Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

Depa	rtment of the Treasury			0		
Intern	al Revenue Service			► See separate instructions.		
	rt I Reportin	g Issuer				
1	lssuer's name				2 Issuer's employer ident	ification number (EIN)
	h Resources, Inc		43-0721192			
3	Name of contact for	additional information	4 Telephon	e No. of contact	5 Email address of contact	
84-1	4l O O'll'		314-994-2	700		
	thew C. Giljum	- D.O. I	mgiljum@archrsc.com	I TIME		
6 i	Number and street (c	or P.O. box if mail is not	aeliverea to s	street address) of contact	7 City, town, or post office, star	e, and ZIP code of contact
4.0						
	ity Place Drive, S Date of action	fuite 300	St. Louis, MO 63141	St. Louis, MO 63141		
0 1	Date of action		3	sification and description	0 O	
2/27	7/2023				n & Cost Basis Adjustment	
	CUSIP number	11 Serial number(n Resources Outstanding 12 Ticker symbol	13 Account number(s)	
10	COOIF Humber	11 Serial fluitibei	5)	12 Ticker symbol	13 Account number(s)	
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		tional Action Attac	ch additional		back of form for additional que	etione
14				***************************************	against which shareholders' owner	
1-4					ommon stock dividend in the	
¢ 3					ints, the dividend results in a	
					shares of common stock re	
		rrant share numbe		crease to the number of	Shares of common stock re	served per warrant
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Date	e of action: F	ebruary 27, 2023.				
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				MANUAL AND ALL TO THE PARTY OF		
				57445444470111.		
				WINDOWS.		
15	Describe the quanti	tative effect of the orga	nizational act	ion on the basis of the security	in the hands of a U.S. taxpayer as	an adjustment per
		ntage of old basis ► Se				,,
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16	Describe the calcula	ation of the change in b	asis and the c	lata that supports the calculation	on, such as the market values of se	ecurities and the
	valuation dates ► S	ee Attached				
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						7,44

Form 8	937 (12	-2017)			Page			
Part		Organizational Action (continued	d)					
17 l	List the	applicable Internal Revenue Code sectio	on(s) and subsection(s) upon which the tax t	reatment is based ▶	See Attached			
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				<u> </u>				
			**************************************	alter Consideration	,			
18 (Can an	y resulting loss be recognized?► See A	Attached					
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19 P	roviae	any other information necessary to imple	ment the adjustment, such as the reportable	e tax year ► <u>See A</u>	Attached			
					COLOR DE LA COLOR			

			mined this return, including accompanying scheo f preparer (other than officer) is based on all inform					
Sign								
Here	Signa	ture ►		Date ►				
	D-11	your name ► SIGNED COPY AVAILA	BLE LIDON DECLIEST	Tillo b				
Paid	Print	Print/Type preparer's name	Preparer's signature	Title ► Date	Check if PTIN			
Paid Prepa	arer				self-employed			
Use C		Firm's name			Firm's EIN ▶			
Send Fo	orm 80	Firm's address ► 37 (including accompanying statements):	to: Department of the Treasury, Internal Re		Phone no.			

Arch Resources, Inc. Attachment to IRS Form 8937

In October 2016, the Company issued 1,914,856 Series A warrants upon its emergence from bankruptcy at an initial exercise price of \$57.00 per share to holders of unsecured note claims that elected to receive warrants in lieu of cash upon emergence. The Company has provided a notice of adjustment applicable to the warrants.

Under IRC Code Section 6045B, any issuer of a "specified security" must file an information return setting forth: a description of any organizational action (for example, stock splits, mergers and acquisitions, convertible debt) that affects the basis of the specified security of the issuer, the quantitative effect on the specified security's basis resulting from the organizational action, and any other information IRS may prescribe.

The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Code. warrant Holders should consult their own tax advisors regarding the particular tax consequences of the exercise price adjustment to them, including the applicability and effect of all U.S. federal, state and local and foreign tax laws. Such information is not intended to be a complete analysis or description of all potential federal or other tax consequences of the conversion rate adjustment.

Form 8937, Part II, Line 15

Immediately after the open of business on February 27, 2023 (i.e., the ex-dividend date of the cash dividend paid on March 15, 2023), the exercise price of the warrants was reduced from \$45.331 to \$44.389

The Company expects the adjustments to the warrants to be treated for U.S. federal income tax purposes as a deemed taxable dividend distribution in an amount equal to the fair market value of the incremental stock rights attributable to the adjustment to the exercise price of the warrants. As a result, a warrant holder's basis in their warrants should increase by the amount of the deemed dividend distribution. The amount of the distribution and the increase in basis in the warrants is calculated to be \$0.942 per warrant.

Form 8937, Part II, Line 16

The valuation reference date is February 27, 2023, the ex-dividend date of the cash dividend distribution.

Calculation: Excess of (A) over (B):

- (A) The fair market value of the warrants immediately after the adjustment to the exercise price and warrant share number is calculated using a Black-Scholes style option pricing model with pricing inputs including: value of the common stock, exercise price of the warrants, the remaining term of the warrants, an annual risk-free interest rate, and an annualized volatility index percentage.
- (B) The fair market value, determined immediately after the adjustment to exercise price and warrant share number using all of the pricing inputs described in (A) above, of the warrants as if no adjustment to exercise price and warrant share number had occurred.

Effect on basis: see the response to #15 above

Form 8937, Part II, Line 17

IRC Section 305(c). The valuation standard under section305(c) is "...the excess of (A) the fair market value of the right to acquire stack held by the deemed shareholder immediately after the applicable adjustment, over (B) the fair market value, determined immediately after the applicable adjustment, of such right to acquire stock as if no applicable adjustment had occurred."

Form 8937, Part II, Line 18

There is no associated loss recognition.

Form 8937, Part II, Line 19

The reportable tax year for this warrant adjustment is 2023 for a calendar year taxpayer.