terminals is not available.	Fulfillment of coal sales agreements delayed; limited coal storage at mines may increase cost of rehandling; production may be temporarily idled.	Provide adequate storage capacity at mines; coordinate continuously with railroad and shipping companies to respond quickly and effectively to changing circumstances.	2	3	6	Provide back-up storage facility along with personnel, equipment and rehandle plan to sustain production and fulfill sales obligations timely.	1	3	3

22.2.6.4 Mining Plan

Occupational health and safety risks are inherent in mining operations. Comprehensive training and retraining programs, internal safety audits and examinations, regular mine inspections, safety meetings, along with support of trained fire brigades and mine-rescue teams are among activities that greatly reduce accident risks. Employee health-monitoring programs coupled with dust and noise monitoring and abatement reduce health risks to miners.

As underground mines are developed and extended, observation of geological, hydrogeological and geotechnical conditions leads to modification of mine plans and procedures to enable safe work within the mine environment.

Highlighted below are selected examples of safety and external factors relevant to Warrior Met operations.

22.2.6.4.1 Methane Management

Coalbed methane is present in coal operations below drainage. Often the methane concentration in shallow coal seams is at such low levels that it can be readily managed with frequent testing and

monitoring, vigilance, and routine mine ventilation. Very high methane concentrations may be present at greater depths, as experienced in the Mary Lee and Blue Creek seams at the BCM Property in Alabama. High methane concentrations may require degasification of the coal seams to assure safe mining. Proximal mines have operated safely for many years in one of the most intense methane environments in the United States through careful management of coal seam degasification, gob degasification and mine-ventilation procedures.

Table 22-10: Methane Management (Risk 8)

Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
			P	C	R		P	C	R
Methane hazard is present in mines operating below drainage.	Injury or loss of life; possible ignition of gas and mine explosion; potential loss of mine and equipment temporarily or permanently; additional mine fan, mine power, ventilation, monitoring and examination requirements.	Low to moderate levels can be managed with frequent examinations, testing and monitoring within the mine ventilation system. Excellent rock dust maintenance minimizes explosion propagation risk should an ignition occur.	2	5	10	Very high-level methane concentrations may require coal seam degasification and gob degasification if longwall or pillar extraction methods are employed.	1	5	5

22.2.6.4.2 Mine Fires

Mine fires, once common at mine operations, are rare today. Most active coal miners have not encountered a mine fire. Vastly improved mine power and equipment electrical systems, along with safe mine practices, reduce mine fire risks. Crew training and fire brigade support and training improve response for containment and control if a fire occurs. Spontaneous combustion within coal mines, which is the source of most fires that occur today, is not expected to occur at BCM.

Table 22-11: Mine Fires (Risk 9)

Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
			P	C	R		P	C	R
Mine fire at underground or operation.	Injury or loss of life; potential loss of mine temporarily or permanently; damage to equipment and mine infrastructure.	Inspection and maintenance of mine power, equipment and mine infrastructure; good housekeeping; frequent examination of conveyor belt entries; prompt removal of accumulations of combustible materials.	1	5	5	If spontaneous combustion conditions are present, enhanced monitoring and examination procedures will be implemented; mine design will incorporate features to facilitate isolation, containment and extinguishment of spontaneous combustion locations.	1	5	5

22.2.6.4.3 Availability of Supplies and Equipment

The industry has periodically experienced difficulty receiving timely delivery of mine supplies and equipment. Availability issues often accompanied boom periods for coal demand. Any future delivery of supplies and equipment delays are expected to be temporary with limited impact on production.



Table 22-12: Availability of Supplies and Equipment (Risk 10)

Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
			P	C	R		P	C	R
Disruption of availability for supplies and equipment.	Temporary interruption of production.	Force majeure provision in coal sales agreements to limit liability for delayed or lost sales.	3	2	6	Work closely with customers to assure delayed coal delivery rather than cancelled sales; monitor external conditions and increase inventory of critical supplies; accelerate delivery of equipment when possible.	3	1	3

22.2.6.4.4 Labor

Work stoppages due to labor protests are considered unlikely and are accompanied by limited impact should it occur. Excellent employee relations and communications limit the exposure to outside protesters. Loss of supervisors and skilled employees to retirement is inevitable; the impact can be lessened with succession planning and training and training and mentorship of new employees.

Table 22-13: Labor – Work Stoppage (Risk 11)

Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
			P	C	R		P	C	R
Work stoppage due to strikes, slowdowns or secondary boycott activity.	Loss of production and coal sales; damaged customer and employee relations; reputation loss.	Maintain excellent employee relations and communications; maintain frequent customer communications. Train salary employees for hourly tasks in case of long-term strike.	4	4	16	Develop plan for employee communications and legal support to minimize impact of secondary boycott activities.	4	3	12

Table 22-14: Labor – Retirement (Risk 12)

Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
			P	C	R		P	C	R
Retirement of supervisors and skilled employees.	Loss of leadership and critical skills to sustain high levels of safety, maintenance and productivity.	Monitor demographics closely and maintain communications with employees who are approaching retirement age; maintain employee selection and training programs.	3	3	9	Maintain selection of candidates and implementation of in-house or third-party training for electricians and mechanics; develop employee mentoring program.	3	2	6



22.2.6.4.5 Project Execution

Surface facilities construction commenced via a previous owner of the Property and permitting/engineering activity has been completed by Warrior Met and construction has begun. The experienced and highly qualified executive management team improves the likelihood that the major construction project will be completed within the expected time frame and budget.

As construction of the Blue Creek complex continues, the executive management team will be challenged to assemble an experienced and highly competent operations team to execute the mining plan to avoid production shortfalls and cost overruns. Key will be establishing a reasonable development schedule and predicating coal sales commitments to management’s ability to select and train its workforce. The experience and capability of the executive team provides confidence that operational readiness will be forthcoming. Risks pertaining to project execution are summarized below.

Table 22-15: Construction Delays and Cost Overruns (Risk 13)

No.	Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
				P	C	R		P	C	R
21	Project construction phase time and cost exceeds expectations.	Excessive cost and time diminish project investment return; additional project financing may be required; coal sales commitments be delayed.	Realistic budget and project construction schedule developed; continuous monitoring of cost and time to readily detect performance shortcomings and implement corrective actions; utilization of competent, highly reputable contractors and subcontractors.	3	4	12	Preparation of detailed schedule of each construction component; daily review of progress and issues; weekly coordination with all contractors and implementation of corrective actions if project falls behind schedule.	2	4	8

Table 22-16: Permitting Delays (Risk 14)

No.	Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
				P	C	R		P	C	R
22	Permitting delays (SMCRA, ACOE, MSHA, etc.) result in delays of construction and production.	Lack of ample time to acquire state and federal permits delay production and require additional working capital.	Initiate key permitting requirements immediately, including those related to clean coal transport and refuse impoundments.	2	4	8	Incorporate contingencies into development schedule.	1	2	2



Table 22-17: Select, Isolated Parcels of Uncontrolled Mineral (non-BLM lease) within Mine Plan (Risk 15)

No.	Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
				P	C	R		P	C	R
10	Select, Isolated Parcels of Uncontrolled Mineral within Mine Plan prohibit execution of mine plan. These parcels are associated with private (non-governmental) entities and individuals.	Payment of extortionary terms to secure mining rights; adjustment of mine plan to avoid adverse tracts.	Company has secured vast majority of land titles for development and mining of initial panels; continue efforts to secure timely title acquisition; mine plan defers production on adverse tracts to allow time to secure at reasonable cost.	5	2	10	As last resort, pay above-market price to secure mining right or adjust mine plan to avoid adverse tracts.	2	3	6

Table 22-18: Select, Isolated Parcels of Uncontrolled Mineral (BLM lease) within Mine Plan (Risk 16)

No.	Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
				P	C	R		P	C	R
11	Select, Isolated Parcels of Uncontrolled Mineral within Mine Plan prohibit execution of mine plan. These parcels are affiliated with Federal Bureau of Land Management (BLM) leases.	Adjustment of mine plan to avoid adverse tracts. Of important note, various presidential candidates have stated desire to limit leasing of federally owned mineral rights in an effort to reduce fossil fuel and natural resource production.	The company is actively pursuing BLM leases. Such activity should be prioritized to ensure that ample time to secure leases is available.	3	5	15	Develop mine plan to eliminate requirement for BLM leases as last resort.	3	4	12

23 Recommendations

Warrior Met is continuing to conduct ongoing geological campaigns to better define coal thickness, coal quality, and structure within the initial mine plan areas. As part of this campaign, significant efforts are being placed in defining fault networks proximal to the slope bottom and initial longwall districts. MM&A recommends continuing efforts in this regard. During this campaign, MM&A also recommends analyzing roof and floor samples for various geomechanical factors. A hydrogeological study is recommended to help refine water inflow concerns in isolated portions of the mine plan defined by others, most notably in the northern portions of reserve Area D.

MM&A recommends expediting the BLM lease acquisition process, as multiple key leases need to be obtained to execute the mine plan.



24 References

1. Various sources of geological information, including a digital exploration database, coal quality laboratory information, drillers' and geologists' logs, and geophysical logs.
2. Various engineering, permitting and mine plans as presented to MM&A by Warrior Met.
3. Various previous engineering and reserve reports conducted by MM&A on behalf of Warrior Met.
4. Publicly available information from various State and Federal agencies
5. Various mapping information obtained via the public domain.

25 Reliance on Information Provided by Registrant

The qualified persons responsible for the development of this TRS have relied upon information provide by Warrior Met, including:

1. **Marketing Information**, including sales forecasts coal and transportation costs.
2. **Legal Matters**, including mineral and surface-based land and tenure, and supporting information pertaining to projected leases for BLM tracts.
3. **Environmental Matters**, including permit status, plans and refuse disposal plans and associated volumes.

APPENDIX

A

TABLE



Warrior Met Coal, LLC

Blue Creek Area

Underground Mineable Reserves as of December 31, 2023

Appendix A - Table 1 (Metric Tonnes)



Moisture 10% Washed recoverable tons shown on 6.0% moisture basis
 Preparation Plant Efficiency 100% Included in Wash Recovery*

Seam	Tons/ Acre-ft.	Wash Recovery*	Plant Eff.	Resource Thickness			Resource Acres			In Place Tonnes			Clean, Moist, Demonstrated Tonnes		
				Measured	Indicated		Measured	Indicated	Total	Measured	Indicated	Total	Proven	Probable	Total
BC Area															
Block A															
Leased															
Continuous Mining	ML	1,940	84.62%	100%	1.45	1.47	2,575	1,318	3,893	6,548,324	3,410,716	9,959,041	560,271	316,638	876,909
Longwall Mining	ML	1,940	84.62%	100%									3,742,822	1,792,958	5,535,780
Continuous Mining	BC	1,866	88.23%	100%									1,767,938	932,806	2,700,744
Longwall Mining	BC	1,866	88.23%	100%	4.58	4.35	2,575	1,318	3,893	19,948,499	9,708,948	29,657,447	11,995,201	5,382,723	17,377,924
Total					3.80	3.60	5,149	2,637	7,786	26,496,824	13,119,664	39,616,488	18,066,232	8,425,125	26,491,357
Owned															
Continuous Mining	ML	1,940	84.62%	100%	1.56	1.57	202	1	203	556,377	2,123	558,499	68,950	29	68,979
Longwall Mining	ML	1,940	84.62%	100%									251,610	1,806	253,415
Continuous Mining	BC	1,866	88.23%	100%	5.20	5.22	202	1	203	1,779,570	6,813	1,786,383	216,296	98	216,394
Longwall Mining	BC	1,866	88.23%	100%									894,675	6,030	900,705
Total					4.33	4.35	404	2	406	2,335,947	8,936	2,344,883	1,431,530	7,963	1,439,493
Option															
Continuous Mining	ML	1,940	84.62%	100%									52,063	0	52,063
Longwall Mining	ML	1,940	84.62%	100%	1.73	0.00	121	0	121	369,406	0	369,406	106,446	0	106,446
Continuous Mining	BC	1,866	88.23%	100%									161,084	0	161,084
Longwall Mining	BC	1,866	88.23%	100%	5.50	0.00	121	0	121	1,131,278	0	1,131,278	366,146	0	366,146
Total					4.57	0.00	243	0	243	1,500,684	0	1,500,684	685,739	0	685,739
Adverse															
Continuous Mining	ML	1,940	84.62%	100%	1.54	1.57	530	1,058	1,588	1,435,702	2,931,559	4,367,261	117,822	244,092	361,915
Longwall Mining	ML	1,940	84.62%	100%									905,578	1,539,172	2,444,750
Continuous Mining	BC	1,866	88.23%	100%	4.96	4.97	530	1,058	1,588	4,446,086	8,907,894	13,353,981	268,503	538,840	807,343
Longwall Mining	BC	1,866	88.23%	100%									2,349,144	3,804,648	6,153,792
Total					4.12	4.13	1,059	2,116	3,176	5,881,788	11,839,454	17,721,242	3,641,047	6,126,752	9,767,800
Total															
Continuous Mining - ML_Only							2,898	1,319	4,217	7,474,107	3,412,839	10,886,946	681,285	316,667	997,952
Longwall Mining - ML_Only													4,100,877	1,794,764	5,895,641
Continuous Mining - BC_Only							2,898	1,319	4,217	22,859,347	9,715,761	32,575,108	2,145,318	932,904	3,078,221
Longwall Mining - BC_Only													13,256,022	5,388,752	18,644,775
Total							5,797	2,638	8,435	30,333,454	13,128,600	43,462,054	20,183,502	8,433,087	28,616,589
Owned							404	2	406	2,335,947	8,936	2,344,883	1,431,530	7,963	1,439,493
Leased							5,149	2,637	7,786	26,496,824	13,119,664	39,616,488	18,066,232	8,425,125	26,491,357
Option							243	0	243	1,500,684	0	1,500,684	685,739	0	685,739
Total							5,797	2,638	8,435	30,333,454	13,128,600	43,462,054	20,183,502	8,433,087	28,616,589

Warrior Met Coal, LLC
Blue Creek Area



Underground Mineable Reserves as of December 31, 2023
Appendix A - Table 1 (Metric Tonnes)

Moisture 10% Washed recoverable tons shown on 6.0% moisture basis
Preparation Plant Efficiency 100% Included in Wash Recovery*

Seam	Tons/ Acre-ft.	Wash Recovery*	Plant Eff.	Resource Thickness		Resource Acres			In Place Tonnes			Clean, Moist, Demonstrated Tonnes				
				Measured	Indicated	Measured	Indicated	Total	Measured	Indicated	Total	Proven	Probable	Total		
Block B																
Leased																
Continuous Mining	ML	1,940	84.62%	100%	1.84	1.90	656	408	1,064	2,117,506	1,360,995	3,478,501	210,906	85,622	296,527	
Longwall Mining	ML	1,940	84.62%	100%									1,257,804	811,118	2,068,922	
Continuous Mining	BC	1,866	88.23%	100%									509,256	151,399	660,655	
Longwall Mining	BC	1,866	88.23%	100%	4.39	3.42	656	408	1,064	4,868,182	2,363,879	7,232,061	3,013,626	1,513,950	4,527,576	
Total					3.61	2.86	1,311	816	2,127	6,985,687	3,724,874	10,710,562	4,991,592	2,562,088	7,553,680	
Owned																
Continuous Mining	ML	1,940	84.62%	100%	1.72	1.82	221	104	325	669,720	332,928	1,002,648	116,454	24,592	141,046	
Longwall Mining	ML	1,940	84.62%	100%									158,768	152,904	311,673	
Continuous Mining	BC	1,866	88.23%	100%									295,299	59,815	355,114	
Longwall Mining	BC	1,866	88.23%	100%	4.25	4.45	221	104	325	1,586,095	784,171	2,370,266	356,927	376,916	733,843	
Total					3.50	3.67	441	208	649	2,255,815	1,117,099	3,372,914	927,448	614,227	1,541,676	
Option																
Continuous Mining	ML	1,940	84.62%	100%	1.85	1.87	364	273	637	1,182,017	898,694	2,080,710	87,466	53,654	141,121	
Longwall Mining	ML	1,940	84.62%	100%									757,711	596,692	1,354,404	
Continuous Mining	BC	1,866	88.23%	100%									213,073	94,141	307,214	
Longwall Mining	BC	1,866	88.23%	100%	4.34	3.40	364	273	637	2,670,889	1,572,424	4,243,312	1,770,394	1,104,430	2,874,824	
Total					3.57	2.84	727	546	1,273	3,852,905	2,471,118	6,324,023	2,828,644	1,848,918	4,677,562	
Adverse																
Continuous Mining	ML	1,940	84.62%	100%	1.82	1.91	661	268	929	2,114,095	903,611	3,017,706	209,113	73,452	282,566	
Longwall Mining	ML	1,940	84.62%	100%									1,163,680	489,866	1,653,545	
Continuous Mining	BC	1,866	88.23%	100%									442,939	131,814	574,753	
Longwall Mining	BC	1,866	88.23%	100%	4.24	2.95	661	268	929	4,744,777	1,339,259	6,084,036	2,647,153	1,067,725	3,714,877	
Total					3.49	2.53	1,322	537	1,859	6,858,872	2,242,870	9,101,742	4,462,884	1,762,857	6,225,741	
Total																
Continuous Mining - ML_Only													414,826	163,868	578,694	
Longwall Mining - ML_Only							1,240	785	2,025	3,969,243	2,592,617	6,561,860	2,174,283	1,560,714	3,734,998	
Continuous Mining - BC_Only													1,017,628	305,355	1,322,983	
Longwall Mining - BC_Only							1,240	785	2,025	9,125,165	4,720,474	13,845,639	5,140,947	2,995,296	8,136,243	
Total							2,479	1,570	4,050	13,094,408	7,313,090	20,407,499	8,747,685	5,025,233	13,772,918	
Owned							441	208	649	2,255,815	1,117,099	3,372,914	927,448	614,227	1,541,676	
Leased							1,311	816	2,127	6,985,687	3,724,874	10,710,562	4,991,592	2,562,088	7,553,680	
Option							727	546	1,273	3,852,905	2,471,118	6,324,023	2,828,644	1,848,918	4,677,562	
Total							2,479	1,570	4,050	13,094,408	7,313,090	20,407,499	8,747,685	5,025,233	13,772,918	

Warrior Met Coal, LLC

Blue Creek Area

Underground Mineable Reserves as of December 31, 2023

Appendix A - Table 1 (Metric Tonnes)



Moisture 10% Washed recoverable tons shown on 6.0% moisture basis
 Preparation Plant Efficiency 100% Included in Wash Recovery*

Seam	Tons/ Acre-ft.	Wash Recovery*	Plant Eff.	Resource Thickness		Resource Acres			In Place Tonnes			Clean, Moist, Demonstrated Tonnes			
				Measured	Indicated	Measured	Indicated	Total	Measured	Indicated	Total	Proven	Probable	Total	
Block C															
Leased															
Continuous Mining	ML	1,940	84.62%	100%	2.00	2.06	266	625	891	938,247	2,267,999	3,206,246	77,434	164,687	242,121
Longwall Mining	ML	1,940	84.62%	100%									485,607	1,384,100	1,869,707
Continuous Mining	BC	1,866	88.23%	100%									131,392	252,491	383,883
Longwall Mining	BC	1,866	88.23%	100%	3.44	3.29	266	625	891	1,549,871	3,485,650	5,035,521	793,196	2,249,957	3,043,153
Total					2.90	2.81	532	1,251	1,783	2,488,118	5,753,648	8,241,767	1,487,630	4,051,234	5,538,864
Owned															
Continuous Mining	ML	1,940	84.62%	100%	1.85	1.84	267	43	310	867,704	138,545	1,006,250	86,770	5,948	92,719
Longwall Mining	ML	1,940	84.62%	100%									335,420	91,742	427,162
Continuous Mining	BC	1,866	88.23%	100%									189,009	14,109	203,118
Longwall Mining	BC	1,866	88.23%	100%	4.15	4.30	267	43	310	1,874,244	311,446	2,185,690	767,948	214,786	982,735
Total					3.42	3.54	534	86	619	2,741,949	449,991	3,191,939	1,379,147	326,586	1,705,733
Option															
Continuous Mining	ML	1,940	84.62%	100%	1.95	1.81	276	24	300	945,060	76,739	1,021,799	85,861	8,671	94,532
Longwall Mining	ML	1,940	84.62%	100%									452,007	43,369	495,376
Continuous Mining	BC	1,866	88.23%	100%									159,765	15,872	175,637
Longwall Mining	BC	1,866	88.23%	100%	3.63	3.39	276	24	300	1,697,742	138,146	1,835,888	852,700	82,876	935,576
Total					3.03	2.82	552	48	600	2,642,802	214,885	2,857,687	1,550,332	150,789	1,701,122
Adverse															
Continuous Mining	ML	1,940	84.62%	100%	1.82	2.12	870	1,401	2,271	2,780,849	5,228,153	8,009,001	262,218	454,077	716,295
Longwall Mining	ML	1,940	84.62%	100%									1,551,198	2,815,165	4,366,363
Continuous Mining	BC	1,866	88.23%	100%									460,042	646,298	1,106,340
Longwall Mining	BC	1,866	88.23%	100%	3.46	2.49	870	1,401	2,271	5,094,624	5,896,294	10,990,918	2,735,839	4,603,857	7,339,696
Total					2.88	2.31	1,740	2,802	4,542	7,875,473	11,124,447	18,999,919	5,009,298	8,519,397	13,528,694
Total															
Continuous Mining - ML_Only													250,065	179,307	429,372
Longwall Mining - ML_Only							809	692	1,501	2,751,011	2,483,283	5,234,294	1,273,034	1,519,211	2,792,245
Continuous Mining - BC_Only													480,166	282,472	762,638
Longwall Mining - BC_Only							809	692	1,501	5,121,858	3,935,242	9,057,099	2,413,844	2,547,619	4,961,464
Total							1,618	1,385	3,002	7,872,869	6,418,524	14,291,393	4,417,109	4,528,610	8,945,719
Owned							534	86	619	2,741,949	449,991	3,191,939	1,379,147	326,586	1,705,733
Leased							532	1,251	1,783	2,488,118	5,753,648	8,241,767	1,487,630	4,051,234	5,538,864
Option							552	48	600	2,642,802	214,885	2,857,687	1,550,332	150,789	1,701,122
Total							1,618	1,385	3,002	7,872,869	6,418,524	14,291,393	4,417,109	4,528,610	8,945,719

Warrior Met Coal, LLC

Blue Creek Area

Underground Mineable Reserves as of December 31, 2023

Appendix A - Table 1 (Metric Tonnes)



Moisture 10% Washed recoverable tons shown on 6.0% moisture basis
 Preparation Plant Efficiency 100% Included in Wash Recovery*

Seam	Tons/ Acre-ft.	Wash Recovery*	Plant Eff.	Resource Thickness		Resource Acres			In Place Tonnes			Clean, Moist, Demonstrated Tonnes				
				Measured	Indicated	Measured	Indicated	Total	Measured	Indicated	Total	Proven	Probable	Total		
Block D																
Leased																
Continuous Mining	ML	1,940	84.62%	100%	1.45	1.45	684	292	976	1,746,848	744,971	2,491,819	195,261	86,095	281,357	
Longwall Mining	ML	1,940	84.62%	100%									943,698	402,384	1,346,082	
Continuous Mining	BC	1,866	88.23%	100%									638,804	195,118	833,922	
Longwall Mining	BC	1,866	88.23%	100%	4.63	3.31	684	292	976	5,359,703	1,635,664	6,995,367	2,968,745	946,811	3,915,556	
Total					3.85	2.73	1,368	583	1,951	7,106,552	2,380,635	9,487,187	4,746,508	1,630,408	6,376,916	
Owned																
Continuous Mining	ML	1,940	84.62%	100%	1.59	1.56	830	213	1,043	2,319,881	585,561	2,905,441	258,515	71,787	330,302	
Longwall Mining	ML	1,940	84.62%	100%									1,141,960	302,258	1,444,218	
Continuous Mining	BC	1,866	88.23%	100%									701,135	160,815	861,950	
Longwall Mining	BC	1,866	88.23%	100%	4.29	3.94	830	213	1,043	6,031,964	1,422,439	7,454,403	3,112,320	820,561	3,932,881	
Total					3.54	3.25	1,659	426	2,086	8,351,844	2,008,000	10,359,844	5,213,930	1,355,421	6,569,351	
Adverse																
Continuous Mining	ML	1,940	84.62%	100%									39,400	187,234	226,634	
Longwall Mining	ML	1,940	84.62%	100%	1.56	1.53	134	478	612	369,442	1,283,259	1,652,701	203,798	482,893	686,691	
Continuous Mining	BC	1,866	88.23%	100%									81,597	441,349	522,946	
Longwall Mining	BC	1,866	88.23%	100%	3.97	3.99	134	478	612	902,849	3,230,186	4,133,035	550,351	1,341,708	1,892,059	
Total					3.27	3.29	269	955	1,224	1,272,291	4,513,445	5,785,736	875,145	2,453,184	3,328,330	
Total																
Continuous Mining - ML_Only							1,514	505	2,019	4,066,729	1,330,532	5,397,261	453,776	157,882	611,658	
Longwall Mining - ML_Only													2,085,658	704,643	2,790,301	
Continuous Mining - BC_Only							1,514	505	2,019	11,391,667	3,058,102	14,449,770	1,339,938	355,933	1,695,872	
Longwall Mining - BC_Only													6,081,065	1,767,371	7,848,437	
Total							3,027	1,010	4,037	15,458,396	4,388,634	19,847,031	9,960,438	2,985,830	12,946,268	
Owned							1,659	426	2,086	8,351,844	2,008,000	10,359,844	5,213,930	1,355,421	6,569,351	
Leased							1,368	583	1,951	7,106,552	2,380,635	9,487,187	4,746,508	1,630,408	6,376,916	
Option							0	0	0	0	0	0	0	0	0	
Total							3,027	1,010	4,037	15,458,396	4,388,634	19,847,031	9,960,438	2,985,830	12,946,268	

Warrior Met Coal, LLC

Blue Creek Area

Underground Mineable Reserves as of December 31, 2023

Appendix A - Table 1 (Metric Tonnes)



Moisture	10%	Washed recoverable tons shown on 6.0% moisture basis
Preparation Plant Efficiency	100%	Included in Wash Recovery*

Seam	Tons/ Acre-ft.	Wash Recovery*	Plant Eff.	Resource Thickness		Resource Acres			In Place Tonnes			Clean, Moist, Demonstrated Tonnes				
				Measured	Indicated	Measured	Indicated	Total	Measured	Indicated	Total	Proven	Probable	Total		
Block E1																
Leased																
Continuous Mining	ML	1,937	65.68%	100%	0.00	1.77	0	910	910	0	2,824,883	2,824,883	0	203,178	203,178	
Longwall Mining	ML	1,937	65.68%	100%			0	910	910	0	2,824,883	2,824,883	0	1,062,795	1,062,795	
Continuous Mining	BC	1,909	71.79%	100%			0	910	910	0	4,039,468	4,039,468	0	289,795	289,795	
Longwall Mining	BC	1,909	71.79%	100%	0.00	2.56	0	910	910	0	4,039,468	4,039,468	0	1,724,497	1,724,497	
Total					0.00	2.23	0	1,821	1,821	0	6,864,351	6,864,351	0	3,280,265	3,280,265	
Adverse																
Continuous Mining	ML	1,937	65.68%	100%	0.00	1.73	0	981	981	0	2,979,168	2,979,168	0	223,062	223,062	
Longwall Mining	ML	1,937	65.68%	100%			0	981	981	0	2,979,168	2,979,168	0	1,029,603	1,029,603	
Continuous Mining	BC	1,909	71.79%	100%			0	981	981	0	4,055,752	4,055,752	0	316,526	316,526	
Longwall Mining	BC	1,909	71.79%	100%	0.00	2.39	0	981	981	0	4,055,752	4,055,752	0	1,563,616	1,563,616	
Total					0.00	2.11	0	1,961	1,961	0	7,034,920	7,034,920	0	3,132,807	3,132,807	
Block E1 has been moved to all indicated/proven due to questionable/minimum quality information																
Total																
Continuous Mining - ML_Only							0	910	910	0	2,824,883	2,824,883	0	203,178	203,178	
Longwall Mining - ML_Only										0	2,824,883	2,824,883	0	1,062,795	1,062,795	
Continuous Mining - BC_Only							0	910	910	0	4,039,468	4,039,468	0	289,795	289,795	
Longwall Mining - BC_Only										0	4,039,468	4,039,468	0	1,724,497	1,724,497	
Total							0	1,821	1,821	0	6,864,351	6,864,351	0	3,280,265	3,280,265	
Owned							0	0	0	0	0	0	0	0	0	
Leased							0	1,821	1,821	0	6,864,351	6,864,351	0	3,280,265	3,280,265	
Option							0	0	0	0	0	0	0	0	0	
Total							0	1,821	1,821	0	6,864,351	6,864,351	0	3,280,265	3,280,265	
Block E2																
Leased																
Continuous Mining	ML	2,100	65.18%	100%	0.00	1.01	0	1,116	1,116	0	2,154,120	2,154,120	0	0	0	
Longwall Mining	ML	2,100	65.18%	100%									0	0	0	
Continuous Mining	BC	2,090	64.37%	100%	0.00	2.27	0	1,116	1,116	0	4,799,626	4,799,626	0	0	0	
Longwall Mining	BC	2,090	64.37%	100%									0	0	0	
Total					0.00	1.88	0	2,232	2,232	0	6,953,745	6,953,745	0	0	0	

Warrior Met Coal, LLC

Blue Creek Area

Underground Mineable Reserves as of December 31, 2023

Appendix A - Table 1 (Metric Tonnes)



Moisture 10% Washed recoverable tons shown on 6.0% moisture basis
 Preparation Plant Efficiency 100% Included in Wash Recovery*

Seam	Tons/ Acre-ft.	Wash Recovery*	Plant Eff.	Resource Thickness			Resource Acres			In Place Tonnes			Clean, Moist, Demonstrated Tonnes		
				Measured	Indicated		Measured	Indicated	Total	Measured	Indicated	Total	Proven	Probable	Total
Adverse															
Continuous Mining	ML	2,100	65.18%	100%	0.00	1.00	0	633	633	0	1,202,955	1,202,955	0	0	0
Longwall Mining	ML	2,100	65.18%	100%									0	0	0
Continuous Mining	BC	2,090	64.37%	100%	0.00	2.24	0	633	633	0	2,683,916	2,683,916	0	0	0
Longwall Mining	BC	2,090	64.37%	100%									0	0	0
Total					0.00	1.85	0	1,266	1,266	0	3,886,870	3,886,870	0	0	0
Total															
Continuous Mining - ML_Only							0	1,116	1,116	0	2,154,120	2,154,120	0	0	0
Longwall Mining - ML_Only													0	0	0
Continuous Mining - BC_Only							0	1,116	1,116	0	4,799,626	4,799,626	0	0	0
Longwall Mining - BC_Only													0	0	0
Total							0	2,232	2,232	0	6,953,745	6,953,745	0	0	0
Owned							0	0	0	0	0	0	0	0	0
Leased							0	2,232	2,232	0	6,953,745	6,953,745	0	0	0
Option							0	0	0	0	0	0	0	0	0
Total							0	2,232	2,232	0	6,953,745	6,953,745	0	0	0
Block E3															
Leased															
Continuous Mining	ML	2,100	65.18%	100%	0.00	1.42	0	3,953	3,953	0	10,701,054	10,701,054	0	0	0
Longwall Mining	ML	2,100	65.18%	100%									0	0	0
Continuous Mining	BC	2,090	64.37%	100%	0.00	2.91	0	3,953	3,953	0	21,815,468	21,815,468	0	0	0
Longwall Mining	BC	2,090	64.37%	100%									0	0	0
Total					0.00	2.42	0	7,906	7,906	0	32,516,522	32,516,522	0	0	0
Owned															
Continuous Mining	ML	2,100	65.18%	100%	0.00	0.85	0	30	30	0	48,217	48,217	0	0	0
Longwall Mining	ML	2,100	65.18%	100%									0	0	0
Continuous Mining	BC	2,090	64.37%	100%	0.00	2.52	0	30	30	0	141,612	141,612	0	0	0
Longwall Mining	BC	2,090	64.37%	100%									0	0	0
Total					0.00	2.09	0	59	59	0	189,828	189,828	0	0	0
Adverse															
Continuous Mining	ML	2,100	65.18%	100%	0.00	1.09	0	3,788	3,788	0	7,868,832	7,868,832	0	0	0
Longwall Mining	ML	2,100	65.18%	100%									0	0	0
Continuous Mining	BC	2,090	64.37%	100%	0.00	2.88	0	3,788	3,788	0	20,704,212	20,704,212	0	0	0
Longwall Mining	BC	2,090	64.37%	100%									0	0	0
Total					0.00	2.39	0	7,576	7,576	0	28,573,043	28,573,043	0	0	0

Warrior Met Coal, LLC

Blue Creek Area

Underground Mineable Reserves as of December 31, 2023

Appendix A - Table 1 (Metric Tonnes)



Moisture	10%	Washed recoverable tons shown on 6.0% moisture basis
Preparation Plant Efficiency	100%	Included in Wash Recovery*

Seam	Tons/ Acre-ft.	Wash Recovery*	Plant Eff.	Resource Thickness			Resource Acres			In Place Tonnes			Clean, Moist, Demonstrated Tonnes				
				Measured	Indicated	Total	Measured	Indicated	Total	Measured	Indicated	Total	Proven	Probable	Total		
Total																	
Continuous Mining - ML_Only							0	3,983	3,983	0	10,749,271	10,749,271	0	0	0	0	0
Longwall Mining - ML_Only													0	0	0	0	0
Continuous Mining - BC_Only							0	3,982	3,982	0	21,957,079	21,957,079	0	0	0	0	0
Longwall Mining - BC_Only													0	0	0	0	0
Total							0	7,965	7,965	0	32,706,351	32,706,351	0	0	0	0	0
Owned							0	59	59	0	189,828	189,828	0	0	0	0	0
Leased							0	7,906	7,906	0	32,516,522	32,516,522	0	0	0	0	0
Option							0	0	0	0	0	0	0	0	0	0	0
Total							0	7,965	7,965	0	32,706,351	32,706,351	0	0	0	0	0
Grand Total																	
Inclusive of Reserves (Blocks A-E)																	
Continuous Mining - ML_Only													1,799,952	1,020,902	2,820,854		
Longwall Mining - ML_Only							6,461	4,212	10,672	18,261,090	12,644,154	30,905,244	9,633,852	6,642,128	16,275,980		
Continuous Mining - BC_Only													4,983,050	2,166,459	7,149,509		
Longwall Mining - BC_Only							6,461	4,212	10,672	48,498,038	25,469,047	73,967,084	26,891,879	14,423,536	41,315,415		
Total							12,921	8,424	21,345	66,759,127	38,113,201	104,872,328	43,308,734	24,253,025	67,561,758		
Owned							3,039	722	3,760	15,685,555	3,584,025	19,269,580	8,952,056	2,304,197	11,256,252		
Leased							8,360	7,108	15,468	43,077,181	31,843,173	74,920,354	29,291,962	19,949,121	49,241,083		
Option							1,522	594	2,116	7,996,391	2,686,002	10,682,394	5,064,716	1,999,707	7,064,423		
Total							12,921	8,424	21,345	66,759,127	38,113,201	104,872,328	43,308,734	24,253,025	67,561,758		
Adverse							4,391	8,372	12,763	21,888,424	36,755,136	58,643,559	13,988,375	21,994,998	35,983,372		
Exclusive of Reserves (Blocks E1-E2)																	
Continuous Mining - ML_Only							0	5,099	5,099	0	12,903,391	12,903,391					
Longwall Mining - ML_Only																	
Continuous Mining - BC_Only							0	5,098	5,098	0	26,756,705	26,756,705					
Longwall Mining - BC_Only																	
Total							0	10,197	10,197	0	39,660,096	39,660,096					
Owned							0	59	59	0	189,828	189,828					
Leased							0	10,138	10,138	0	39,470,268	39,470,268					
Option							0	0	0	0	0	0					
Total							0	10,197	10,197	0	39,660,096	39,660,096					
Adverse							0	8,842	8,842	0	32,459,914	32,459,914					

Warrior Met Coal, LLC
Blue Creek Area



Underground Mineable Reserves as of December 31, 2023
Appendix A - Table 1 (Metric Tonnes)

Moisture 10% Washed recoverable tons shown on 6.0% moisture basis
 Preparation Plant Efficiency 100% Included in Wash Recovery*

Seam	Tons/ Acre-ft.	Wash Recovery*	Plant Eff.	Resource Thickness		Resource Acres			In Place Tonnes			Clean, Moist, Demonstrated Tonnes				
				Measured	Indicated	Measured	Indicated	Total	Measured	Indicated	Total	Proven	Probable	Total		
Grand Total																
Continuous Mining - ML_Only						6,461	9,311	15,771	18,261,090	25,547,545	43,808,635	1,799,952	1,020,902	2,820,854		
Longwall Mining - ML_Only												9,633,852	6,642,128	16,275,980		
Continuous Mining - BC_Only						6,461	9,310	15,771	48,498,038	52,225,751	100,723,789	4,983,050	2,166,459	7,149,509		
Longwall Mining - BC_Only												26,891,879	14,423,536	41,315,415		
Total						12,921	18,621	31,542	66,759,127	77,773,297	144,532,424	43,308,734	24,253,025	67,561,758		
Owned						3,039	781	3,820	15,685,555	3,773,853	19,459,409	8,952,056	2,304,197	11,256,252		
Leased						8,360	17,246	25,606	43,077,181	71,313,441	114,390,622	29,291,962	19,949,121	49,241,083		
Option						1,522	594	2,116	7,996,391	2,686,002	10,682,394	5,064,716	1,999,707	7,064,423		
Total						12,921	18,621	31,542	66,759,127	77,773,297	144,532,424	43,308,734	24,253,025	67,561,758		
Adverse						4,391	17,214	21,604	21,888,424	69,215,049	91,103,473	13,988,375	21,994,998	35,983,372		

*Average total seam thickness by mine

Definitions: Total seam is the thickness of coal and non-coal partings from the top to the base of the seam, excluding the middleman.

Wash recovery is estimated via a plant simulation utilizing multi-gravity data available to target a 10.2% ash product from exploration data and MM&A's experience in the subject coal horizons.

WARRIOR MET COAL, INC.

POLICY FOR THE
RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

1. **Purpose.** The purpose of this Policy is to describe the circumstances in which Executive Officers will be required to repay, return, or forfeit Erroneously Awarded Compensation to the Company. This Policy shall be interpreted to (i) comply with Rule 10D-1 promulgated under the Securities Exchange Act of 1934, as amended, and the related listing rules of the Exchange, and, to the extent this Policy is deemed inconsistent with such rules in any manner, this Policy shall be treated as retroactively amended to be compliant with such rules and (ii) provide for recoupment of Incentive-based Compensation awarded under circumstances in which an Executive Officer has committed an act of Misconduct. Capitalized terms shall have the meanings ascribed to such terms in Section 3 below.
2. **Administration.** This Policy shall be administered by the Committee. The Committee has full and final authority to make all determinations under this Policy, in each case to the extent permitted under the listing rules of the Exchange and in compliance with (or pursuant to an exemption from the application of) Section 409A of the Code. Any determinations made by the Committee shall be final and binding on all affected individuals.
3. **Definitions.** For purposes of this Policy, the following capitalized terms shall have the meanings set forth below.
 - (a) **"Accounting Restatement"** shall mean an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (a "Big R" restatement), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a "little r" restatement).
 - (b) **"Board"** shall mean the Board of Directors of the Company.
 - (c) **"Clawback Eligible Incentive Compensation"** shall mean all Incentive-based Compensation Received by an Executive Officer (i) on or after October 2, 2023, (ii) after beginning service as an Executive Officer, (iii) who served as an Executive Officer at any time during the applicable performance period for such Incentive-based Compensation (whether or not such Executive Officer is serving at the time the Erroneously Awarded Compensation is required to be repaid, returned, or forfeited to the Company Group), (iv) while the Company has a class of securities listed on a national securities exchange or a national securities association, and (v) during the applicable Clawback Period.
 - (d) **"Clawback Period"** shall mean, with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the Restatement Date, including any transition period (that results from a change in the Company's fiscal year) of less than nine months within or immediately following those three completed fiscal years.
 - (e) **"Code"** shall mean the U.S. Internal Revenue Code of 1986, as amended. Any reference to a section of the Code or regulation thereunder includes such section or regulation, any valid regulation or other official guidance promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing, or superseding such section or regulation.
 - (f) **"Committee"** shall mean the Compensation Committee (if composed entirely of independent directors) of the Board, or, in the absence of such a committee, a majority of the independent directors serving on the Board.

- (g) **“Company”** shall mean Warrior Met Coal, Inc., a Delaware corporation.
- (h) **“Company Group”** shall mean the Company, together with each of its direct and indirect subsidiaries.
- (i) **“Effective Date”** shall mean October 2, 2023.
- (j) **“Erroneously Awarded Compensation”** shall mean both (i) Erroneously Awarded Compensation - Restatement and (ii) Erroneously Awarded Compensation - Misconduct.

(k) **“Erroneously Awarded Compensation - Restatement”** shall mean, with respect to each Executive Officer in connection with an Accounting Restatement, the amount of Clawback Eligible Incentive Compensation Received that exceeds the amount of Incentive-based Compensation that otherwise would have been Received had it been determined based on the restated amounts, computed without regard to any taxes paid. For Incentive-based Compensation based on (or derived from) stock price or total stockholder return where the amount of Erroneously Awarded Compensation - Restatement is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement, the amount shall be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total stockholder return upon which the Incentive-based Compensation was Received (in which case, the Company shall maintain documentation of such determination of that reasonable estimate and provide such documentation to the Exchange). With respect to any compensation plans or programs of the Company Group that take into account Incentive-Based Compensation, the amount of Erroneously Awarded Compensation - Restatement subject to recovery (or, to the extent such amount has not yet been paid, forfeiture) under this Policy includes, but is not limited to, the amount of Erroneously Awarded Compensation - Restatement credited to any notional account and any notional earnings attributable thereto.

(l) **“Erroneously Awarded Compensation - Misconduct”** shall mean, with respect to each Executive Officer in connection with an act or acts of Misconduct, Incentive-based Compensation that is outstanding or Received by such Executive Officer(s) during or following the commission of the act or acts of Misconduct, in an amount determined by the Committee in its sole discretion based on the Committee’s determination of the harm caused by the Misconduct, among other factors.

(m) **“Exchange”** shall mean a national securities exchange or national securities association on which the Company has listed securities.

(n) **“Executive Officer”** shall mean each individual who is currently or was previously designated as an “officer” of the Company in accordance with Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended.

(o) **“Financial Reporting Measure”** shall mean a measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any other measure that is derived wholly or in part from such measure. Stock price and total stockholder return (and any measure that is derived wholly or in part from stock price or total stockholder return) shall be considered Financial Reporting Measures for purposes of this Policy. For the avoidance of doubt, a Financial Reporting Measure need not be presented in the Company’s financial statements or included in a filing with the SEC.

(p) **“Incentive-based Compensation”** shall mean any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

(q) **“Misconduct”** shall mean a willful act of fraud, theft, misappropriation, embezzlement or other misconduct, the failure to take action to report any act or conduct described above, and the breach of any restrictive covenant with any member of the Company Group, in each case that (i) is to the material financial or reputational detriment of the Company and (ii) is of a nature or effect that in the sole discretion of the Board or the Committee justifies the recoupment of compensation under this Policy.

(r) **“Policy”** shall mean this Policy for the Recovery of Erroneously Awarded Compensation, as the same may be amended and/or restated from time to time.

(s) **“Received”** shall, with respect to any Incentive-based Compensation, mean deemed receipt, and Incentive-based Compensation shall be deemed received in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-based Compensation award is attained, even if payment or grant of the Incentive-based Compensation occurs after the end of that period (subject to applicable law, including any Incentive-based Compensation the payment of which has been deferred). For the avoidance of doubt, Incentive-based Compensation that is subject to both a Financial Reporting Measure vesting condition and a service-based vesting condition shall be considered received when the relevant Financial Reporting Measure is achieved, even if the Incentive-based Compensation continues to be subject to the service-based vesting condition.

(t) **“Restatement Date”** shall mean the earlier to occur of (i) the date the Board, a committee of the Board or the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

(u) **“SEC”** shall mean the U.S. Securities and Exchange Commission.

4. Recovery of Erroneously Awarded Compensation - Restatement.

(a) In the event that the Company is required to prepare an Accounting Restatement, the Company must recover, reasonably promptly, Erroneously Awarded Compensation - Restatement Received by any Executive Officer during the applicable Clawback Period, in amounts determined by the Committee pursuant to this Policy. The Company’s obligation to recover Erroneously Awarded Compensation - Restatement is not dependent on if or when the Company files restated financial statements. Recovery under this Policy with respect to an Executive Officer shall not require the finding of any misconduct by such Executive Officer or such Executive Officer being found responsible for the accounting error leading to an Accounting Restatement. In the event of an Accounting Restatement, the Committee shall determine, in its sole and absolute discretion, the timing and method for promptly recovering Erroneously Awarded Compensation - Restatement hereunder, including, without limitation, the cancellation of or offsetting against any planned future cash or equity-based awards, to the extent permitted under the listing rules of the Exchange and in compliance with (or pursuant to an exemption from the application of) Section 409A of the Code. The Committee has the power, in its sole discretion, to retain or obtain the advice of a compensation consultant, legal counsel or other adviser as it deems necessary or appropriate to carry out its duties under this Policy.

(b) Notwithstanding anything herein to the contrary, the Company shall not be required to take the actions contemplated by Section 4(a) above to the extent that one or more of the following conditions are met and the Committee determines that recovery would therefore be impracticable:

(i) The direct expense paid to a third party to assist in enforcing this Policy against an Executive Officer would exceed the amount to be recovered, after the Company has made a reasonable attempt to recover the applicable Erroneously Awarded Compensation

- Restatement, documented such attempts and provided such documentation to the Exchange; or

(ii) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of any member of the Company Group, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Code.

5. Recovery of Erroneously Awarded Compensation - Misconduct.

(a) In the event that the Company determines that an Executive Officer has committed an act of Misconduct, the Company may, in the sole discretion of the Committee, recover applicable Erroneously Awarded Compensation - Misconduct, in amounts determined by the Committee pursuant to this Policy. The Committee shall determine, in its sole discretion, the timing and method for recovering Erroneously Awarded Compensation - Misconduct hereunder, including, without limitation, the cancellation of or offsetting against any planned future cash or equity-based awards, to the extent permitted under the listing rules of the Exchange and in compliance with (or pursuant to an exemption from the application of) Section 409A of the Code. The Committee has the power, in its sole discretion, to retain or obtain the advice of a compensation consultant, legal counsel or other adviser as it deems necessary or appropriate to carry out its duties under this Policy.

(b) Notwithstanding anything herein to the contrary, the Company shall not be required to take the actions contemplated by Section 5(a) above to the extent that the Committee determines, in its sole discretion, that recovery would not be in the best interests of the Company.

6. Reporting and Disclosure. The Company shall file all disclosures with respect to this Policy in accordance with the requirements of the federal securities laws, including the disclosures required by applicable SEC filings.

7. Indemnification Prohibition. No member of the Company Group shall be permitted to indemnify any Executive Officer against the loss of any Erroneously Awarded Compensation that is repaid, returned, recovered, or forfeited pursuant to the terms of this Policy, including any payment or reimbursement for the cost of third-party insurance purchased by an Executive Officer to cover such losses incurred under this Policy. Further, no member of the Company Group shall enter into any agreement that exempts any Incentive-based Compensation from the application of this Policy or that waives the Company Group's right to recovery of any Erroneously Awarded Compensation, and this Policy shall supersede any such agreement (whether entered into before, on, or after the Effective Date).

8. Interpretation. The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy.

9. Effective Date. This Policy shall be effective as of the Effective Date.

10. Amendment; Termination. The Board may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary, including as and when it determines that it is legally required by any federal securities laws, SEC rules, or the listing rules of the Exchange. The Board may terminate this Policy at any time. Notwithstanding anything in this Section 9 to the contrary, no amendment or termination of this Policy shall be effective if such amendment or termination would (after taking into account any actions taken by the Company contemporaneously with such amendment or termination) cause the Company to violate any federal securities laws, SEC rules, or the listing rules of the Exchange.

11. Acknowledgment; Benefits Conditioned on Agreeing to this Policy. Each Executive Officer shall be required to sign and return to the Company, within thirty (30) calendar days following the later of (i) the Effective Date of this Policy or (ii) the date the individual

becomes an Executive Officer, the Acknowledgment Form attached hereto as Exhibit A, pursuant to which such Executive Officer will agree to be bound by the terms of this Policy. Any employment agreement, equity award agreement, compensatory plan or any other agreement or arrangement with an Executive Officer shall be deemed to include, as a condition to the grant or receipt of any benefit thereunder, an agreement by the Executive Officer to abide by, and for such Executive Officer and his/her Incentive-based Compensation to be subject to, the terms of this Policy. For the avoidance of doubt, each Executive Officer will be fully bound by, and must comply with, this Policy, whether or not such Executive Officer has executed and returned such Acknowledgment Form to the Company.

12. Other Recoupment Rights; Company Claims. The Board intends that this Policy will be applied to the fullest extent of the law. This Policy should be considered as a supplement to any other clawback policy in effect now or in the future at the Company or any other member of the Company Group, and if such other policy provides that a greater amount of compensation shall be subject to clawback, such other policy shall apply to the amount in excess of the amount subject to clawback under this Policy. Any right of recoupment (or right to apply a forfeiture) under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment (or forfeiture) that may be available to the Company Group under applicable law, regulation, or rule or pursuant to the terms of any similar policy in any employment agreement, compensation plan or program, award agreement, or similar document and any other legal remedies available to the Company Group, in each case to the extent permitted under the listing rules of the Exchange and in compliance with (or pursuant to an exemption from the application of) Section 409A of the Code. Nothing contained in this Policy, and no recoupment, recovery, or forfeiture as contemplated by this Policy, shall limit any claims, damages, or other legal remedies the Company Group may have against an Executive Officer arising out of or resulting from any actions or omissions by the Executive Officer.

13. Successors. This Policy shall be binding and enforceable against all Executive Officers and their beneficiaries, heirs, executors, administrators or other legal representatives.

Exhibit A

WARRIOR MET COAL, INC.
POLICY FOR THE
RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

ACKNOWLEDGMENT FORM

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Warrior Met Coal, Inc. Policy for the Recovery of Erroneously Awarded Compensation (the "**Policy**"). Capitalized terms used but not otherwise defined in this Acknowledgment Form (this "**Acknowledgment Form**") shall have the meanings ascribed to such terms in the Policy.

By signing this Acknowledgment Form, the undersigned acknowledges and agrees that the undersigned and the undersigned's Incentive-based Compensation are and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned's employment with any member of the Company Group. In the event of any inconsistency or conflict between the Policy and any prior, existing or future employment agreement, compensation plan or program, award agreement or similar document to which the undersigned is or becomes a party or that otherwise is or becomes applicable to the undersigned (collectively, "**compensation arrangements**"), the undersigned acknowledges and agrees that the Policy shall govern such compensation arrangements, and all such compensation arrangements are hereby automatically deemed amended to the extent necessary to give effect to the Policy. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by (i) waiving any rights to indemnification or any claim to insurance under a policy paid for by the Company, in either case in connection with the recovery of Erroneously Awarded Compensation under the Policy, and (ii) returning any Erroneously Awarded Compensation to the extent required by the Policy.

Signature: _____

Print Name: _____

Date: _____