



Clinch Resources Ltd. – TSX: CLCH

Market Data

Fiscal Year	Dec. 31
Industry	Mining
Price	\$1.40
Market Cap	\$497.4M
Shares Out.	355.3M
Float	321.4M
Insider Own.	9.6%
Avg. Vol. (90-day)	159,340
Cash (mrq) ¹	\$25.0M

*Price, market cap, and cash in Canadian Dollars
Share info as of May 22, 2026*

clinchresources.com

Legal Counsel:

Cassels Brock & Blackwell LLP

Auditor:

Coulter & Justus, P.C.



Company Overview

Clinch Resources ("Clinch" or "the Company") is a U.S.-based metallurgical coal producer advancing a portfolio of high-quality, low-cost assets in the Central Appalachian basin. The Company's flagship ARI project in West Virginia spans ~54,000 acres and hosts approximately 111 million tons of measured and indicated resources, including ~22 million tons of proven and probable reserves.

Clinch is transitioning to near-term production, with initial output expected in 2026 from its fully permitted Mine 8 underground operation and Lanes Branch surface mine. The Company benefits from existing on-site infrastructure, including a preparation plant and rail load-out facility, supporting a capital-efficient ramp-up to production.

The Company is focused on supplying high-quality metallurgical coal—an essential input in steel production—into global infrastructure and industrial markets. Clinch also maintains additional upside through a 39% interest in the Sewell Mountain met coal project (JJ Resources), as well as exposure to rare earth element recovery and carbon solutions through complementary investments.

Investment Highlights

Near-Term Metallurgical Coal Producer with Permitted Assets

- Advancing toward initial production in 2026 from Mine 8 (underground) and Lanes Branch (surface)
- Both projects are fully permitted, significantly reducing development and regulatory risk
- Restart of previously producing assets supports a de-risked path to cash flow
- Targeting phased ramp-up to ~1+ million tons of annual production

Large-Scale Resource Base in Tier-1 U.S. Jurisdiction

- ~111 million tons of measured and indicated resources, including ~22 million tons of proven and probable reserves
- Located in the Central Appalachian basin, a globally recognized source of high-quality metallurgical coal
- Long mine life (~20+ years) supports sustained production profile and reserve visibility
- Additional resource upside across multiple seams and permitted mine areas

Low-Cost Producer Positioned in Bottom Quartile of Cost Curve

- Estimated life-of-mine cash costs of approximately \$90/ton (~\$85/clean ton)
- Positioned within the lowest 25% of the global met coal cost curve, supporting strong margins across cycles
- Favorable geology and mining conditions contribute to efficient extraction and recovery rates
- Expected to generate attractive free cash flow as production scales

Please refer to important disclosure information on page 3 of this report.

Existing Infrastructure Enables Capital-Efficient Ramp-Up

- Operational coal preparation plant, refuse facility, and rail load-out already in place
- Wash plant capacity of ~600 tph and direct access to Norfolk Southern rail network
- Eliminates need for major greenfield infrastructure investment
- Significantly shortens timeline from development to production

Exposure to Structural Met Coal Demand and Critical Mineral Tailwinds

- Metallurgical coal is essential for steelmaking with no near-term substitutes
- ~70% of global steel production relies on met coal-based blast furnace processes
- Designated as a U.S. critical mineral in 2025, increasing strategic importance and policy support
- Tightening global supply and projected market deficit support constructive long-term pricing environment

Multiple Embedded Value Streams Beyond Core Mining

- 39% ownership in JJ Resources, a fully permitted mid-vol metallurgical coal project with resource upside
- Exposure to rare earth element (REE) recovery from historic tailings with low capital intensity
- 30% stake in Virginia Carbon Products, focused on sustainable carbon and biocarbon solutions
- Diversified platform provides additional optionality and potential non-core monetization pathways

Proven Management Team with Deep Coal Industry Experience

- Led by former executives of National Coal and Xinerger, with demonstrated track records in building and exiting coal platforms
- Extensive experience operating in Central Appalachia across multiple commodity cycles
- Strong capital markets and financing expertise to support development and growth
- Alignment with shareholders through meaningful insider ownership

Expected Development Timeline

	2026				2027			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
ARI Project								
First coal production from Lanes Branch Surface								
Begin ramp up effort to targeted 200,000 clean tons/month								
Wash plant achieves run-rate production rate of 600 ktpa								
First coal production from Mine 3								
JJ Resources: Sewell Mountain								
Commence construction of wash plant and loadout								
Re-entry construction of new slope shaft								
Complete construction of wash-plant, loadout, slope & shaft								

Value Proposition

Clinch Resources represents a compelling opportunity to gain exposure to a near-term, low-cost metallurgical coal producer at a time when the global steel supply chain is facing structural supply constraints and increasing strategic importance. Unlike many early-stage mining companies, Clinch is advancing a portfolio of permitted, infrastructure-backed assets with production expected in 2026, positioning the Company to transition rapidly from development to cash flow generation. With approximately 111 million tons of measured and indicated resources anchored by a core reserve base at its ARI project, Clinch provides a scalable platform capable of delivering long-life production in one of the most established and strategically valuable coal basins globally.

From a cost and margin perspective, the Company is particularly well positioned. With estimated life-of-mine cash costs of approximately \$90 per ton, Clinch sits within the lower quartile of the global cost curve, providing resilience across commodity cycles and significant operating leverage to met coal pricing. In our view, this cost advantage—combined with existing infrastructure including a fully operational wash plant and rail load-out facility—materially reduces execution risk while supporting a capital-efficient ramp to production. As output scales toward ~1 million tons annually, the business has the potential to generate meaningful free cash flow in a constructive pricing environment.

Importantly, Clinch is leveraged to a favorable and increasingly strategic macro backdrop. Metallurgical coal remains an essential, non-substitutable input in primary steel production, with approximately 70% of global steel capacity reliant on blast furnace processes. The recent designation of metallurgical coal as a U.S. critical mineral further underscores its strategic importance, unlocking potential policy support and reinforcing long-term demand visibility. At the same time, constrained global supply and a projected deficit in seaborne markets are expected to support sustained pricing strength into the latter part of the decade, creating a favorable environment for low-cost producers such as Clinch.

Beyond its core mining operations, Clinch offers additional upside through a portfolio of complementary assets that provide diversification and embedded optionality. These include a 39% interest in the fully permitted JJ Resources project, exposure to rare earth element recovery from historic tailings with low capital intensity, and a stake in Virginia Carbon Products, which is developing sustainable carbon solutions for industrial applications. Together, these assets enhance the Company's strategic positioning within broader carbon and critical minerals value chains while offering potential incremental revenue streams and valuation catalysts over time.

Taken together, Clinch Resources is a differentiated small-cap mining opportunity combining near-term production, low-cost operations, strong infrastructure advantages, and exposure to durable global demand for metallurgical coal. With a clear path to cash flow generation, a favorable macro backdrop, and multiple embedded growth levers, the Company is well positioned for a potential re-rating as it executes on its transition to production and demonstrates operating performance.

Disclosures

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