HAMLET CPA SERVICES, PLLC

5461 RIDGELEA ROAD, ROANOKE, VA 24018

1/14/2026

Virginia Department of Energy
3405 Mountain Empire Road
Big Stone Gap, VA 24219

ATTN: Greg Baker

VIA USPS and email to:
Greg.baker@energy.virginia.gov

RE: A&G Coal Corporation and Subsidiaries

Dear Mr. Baker:

I have completed the audit for tax year 2025. A copy of the audit through December 31, 2025 is attached hereto.

I do hereby certify, in an unqualified opinion, that A&G Coal Corporation and Subsidiaries has a net worth of at least One Million Dollars ($1,000,000) after total liabilities are subtracted from total assets, including prior obligations, as of December 31, 2025.

If you have any questions, please call me at (315) 440-0331.

Thank you for your consideration.

HAMLET CPA SERVICES, PLLC

Valerie L. Hamlet

Valerie L. Hamlet, CPA
President
VA License #45508
NY License #110835
AICPA Member #5505954

STATE OF VIRGINIA
COUNTY OF ROANOKE

The foregoing instrument was acknowledged before me this 14th day of January, 2026.

Jerry W Barnett Jr

Notary Public
My Commission expires: 1/31/2026

JERRY W. BARNETT, JR.
Notary Public
Commonwealth of Virginia
348167
My Commission Expires 01/31/2026

Hamlet.cpa.services@gmail.com
Cellphone: (315) 440-0331
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A & G COAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of
A & G Coal Corporation and Subsidiaries
302 South Jefferson Street
Roanoke, VA 24011

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of A & G Coal Corporations and Subsidiaries, which comprise of the Balance Sheet, Income Statement and Statement of Cash Flows, as of December 31, 2025, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of A & G Coal Corporation and Subsidiaries as of December 31, 2025, and the results of its operations, changes in its net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Hamlet CPA Services, PLLC

HAMLET CPA SERVICES, PLLC
Roanoke, VA 24018
January 14, 2026

A & G COAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
As of December 31, 2025

ASSETS

		2025
CURRENT ASSETS		
	Cash and Cash Equivalents	$12,235
	Accounts Receivable – coal and other	$0
	Related Party Receivables	$2,980,127
	Prepaid Royalties, deposits and other	$150,000
	TOTAL CURRENT ASSETS:	$3,142,362
PROPERTY AND EQUIPMENT (net accumulated depreciation)		$3,875,038
INVESTMENTS AND OTHER ASSETS		
	Investments	$30,463,438
	Deposits for bonding and other purposes	$497,638
	Lease acquisition, mine development and other mining rights and reserves, ARO Assets (FAS 143) (net accumulated amortization)	$13,019,497
	Other assets	$10,035,145
	TOTAL INVESTMENTS AND OTHER ASSETS:	$54,015,718
TOTAL ASSETS:		**$61,033,118**

The accompanying notes are an integral part of these consolidated financial statements.

A & G COAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
As of December 31, 2025

LIABILITIES AND OWNER'S EQUITY

LIABILITIES

		2025
CURRENT LIABILITIES		
	Current portion of long-term debt	$0
	Accounts Payable	$0
	Accrued Expenses	$1,529,569
	Accrued Payroll	$398,802
	Accrued Coal Taxes	$143,831
	TOTAL CURRENT LIABILITIES:	$2,072,202
LONG-TERM LIABILITIES		
	Long-Term debt	$1,049,662
	Life Insurance Obligation	$0
	Accounts payable-related parties	$29,101,119
	Asset retirement obligations	$19,300,772
	TOTAL LONG-TERM LIABILITIES:	$49,451,553
	TOTAL LIABILITIES:	**$51,523,755**

OWNERS' EQUITY

EQUITY		
	Common Stock (no par value, 5,000 shares Authorized and 100 shares issued)	$200
	Additional paid-in capital	$95,413,463
	Retained Earnings/(deficit)	(113,205,100)
	Net Income (Loss)	$27,300,800
	TOTAL OWNERS' EQUITY:	**$9,509,363**

TOTAL LIABILITIES AND OWNERS' EQUITY: **$61,033,118**

The accompanying notes are an integral part of these consolidated financial statements.

A & G COAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME
Year Ended December 31, 2025

	2025
ROYALTY INCOME	$56,918
REVENUE	$28,530,079
COSTS AND EXPENSES	
Wheelage	(139,415)
Depreciation, depletion and amortization	(1,146,782)
	(1,286,197)
GAIN FROM OPERATIONS:	**$27,300,800**

The accompanying notes are an integral part of these consolidated financial statements.

A & G COAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN OWNER'S EQUITY
Year Ended December 31, 2025

	Capital Stock	Additional Paid-in Capital	Retained Earnings	Total Owner's Equity
Balance as of January 1, 2025	$200	$95,413,463	($113,205,100)	($17,791,437)
Net Income/(Loss)			27,300,800	$27,300,800
Previous Period Adjustment				
Contributions from Stockholders	-	-	-	-
Balance as of December 31, 2025	$200	$95,413,463	($85,904,300)	$9,509,363

The accompanying notes are an integral part of these consolidated financial statements.

A & G COAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2025

	2025
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Income/(Loss)	27,300,800
Adjustments to reconcile net loss to net cash used by operating activities:	
Depreciation, depletion, and amortization	1,146,782
Gain/(Loss) on sale of equipment and property	0
(Increase)/decrease in accounts receivable	
(Increase)/decrease in inventories	0
(Increase)/decrease in prepaid expenses, deposits, and other assets	0
Increase/(decrease) in accounts payable, accrued expenses and other liabilities	(28,435,347)
Net Cash Provided By (Used By) Operating Activities:	$12,235
CASH FLOWS FROM INVESTING ACTIVITIES:	-0-
CASH FLOWS FROM FINANCING ACTIVIES:	
Loans and notes to affiliates - net	-0-
Principal payments on corporate debt	
Capital contributions from stockholders	-0-
Net Cash Provided By (Used By) Financing Activities:	-0-
Net change in cash and cash equivalents	$12,235
Cash and Cash equivalents, Beginning of Year	$0
Cash and Cash equivalents, End of Year	$12,235
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Interest paid	$0
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES:	
Direct financing of equipment, real estate and other property additions	-0-
Debt released by non-cash payoffs	-0-
Transfer of equipment in satisfaction of debt	-0-

The accompanying notes are an integral part of these consolidated financial statements

A & G COAL COPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Date of Managements' Review: Management has evaluated subsequent events through January 13, 2026, the date which the Consolidated financial statements were available to be issued.

Nature of Operations: A & G Corporation and Subsidiaries (the "Company" or "Companies") is made up of a group of companies with operations in the coal mining industry in the Commonwealth of Virginia. The Companies provide mostly metallurgical as well as a small portion of utility coal to domestic as well as foreign customers. The Companies include A & G Coal Corporation, Inc., Meg-Lynn Land Company, Inc., Airway Resources, LLC, Cane Patch Mining Co., Inc., Nine Mile Mining, Inc. and Baden Reclamation Company.

In prior years, the Companies were wholly owned subsidiaries of Southern Coal Corporation and during such periods, transactions among these entities frequently occurred, including the sale and transfer of assets, groups of assets of separate entities from one exiting company to another in the formally consolidated group of entities. Although these sales or transfers generally occurred at the net book value of the seller's or transferor's basis in the assets, management believes that these transactions were consummated at fair value of the assets at the time of the transaction. Since the date such assets were transferred the buying entity has recorded depreciation at amounts that would be similar to those that would be recorded had the assets remained on the books of the selling entity.

Cash and Cash Equivalents: The Companies consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Restricted deposits, generally certificates of deposit held for reclamation requirements, are classified as current if the contractual maturity is within the current year or management expects to take steps releasing the restrictions.

Accounts and Notes Receivable: Accounts and notes receivable are stated at the amount management expects to collect from outstanding balances. Accounts and notes receivable are considered past due when they exceed their contractual terms. Based on management's assessment of the credit history of the customer with outstanding balances and current relationships with them, it has concluded that any allowance for doubtful amounts would be immaterial.

Concentrations of Credit Risk: Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash, cash equivalents and trade accounts receivable. The Companies' bank deposits occasionally exceed federally insured limits, but management has assessed the risk of any such losses that could result as minimal. Concentration of credit risk with respect to trade accounts receivables is not related to any geographic concentration, but is related to the fact that substantially all coal customers are in the global steel and domestic utility industries.

Revenue Recognition: Revenue is recognized on coal sales when title passes to the customer, in accordance with the terms of the sales agreement, which generally occurs when coal is loaded into transport carriers for shipment to the customer.

Principles of Consolidation: The financial statements of A & G Coal Corporation and its wholly owned subsidiaries are consolidated herein. All significant intercompany accounts and transactions existing among the parties have been eliminated.

A & G Coal Corporation is owned and controlled by the Justice Family, a family that has owned, either directly or indirectly, other equity interests which are not included in these consolidated financial statements.

Inventories: Inventories are stated at the lower of cost or market. The cost of coal inventories is determined using the average cost method. Cost for all other inventories is determined on a first-in, first-out method. In those cases, in which inventories are derived from market values, the Company determines net realizable values by deducting selling costs and normal profits from market prices.

Property and Equipment: Property and equipment are carried at cost. For financial reporting purposes, depreciation is calculated primarily on the straight-line method over the estimated useful lives of the assets which range from 3 years to 50 years, less estimated salvage values. For tax purposes, depreciation is calculated using straight-line and declining balance methods over accelerated useful lives in conformity with the modified accelerated cost recovery system and other tax methods as prescribed by the Internal Revenue Code relating to depreciation expense.

Mineral properties owned are stated at cost and consist of coal in place in southwestern Virginia. Cost depletion is determined by dividing the cost of the mineral over total estimated recoverable tons as determined by the Company's engineers.

Long-Lived Assets: Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable. Under generally accepted accounting principles (GAAP), an impairment loss is recognized when estimated cash flows from the asset group or group of assets may not be recoverable. There are no significant impairments at December 31, 2025.

Fair Value of Financial Instruments: The carrying amounts of financial instruments, including cash and cash equivalents, receivables, and other assets, accounts payable and accrued expenses approximate fair value due to the short maturity of these instruments.

Accrued Reclamation Expense: Reclamation of areas disturbed by mining operations must be performed by the Company in accordance with approved reclamation plans and in compliance with State and Federal laws. For areas disturbed, a significant amount of the reclamation will take place in the future, concurrent with mining operations. All mines are bonded for reclamation and mine plans are approved by the states in which they operate. In addition, State agencies monitor compliance with the mine plans including reclamation.

Asset retirement obligations are recorded using the accounting treatment prescribed the Asset Retirement and Environmental Obligations Topic of the FASB Accounting Standards Codification. This topic requires the fair value of an asset retirement obligations be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The present value of projected cash flows is capitalized as part of the carrying amount of the long-lived asset. Depreciation of the capitalized asset retirement cost is generally determined on a units-of-production basis. Accretion of the asset retirement obligation is recognized over time and generally will escalate over the life of the producing asset. As reclamation work is performed or liabilities are otherwise settled, the recorded amount of the liability is reduced. Company engineers and management periodically review the adequacy of these amounts to determine if revisions are necessary.

Related Party Transactions: In the course of business operations, the Companies have numerous transactions with entities that are commonly controlled by the stockholders of the Companies. Transactions with those entities are described in NOTE 9 to these Statements.

Income Taxes: A & G Coal Corporation and Subsidiaries have elected to file returns as a qualified S Corporations with the subsidiaries filing elections as Qualified Subchapter S Subsidiaries and certain other entities as limited liability companies.

Use of Estimates: Preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates as additional information becomes known.

Advertising costs: The Company expenses advertising costs as incurred. For the year ended December 31, 2025, advertising costs incurred were $0.

Accrued Compensated Absences: Due to the timing of payment and restrictions on absence usage, the Company has determined that accruals for compensated absences are not material.

Other Accounting Policies: Certain accounting policies related to the Companies employee benefit plans are included in NOTE 10.

Reclassifications: Certain reclassifications have been made to prior years' financial statements to place them on a basis comparable with the current year.

NOTE 2 - ACCOUNTS RECEIVABLE

The major components of accounts receivable at December 31 are as follows:

	2025
Coal Shipments – related party	$-0-
	$-0-

NOTE 3 – INVENTORIES

Inventories are valued at the lower of cost or market and are comprised of the following at December 31, 2025:

	2025
Coal	$ -0-
Repair parts and supplies for mining operations	$ -0-
	$ -0-

The Company has no clean tons of coal on hand as of December 31, 2025.

NOTE 4 – LEASE ACQUISITION AND MINE DEVELOPMENT COSTS

Total lease acquisition and Mine development costs and the related accumulated amortization at December 31, 2025 are as follows:

2025	Cost	Accumulated Amortization	Net
Lease acquisition costs, primarily at the Virginia operations	$2,160,864	($939,011)	$1,221,853
FAS 143 Asset Value	$9,149,371	($630,884)	$8,518,487
Mine development costs, roads, and power lines	$4,739,959	($1,460,802)	$3,279,157
	$16,050,194	($3,030,697)	$13,019,497

Total amortization of lease acquisition and mine development costs was $0 for 2025.

NOTE 5 – PROPERTY AND EQUIPMENT

The major components of property and equipment are as follows:

	2025
Buildings and Mining equipment:	$12,289,945
LESS: Accumulated depreciation and depletion	(8,414,907)
	$3,875,038

Total depreciation, depletion, and amortization costs for property and equipment was $1,146,782 for December 31, 2025.

NOTE 6 – OTHER ASSETS

Other assets are as follows:

	2025
Accounts Receivable – long-term	$0
	$0

NOTE 7 – CORPORATE DEBT

During 2018, a related entity obtained a new financing agreement from a third party that was used to refinance the bank debt for various related entities. As a result, the bank debt owed by this entity was paid in full.

As of December 31, 2025, this entity did not have corporate debt with an unaffiliated third party.

NOTE 8 – ASSET RETIREMENT OBLIGATIONS

Changes in the Companies' asset retirement obligations for the year are as follows:

	2025
Asset retirement obligation – January 1	$9,149,371
Additions (based on new estimates obtained from engineers)	-0-
Accretion expense	-0-
Payments	-0-
Asset retirement obligation – December 31	$9,149,371

The accrued reclamation liability by type of mining area as follows:

Deep mines	$ -0-
Surface mines	9,149,371
Refuse and other areas	-0-
	$9,149,371

Any revisions in estimated cash flows of the reclamation liabilities are a result of market conditions, permitting issues, new regulatory requirements, and resulting changes in mine plans.

NOTE 9 – RELATED PARTY TRANSACTIONS

The Companies conduct business with related entities that are substantially owned by stockholders of the Companies. The following is a summary of all material transactions and balances as of December 31, 2025:

	2025
Accounts receivable – coal	$-0-
Accounts receivable – related parties	$2,980,127
Accounts and advances payable	$29,101,118
Management fees expense	$-0-
Coal sales & general revenue	$-0-

Since the reporting entities include legally separate companies, amounts are reflected as receivable from and payable to identical parties without offsetting such amounts among the group of consolidated reporting entities.

NOTE 10 – EMPLOYEE 401(K) PLANS

On January 1, 2010, the Companies established a defined contribution retirement plan under Section 401(k) of the Internal Revenue Code. Under terms of the plan, employees may make contributions up to the maximum amount allowed by law. The Company will match $.25 per dollar up to a maximum of 2% of an employee's compensation and is limited to 8% of an employee's deferral. Total contributions to the plans were $0 for the year ended December 31, 2025.

NOTE 11 – MINERAL PROPERTY LEASE AND OTHER AGREEMENTS

The mining group produces coal under lease agreements with third parties. These leases contain percentage royalties that range from 6.5% to 9.5% based on sales prices of coal and most of these leases contain monthly, quarterly or annual minimums that are recoupable from present and future production. These leases contain initial terms that vary in length from 5 to 10 years. These leases contain the ability to extend the term of the lease so long as marketable and mineable coal remains in-place on the leased premises. Aggregate future minimum royalties under coal leases are as follows for 2025:

2020	$2,290,600
2021	2,290,600
2022	1,394,400
2023 and thereafter	2,200,988
	$8,176,588

Royalties expensed under the agreements amounted to $0 for 2025.

NOTE 12 – OTHER COMMITMENTS

The Companies frequently obtain the usage of equipment or other assets under short-term and month-to-month rent arrangements. The amount expensed under such agreements totaled $0 for 2025.

NOTE 13 – SALES AND CONTRACTUAL COMMITMENTS

The Companies provide high quality coal to the domestic and export metallurgical markets and the domestic steam and industrial markets. The terms of most sales require title to the coal to pass once rail cars are loaded and possession of such cars are taken by railroad, normally less than a day from loading.

Historically, the Companies enter into coal supply contracts and purchase orders for a significant percentage of its anticipated production. These contracts and order are generally in effect for three months to three years. Most of the contracts that are entered into representing metallurgical coal contain pricing mechanisms that allow the price of the coal to be pegged to a mutually agreed upon published market index. The coal is typically re-priced according to the applicable index on a quarterly basis.

The Companies currently do not have any contracted tons for 2025 or beyond.

NOTE 14 – CONTINGENCIES.

There are various legal proceedings in which the Companies are a participant as either a plaintiff or defendant. Such proceedings are not uncommon in the mining industry. Management denies allegations in those actions and is defending them vigorously. Management has concluded that damages, if any, for actions the Companies have taken to date are not likely to be material to the financial condition and operations of the Companies taken as a whole.