



## For Immediate Release

### NEW ELK COAL STARTS STEELMAKING COAL MINE OPERATIONS IN SOUTHERN COLORADO

**WESTON, CO:** June 14, 2021—With all regulatory approvals in place, New Elk Coal has started production at its Weston, Colorado mine, and will be scaling up operations for the export of coal to global markets.

The mine is anticipated to sell approximately 1.2M tonnes of metallurgical, or steelmaking, coal in the first year of operation, made up of 800k tonnes directly from the mine and a further 400k tonnes of blending coal from Alabama coal producers. This approach will continue as the mine gradually ramps up to 2.5M tonnes annually over the 25-year life of mine.

Currently, New Elk has 50 employees, increasing to an estimated 80 people by the end of the year, and nearly 200 at peak production. This is in addition to a further 200 contractors and service providers to the mine.

“We have achieved an important operational milestone, and now, with many years of operations ahead, we are gradually progressing to full production,” said Amon Mahon, chief operating officer. “We want to build on the long-standing history and legacy of mining in the local community as we chart a new path forward for New Elk and our local community.”

The steelmaking coal will be sold as both a stand-alone product and blended with Alabama coal, based on market demand. The coal will primarily be sold to steel mills on the global seaborne market, exported from either the Gulf of Mexico to the European steel market, or from the northwest coast of Mexico to the Asian steel market. With strong demand, the first four shipments have already been sold to Asian customers for delivery from August through December this year.

Coal is a necessary ingredient in steel manufacturing, and steel is a critical product used for transportation, infrastructure and an array of everyday household items. It takes 750kg of metallurgical coal to produce one tonne of steel.

“Safe, responsible operations, giving back and supporting our community – these are core commitments that we make to our neighbors, our employees and the communities around us,” added Mahon.

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**About New Elk Coal:** New Elk Coal is a steelmaking coal mine located near Trinidad in Las Animas County, Colorado. A wholly-owned subsidiary of Allegiance Coal, New Elk is committed to the responsible mining of coal required for steel production.

For more information, please contact:

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