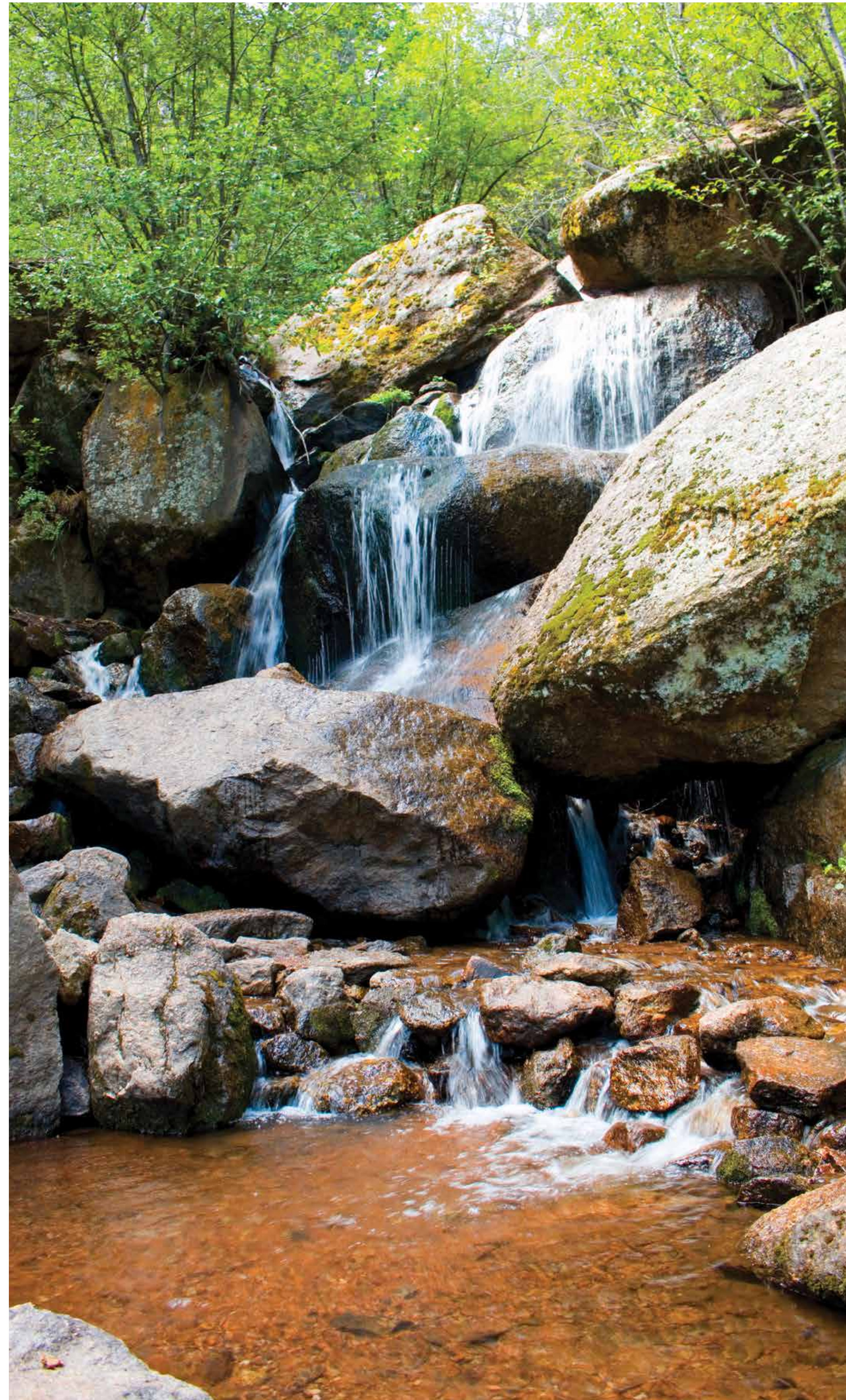


At New Elk, we strive to preserve the long-term safety, health and vitality of our natural environment as responsible operators and stewards of our lands and resources. We operate to the highest environmental standards, to protect, manage and mitigate potential impact from our activities.



### Water

Water is our greatest natural resource and New Elk is committed to protecting, maintaining and enhancing our water resources. We have a number of proactive measures in place to minimize potential impacts on water quantity and quality. We also use the best available tools for continuous monitoring, reporting and water analysis, to improve our operational management of this vital resource.

Our water use is permitted through the Colorado Department of Public Health and Environment (CDPHE). Water quantity and quality are recorded, sampled, and reported to CDPHE for all discharges.

Surface and underground water is collected and recycled for use in our processing plant. Onsite retention ponds for surface water allow solids to settle out of water before discharging.

All water is sampled before discharging with weekly, monthly, and annual inspections of all surface water completed and documented. Quarterly samples of groundwater are also collected and documented.

Water from our underground operations is monitored via meters, documented and submitted to CDPHE. All water from underground activities is held in a containment pond until it is recycled back to the processing plant.

### Noise

Noise is limited at the mine site, as a result of the onsite equipment, surface conveyor belts and the Bates Portals exhausting fan. At the Jansen Yard, noise is generated from the unloading of the coal trucks, conveyor loadout and train loading.



### Air Quality

Protecting air quality is a key focus of our environmental management activities. We operate under four air quality permits - for our conveyors and stockpiles, our refuse conveyor system, our ventilation fan and for the conveyors and stockpiles at the Jansen Yard.

We continually monitor weather and wind conditions to eliminate dust in our underground and surface activities. Our dust control plan is designed to keep the coal in place. We use water sprays on piles, roads, and conveyors. We also enclose transfer points of belts and screening to keep air pollution from leaving the mine site.

The importance of protecting air quality extends to the transportation of the coal, where we also use dust suppressants, coverings and water sprays.

### Fish & Wildlife

We are proud partners with Colorado Parks and Wildlife (CPW), and strictly enforce and monitor activities to protect and enhance the wildlife in and around our operation. We minimize surface disturbance as much as possible and these areas are reclaimed once they are no longer in use for the mine.

Wildlife is common at the mine site, and operating areas are restricted and reclamation activities adjusted to preserve and protect the wide variety of wildlife and vegetation growth in our area. We remove noxious weeds that can hurt native vegetation for wildlife. We also recognize the many hunting activities that our area provides, and our footprint is purposely small, to mitigate possible interference with established wildlife migration.