REFINITIV

DELTA REPORT

10-Q

AREC - AMERICAN RESOURCES CORP

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1124
CHANGES	62
DELETIONS	517
ADDITIONS	545

REFINITIV

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

FORM 10-Q

☒ ☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: **September 30, 2023March 31, 2024**

or

☐ ☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

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: **000-55456**

American Resources Corporation

(Exact name of registrant as specified in its charter)

Florida	**46-3914127**
(Exact name State or other jurisdiction of registrant as specified in its charter)	
Floridaincorporation or organization)	**46-3914127**(I.R.S. Employer Identification No.)

(State or other jurisdiction of

incorporation or organization)
(I.R.S. Employer
Identification No.)

12115 Visionary Way Fishers, IN Indiana46038
(Address (Address and Zip Code of principal executive offices)

Registrant's telephone number, including area code: **((317) 317) 855-9926**

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common, $0.0001 Par Value	AREC	NASDAQ Capital Market
Warrant	ARECW	NASDAQ Capital Market

Indicate by check mark whether the Issuer (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 and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted 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 and post 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. company. See the definitions of the "large accelerated filer," "accelerated filer," and "smaller reporting Company" company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer Filer	☒ ☐	Smaller Reporting Company	☒
Emerging growth Company company	☒ ☐		

If an emerging growth Company, 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 is a shell Company company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common	AREC	NASDAQ Capital Market
Warrant	ARECW	NASDAQ Capital Market

As of November 14, 2023 May 20, 2024, the registrant had 78,268,338 77,392,957 shares of Class A common stock issued and outstanding.

AMERICAN RESOURCES CORPORATION

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PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

AMERICAN RESOURCES CORPORATION

CONSOLIDATED

FINANCIAL STATEMENTS

(UNAUDITED)

For the three months and nine months ended

September 30, 2023

AMERICAN RESOURCES CORPORATION

CONDENSED CONSOLIDATED CONDENSED BALANCE SHEETS

UNAUDITED

	September 30, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS		
Cash	$ 3,117,380	$ 8,868,566
Accounts Receivable	4,390,828	660,755
Inventory	2,166,526	446,690
Prepaid fees	1,917,642	786,576
Total Current Assets	12,352,376	10,762,587
OTHER ASSETS		
Cash - restricted	41,595,685	2,122,263
Property and Equipment, Net	11,688,155	9,113,722
Right of use assets, net	18,461,300	13,033,889
Investment in LLC – Related Party	19,483,593	20,784,866
Note Receivable	99,022	99,022
Total Other Assets	91,327,755	45,153,762
TOTAL ASSETS	$ 102,920,131	$ 55,916,349
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	$ 4,331,281	$ 4,916,243
Non-Trade payables	2,776,368	2,524,243
Accounts payable – related party	2,544,796	4,295,232
Accrued interest	142,881	106,886
Current portion of debt	804,656	1,917,506
Current portion of convertible debt	-	9,787,423
Current portion of lease liabilities, net	5,407,406	3,889,235
Total Current Liabilities	16,207,388	27,436,768
OTHER LIABILITIES		
Remediation liability	21,040,507	20,295,634
Lease liabilities, net	7,773,155	7,899,251
Bonds Payable, net	43,202,858	-
Total Other Liabilities	72,016,520	28,682,904
Total Liabilities	88,223,908	55,631,653
STOCKHOLDERS' EQUITY (DEFICIT)		
AREC - Class A Common stock: $0.0001 par value; 230,000,000 shares authorized, 66,860,522 and 65,084,992 shares issued and outstanding	7,627	6,680
Additional paid-in capital	178,533,973	167,517,259
Accumulated deficit	(163,845,377)	(167,239,243)
Total stockholders' deficit	14,696,223	(284,696)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	102,920,131	55,916,349
	March 31,	**December 31,**

	2024	2023
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 2,168,557	$ 2,666,638
Inventories	129,991	54,000
Prepaid expenses and other current assets	2,521,646	1,867,651
Total current assets	4,820,194	4,588,289
Restricted cash	177,643,892	34,664,936
Property and equipment, net	11,202,362	15,337,004
Right-of-use assets, net	18,108,411	18,276,913
Investment in LLCs- related parties	4,220,000	18,780,000
Notes receivable, net	99,022	99,022
Total assets	$ 216,093,881	$ 91,746,164
Liabilities And Equity		
Current liabilities:		
Trade payables	$ 4,389,695	$ 6,709,224
Non-trade payables	2,755,451	2,607,942
Accounts payable - related party	2,305,604	2,371,697
Accrued interest	146,101	512,558
Other current liabilities	-	200,000
Notes payable	792,184	804,656
Operating lease liabilities	59,691	57,663
Finance lease liabilities	5,510,004	4,806,822
Total current liabilities	15,958,730	18,070,562
Remediation liability	21,537,089	21,288,799
Bonds payable, net	192,430,933	44,152,500
Operating lease liabilities, non-current	480,004	495,611
Finance lease liabilities, non-current	5,488,120	7,514,848
Total liabilities	235,894,876	91,522,320
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Common stock, $0.0001 par value; 230,000,000 shares authorized, 77,296,990 and 76,247,370 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	7,732	7,627
Additional paid-in capital	165,111,534	178,910,546
Accumulated deficit	(184,920,261)	(178,694,329)
Total stockholders' equity	(19,800,995)	223,844
Total liabilities and stockholders' equity	$ 216,093,881	$ 91,746,164

The accompanying footnotes are integral to the unaudited consolidated financial statements

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

UNAUDITED

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AMERICAN RESOURCES CORPORATION

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Revenue		
Coal sales	$ -	$ 8,723,185
Metal recovery and sales	29,352	20,609
Royalty income	64,667	124,662
Total revenue	94,019	8,868,456
Operating expenses (income)		
Cost of coal sales and processing	1,266,928	2,705,820
Accretion	248,291	248,291
Depreciation	22,086	13,336
Amortization of mining rights	307,801	305,859
General and administrative	2,062,021	1,321,468
Professional fees	390,196	293,255
Production taxes and royalties	121,767	981,636
Development	2,397,140	5,633,908
Gain on sale of equipment	(458,000)	-
Total operating expenses	6,358,230	11,503,573
Net loss from operations	(6,264,211)	(2,635,117)
Other income (expense)		
Other income and (expense)	251,639	93,000
Interest income	36,095	17,212
Interest expense	(249,455)	(575,964)
Total other income (expenses)	38,279	(465,752)
Net loss	$ (6,225,932)	$ (3,100,869)
Less: Non-controlling interest	-	-
Net loss attributable to AREC shareholders	(6,225,932)	(3,100,869)
Net loss per share - basic and diluted	$ (0.03)	$ (0.04)
Weighted average shares outstanding - basic and diluted	76,886,957	72,953,104

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS

UNAUDITED

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Coal Sales	$ 5,721,840	$ 9,441,366	$ 16,120,841	$ 34,442,413
Metal Aggregating, Processing and Sales	5,723	4,988	60,148	45,507
Royalty Income	100,963	63,384	496,682	301,646

Total Revenue	5,828,526	9,509,738	16,677,671	34,789,566
Cost of Coal Sales and Processing	(286,330)	(6,955,403)	(6,562,425)	(15,415,398)
Accretion Expense	(248,291)	(356,303)	(744,873)	(987,744)
Depreciation	(9,218)	(602,503)	(31,036)	(1,858,886)
Amortization of Mining Rights	(311,685)	(311,685)	(929,229)	(926,764)
General and Administrative	(1,299,303)	(734,515)	(3,755,386)	(2,658,376)
Professional Fees	(359,411)	(302,732)	(999,143)	(889,157)
Production Taxes and Royalties	(891,180)	(1,185,970)	(2,369,640)	(2,791,455)
Development Costs	(1,331,118)	(3,692,774)	(9,859,609)	(22,009,368)
Total Operating Expenses	(4,736,536)	(14,141,885)	(25,251,341)	(47,537,148)
Net Loss from Operations	1,091,990	(4,632,147)	(8,573,670)	(12,747,582)
Other Income (loss)	150,000	36,224	503,000	194,381
Unrealized loss on trading securities	-	(1,960)	-	(9,562)
Gain (loss) on cancelation of debt	-	(362,377)	-	3,050,775
Gain on sale of assets	2,538,576	-	8,475,468	-
Interest Income	2,831	1,162	21,595	14,489
Interest expense	(299,762)	(310,681)	(1,043,551)	(969,018)
Total Other income (expense)	2,391,645	(637,632)	7,956,512	2,281,065
Net Income (Loss)	$ 3,483,635	$ (5,226,840)	$ (617,158)	$ (10,466,517)
Net loss per common share - basic and diluted	$ 0.05	$ (0.08)	$ 0.00	$ (0.16)
Weighted average common shares outstanding	76,245,984	66,377,788	75,144,374	65,846,220

The accompanying footnotes are integral to the unaudited consolidated financial statements

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AMERICAN RESOURCES CORPORATION

CONSOLIDATED CONDENSED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)

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FOR THE PERIOD FROM JANUARY 1, 2022 THROUGH SEPTEMBER 30, 2022 AND JANUARY 1, 2023 THROUGH SEPTEMBER 30, 2023

UNAUDITED

Statement of Stockholders' Deficit

AMERICAN RESOURCES CORPORATION

CONDENSED CONSOLIDATED STATEMENTS of SHAREHOLDERS' EQUITY

(UNAUDITED)

September 30, 2022

	American Resources Common Stock				
	Par value	0.0001		Accumulated	
	Shares	Amount	APIC	Deficit	Total

Balance December 31, 2021	**65,084,992**	**$ 6,508**	**$ 163,441,655**	**$ (165,793,571)**	**$ (2,345,408)**
Issuance of common shares for Warrant Conversion	488,594	50	665,341	-	665,391
Issuance of common shares for Conversion of debt and interest	582,885	58	622,152	-	622,210
Amortization of debt discount	-	-	(40,655)	-	40,655
Stock compensation - options	-	-	199,843	-	199,843
Net Loss	-	-		(2,752,902)	(2,752,902)
Balance March 31, 2022	**66,156,471**	**6,616**	**164,888,336**	**(168,538,589)**	**(3,651,521)**
Issuance of common shares for Conversion of debt and interest	451,250	45	1,199,955	-	1,200,000
Issuance of common shares for Warrant Conversion	5,364	-	8,064	-	8,064
Stock Compensation - Options	-	-	190,024	-	190,024
Net Loss	-	-	-	(2,443,834)	(2,443,834)
Balance June 30, 2022	**66,613,085**	**$ 6,661**	**$ 166,286,379**	**$ (170,969,757)**	**$ (4,697,267)**
Issuance of common shares for payables conversion	172,000	17	601,983	-	602,000
Issuance of common shares for Warrant Conversion	55,437	5	83,151	-	83,156
Issuance of common shares for professional services	20,000	2	38,798	-	38,800
Stock compensation - options	-	-	170,385	-	170,385
Net loss	-	-	-	(5,269,779)	(5,269,779)
Balance September 30, 2022	**66,860,522**	**$ 6,685**	**$ 167,180,697**	**$ (176,196,598)**	**$ (9,072,705)**

	Common Stock		**Additional**		
	Par Value		**Paid-in**	**Accumulated**	**Total**
	Shares	**Amount**	**Capital**	**Deficit**	**Equity**
Balance as of December 31, 2023	76,247,370	$ 7,627	$ 178,910,546	$ (178,694,329)	$ 223,844
Exercise of cashless warrants	871,620	87	(87)	-	-
Exercise of common stock options	148,000	15	156,885	-	156,900
Issuance of common shares for consulting services	30,000	3	43,797	-	43,800
Dividend-in-kind of Novustera, Inc. common stock to shareholders	-	-	(14,560,000)	-	(14,560,000)
Stock compensation - options	-	-	560,393	-	560,393
Net loss	-	-	-	(6,225,932)	(6,225,932)
Balance as of March 31, 2024	77,296,990	$ 7,732	$ 165,111,534	$ (184,920,261)	$ (19,800,995)

Common Stock		**Additional**		
		Paid-in	**Accumulated**	**Total**
Par Value Shares	**Amount**	**Capital**	**Deficit**	**Equity**

	Shares	Amount	APIC	Accumulated Deficit	Total
Balance as of December 31, 2022	66,777,620	$ 6,680	$ 167,517,259	$ (167,239,243)	$ 284,696
Issuance of common shares for Convertible Debt Conversion	9,420,230	942	9,786,481	-	9,787,423
Stock compensation - options	-	-	376,573	-	376,573
Net loss	-	-	-	(3,100,869)	(3,100,869)
Balance as of March 31, 2023	76,197,850	$ 7,622	$ 177,680,313	$ (170,340,112)	$ 7,347,823

The accompanying footnotes are integral to the unaudited consolidated financial statements

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	Par value Shares	0.0001 Amount	APIC	Accumulated Deficit	Total
Balance December 31, 2022	**66,777,620**	**$ 6,680**	**$ 167,517,259**	**$ (167,239,243)**	**$ (284,696)**
Issuance of common shares for Warrant Conversion	9,420,230	942	9,786,481	-	9,787,423
Stock compensation - options	-	-	376,573	-	376,573
Net Loss	-	-		(3,100,869)	(3,100,869)
Balance March 31, 2023	**76,197,850**	**7,622**	**177,680,313**	**(170,340,112)**	**7,347,823**
Recapture expenses for bond issuance	-	-	-	4,011,025	4,011,025
Stock compensation - options	-	-	376,573	-	376,573
Net loss	-	-	-	(999,925)	(999,925)
Balance June 30, 2023	**76,197,850**	**$ 7,622**	**$ 178,056,886**	**$ (167,329,012)**	**$ 10,735,496**
Issuance of common shares for consulting services	49,020	5	99,995		100,000
Issuance of common shares for Warrant Conversion	500	-	519	-	519
Stock compensation - options	-	-	376,573	-	376,573
Net loss	-	-	-	3,483,635	3,483,635
Balance September 30, 2023	**76,247,370**	**$ 7,627**	**$ 178,533,973**	**$ (163,845,377)**	**$ 14,696,223**

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AMERICAN RESOURCES CORPORATION

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

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UNAUDITED

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Cash Flows from Operating activities:		
Net loss	$ 142,842	$ (10,466,517)
Adjustments to reconcile net loss to net cash used in operating activities:		
Gain on debt forgiveness	-	(3,050,771)
Depreciation expense	31,036	1,858,886
Amortization of mining rights	929,229	926,764
Accretion expense	744,873	1,274,320
Amortization expense of right to use assets	(2,918,365)	(378,198)
Amortization of issuance costs and debt discount	-	-
Options expense	1,129,719	560,252
Warrant expense	519	756,611
Issuance of common shares for service	99,995	38,800
Change in current assets and liabilities:		
Accounts receivable	(4,490,073)	(2,495,408)
Inventory	(1,719,836)	(730,023)
Prepaid expenses and other assets	(1,131,066)	(429,737)
Accounts payable	(332,837)	269,564
Accrued interest	35,995	(3,194)
Accounts payable - related party	(1,750,436)	(12,920)
Net cash (used in)/generated from operations	(9,028,400)	(11,881,575)
Cash Flows from Investing activities:		
Cash used in investments in LLCs	1,301,273	(1,240,438)
Cash invested in note receivable	-	(335,000)
Cash received (paid) for PPE, net	(3,534,698)	5,052,912
Net cash (used in)/generated from investing activities	(2,233,425)	3,477,474
Cash Flows from Financing activities:		
Principal payments on finance lease	(1,116,969)	(286,573)
Principal payments on debt	(1,112,852)	(1,604,003)
Proceeds from Bonds	43,202,858	-
Proceeds from the bond Lookback	4,011,024	-
Proceeds from debt	-	2,563,000
Proceeds from warrant conversions	-	-
Net cash (used in)/generated from financing activities	44,984,061	672,422
Increase(decrease) in cash and restricted cash	33,722,236	(7,731,677)
Cash and restricted cash, beginning of period	10,990,829	12,588,113
Cash and restricted cash, end of period	$ 44,713,065	$ 4,856,436
Supplemental Information		
Cash paid for interest	$ -	$ 64,094
Conversion of debt, interest and payables to common shares	$ -	$ 2,424,210
Acquisition of right of use assets for lease obligations	$ -	6,252,088

AMERICAN RESOURCES CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

	For the three months ended March 31, 2024	2023
Cash Flows from Operating activities:		
Net loss	$ (6,225,932)	$ (3,100,869)
Adjustments to reconcile net income (loss) to net cash used in operating activities		
Depreciation expense	32,496	13,336
Amortization of mining rights	304,970	305,859
Accretion expense	248,290	248,291
Amortization of right-to-use assets	168,502	-
Accretion of right-to-use assets	242,817	107,895
Amortization of issuance costs and debt discount	41,572	-
Noncash stock-based compensation expense	560,393	376,573
Issuance of common shares for services	43,800	-
Change in current assets and liabilities:		
Accounts receivable	-	(1,034,174)
Inventories	(75,991)	(2,512,821)
Prepaid expenses and other current assets	(653,995)	(10,500)
Accounts payable	(2,172,024)	(450,185)
Accrued interest	(366,457)	3,819
Accounts payable related party	(66,093)	(1,290,188)
Operating lease assets and liabilities, net	(13,579)	-
Other liabilities	(200,000)	-
Cash used in operating activities	(8,131,227)	(7,342,964)
Cash Flows from Investing activities:		
Purchase of property and equipment	(264,939)	(508,930)
Cash received (paid) for PPE, net	4,062,115	-
Investment in LLCs	-	1,476,273
Cash (used in) provided by investing activities	(3,797,176)	967,343
Cash Flows from Financing activities:		
Repayments on notes payable	(12,472)	(1,077,778)
Repayments of finance lease liabilities	(1,566,363)	(1,116,969)
Proceeds from the exercise of stock option	156,900	-
Proceeds from tax exempt bonds, net	148,236,861	-
Cash provided by (used in) financing activities	146,817,926	(2,194,747)
Increase (decrease) in cash	142,480,875	(8,570,368)
Cash and cash equivalents, including restricted cash, beginning of period	37,331,574	10,990,829
Cash and cash equivalents, including restricted cash, end of period	$ 179,812,449	$ 2,420,461
SUPPLEMENTAL CASH FLOW INFORMATION		
Cashless exercise of warrants	$ 87	$ -
Dividend-in-kind of Novustera, Inc. common stock to shareholders	$ 14,560,000	$ -

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AMERICAN RESOURCES CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

UNAUDITED (UNAUDITED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

American Resources Corporation (ARC or the Company) operates through subsidiaries that were formed or acquired in 2020, 2019, 2018, 2016 and 2015 for the purpose of acquiring, rehabilitating and operating various natural resource assets including coal used in the steel making and industrial markets, critical and rare earth elements used in the electrification economy and aggregated metal and steel products used in the recycling industries.

***Basis of Presentation and Consolidation**:*

The consolidated financial statements include the accounts of the Company and its wholly majority owned subsidiaries American Carbon Corp (ACC), Deane Mining, LLC (Deane), ERC Mining Indiana Corp (ERC), McCoy Elkhorn Coal LLC (McCoy), Knott County Coal LLC (KCC) LLC(KCC), Wyoming County Coal (WCC),Perry County Resources LLC (PCR), American Rare Earth reElement Technologies LLC (ARE) (RLMT), American Metals LLC (AM) and , American Opportunity Venture II, LLC (AOV II) and T.R. Mining & Equipment Ltd. (TR Mining). All significant intercompany accounts and transactions have been eliminated.

Entities for which ownership is less than 100% require that a determination is made as to whether there is a requirement to apply the variable interest entity (VIE) model to the entity. Where the company holds current or potential rights that give it the power to direct the activities of a VIE that most significantly impact the VIE's economic performance, combined with a variable interest that gives the Company the right to receive potentially significant benefits or the obligation to absorb potentially significant losses, the Company would be deemed be primary.

The company is the primary beneficiary of Advanced Carbon Materials LLC (ACM), which qualifies as a variable interest entity. Accordingly, the assets, liabilities, revenue and expenses of ACM have been included in the accompanying consolidated financial statements. The company is a 49.9% owner in ACM and has control of 90% of the cash flow which led to have the determination of the Company as the primary beneficiary. As of March 31, 2024 and December 31, 2023, ACM had no assets, liabilities or operations.

On February 5, 2024, American Resources Corporation ("American Resources" or the "Company") and its wholly owned subsidiary, American Carbon Corporation ("ACC") entered into a controlling interest. Share Purchase Agreement ("Purchase Agreement") with T.R. Mining & Equipment Ltd. ("TR Mining"), to where ACC has purchased 51% of the fully diluted shares outstanding of TR Mining in exchange for approximately 6% of the primary shares outstanding of ACC. The assets of TR Mining include a diversified mineral deposit with a focus on iron ore, titanium and vanadium with an initial estimated deposit of 212,925,000 tons of raw feedstock with an estimated 106,462,500 tons of ore body, based on an average of 50% magnetic material.

Effective February 5, 20224, the Company acquired a 51% interest in TR Properties & Equipment Ltd. (TR) for consideration consisting of a 6% interest in the Company's subsidiary, American Carbon Corporation (ACC). The Company's investment in TR substantially consists of a single asset, mining rights. Accordingly, the transaction does not meet the definition of a business under ASC Topic 805, Business Combinations, and therefore the Company will account for the transaction as an asset acquisition. In an asset acquisition, goodwill or a bargain purchase gain are not recognized, but rather, any difference between the consideration transferred and the fair value of the net assets acquired is allocated on a relative fair value basis to the identifiable assets acquired. As of March 31, 2024, a preliminary allocation for this transaction has not been recorded as valuation procedures are pending with respect to the fair value of the assets acquired and consideration exchanged.

The accompanying Consolidated Financial Statements are unaudited and have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

Interim Financial Information

Certain information The accompanying unaudited consolidated balance sheet as of March 31, 2024, unaudited consolidated statements of operations, changes in stockholders' (deficit) equity and footnote disclosures normally included in annual financial statements cash flows for the quarters ended March 31, 2024 and 2023 have been prepared in accordance with U.S. GAAP have accounting principles generally accepted in the United States of America for interim financial information with the instructions to Form 10-Q. The accompanying balance sheet as of December 31, 2023 has been omitted. derived from the audited balance sheet as of December 31, 2023 included in the Company's Form 10-K referenced below and does not include all disclosures required by accounting principles generally accepted in the United States of America. In the opinion of management, these interim unaudited Consolidated Financial Statements reflect the financial statements include all normal and recurring adjustments considered necessary for a fair presentation of the Company's financial position and operating results. Operating results for the periods presented. Results of operations for the three and nine months ended September 30, 2023 March 31, 2024 are not necessarily indicative of the results to that may be expected for the year ending December 31, 2023 December 31, 2024 or any other period. These *financial statements and notes should be read in conjunction with the Company's 2022 audited financial statements and notes thereto which were filed for the year ended December 31, 2023 included in the Company's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, or the SEC, on March 31, 2023 April 15, 2024.*

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Convertible Preferred Securities: Going Concern *We account*

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has incurred recurring losses of $6,225,932 and $3,100,869 for hybrid contracts that feature conversion options in accordance with U.S. GAAP. ASC 815, Derivatives the three months ended March 31, 2024 and Hedging Activities ("ASC 815") requires companies 2023, respectively, and an accumulated deficit of $184,920,261 as of March 31, 2024. These factors, among others, raise substantial doubt about the Company's ability to bifurcate conversion options continue as a going concern for the next twelve months from their host instruments and account for them as free standing derivative the date these financial instruments according to certain criteria. The criteria includes circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are statements were issued. These financial statements do not clearly and closely related include any adjustments relating to the economic characteristics recoverability and risks classification of recorded asset amounts or the host contract, (b) amounts and classification of liabilities that may be necessary should the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would Company be considered a derivative instrument.

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We also follow ASC 480-10, Distinguishing Liabilities from Equity ("ASC 480-10") in its evaluation of the accounting for a hybrid instrument. A financial instrument that embodies an unconditional obligation, or a financial instrument other than an outstanding share that embodies a conditional obligation, that the issuer must or may settle by issuing a variable number of its equity shares shall be classified unable to continue as a liability (or an asset in some circumstances) if, at inception, the monetary value of the obligation is based solely or predominantly on any one of the following: (a) a fixed monetary amount known at inception; (b) variations in something other than the fair value of the issuer's equity shares; or (c) variations inversely related to changes in the fair value of the issuer's equity shares. Hybrid instruments meeting these criteria are not further evaluated for any embedded derivatives and are carried going concern. The Company's continuation as a liability at fair value at each balance sheet going concern is contingent upon its ability to obtain additional financing and to generate revenue and cash flow to meet its obligations on a timely basis. The Company will continue to seek to raise additional funding through debt or equity financing during the next twelve months from the date with remeasurements reported of issuance of these financial statements. Management believes that actions presently being taken to obtain additional funding provide the opportunity for the Company to continue as a component of other income/expense going concern. There is no guarantee the Company will be successful in the accompanying Consolidated Statements of Operations. achieving these objectives.

Cash Prior period reclassifications *is maintained*

We have reclassified certain amounts in bank deposit accounts which, at times, may exceed federally insured limits. To date, there have been no losses in such accounts. prior periods to conform with current presentation.

Cash, Cash Equivalents and Restricted Cash: cash: *Cash and cash equivalents include bank demand deposits and money market funds that invest primarily in U.S. government securities.*

Restricted cash consist of U.S. government securities, corporate fixed income, and U.S. government securities that are held in trusts related to the Tax Exempt Bonds and are restricted as to withdrawal as required by the agreement entered into by the Company. All investments are classified as trading securities as of March 31, 2024 and December 31, 2023. Trading securities are recorded initially at cost and are adjusted to fair value at each reporting period with unrealized gains and losses recorded in current period earnings or loss.

The following table sets forth a reconciliation the total of cash, cash equivalents, and restricted cash reported in the consolidated balance sheet sheets.

	March 31, 2024	December 31, 2023
Cash and cash equivalents	$ 2,168,557	$ 2,666,638
Restricted Cash	177,643,892	34,664,936
Total cash and restricted cash presented in the consolidated statement of cash flows	$ 179,812,449	$ 37,331,574

Related Party Policies*: In accordance with FASB ASC 850 related parties are defined as either an executive, director or nominee, greater than 10% beneficial owner, and or immediate family member and affiliated businesses of any of the proceeding. Transactions with related parties are reviewed and approved by the directors of the Company, as per internal policies.*

Advance Royalties*: Coal leases that agrees require minimum annual or advance payments and are recoverable from future production are generally deferred and charged to expense as the coal is subsequently produced.*

Property and Equipment: *Property and Equipment are recorded at cost. For equipment, depreciation is calculated using the straight-line method over the estimated useful lives of the assets, generally ranging from five to twenty years.*

Property and equipment and amortizable intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amount to the total of those amounts as presented in the consolidated statement of future net undiscounted cash flows for expected to be generated by the six months ended September 30, 2023 and June 30, 2022. related assets. If these assets are determined to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount exceeds the fair market value of the assets.

		September 30, 2023		September 30, 2022
Cash	$	3,117,380	$	3,769,465
Restricted Cash		41,595,685		1,086,971
Total cash and restricted cash presented in the consolidated statement of cash flows	$	44,713,065	$	4,856,436

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There was no impairment loss recognized during the period ending March 31, 2024, and the twelve months ended December 31, 2023. Costs related to maintenance and repairs which do not prolong the asset's useful life are expensed as incurred.

Mine Development*: Costs of developing new coal mines, including asset retirement obligation assets, are capitalized and amortized using the units-of-production method over estimated coal deposits or proven reserves. Costs incurred for the development and expansion of existing reserves are expensed as incurred.*

Cost of Goods Sold and Gross Profit*: Cost of Goods Sold for coal mined and processed include direct labor, materials and utilities. Activities related to metal recover are inherent in both direct coal labor and overhead labor and do not require additional variable costs.*

Asset Retirement Obligations (ARO) – Reclamation: *At the time they are incurred, legal obligations associated with the retirement of long-lived assets are reflected at their estimated fair value, with a corresponding charge to mine development. Obligations are typically incurred when we commence development of underground and surface mines, and include reclamation of support facilities, refuse areas and slurry ponds or through acquisitions.*

Obligations are reflected at the present value of their future cash flows. We reflect accretion of the obligations for the period from the date they incurred through the date they are extinguished. The asset retirement obligation assets are amortized using the units-of-production method based on expected reclamation outflows over estimated recoverable (proved and probable) reserves. coal deposit lives. We are using a discount rates ranging from 6.16% to 7.22%, risk free rates ranging from 1.76% to 2.92% and inflation rate of 10% 2%. Revisions to estimates are a result of changes in the expected spending estimate or the timing of the spending estimate associated with planned reclamation. Federal and State laws require that mines be reclaimed in accordance with specific standards and approved reclamation plans, as outlined in mining permits. Activities include reclamation of pit and support acreage at surface mines, sealing portals at underground mines, and reclamation of refuse areas and slurry ponds.

We assess our ARO at least annually and reflect revisions for permit changes, change changes in our estimated reclamation costs and changes in the estimated timing of such costs.

The table below reflects the changes to our ARO: ARO for the three months ended March 31, 2024 and the twelve months ended December 31, 2023:

Balance at December 31, 2022	$	20,295,634
Accretion – nine months September 30, 2023		744,873
Reclamation work – nine months September 30, 2023		-
Reduction of ARO due to dispositions		-
Balance at September 30, 2023	$	21,040,507
Balance at December 31, 2021	$	18,951,587
Accretion – nine months September 30, 2022		987,744
Reclamation work – nine months September 30, 2022		-
Reduction of ARO due to dispositions		-
Balance at September 30, 2022	$	19,939,332

		March 31, 2024		December 31, 2023
Beginning Balance	$	20,295,634	$	20,295,634

Accretion	1,241,455	993,165
Ending Balance	$ 21,537,089	$ 21,288,799

Accretion expense amounted to $248,291 and $248,291 for the period ended Mach 31, 2024 and March 31, 2023, respectively.

***Revenue Recognition**: Revenue is recognized when performance obligations under the terms of a contract with our customers are satisfied; for all contracts this occurs when control of the promised goods have been transferred to our customers. For coal shipments to domestic and international customers via rail, control is transferred when the railcar is loaded. Our revenue is comprised of sales of mined coal, sales of recovered metals and services for processing coal.*

All the activity is undertaken in eastern Kentucky, Western West Virginia, and Southern Indiana. Revenue from metal recovery and sales are recognized when conditions within the contract or sales agreement are met including transfer of title. Revenue from coal processing and loading are recognized when services have been performed according to the contract in place. Our coal sales generally include 10 to 30-day payment terms following the transfer of control of the goods to the customer. We typically do not include extended payment terms in our contracts with customers. Our contracts with customers typically provide for minimum specifications or qualities of the coal we deliver. Variances from these specifications or quantities are settled by means of price adjustments. Generally, these price adjustments are settled within 30 days of delivery and are insignificant.

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***Income Taxes:** We file a consolidated federal income tax return with our subsidiaries. The provision for income taxes is computed by applying statutory rates to income before taxes.*

Deferred income taxes are recognized for the tax consequences in future years of temporary differences between the financial reporting and tax bases of assets and liabilities as of each period-end based on enacted tax laws and statutory rates. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. A 100% valuation allowance has been established on deferred tax assets at March 31, 2024 and December 31, 2023, due to the uncertainty of our ability to realize future taxable income.

We account for uncertainty in income taxes in our financial statements as required under ASC 740, "Income Taxes." The standard prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The standard also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition accounting. Management determined there were no material uncertain positions taken by us in our tax returns.

***Fair Value**: The Company follows the provisions of Financial Accounting Standards Board (the "FASB") Accounting Standards Codification ("ASC") Topic 820-10, Fair Value Measurements and Disclosures ("ASC 820-10"), which defines fair value, establishes a framework for measuring fair value in GAAP and requires certain disclosures about fair value measurements. Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability.*

Note 4 presents the Company's financial assets or liabilities measured at fair value as of March 31, 2024 and December 31, 2023. The carrying amounts of the Company's cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate their fair value at March 31, 2024 and December 31, 2023 due to their short-term nature.

***Leases:** The Company reviews all arrangements for potential leases, and at inception, determines whether a lease is an operating or finance lease. Lease assets and liabilities, which generally represent the present value of future minimum lease payments over the term of the lease, are recognized as of the commencement date. Leases with an initial lease term of twelve months or less are classified as short-term leases and are not recognized in the balance sheets unless the lease contains a purchase option that is reasonably certain to be exercised.*

Lease term, discount rate, variable lease costs and future minimum lease payment determinations require the use of judgment and are based on the facts and circumstances related to the specific lease. Lease terms are generally based on their initial non-cancelable terms, unless there is a renewal option that is reasonably certain to be exercised. Various factors, including economic incentives, intent, past history and business needs are considered to determine if a renewal option is reasonably certain to be exercised. The implicit rate in a lease agreement is used when it can be determined to value the lease obligation. Otherwise, the Company's incremental borrowing rate, which is based on information available as of the lease commencement date, including applicable lease terms and the current economic environment, is used to determine the value of the lease obligation.

***Allowance For Doubtful Accounts: Accounts**: The Company recognizes an allowance for losses on trade and other accounts receivable in an amount equal to the estimated probable losses net of recoveries. The allowance is based on an analysis of historical bad debt experience, current receivables aging and expected future write-offs, as well as an assessment of specific identifiable amounts considered at risk or uncollectible.*

Allowance for trade receivables as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 amounted to $0, $253,764 for both periods. Allowance The allowance for other accounts receivables, including note receivables was $368,500 as of September 30, 2023 March 31, 2024 and December 31, 2022 amounted December 31, 2023. The note receivable allowance relates to $804,478 and $1,744,570, respectively. the purchase of a note receivable from a third party. The note receivable has collateral in certain mining permits which are strategic to KCC. Timing of payment on the note is uncertain resulting in a full allowance for the note.

Trade and loan receivables are carried at amortized cost, net of allowance for losses. Amortized cost approximated book value as of September 30, 2023 and December 31, 2022.

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Prepaid Fees and Advance Royalties: *Coal leases that require minimum annual or advance payments and are recoverable from future production are generally deferred and charged to expense as the coal is subsequently produced.*

Inventory:Inventory consisting consists of mined coal is stated at the lower of cost (first in, first out method) or net realizable value.

Reclassifications: Stock-based CompensationReclassifications: Stock-based compensation is measured at the grant date based on the fair value of prior periods the award and is recognized as expense over the applicable vesting period of the stock award (generally 0 to 5 years) using the straight-line method.

Stock-based compensation to employees is accounted for under ASC 718, Compensation-Stock Compensation. Stock-based compensation expense related to stock awards granted to an employee is recognized based on the grant-date estimated fair values of the awards using the Black Scholes option pricing model ("Black Scholes"). The value is recognized as expense ratably over the requisite service period, which is generally the vesting term of the award. We adjust the expense for actual forfeitures as they occur. Stock-based compensation expense is classified in the accompanying consolidated statements of operations based on the function to which the related services are provided.

Black-Scholes requires a number of assumptions, of which the most significant are expected volatility, expected option term (the time from the grant date until the options are exercised or expire) and risk-free rate. Expected volatility is determined using the historical volatility for the Company. The risk-free interest rate is based on the yield of US treasury government bonds with a remaining term equal to the expected life of the option. Expected dividend yield is zero because we have never paid cash dividends on common shares, and we do not expect to pay any cash dividends in the foreseeable future.

Earnings Per Share: The Company's basic earnings per share (EPS) amounts have been made to conform with current year presentation. computed based on the average number of shares of common stock outstanding for the period and include the effect of any participating securities as appropriate. Diluted EPS includes the effect of the Company's outstanding stock options, restricted stock awards, restricted stock units and performance-based stock awards if the inclusion of these items is dilutive.

New Accounting Pronouncements*:* Management has determined that the impact of the following recent FASB pronouncements will not have a material impact on the financial statements.

In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" ("ASU 2023-07"), which, among other updates, requires enhanced disclosures about significant segment expenses regularly provided to the chief operating decision maker, as well as the aggregate amount of other segment items included in the reported measure of segment profit or loss. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, and requires retrospective adoption. Early adoption is permitted. The Company is evaluating the impact of ASU 2023-07 on its consolidated financial statements and the related disclosures.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" ("ASU 2023-09"), which requires enhanced annual disclosures with respect to the rate reconciliation and income taxes paid information. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, and may be adopted on a prospective or retrospective basis. Early adoption is permitted. The Company is evaluating the impact of ASU 2023-07 on its consolidated financial statements and the related disclosures.

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NOTE 2 - PROPERTY AND EQUIPMENT

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, property and equipment were comprised of the following:

	September 30, 2023	December 31, 2022
Processing and rail facility	$ 553,105	$ -
Underground equipment	-	-
Surface equipment	-	-
Coal refuse storage	12,134,192	12,134,192
Mine Development	561,575	561,575
Construction in Progress	2,981,813	-
Land	1,617,435	1,617,435
Less: Accumulated depreciation	(6,159,744)	(5,199,478)
Total Property and Equipment, Net	$ 17,848,120	$ 9,113,724

	March 31, 2024	December 31, 2023
Mine development	$ 749,924	$ 749,924

Coal refuse storage	12,134,192	12,134,192
Rare earth processing	553,105	553,105
Construction in progress	2,973,329	6,770,504
Land	1,617,435	1,617,435
Less: Accumulated depreciation	(6,825,623)	(6,448,157)
Total Property and Equipment, net	$ 11,202,362	$ 15,337,003

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Depreciation and amortization expense amounted to $9,218 $337,466 and $602,503 $319,195 for the three-month periods September 30, 2023 period ended March 31, 2024 and September 30, 2022, respectively. Depreciation expense amounted to $31,036 and $1,858,886 for the nine-month periods September 30, 2023 and September 30, 2022 March 31, 2023, respectively.

The estimated useful lives are as follows:

Processing and Rail Facilities	***7-20 years***
Surface Equipment	***7 years***
Underground Equipment	***5 years***
Rare Earth Processing Equipment	***5 Years***
Mining Rights Mine Development	***5-10 years***
Coal Refuse Storage	***10 years***

NOTE 3 - NOTES PAYABLE – INVESTMENTS IN TRADING SECURITIES

During Investments in trading securities consist of U.S. government and agency securities and fixed income funds that are held in trusts related to the three-month Company's tax exempt bonds. These investments are classified as restricted cash on the accompanying balance sheets. These securities are classified as trading securities and, accordingly, the unrealized gains and losses are recorded in current period ended September 30, 2023, principal reductions on long term debt totaled $14,029. earnings or loss.

During The Company's investments in available-for-sale marketable securities are as follows:

March 31, 2024

	Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
U.S. government and agency bonds	$ 1,62,958,201	$ 299,448	$ 51,847	$ -	$ 163,205,802
Fixed income funds	5,712,307	5,774	-	-	5,718,081
Total	$ 168,670,508	$ 305,222	$ 51,847	$ -	$ 168,923,883

December 31, 2023

	Cost Basis	Gross Unrealized Gains	Allowance for Losses	Fair Credit Losses	Value
U.S. government and agency bonds	$ 25,297,564	$ 499,639	$ -	$ -	$ 25,797,203
Fixed income funds	5,842,417	5,491	-	-	5,847,907

Total	$ 31,139,980	$ 505,129	$ -	$ -	$ 31,645,110

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There were no investments with unrealized losses that have been owned for more than or less than a year. The aggregate fair value of investments with unrealized losses that were owned for over a year was $0 and $0 at March 31, 2024 and December 31, 2023, respectively.

The debt securities outstanding at March 31, 2024 have maturity dates ranging from the three-month period ended September 30, 2022, principal reductions on long term debt totaled $325,191. second quarter of 2024 through the second quarter of 2025.

NOTE 4 - BONDS PAYABLE – FAIR VALUE MEASUREMENTS

On May 31, 2023, WCC entered into a Bond Purchase Agreement in The following tables set forth the principal amount of $45,000,000 less a $900,000 underwriting discount. The bonds carry an interest rate of 9% and mature on June 8, 2038. Company's financial instruments that were measured at fair value:

In accordance with the Bond Purchase Agreement three reserves were established: the project reserve, the principal reserve and the interest reserve. The balances of the reserves as of September 30, 2023 are as follows:

	March 31, 2024			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets:				
U.S. government and agency bonds	$ 163,205,802	$ -	$ 162,205,802	$ -
Fixed income funds	5,718,081	1,218,081	4,500,000	-
Total	$ 168,923,883	$ 1,218,081	$ 167,702,802	$ -

Project Reserve Fund:	$ 4,500,000
Principal Reserve Fund:	$ 29,133,246
Interest Reserve Fund:	$ 6,075,000

	December 31, 2023			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets:				
U.S. government and agency bonds	$ 25,797,203	$ -	$ 25,797,203	$ -
Fixed income funds	5,847,907	1,347,907	4,500,000	-
Total	$ 31,645,110	$ 1,347,907	$ 30,297,203	$ -

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NOTE 5 – RIGHT OF USE ASSETS AND LEASES

The right-of-use asset is the Company's right to use an asset over the life of a lease. The asset is calculated as the initial amount of the lease liability, plus any lease payments made to the lessor before the lease commencement date, plus any initial direct costs incurred, minus any lease incentives received.

The Company's discounted lease payment rate is 10.82%.

Our principal offices are located at 12115 Visionary Way, Fishers, Indiana 46038. We pay $5,726 $5,869 per month in rent for the office space and the rental lease expires December 2026. On January 1, 2023, the Company entered into an expansion lease for the site. The amended lease has a ten-year term and $5,869 per month rate. 2032.

We also rent office space from an affiliated entity, LRR, at 11000 Highway 7 South, Kite, Kentucky 41828 and pay $1,702 per month rent and the rental lease expires January 1, 2030.

On August 17, 2022 August 17, 2021, American Rare Earth entered into a Commercial Land Lease commercial land lease sublease agreement with Land Betterment for nearly 7 acres of land for the purpose of building a commercial grade critical element purification facility. The sublease is for the period of 5 years with a rate of $3,500 a month.

On October 8, 2022 October 8, 2021, American Rare Earth entered into a Commercial Lease commercial lease for 6,700 square feet of warehouse space for the purpose of building a commercial grade critical element purification facility. The Th lease is for the a period of 2 years with a rate of $4,745.83 a month.

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On November 8, 2022, American Carbon Corp June 22, 2022 ReElement Technologies LLC entered into a Financial Lease finance lease for equipment at 2069 Highway 194 E., Meta, KY 41501 with Knott County Coal LLC.

At September 30, 2023, On August 16, 2022 the Company entered into a finance lease for equipment for it facilitates with Maxus Capital Group.
As of March 31, 2024 and 2023 right of use assets and liabilities were comprised of the following:

	September 30, 2023		September 30, 2022	
	Asset	Liability	Asset	Liability
Operating Leases	563,914	569,884	682,551	656,515
Finance Leases	17,897,385	13,705,567	4,828,966	4,464,846

		For the Three Months Ended March 31,	
	Expense Classification	2024	2023
Operating lease expense:			
Amortization of ROU asset	General and administrative	$ 15,346	$ 23,709
Accretion of Operating lease liability	General and administrative	14,849	17,018
Total operating lease expense		$ 30,195	$ 40,727
Finance lease expense:			
Amortization on lease assets	Development	153,156	104,310
Interest on lease liabilities	Development	242,817	222,305
Total finance lease expense		$ 395,973	$ 326,615
Total		$ 426,168	$ 367,342

Other information related to leases is as follows:

	As of March 31, 2024	As of December 31, 2023
Weighted-average remaining lease term:		
Operating leases (in years)	7.10	7.35
Financing leases (in years)	2.13	2.13
Weighted-average discount rate:		
Operating leases	10.82 %	10.82 %
Financing leases	8.15 %	8.15 %

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Amounts relating to leases are presented on the balance Sheets for the periods presented in the following line items:

	Balance Sheet Classification	As of March 31, 2024	As of December 31, 2023
Assets:			
Operating lease assets	Right-of-use assets	$ 530,103	$ 545,449
Finance lease assets, net	Right-of-use assets	17,578,308	17,731,464

Total non-current assets			$ 18,108,411	$ 18,276,913

The future minimum lease payments required under leases as of March 31, 2024 were as follows:

Fiscal Year	Operating Leases	Finance Leases	Total
Remainder of 2024	86,338	4,674,368	4,760,706
2025	116,595	5,057,198	5,173,793
2026	109,372	1,661,272	1,770,644
2027	93,095	661,864	754,959
2028	95,065	-	95,065
Thereafter	282,755	-	282,755
Undiscounted cash flows	783,220	12,054,702	12,837,922
Less imputed interest	(243,525)	(1,056,578)	(1,300,103)
Present value of lease liabilities	$ 539,695	$ 10,998,124	$ 11,537,819

NOTE 6 - RELATED PARTY TRANSACTIONS

Land Resources & Royalties

On October 24, 2016, the Company sold certain mineral and land interests to a subsidiary of an entity, LRR, owned by members of the Company's management. LRR leases various parcels of land to QEI and engages in other activities creating miscellaneous income. The Company leases property from consideration for the transaction was a note in the amount of $178,683. The note bears no interest and is due in 2026. As of July 1, 2018, the accounts of** Land Resources & Royalties, **(LRR), an entity controlled by certain members LLC have been deconsolidated from the financial statements based upon the ongoing review of the Company's management who are also directors and shareholders. Until July 1, 2018, LRR was consolidated its status as a VIE resulting in transaction between the two companies to be eliminated upon consolidation. Upon deconsolidation, variable interest entity. As of March 31, 2024 and December 31, 2023, amounts paid and owed to LRR have been disclosed discreetly in the consolidated financial statements. For the three-month period ending September 30, 2023, royalty expense incurred with LRR amounted to $103,234 totaled $477,981 and amounts advanced from LRR amounted $0 and amounts repaid amounted to $0. As of September 30, 2023, total amounts owed LRR amounted to $339,565. For the three-month period ending September 30, 2022, royalty expense incurred with LRR amounted to $113,218 and amounts advanced from LRR amounted to $0 and amounts repaid to LRR amounted to $0. As of September 30, 2022, total amounts owed LRR amounted to $41,317. $509,130, respectively.

Land Betterment Corp

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On February 13, 2020, the Company entered into a Contract Services Agreement with Land Betterment Corporation, Corp, an entity controlled by certain members of the Company's management who are also directors and shareholders. The contract terms state that service costs are passed through to the Company with a 10% mark-up and a 50% share of cost savings which includes payroll covering aforementioned members of the Company's management. savings. The services agreement covers services across all of the Company's properties.

For During 2023 and 2022, the three-months ended September 30, 2023 amounts amount incurred under the agreement amounted to $1,269,115 $1,144,342 and amounts $5,572,644 and the amount paid totaled $1,373,000. For the three-months ended September 30, 2023, service charges covering members of the Company's management amounted to $0.

For $1,044,179 and $3,080,783. As of December 31, 2023 and 2022, the nine-months ended September 30, 2023 amounts incurred amount due under the agreement amounted to $3,381,676 $2,796,345 and amounts paid totaled $4,957,957. For the nine-months ended June 30, 2023, service charges covering members of the Company's management amounted to $0. $4,481,922.

For the three-months ended September 30, 2022 amounts incurred under the agreement amounted to $1,618,627 and amounts paid totaled $319,202. For the three-months ended June 30, 2022, service charges covering members of the Company's management amounted to $0.

For the nine-months ended September 30, 2022 amounts incurred under the agreement amounted to $3,555,587 and amounts paid totaled $2,273,749. For the nine-months ended June 30, 2022, service charges covering members of the Company's management amounted to $0.

American Opportunity Venture, LLC

During January 2022, the company invested $2,250,000 for 50% ownership and become the managing member of American Opportunity Venture, LLC. (AOV) It has been determined that AOV is a variable interest entity and that the Company is not primary beneficiary. As such, the investment in AOV will be accounted for using the equity method of accounting.

American Opportunity Venture II, LLC

During March 2022, the Company invested $25,000 for 100% ownership and become the managing member of American Opportunity Venture II, LLC. (AOVII). As such, the investment in AOVII has been eliminated in the accompanying financial statements. As of September 30, 2023, AOVII has had no operational activity.

Novusterra, Inc.

During March 2022, the Company licensed certain technology to an unrelated entity, Novusterra, Inc. According to the commercial terms of the license, the Company is to receive 50% of future cash flows and 15,750,000 common shares of Novusterra, Inc. It has been determined that Novusterra is a variable interest entity and that the Company is not the primary beneficiary. As such, the investment in Novusterra will be accounted for using the equity method of accounting. As of September 30, 2023, Novusterra has had no operational activity.

Land Betterment Exchange (LBX)

The Company is the holder of 2,000,000 LBX Tokens with a par value of $250 for each token. The token issuance process is undertaken by a related party, Land Betterment, and is predicated on proactive environmental stewardship and regulatory bond releases. As of September 30, 2023 March 31, 2024 and December 31, 2023, there is no market for the LBX Token and therefore no value has been assigned.

FUB Mineral LLCOn June 11, 2020 the Company purchased $1,494,570 of secured debt including accrued interest that had been owed to that party, by an operating subsidiary of a related party. As a result of the transaction, the Company is now the creditor on the four notes. The first note in the amount of $75,000 is dated June 28, 2013, carries an interest rate of 12% and was due on June 28, 2015. The second note in the amount of $150,000 is dated June 28, 2013, carries an interest rate of 12% and was due June 28, 2015. The third note in the amount of $199,500 is dated March 18, 2014, carries an interest rate of 4% and was due on March 18, 2016. The fourth note in the amount of $465,500 is dated March 18, 2014, carries an interest rate of 4% and was due on March 18, 2016. The notes are in default and have been fully impaired due to collectability uncertainty.

On October 1, 2022 January 1, 2021, the Company purchased $250,000 of secured debt including accrued interest that has been owed to that party, by an operating subsidiary of a related party. As a result of the transaction, the Company is now the creditor on the note. The note is in default and has been fully impaired due to collectability uncertainty.

American Opportunity Venture, LLC

During January 2021, the company invested $250,000 into FUB Mineral, LLC $2,250,000 for 50% ownership and became the managing member of American Opportunity Venture, LLC. (AOV) It has been determined that AOV is a company with variable interest entity and that the Company is not the primary beneficiary. As such, the investment in AOV will be accounted for using the equity method of accounting. The activities of AOV solely consist of a $4,500,000 investment in American Acquisition Opportunity Inc.

Novusterra, Inc.

During March 2021, the Company licensed certain technology to an unrelated entity, Novusterra, Inc. According to the commercial terms of the license, the Company is to receive 50% of future cash flows and 15,750,000 common owners. shares of Novusterra, Inc. Effective August 22, 2022, the Company sold the licensed patents to Novusterra, Inc. All prior licensing obligations were voided upon the sale. It has been determined that Novusterra is a variable interest entity and that the Company is not the primary beneficiary. As such, the investment in Novusterra has been accounted for using the equity method of accounting. Effective March 6, 2024, the Company issued a special dividend to all stockholders on record of 91% of the Company's ownership in Novusterra, Inc. resulting in the Company to receive 9% of future cash flows and holding 1,417,500 common shares of Novusterra, Inc. Due to the Company new ownership in Novusterra, Inc. the investment is accounted for using the cost method of accounting.

Condensed Summary Financials for the periods ending March 31, 2024 and December 31, 2023:

	March 31, 2024 (unaudited)	December 31, 2023
Assets		
Current assets	$ 89,548	$ 99,807
Intangible assets	1,990,620	2,026,167
Operating lease right-of-use asset	383,348	394,404
Total Assets	$ 2,463,516	$ 2,520,378
Liabilities And Equity		
Current liabilities	$ 827,427	$ 712,150

Long term debt, net of current portion	249,635	241,332
Operating lease liabilities, less current portion	348,947	360,177
Total liabilities	1,426,009	1,313,659
Commitments and contingencies (Note 8)		
Total stockholders' equity	1,037,507	1,206,719
Total liabilities and stockholders' equity	$ 2,463,516	$ 2,520,378

	Three Months Ended March 31,	
	2024	**2023**
Service revenue	$ 24,185	$ -
Total Cost of Goods Sold	-	-
Gross Profit	$ 24,185	$ -
Operating expenses		
General and administrative expenses	190,063	164,839
Net Income	$ (165,878)	$ (164,839)

NOTE 7 – EQUITY TRANSACTIONS - NOTES & BONDS PAYABLE

Employee stock compensation expense for the three-month period ending September 30, 2023 and 2022 amounted to $376,573 and $190,024 respectively.Notes Payable

Employee stock compensation On September 25, 2017, the Company entered into an equipment purchase agreement, which carries 0% interest with an unaffiliated entity ("September 2017 Note") to purchase certain underground mining equipment for $350,000. The agreement provided monthly payments of $20,000 until the balance is paid in full. The note matured on September 25, 2019 and is secured by the equipment purchased with the note. As of March 31, 2024 and December 31, 2023, the note is in default. As of both March 31, 2024 and December 31, 2023, the principal balance was $181,736.

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On April 20, 2022, the Company entered into a non-negotiable, secured promissory note agreement ("April 2022 Note") with an unrelated party in the amount of $63,000. The note agreement shall accrue interest from the date of the agreement at a rate of 7% and the note agreement shall be repaid in full with principal and accrued interest on March 31, 2023. As of March 31, 2024 and December 31, 2023, the note was in default. As of March 31, 2024 and December 31, 2023, the principal balance was $63,000 and $63,000, respectively and the accrued interest balance was $8,627 and $0, respectively. For the three months ended March 31, 2024 and March 31, 2023, the interest expense for the six-month period ending September 30, 2023 was $1,250 and 2022 amounted to $753,146 and $389,868 1,152, respectively.

On May 1, 2023 June 3, 2022, the company issued employee stock options Company entered into a promissory note agreement ("June 2022 Note") with an unrelated party in the amount of 6,500 Class A Common Stock. $2,500,000. The note carried an interest rate of 5% and had a maturity date of May 27, 2023. As of March 31, 2024 and December 31, 2023, the loan was in default. As of March 31, 2024 and December 31, 2023, the principal balance was $547,449 and $547,449, respectively and the accrued interest balance was $137,473 and $117,770, respectively. For the three months ended March 31, 2024, and March 31, 2023, the interest expense was $19,703 and 19,703 respectively.

Class A Common Shares Issued in exchange for services, trade payables and related party debt

	March 31, 2024	December 31, 2023
September 2017 Note	$ 181,736	$ 181,736
April 2022 Note	63,000	63,000
June 2022 Note	547,448	547,448

Total notes payable	792,184	804,656

Tax Exempt Bonds

On March 31, 2022 May 31, 2023, the Company West Virginia Economic Development Authority (the "Issuer") issued 884,229 class A common shares $45 million aggregate principal amount of Solid Waste Disposal Facility Revenue Bonds, Series 2023 (the "2023 Tax Exempt Bonds") pursuant to an Indenture of Trust dated as of June 8, 2023 between the conversion Issuer and UMB Bank N.A., as trustee (the "Trustee"). The Tax-Exempt Bonds are payable solely from payments to be made by the Company under the Loan Agreement as evidenced by a Note from the Company to the Trustee. The proceeds of $1,006,726 the Tax-Exempt Bonds were used to finance certain costs of accrued interest. the acquisition, construction, reconstruction, and equipping of solid waste disposal facilities at the Company's Wyoming County, West Virginia development, and for capitalized interest and certain costs related to issuance of the Tax-Exempt Bonds.

The Tax-Exempt Bonds bear interest of 9% and have a final maturity of June 8, 2038.

The Tax Exempt Bonds are subject to redemption (i) in whole or in part at any time on or after June 1, 2030 at the option of the Issuer, upon the Company's direction at a redemption price of 103% between June 1, 2030, through May 31, 2031, 102% between June 1,2031, through May 31, 2032, 101% between June 1, 2032, through May 31, 2033, 100% from June 1, 2033 and thereafter, plus interest accrued to the redemption date; and (ii) at par plus interest accrued to the redemption date from certain excess Tax Exempt Bonds proceeds as further described in the Indenture of Trust.

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Warrant Exercises The Company's obligations under the Loan Agreement are (i) except as otherwise described below, secured by first priority liens on and security interests in substantially all of the Company's and Subsidiary Guarantors' real property and other assets, subject to certain customary exceptions and permitted liens, and in any event excluding accounts receivable and inventory; and (ii) jointly and severally guaranteed by the Subsidiary Guarantors, subject to customary exceptions.

The Loan Agreement contains certain affirmative covenants and representations, including but not limited to: (i) maintenance of a rating on the Tax Exempt Bonds; (ii) maintenance of proper books of records and accounts; (iii) agreement to add additional guarantors to guarantee the obligations under the Loan Agreement in certain circumstances; (iv) procurement of customary insurance; and (v)preservation of legal existence and certain rights, franchises, licenses and permits. The Loan Agreement also contains certain customary negative covenants, which, among other things, and subject to certain exceptions, include restrictions on (i) release of collateral securing the Company's obligations under the Loan Agreement; (ii) mergers and consolidations and disposition of assets, and (iii)restrictions on actions that may jeopardize the tax-exempt status of the Tax-Exempt Bonds.

The Loan Agreement contains customary events of default, subject to customary thresholds and exceptions, including, among other things: (i) nonpayment of principal, purchase price, interest and other fees (subject to certain cure periods); (ii) bankruptcy or insolvency proceedings relating to us; (iii) material inaccuracy of a representation or warranty at the time made; and (v) cross defaults to the Indenture of Trust, the guaranty related to the Tax Exempt Bonds or any related security documents.

On January 13, 2022 March 28, 2024, the Company, issued 117,250 shares closed a Bond Purchase Agreement ("Purchase Agreement") with Hilltop Securities Inc. (the "Underwriter"), Knott County, Kentucky (the "Issuer"), a county and political subdivision organized and existing under the laws of Class A Common Stock based upon the Commonwealth of Kentucky (the "Commonwealth"), whereby the Underwriter agrees to purchase from the Issuer, and the Issuer agrees to sell and deliver to the Underwriter, all (but not less than all) of the Knott County, Kentucky Industrial Building Revenue Bonds (Solid Waste Project), Series 2024 (the "Bonds"), at the purchase price of $150,000,000 (which is equal to the aggregate principal amount of the Bonds). The Bonds have been authorized pursuant to the laws of the Commonwealth. The proceeds of the sale of the Bonds will be used to develop ReElement's Kentucky Lithium refining facility which is being designed with an initial capacity to produce 15,000 metric ton per annum of battery-grade lithium carbonate and/or lithium hydroxide. The Bonds are being offered and sold only to a cash pay warrant exercise. The share price at issuance was $1.50. limited number of "Qualified Institutional Buyers" within the meaning of Rule 144A of the Securities Act of1933, as amended (the "1933 Act"), or "Accredited Investors" within the meaning of Regulation D promulgated under the 1933 Act.

On March 30, 2022, the Company issued 47,500 shares The Tax-Exempt Bonds bear interest of Class A Common Stock based upon 4% and have a cash pay warrant exercise. The share price at issuance was $1.50.

On March 31, 2022, the Company issued 22,500 shares final maturity of Class A Common Stock based upon a cash pay warrant exercise. The share price at issuance was $1.50.

New Warrant Issuances

On January 26, 2022, the Company issued Common Stock Purchase Warrant "A-10" for rare earth capture advisory. The warrant provides the option to purchase 10,000 Class A Common Shares at a price of $2.05. The warrants expire on January 26, 2024 March 28, 2044.

On February 2, 2022, the Company issued Common Stock Purchase Warrant "C-37" in conjunction with the issuance of $600,000 convertible note. The warrant provides the option to purchase 60,000 Class A Common Shares at a price of $1.50. The warrants expire on February 2, 2023.

	March 31, 2024	December 31, 2023
Tax Exempt Bonds ($45 million face value)	$ 45,000,000	$ 45,000,000
Tax Exempt Bonds ($150 million face value)	150,000,000	-
Debt issuance costs and debt discount	(2,569,067)	(847,500)
Bonds payable	192,430,933	44,152,500
Less: current portion	-	-
Bonds payable, net	$ 192,430,933	$ 44,152,500

On February 7, 2022, the Company issued Common Stock Purchase Warrant "A-11" for rare earth processing advisory. The warrant provides the option to purchase 50,000 Class A Common Shares at a price of $4.25. The warrants expire on February 7, 2026.

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The Company uses the Black Scholes option pricing model to value its warrants and options. The significant inputs are as follows:

	September 30, 2023
Expected Dividend Yield	0 %
Expected volatility	87.97 %
Risk-free rate	0.870 %
Expected life of warrants	1.592-6.60 years

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Company Warrants:

	Number of Warrants		Weighted Average Exercise Price	Weighted Average Contractual Life in Years		Aggregate Intrinsic Value
Exercisable (Vested) – December 31,2021	8,401,221	$	1.135	2.152	$	7,453,214
Granted	4,601,250	$	3.531	4.814	$	69,700
Forfeited or Expired	-	$	-	-	$	-
Exercised	1,732,508	$	0.86	2.16	$	7,038,153
Outstanding – September 30, 2022	11,296,963	$	2.25	2.39	$	4,221,721
Exercisable (Vested) – September 30, 2022	11,296,963	$	2.25	2.69	$	4,221,721
Exercisable (Vested) – December 31, 2022	10,213,764	$	2.25	2.69	$	121,018
Granted	-	$	-	-	$	-
Forfeited or Expired	-	$	-	-	$	-
Exercised	248,051	$	1.50	2.00	$	-
Outstanding - September 30, 2023	9,965,713	$	1.14	3.86	$	49,193
Exercisable (Vested) - September 30, 2023	9,965,713	$	1.14	3.86	$	49,193

Company Options:

	Number of Options		Weighted Average Exercise Price	Weighted Average Contractual Life in Years		Aggregate Intrinsic Value
Outstanding – December 31, 2021	2,159,269	$	1.606	5.660	$	1,919,129
Exercisable (Vested) – December 31, 2021	888,659	$	1.581	5.047	$	749,470
Granted	325,000	$	2.30	6.74	$	105,000
Forfeited or Expired	275,000	$	1.45	3.54	$	199,500
Exercised	25,000	$	1.640	6.562	$	41,500
Outstanding – September 30, 2022	2,184,269	$	1.67	5.369	$	1,416,548

Exercisable (Vested) – September 30, 2022	1,134,268	$	1.52	4.91	$	774,380
Outstanding – December 31, 2022	4,209,269	$	1.665	5.39	$	3,186,870
Exercisable (Vested) – December 31, 2022	3,159,268	$	1.517	4.91	$	3,141,183
Granted	-	$	-	-	$	-
Forfeited or Expired	-	$	-	-	$	-
Exercised	-	$	-	-	$	-
Outstanding - September 30, 2023	4,209,269	$	1.980	6.49	$	3,257,470
Exercisable (Vested) - September 30, 2023	4,209,269	$	1.980	6.49	$	3,257,470

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NOTE 8 – STOCKHOLDERS' EQUITY

Common Stock

During the three months ended March 31, 2024, the company issued 871,620 shares of common stock upon exercise of warrants.

During the three months ended March 31, 2024, the company issued 138,000 shares of common stock upon the exercise of 138,000 options at an exercise price of $1.05 a share.

During the three months ended March 31, 2024, the company issued 10,000 shares of common stock upon the exercise of 10,000 options at an exercise price of $1.20 a share.

During the three months ended March 31, 2024, the company issued 30,000 shares of common stock in relation to consulting services.

During the three months ended March 31, 2023, the remaining amounts of the convertible notes in the amount of $9,787,423 was converted into 9,420,230 common shares.

Stock based compensation:

Effective July 1, 2018, the Board of Directors of American Resources Corporation. adopted the 2018 Incentive Stock Plan. The plan provides for the allocation and issuance of stock and options (both incentive stock options and non-qualified stock options) to officers, directors, employees and consultants of the company. The board reserved a total of 4,000,000 shares for possible issuance under the plan.

Total stock-based compensation expense for grants to officers, employees and consultants was $604,190 and $376,573 for the three months ended March 31, 2024, and 2023, respectively, which was charged to general and administrative expense.

As of March 31, 2024, the company has $5,102,945 of unrecognized compensation cost related to unvested stock options granted and outstanding, net of estimated forfeitures. The cost is expected to be recognized on a weighted average basis over a period of approximately five years.

The following table summarizes the activity of our stock options for the three months ended March 31, 2024:

	Number of Options		Weighted Average Exercise Price	Weighted Average Contractual Life in Years		Aggregate Intrinsic Value
Outstanding – December 31, 2023	9,626,770	$	1.571	5.39	$	1,035,181
Granted	-	$	-	-	$	-
Forfeited or Expired	-	$	-	-	$	-
Exercised	-	$	-	-	$	-
Outstanding - March 31, 2024	9,626,770	$	1.571	5.39	$	1,035,181
Exercisable (Vested) - March 31, 2024	3,911,245	$	1.592	4.30	$	402,881

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NOTE 9 - CONTINGENCIES

In the course of normal operations, the Company is involved in various claims and litigation that management intends to defend. The range of loss, if any, from potential claims cannot be reasonably estimated. However, management believes the ultimate resolution of matters will not have a material adverse impact on the Company's business or financial position.

In the course of normal operations, the Company is involved in various claims and litigation that management intends to defend. The range of loss, if any, from potential claims cannot be reasonably estimated. However, management believes the ultimate resolution of matters will not have a material adverse impact on the Company's business or financial position. These claims include amounts assessed by the Kentucky Energy Cabinet totaling $1,165,400, $1,393,107, of which the

Company has fully accrued $1,432,077 for as a payable to the Commonwealth of Kentucky, including amounts owed to the Kentucky Energy Cabinet. Claims assessed by the Mine Health Safety Administration totaling $755,377 of which the Company has accrued $351,303 as a payable. During 2019, McCoy and Deane received notice of intent to place liens for amounts owed on federal excise taxes. The amounts totaling $322,233, associated with the notices are included in the Company's company's trade payables.

Our principal offices are located at 12115 Visionary Way, Fishers, Indiana 46038. We pay $5,726 per month in rent for the office space and the rental lease expires December 2026. On January 1, 2023, the Company entered into an expansion lease for the site. The amended lease has a ten year term and $5,869 per month rate.

We also rent office space from an affiliated entity, LRR, at 11000 Highway 7 South, Kite, Kentucky 41828 and pay $1,702 per month rent and the rental lease expires January 1, 2030.

On August 17, 2022, American Rare Earth entered into a Commercial Land Lease sublease agreement with Land Betterment for nearly 7 acres of land for the purpose of building a commercial grade critical element purification facility. The sublease is for the period of 5 years with a rate of $3,500 a month.

On October 8, 2022, American Rare Earth entered into a Commercial Lease for 6,700 square feet of warehouse space for the purpose of building a commercial grade critical element purification facility. The is for the period of 2 years with a rate of $4,745.83 a month.

The Company also utilizes various office spaces on-site at its coal mining operations and coal preparation plant locations in eastern Kentucky, with such rental payments covered under any surface lease contracts with any of the surface land owners.

On August 1, 2023 American Resources Corporation ("American Resources" or the "Company"), received a deposit ("Deane Deposit") whereby entering the Company's subsidiary, American Carbon Corporation ("American Carbon"or "ACC"), into a binding letter of intent ("Letter of Intent") to sell certain assets associated to its Deane Mining complex to Integrity Carbon Solutions LLC ("Integrity" or "ICS"). Total consideration for the Company's Deane

Mining complex is approximately $20,600,000 of enterprise value which consists of: (i) the $200,000 Deane Deposit, (ii) $800,000 paid upon the consummation of the transaction as contemplated in the Letter of Intent ("Closing Payment"), (iii) $500,000 per calendar quarter for a period twenty-one consecutive calendar quarters following the Closing Payment ("Quarterly Payments"), and (iv) the assumption and replacement of approximately $9,100,000 of associated environmental reclamation bonds. As of the report date, this transaction has not closed.

On August 11, 2023 American Carbon Corp ("ACC") entered into a coal sale agreement with Marco International Corporation. The agreement is for an amount up to $20,000,000 and is based on an advance rate of 70% of the index pricing value of accepted coal and the agreement carries a premium of 3.25% of the index pricing. As of the report date, $2,020,311 has been sold under this agreement.

On August 13, 2023 American Resources Corporation ("American Resources" or the "Company"), received a non-binding letter of interest for the assets of American Carbon Corporation ("American Carbon" or "ACC"), from a non-affiliated party. Total consideration for ACC's assets is approximately $300,000,000 of cash value which consists of: (i) $20,000,000 cash at closingand (2) balance to be paid out as a royalty agreement at a rate of 10% plus a profit split to determined subject to further diligence

On August 13, 2023 American Resources Corporation ("American Resources" or the "Company"), received a non-binding letter of interest for the assets of Perry County Resources ("PCR"), from a non-affiliated party. Total consideration for PCR's assets is approximately $40,000,000 of cash value which consists of: (i) $2,000,000 cash at closingand (2) balance to be paid out as a royalty agreement at a rate of 10% plus a profit split to determined subject to further diligence and (3) the assumption and replacement of associated environmental reclamation bonds. As of the report date, this transaction has not closed.

NOTE 9 10 - SUBSEQUENT EVENTS

On October 10, 2023, ReElement converted from an Indiana LLC to an Indiana Corporation.None.

On November 2, 2023, American Resources Corporation's ("American Resources" or the "Company") entered into a Bond Purchase Agreement ("Purchase Agreement") with the City of Marion, Indiana (the "City"), to where the City has authorized the issuance of Economic Development Revenue Bonds, Series 2023 in the form of a tax increment financing bond in the amount of $44,897,000 of local incentives for the Company's development of its 42-acre, critical mineral refining campus. The Purchase Agreement closed and the initial incremental payment was made on November 3, 2023.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Form 10-Q and other reports filed by Registrant from time to time with the Securities and Exchange Commission (collectively the "Filings") contain or may contain forward looking statements and information that are based upon beliefs of, and information currently available to, Registrant's management as well as estimates and assumptions made by Registrant's management. When used in the filings the words "anticipate", "believe", "estimate", "expect", "future", "intend", "plan" or the negative of these terms and similar expressions as they relate to Registrant or Registrant's management identify forward looking statements. Such statements reflect the current view of Registrant with respect to future events and are subject to risks, uncertainties, assumptions and other factors relating to Registrant's industry, Registrant's operations and results of operations and any businesses that may be acquired by Registrant. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned.

Although Registrant believes that the expectations reflected in the forward-looking statements are reasonable, Registrant cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, Registrant does not intend to update any of the forward-looking statements to conform these statements to actual results.

Overview

When we formed our Company, company, our focus was to (i) construct and/or purchase and manage a chain of combined gasoline, diesel and natural gas (NG) fueling and service stations (initially, in the Miami, FL area); (ii) construct conversion factories to convert NG to liquefied natural gas (LNG) and compressed natural gas (CNG); and (iii) construct conversion factories to retrofit vehicles currently using gasoline or diesel fuel to also run on NG in the United States and also to build a convenience store to serve our customers in each of our locations.

On January 5, 2017, American Resources Corporation (ARC) executed a Share Exchange Agreement between the Company and Quest Energy Inc. ("Quest Energy"), a private Company company incorporated in the State of Indiana on May 2015 with offices at 12115 Visionary Way, Fishers, IN 46038, and due to the fulfillment of various conditions precedent to closing of the transaction, the control of the Company was transferred to the Quest Energy shareholders on February 7, 2017. This transaction resulted in Quest Energy becoming a wholly-owned subsidiary of ARC. Through Quest Energy, ARC was able to acquire coal mining and coal processing operations, substantially all located in eastern Kentucky and western West Virginia. On November 25, 2021 November 25, 2020, Quest Energy changed its name to American Carbon Corp. (American Carbon)

American Carbon currently has seven coal mining and processing operating subsidiaries: McCoy Elkhorn Coal LLC (doing business as McCoy Elkhorn Coal Company) (McCoy Elkhorn), Knott County Coal LLC (Knott County Coal), Deane Mining, LLC (Deane Mining) and Wyoming County Coal LLC (Wyoming County), Quest Processing LLC (Quest Processing), Perry County Resources (Perry County) located in eastern Kentucky and western West Virginia within the Central Appalachian coal basin, and ERC Mining Indiana Corporation (ERC) located in southwest Indiana within the Illinois coal basin. The coal deposits under control by the Company are generally comprise of metallurgical coal (used for steel making), pulverized coal injections (used in the steel making process) and high-BTU, low sulfur, low moisture bituminous coal used for a variety of uses within several industries, including industrial customers and specialty products. Since mid-2019, we have not mined or sold coal which is sold into the thermal coal markets. All production and future investment will be for the mining of metallurgical coal used in the steel and specialty markets.

Efforts to diversify revenue streams have led to the establishment of additional subsidiaries; American Metals LLC (AM) which is focused on the recovery and sale of recovered metal and steel and American Rare Earth ReElement Technologies LLC (ARE) (ReElement) which is focused on the aggregation and monetization of critical and rare earth element deposits.

We have not classified, and as a result, do not have any "proven" or "probable" reserves as defined in United States Securities and Exchange Commission Industry Guide 7, and as a result, our Company company and its business activities are deemed to be in the exploration stage until mineral deposits are defined on our properties.

McCoy Elkhorn Coal LLC

General:

Located primarily within Pike County, Kentucky, McCoy Elkhorn is currently comprised of three mines (Mine #15) in "idle" status, and two mines (Mine #15 in operations (Carnegie 1 and the Carnegie 1 Mine) in "hot idle" status, and one mine in development (Carnegie 2 Mine) Mines), two coal preparation facilities (Bevins #1 and Bevins #2), and other mines in various stages of development or reclamation. McCoy Elkhorn sells its coal to a variety of customers, both domestically and internationally, primarily to the steel making industry as a high-vol "B" coal or blended coal. The coal controlled at McCoy Elkhorn (along with our other subsidiaries) has not been classified as either "proven" or "probable" as defined in the United States Securities and Exchange Commission Industry Guide 7, Items 1300 through 1305 of Regulation S-K, and as a result, do not have any "proven" or "probable" reserves under such definition and are classified as an "Exploration Stage" pursuant to Industry Guide 7. Items 1300 through 1305 of Regulation S-K.

Mines:

Mine #15 is an underground mine in the Millard (also known as Glamorgan) coal seam and located near Meta, Kentucky. Mine #15 is mined via room-and-pillar mining methods using continuous miners, and the coal is belted directly from the stockpile to McCoy Elkhorn's coal preparation facility. Mine #15 is currently a "Company "company run" mine, whereby the Company manages the workforce at the mine. The coal from Mine #15 is stockpiled at the mine site and belted directly to the Company's nearby coal preparation facilities. Production at Mine #15 re-commenced under Quest Energy's ownership in September 2016.

The Carnegie 1Mine 1 Mine is an underground mine in the Alma and Upper Alma coal seams and located near Kimper, Kentucky. In 2011, coal production from the Carnegie Mine in the Alma coal seam commenced and then subsequently the mine was idled. Production at the Carnegie Mine was reinitiated in early 2017 under Quest Energy's ownership and is currently being mined via room-and-pillar mining methods utilizing a continuous miner. The coal is stockpiled on-site and trucked approximately 7 miles to McCoy Elkhorn's preparation facilities. The Carnegie Mine is currently operated as a modified contractor mine, whereby McCoy Elkhorn provides the mining infrastructure and equipment for the operations and pays the contractor a fixed per-ton fee for managing the workforce, procuring the supplies, and maintaining the equipment and infrastructure in proper working order.

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The Carnegie 2 Mine is an underground mine in the Alma and Upper Alma coal seams and located near Kimper, Kentucky. In 2021, mine development began and operations at the Carnegie 2 Mine started in August 2022 and is currently being mined via room-and-pillar mining methods utilizing a continuous miner. The coal is stockpiled on-site and trucked approximately 7 miles to McCoy Elkhorn's preparation facilities. The Carnegie 2 Mine is currently a "company run" mine, whereby the Company manages the workforce at the mine and pays all expenses of the mine. The Carnegie 2. Mine has the estimated capacity to produce up to approximately 10,000 tons per month of coal.

The mineral being mined through Carnegie 1 and Carnegie 2 is leased from a 3rd party professional mineral company. Coal mined from the lease requires a payment of greater of $1.75 per ton or 6% of gross sales price.

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Beginning in January 2021 through the report date, 2020, Mine #15 and Carnegie 1 mines were idled due to the adverse market effects Covid-19 global pandemic. The Carnegie 1 mine restarted during October 2022 and the Carnegie 2 mine commenced during 2022.

Processing & Transportation:

The Bevins #1 Preparation Plant is an 800 ton-per hour coal preparation facility located near Meta, Kentucky, across the road from Mine #15. Bevins #1 has raw coal stockpile storage of approximately 25,000 tons and clean coal stockpile storage of 100,000 tons of coal. The Bevins #1 facility has a fine coal circuit and a stoker circuit that allows for enhance coal recovery and various coal sizing options depending on the needs of the customer. The Company acquired the Bevins Preparation Plants as idled facilities, and since acquisition, the primary work completed at the Bevins Preparation Plants by the Company includes rehabilitating the plants' warehouse and replacing belt lines.

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The Bevins #2 Preparation Plant is on the same permit site as Bevins #1 and is a 500 ton-per-hour processing facility with fine coal recovery and a stoker circuit for coal sizing options. Bevins #2 has raw coal stockpile storage of 25,000 tons of coal and a clean coal stockpile storage of 45,000 tons of coal. We are currently utilizing less than 10% of the available processing capacity of Bevins #1 and Bevins #2.

Both Bevins #1 and Bevins #2 have a batch-weight loadout and rail spur for loading coal into trains for rail shipments. The spur has storage for 110 rail cars and is serviced by CSX Transportation and is located on CSX's Big Sandy, Coal Run Subdivision. Both Bevins #1 and Bevins #2 have coarse refuse and slurry impoundments called Big Groundhog and Lick Branch. While the Big Groundhog impoundment is nearing the end of its useful life, the Lick Branch impoundment has significant operating life and will be able to provide for coarse refuse and slurry storage for the foreseeable future at Bevins #1 and Bevins #2. Coarse refuse from Bevins #1 and Bevins #2 is belted to the impoundments. Both Bevins #1 and Bevins #2 are facilities owned by McCoy Elkhorn, subject to certain restrictions present in the agreement between McCoy Elkhorn and the surface land owner.

Both Bevins #1 and Bevins #2, as well as the rail loadout, are operational and any work required on any of the plants or loadouts would be routine maintenance. The allocated cost of for this property at McCoy Elkhorn Coal paid by the Company company is $95,210.

Due to additional coal processing storage capacity at Bevins #1 and Bevins #2 Preparation Plants, McCoy Elkhorn has the ability to process, store, and load coal for other regional coal producers for an agreed-to fee.

Additional Permits:

In addition to the above mines, McCoy Elkhorn holds 11 additional coal mining permits that are idled operations or in various stages of reclamation. For the idled coal mining operations, McCoy Elkhorn will determine which coal mines to bring back into production, if any, as the coal market changes, and there are currently no other idled mines within McCoy Elkhorn that are slated to go into production in the foreseeable future. Any idled mines that are brought into production would require significant upfront capital investment, and there is no assurance of the feasibility of any such new operations.

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Knott County Coal LLC

General:

Located primarily within Knott County, Kentucky (but with additional idled permits in Leslie County, Perry County, and Breathitt County, Kentucky), Knott County Coal is comprised of 22 idled mining permits (or permits in reclamation) and permits for one preparation facility: the idled Supreme Energy Preparation Plant. The idled mining permits are either in various stages of reclamation or being maintained as idled, pending any changes to the coal market that may warrant reinitiating production. The idled mines at Knott County Coal are primarily underground mines that utilize room-and-pillar mining. The coal controlled at Deane Mining (along with our other subsidiaries) has not been classified as either "proven" or "probable" as defined in the United States Securities and Exchange Commission Industry Guide 7, Items 1300 through 1305 of Regulation S-K, and as a result, do not have any "proven" or "probable" reserves under such definition and are classified as an "Exploration Stage" pursuant to Industry Guide 7.
Items 1300 through 1305 of Regulation S-K.
Mines:

Currently all permitted mines are idled, in development or in reclamation.

Processing & Transportation:

The idled Supreme Energy Preparation Plant is a 450 ton-per-hour coal preparation facility located in Kite, Kentucky. The Bates Branch rail loadout associated with the Supreme Energy Preparation Plant is a batch-weigh rail loadout with 110 rail car storage capacity and serviced by CSX Transportation in their Big Sandy rate district. The Supreme Energy Preparation Plant has a coarse refuse and slurry impoundment called the King Branch Impoundment.

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The Supreme Energy Preparation Plant is owned by Knott County Coal, subject to certain restrictions present in the agreement between Knott County Coal and the surface land owner, landowner, Land Resources & Royalties LLC.

The Company acquired the Supreme Energy Preparation Plants as an idled facility, and since acquisition, no work has been performed at the facility other than minor maintenance. Both the Supreme Energy Preparation Plant and the rail loadout are idled and would require an undetermined amount of work and capital to bring them into operation. The allocated cost of for the property at Knott County Coal paid by the Company is $286,046.

Additional Permits:

In addition to the above mines, Knott County Coal holds 22 coal mining permits that are in development, idled or in various stages of reclamation. Any idled mines that are brought into production would require significant upfront capital investment and there is no assurance of the feasibility of any such new operations.

Deane Mining LLC

General:

Located within Letcher County and Knott County, Kentucky, Deane Mining is comprised of one idled underground coal mine (the Access Energy Mine), one idled surface mine (Razorblade Surface) and one idled coal preparation facility called Mill Creek Preparation Plant, along with 12 additional idled mining permits (or permits in reclamation). The idled mining permits are either in various stages of development, reclamation or being maintained as idled, pending any changes to the coal market that may warrant re-starting production. The coal controlled at Deane Mining (along with our other subsidiaries) has not been classified as either "proven" or

"probable" as defined in the United States Securities and Exchange Commission Industry Guide 7, Items 1300 through 1305 of Regulation S-K, and as a result, do not have any "proven" or "probable" reserves under such definition and are classified as an "Exploration Stage" pursuant to Industry Guide 7. Items 1300 through 1305 of Regulation S-K.

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Mines:

Access Energy is an underground mine in the Elkhorn 3 coal seam and located in Deane, Kentucky. Access Energy is mined via room-and-pillar mining methods using continuous miners, and the coal is belted directly from the mine to the raw coal stockpile at the Mill Creek Preparation Plant across the road from Access Energy. Access Energy is currently a "Company "company run" mine, whereby the Company manages the workforce at the mine and pays all expenses of the mine. During 2019, the permit related to the Access Energy mine was idled and is not expected to produce again under the Company's control due to the continued focused on the metallurgical and industrial markets.

Razorblade Surface is a surface mine targeting the Hazard 4 and Hazard 4 Rider coal seams and located in Deane, Kentucky. Deane Mining commenced mining activity at Razorblade Surface during the spring of 2018. Coal produced from Razorblade Surface is trucked approximately one mile to the Mill Creek Preparation Plant. Razorblade Surface is currently run as a contractor model for which the contractor is paid a fixed per-ton fee for the coal produced. During 2019, the permit related to the Access Energy mine was idled and is not expected to produce again under the Company's control due to the continued focused on the metallurgical and industrial markets.

Processing & Transportation:

Coal from Access Energy is processed at Deane Mining's Mill Creek Preparation Plant, an 800 ton-per hour coal preparation facility with a batch-weight loadout and rail spur for loading coal into trains for rail shipments. The spur has storage for 110 rail cars and is serviced by CSX Transportation and is located on both CSX's Big Sandy rate district and CSX's Elkhorn rate district. The Mill Creek Preparation Plant has a coarse refuse and slurry impoundment called Razorblade Impoundment.

Both the Mill Creek Preparation Plant and the rail loadout are operational, and any work required on any of the plant or loadouts would be routine maintenance. The allocated cost of for the property at Deane Mining paid by the Company is $1,569,641.

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Additional Permits:

In addition to the above mines and preparation facility, Deane Mining holds 12 additional coal mining permits that are in development, idled or in various stages of reclamation. Any idled mines that are brought into production would require significant upfront capital investment and there is no assurance of the feasibility of any such new operations.

<u>Wyoming County Coal LLC</u>

General:

Located within Wyoming County, West Virginia, Wyoming County Coal is comprised of two idled underground mining permits and the three permits associated with the idled Pioneer Preparation Plant, the Hatcher rail loadout, and Simmons Fork Refuse Impoundment. The two idled mining permits are undisturbed underground mines that are anticipated to utilize room-and-pillar mining. The coal controlled at Wyoming County Coal (along with our other subsidiaries) has not been classified as either "proven" or "probable" as defined in the United States Securities and Exchange Commission Industry Guide 7, Items 1300 through 1305 of Regulation S-K, and as a result, do not have any "proven" or "probable" deposits reserves under such definition and are classified as an "Exploration Stage" pursuant to Industry Guide 7. Items 1300 through 1305 of Regulation S-K.

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Mines:

The mining permits held by Wyoming County Coal are in various stages of planning with no mines currently in production.

Potential customers of Wyoming County Coal would include steel mills in the United States or international marketplace although no definitive sales have been identified yet.

Processing & Transportation:

The idled Pioneer Preparation Plant is a 350 ton-per-hour coal preparation facility located near Oceana, West Virginia. The Hatcher rail loadout associated with the Pioneer Preparation Plant is a rail loadout serviced by Norfolk Southern Corporation. The refuse from the preparation facility is trucked to the Simmons Fork Refuse Impoundment, which is approximately 1.0 mile from the Pioneer Preparation facility. The preparation plant utilizes a belt press technology which eliminates the need for pumping slurry into a slurry pond for storage within an impoundment.

The Company is in the initial planning phase of getting estimates on the cost to upgrade the preparation facility to a modern 350 ton per hour preparation facility, although no cost estimates have yet been received. The Company is also in the initial planning phase of getting estimates on the cost and timing of upgrading the rail load out facility to a modern batch weight load out system, although no cost estimates have yet been received.

The Company acquired the Pioneer Preparation Plants as an idled facility, and since acquisition, no work has been performed at the facility. Both the Pioneer Preparation Plant and the rail loadout are idled and would require an undetermined amount of work and capital to bring them into operation, which is currently in the initial phases of planning and no cost estimates have been received. The allocated cost for the property at Wyoming County Coal will pay by the Company is $22,326,101 of which $22,091,688 has been paid using shares of the Company's Class A Common stock. The remaining portion was paid in cash.

Permits:

Wyoming County Coal holds two coal mining permits that are in the initial planning phase and three permits associated with the idled Pioneer Preparation Plant, the Hatcher rail loadout, and Simmons Fork Refuse Impoundment. Any mine that is brought into production would require significant upfront capital investment and there is no assurance of the feasibility of any such new operations. As of the report date, the permits have not been fully transferred as they await final regulatory approval. As of the balance sheet date and report date, the West Virginia permit transfers have not yet been approved, and WCC has not substituted its reclamation surety bonds for the seller's bond collateral. The transfer of any new permits to the Company is subject to regulatory approval. This approval is subject to the review of both unabated or uncorrected violations that are listed on the Applicator Violator List. The Company, to include several of its subsidiaries, does have unabated and/or uncorrected violations that are listed on the Applicator Violator List. Should the state regulators believe that the Company is not in the process of abating or correcting the currently outstanding issues associated with their currently held permits they may choose not to issue the Company any new permits until such issues are properly rectified.

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Perry County Resources LLC

General:

Located primarily within Perry County, Kentucky, Perry County Resources LLC is comprised of one active "Idled" underground mine (the E4-2 mine) and one active "Idled" coal processing facility called the Davidson Branch Preparation Plant, along with two additional idled underground mining permits. The two idled mining permits are for underground mines and have been actively mined in the past and being maintained as idled, pending any changes to the coal market that may warrant re-starting production. The coal controlled at Perry County Resources (along with our other subsidiaries) has not been classified as either "proven" or "probable" as defined in the United States Securities and Exchange Commission Industry Guide 7, Items 1300 through 1305 of Regulation S-K, and as a result, do not have any "proven" or "probable" reserves under such definition and are classified as an "Exploration Stage" pursuant to Industry Guide 7. Items 1300 through 1305 of Regulation S-K.

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Mines:

The E4-2 mine is an underground mine in the Elkhorn 4 (aka the Amburgy) coal seam located near the town of Hazard, Kentucky. The E4-2 mine is mined via room-and-pillar mining methods using both continuous miners and continuous haulage systems, and the coal is belted directly from the mine to the raw coal stockpile at the Davidson Branch Preparation Plant less than a mile away. The E4-2 mine is currently a "Company-run" "company-run" mine, whereby the Company manages the *workforce at the mine and pays all expenses of the mine. The Company acquired the E4-2 mine as an active mine, and since acquisition in September 2019, the primary work at the E4-2 mine has been rehabilitation of existing infrastructure to increase the operational efficiencies of the mine, including replacing belt structure, repairing equipment, replacing underground mining infrastructure, and installing new mining infrastructure as the mine advances due to coal extraction. The E4-2 mine has the estimated capacity to produce up to approximately 80,000 tons per month of coal.*

Mining operations at the Beginning in January 2020, The E4-2 mine re-commenced on March 29, 2022 under updated licensing after being was idled beginning in January 2021 due to the adverse market effects Covid-19 global pandemic.
The E4-2 Mine was restarted during March 2022 and idled due to regional flooding during October 2022.
Processing and Transportation:

The Davidson Branch Preparation Plant is a 1,300 ton-per-hour coal preparation facility located near Hazard, Kentucky. The associated "Bluegrass 4" rail loadout is a batch-weight rail loadout with 135 car storage capacity and services by CSX Transportation in their Hazard/Elkhorn rate district. The Davidson Branch Preparation Plant is owned by Perry County Resources. We are currently utilizing less than 10% of the available processing capacity of the Davidson Branch Preparation Plant.

Both the Davidson Branch Preparation Plant and the rail loadout are operational, and any work required on any of the plant or loadouts would be routine maintenance. The allocated cost of for the property at Perry County Resources paid by the Company is $1,954,317.

Additional Permits:

In addition to the above mine, preparation facility, and related permits, Perry County Resources holds four additional coal mining permits that are idled or in development. Any idled mines that are brought into production would require significant upfront capital investment and there is no assurance of the feasibility of any such new operations.

The transfer of any new permits to the Company is subject to regulatory approval. This approval is subject to the review of both unabated or uncorrected violations that are listed on the Applicator Violator List. The Company, to include several of its subsidiaries, does have unabated and/or uncorrected violations that are listed on the Applicator Violator List. Should the state regulators believe that the Company is not in the process of abating or correcting the currently outstanding issues associated with their currently held permits they may choose not to issue the Company any new permits until such issues are properly rectified.

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Mineral and Surface Leases

Coal mining and processing involves the extraction of coal (mineral) and the use of surface property incidental to such extraction and processing. All of the mineral and surface related to the Company's coal mining operations is leased from various mineral and surface owners (the "Leases"). The Company's operating subsidiaries, collectively, are parties to approximately 200 various Leases and other agreements required for the Company's coal mining and processing operations. The Leases are with a variety of Lessors, from individuals to professional land management firms such as the Elk Horn Coal Company LLC and Alma Roadrunner Land Company. In some instances, the Company has leases with Land Resources & Royalties LLC (LRR), a professional leasing firm that is an entity wholly owned by Wabash Enterprises Inc, an entity owned by members of ARC's Quest Energy Inc.'s management.

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Coal Sales

ARC sells its coal to domestic and international customers, some which blend ARC's coal at east coast ports with other qualities of coal for export. Coal sales currently come from the Company's McCoy Elkhorn's Carnegie 1 and 2 mines. The Company may, at times, purchase coal from other regional producers to sell on its contracts.
Coal sales at the Company is primarily outsource to third party intermediaries who act on the Company's behalf to source potential coal sales and contracts. The third-party intermediaries have no ability to bind the Company to any contracts, and all coal sales are approved by management of the Company.
Due to the Covid-19 global pandemic, traditional sales channels have been disrupted. As a supplier of the raw materials into the steel and industrial industries, our customers are sensitive to global fluctuations in steel demand.

Competition

The coal industry is intensely competitive. The most important factors on which the Company competes are coal quality, delivered costs to the customer and reliability of supply. Our principal domestic competitors will include Corsa Coal Corporation, Ramaco Resources, Blackhawk Mining, Coronado Coal, Arch Coal, Alpha Resources, Contura Energy, and Warrior Met Coal. Many of these coal producers may have greater financial resources and larger coal deposit bases than we do. We also compete in international markets directly with domestic companies and with companies that produce coal from one or more foreign countries, such as China, Australia, Colombia, Indonesia and South Africa.

Legal Proceedings

From time to time, we are subject to ordinary routine litigation incidental to our normal business operations.

Please see the financial statement note 9 for detail on cases. statement's contingencies footnote.

Environmental, Governmental, and Other Regulatory Matters

Our operations are subject to federal, state, and local laws and regulations, such as those relating to matters such as permitting and licensing, employee health and safety, reclamation and restoration of mining properties, water discharges, air emissions, plant and wildlife protection, the storage, treatment and disposal of wastes, remediation of contaminants, surface subsidence from underground mining and the effects of mining on surface water and groundwater conditions. In addition, we may become subject to additional costs for benefits for current and retired coal miners. These environmental laws and regulations include, but are not limited to, SMCRA the Surface Mining Control and Reclamation Act of 1977 (SMCRA) with respect to coal mining activities and ancillary activities; the CAA Clean Air Act (CAA) with respect to air emissions; the CWA Clean Water Act (CWA) with respect to water discharges and the permitting of key operational infrastructure such as impoundments; Resource Conservation and Recovery RCRA with respect to solid and hazardous waste management and disposal, as well as the regulation of underground storage tanks; the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA" (CERCLA or "Superfund") Superfund) with respect to releases, threatened releases and remediation of hazardous substances; the Endangered Species Act of 1973 ("ESA") (ESA) with respect to threatened and endangered species; and the National Environmental Policy Act of 1969 ("NEPA") (NEPA) with respect to the evaluation of environmental impacts related to any federally issued permit or license. Many of these federal laws have state and local counterparts which also impose requirements and potential liability on our operations.

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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 facilities. They may also depress demand for our products by imposing more stringent requirements and limits on our customers' operations. Moreover, these laws are constantly evolving and are becoming increasingly complex and stringent over time. 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. Individually and collectively, these developments could have a material adverse effect on our operations directly and/or indirectly, through our customers' inability to use our products.

Certain implementing regulations for these environmental laws are undergoing revision or have not yet been promulgated. As a result, we cannot always determine the ultimate impact of complying with existing laws and regulations.

Due in part to these extensive and comprehensive regulatory requirements and ever- changing ever-changing interpretations of these requirements, violations of these laws can occur from time to time in our industry and also in our operations. Expenditures relating to environmental compliance are a major cost consideration for our operations and safety and 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.

In addition, our customers are subject to extensive regulation regarding the environmental impacts associated with the combustion or other use of coal, which may affect demand for our coal. Changes in applicable laws or the adoption of new laws relating to energy production, greenhouse gas emissions and other emissions from use of coal products may cause coal to become a less attractive source of energy, which may adversely affect our mining operations, the cost structure and, the demand for coal.

We believe that our competitors with operations in the United States are confronted by substantially similar conditions. However, foreign producers and operators may not be subject to similar requirements and may not be required to undertake equivalent costs in or be subject to similar limitations on their operations. As a result, the costs and operating restrictions necessary for compliance with United States environmental laws and regulations may have an adverse effect on our competitive *position with regard to those foreign competitors. 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.*

The Mine Act and the MINER Act, and regulations issued under these federal statutes, impose stringent health and safety standards on mining operations. The 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 mine personnel, mining procedures, roof control, ventilation, blasting, use and maintenance of mining equipment, dust and noise control, communications, emergency response procedures, and other matters. The Mine Safety and Health Administration ("MSHA") (MSHA) regularly inspects mines to ensure compliance with regulations promulgated under the Mine Act and MINER Act.

Due to the large number of mining permits held by the Company that have been previously mined and operated, there is a significant amount of environmental reclamation and remediation required by the Company to comply with local, state, and federal regulations for coal mining companies.

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Property

Our principal offices are located at 12115 Visionary Way, Fishers, Indiana 46038. We pay $5,726 per month in rent for the office space and the rental lease expires December 2026. On January 1, 2023, the Company entered into an expansion lease for the site. The amended lease has a ten year term and $5,869 per month rate.

We also rent office space from an affiliated entity, LRR, at 11000 Highway 7 South, Kite, Kentucky 41828 and pay $1,702 per month rent and the rental lease expires January 1, 2030.

On August 17, 2022, American Rare Earth entered into a Commercial Land Lease sublease agreement with Land Betterment for nearly 7 acres of land for the purpose of building a commercial grade critical element purification facility. The sublease is for the period of 5 years with a rate of $3,500 a month.

On October 8, 2022, American Rare Earth entered into a Commercial Lease for 6,700 square feet of warehouse space for the purpose of building a commercial grade critical element purification facility. The is for the period of 2 years with a rate of $4,745.83 a month.

The Company also utilizes various office spaces on-site at its coal mining operations and coal preparation plant locations in eastern Kentucky, with such rental payments covered under any surface lease contracts with any of the surface land owners.

Employees

ARC, through its operating subsidiaries, employs a combination of Company company employees and contract labor to mine coal, process coal, and related functions. The Company is continually evaluating the use of Company company employees and contract labor to determine the optimal mix of each, given the needs of the Company. Currently, McCoy's McCoy Elkhorn's Carnegie 1 and 2 mines Mines and Perry's E4-1 mine and are primarily run by contract labor, and the Company's various coal preparation facilities are run by contract labor.

The Company currently has approximately 11 employees, with a substantial majority based in eastern Kentucky. 26 direct employees. The Company is headquartered in Fishers, Indiana with six four members of the Company's executive team based at this location.

Results of Operations

Our consolidated operations had operating revenues of $5,828,526 $94,019 and $9,509,738 $8,868,456 for the three-months ended March 31, 2024 and nine-months ended September 30, 2023 2023, respectively. We incurred net losses of $6,225,932 and $16,677,671 and $34,789,566 operating revenue $3,100,869 for the three-months and nine-months ended September 30, 2022.

For the three-months and nine-months ended September 30, 2023 we have incurred net income attributable to American Resources Corporation Shareholders in the amount of $142,842 and $4,243,635. For the three-months and nine-months ended September 30, 2022 we have incurred net loss attributable to American Resources Corporation Shareholders in the amount of $5,226,840 and $10,403,028. same periods, respectively.

The primary driver for increase the decrease in revenue was an increase operating revenues is a significant reduction in our coal production since sales for the Covid-19 global pandemic. period ended March 31, 2024 as compared to 2023.

For the three months ended September 30, 2023 and 2022, coal sales and processing expenses were $286,330 and $ 6,955,403 respectively, development costs, including loss on settlement of ARO were $1,331,118 and $3,692,774, respectively, and production taxes and royalties $891,180 and $1,185,970, respectively. Depreciation expense for the same periods ended September 30, 2023 and 2022 were $9,218 and $602,503 respectively. Increase operating expenses were due to increased mining activities, increased development activity and increased asset purchases which led to increased depreciation.

For the nine months ended September 30, 2023 and 2022, coal sales and processing expenses were $6,562,425 and $15,415,398 respectively, development costs, including loss on settlement of ARO were $9,859,609 and $ 22,009,368 , respectively, and production taxes and royalties $2,791,455 and $2,791,455, respectively. Depreciation expense for the same periods ended September 30, 2023 and 2022 were $31,036 and $1,858,886 respectively. Increase in coal sales and processing expenses were due to increase in mine development and expansion. Increase operating expenses were due to increased mining activities, increased development activity and increased asset purchases which led to increased depreciation.

For the three months ended September 30, 2023 and 2022, Other Income (Expense) amounted to $150,000 and $36,224, respectively. For the nine months ended September 30, 2023 and 2022, Other Income (Expense) amounted to $503,000 and $194,381, respectively. The primary driver of reduced Other Income (Expense) is less settlement expenses for the current period.

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Liquidity and Capital Resources

As of September 30, 2023, our available cash was $3,117,380. From our inception to-date our activities have been primarily financed from the proceeds of our acquisitions, common stock share equity investments and loans.

For the three months ended March 31, 2024 and 2023, cost of coal sales and processing expenses were $1,266,928 and $2,705,820 respectively, development costs, including loss on settlement of ARO were $2,397,140 and $5,633,908, respectively, and production taxes and royalties were $121,767 and $981,636, respectively. Depreciation expense for the three months ended March 31, 2024 and 2023 were $22,086 and $13,336 respectively and general and administrative expenses were $2,062,021 and $1,321,468, respectively.

Liquidity and Capital Resources

As of March 31, 2024, our available cash was $2,166,857. We expect to fund our liquidity requirements with cash on hand, future borrowings and issuance of common stock and cash flow from operations. If future cash flows are insufficient to meet our liquidity needs or capital requirements, we may reduce our mine development and/or fund a portion of our expenditures through issuance of debt or equity securities, the entry into debt arrangements or from other sources, such as asset sales. We do not have any credit lines currently available to fund our liquidity requirements, and currently there is uncertainty regarding our ability to execute on the above strategy.

For the nine three months ending September 30, 2023 ended March 31, 2024 and 2023, our net cash flow used in operating activities was $(9,028,400) $8,131,227 and for the nine months ending September 30, 2022 the net cash flow used in operating activities was $(11,881,575) .

For the nine months ending September 30, 2023 and 2022 net cash proceeds from and (used in) investing activities were $(2,233,425) and $3,477,474 $7,342,964, respectively.

For the nine three months ending September 30, 2023 and 2022 ended March 31, 2024, net cash proceeds from used in investing activities was $3,797,176compared to the three months ended March 31, 2023, during which $967,343 was provided by investing activities.

For the three months ended March 31, 2024, net cash provided by financing activities were $44,984,061 and $672,424 respectively. was $146,814,926 compared to the three months ended March 31, 2023, during which $2,194,747 was used in financing activities.

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As a public Company, company, we will be subject to certain reporting and other compliance requirements of a publicly reporting Company. company. We will be subject to certain costs for such compliance which private companies may not choose to make. We have identified such costs as being primarily for audits, legal services, filing expenses, financial and reporting controls and shareholder communications and estimate the cost to be approximately $35,000 monthly if the activities of our Company remain somewhat the same for the next few months. We have included such costs in our monthly cash flow needs and expect to pay such costs from a combination of cash from operations and debt offerings.

Business Effect of Covid-19

During 2022 and 2021, the worldwide COVID-19 outbreak has resulted in muted demand for infrastructure and steel products and their necessary inputs including Metallurgical coal. These recent developments are expected to result in lower sales and gross margins. Because of the adverse market conditions caused by the global pandemic the Company's operations were idled in January 2021 and resumed during December 2021. Additionally, supply chain constraints are persistent in all parts of our business. financing activities.

Off Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that we are required to disclose pursuant to these regulations. In the ordinary course of business, we enter into operating lease commitments, purchase commitments and other contractual obligations. These transactions are recognized in our financial statements in accordance with generally accepted accounting principles in the United States.

Critical Accounting Policies

The preparation of financial statements requires management to utilize estimates and make judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances. The estimates are evaluated by management on an ongoing basis, and the results of these evaluations form a basis for making decisions about the carrying value of assets and liabilities that are not readily apparent from other sources. Although actual results may differ from these estimates under different assumptions or conditions, management believes that the estimates used in the preparation of our financial statements are reasonable. The critical accounting policies affecting our financial reporting are summarized in Note 1 to the financial statements included elsewhere in the December 31, 2022 10-K filed on March 30, 2023. this report.

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Recent Accounting Pronouncements

New In November 2023, the Financial Accounting Pronouncements: Management has determined that Standards Board ("FASB") issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" ("ASU 2023-07"), which, among other updates, requires enhanced disclosures about significant segment expenses regularly provided to the chief operating decision maker, as well as the aggregate amount of other segment items included in the reported measure of segment profit or loss. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, and requires retrospective adoption. Early adoption is permitted. The Company is evaluating the impact of ASU 2023-07 on its consolidated financial statements and the following recent FASB pronouncements will not have a material impact on the financial statements. related disclosures.

In December 2023, the FASB issued ASU 2021-01, Equity Method Investments 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" ("ASU 2023-09"), which requires enhanced annual disclosures with respect to the rate reconciliation and income taxes paid information. ASU 2023-09 is effective for fiscal years beginning after December 15, 2021.
December 15, 2024, and may be adopted on a prospective or retrospective basis. Early adoption is permitted. The Company is evaluating the impact of ASU 2019-12, Simplifying 2023-07 on its consolidated financial statements and the Accounting for Income Taxes (Topic 740) effective for years beginning after December 31, 2021.
ASU 2019-05, Financial Instruments – Credit Losses (Topic 326) effective for years beginning after December 15, 2019 related disclosures.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Because we are a smaller reporting Company company, we are not required to include any disclosure under this item.

Item 4. Controls and Procedures

(a) Management's Conclusions Regarding Effectiveness of Disclosure Controls and Procedures.

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed under the supervision of the Company's Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

As of June 30, 2023 With respect to the period ending March 31, 2024, under the supervision and with the participation of our management, we conducted an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934.

Based upon our evaluation as of September 30, 2023 regarding the period ending March 31, 2024, the Company's management, including its Chief Executive Officer and Chief Financial Officer, has concluded that its disclosure controls and procedures were not effective due to the Company's insufficient number of staff performing accounting and reporting functions and lack of timely reconciliations. Through the use of external consultants and the review process, management believes that the financial statements and other information presented herewith are materially correct.

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The Company's disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives. However, the Company's management, including its Chief Executive Officer and Chief Financial Officer, does not expect that its disclosure controls and procedures 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 benefit 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.

(b) Changes in Internal Controls.

There have been no changes in the Company's internal control over financial reporting during the period ended September 30, 2023 March 31, 2024 that have materially affected the Company's internal controls over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We From time to time, we are currently not involved in any subject to ordinary routine litigation that we believe could have a material adverse effect incidental to our normal business operations.
Please see financial statement note 6 for detail on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our Company or any of our subsidiaries, threatened against or affecting our Company, our common stock, any of our subsidiaries or of our companies or our subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect. cases.

Item 1A. Risk Factors

Not applicable.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On March 17, 2022, 425,000 of restricted common shares were sold. Gross proceeds to the Company amounted to $1,275,000 which were used for general business purposes. None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

The information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95.1 to this Quarterly Report.

Item 5. Other Information

None.

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Item 6. Exhibits

The following exhibits are filed herewith except as otherwise noted:

Exhibit Number	Description	Location Reference
3.1	Articles of Incorporation of Natural Gas Fueling and Conversion Inc.	Incorporated herein by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1, filed with the SEC on November 27, 2013.
3.2	Amended and Restated Articles of Incorporation of NGFC Equities Inc.	Incorporated herein by reference to Exhibit 3.1 to the Company's 8k filed on February 25, 2015.
3.3	Articles of Amendment to Articles of Incorporation of NGFC Equities, Inc.	Incorporated herein by reference to Exhibit 10.2 to the Company's Form 8-K on February 21, 2017.
3.4	Articles of Amendment to Articles of Incorporation of American Resources Corporation dated March 21, 2017.	Incorporated herein by reference to Exhibit 3.4 to the Company's Form 10-Q, filed with the SEC on February 20, 2018.
3.5	Bylaws of Natural Gas Fueling and Conversion Inc.	Incorporated herein by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-1, filed with the SEC on November 27, 2013.
3.6	Bylaws, of NGFC Equities Inc., as amended and restated.	Incorporated herein by reference to Exhibit 3.2 to the Company's 8k filed on February 25, 2015.
3.7	Articles of Amendment to Articles of Incorporation of American Resources Corporation dated November 8, 2018.	Filed as Exhibit 99.1 to the Company's 8k filed on November 13, 2018, incorporated herein by reference.
3.8	Bylaws of American Resources Corporation, as amended and restated	Incorporated herein by reference to Exhibit 99.2 to the Company's 8k filed on November 13, 2018.
4.1	Common Stock Purchase Warrant "B-4" dated October 4, 2017	Incorporated herein by reference to Exhibit 4.1 to the Company's 8k filed on October 11, 2017.
4.2	Common Stock Purchase Warrant "C-1" dated October 4, 2017	Incorporated herein by reference to Exhibit 4.2 to the Company's 8k filed on October 11, 2017.
4.3	Common Stock Purchase Warrant "C-2" dated October 4, 2017	Incorporated herein by reference to Exhibit 4.3 to the Company's 8k filed on October 11, 2017.
4.4	Common Stock Purchase Warrant "C-3" dated October 4, 2017	Incorporated herein by reference to Exhibit 4.4 to the Company's 8k filed on October 11, 2017.
4.5	Common Stock Purchase Warrant "C-4" dated October 4, 2017	Incorporated herein by reference to Exhibit 4.5 to the Company's 8k filed on October 11, 2017.
4.6	Promissory Note for $600,000.00 dated October 4, 2017	Incorporated herein by reference to Exhibit 4.6 to the Company's 8k filed on October 11, 2017.
4.7	Promissory Note for $1,674,632.14 dated October 4, 2017	Incorporated herein by reference to Exhibit 4.7 to the Company's 8k filed on October 11, 2017.
4.8	Loan Agreement for up to $6,500,000 dated December 31, 2018	Incorporated herein by reference to Exhibit 99.1 to the Company's 8k filed on January 3, 2019.
4.9	Promissory Note for up to $6,500,000 dated December 31, 2018	Incorporated herein by reference to Exhibit 99.2 to the Company's 8k filed on January 3, 2019.
10.1	Secured Promissory Note	Incorporated herein by reference to Exhibit 99.1 to the Company's 8k filed on May 15, 2018.
10.2	Security Agreement	Incorporated herein by reference to Exhibit 99.2 to the Company's 8k filed on May 15, 2018.
10.3	Pledge Agreement	Incorporated herein by reference to Exhibit 99.3 to the Company's 8k filed on May 15, 2018.
10.4	Guaranty Agreement	Incorporated herein by reference to Exhibit 99.4 to the Company's 8k filed on May 15, 2018.
10.5	Bill of Sale	Incorporated herein by reference to Exhibit 99.5 to the Company's 8k filed on May 15, 2018.
10.6	Sublease Agreement Between Colonial Coal Company, Inc. and McCoy Elkhorn Coal LLC	Incorporated herein by reference to Exhibit 99.1 to the Company's 8k filed on May 1, 2018

10.7	Interim Operating Agreement	Incorporated herein by reference to Exhibit 99.2 to the Company's 8k filed on May 15, 2018. May 1, 2018
10.3 10.8	Pledge Consolidated and Restated Loan and Security Agreement dated October 4, 2017	Incorporated herein by reference to Exhibit 99.3 10.1 to the Company's 8k filed on May 15, 2018. October 11, 2017
10.4 10.9	Guaranty Asset Purchase Agreement between Wyoming County Coal LLC and Thomas Shelton dated November 7, 2018	Incorporated herein by reference to Exhibit 99.4 10.9 to the Company's 8k registration statement filed on May 15, 2018 December 11, 2018.

10.5

Bill of Sale

Incorporated herein by reference to Exhibit 99.5 to the Company's 8k filed on May 15, 2018.

10.6

Sublease Agreement Between Colonial Coal Company, Inc. and McCoy Elkhorn Coal LLC

Incorporated herein by reference to Exhibit 99.1 to the Company's 8k filed on May 1, 2018

10.7

Interim Operating Agreement

Incorporated herein by reference to Exhibit 99.2 to the Company's 8k filed on May 1, 2018

10.8

Consolidated and Restated Loan and Security Agreement dated October 4, 2017

Incorporated herein by reference to Exhibit 10.1 to the Company's 8k filed on October 11, 2017

10.9

Asset Purchase Agreement between Wyoming County Coal LLC and Thomas Shelton dated November 7, 2018

Incorporated herein by reference to Exhibit 10.9 to the Company's registration statement filed on December 11, 2018.

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10.10	Asset Purchase Agreement between Wyoming County Coal LLC and Synergy Coal, LLC dated November 7, 2018	Incorporated herein by reference to Exhibit 10.10 to the Company's registration statement filed on December 11, 2018.
10.11	Security Agreement	Incorporated herein by reference to Exhibit 99.3 to the Company's 8k filed on January 3, 2019.
10.12	Purchase Order	Incorporated herein by reference to Exhibit 99.4 to the Company's 8k filed on January 3, 2019.
10.13	Employment Agreement with Mark C. Jensen	Incorporated herein by reference to Exhibit 10.13 to the Company's registration statement filed on February 6, 2019.
10.14	Employment Agreement with Thomas M. Sauve	Incorporated herein by reference to Exhibit 10.14 to the Company's registration statement filed on February 6, 2019.
10.15	Employment Agreement with Kirk P. Taylor	Incorporated herein by reference to Exhibit 10.15 to the Company's registration statement filed on February 6, 2019.
10.16	Employee Stock Option Plan	Incorporated herein by reference to Exhibit 10.16 to the Company's registration statement filed on February 6, 2019.
10.17	Letter of Intent	Incorporated herein by reference to Exhibit 10.17 to the Company's registration statement filed on February 6, 2019.
10.18	Merger Agreement with Colonial Coal	Incorporated herein by reference to Exhibit 10.18 to the Company's registration statement filed on February 14, 2019.
10.19	Share Exchange Agreement to replace Merger Agreement with Colonial Coal	Incorporated herein by reference to Exhibit 10.19 to the Company's registration statement filed on February 14, 2019.
14.1	Code of Conduct	Incorporated herein by reference to Exhibit 99.2 to the Company's 8k filed on November 13, 2018.
14.2	Financial Code of Ethics	Incorporated herein by reference to Exhibit 99.3 to the Company's 8k filed on November 13, 2018.
21.1	Subsidiaries of the Registrant	Filed Herewith

31.1	*Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*	*Filed Herewith*
31.2	*Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*	*Filed Herewith*
32.1	*Certification of the Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*	*Filed Herewith*
32.2	*Certification of the Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*	*Filed Herewith*
95.1	*Mine Safety Disclosure pursuant to Regulation S-K, Item 104*	*Mine Safety Disclosure pursuant to Regulation S-K, Item 104Filed Herewith*

Filed Herewith

101.INS	*Inline 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 Labels Linkbase Document*
101.PRE	*Inline XBRL Taxonomy Extension Presentation Linkbase Document*
104	

Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMERICAN RESOURCES CORPORATION

Date: November 14, 2023 May 20, 2024	*By:*	*/s/ Mark C. Jensen*
	Name:	*Mark C. Jensen*
	Title:	*CEO, Chairman of the Board*
		(Principal Executive Officer)

EXHIBIT 21.1

EXHIBIT 21 -- SUBSIDIARIES OF THE REGEISTRANT
American Resources Corp
Subsidiaries of the Registrant
September 30, 2023
The following is a list of the Company's subsidiaries as of September 30, 2023, except for unnamed subsidiaries which, considered in the aggregate as a single subsidiary, would not constitute a "significant subsidiary" as defined in Regulation S-X of the United States Securities and Exchange Commission (17 CFR 210.1-02(w)).

Entity Name	*Domestic Jurisdiction*
American Carbon Corp	*Indiana*
Deane Mining, LLC	*Delaware*
Quest Processing LLC	*Indiana*
ERC Mining Indiana Corp	*Indiana*
McCoy Elkhorn Coal LLC d/b/a McCoy Elkhorn Coal	*Indiana*
Knott County Coal LLC	*Indiana*
Wyoming County Coal LLC	*Indiana*
Perry County Resources LLC	*Indiana*
reELEMENT ReElement Technologies Corp LLC	*Indiana*
American Metals LLC	*Indiana*
Advanced Carbon Materials LLC	*Indiana*
American Opportunity Ventures, LLC	*Delaware*
American Opportunity Ventures II, LLC	*Delaware*
Novusterra Inc	*Florida*
TR Mining & Equipment LTD	*Jamaica*

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EXHIBIT 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
Certification of Principal Executive Officer

I, Mark C. Jensen, certify that:

1. *I have reviewed this quarterly report on Form 10-Q of American Resources Corporation;*

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.

AMERICAN RESOURCES CORPORATION

Date: May 20, 2024

By: /s/ Mark C. Jensen
Mark C. Jensen,
Chief Executive Officer
Principal Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
Certification of Principal Financial Officer and
Principal Accounting Officer

I, Kirk P. Taylor, certify that:

1. I have reviewed this quarterly report on Form 10-Q of American Resources Corporation;

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.

AMERICAN RESOURCES CORPORATION

Date: November 14, 2023

By: /s/ Mark C. Jensen

Mark C. Jensen

Chief Executive Officer

Principal Executive Officer

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EXHIBIT 31.2

CERTIFICATION PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

Certification of Principal Financial Officer and

Principal Accounting Officer

I, Kirk P. Taylor, certify that:

1. *I have reviewed this quarterly report on Form 10-Q of American Resources Corporation;*

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.*

AMERICAN RESOURCES CORPORATION

Date: November 14, 2023 May 20, 2024

By: /s/ Kirk P. Taylor

Kirk P. Taylor,

Chief Financial Officer

Principal Financial Officer

Principal Accounting Officer

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EXHIBIT 32.1

Certification of Principal Executive Officer

Pursuant to 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of American Resources Corporation, (the "Company") on Form 10-Q for the period ending September 30, 2023 March 31, 2024 to be filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Mark C. Jensen, Principal Executive Officer of the Company, certify, to my knowledge, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(i) ***the accompanying Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and***

(ii) ***the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods covered by the Report.***

It is not intended that this statement be deemed to be filed for purposes of the Securities Exchange Act of 1934.

AMERICAN RESOURCES CORPORATION

Date: November 14, 2023 May 20, 2024

By: /s/ Mark C. Jensen
Mark C. Jensen,
Chief Executive Officer
Principal Executive Officer

EXHIBIT 32.2

Certification of Principal Financial Officer
and Principal Accounting Officer
Pursuant to 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of American Resources Corporation (the "Company") on Form 10-Q for the period ending September 30, 2023 March 31, 2024 to be filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), I, Kirk P. Taylor, Principal Financial Officer and Principal Accounting Officer of the Company, certify, to my knowledge, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(i) ***the accompanying Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and***

(ii) ***the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods covered by the Report.***

It is not intended that this statement be deemed to be filed for purposes of the Securities Exchange Act of 1934.

AMERICAN RESOURCES CORPORATION

Date: November 14, 2023 May 20, 2024

By: /s/ Kirk P. Taylor
Kirk P. Taylor,
Chief Financial Officer
Principal Financial Officer
Principal Accounting Officer

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EXHIBIT 95.1

Federal Mine Safety and Health Act Information

We work to prevent accidents and occupational illnesses. We have in place health and safety programs that include extensive employee training, safety incentives, drug and alcohol testing and safety audits. The objectives of our health and safety programs are to provide a safe work environment, provide employees with proper training and equipment and *implement safety and health rules, policies and programs that foster safety excellence.*

Our mining operations are subject to extensive and stringent compliance standards established pursuant to the Federal Mine Safety and Health Act of 1977 (the "Mine Act"). MSHA monitors and rigorously enforces compliance with these standards, and our mining operations are inspected frequently. Citations and orders are issued by MSHA under Section 104 of the Mine Act for violations of the Mine Act or any mandatory health or safety standard, rule, order or regulation promulgated under the Mine Act.

The Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") requires issuers to include in periodic reports filed with the SEC certain information relating to citations or orders for violations of standards under the Mine Act. We present information below regarding certain mining safety and health violations, orders and citations, issued by MSHA and related assessments and legal actions and mine-related fatalities with respect to our active coal mining operations. In evaluating this information, consideration should be given to factors such as: (i) the number of violations, orders and citations will vary depending on the size of the coal mine, (ii) the number of violations, orders and citations issued will vary from inspector to inspector and mine to mine, and (iii) violations, orders and citations can be contested and appealed, and in that process, are often reduced in severity and amount, and are sometimes dismissed.

The following tables include information required by the Dodd-Frank Act for the nine three months ended September 30, 2023 March 31, 2024. The mine data retrieval system maintained by MSHA may show information that is different than what is provided herein. Any such difference may be attributed to the need to update that information on MSHA's system and/or other factors.

Mine or Operating Name / MSHA Identification Number	***Section 104(a) S&S Citations(1)***	***Section 104(b) Orders(2)***	***Section 104(d) Citations and Orders(3)***	***Section 110(b)(2) Violations(4)***	***Section 107(a) Orders(5)***	***Total Dollar Value of MSHA Assessments Proposed (in thousands) (6)***	***Section 104(a) S&S Citations(1)***	***Section 104(b) Orders(2)***	***Section 104(d) Citations and Orders(3)***	***Section 110(b)(2) Violations(4)***	***Section 107(a) Orders(5)***	***Total Do Value MSHA Assessm Propose thousan (6)***
Active Operations												
McCoy Elkhorn Mine #15 / 15-18775	*0*	*0*	*0*	*0*	*0*	*$ 441.2*	*0*	*0*	*0*	*0*	*0*	*$ 4*
McCoy Elkhorn Carnegie Mine / 15-19313	*0*	*3*	*0*	*0*	*0*	*$ 17.7*	*4*	*0*	*0*	*0*	*0*	*$*
McCoy Elkhorn Carnegie Mine 2/ 15-19801	*0*	*0*	*0*	*0*	*0*	*$ 17.8*						
McCoy Elkhorn Carnegie 2 Mine / 15-19801							*0*	*0*	*0*	*0*	*0*	*$*
McCoy Elkhorn Bevins Branch Preparation Plant / 15-10445	*0*	*0*	*0*	*0*	*0*	*$ 28.9*	*0*	*0*	*0*	*0*	*0*	*$*
McCoy Elkhorn Point Rock / 15-07010	*0*	*0*	*0*	*0*	*0*	*$ 0.0*						
Deane Mining Access Mine/ 15-19532	*0*	*0*	*0*	*0*	*0*	*$ 95.0*	*0*	*0*	*0*	*0*	*0*	*$*
Deane Mining Mill Creek Preparation Plant / 15-16577	*0*	*0*	*0*	*0*	*0*	*$ 0.0*	*0*	*0*	*0*	*0*	*0*	*$*

Deane Mining Razorblade / 15-19829	*0*	*0*	*0*	*0*	*0*	*$*	*0.0*	*0*	*0*	*0*	*0*	*0*	*$*
Perry County Resources / E4-2 15-19015	*9*	*5*	*3*	*0*	*0*	*$*	*128.3*						
Perry County Resources Davidson Preparation Plant / 15-05485	*1*	*0*	*0*	*0*	*0*	*$*	*25.5*						
Knott County Coal Supreme / 15-16567	*0*	*1*	*0*	*0*	*0*	*$*	*0*						
Wyoming County Loadout / 46-05893	*0*	*0*	*0*	*0*	*0*	*$*	*0.0*						
Perry County Resources/E4-2 15-19015								*0*	*0*	*5*	*0*	*0*	*$* [illegible]
Perry County Resources/Davidson Preparation Facility 15-05485								*0*	*0*	*0*	*0*	*0*	*$* [illegible]
Knott County Coal Wayland/15-19402								*0*	*0*	*0*	*0*	*0*	*$*

Mine or Operating Name / MSHA Identification Number	***Total Number of Mining Related Fatalities***	***Received Notice of Pattern of Violations Under Section 104(e) (yes/no)[(7)]***	***Legal Actions Pending as of Last Day of Period***	***Legal Actions Initiated During Period***	***Legal Actions Resolved During Period***
<u>Active Operations</u>					
McCoy Elkhorn Mine #15 / 15-18775	0	No	0	0	0
McCoy Elkhorn Carnegie Mine / 15-19313	0	No	0	0	0
McCoy Elkhorn Bevins Branch Preparation Plant / 15-10445	0	No	0	0	0
McCoy Elkhorn Carnegie 2 Mine / 15-19801	0	No	0	0	0
Deane Mining Access Mine / 15-19532	0	No	0	0	0
Deane Mining Mill Creek Preparation Plant / 15-16577	0	No	0	0	0
Deane Mining Razorblade / 15-19829	0	No	0	0	0
Perry County Resources/E4-2 15-19015	0	No	0	0	0
Perry County Resources/Davidson Preparation Facility 15-05485	0	No	0	0	0
Knott County Coal Wayland / 15-19402	0	No	0	0	0

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Mine or Operating Name / MSHA Identification Number	*Total Number of Mining Related Fatalities*	*Received Notice of Pattern of Violations Under Section 104(e) (yes/no)(7)*	*Legal Actions Pending as of Last Day of Period*	*Legal Actions Initiated During Period*	*Legal Actions Resolved During Period*
Active Operations					
McCoy Elkhorn Mine #15 / 15-18775	0	No	0	0	0
McCoy Elkhorn Carnegie Mine / 15-19313	0	No	0	0	0
McCoy Elkhorn Carnegie Mine 2/ 15-19801	0	No	0	0	0
McCoy Elkhorn Bevins Branch Preparation Plant / 15-10445	0	No	0	0	0
McCoy Elkhorn Point Rock / 15-07010	0	No	0	0	0
Deane Mining Access Mine / 15-19532	0	No	0	0	0
Deane Mining Mill Creek Preparation Plant / 15-16577	0	No	0	0	0
Deane Mining Razorblade / 15-19829	0	No	0	0	0
Perry County Resources E4-2 / 15-19402	0	No	0	0	0
Perry County Resources Davidson Preparation Plant / 15-05485	0	No	0	0	0
Knott County Coal Wayland / 15-19402	0	No	0	0	0
Wyoming County Loadout / 46-05893					

The number of legal actions pending before the Federal Mine Safety and Health Review Commission as of September 30, 2023March 31, 2024 that fall into each of the following categories is as follows:

Mine or Operating Name / MSHA Identification Number	***Contests of Citations and Orders***	***Contests of Proposed Penalties***	***Complaints for Compensation***	***Complaints of Discharge / Discrimination / Interference***	***Applications for Temporary Relief***	***Appeals of Judge's Ruling***	***Contests of Citations and Orders***	***Contests of Proposed Penalties***	***Complaints for Compensation***	***Complaints of Discharge / Discrimination / Interference***	***Applicati for Tempora Relie***
Active Operations											
McCoy Elkhorn Mine #15 / 15-18775	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
McCoy Elkhorn Carnegie Mine / 15-19313	*4*	*4*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
McCoy Elkhorn Carnegie Mine 2/ 15-19801	*0*	*0*	*0*	*0*	*0*	*0*					
McCoy Elkhorn Bevins Branch Preparation Plant / 15-10445	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
McCoy Elkhorn Point Rock / 15-07010	*0*	*0*	*0*	*0*	*0*	*0*					
McCoy Elkhorn Carnegie 2 Mine / 15-19801							*0*	*0*	*0*	*0*	
Deane Mining Access Mine / 15-19532	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	

Deane Mining Mill Creek Preparation Plant / 15-16577	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Deane Mining Razorblade / 15-19829	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Perry County Resources E4-2/ 15-19402	*0*	*0*	*0*	*0*	*0*	*0*				
Perry County Resources Davidson Preparation Plant / 15-05485	*0*	*0*	*0*	*0*	*0*	*0*				
Perry County Resources/E4-2 15-19015							*0*	*0*	*0*	*0*
Perry County Resources/Davidson Preparation Facility 15-05485							*0*	*0*	*0*	*0*
Knott County Coal Wayland / 15-19402	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Wyoming County Loadout / 46-05893	*0*	*0*	*0*	*0*	*0*	*0*				

(1) Mine Act section 104(a) S&S citations shown above are for alleged violations of mandatory health or safety standards that could significantly and substantially contribute to a coal mine health and safety hazard. It should be noted that, for purposes of this table, S&S citations that are included in another column, such as Section 104(d) citations, are not also included as Section 104(a) S&S citations in this column.

(2) Mine Act section 104(b) orders are for alleged failures to totally abate a citation within the time period specified in the citation.

(3) Mine Act section 104(d) citations and orders are for an alleged unwarrantable failure (i.e., aggravated conduct constituting more than ordinary negligence) to comply with mandatory health or safety standards.

(4) Mine Act section 110(b)(2) violations are for an alleged "flagrant" failure (i.e., reckless or repeated) to make reasonable efforts to eliminate a known violation of a mandatory safety or health standard that substantially and proximately caused, or reasonably could have been expected to cause, death or serious bodily injury.

(5) Mine Act section 107(a) orders are for alleged conditions or practices which could reasonably be expected to cause death or serious physical harm before such condition or practice can be abated and result in orders of immediate withdrawal from the area of the mine affected by the condition.

(6) Amounts shown include assessments proposed by MSHA during the three months ended September 30, 2023March 31, 2024 on all citations and orders, including those citations and orders that are not required to be included within the above chart. This number may differ from actual assessments paid to MSHA as the Company may contest any proposed penalty.

(7) Mine Act section 104(e) written notices are for an alleged pattern of violations of mandatory health or safety standards that could significantly and substantially contribute to a coal mine safety or health hazard.

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