

# Arch Resources Issues \$45.0 Million in Tax-Exempt Bonds

**Proceeds will fund ongoing buildout of world-class growth project at Leer South**

**Transaction is nearly eight times oversubscribed**

**Results in a highly competitive interest rate of 4.125 percent**

ST. LOUIS, March 4, 2021 [/PRNewswire/](#) -- Arch Resources, Inc. (NYSE: ARCH) announced today that it has issued \$45.0 million of bonds in the U.S. tax-exempt market through the West Virginia Economic Development Authority, as a follow-on to its \$53.1 million offering in July 2020. The bonds are subject to a mandatory tender for purchase by the company on July 1, 2025. The proceeds will be used to fund a portion of the ongoing construction of the world-class Leer South mine in Barbour County, West Virginia, which is expected to commence longwall production in the third quarter of 2021.

"We are grateful for the market's strong expression of confidence in Arch, and for its ongoing support of our long-term plans for value creation and growth," said Matthew C. Giljum, Arch's chief financial officer. "The proceeds from this advantageously priced bond offering will further bolster our liquidity and support the continuing build-out of our transformational Leer South growth project, which is advancing rapidly and nearing completion."

The transaction was nearly eight times oversubscribed, resulting in a highly competitive fixed interest rate of 4.125 percent. Arch Resources is the primary obligor on the secured bonds, with substantially all of its significant subsidiaries acting as guarantors.

In keeping with the requirements of the tax-exempt issuance, proceeds from the offering will be used to fund the ongoing construction of the mine's preparation plant and other facilities associated with waste management. Arch expects to receive the cash from the offering over the next six months or so, as qualified work is completed.

"We also wish to extend our thanks for the continuing vision and support of Governor Jim Justice and the West Virginia Economic Development Authority, who played an instrumental role in facilitating this successful issuance as well as its predecessor transaction," Giljum said. "We look forward to a strong, continuing partnership with the state of West Virginia as mine development ends and longwall production begins, and expect Leer South to serve as a cornerstone of the northern West Virginia economy for the next 20 years or more – providing permanent, well-paying jobs to more than 500 West Virginians and supporting countless other regional businesses and their employees as well."

The total development cost for Leer South is expected to be at the upper end of the originally projected range of \$360 million to \$390 million, representing one of the largest investments in the State of West Virginia in recent years. The mine development process is currently supporting an estimated 1,800 temporary jobs related to the construction of facilities and infrastructure, the sourcing of equipment, and the provision of critical services.

Leer South is expected to produce up to four million tons of coking coal annually for sale into global metallurgical markets. Coking coal – in combination with iron ore – is an essential component in the manufacture of primary steel. Arch expects steel to play an indispensable role in the revitalization of the global economy as it recovers from the disruption of the COVID-19 pandemic, and in the construction of a new economy supported by mass transit systems, wind turbines and electric vehicles.

Leer South remains on schedule and on budget, and – once completed – is expected to operate in tandem with Arch's existing Leer mine in Taylor County for the next two decades or more. With the startup of Leer South, Arch expects to employ a total of 1,700 West Virginians at its four metallurgical mines in the state.

Arch Resources is a premier producer of high-quality metallurgical products for the global steel industry. The company operates large, modern and highly efficient mines that consistently set the industry standard for both mine safety and environmental stewardship. Arch Resources from time to time utilizes its website – [www.archrsc.com](http://www.archrsc.com) – as a channel of distribution for material company information. To learn more about us and our premium metallurgical products, go to [www.archrsc.com](http://www.archrsc.com).

*Forward-Looking Statements: This press release contains "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected*

*future business and financial performance, and often contain words such as "should," "appears," "expects," "anticipates," "intends," "plans," "believes," "seeks," or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties arise from the COVID-19 pandemic, including its adverse effects on businesses, economies, and financial markets worldwide; from the impact of COVID-19 on efficiency, costs and production; from changes in the demand for our coal by the global steel industries and electric generation; from our ability to access the capital markets on acceptable terms and conditions; from legislation and regulations relating to the Clean Air Act and other environmental initiatives; from competition within our industry and with producers of competing energy sources; from our ability to successfully acquire or develop coal reserves; from operational, geological, permit, labor, transportation, and weather-related factors; from the effects of foreign and domestic trade policies, actions or disputes; from fluctuations in the amount of cash we generate from operations, which could impact, among other things, our ability to service our outstanding indebtedness and fund capital expenditures; from our ability to successfully integrate the operations that we acquire; from our ability to generate significant revenue to make payments required by, and to comply with restrictions related to, our indebtedness; from additional demands for credit support by third parties; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. For a description of some of the risks and uncertainties that may affect our future results, you should see the risk factors described from time to time in the reports we file with the Securities and Exchange Commission.*

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For further information: Investor Relations, 314/994-2716

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