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

For the quarterly period ended: **September 30, 2024**

or

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

For the transition period from _______ to _______

Commission File Number: **000-55456**

American Resources Corporation

(Exact name of registrant as specified in its charter)

Florida	**46-3914127**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

12115 Visionary Way Fishers, Indiana 46038
(Address and Zip Code of principal executive offices)

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

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. See the definitions of the "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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

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

Indicate by check mark whether the registrant is a shell 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, 2024, the registrant had 77,421,255 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
CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited) **September 30, 2024**	*(As filed)* **December 31, 2023**	*Adjustments*	*(Restated)* **December 31, 2023**
Assets				
Current assets:				

Cash and cash equivalents	$ 840,330	$ 2,666,638	*(1,066,385)*	$ 1,600,253
Short-term investments held in trust account - restricted	-	30,297,204	*(28,949,297)*	1,347,907
Short-term investments	151,326	-	-	-
Due from related party	741,243	-	741,243	741,243
Interest receivable	85,991	-	-	-
Inventories	2,029,812	54,000	-	54,000
Prepaid expenses and other current assets	1,866,001	1,867,651	-	1,867,651
Total current assets	5,714,703	34,885,493	*(29,274,439)*	5,611,054
Restricted cash	160,811,402	6,798,029	*22,476,356*	29,274,385
Restricted investment	4,500,000	-	*4,500,000*	4,500,000
Property and equipment, net	17,489,780	15,337,004	*4,898,120*	20,235,124
Operating - right-of-use assets, net	734,786	18,276,913	*(17,479,711)*	797,202
Operating - right-of-use assets, net - related party	1,817,073	-	-	89,419
Finance – right-of-use asset, net – related party	19,533,801	-	-	-
Investment in other entities - related parties	1,719,308	18,780,000	*(15,302,700)*	3,477,300
Notes receivable, net	280,000	99,022	*280,000*	379,022
Total assets	$ 211,600,853	$ 94,176,461	*(29,812,955)*	$ 64,363,506
Liabilities And Equity				
Current liabilities:				
Trade payables	$ 5,039,002	$ 6,709,224	*(68,099)*	$ 6,641,125
Non-trade payables	2,653,638	2,607,942	*53,157*	2,661,099
Accounts payable - related party	5,711,005	2,371,697	*1,020,613*	3,392,310
Accrued interest	514,844	512,558	*(44,424)*	468,134
Other current liabilities	147,055	200,000	*(100,000)*	100,000
Current portion of long-term debt	804,656	804,656	-	804,656
Operating lease liabilities, current	87,898	57,663	*19,993*	77,656
Operating lease liabilities, current - related party	590,047	-	-	11,138
Finance lease, current - related party	1,437,985	-	-	-
Other financing obligations, current	7,620,971	4,806,822	*2,585,919*	7,392,741
Total current liabilities	24,607,101	18,070,562	*3,478,297*	21,548,859
Remediation liability	22,033,677	21,288,799	-	21,288,799
Bond payable, net	193,337,587	44,152,500	*(617,341)*	43,535,159
Convertible promissory note - related party	894,172	-	-	-
Other financing obligations, net of current portion	4,405,239	7,514,848	*2,584,947*	10,099,795
Finance lease, non-current - related party	18,528,012	-	-	-
Operating lease liabilities, non-current	703,899	495,611	*275,572*	771,183
Operating lease liabilities, non-current - related party	1,476,182	-	-	78,280
Total liabilities	$ 265,985,869	$ 91,522,320	*5,799,755*	$ 97,322,075
Commitments and contingencies (Note 11)				
Stockholders' deficit:				
Common stock, $0.0001 par value; 230,000,000 shares authorized, 77,400,289 and 76,247,370 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively	7,742	7,627	-	7,627
Additional paid-in capital	182,761,566	178,910,546	*2,368,215*	181,278,761
Accumulated deficit	(234,599,584)	(178,694,329)	*(34,076,776)*	(212,771,105)
Total stockholders' deficit	(51,830,276)	223,844	*(31,708,561)*	(31,484,717)
Non-controlling interest	(1,554,740)	-	*(1,473,852)*	(1,473,852)
Total equity	(53,385,016)	223,844	*(33,182,413)*	(32,958,569)
Total liabilities and stockholders' deficit	$ 212,600,853	91,746,164	*(27,382,658)*	$ 64,363,506

The accompanying footnotes are integral to the unaudited consolidated financial statements.

AMERICAN RESOURCES CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2024	***(As filed)* 2023**	*Adjustments*	***(Restated)* 2023**	**2024**	***(As filed)* 2023**	*Adjustments*	**2023**
Revenue								
Coal sales	$ -	$ 5,721,840	-	$ 5,721,840	$ -	$ 16,120,841	-	$ 16,120,841
Metal recovery and sales	154,055	5,723	*(1)*	5,722	187,502	60,148	*(1)*	60,147
Royalty income	81,388	100,963	*(20,000)*	80,963	146,055	496,682	-	496,682
Total revenue	235,443	5,828,526	*(20,001)*	5,808,525	333,557	16,677,671	*(1)*	16,677,670
Operating expenses (income)								
Coal production and holdings costs	1,784,863	286,330	*1,797,730*	2,084,060	2,982,638	6,562,425	*2,079,214*	8,641,639
Accretion	248,295	248,291	*(2)*	248,289	744,877	744,873	-	744,873
Depreciation	584,083	9,218	*572,983*	582,201	1,653,642	31,036	*1,746,208*	1,777,244
Amortization of mining rights	302,103	311,685	*(0)*	311,685	925,473	929,229	*5,826*	935,055
General and administrative	3,936,598	1,299,303	*420,449*	1,719,752	7,937,647	3,755,386	*913,804*	4,669,190
Professional fees	682,525	359,411	-	359,411	1,823,917	999,143	-	999,143
Production taxes and royalties	876,503	891,180	*235,539*	1,126,719	1,323,596	2,369,640	*350,762*	2,720,402
Development	78,809	1,331,118	*470,494*	1,801,612	2,996,853	9,859,609	*722,541*	10,582,150
Gain on sale of equipment	-	-	*(575,000)*	(575,000)	(400,000)	-	*(1,625,000)*	(1,625,000)
Total operating expenses	8,493,779	4,736,536	*2,922,193*	7,658,729	19,988,643	25,251,341	*4,193,355*	29,444,696
Net loss from operations	(8,258,336)	1,091,990	*(2,942,194)*	(1,850,204)	(19,655,086)	(8,573,670)	*(4,193,356)*	(12,767,026)
Other income (expense)								
Earnings from equity method investees	(164,845)	-	*(237,726)*	(237,726)	(396,205)	-	*39,640*	39,640
Other income and (expense)	(32,101)	150,000	-	150,000	140,904	503,000	-	503,000
Gain on sales of assets	-	2,538,576	*(2,538,576)*	-	-	8,475,468	*(8,475,468)*	
Interest income	7,527	2,831	-	2,831	110,916	21,595	-	21,595
Interest expense	(774,478)	(299,762)	*(221,677)*	(521,439)	(2,109,896)	(1,043,551)	*(544,935)*	(1,588,486)
Total other income (expenses)	(963,897)	2,391,645	*(2,997,979)*	(606,334)	(2,254,281)	7,956,512	*(8,980,763)*	(1,024,251)
Net loss	(9,222,233)	3,483,635	*(5,940,173)*	(2,456,538)	(21,909,367)	(617,158)	*(13,174,119)*	(13,791,277)
Less: Non-controlling interest	15,465	-	*95,710*	95,710	80,888	-	*(79,945)*	(79,945)
Net loss attributable to AREC shareholders	$ (9,206,768)	$ 3,483,635	*(5,844,463)*	$ (2,360,828)	$ (21,828,479)	$ (617,158)	*(13,254,064)*	$ (13,871,222)
Net loss per share - basic and diluted	$ (0.12)	$ 0.05	*$ (0.09)*	$ (0.03)	$ (0.28)	$ (0.01)	*$ (0.18)*	$ (0.18)

Weighted average shares outstanding - basic and diluted	77,400,289	76,245,984	-	76,245,984	77,222,990	75,144,374	-	75,144,374

The accompanying footnotes are integral to the unaudited consolidated financial statements.

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AMERICAN RESOURCES CORPORATION
CONDENSED CONSOLIDATED STATEMENTS of SHAREHOLDERS' DEFICIT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(UNAUDITED)

	Common Stock		***(As filed)*** **Additional**		***(Restated)*** **Additional**	***(As filed)***		***(Restated)***		**Non-**	
	Par Value Shares	**Amount**	**Paid-in Capital**	*Adjustments*	**Paid-in Capital**	**Accumulated Deficit**	*Adjustments*	**Accumulated Deficit**	**Total Deficit**	**controlling interest**	**Total Deficit**
Balance as of December 31, 2022	66,777,620	$ 6,680	$167,517,259	*582,378*	$168,099,637	$(167,239,243)	*(19,524,441)*	$(186,763,684)	$(18,657,367)	(1,276,297)	(19,933,664)
Issuance of common shares for convertible debt conversion	9,420,730	942	9,786,481	-	9,786,481	-	-	-	9,787,423	-	9,787,423
Stock compensation – options	-	-	376,573	*253,304*	629,877	-	-	-	629,877	-	629,877

Net loss	-	-	-	-	-	(3,100,869)	*(129,530)*	(3,230,399)	(3,230,399)	367,575	(2,862,824)
Balance as of March 31, 2023	76,198,350	$ 7,622	$177,680,313	*835,682*	$178,515,995	$(170,340,112)	*(19,653,971)*	$(189,994,083)	$(11,470,466)	(908,722)	(12,379,188)
Stock compensation - options	-	-	376,573	*364,238*	740,811	-	-	-	740,811	-	740,811
Recapture expenses for bond issuance	-	-	-	-	-	4,011,025	*(4,011,025)*	-	-	-	-
Net loss	-	-	-	-	-	(999,925)	*(7,280,070)*	(8,279,995)	(8,279,995)	(191,920)	(8,471,915)
Balance as of June 30, 2023	76,198,350	$ 7,622	$178,056,886	*1,199,920*	$179,256,806	$(167,329,012)	*(30,945,066)*	$(198,274,078)	$(19,009,650)	$(1,100,642)	$(20,110,292)
Stock compensation - options	-	-	376,573	*469,506*	846,079	-	-	-	846,079	-	846,079
Issuance of common shares for consulting services	49,020	5	99,995	-	99,995	-	-	-	100,000	-	100,000
Issuance of common shares for warrant conversion	-	-	519	*(519)*	-	-	-	-	-	-	-
Net loss	-	-	-	-	-	3,483,635	*(5,844,463)*	(2,360,828)	(2,360,828)	(95,710)	(2,456,538)
Balance as of September 30, 2023	76,247,370	$ 7,627	178,533,973	*1,668,907*	$180,202,880	$(163,845,377)	*(36,789,529)*	$(200,634,906)	$(20,424,399)	$(1,196,352)	$(21,620,751)

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	Common Stock		*(As filed)*		*(Restated)*	*(As filed)*		*(Restated)*			
	Par Value Shares	Amount	Additional Paid-in Capital	*Adjustments*	Additional Paid-in Capital	Accumulated Deficit	*Adjustments*	Accumulated Deficit	Total Deficit	Non-controlling interest	Total Deficit
Balance as of December 31, 2023	76,247,370	$ 7,627	$178,910,546	*2,368,215*	$181,278,761	$(212,517,637)	*(253,468)*	$(212,771,105)	$(31,484,717)	(1,473,852)	(32,958,569)
Exercise of cashless warrants	871,620	87	(87)	-	(87)	-	-	-	-	-	-
Exercise of stock options	148,000	15	156,885	-	156,885	-	-	-	156,900	-	156,900
Issuance of common shares for consulting services	30,000	3	43,797	-	43,797	-	-	-	43,800	-	43,800
Stock compensation - options	-	-	560,933	*328,240*	889,173	-	-	-	889,173	-	889,173
Dividend-in-kind of Novustera, Inc. common stock to shareholders	-	-	(14,560,000)	*13,198,212*	(1,361,788)	-	-	-	(1,361,788)	-	(1,361,788)
Net loss	-	-	-	-	-	(6,225,932)	*615,811*	(5,610,121)	(5,610,121)	(79,760)	(5,689,881)
Balance as of March 31, 2024	77,296,990	$ 7,732	$165,112,074	*15,894,667*	$181,006,741	$(218,743,569)	*362,343*	$(218,381,226)	$(37,366,753)	$(1,553,612)	$(38,920,365)
Exercise of warrants	30,799	3	32,336	-	32,336	-	-	-	32,339	-	32,339
Issuance of common shares for consulting services	72,500	7	99,768	-	99,768	-	-	-	99,775	-	99,775
Stock compensation – options	-	-	874,080	-	874,080	-	-	-	874,080	-	874,080
Net loss	-	-	-	-	-	(6,615,089)	*(396,501)*	(7,011,590)	(7,011,590)	14,337	(6,997,253)
Balance as of June 30, 2024	77,400,289	$ 7,742	$166,118,258	*15,894,667*	$182,012,925	$(225,358,658)	*(34,158)*	$(225,392,816)	$(43,372,149)	$(1,539,275)	$(44,911,424)
Stock compensation - options	-	-	748,641	-	748,641	-	-	-	748,641		748,641
Net loss	-	-		-	-	(9,206,768)	-	(9,206,768)	(9,206,768)	(15,465)	(9,222,233)
Balance as of September 30, 2024	77,400,289	$ 7,742	166,866,899	*15,894,667*	$182,761,566	$(234,565,426)	*(34,158)*	$(234,559,584)	$(51,830,276)	$(1,554,740)	$(53,385,016)

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AMERICAN RESOURCES CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Nine Months Ended September 30,			
	2024	*(As filed)* 2023	*Adjustments*	*(Restated)* 2023
Cash Flows from Operating activities:				
Net loss	$ (21,909,367)	$ 142,842	*(13,934,119)*	$ (13,791,277)
Adjustments to reconcile net (loss) income to net cash				
Depreciation expense	1,653,642	31,036	*1,746,208*	1,777,244
Amortization of mining rights	925,473	929,229	*5,826*	935,055
Accretion expense	744,877	744,873	-	744,873
Amortization of right-to-use asset - related party	252,592	-	-	-
Amortization of issuance costs and debt discount	83,225	-	*33,870*	33,870
Investment in other entities - related parties, net	396,204	-	*(39,640)*	(39,640)
Gain on sale of equipment	(400,000)	-	*(1,625,000)*	(1,625,000)
Warrant expense	-	519	*(519)*	-
Non-cash stock-based compensation expense	2,511,894	1,129,719	*1,087,048*	2,216,767
Issuance of common shares for services	143,575	99,995	*5*	100,000
Write-off of note receivables	99,022	-	-	-
Unrealized gain on short-term investments	4,973	-	-	-

Change in operating assets and liabilities:

Receivables	-	(4,490,073)	*760,003*	(3,730,070)
Interest receivable	(85,991)	-	-	-
Inventories	(1,975,812)	1,719,836	*(3,439,672)*	(1,719,836)
Prepaid expenses and other current assets	1,650	(1,131,066)	*1*	(1,131,065)
Accounts payable	(1,609,584)	(332,837)	*2,182,369*	1,849,532
Accrued interest	46,710	(35,996)	*55,926*	19,930
Accounts payable - related party	2,318,696	(1,750,436)	*647,614*	(1,102,822)
Due from related party	-	-	*(647,614)*	(647,614)
Operating leases assets and liabilities, net	5,375	-	*1,880*	1,880
Operating leases assets and liabilities, net- related party	428,761	-	-	-
Other liabilities	47,055	-	*200,000*	200,000
Cash used in operating activities	(16,317,031)	(5,860,724)	*(10,047,449)*	(15,908,173)
Cash Flows from Investing activities:				
Purchase of property and equipment, net of capitalized interest income and (expense)	166,229	(3,534,698)	*3,250,908*	(283,790)
Proceeds from sale of equipment	400,000	-	*1,625,000*	1,625,000
Proceeds from short-term investments, net	1,191,608	-	*(703,593)*	(703,593)
Purchase of investments, net	-	-	*(4,500,000)*	(4,500,000)
Cash used in investments	-	1,301,273	*(1,301,273)*	-
Cash provided by (used in) investing activities	1,757,837	(2,233,425)	*(1,628,958)*	(3,862,383)
Cash Flows from Financing activities:				
Cash received from warrant conversions	32,339	-	-	-
Proceeds from convertible promissory note – related party	894,172	-	-	-
Repayment on long term debt	-	(1,112,852)	*2*	(1,112,850)
Proceeds from the exercise of stock option	156,900	-	-	-
Proceeds from tax exempt bonds, net	149,719,203	43,202,858	*273,029*	43,475,887
Proceeds received from other financing obligation	95,592	4,011,025	*3,626,614*	7,637,639
Repayments of other financing obligation	(5,561,918)	(1,116,969)	*(3,212,217)*	(4,329,186)
Cash provided by financing activities	145,336,288	44,984,062	*687,428*	45,671,490
Increase in cash	130,777,094	36,889,913	*(10,988,979)*	25,900,934
Cash and cash equivalents, including restricted cash, beginning of period	30,874,638	10,990,829	*2,004,866*	12,995,695
Cash and cash equivalents, including restricted cash, end of period	$ 161,651,732	$ 47,880,742	*(8,984,113)*	$ 38,896,629
SUPPLEMENTAL CASH FLOW INFORMATION				
Acquisition of assets through operating leases – related party	$ 1,897,736	$ -	-	$ -
Acquisition of assets through finance lease – related party	$ 19,786,394	$ -	-	$ -
Dividend-in-kind of Novustera, Inc. common stock to shareholders	$ 1,361,788	$ -	-	$ -

The accompanying footnotes are integral to the unaudited consolidated financial statements

AMERICAN RESOURCES CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(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 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), Wyoming County Coal (WCC), Perry County Resources LLC (PCR), reElement Technologies LLC (RLMT), ReElement Marion LLC (RLM), Kentucky Lithium LLC (KYL), American Metals LLC (AM) , American Opportunity Venture II, LLC (AOV II), Advanced Carbon Materials LLC (ACM), 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.

Effective February 5, 2024, 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 September 30, 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").

The accompanying unaudited consolidated balance sheet as of September 30, 2024, unaudited consolidated statements of operations, changes in stockholders' deficit and cash flows for the quarters ended September 30, 2024 and 2023 have been prepared in accordance with 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 derived from the audited balance sheet as of December 31, 2023, included in the Company's Form 10-K referenced below. However, the amounts presented herein reflect adjustments identified during the preparation of these unaudited financial statements for the period ending September 30, 2024, which resulted in the restatement of the December 31, 2023, financial statements.

These restatements correct previously reported amounts and incorporates all normal and recurring adjustments considered necessary for a fair presentation of the Company's financial position and operating results. The accompanying balance sheet does not include all disclosures required by accounting principles generally accepted in the United States of America. In the opinion of management, 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 three months and nine months ended September 30, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024 or any other period. These financial statements and notes should be read in conjunction with the financial statements 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 April 15, 2024.

Business Combination Agreement

On June 28, 2024, American Metals LLC, an Indiana limited liability company (the "Metals LLC") and a wholly owned subsidiary of American Resources Corporation, and Electrified Materials Corporation, a Delaware corporation ("Pubco"), entered into a Business Combination Agreement (the "Business Combination Agreement") with AI Transportation Acquisition Corp., a Cayman Islands exempted company (together with its successors, "AITR"), (iii) AITR Merger Sub 1 Corp, a Delaware corporation and a wholly-owned subsidiary of Pubco ("Merger Sub 1"), (iv) AITR Merger Sub 2 Corp, a Delaware corporation and a wholly-owned subsidiary of Pubco ("Merger Sub 2"), and (v) AITR, Pubco, Merger Sub 1, Merger Sub 2 and the Metals LLC are sometimes referred to herein individually as a "Party" and, collectively, as the "Parties."

Pursuant to the Business Combination Agreement, subject to the terms and conditions set forth therein, at the closing of the transactions contemplated by the Business Combination Agreement (the "Closing Date"), on the Closing Date, prior to the time at which the First Effective Time occurs, AITR shall transfer by way of continuation from the Cayman Islands to Delaware and domesticate as a Delaware corporation (the "Domestication") in accordance with Section 388 of the General Corporation Law of the State of Delaware (the "DGCL") and Part XII of the Cayman Islands Companies Act (2020 Revision) (the "Cayman Islands Act"), on the terms and subject to the conditions set forth in the Business Combination Agreement.

Following the Domestication, the Parties will effect a business combination transaction whereby (a) AITR will merge with and into Merger Sub 1, with AITR continuing as the surviving entity ("Merger 1"), as a result of which, (i) AITR shall become a wholly-owned subsidiary of Pubco, and (ii) each issued and outstanding security of AITR immediately prior to the Closing Date shall no longer be outstanding and shall automatically be cancelled, in exchange for the right of the holder thereof to receive a substantially equivalent security of Pubco; (b) the Metals LLC will merge with and into Merger Sub 2, with the Metals LLC continuing as the surviving entity ("Merger 2") as a result of which, (i) the Metals LLC shall become a wholly-owned subsidiary of Pubco; and (c) Pubco shall (i) acquire all of the issued and outstanding shares of common stock of the Metals LLC from its shareholders in exchange for shares of common stock of Pubco (the "Share Exchange"); and (d) Pubco will contribute its membership interest in the Metals LLC to AITR in exchange for shares of Pubco (the "Metals LLC Units Contribution" and, together with the Share Exchange, Merger 1, Merger 2, and the other transactions contemplated by the Business Combination Agreement, the "Transactions"), all upon the terms and subject to the conditions set forth in the Business Combination Agreement and in accordance with the applicable provisions of Delaware and Indiana law.

At the Closing Date, Pubco will issue and deliver to the shareholders of the Metals LLC an aggregate number of shares of common stock of Pubco (the "Pubco Common Stock") with an aggregate value equal to One Hundred Million U.S. Dollars ($100,000,000) (the "Share Consideration") plus the Closing Cash (defined as cash on the Metals LLC's balance sheet as of immediately prior to Closing Date) minus Net Working Capital (as such term is defined in the Business Combination Agreement) less the Closing Debt (defined as the indebtedness of the Metals LLC on the Closing Date, less: (i) indebtedness that, by its terms, converts automatically into equity and (ii) any Transaction expenses), with each share of Pubco Common Stock valued at $10.00. In addition to the Share Consideration, the Business Combination Agreement provides for the potential payment of up to $70,000,000 in earnout consideration (the "Earnout Consideration") to be issued and delivered to the shareholders of the Metals LLC at the Closing Date as provided in the Business Combination Agreement provided certain revenue targets are satisfied. Each Metals LLC shareholder shall receive its pro rata share of the Share Consideration based on the number of equity units (the "Metals LLC Units") of Metals LLC owned by it, divided by the total number of Metals LLC Units outstanding (such percentage being each such holder's "Pro Rata Share"). Each holder of Metals LLC Units shall also be entitled to receive its Pro Rata Share of the Earnout Consideration.

As of the date of this filing, the business combination agreement has not effectively close and Metals LLC is included in the accompanying consolidated financial statement included herein for all periods disclosed.

Going Concern

The Company has evaluated whether there are any conditions and events considered in the aggregate, which raise substantial doubt about its ability to continue as a going concern within one year beyond the issuance date of these financial statements. Based on such evaluation and the Company's current plans, which are subject to change, and the Company's existing liquidity, there is substantial doubt about the Company's ability to continue as a going concern for the next twelve months from the date these financial statements were issued.

The accompanying financial statements have been prepared assuming the Company will continue to operate as a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business, and do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from uncertainty related to its ability to continue as a going concern.

The Company's continuation as a 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 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 going concern. There is no guarantee the Company will be successful in achieving these objectives.

Restatement of December 31, 2023 and 2022 Financial Statements

As previously disclosed in the American Resources Corporation (the "Company") Form 8-K filed with the Securities and Exchange Commission ("SEC") on May 3, 2024, following the entry of a cease-and-desist order by the SEC against the Company's former auditor, BF Borgers CPA PC ("BF Borgers"), the Company engaged a new independent registered public accounting firm, GBQ Partners LLC ("GBQ"), and commenced the re-audit of our consolidated financial statements for the years ended December 31, 2023 and 2022, which had previously been audited by BF Borgers. As a result of the re-audit and based on discussion between the audit committee of the board of directors of the Company, management and GBQ, the Company concluded that the Company's previously issued financial statements and interim periods as of and within the years ended December 31, 2024, 2023 and 2022 (collectively the "Previously Issued Financial Statements") require restatement and can no longer be relied upon. It is expected that the restatement of the consolidated financial statements for the annual period referred to above will result in a material increase in net loss, material decrease in total assets, material increase in total liabilities and material decrease in stockholders' equity in 2022 and 2023.

The accounting errors impacting our Previously Issued Financial Statements currently include (i) the lease transactions whereby the Company sold heavy machinery and equipment to a third-party lessor and leased back the heavy machinery and equipment as finance leases. The company has determined these lease transactions would be classified as a failed sale-leaseback transaction and accounted for as financing obligations as the Company has the option to repurchase the assets at a fixed price at the end of the term; (ii) the Company added back the fixed assets associated with the lease transaction and continue to depreciate them over their useful lives; (iii) the investments in other companies were incorrectly held at cost and didn't account for the subsequent earnings or losses in accordance with the equity method; (iv) correct the historical and subsequent accounting for debt obligations; (v) correcting historical fiscal 2023 stock compensation transactions; (vi) missing related party operating and finance leases for the interim periods ending March 31, 2024 and June 30, 2024; (vii) missing interest income related to notes receivable – related party; and (viii) missing capitalized assets previously expensed as incurred.

The Company anticipates filing the restatements of the Previously Issued Financial Statements as soon as reasonably practical in an amended annual report on Form 10-K/A for the period ended December 31, 2023.

Refer to the financial statements included herein which present the impact of the restatement of the Company's previously reported consolidated balance sheet and consolidated stockholders' deficit for the year ended December 31, 2023 and the statement of operations and statement of cashflow for the three and nine months ended June 30, 2023.

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

Restricted cash and cash equivalents 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 September 30, 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 the current period earnings or loss.

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

	September 30, 2024	December 31, 2023
Cash and cash equivalents	$ 840,330	$ 1,600,253
Restricted Cash	160,811,402	29,274,385
Total cash and restricted cash presented in the consolidated statement of cash flows	$ 161,651,732	$ 30,874,638

Restricted Investments: 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 September 30, 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 the current period earnings or loss.

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 proceedings.

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 future net undiscounted cash flows expected to be generated by the 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.

There was no impairment loss recognized during the period ending September 30, 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.

Coal Production and Holdings Costs*:* Coal production and holdings costs for coal mined and processed include direct labor, materials and utilities. Activities related to metal recovery 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 based on expected reclamation outflows over estimated recoverable coal deposit lives. We are using discount rates ranging from 6.16% to 7.22%, risk free rates ranging from 1.76% to 2.92% and inflation rate of 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, changes in our estimated reclamation costs and changes in the estimated timing of such costs. Management is currently in the process of assessing the ARO for the fiscal year and will include revisions if any during the fourth quarter of 2024.

The table below reflects the changes to our ARO for the nine months ended September 30, 2024 and the twelve months ended December 31, 2023:

	September 30, 2024	December 31, 2023
Beginning Balance	$ 21,288,799	$ 20,295,634
Accretion	744,877	993,165
Ending Balance	$ 22,033,677	$ 21,288,799

Accretion expense amounted to $248,295 and $248,289 for the three months ending September 30, 2024 and 2023.

Accretion expense amounted to $744,877 and $744,873 for the nine months ending September 30, 2024 and 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.

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 September 30, 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 September 30, 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 September 30, 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 terms, 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*:* 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 current expected credit loss model requires the recognition of lifetime expected credit losses at each reporting date, considering past events, current conditions, and reasonable forecasts. In assessing the credit quality of our portfolio, management utilizes a provision matrix that classifies trade receivables by customer type and age of receivable. Government and education sector receivables carry a low risk, while a higher risk is attributed to the remaining receivables as their aging progresses. For receivables with questionable collectability, a specific reserve is assigned. The estimated credit losses are a reflection of these factors, with the matrix applying percentages to the receivables based on their risk profile, adjusted for current and expected future conditions.

Allowance for trade receivables as of September 30, 2024 and December 31, 2023 was $ 0 and $253,764, respectively. The allowance for note receivables was $ 99,022 and $368,500 as of September 30, 2024 and December 31, 2023. The note receivables has collateral in certain mining permits which are strategic to our subsidiary, Knott County Coal (KCC). The timing of payment on the note is uncertain resulting in a full allowance for the note.

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

Stock-based Compensation*:* Stock-based compensation is measured at the grant date based on the fair value of 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 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.

NOTE 2 - PROPERTY AND EQUIPMENT

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

	September 30, 2024	December 31, 2023
Surface	$ 2,583,400	$ 2,577,400
Underground	8,625,574	8,625,574
Processing/Loadout	12,081,045	12,081,045
Coal Refuse Storage	12,134,192	12,134,192
Building	54,202	54,202
Land	1,617,435	1,617,435
Acquired Mining Rights	484,907	484,907
Rare Earth Processing	304,962	96,107
Construction in Progress	3,661,126	4,043,787
	41,546,843	41,714,649
Less accumulated depreciation and amortization	(24,057,063)	(21,479,525)
Property and equipment, net	$ 17,489,780	$ 20,235,124

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Depreciation and amortization expense amounted to $886,186 and $2,579,115 for the three and nine months ended September 30, 2024. Depreciation and amortization expense amounted to $893,886 and $2,712,299 for the three and nine months ended September 30, 2023.

The estimated useful lives are as follows:

Processing and Rail Facilities	7-20 years
Surface Equipment	7 years
Underground Equipment	5 years
Mine Development	5-10 years
Coal Refuse Storage	10 years

NOTE 3 – INVESTMENTS IN TRADING SECURITIES

Investments in trading securities consist of U.S. government and agency securities and fixed income funds that are by the Company or held in trusts related to the Company's tax-exempt bonds. These investments held by a trust related to the Company's tax-exempt bonds are classified as restricted cash and cash equivalents and as restricted investment on the accompanying balance sheets. All other securities are classified as short-term investments on the accompanying balance sheet. The short-term investment securities are classified as trading securities and, accordingly, the unrealized gains and losses are recorded in current period earnings or loss.

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

September 30, 2024					
		Gross Unrealized			
	Cost Basis	Gains	Losses	Allowance for Credit Losses	Fair Value
Fixed income funds	$ 4,650,138	$ 1,188	$ -	$ -	$ 4,651,326

December 31, 2023					
		Gross Unrealized			
	Cost Basis	Gains	Losses	Allowance for Credit Losses	Fair Value
Fixed income funds	$ 5,842,417	$ 5,490	$ -	$ -	$ 5,847,907

There were no investments with unrealized losses that have been owned for more than or less than a year.

The debt securities outstanding as of September 30, 2024 have maturity dates ranging from the fourth quarter of 2024 through the second quarter of 2025 .

NOTE 4 – FAIR VALUE MEASUREMENTS

The following tables set forth the Company's financial instruments that were measured at fair value:

	September 30, 2024			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets:				
Fixed income funds	4,651,326	4,651,326	-	-
Total	$ 4,651,326	$ 4,651,326	$ -	$ -

	December 31, 2023			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets:				
Fixed income funds	5,847,907	5,847,907	-	-
Total	$ 5,847,907	$ 5,847,907	$ -	$ -

NOTE 5 – RIGHT OF USE ASSETS AND LEASES

The Company determines if an arrangement is a lease at inception. Operating leases are included in right-of-use assets ("ROU"), operating lease liabilities, and operating lease liabilities, non-current. Finance leases are included in right-of-use assets, finance lease liabilities, and finance lease liabilities, non-current. Lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As substantially all of the leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at lease commencement date in determining the present value of future payments. Incremental borrowing rate is estimated to approximate the interest rate on a collateralized basis with similar terms and payments, and in economic environments where the leased asset is located. The ROU assets also include any prepaid lease payments made and initial direct costs incurred and excludes lease incentives. The Company's lease terms may include options to extend or terminate the lease, which is recognized when it is reasonably certain that the Company will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. Leases with an initial term of 12 months or less are not recorded on the balance sheet.

Our principal offices are located at 12115 Visionary Way, Fishers, Indiana 46038. We pay $ 8,954 per month in rent for the office space and the rental lease expires December 2032. The rent is subject to escalation payments on an annual basis.

We also rent office space from an affiliated entity, LRR, at 11000 Highway 7 South, Kite, Kentucky 41828 with monthly rent of $ 1,702 per month and a lease expiration of December 31, 2029.

During the year, the Company entered into related party operating and financing leases with Land Resources & Royalties (LRR) for real estate, facilities and equipment. The Company has three related party operating leases between American Metals and LRR that were entered into in January 2024, each with a term of 5 years and the option to automatically extend the related party operating leases for an additional year. These related party operating leases are located in Hazard, KY, Marion, IN and Tract LRR-102.101 lying on the waters of the West Fork of the White River and have a monthly rent of $263, $20,058 and $20,000, respectively. The related party operating lease located in Marion, IN is subject to escalating rent payments of 2.5% per year. The first nine months of rent for the three related party operating leases is deferred per the lease agreements and is due on the thirteenth month or January 1, 2025. As of September 30, 2024, $ 245,724 has been accrued and is included in accounts payable – related party.

The Company has one related party finance lease that was entered into in April 2024 and has a term of 30 years and the option to automatically extend the lease for an additional 10 years that the Company determined it is probable to execute the extension and thus is included in the ROU asset and lease liability consideration. The related party finance lease has monthly rent of $113,773 that increases 2.5% per year. The Company has not made any payments on the related party finance lease as of September 30, 2024 and has a balance of $708,860 due for deferred rent payments included in accounts payable – related party.

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The components of lease expense included on the Company's statements of operations, inclusive of the related party component were as follows:

		For the Nine Months Ended September 30,		For the Three Months Ended September 30,	
	Expense Classification	**2024**	**2023**	**2024**	**2023**
Operating lease expense:					
Amortization of ROU asset	General and administrative	$ 151,335	$ 76,205	$ 22,963	$ 24,731
Accretion of operating lease liability	General and administrative	243,545	62,546	149,796	21,520
Total operating lease expense		$ 394,880	$ 138,751	$ 172,759	$ 46,251
Finance lease expense:					
Amortization of ROU asset	General and administrative	$ 252,594	$ -	$ 252,594	$ -
Interest on lease liabilities	Interest expense	888,463	-	808,463	-
Total finance lease expense		$ 1,141,057	$ -	$ 1,061,057	$ -

Other information related to leases is as follows:

Operating leases:	**As of September 30, 2024**	**As of December 31, 2023**
Weighted-average remaining lease term:		
Operating leases (in years)	4.88	7.89
Weighted-average discount rate:		
Operating leases	10.00%	11.00%
Finance lease:		
Finance lease (in years)	38.75	-
Weighted-average discount rate:		
Finance lease	9.00%	-%

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The future minimum lease payments required under leases for nine months ended September 30, 2024 were as follows:

Fiscal Year	**Operating Leases**	**Finance Leases**	**Total**
2024, three months ended	$ 47,310	$ 355,852	$ 403,162

2025	1,045,340	1,446,731	2,492,071
2026	693,104	1,482,300	2,175,404
2027	704,330	1,518,757	2,223,087
2028	709,921	1,556,126	2,266,047
Thereafter	385,335	174,835,765	175,221,100
Indiscounted cash flows	3,585,341	90,243,336	93,828,677
Less imputed interest	(727,313)	(70,277,339)	(71,004,652)
Present value of lease liabilities	$ 2,858,028	19,965,997	$ 22,824,025

NOTE 6 - RELATED PARTY TRANSACTIONS

On February 13, 2020, the Company entered into a Contract Services Agreement with Land Betterment 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 12.5% mark-up and a 50% share of cost savings. The agreement covers services across all of the Company's properties. For the three and nine months ended September 30, 2024, the amounts incurred under the agreement amounted to $1,019,087 and $3,330,119 and for the three and nine months ended September 30, 2023, the amounts incurred were $1,269,115 and $3,199,519. The amount paid for the three and nine months ended September 30, 2024 amounted to $ 1,523,112 and $4,275,867 and for the three and nine months ended September 30, 2023 $1,373,000 and $4,952,800. As of September 30, 2024 and December 31, 2023, the amount due under the agreement amounted to $1,750,433 and $2,883,181.

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, 2024 and December 31, 2023, there is no market for the LBX Token and therefore no value has been assigned.

On June 11, 2020 the Company purchased $ 1,494,570 of secured debt including accrued interest that had been owed to Samuel Coal Holding Corp., by its operating subsidiary Samuel Coal Corp. 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 24, 2016, the Company sold certain mineral and land interests to a subsidiary of an entity, Land Resources & Royalties, LLC ("LRR"), owned by members of the Company's management. LRR leases various parcels of land to ACC and engages in other activities creating miscellaneous income. The 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, LLC have been deconsolidated from the financial statements based upon the ongoing review of its status as a variable interest entity. As of September 30, 2024 and December 31, 2023, amounts owed to LRR totaled $894,172 and $509,129, respectively.

The Company was the sponsor of American Opportunity Ventures LLC ("AMAO") a blank check company organized on January 20, 2021 and effectuated its business combination with Royalty Management Corporation ("RMCO") on October 23, 2023 and at that point changed its name to Royalty Management Holding Corporation. The Company provided AMAO with money as needed for working capital needs. The advances from the Company are non-interest bearing and payable upon demand by the Company. The Company made cash advances to AMAO of $143,319 and $531,613 for the three and nine months ended September 30, 2023. No cash advances were made in 2024. As of September 30, 2024 and December 31, 2023, the Company had a balance of $741,243 due from RMCO.

In January 2024, American Metals, LLC, a subsidiary of the Company entered into three separate commercial lease agreements with LRR to rent office space and property located in Hazard, KY, Marion, IN and Fisher, IN. Refer to Note 5 for further information related to the related party operating leases.

On January 13, 2023, ReElement Technologies Corporation, a subsidiary of the Company, entered into a Line of Credit Agreement with LRR in the amount of $1,100,000 (the "Line of Credit"). Refer to Note 8 for further information on the convertible promissory notes.

On May 15, 2023, ReElement Technologies entered into a commercial lease agreement with LRR to rent property located in Marion, IN. Under the terms of the agreement, the Company is subject to monthly payments during the thirty (30) year lease term with an option to automatically extend the lease for ten (10) years . The Company anticipates extending the finance lease and has include the assumption in the Company's accounting for the related party finance lease.

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NOTE 7 - INVESTMENTS IN OTHER ENTITIES - RELATED PARTIES

The Company accounts for its investments and membership interest in other entities under the equity method of accounting if the Company has the ability to exercise significant influence, but not control, over the entity. Equity method investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the investments may not be recoverable.

Royalty Management Co.

During January 2021, the company invested $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 variable interest entity and that the Company is the primary beneficiary, therefore AOV has been consolidated into the Company's financial statement. As such, AOV's sole investment in Royalty Management Co (RMCO) will be accounted for using the equity method of accounting. The sole investment was initially in American Acquisition Opportunity Inc (AMAO) a SPAC that closed its reverse merger with RMCO effective October 31, 2023. The Company recognizes the earnings or losses on a three-month lag to ensure consistency and timely filling of the Company's financial statements. As of December 31, 2023 and September 30, 2024 the Company held 3,076,500 shares of Class A common stock in RMCO.

Novusterra, Inc.

On March 31, 2021, the Company entered into a Graphene Development Agreement with Novusterra, Inc (Novusterra), a related party, that provided a nonexclusive sublicense for fifty percent (50%) of the operating profits from Novustera's Graphene manufacturing and marketing business activity. As part of the agreement, Novusterra's Chairman of the Board of Directors at the time was replaced by the Company's Mark Jensen, Chief Executive Officer and Chairman of the Board of Directors.

On August 30, 2022, we entered into a purchase agreement to sell the exclusive rights of the patent patents included in the Graphene Development Agreement for 4,000,000 common shares of Novusterra with a fair market value of $ 1,784,000 in stock of Novusterra. As part of the sale of the exclusive rights to the patents, Andrew Weeraratne resigned as director and CEO of Novusterra and Gregory Jensen, the Company's general counsel, joined Novusterra as CEO and Director and Mark Jensen resigned as Chairman of the Board of Directors. Pursuant to the purchase agreement, Novusterra is no longer obligated to pay the Company fifty percent (50%) of the operating profits from their Graphene manufacturing and marketing business. However, Novusterra is still obligated to pay the Company ten percent (10%) of all revenue from the exclusive sublicense with Kenai Defense Company, LLC and for the Department of Defense under the contract that was transferred from the Company to Novusterra. Any subsequent contracts entered into by Novusterra with Kenai Defense Company, LLC and for the Department of Defense will have no future revenue allocations to the Company.

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.

As of September 30, 2024 and December 31, 2023, the carrying value of the investment was $ 0 and $1,598,480.

FUB Mineral LLC

On October 1, 2021, the Company contributed $250,000 for a 23% ownership in FUB Mineral LLC (FUB). Simultaneously the Company issued a promissory note FUB for $350,000, this note was fully repaid as of April 15, 2022. On February 2, 2022, the Company issued a new promissory note for $ 535,000 to FUB with an interest rate of 10% and maturity date of February 1, 2023, which has been extended by the Company through the end of August 2024. As of September 30, 2024 and December 31, 2023, the Company had a note receivable balance of $0 and $99,022, respectively. The Company recorded an allowance for the full remaining balance of the note receivable as it was doubtful to receive payment as of September 30, 2024.

Advanced Magnet Lab, Inc

On December 21, 2022 the Company issued a convertible promissory note to Advanced Magnet, Inc. ("AML") for $2a 10,000 with 10% interest rate that compounds monthly. The Company's Chief Executive Officer is a director of AML The convertible promissory note may be prepaid at any time. The Company has the option to convert the principal amounts of the convertible promissory note at a share price of $1.50 per share. As of September 30, 2024 and December 31, 2023, the Company had a note receivable balance of $280,000.

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NOTE 8 - NOTES & BONDS PAYABLE

Notes Payable

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 September 30, 2024 and December 31, 2023, the note is in default. As of both September 30, 2024 and December 31, 2023, the principal balance was $181,736.

On December 7, 2017, the Company entered into an equipment financing agreement, which carries 0% interest with an unaffiliated entity ("December 2017 Note"), to purchase certain surface equipment for $56,900. The note matured on January 1, 2021, and is secured by the equipment purchased with the note. As of September 30, 2024 and December 31, 2023, the note is in default. As of both September 30, 2024 and December 31, 2023, the principal balance was $12,472.

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 September 30, 2024 and December 31, 2023, the principal balance was $63,000 and $63,000, respectively and the accrued interest balance was $ 11,611 and $6,560, respectively. For the nine months ended September 30, 2024 and 2023, the interest expense was $3,830 and 3,551, respectively.

On June 3, 2022, the Company entered into a promissory note agreement ("June 2022 Note") with an unrelated party in the amount of $ 2,500,000. The note carried an interest rate of 5% and had a maturity date of May 27, 2023. As of September 30, 2024 and December 31, 2023, the loan was in default. As of September 30, 2024 and December 31, 2023, the principal balance was $547,449 and $547,449, respectively and the accrued interest balance was $ 110,983 and $81,584, respectively. For the nine months ended September 30, 2024, and September 30, 2023, the interest expense was $22,556 and $20,529 respectively.

	September 30, 2024	December 31, 2023
September 2017 Note	$ 181,736	$ 181,736
December 2017 Note	12,472	12,472
April 2022 Note	63,000	63,000
June 2022 Note	547,448	547,448
Total notes payable	804,656	804,656

Convertible Promissory Notes – Related party

On January 13, 2023, ReElement Technologies Corporation, a subsidiary of the Company, entered into a Line of Credit Agreement with LRR in the amount of $1,100,000 (the "Line of Credit"). In connection with the Line of Credit, ReElement entered into a series of Convertible Promissory Notes with LRR (the "Notes") which allowed for borrowing up to the line of credit. Funds received from the Agreement will be used in the development of certain fixed assets.

During February 2024 through August 2024, the Company entered into Convertible Promissory Notes with Land Resources & Royalties LLC in the aggregate of $894,172. Each Convertible Promissory Note carries a three-year term from the respective effective date. The Convertible Promissory Notes mature February through August 2027.

The Convertible Promissory Notes carry an annual interest rate of 10%, compounded quarterly. For any Note issued on a date other than the last day of a calendar quarter, interest will be calculated for the stub period between the issuance date and the next quarter-end. In the event of default, the interest rate will increase to 13.5% per year, compounded quarterly, and will apply from the date of default until the Convertible Promissory Notes is fully paid or the default is remedied. Additionally, by mutual agreement between Land Resources & Royalties LLC and the Company, any interest due can be added to the Note's principal and deferred until maturity date.

The Promissory Note's principal amount, along with any accrued interest, is due in full upon the Note's maturity date or in the event of default.

The Convertible Promissory Notes entered into with Land Resources & Royalties LLC are subject to a conversion feature. If the Company completes a round or series of a capital raise in the aggregate amount of a minimum of $7,000,000 in cash (the "Capital Raise"), then the Promissory Note and all accrued interest outstanding shall be immediately and automatically converted to Common Stock of the Company (such date, the "Conversion Date") at the predetermined conversion price which is equal to the same per-share price as the investment under the Capital Raise.

As of September 30, 2024 and December 31, 2023, there was an aggregate of $ 894,172 and $0 outstanding under the Convertible Promissory Notes reported in Convertible promissory notes – related party in the accompanying unaudited condensed consolidated balance sheets. As of September 30, 2024 and December 31, 2023, accrued interest on the convertible promissory notes amounted to $25,772 and $0. For three months ended September 30, 2024 and September 30, 2023 the interest expense was $23,188 and $0 respectively. For nine months ended September 30, 2024 and September 30, 2023 the interest expense was $ 25,772 and $0 respectively.

Tax Exempt Bonds

On May 31, 2023, the West Virginia Economic Development Authority (the “Issuer”) issued $ 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 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 the Tax-Exempt Bonds were used to finance certain costs of 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.

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 March 28, 2024, the Company, 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 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 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.

The Company accounts for investment income and interest expenses related to the tax-exempt bonds that are restricted for payment of project costs by capitalizing the net amount each period to construction in progress per ASC 835-20-30-11.

The Tax-Exempt Bonds bear interest of 4% and have a final maturity of March 28, 2044.

	September 30, 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	(1,662,413)	(1,464,841)
Bonds payable	193,337,587	43,535,159
Less: current portion	-	-
Bonds payable, net	$ 193,337,587	$ 43,535,159

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NOTE 9 – STOCKHOLDERS’ EQUITY

Common Stock

During the nine months ended September 30, 2024, the company issued 902,419 shares of common stock upon exercise of warrants.

During the nine months ended September 30, 2024, the company issued 138,000 shares of common stock upon the exercise of 148,000 options at an exercise price of $1.05 a share.

During the nine months ended September 30, 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 nine months ended September 30, 2024, the company issued 102,500 shares of common stock in relation to consulting services.

During the nine months ended September 30, 2023, the remaining amounts of the convertible notes in the amount of $ 9,787,423 was converted into 9,420,230 common shares.

During the nine months ended September 30, 2023, the company issued 49,020 shares of common stock in relation to consulting services.

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 $ 748,641 and $846,079 for the three months ended September 30, 2024, and 2023, respectively, which was charged to general and administrative expense.

Total stock-based compensation expense for grants to officers, employees and consultants was $ 2,511,894 and $2,216,767 for the nine months ended September 30, 2024, and 2023, respectively, which was charged to general and administrative expense.

As of September 30, 2024 and 2023, the company has $ 6,273,780 and 10,055,806, respectively, 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 nine months ended September 30, 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 – September 30, 2024	9,626,770	$	1.571	5.39	$	1,035,181
Exercisable (Vested) – September 30, 2024	4,876,840	$	1.558	4.25	$	402,881

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NOTE 10 - 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. These claims include amounts assessed by the Kentucky Energy Cabinet totaling $1,393,107, of which the Company has fully accrued for as a payable to the Commonwealth of Kentucky, including amounts owed to the Kentucky Energy Cabinet. During 2019, McCoy and Deane received notice of intent to place liens for amounts owed on federal excise taxes. The amounts associated with the notices are included in the company's trade payables.

Additionally, on September 9, 2024, the Company and Kentucky Power Company reached a settlement under which the Company agreed to pay $ 275,000 to Kentucky Power Company to settle all old outstanding debts related to the subsidiary Perry County Resources, LLC. The Company has paid the settlement fine in full as of the date of this report. As such, old outstanding balances related to fiscal years before 2024 have been settled.

NOTE 11 - SUBSEQUENT EVENTS

On October 11, 2024, in connection with the Line of Credit Agreement with LRR, the Company entered into Convertible Promissory Note in the amount of $ 448,769. Payment terms and conversion features for the convertible promissory note are consistent with those description in Note 8.

On November 14, 2024, ReElement Technologies Corporation ("ReElement") will distribute Special Dividend on or about February 15, 2025 to shareholders of record as of December 31, 2024 ("Record Date"). Additionally, the Company closed on an initial investment as part of its private financing. This initial investment is part of an ongoing private financing round with a rolling close of up to $20 million. The investments were structured as two-year convertible notes with a 12% annual interest rate. These notes can convert into common shares of ReElement Technologies at a pre-money valuation of $150 million, translating to approximately $1.94 per share of American Resources common stock, based on the common shares outstanding as reported in the last quarter. American Resources Corporation will be distributing one share of ReElement Technologies Corporation for every three shares American Resources owned as of the Record Date.

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, 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 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, 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 ReElement Technologies LLC (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 and its business activities are deemed to be in the exploration stage until mineral deposits are defined on our properties.

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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 in operations (Carnegie 1 and 2 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 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 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 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 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.

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.

Beginning in January 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 this property at McCoy Elkhorn Coal paid by the 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.

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 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 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 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 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 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 Items 1300 through 1305 of Regulation S-K.

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 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 for the property at Deane Mining paid by the Company is $1,569,641.

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.

Wyoming County Coal LLC

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 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 Items 1300 through 1305 of Regulation S-K.

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.

Perry County Resources LLC

General:

Located primarily within Perry County, Kentucky, Perry County Resources LLC is comprised of one “Idled” underground mine (the E4-2 mine) and one “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 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 Items 1300 through 1305 of Regulation S-K.

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” 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.

Beginning in January 2020, The E4-2 mine was idled 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.

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 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 Quest Energy Inc.’s management.

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. The Company may, at times, purchase coal from other regional producers to sell on its contracts.

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 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’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, the Surface Mining Control and Reclamation Act of 1977 (SMCRA) with respect to coal mining activities and ancillary activities; the Clean Air Act (CAA) with respect to air emissions; the 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 or Superfund) with respect to releases, threatened releases and remediation of hazardous substances; the Endangered Species Act of 1973 (ESA) with respect to threatened and endangered species; and the National Environmental Policy Act of 1969 (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 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) 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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Employees

ARC, through its operating subsidiaries, employs a combination of company employees and contract labor to mine coal, process coal, and related functions. The Company is continually evaluating the use of company employees and contract labor to determine the optimal mix of each, given the needs of the Company. Currently, McCoy Elkhorn's Carnegie 1 and 2 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 26 direct employees. The Company is headquartered in Fishers, Indiana with four members of the Company's executive team based at this location.

From our inception to-date our activities have been primarily financed from the proceeds of our acquisitions, common share equity investments and loans.

Results of Operations

The following table summarizes our results of operations for the three and nine months ended September 30, 2024:

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2024	2023	Change	2024	2023	Change
Revenue						
Coal sales	$ -	$ 5,721,840	$ (5,721,840)	$ -	$ 16,120,841	$ (16,120,841)
Metal recovery and sales	154,055	5,722	148,333	187,502	60,147	127,355
Royalty income	81,388	80,963	425	146,055	496,682	(350,627)
Total revenue	235,443	5,808,525	(5,573,082)	333,557	16,677,670	(16,344,113)
Operating expenses (income)						
Coal production and holdings costs	1,784,863	2,084,060	(299,197)	2,982,638	8,641,639	(5,659,001)
Accretion	248,295	248,289	6	744,877	744,873	4
Depreciation	584,083	582,201	1,882	1,653,642	1,777,244	(123,602)
Amortization of mining rights	302,103	311,685	(9,582)	925,473	935,055	(9,582)
General and administrative	3,936,598	1,719,752	2,216,846	7,937,647	4,669,190	3,268,457
Professional fees	682,525	359,411	323,114	1,823,917	999,143	824,774
Production taxes and royalties	876,503	1,126,719	(250,216)	1,323,596	2,720,402	(1,396,806)
Development	78,809	1,801,612	(1,722,803)	2,996,853	10,582,150	(7,585,297)
Gain on sale of equipment	-	(575,000)	575,000	(400,000)	(1,625,000)	1,225,000
Total operating expenses	8,493,779	7,658,729	835,050	19,988,643	29,444,696	(9,456,049)
Net loss from operations	(8,258,336)	(1,850,204)	(6,408,132)	(19,655,086)	(12,767,026)	(6,888,060)
Other income (expense)						
Earnings from equity method investees	(164,845)	(237,726)	72,881	(396,205)	39,640	(435,845)
Other income and (expense)	(32,101)	150,000	(182,101)	140,904	503,000	(362,096)
Interest income	7,527	2,831	4,696	110,916	21,595	89,321
Interest expense	(774,478)	(521,439)	(253,039)	(2,109,896)	(1,588,486)	(521,410)
Total other income (expenses)	(963,897)	(606,334)	(357,563)	(2,254,281)	(1,024,251)	(1,230,030)
Net loss	(9,222,233)	(2,456,538)	(6,765,695)	(21,909,367)	(13,791,277)	(8,118,090)
Less: Non-controlling interest	15,465	95,710	(80,245)	80,888	(79,945)	160,833
Net loss attributable to AREC shareholders	$ (9,206,768)	$ (2,360,828)	$ (6,845,940)	$ (21,828,479)	$ (13,871,222)	$ (7,957,257)

The following table summarizes the period over period changes in revenue generating operations for the three and nine months ended September 30, 2024:

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2024	2023	Change	2024	2023	Change
Revenue						
Coal sales	$ -	$ 5,721,840	(5,721,840)	$ -	$ 16,120,841	$ (16,120,841)
Metal recovery and sales	154,055	5,722	148,333	187,502	60,147	127,355
Royalty income	81,388	80,963	425	146,055	496,682	(350,627)
Total revenue	$ 235,443	$ 5,808,525	(5,573,082)	$ 333,557	$ 16,677,670	$ (16,344,113)

Revenue decreased by $5,721,840 for the three months ended September 30, 2024 compared to 2023. The primary driver of the decrease was a reduction of $5,721,840 in coal sales for the three months ended September 30, 2024 as compared to 2023. The decrease was partially offset by increases in metal recovery sales and royalty income of $148,333 and $425, respectively, for the three months ended September 30, 2024 compared to 2023.

Revenue decreased by $16,120,841 for the nine months ended September 30, 2024 compared to 2023. The primary driver of the decrease was a reduction of $16,120,841 in coal sales for the three months ended September 30, 2024 as compared to 2023. Additionally, royalty income decreased by $350,627. These decreases were partially offset by an increase in metal recovery and sales of $127,355 for the three months ended September 30, 2024 compared to 2023.

The following table summarizes the period over period changes in operating expenses (income) for the three and nine months ended September 30, 2024:

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2024	**2023**	**Change**	**2024**	**2023**	**Change**
Operating expenses (income)						
Coal production and holdings costs	$1,784,863	$2,084,060	(299,197)	$ 2,982,638	$ 8,641,639	$(5,659,001)
Accretion	248,295	248,289	6	744,877	744,873	4
Depreciation	584,083	582,201	1,882	1,653,642	1,777,244	(123,602)
Amortization of mining rights	302,103	311,685	(9,582)	925,473	935,055	(9,582)
General and administrative	3,936,598	1,719,752	2,216,846	7,937,647	4,669,190	3,268,457
Professional fees	682,525	359,411	323,114	1,823,917	999,143	824,774
Production taxes and royalties	876,503	1,126,719	(250,216)	1,323,596	2,720,402	(1,396,806)
Development	78,809	1,801,612	(1,722,803)	2,996,853	10,582,150	(7,585,297)

Gain on sale of equipment	-	(575,000)	575,000	(400,000)	(1,625,000)	1,225,000
Total operating expenses	$8,493,779	$7,658,729	835,050	$19,988,643	$29,444,696	$(9,456,053)

Total operating expenses increased by $835,050 for the three months ending September 30, 2024 as compared to 2023. This increase was primarily driven by general and administrative expenses of $2,216,846, professional fees of $323,114. These increases were offset by decreases Coal production and holdings costs of $299,197, production taxes and royalties of $250,216 and development expense of $1,722,803.

Total operating expenses decreased by $9,456,053 for the nine months ending September 30, 2024 as compared to 2023. This decrease was primarily driven by a decrease in coal production and holdings costs of $5,659,000 as well as decreases in production taxes and royalties of $1,396,806, development expenses of $7,585,297 and gain on sale of equipment of $1,225,000. These decreases were partially offset by increases in general and administrative expenses of $3,268,457 and a increase in professional fees by $824,772. General and administrative expenses are primarily made up of costs related to contract labor, payroll, facility maintenance, and other standard operational expenses.

The following table summarizes the period over period changes in other income (expense) for the three and nine months ended September 30, 2024:

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2024	2023	Change	2024	2023	Change
Other income (expense)						
Earnings from equity method investees	$ (164,845)	$ (237,726)	72,881	$ (396,205)	$ 39,640	$ (435,845)
Other income and (expense)	(32,101)	150,000	(182,101)	140,904	503,000	(362,096)
Interest income	7,527	2,831	4,696	110,916	21,595	89,321
Interest expense	(774,478)	(521,439)	(253,039)	(2,109,896)	(1,588,486)	(521,410)
Total other income (expenses)	$ (963,897)	$ (606,334)	(357,563)	$(2,254,281)	$(1,024,251)	$(1,230,030)

Total other income (expenses) decreased by $357,563 for the three months ended September 30, 2024 as compared to 2023. The decrease is primarily made up of decreases in other income (expense) of $182,101 and interest expense of $253,039. These decreases were partially offset by increases in earnings from equity method investees of $72,881 and interest income of $4,696.

Total other income (expenses) decreased by $1,230,030 for the nine months ended September 30, 2024 as compared to 2023. The decrease is primarily made up of decreases in earnings from equity method investees of $435,845, other income (expense) of $362,096 and interest expense of $521,410. These decreases were partially offset by an increase in interest income of $89,321.

Liquidity and Capital Resources

As of September 30, 2024, our available cash was $161,651,732. We expect to fund our liquidity requirements with cash on hand, future borrowings 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, 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 the above strategy.

Cash Flows from Operating Activities

Cash used in operating activities was $16,317,031 for the nine months ended September 30, 2024, which consists of a net loss of $21,909,367, offset by adjustments to reconcile net loss to net cash of $6,415,477 and a change in our net operating assets and liabilities of $823,141 which is primarily the result of an decrease in inventories of $1,975,812, and accounts payable of $1,609,584 and an increase in accounts payable related party of $2,318,695.

Cash used in operating activities was $15,908,173 for the nine months ended September 30, 2023, which consists of a net loss of $13,791,277 partially offset by adjustments to reconcile net loss to net cash of $4,143,169 and a change in our net operating assets and liabilities of $6,260,065, which is primarily the result of a decrease in receivables of $3,730,070, inventories of $1,719,836, prepaid expenses and other current assets of $1,131,065, accounts payable – related party of $1,102,822 offset by an increase of accounts payable of $1,849,532.

Cash Flows from Investing Activities

Cash used in investing activities was $1,757,837 for the nine months ended September 30, 2024, which consisted of an increase in purchase of property and equipment for $166,229, proceeds from the sale of equipment of $400,000, cash invested in a note receivable of $99,022 and proceeds from short-term investments, net of $1,191,608.

Cash used in investing activities was $3,862,383 for the nine months ended September 30, 2023, which consisted of a decrease in purchase of property and equipment for $283,790, proceeds from short-term investments, net of $703,593 and purchase of investments, net of $4,500,000, which were partially offset by proceeds received from the sale of equipment for $1,625,000.

Cash Flows from Financing Activities

Cash provided by financing activities was $145,336,288 for the nine months ended September 30, 2024, which consisted of cash received from warrant conversions in the amount of $32,339, proceeds from the convertible promissory note – related party in the amount of $894,172, proceeds from the exercise of stock options of $156,900, proceeds from tax exempt bonds of $149,719,203, and proceeds received from other financing obligations of $95,592, partially offset by the repayment of other financing obligations in the amount of $5,561,918.

Cash provided by financing activities was $45,671,490 for the nine months ended September 30, 2023, which consisted of repayment on long term debt of $1,112,850 and repayment on other financing obligations of $4,329,186, partially offset by proceeds from tax exempt bonds of $43,475,887 and proceeds received from other financing obligations of $7,637,639.

As a public company, we will be subject to certain reporting and other compliance requirements of a publicly reporting 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 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 this report.

Recent Accounting Pronouncements

None.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Because we are a smaller reporting 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.

With respect to the period ending September 30, 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 regarding the period ending September 30, 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.

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, 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

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

Please see financial statement note 6 for detail on cases.

Item 1A. Risk Factors

Not applicable.

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

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 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	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 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 19, 2024

By: */s/ Mark C. Jensen*
Name: Mark C. Jensen
Title: CEO, Chairman of the Board
(Principal Executive Officer)

EXHIBIT 21.1

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 Technologies Corp	Indiana
Kentucky Lithium LLC	Delaware
ReElement Marion LLC	Deleware
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

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: November 19, 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 19, 2024

By: *<u>/s/ Kirk P. Taylor</u>*
Kirk P. Taylor,
Chief Financial Officer
Principal Financial Officer
Principal Accounting Officer

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, 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 19, 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, 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 19, 2024

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

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 three months ended September 30, 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)***
Active Operations						
McCoy Elkhorn Mine #15 / 15-18775	0	0	0	0	0	$ 441.2
McCoy Elkhorn Carnegie Mine / 15-19313	4	0	0	0	0	$ 19.4
McCoy Elkhorn Carnegie 2 Mine / 15-19801	0	0	0	0	0	$ 17.8
McCoy Elkhorn Bevins Branch Preparation Plant / 15-10445	0	0	0	0	0	$ 29.2
Deane Mining Access Mine/ 15-19532	0	0	0	0	0	$ 95.0
Deane Mining Mill Creek Preparation Plant / 15-16577	0	0	0	0	0	$ 0
Deane Mining Razorblade / 15-19829	0	0	0	0	0	$ 0
Perry County Resources/E4-2 15-19015	0	0	5	0	0	$ 157.7
Perry County Resources/Davidson Preparation Facility 15-05485	0	0	0	0	0	$ 26.8
Knott County Coal Wayland/15-19402	0	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***
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 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

The number of legal actions pending before the Federal Mine Safety and Health Review Commission as of September 30, 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*
Active Operations						
McCoy Elkhorn Mine #15 / 15-18775	0	0	0	0	0	0
McCoy Elkhorn Carnegie Mine / 15-19313	0	0	0	0	0	0
McCoy Elkhorn Bevins Branch Preparation Plant / 15-10445	0	0	0	0	0	0
McCoy Elkhorn Carnegie 2 Mine / 15-19801	0	0	0	0	0	0
Deane Mining Access Mine / 15-19532	0	0	0	0	0	0
Deane Mining Mill Creek Preparation Plant / 15-16577	0	0	0	0	0	0
Deane Mining Razorblade / 15-19829	0	0	0	0	0	0
Perry County Resources/E4-2 15-19015	0	0	0	0	0	0
Perry County Resources/Davidson Preparation Facility 15-05485	0	0	0	0	0	0
Knott County Coal Wayland / 15-19402	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, 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.