UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-38735

CONTURA ENERGY, INC.

(Exact name of registrant as specified in its charter)

Delaware	**81-3015061**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

340 Martin Luther King Jr. Blvd.
Bristol, Tennessee 37620
(Address of principal executive offices, zip code)
(423) 573-0300
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Sec.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) ☐ Yes ☒ No

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	CTRA	New York Stock Exchange

Number of shares of the registrant's Common Stock, $0.01 par value, outstanding as of October 31, 2020: 18,308,838

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CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This report includes statements of our expectations, intentions, plans and beliefs that constitute "forward-looking statements." These statements, which involve risks and uncertainties, relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable and may also relate to our future prospects, developments and business strategies. We have used the words "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," "should" and similar terms and phrases, including references to assumptions, in this report to identify forward-looking statements. These forward-looking statements are made based on expectations and beliefs concerning future events affecting us and are subject to uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control, that could cause our actual results to differ materially from those matters expressed in or implied by these forward-looking statements.

The following factors are among those that may cause actual results to differ materially from our forward-looking statements:

- the effects of the COVID-19 pandemic on our operations and the world economy;
- the financial performance of the company;
- our liquidity, results of operations and financial condition;
- our ability to generate sufficient cash or obtain financing to fund our business operations;
- depressed levels or declines in coal prices;
- worldwide market demand for coal, steel, and electricity, including demand for U.S. coal exports, and competition in coal markets;
- our ability to obtain financing and other services, and the form and degree of these services available to us, which may be significantly limited by the lending, investment and similar policies of financial institutions and insurance companies regarding carbon energy producers and the environmental impacts of coal combustion;
- our ability to meet collateral requirements;
- the imposition or continuation of barriers to trade, such as tariffs;
- utilities switching to alternative energy sources such as natural gas, renewables and coal from basins where we do not operate;
- reductions or increases in customer coal inventories and the timing of those changes;
- our production capabilities and costs;
- inherent risks of coal mining beyond our control;
- changes in, interpretations of, or implementations of domestic or international tax or other laws and regulations, including the Tax Cuts and Jobs Act and its related regulations;
- changes in domestic or international environmental laws and regulations, and court decisions, including those directly affecting our coal mining and production, and those affecting our customers' coal usage, including potential climate change initiatives;
- our relationships with, and other conditions affecting, our customers, including the inability to collect payments from our customers if their creditworthiness declines;
- changes in, renewal or acquisition of, terms of and performance of customers under coal supply arrangements and the refusal by our customers to receive coal under agreed-upon contract terms;
- our ability to obtain, maintain or renew any necessary permits or rights, and our ability to mine properties due to defects in title on leasehold interests;
- attracting and retaining key personnel and other employee workforce factors, such as labor relations;
- funding for and changes in employee benefit obligations;
- cybersecurity attacks or failures, threats to physical security, extreme weather conditions or other natural disasters;
- reclamation and mine closure obligations;
- our assumptions concerning economically recoverable coal reserve estimates;
- our ability to negotiate new United Mine Workers of America wage agreements on terms acceptable to us, increased unionization of our workforce in the future, and any strikes by our workforce;
- disruptions in delivery or changes in pricing from third-party vendors of key equipment and materials that are necessary for our operations, such as diesel fuel, steel products, explosives, tires and purchased coal;
- inflationary pressures on supplies and labor and significant or rapid increases in commodity prices;
- railroad, barge, truck and other transportation availability, performance and costs;
- disruption in third-party coal supplies;
- the consummation of financing or refinancing transactions, acquisitions or dispositions and the related effects on our business and financial position;
- our indebtedness and potential future indebtedness;
- our ability to obtain or renew surety bonds on acceptable terms or maintain our current bonding status; and

- other factors, including the other factors discussed in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Risk Factors” sections of this Report and the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Risk Factors” sections of our Annual Report on Form 10-K for the year ended December 31, 2019.

The factors identified above are not exhaustive. We caution readers not to place undue reliance on any forward-looking statements, which are based only on information currently available to us and speak only as of the dates on which they are made. When considering these forward-looking statements, you should keep in mind the cautionary statements in this report. We do not undertake any responsibility to publicly revise these forward-looking statements to take into account events or circumstances that occur after the date of this report. Additionally, we do not undertake any responsibility to update you on the occurrence of any unanticipated events, which may cause actual results to differ from those expressed or implied by the forward-looking statements contained in this report.

Part I - Financial Information

Item 1. ***Financial Statements***

CONTURA ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(Amounts in thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Revenues:				
Coal revenues	$ 399,954	$ 523,987	$ 1,278,935	$ 1,784,775
Other revenues	737	1,877	4,054	6,409
Total revenues	400,691	525,864	1,282,989	1,791,184
Costs and expenses:				
Cost of coal sales (exclusive of items shown separately below)	367,277	467,658	1,148,416	1,480,098
Depreciation, depletion and amortization	50,739	60,842	154,466	184,927
Accretion on asset retirement obligations	9,127	6,846	23,806	19,925
Amortization of acquired intangibles, net	2,219	2,314	5,180	(4,712)
Asset impairment and restructuring	3,571	32	221,453	5,858
Selling, general and administrative expenses (exclusive of depreciation, depletion and amortization shown separately above)	14,501	17,387	42,010	53,121
Merger-related costs	—	68	—	1,055
Total other operating (income) loss:				
Mark-to-market adjustment for acquisition-related obligations	3,624	(3,238)	(13,425)	(288)
Other (income) expense	(1,359)	166	(2,063)	(7,319)
Total costs and expenses	449,699	552,075	1,579,843	1,732,665
(Loss) income from operations	(49,008)	(26,211)	(296,854)	58,519
Other income (expense):				
Interest expense	(18,389)	(18,847)	(54,808)	(50,079)
Interest income	378	1,763	6,889	5,584
Loss on modification and extinguishment of debt	—	—	—	(26,459)
Equity loss in affiliates	(1,295)	(1,845)	(3,085)	(4,804)
Miscellaneous loss, net	(368)	(1,523)	(1,088)	(2,912)
Total other expense, net	(19,674)	(20,452)	(52,092)	(78,670)
Loss from continuing operations before income taxes	(68,682)	(46,663)	(348,946)	(20,151)
Income tax benefit	45	3,102	2,200	8,880
Net loss from continuing operations	(68,637)	(43,561)	(346,746)	(11,271)
Discontinued operations:				
Loss from discontinued operations before income taxes	—	(11,516)	—	(176,973)
Income tax (expense) benefit from discontinued operations	—	(13,455)	—	12,866
Loss from discontinued operations	—	(24,971)	—	(164,107)
Net loss	$ (68,637)	$ (68,532)	$ (346,746)	$ (175,378)
Basic loss per common share:				
Loss from continuing operations	$ (3.75)	$ (2.29)	$ (18.96)	$ (0.59)

Loss from discontinued operations	—	(1.31)	—	(8.63)
Net loss	$ (3.75)	$ (3.60)	$ (18.96)	$ (9.22)
Diluted loss per common share				
Loss from continuing operations	$ (3.75)	$ (2.29)	$ (18.96)	$ (0.59)
Loss from discontinued operations	—	(1.31)	—	(8.63)
Net loss	$ (3.75)	$ (3.60)	$ (18.96)	$ (9.22)
Weighted average shares – basic	18,319,947	19,025,462	18,290,346	19,014,974
Weighted average shares – diluted	18,319,947	19,025,462	18,290,346	19,014,974

Refer to accompanying Notes to Condensed Consolidated Financial Statements.

CONTURA ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (Unaudited)
(Amounts in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net loss	$ (68,637)	$ (68,532)	$ (346,746)	$ (175,378)
Other comprehensive income (loss), net of tax:				
Employee benefit plans:				
Amortization of and adjustments to employee benefit costs	$ 1,133	$ (86)	$ (9,998)	$ 1,340
Income tax expense	—	22	—	(350)
Total other comprehensive income (loss), net of tax	$ 1,133	$ (64)	$ (9,998)	$ 990
Total comprehensive loss	$ (67,504)	$ (68,596)	$ (356,744)	$ (174,388)

Refer to accompanying Notes to Condensed Consolidated Financial Statements.

CONTURA ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)
(Amounts in thousands, except share and per share data)

	September 30, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	$ 161,434	$ 212,793
Trade accounts receivable, net of allowance for doubtful accounts of $432 and $0 as of September 30, 2020 and December 31, 2019	179,671	244,666
Inventories, net	124,245	162,659
Prepaid expenses and other current assets	120,939	91,361
Total current assets	586,289	711,479
Property, plant, and equipment, net of accumulated depreciation and amortization of $395,397 and $314,276 as of September 30, 2020 and December 31, 2019	401,197	583,262
Owned and leased mineral rights, net of accumulated depletion and amortization of $40,623 and $27,877 as of September 30, 2020 and December 31, 2019	489,631	523,141
Other acquired intangibles, net of accumulated amortization of $38,806 and $32,686 as of September 30, 2020 and December 31, 2019	100,350	125,145
Long-term restricted cash	124,065	122,524
Deferred income taxes	—	33,065
Other non-current assets	221,591	204,207
Total assets	$ 1,923,123	$ 2,302,823
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt	$ 44,864	$ 28,485
Trade accounts payable	75,836	98,746
Acquisition-related obligations – current	18,206	33,639
Accrued expenses and other current liabilities	153,372	154,282
Total current liabilities	292,278	315,152
Long-term debt	552,676	564,481
Acquisition-related obligations - long-term	19,286	46,259
Workers' compensation and black lung obligations	263,517	260,778
Pension obligations	186,089	204,086
Asset retirement obligations	210,998	184,130
Deferred income taxes	368	422
Other non-current liabilities	54,943	31,393
Total liabilities	1,580,155	1,606,701
Commitments and Contingencies (Note 18)		
Stockholders' Equity		
Preferred stock - par value $0.01, 5.0 million shares authorized, none issued	—	—
Common stock - par value $0.01, 50.0 million shares authorized, 20.6 million issued and 18.3 million outstanding at September 30, 2020 and 20.5 million issued and 18.2 million outstanding at December 31, 2019	206	205
Additional paid-in capital	778,728	775,707
Accumulated other comprehensive loss	(68,614)	(58,616)
Treasury stock, at cost: 2.3 million shares at September 30, 2020 and December 31, 2019	(106,976)	(107,984)
Retained (deficit) earnings	(260,376)	86,810
Total stockholders' equity	342,968	696,122
Total liabilities and stockholders' equity	$ 1,923,123	$ 2,302,823

Refer to accompanying Notes to Condensed Consolidated Financial Statements.

CONTURA ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(Amounts in thousands)

	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Operating activities:		
Net loss	$ (346,746)	$ (175,378)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation, depletion and amortization	154,466	330,840
Amortization of acquired intangibles, net	5,180	(4,712)
Accretion of acquisition-related obligations discount	2,882	4,367
Amortization of debt issuance costs and accretion of debt discount	11,087	10,446
Mark-to-market adjustment for acquisition-related obligations	(13,425)	(288)
(Gain) loss on disposal of assets	(2,179)	1,462
Gain on assets acquired in an exchange transaction	—	(9,083)
Loss on modification and extinguishment of debt	—	26,459
Asset impairment and restructuring	221,453	23,020
Accretion on asset retirement obligations	23,806	24,906
Employee benefit plans, net	15,135	14,513
Deferred income taxes	33,011	(22,021)
Stock-based compensation	4,200	7,512
Equity loss in affiliates	3,085	4,804
Other, net	(5,356)	351
Changes in operating assets and liabilities	(33,566)	(99,620)
Net cash provided by operating activities	73,033	137,578
Investing activities:		
Capital expenditures	(118,896)	(144,183)
Proceeds on disposal of assets	3,131	1,170
Purchases of investment securities	(18,618)	(65,193)
Maturity of investment securities	12,678	50,775
Capital contributions to equity affiliates	(3,196)	(7,600)
Other, net	68	(2,548)
Net cash used in investing activities	(124,833)	(167,579)
Financing activities:		
Proceeds from borrowings on debt	57,500	544,946
Principal repayments of debt	(43,364)	(551,405)
Principal repayments of notes payable	(14,951)	(14,054)
Principal repayments of financing lease obligations	(2,291)	(2,960)
Debt issuance costs	—	(6,104)
Common stock repurchases and related expenses	(171)	(35,485)
Other, net	—	952
Net cash used in financing activities	(3,277)	(64,110)
Net decrease in cash and cash equivalents and restricted cash	(55,077)	(94,111)
Cash and cash equivalents and restricted cash at beginning of period	347,680	477,246
Cash and cash equivalents and restricted cash at end of period	$ 292,603	$ 383,135

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the Condensed Consolidated Balance Sheets that sum to the total of the same such amounts shown in the Condensed Consolidated Statements of Cash Flows.

	As of September 30,	
	2020	2019
Cash and cash equivalents	$ 161,434	$ 152,638
Short-term restricted cash (included in prepaid expenses and other current assets)	7,104	21,456
Long-term restricted cash	124,065	209,041
Total cash and cash equivalents and restricted cash shown in the Condensed Consolidated Statements of Cash Flows	$ 292,603	$ 383,135

Refer to accompanying Notes to Condensed Consolidated Financial Statements.

CONTURA ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Unaudited)
(Amounts in thousands)

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Treasury Stock at Cost	Retained (Deficit) Earnings	Total Stockholders' Equity
Balances, December 31, 2018	$ 202	$ 761,301	$ (23,130)	$ (70,362)	$ 403,129	$ 1,071,140
Net income	—	—	—	—	6,815	6,815
Other comprehensive income, net	—	—	177	—	—	177
Stock-based compensation and net issuance of common stock for share vesting	—	6,377	—	—	—	6,377
Exercise of stock options	1	305	—	—	—	306
Common stock repurchases and related expenses	—	—	—	(4,171)	—	(4,171)
Balances, March 31, 2019	$ 203	$ 767,983	$ (22,953)	$ (74,533)	$ 409,944	$ 1,080,644
Net loss	—	—	—	—	(113,661)	(113,661)
Other comprehensive income, net	—	—	877	—	—	877
Stock-based compensation and net issuance of common stock for share vesting	—	(545)	—	—	—	(545)
Exercise of stock options	1	589	—	—	—	590
Common stock repurchases and related expenses	—	—	—	(703)	—	(703)
Warrant exercises	—	19	—	—	—	19
Balances, June 30, 2019	$ 204	$ 768,046	$ (22,076)	$ (75,236)	$ 296,283	$ 967,221
Net loss	—	—	—	—	(68,532)	(68,532)
Other comprehensive loss, net	—	—	(64)	—	—	(64)
Stock-based compensation and net issuance of common stock for share vesting	1	2,738	—	—	—	2,739
Exercise of stock options	—	38	—	—	—	38
Common stock repurchases and related expenses	—	—	—	(32,464)	—	(32,464)
Balances, September 30, 2019	$ 205	$ 770,822	$ (22,140)	$ (107,700)	$ 227,751	$ 868,938
Balances, December 31, 2019	$ 205	$ 775,707	$ (58,616)	$ (107,984)	$ 86,810	$ 696,122
Net loss	—	—	—	—	(39,808)	(39,808)
Credit losses cumulative-effect adjustment	—	—	—	—	(440)	(440)
Other comprehensive loss, net	—	—	(4,010)	—	—	(4,010)
Stock-based compensation and net issuance of common stock for share vesting	—	900	—	—	—	900
Common stock reissuances, repurchases and related expenses	—	—	—	1,071	—	1,071
Balances, March 31, 2020	$ 205	$ 776,607	$ (62,626)	$ (106,913)	$ 46,562	$ 653,835
Net loss	—	—	—	—	(238,301)	(238,301)
Other comprehensive loss, net	—	—	(7,121)	—	—	(7,121)
Stock-based compensation and net issuance of common stock for share vesting	1	1,043	—	—	—	1,044

Common stock repurchases and related expenses	—	—	—	(42)	—	(42)
Balances, June 30, 2020	$ 206	$ 777,650	$ (69,747)	$ (106,955)	$ (191,739)	$ 409,415
Net loss	—	—	—	—	(68,637)	(68,637)
Other comprehensive income, net	—	—	1,133	—	—	1,133
Stock-based compensation and net issuance of common stock for share vesting	—	1,078	—	—	—	1,078
Common stock repurchases and related expenses	—	—	—	(21)	—	(21)
Balances, September 30, 2020	$ 206	$ 778,728	$ (68,614)	$ (106,976)	$ (260,376)	$ 342,968

Refer to accompanying Notes to Condensed Consolidated Financial Statements.

(1) Business and Basis of Presentation

Basis of Presentation

Together, the condensed consolidated statements of operations, comprehensive loss, balance sheets, cash flows and stockholders' equity for the Company are referred to as the "Condensed Consolidated Financial Statements." The Condensed Consolidated Financial Statements are also referenced across periods as "Condensed Consolidated Statements of Operations," "Condensed Consolidated Statements of Comprehensive Loss," "Condensed Consolidated Balance Sheets," "Condensed Consolidated Statements of Cash Flows," and "Condensed Consolidated Statements of Stockholders' Equity."

The Condensed Consolidated Financial Statements include all wholly-owned subsidiaries' results of operations for the three and nine months ended September 30, 2020 and 2019. All significant intercompany transactions have been eliminated in consolidation.

The accompanying interim Condensed Consolidated Financial Statements are unaudited and have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and in accordance with the rules and regulations of the United States Securities and Exchange Commission ("SEC") for Form 10-Q. Such rules and regulations allow the omission of certain information and footnote disclosures normally included in the financial statements prepared in accordance with U.S. GAAP as long as the financial statements are not misleading. In the opinion of management, these interim Condensed Consolidated Financial Statements reflect all normal and recurring adjustments necessary for a fair presentation of the results for the periods presented. Results of operations for the three and nine months ended September 30, 2020 are not necessarily indicative of the results to be expected for the year ending December 31, 2020 or any other period. These interim Condensed Consolidated Financial Statements should be read in conjunction with the Company's Consolidated Financial Statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019.

Liquidity Risks and Uncertainties

Weak market conditions and depressed coal prices have resulted in operating losses. If market conditions do not improve, the Company may experience continued operating losses and cash outflows in the coming quarters, which would adversely affect its liquidity. The Company may need to raise additional funds more quickly if market conditions deteriorate, and may not be able to do so in a timely fashion, or at all. The Company believes it will have sufficient liquidity to meet its working capital requirements, anticipated capital expenditures, debt service requirements, acquisition-related obligations, and reclamation obligations for the 12 months subsequent to the issuance of these financial statements. The Company relies on a number of assumptions in budgeting for future activities. These include the costs for mine development to sustain capacity of its operating mines, cash flows from operations, effects of regulation and taxes by governmental agencies, mining technology improvements and reclamation costs. These assumptions are inherently subject to significant business, political, economic, regulatory, environmental and competitive uncertainties, contingencies and risks, all of which are difficult to predict and many of which are beyond the Company's control. Therefore, the cash on hand and from future operations will be subject to any significant changes in these assumptions.

COVID-19 Pandemic

In the first quarter of 2020, the COVID-19 virus was declared a pandemic by the World Health Organization. The COVID-19 pandemic has had negative impacts on the Company's business, results of operations, financial condition and cash flows. A continued period of reduced demand for the Company's products could have significant adverse consequences. The full extent of the impact of the COVID-19 pandemic on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, its impact on its customers and suppliers and the range of governmental and community reactions to the pandemic, which are still uncertain and cannot be fully predicted at this time.

In response to the COVID-19 pandemic, on March 27, 2020, the "Coronavirus Aid, Relief, and Economic Security Act" ("CARES Act") was enacted into law. As a result, the Company expects accelerated refunds of previously generated alternative minimum tax ("AMT") credits from the Internal Revenue Service ("IRS") as further described in Note 15 and expects to defer 2020 employer payroll taxes incurred after the date of enactment to future years.

CONTURA ENERGY, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited, amounts in thousands except share and per share data)

As further described in Note 11, on March 20, 2020, the Company borrowed funds under a senior secured asset-based revolving credit facility. The funds were borrowed to augment the Company's short-term operational flexibility in the face of uncertainty created by the current spread of the COVID-19 virus and its potential effects.

On April 3, 2020, the Company announced temporary operational changes in response to market conditions, existing coal inventory levels, and customer deferrals due to concern around the global economic impact of the COVID-19 pandemic. Beginning April 3, 2020, the majority of the Company's operations were idled for a period of approximately 30 days, with some sites idling for shorter periods of time and a few continuing to operate at a near-normal rate of production. Location-specific schedules were implemented based on existing customer agreements, current inventory levels, and anticipated customer demand. Certain preparation plants, docks, and loadouts continued to operate to support business needs and customer shipments. As of May 4, 2020, all Company sites were back to nearly normal staffing levels and operating capacity with additional precautions in place to help reduce the risk of exposure to COVID-19. Refer to Note 8 for discussion of certain strategic actions announced during the second quarter of 2020 with respect to two thermal coal mining complexes in an effort to strengthen the Company's financial performance. The Company will continue to evaluate market conditions amid the continuing uncertainty of the COVID-19 pandemic and expects to adjust its operations accordingly.

Recently Adopted Accounting Guidance

Credit Losses: In June 2016, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2016-13, *Credit Losses* ("ASU 2016-13"). ASU 2016-13, along with related amendments and improvements issued in 2018 and 2019, replaces the previous incurred loss impairment methodology in U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable supportable information to inform credit loss estimates for financial instruments that are in the scope of this update, including trade accounts receivable. The Company adopted ASU 2016-13 during the first quarter of 2020. The adoption of this ASU did not have a material impact on the Company's Condensed Consolidated Financial Statements and related disclosures and resulted in a cumulative-effect adjustment to retained earnings of $440 in the Condensed Consolidated Balance Sheet as of January 1, 2020.

Fair Value Measurement: In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820), Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement* ("ASU 2018-13"). The amendments in this update modify the disclosure requirements for fair value measurements. The Company adopted ASU 2018-13 during the first quarter of 2020. The adoption of this ASU did not have a material impact on the Company's Condensed Consolidated Financial Statements and related disclosures.

Income Taxes: In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* ("ASU 2019-12"). The amendments in this update simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify U.S. GAAP for other areas of Topic 740 by clarifying and amending existing guidance. The Company adopted ASU 2019-12 during the first quarter of 2020. The adoption of this ASU did not have a material impact on the Company's Condensed Consolidated Financial Statements and related disclosures.

Reference Rate Reform: In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of Effects of Reference Rate Reform on Financial Reporting* ("ASU 2020-04"). The amendments in this update provide optional expedients and exceptions, if certain criteria are met, for applying U.S. GAAP to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. The expedients and exceptions provided by the amendments do not apply to contract modifications made and hedging relationships entered into or evaluated after December 31, 2022, except for hedging relationships existing as of December 31, 2022, that an entity has elected certain optional expedients for and that are retained through the end of the hedging relationship. The Company adopted ASU 2020-04, with respect to topics in Accounting Standards Codification ("ASC") 310 *Receivables*, ASC 470 *Debt*, ASC 815 *Derivatives and Hedging* and ASC 842 *Leases*, during the first quarter of 2020. The adoption of this ASU did not have a material impact on the Company's Condensed Consolidated Financial Statements and related disclosures.

Recent Accounting Guidance Issued Not Yet Effective

Defined Benefit Plans: In August 2018, the FASB issued ASU 2018-14, *Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20) Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans* ("ASU 2018-14"). The amendments in this update modify the disclosure requirements for employers that sponsor

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defined benefit pension or other postretirement plans. For public business entities, the standard is effective for fiscal years ending after December 15, 2020. The adoption of this ASU is not expected to have a material impact on the Company's Condensed Consolidated Financial Statements and related disclosures.

Convertible Debt and Contracts in Entity's Own Equity: In August 2020, the FASB issued ASU 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)* ("ASU 2020-06"). The amendments in this update simplify the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity, such as the Company's outstanding Series A warrants. For public business entities, the standard is effective for fiscal years ending after December 15, 2021, with early adoption permitted. The adoption of this ASU is not expected to have a material impact on the Company's Condensed Consolidated Financial Statements and related disclosures.

(2) Discontinued Operations

Discontinued operations in the prior period consisted of activity related to the transactions with Blackjewel and ESM stemming from the sale of assets in the Company's former PRB operations.

On May 29, 2020, Contura Coal West, LLC and Contura Wyoming Land, LLC merged with certain subsidiaries of ESM and survived as wholly-owned subsidiaries of ESM. Contura Coal West, LLC holds, and will continue to hold, the mining permits for the Western Mines, which have been under the operational control of ESM since October 2019 pursuant to the ESM Transaction. Pursuant to terms of the transaction, the Company received from ESM approximately $625 in consideration for assets owned by Contura Coal West, LLC but not previously conveyed.

There were no discontinued operations for the three and nine months ended September 30, 2020 and as of September 30, 2020. The major components of net loss from discontinued operations in the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2019 are as follows:

	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2019
Revenues:		
Total revenues [1]	$ 4	$ 152
Costs and expenses:		
Depreciation, depletion and amortization [2]	$ —	$ 145,913
Accretion on asset retirement obligations [3]	$ 4,981	$ 4,981
Asset impairment [4]	$ 694	$ 17,162
Selling, general and administrative expenses	$ 4,666	$ 4,673
Other expenses	$ 1,032	$ 3,964
Other non-major expense (income) items, net	$ 147	$ 432

(1) Total revenues for the three and nine months ended September 30, 2019 consisted entirely of other revenues.
(2) The depreciation, depletion and amortization is related to an increase in the Company's estimate of its asset retirement obligations with respect to the Western Mines as a result of the Blackjewel Chapter 11 bankruptcy filing on July 1, 2019. The Company remeasured its asset retirement obligations based on the expectation that the mining permits would not transfer to Blackjewel and Blackjewel would be unable to perform its contractual obligation to reclaim the properties. The increase in the asset retirement obligation was recorded to expense as the Company no longer owned the underlying mining assets.
(3) The accretion on asset retirement obligations is related to the asset retirement obligation as a result of the Blackjewel bankruptcy filing.
(4) The asset impairment is primarily related to the write-off of a tax receivable. The Company was considered to be the primary obligor for certain taxes that Blackjewel was contractually obligated to pay. During the nine months ended September 30, 2019, the Company recorded an impairment charge for the offsetting receivable from Blackjewel as a result of the Blackjewel bankruptcy filing.

Refer to the Condensed Consolidated Statements of Operations for net loss per share information related to discontinued operations. There were no major components of asset and liabilities that are classified as discontinued operations in the

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Condensed Consolidated Balance Sheet as of December 31, 2019.

The major components of cash flows related to discontinued operations are as follows:

	Three Months Ended September 30, 2019		Nine Months Ended September 30, 2019	
Other significant operating non-cash items related to discontinued operations:				
Depreciation, depletion and amortization	$	—	$	145,913
Accretion on asset retirement obligations	$	4,981	$	4,981
Asset impairment	$	694	$	17,162

(3) Revenue

Disaggregation of Revenue from Contracts with Customers

The following tables disaggregate the Company's coal revenues by product category and by market to depict how the nature, amount, timing, and uncertainty of the Company's coal revenues and cash flows are affected by economic factors:

	Three Months Ended September 30, 2020					
	Met		Thermal		Total	
Export coal revenues	$	202,339	$	6,707	$	209,046
Domestic coal revenues		84,675		106,233		190,908
Total coal revenues	$	287,014	$	112,940	$	399,954

	Three Months Ended September 30, 2019					
	Met		Thermal		Total	
Export coal revenues	$	248,628	$	13,187	$	261,815
Domestic coal revenues		137,146		125,026		262,172
Total coal revenues	$	385,774	$	138,213	$	523,987

	Nine Months Ended September 30, 2020					
	Met		Thermal		Total	
Export coal revenues	$	693,599	$	24,459	$	718,058
Domestic coal revenues		282,266		278,611		560,877
Total coal revenues	$	975,865	$	303,070	$	1,278,935

	Nine Months Ended September 30, 2019					
	Met		Thermal		Total	
Export coal revenues	$	928,390	$	39,569	$	967,959
Domestic coal revenues		429,457		387,359		816,816
Total coal revenues	$	1,357,847	$	426,928	$	1,784,775

Performance Obligations

The following table includes estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied as of September 30, 2020.

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	Remainder of 2020	2021	2022	2023	2024	2025	Total
Estimated coal revenues	$ 138,188	$ 268,185	$ 200,877	$ —	$ —	$ —	$ 607,250

(4) Accumulated Other Comprehensive (Loss) Income

The following tables summarize the changes to accumulated other comprehensive (loss) income during the nine months ended September 30, 2020 and 2019:

	Balance January 1, 2020	Other comprehensive (loss) income before reclassifications	Amounts reclassified from accumulated other comprehensive (loss) income	Balance September 30, 2020
Employee benefit costs	$ (58,616)	$ (14,154)	$ 4,156	$ (68,614)

	Balance January 1, 2019	Other comprehensive (loss) income before reclassifications	Amounts reclassified from accumulated other comprehensive (loss) income	Balance September 30, 2019
Employee benefit costs	$ (23,130)	$ 458	$ 532	$ (22,140)

The following table summarizes the amounts reclassified from accumulated other comprehensive (loss) income and the Condensed Consolidated Statements of Operations line items affected by the reclassification during the three and nine months ended September 30, 2020 and 2019:

Details about accumulated other comprehensive (loss) income components	Amounts reclassified from accumulated other comprehensive (loss) income				Affected line item in the Condensed Consolidated Statements of Operations
	Three Months Ended September 30,		Nine Months Ended September 30,		
	2020	2019	2020	2019	
Employee benefit costs:					
Amortization of actuarial loss [1]	$ 1,101	$ 258	$ 2,829	$ 719	Miscellaneous loss, net
Settlement [1]	32	—	1,327	—	Miscellaneous loss, net
Total before income tax	$ 1,133	$ 258	$ 4,156	$ 719	
Income tax expense	—	(67)	—	(187)	Income tax benefit
Total, net of income tax	$ 1,133	$ 191	$ 4,156	$ 532	

(1) These accumulated other comprehensive (loss) income components are included in the computation of net periodic benefit costs for certain employee benefit plans. Refer to Note 16.

(5) Net (Loss) Income Per Common Share

The number of shares used to calculate basic net (loss) income per common share is based on the weighted average number of the Company's outstanding common shares during the respective period. The number of shares used to calculate diluted net income per common share is based on the number of common shares used to calculate basic net income per common share plus the dilutive effect of stock options and other stock-based instruments held by the Company's employees and directors during the period, and the Company's outstanding Series A warrants. The diluted effect of outstanding stock-based instruments is determined by application of the treasury stock method. The warrants become dilutive for diluted net income per common share calculations when the market price of the Company's common stock exceeds the exercise price. Dilutive securities are not included in the computation of diluted net loss per common share as the impact would be anti-dilutive. Refer to the Condensed Consolidated Statements of Operations for net loss per common share for the three and nine months ended September 30, 2020 and 2019.

For the three months ended September 30, 2020 and 2019, 1,243,866 and 1,136,318 warrants, stock options, and other stock-based instruments, respectively, were excluded from the computation of dilutive net loss per common share because they would have been anti-dilutive. For the nine months ended September 30, 2020 and 2019, 1,380,076 and 556,282 warrants, stock options, and other stock-based instruments, respectively, were excluded from the computation of dilutive net loss per share because they would have been anti-dilutive. When applying the treasury stock method, anti-dilution generally occurs when the exercise prices or unrecognized compensation cost per share are higher than the Company's average stock price during an applicable period.

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Anti-dilution also occurs in periods of a net loss, and the dilutive impact of all share-based compensation awards are excluded. For the three months ended September 30, 2020 and 2019, the weighted average share impact of stock options and other stock-based instruments that were excluded from the calculation of diluted shares due to the Company incurring a net loss for the period were 31,665 and 57,301, respectively. For the nine months ended September 30, 2020 and 2019, the weighted average share impact of warrants, stock options, and other stock-based instruments that were excluded from the calculation of diluted shares due to the Company incurring a net loss for the period were 38,648 and 332,794, respectively.

(6) Inventories, net

Inventories, net consisted of the following:

	September 30, 2020	December 31, 2019
Raw coal	$ 18,248	$ 30,274
Saleable coal	79,194	105,092
Materials, supplies and other, net [1]	26,803	27,293
Total inventories, net	$ 124,245	$ 162,659

[1] Includes an increase in allowance for obsolete material and supplies inventory of $807 recorded as restructuring expense during the three months ended June 30, 2020 (refer to Note 8).

(7) Acquired Intangibles

The Company has recognized assets for acquired above market-priced coal supply agreements and acquired mine permits and liabilities for acquired below market-priced coal supply agreements. The coal supply agreements were valued based on the present value of the difference between the expected net contractual cash flows based on the stated contract terms, and the estimated net contractual cash flows derived from applying forward market prices at the Merger or acquisition date for new contracts of similar terms and conditions. The acquired mine permits were valued based on the replacement cost and lost profits method as of the Merger date. The balances and respective balance sheet classifications of such assets and liabilities as of September 30, 2020 and December 31, 2019, net of accumulated amortization, are set forth in the following tables:

	September 30, 2020		
	Assets [1]	Liabilities [2]	Net Total
Coal supply agreements, net	$ 185	$ (875)	$ (690)
Acquired mine permits, net	100,165	—	100,165
Total	$ 100,350	$ (875)	$ 99,475

	December 31, 2019		
	Assets [1]	Liabilities [2]	Net Total
Coal supply agreements, net	$ 917	$ (6,018)	$ (5,101)
Acquired mine permits, net	124,228	—	124,228
Total	$ 125,145	$ (6,018)	$ 119,127

[1] Included within other acquired intangibles, net of accumulated amortization on the Company's Condensed Consolidated Balance Sheets.
[2] Included within other non-current liabilities on the Company's Condensed Consolidated Balance Sheets.

During the three and six months ended June 30, 2020, the Company recorded a long-lived asset impairment which reduced the carrying value of acquired mine permits, net, by $8,653 and $14,471. Refer to Note 8.

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The acquired mine permits are amortized over the estimated life of the associated mine. The coal supply agreement assets and liabilities are amortized over the actual number of tons shipped over the life of each contract. The following table details the amortization of mine permits acquired as a result of the Merger and the amortization of above-market and below-market coal supply agreements:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Amortization of mine permits [1]	$ 2,944	$ 6,266	$ 9,592	$ 17,871
Amortization of above-market coal supply agreements	$ 145	$ 1,473	$ 732	$ 2,351
Amortization of below-market coal supply agreements	(870)	(5,425)	(5,144)	(24,934)
Net income [1]	$ (725)	$ (3,952)	$ (4,412)	$ (22,583)

[1] Included within amortization of acquired intangibles, net in the Condensed Consolidated Statements of Operations.

(8) Asset Impairment and Restructuring

Strategic Actions

During the second quarter of 2020, as a result of the weakening coal market conditions due in part to the impact of the global COVID-19 pandemic, the Company announced that it would take certain strategic actions with respect to two of its thermal coal mining complexes in an effort to strengthen its financial performance and improve forecasted liquidity. The Company announced that an underground mine and preparation plant located in West Virginia would be idled during the third quarter of 2020. In addition, the Company decided not to move forward with the construction of a new refuse impoundment at its Cumberland mine in Pennsylvania and would therefore no longer spend the significant capital required in connection with the project. As a result, the Cumberland mine is expected to cease production at the end of 2022, and in the meantime, the Company plans to actively market the Cumberland property for sale. During the third quarter of 2020, the Company entered into a collective bargaining agreement with the UMWA representing Cumberland mine employees replacing the prior expired collective bargaining agreement.

Long-lived Asset Impairment

During the three months ended March 31, 2020, due to declines in metallurgical and thermal coal pricing which reduced forecasted margins at certain locations to amounts below those required for full recoverability, the Company determined that indicators of impairment were present for four long-lived asset groups within its CAPP - Met reporting segment and three long-lived asset groups within its CAPP - Thermal reporting segment and performed impairment testing as of February 29, 2020. At February 29, 2020, the Company determined that the carrying amounts of the asset groups exceeded both their undiscounted cash flows and their estimated fair values. The Company estimated the fair value of these asset groups generally using a discounted cash flow analysis utilizing market-participant assumptions. As a result, after allocating the potential impairment to individual assets, the Company recorded a long-lived asset impairment of $33,709, of which $32,951 was recorded within CAPP - Met and $758 was recorded within CAPP - Thermal. The long-lived asset impairment reduced the carrying values of mineral rights by $21,825, property, plant, and equipment, net, by $6,066, and acquired mine permits, net, by $5,818.

In connection with the preparation of the Company's financial statements for the quarter ended June 30, 2020, the Company determined that the strategic actions taken by the Company during the three months ended June 30, 2020, discussed above, shortened the lives of two mining complexes, and that continued weakening in metallurgical and thermal coal pricing had resulted in forecasted margins at certain locations falling below amounts necessary for full recoverability. As a result of these determinations, the Company assessed that indicators of impairment were present for three long-lived asset groups within its CAPP - Met reporting segment and four long-lived asset groups within its CAPP - Thermal reporting segment. The Company therefore performed impairment testing on these assets and determined that, as of May 31, 2020, the carrying amounts of the asset groups exceeded both their undiscounted cash flows and their estimated fair values. The Company estimated the fair value of these asset groups generally using a discounted cash flow analysis utilizing market-participant assumptions. As a result, after allocating the potential impairment to individual assets, the Company recorded a long-lived asset impairment of $161,738, of which $144,348 was recorded within NAPP, $17,385 was recorded within CAPP - Thermal, and $5 recorded in All Other. No long-lived asset impairment was recorded within the CAPP - Met reporting segment as each of the three long-lived asset groups had previously been impaired. The long-lived asset impairment reduced the carrying values of mineral rights by $18,605, property, plant, and equipment, net, by $134,480, and acquired mine permits, net, by $8,653.

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In connection with the preparation of the Company's financial statements for the quarter ended September 30, 2020, the Company determined forecasted margins at certain locations continued to fall below amounts necessary for full recoverability and therefore indicators of impairment were present for three long-lived asset groups within its CAPP - Met reporting segment and four long-lived asset groups within its CAPP - Thermal reporting segment. The Company therefore performed impairment testing on these assets and determined that, as of August 31, 2020, the carrying amounts of the asset groups exceeded both their undiscounted cash flows and their estimated fair values. The Company estimated the fair value of these asset groups generally using a discounted cash flow analysis utilizing market-participant assumptions. As a result, after allocating the potential impairment to individual assets, the Company recorded a long-lived asset impairment of $3,516, of which $3,297 was recorded within NAPP and $219 was recorded within CAPP - Thermal to reduce the carrying value of property, plant, and equipment, net, due to capital spending during the quarter at previously impaired locations requiring the impairment of certain additional assets not considered recoverable. No long-lived asset impairment was recorded within the CAPP - Met reporting segment as each of the three long-lived asset groups had previously been impaired.

During the three and nine months ended September 30, 2019, the Company recorded an asset impairment of $32 and $5,858, respectively, primarily related to the write-off of prepaid purchased coal from Blackjewel as a result of Blackjewel's Chapter 11 bankruptcy filing on July 1, 2019.

Restructuring

As a result of the strategic actions discussed above, the Company recorded restructuring expense during the three and nine months ended September 30, 2020 as follows:

	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2020	Affected line item in the Condensed Consolidated Balance Sheets
Severance and employee-related benefits [1]	$ 55	$ 20,608	Accrued expenses and other current liabilities and Other non-current liabilities
Other costs [2]	—	1,882	Inventories, net and Other non-current assets
Total restructuring expense [3]	$ 55	$ 22,490	

[1] Severance and employee-related benefits were considered probable and estimable based on provisions of contractual agreements and existing employee benefit plans.
[2] The nine months ended September 30, 2020 includes accelerated amortization of deferred longwall move expenses of $668, allowance for advanced mining royalties of $407, and allowance for obsolete materials and supplies inventory of $807.
[3] During the three months ended September 30, 2020, total restructuring expenses of ($484), $89, and $450 were recorded within the reportable segments CAPP - Thermal, NAPP and All Other, respectively. During the nine months ended September 30, 2020, total restructuring expenses of $1,826, $18,221, and $2,443 were recorded within the reportable segments CAPP - Thermal, NAPP and All Other, respectively.

There were no restructuring expenses recorded during the three and nine months ended September 30, 2019.

(9) Leases

Subsequent to the adoption of ASC 842, Leases, the Company recognizes right of use assets and lease liabilities on the balance sheet for all leases with a term longer than 12 months. The discount rates used to determine the present value of the lease assets and liabilities are based on the Company's incremental borrowing rate at the lease commencement date and commensurate with the remaining lease term. As the rates implicit in most of the Company's leases are not readily determinable, the Company uses a collateralized incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future payments. The Company uses the portfolio approach and groups leases by short-term and long-term categories, applying the corresponding incremental borrowing rates to these categories of leases.

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For leases with a term of 12 months or less, no right of use assets or liabilities are recognized on the balance sheet and the Company recognizes the lease expense on a straight-line basis over the lease term. Additionally, the Company recognizes variable lease payments as an expense in the period incurred.

The Company's lease population consists primarily of vehicle and heavy equipment leases and leases for office equipment. The Company's building and land leases relate to corporate office space and certain site offices. The Company determines whether a contract contains a lease based on whether the Company obtains the right to control the use of specifically identifiable property, plant, and equipment for a period of time in exchange for consideration. For the nine months ended September 30, 2020 and 2019, the Company identified no instances requiring significant judgment in determining whether any contracts entered into during the period were or were not leases. Additionally, the Company had no material sublease agreements within the scope of ASC 842 or lease agreements for which the Company was the lessor for the nine months ended September 30, 2020 and 2019.

Renewal options in the Company's lease population primarily relate to month-to-month extensions on vehicle leases and are immaterial both individually and in the aggregate. The Company includes renewal options that are reasonably certain to be exercised in the measurement of lease liabilities. As of September 30, 2020, the Company does not intend to exercise any termination options on existing leases.

As of September 30, 2020 and December 31, 2019, the Company had the following right-of-use assets and lease liabilities within the Company's Condensed Consolidated Balance Sheets:

		September 30, 2020	December 31, 2019
Assets	**Balance Sheet Classification**		
Financing lease assets	Property, plant, and equipment, net	$ 5,921	$ 9,718
Operating lease right-of-use assets	Other non-current assets	6,481	8,678
Total lease assets		$ 12,402	$ 18,396
Liabilities	**Balance Sheet Classification**		
Financing lease liabilities - current	Current portion of long-term debt	$ 3,222	$ 3,275
Operating lease liabilities - current	Accrued expenses and other current liabilities	949	1,813
Financing lease liabilities - long-term	Long-term debt	2,552	4,674
Operating lease liabilities - long-term	Other non-current liabilities	5,532	6,866
Total lease liabilities		$ 12,255	$ 16,628

Total lease costs and other lease information for the three and nine months ended September 30, 2020 and 2019 included the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Lease cost [(1)]				
Finance lease cost:				
Amortization of leased assets	$ 805	$ 1,143	$ 2,546	$ 2,796
Interest on lease liabilities	81	108	277	366
Operating lease cost	509	732	1,603	2,062
Short-term lease cost	380	494	1,255	1,474
Total lease cost	$ 1,775	$ 2,477	$ 5,681	$ 6,698

[(1)] The Company had no variable lease costs or sublease income for the nine months ended September 30, 2020 and 2019.

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	Nine Months Ended September 30,			
		2020		2019
Other information				
Cash paid for amounts included in the measurement of lease liabilities	$	5,426	$	6,862
Operating cash flows from finance leases	$	276	$	366
Operating cash flows from operating leases	$	2,859	$	3,536
Financing cash flows from finance leases	$	2,291	$	2,960
Right-of-use assets obtained in exchange for new finance lease liabilities	$	243	$	1,142
Right-of-use assets obtained in exchange for new operating lease liabilities	$	(12)	$	140
Lease Term and Discount Rate				
Weighted-average remaining lease term in months - finance leases		22.9		32.8
Weighted-average remaining lease term in months - operating leases		95.4		94.6
Weighted-average discount rate - finance leases		6.3 %		5.2 %
Weighted-average discount rate - operating leases		11.4 %		10.9 %

The Company has elected to show net instead of gross amounts for right-of-use assets and liabilities within its Condensed Consolidated Statements of Cash Flows.

The following table summarizes the maturity of the Company's lease liabilities on an undiscounted cash flow basis and a reconciliation to the lease liabilities recognized in the Company's Condensed Consolidated Balance Sheet as of September 30, 2020:

	Finance Leases		Operating Leases	
Lease cost				
Remainder of 2020	$	945	$	489
2021		3,110		1,489
2022		1,854		1,354
2023		272		1,101
2024		6		982
Thereafter		—		4,915
Total future minimum lease payments	$	6,187	$	10,330
Imputed interest		(413)		(3,849)
Present value of future minimum lease payments	$	5,774	$	6,481

As of September 30, 2020, the Company had no leases with future commencement dates that will create significant rights or obligations for the Company.

(10) Stock Repurchases

In May 2019, the Company's Board of Directors adopted a capital return program that permits the Company to return to stockholders up to an aggregate amount of $250,000 of capital. The capital return program does not have a fixed expiration date, and returns of capital may take the form of share repurchases, dividends or a combination thereof. Any share repurchases may be made from time to time through open market transactions, block trades, privately negotiated transactions, tender offers, or otherwise. Any returns of capital under the program will be at the discretion of the Company's Board of Directors and are subject to market and business conditions, levels of available liquidity, the Company's cash needs, restrictions under agreements or obligations, legal or regulatory requirements or restrictions, and other relevant factors.

On August 29, 2019, the Company announced that its Board of Directors had approved a stock repurchase plan (the "Company Repurchase Plan") to acquire up to $100,000 in the aggregate of the Company's common stock at prices as set forth in such plan over a specified period. Through September 30, 2019, the Company had repurchased an aggregate of 529,303 shares of common stock under the Company Repurchase Plan for an aggregate purchase price of $15,969 (comprised of $15,953 of share repurchases and $16 of related fees) for an average price paid per share of $30.17. As of October 1, 2019, the Company suspended the Company Repurchase Plan.

(Unaudited, amounts in thousands except share and per share data)

Additionally, on September 12, 2019, the Company entered into a common stock repurchase agreement with Whitebox Multi-Strategy Partners, L.P., Whitebox Asymmetric Partners, L.P., Whitebox Credit Partners, L.P. and Whitebox Institutional Partners, L.P. (together, “Whitebox”). Pursuant to terms of the common stock repurchase agreement, the Company repurchased an aggregate of 500,000 shares of common stock from Whitebox at $32.99 per share for an aggregate purchase price of $16,495.

(11) Long-Term Debt

Long-term debt consisted of the following:

	September 30, 2020	December 31, 2019
Term Loan Credit Facility - due June 2024	$ 554,778	$ 558,991
ABL Facility - due April 2022	18,350	—
LCC Note Payable	27,500	45,000
LCC Water Treatment Obligation	8,125	9,375
Other [1]	9,145	9,295
Debt discount and issuance costs	(20,358)	(29,695)
Total long-term debt	597,540	592,966
Less current portion	(44,864)	(28,485)
Long-term debt, net of current portion	$ 552,676	$ 564,481

[1] Includes financing leases, refer to Note 9 for additional information.

Term Loan Credit Facility - due June 2024

On June 14, 2019, the Company entered into a Credit Agreement with Cantor Fitzgerald Securities, as administrative agent and collateral agent, and the other lenders party thereto (as defined therein) that provides for a senior secured term loan facility in the aggregate principal amount of $561,800 with a maturity date of June 14, 2024 (the “Term Loan Credit Facility”). Principal repayments equal to approximately $1,405 are due each March, June, September and December (commencing with September 30, 2019) with the final principal repayment installment repaid on the maturity date and in an amount equal to the aggregate principal amount outstanding on such date. The Term Loan Credit Facility bears an interest rate per annum based on the character of the loan (defined as either “Base Rate Loan” or “Eurocurrency Rate Loan”). Each loan type bears interest at a rate per annum comprised of a base rate (as defined) plus an applicable percentage (6.00% for Base Rate Loans and 7.00% for Eurocurrency Rate Loans on or prior to the second anniversary of the Closing Date and 7.00% or 8.00% thereafter (the “Applicable Rate”)). The Eurocurrency base rate is subject to a 2.00% floor. Interest accrued on each Base Rate Loan is payable in arrears on the last business day of each March, June, September and December and the maturity date. Interest accrued on each Eurocurrency Rate Loan is payable in arrears on the last day of each interest period as defined therein. As of September 30, 2020, the borrowings made under the Term Loan Credit Facility were comprised of Eurocurrency Rate Loans with an interest rate of 9.00%, calculated as the Eurocurrency rate during the period plus an applicable rate of 7.00%. As of September 30, 2020, the carrying value of the Term Loan Credit Facility was $540,095, with $5,618 classified as current, within the Condensed Consolidated Balance Sheets. As of December 31, 2019, the carrying value of the term loan credit facility was $538,765, with $5,618 classified as current, within the Condensed Consolidated Balance Sheets.

The Company used the proceeds from the Term Loan Credit Facility to repay the outstanding principal balance of $543,125 under the Amended and Restated Credit Agreement dated November 9, 2018 and fees related to such refinancing. The Company recorded a loss on modification of debt of $255, primarily related to modification fees paid under the refinance, and a loss on extinguishment of debt of $26,204, primarily related to the write-off of outstanding debt discounts and unamortized debt issuance costs under the Amended and Restated Credit Agreement dated November 9, 2018, which are recorded in loss on modification and extinguishment of debt within the Condensed Consolidated Statements of Operations for the nine months ended September 30, 2019.

All obligations under the Term Loan Credit Facility are substantially guaranteed by the Company's existing wholly owned domestic subsidiaries, and are required to be guaranteed by the Company's future wholly owned domestic subsidiaries. Certain obligations under the Term Loan Facility are secured by a senior lien, subject to certain exceptions (including the ABL Priority Collateral described below), by substantially all of the Company's assets and the assets of the Company's subsidiary guarantors ("Term Loan Priority Collateral"), in each case subject to exceptions. The obligations under the Term Loan Credit Facility are also secured by a junior lien, again subject to certain exceptions, against the ABL Priority Collateral. The Term Loan Facility contains negative and affirmative covenants including certain financial covenants that are more flexible than the covenants on the Amended and Restated Credit Agreement dated November 9, 2018. The Company was in compliance with all covenants under this agreement as of September 30, 2020.

Amended and Restated Asset-Based Revolving Credit Agreement

On November 9, 2018, the Company entered into the Amended and Restated Asset-Based Revolving Credit Agreement which includes a senior secured asset-based revolving credit facility (the "ABL Facility"). Under the ABL Facility, the Company may borrow cash from the Lenders (as defined therein) or cause the L/C Issuers (as defined therein) to issue letters of credit, on a revolving basis, in an aggregate amount of up to $225,000, of which no more than $200,000 may be drawn through letters of credit. Any borrowings under the ABL Facility will have a maturity date of April 3, 2022 and will bear interest based on the character of the loan (defined as either "Base Rate Loan" or "Eurocurrency Rate Loan") plus an applicable rate ranging from 1.00% to 1.50% for Base Rate Loans and 2.00% to 2.50% for Eurocurrency Rate Loans, depending on the amount of credit available. Pursuant to terms of the Amended and Restated Asset-Based Revolving Credit Agreement at each notice period, the Company elects the character of the loan, the interest period, and may provide notice of continuation or conversion of the borrowed principal amount with the ability to repay the borrowed principal amount in advance of the maturity date without penalty. On March 20, 2020, the Company borrowed $57,500 principal amount under the ABL Facility. The funds were borrowed to augment the Company's short-term operational flexibility in the face of uncertainty created by the current spread of the COVID-19 virus and its potential effects (see further discussion in Note 1). As of September 30, 2020, the borrowings made under the ABL Facility were comprised of Eurocurrency Rate Loans with an interest rate of 3.71%, calculated as the Eurocurrency rate during the period plus an applicable rate of 2.50%. The interest rate (which is subject to periodic adjustment) declined to 2.73% on October 7, 2020 and is subject to adjustment again on April 7, 2021. As of September 30, 2020, the carrying value of the ABL Facility was $18,350, with $15,000 classified as current (based on amounts repaid in October 2020) and the remainder classified as long-term (based on the maturity of the ABL Facility), within the Condensed Consolidated Balance Sheets. As of December 31, 2019, the Company had no borrowings under the ABL Facility.

Any letters of credit issued under the ABL Facility will bear a commitment fee rate ranging from 0.25% to 0.375% depending on the amount of availability per terms of the agreement, and a fronting fee of 0.25% of the face amount under each letter of credit, payable to the ABL Facility's administrative agent. As of September 30, 2020 and December 31, 2019, the Company had $122,366 and $99,876 letters of credit outstanding under the ABL Facility, respectively.

The Amended and Restated Asset-Based Revolving Credit Agreement, as amended, and related documents contain negative and affirmative covenants including certain financial covenants. The Company is in compliance with all covenants under these agreements as of September 30, 2020.

LCC Note Payable

The Lexington Coal Company ("LCC") Note Payable has no stated interest rate and an imputed interest rate of 12.45%. The carrying value of the LCC Note Payable was $23,638 and $37,695, with $17,500 and $17,500 reported within the current portion of long-term debt as of September 30, 2020 and December 31, 2019, respectively.

LCC Water Treatment Stipulation

The LCC Water Treatment Stipulation has no stated interest rate and an imputed interest rate of 13.12%. The carrying value of the LCC Water Treatment Stipulation was $6,674 and $7,211, with $2,500 and $1,875 reported within the current portion of long-term debt as of September 30, 2020 and December 31, 2019, respectively.

(12) Acquisition-Related Obligations

Acquisition-related obligations consisted of the following:

(Unaudited, amounts in thousands except share and per share data)

	September 30, 2020	December 31, 2019
Contingent Revenue Obligation	$ 24,292	$ 52,427
Environmental Settlement Obligations	11,152	16,305
Reclamation Funding Liability	—	12,000
UMWA Funds Settlement Liability	4,000	4,000
Discount	(1,952)	(4,834)
Total acquisition-related obligations	37,492	79,898
Less current portion	(18,206)	(33,639)
Acquisition-related obligations, net of current portion	$ 19,286	$ 46,259

Contingent Revenue Obligation

As of September 30, 2020 and December 31, 2019 the carrying value of the Contingent Revenue Obligation was $24,292 and $52,427, with $10,511 and $14,646 classified as current, respectively, classified as an acquisition-related obligation in the Condensed Consolidated Balance Sheets. Refer to Note 14 for further disclosures related to the fair value assignment and methods used.

During the second quarter of 2020, the Company paid $15,084, including $374 of unclaimed unsecured claims distributions, pursuant to terms of the Contingent Revenue Obligation.

Environmental Settlement Obligations

As of September 30, 2020 and December 31, 2019, the carrying value of the Environmental Settlement Obligations was $9,674 and $13,594, net of discounts of $1,478 and $2,711, with $5,694 and $6,185 classified as current, respectively, all of which was classified as an acquisition-related obligation in the Condensed Consolidated Balance Sheets.

Reclamation Funding Agreement

As of September 30, 2020, the Company has no remaining payments for the Funding of Restricted Cash Reclamation liability. As of December 31, 2019, the carrying value of the Funding of Restricted Cash Reclamation liability was $10,808, net of discounts of $1,192, all of which was classified as a current acquisition-related obligation in the Condensed Consolidated Balance Sheets.

(13) Asset Retirement Obligations

The following table summarizes the changes in asset retirement obligations for the nine months ended September 30, 2020:

Total asset retirement obligations at December 31, 2019	$ 224,704
Accretion for the period	23,806
Sites added during the period	621
Revisions in estimated cash flows (1)	13,244
Expenditures for the period	(16,532)
Total asset retirement obligations at September 30, 2020	245,843
Less current portion (2)	(34,845)
Long-term portion	$ 210,998

(1) The revisions in estimated cash flows resulted from changes in mine plans primarily associated with the strategic actions impacting certain mines during the three months ended June 30, 2020 of which approximately $3,100 was recorded to depreciation, depletion and amortization. Refer to Note 8.
(2) Included within accrued expenses and other current liabilities on the Company’s Condensed Consolidated Balance Sheets.

(14) Fair Value of Financial Instruments and Fair Value Measurements

(Unaudited, amounts in thousands except share and per share data)

The estimated fair values of financial instruments are determined based on relevant market information. These estimates involve uncertainty and cannot be determined with precision.

The carrying amounts for cash and cash equivalents, trade accounts receivable, net, prepaid expenses and other current assets, short-term and long-term restricted cash, short-term and long-term deposits, trade accounts payable, and accrued expenses and other current liabilities approximate fair value as of September 30, 2020 and December 31, 2019 due to the short maturity of these instruments.

The following tables set forth by level, within the fair value hierarchy, the Company's long-term debt at fair value as of September 30, 2020 and December 31, 2019:

	September 30, 2020				
	Carrying Amount [1]	Total Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Term Loan Credit Facility - due June 2024	$ 540,095	$ 368,095	$ —	$ 368,095	$ —
ABL Facility - due April 2022	18,350	18,113	—	—	18,113
LCC Note Payable	23,638	18,557	—	—	18,557
LCC Water Treatment Obligation	6,674	5,099	—	—	5,099
Total long-term debt	$ 588,757	$ 409,864	$ —	$ 368,095	$ 41,769

	December 31, 2019				
	Carrying Amount [1]	Total Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Term Loan Credit Facility - due June 2024	$ 538,765	$ 461,402	$ 461,402	$ —	$ —
LCC Note Payable	37,695	33,884	—	—	33,884
LCC Water Treatment Obligation	7,211	6,280	—	—	6,280
Total long-term debt	$ 583,671	$ 501,566	$ 461,402	$ —	$ 40,164

[1] Net of debt discounts and debt issuance costs.

The following tables set forth by level, within the fair value hierarchy, the Company's acquisition-related obligations at fair value as of September 30, 2020 and December 31, 2019:

	September 30, 2020				
	Carrying Amount [1]	Total Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
UMWA Funds Settlement Liability	$ 3,526	$ 3,135	$ —	$ —	$ 3,135
Environmental Settlement Obligations	9,674	7,810	—	—	7,810
Total acquisition-related obligations	$ 13,200	$ 10,945	$ —	$ —	$ 10,945

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	December 31, 2019				
	Carrying Amount [1]	Total Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
UMWA Funds Settlement Liability	$ 3,069	$ 2,929	$ —	$ —	$ 2,929
Reclamation Funding Liability	10,808	10,658	—	—	10,658
Environmental Settlement Obligations	13,594	12,197	—	—	12,197
Total acquisition-related obligations	$ 27,471	$ 25,784	$ —	$ —	$ 25,784

(1) Net of discounts.

The following table sets forth by level, within the fair value hierarchy, the Company's financial and non-financial assets and liabilities that were accounted for at fair value on a recurring basis as of September 30, 2020 and December 31, 2019. Financial and non-financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the determination of fair value for assets and liabilities and their placement within the fair value hierarchy levels.

	September 30, 2020			
	Total Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Contingent Revenue Obligation	$ 24,292	$ —	$ —	$ 24,292
Trading securities	$ 26,015	$ 20,087	$ 5,928	$ —

	December 31, 2019			
	Total Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Contingent Revenue Obligation	$ 52,427	$ —	$ —	$ 52,427
Trading securities	$ 13,508	$ 5,506	$ 8,002	$ —

The following tables are a reconciliation of the financial and non-financial assets and liabilities that were accounted for at fair value on a recurring basis and that were categorized within Level 3 of the fair value hierarchy:

	December 31, 2019	Payments	Loss (Gain) Recognized in Earnings [1]	Transfer In (Out) of Level 3 Fair Value Hierarchy	September 30, 2020
Contingent Revenue Obligation	$ 52,427	$ (14,710)	$ (13,425)	$ —	$ 24,292

(1) The gain recognized in earnings resulted primarily from a change in the forecasted future revenue associated with this obligation and an increase in annualized volatility as of September 30, 2020.

	December 31, 2018	Payments	Measurement Period Adjustments	Loss (Gain) Recognized in Earnings	Transfer In (Out) of Level 3 Fair Value Hierarchy	September 30, 2019
Contingent Revenue Obligation	$ 59,880	$ (9,627)	$ 5,738	$ (288)	$ —	$ 55,703

The following methods and assumptions were used to estimate the fair values of the assets and liabilities in the tables above:

Level 1 Fair Value Measurements

Term Loan Credit Facility - due June 2024 - As of December 31, 2019, the fair value is based on observable market data.

(Unaudited, amounts in thousands except share and per share data)

Trading Securities - Includes money market funds and other cash equivalents. The fair value is based on observable market data.

Level 2 Fair Value Measurements

Term Loan Credit Facility - due June 2024 - As of September 30, 2020, the fair value is based on the average between bid and ask prices provided by a third-party. As the fair value is based on observable market inputs, the Company has classified the fair value within Level 2 of the fair value hierarchy. Due to limited trading volume in the Term Loan Credit Facility, the Company reclassified the fair value from Level 1 within the fair value hierarchy during the three months ending September 30, 2020.

Trading Securities - Includes certificates of deposit, mutual funds, corporate debt securities and U.S. treasury and agency securities. The fair values of the Company's trading securities are obtained from a third-party pricing service provider. The fair values provided by the pricing service provider are based on observable market inputs including credit spreads and broker-dealer quotes, among other inputs. The Company classifies the prices obtained from the pricing services within Level 2 of the fair value hierarchy because the underlying inputs are directly observable from active markets. However, the pricing models used entail a certain amount of subjectivity and therefore differing judgments in how the underlying inputs are modeled could result in different estimates of fair value.

Level 3 Fair Value Measurements

ABL Facility - due April 2022 - Observable transactions are not available to aid in determining the fair value of this item. Therefore, the fair value was derived by using the expected present value approach in which estimated cash flows are discounted using a risk-free interest rate adjusted for credit risk (discount rate of approximately 10%) as of September 30, 2020.

LCC Note Payable, LCC Water Treatment Obligation, UMWA Funds Settlement Liability, Environmental Settlement Obligations and Reclamation Funding Liability - Observable transactions are not available to aid in determining the fair value of these items. Therefore, the fair value was derived by using the expected present value approach in which estimated cash flows are discounted using a risk-free interest rate adjusted for credit risk (discount rates of approximately 35% and 21% as of September 30, 2020 and December 31, 2019, respectively).

Contingent Revenue Obligation - The fair value of the contingent revenue obligation was estimated using a Black-Scholes pricing model and is marked to market at each reporting period with changes in value reflected in earnings. The inputs included in the Black-Scholes pricing model are the Company's forecasted future revenue, the stated royalty rate, the remaining periods in the obligation; annual risk-free interest rate based on the U.S. Constant Maturity Treasury Curve and annualized volatility. The annualized volatility was calculated by observing volatilities for comparable companies with adjustments for the Company's size and leverage. The range of significant unobservable inputs used to value the contingent revenue obligation as of September 30, 2020 and December 31, 2019, are set forth in the following table:

	September 30, 2020	December 31, 2019
Forecasted future revenue	\$0.8 - \$0.9 billion	\$1.1 - \$1.2 billion
Stated royalty rate	1.0% - 1.5%	1.0% - 1.5%
Annualized volatility	10.6% - 32.1% (26.8%)	9.4% - 28.1% (19.9%)

(15) Income Taxes

For the nine months ended September 30, 2020, the Company recorded income tax benefit of \$2,200 on a loss from continuing operations before income taxes of \$348,946. The income tax benefit differs from the expected statutory amount primarily due to the increase in the valuation allowance, partially offset by the permanent impact of percentage depletion deductions, the impact of state income taxes, net of federal tax impact, and the recording of a discrete tax benefit related to the refundability of previously sequestered AMT Credits. The discrete income tax benefit of the previously sequestered AMT Credits is \$2,123 and was recorded during the three months ended March 31, 2020. As of September 30, 2020, the Company anticipates that no current federal income tax liability will be generated in 2020. For the nine months ended September 30, 2019, the Company recorded income tax benefit of \$8,880 on a loss from continuing operations before income taxes of

(Unaudited, amounts in thousands except share and per share data)

$20,151. The income tax benefit differs from the expected statutory amount primarily due to the permanent impact of percentage depletion and stock-based compensation deductions, partially offset by an increase in the valuation allowance.

During the nine months ended September 30, 2020, the Company recorded an increase of $92,804 to its deferred tax asset valuation allowance. The increase in the valuation allowance results from an increase in deferred tax assets for which the Company is unable to support realization. The Company currently is relying primarily on the reversal of taxable temporary differences, along with consideration of taxable income via carryback to prior years and tax planning strategies, to support the realization of deferred tax assets. For each reporting period, the Company updates its assessment regarding the realizability of its deferred tax assets, including scheduling the reversal of its deferred tax assets and liabilities, to determine the amount of valuation allowance needed. Scheduling the reversal of deferred tax asset and liability balances requires judgment and estimation. The Company believes the deferred tax liabilities relied upon as future taxable income in its assessment will reverse in the same period and jurisdiction and are of the same character as the temporary differences giving rise to the deferred tax assets that will be realized. The valuation allowance recorded represents the portion of deferred tax assets for which the Company is unable to support realization through the methods described above.

On March 27, 2020, the CARES Act was enacted into law. As a result of the CARES Act, the Company expects that AMT Credits of $68,252 will be fully refunded during the year ended December 31, 2020. As of September 30, 2020 and December 31, 2019, the Company classified the current portion of AMT Credit refunds receivable of $66,129 and $33,065, respectively, within prepaid expenses and other current assets on the Company's Condensed Consolidated Balance Sheets.

During the three months ended September 30, 2020, the Company recorded a decrease in unrecognized tax benefits of approximately $23,800, as a result of the issuance of final regulatory guidance from the IRS. The decrease in unrecognized tax benefits did not result in an amount of cash paid for income taxes and did not impact the Company's effective tax rate for the three and nine months ended September 30, 2020.

The IRS initiated a corporate income tax audit during the third quarter of 2020 for the Company's 2016 tax year and related net operating loss carryback.

(16) Employee Benefit Plans

The Company provides several types of benefits for its employees, including defined benefit and defined contribution pension plans, workers' compensation and black lung benefits, and postemployment life insurance. The Company does not participate in any multiemployer plans. The components of net periodic (benefit) expense other than the service cost component for pension, black lung, and life insurance benefits are included in the line item miscellaneous loss, net in the Condensed Consolidated Statements of Operations.

Pension

Effective as of the September 30, 2019 adjusted funding target attainment percentage certification date under Section 436 of the Internal Revenue Code, certain lump sum benefit restrictions were lifted for one of the qualified non-contributory defined benefit pension plans, allowing certain eligible participants the option to elect to receive lump sum benefits which resulted in a partial plan settlement and the accelerated recognition of a portion of the accumulated other comprehensive loss during the nine months ended September 30, 2020. Refer to the table below for further information on the partial plan settlement.

The following table details the components of the net periodic benefit for pension obligations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Interest cost	$ 4,670	$ 6,636	$ 14,061	$ 19,929
Expected return on plan assets	(6,752)	(7,011)	(20,312)	(21,032)
Amortization of net actuarial loss	511	199	1,501	597
Settlement	—	—	1,230	—
Net periodic benefit	$ (1,571)	$ (176)	$ (3,520)	$ (506)

(Unaudited, amounts in thousands except share and per share data)

Assets of the three qualified non-contributory defined pension plans (“Pension Plans”) are held in trusts and are invested in accordance with investment guidelines that have been established by the Company’s Benefits Committee in consultation with outside investment advisors. In September 2020, the target allocation was adjusted by the Company’s Benefits Committee to transition to 60.0% equity securities and 40.0% fixed income funds in approximate 2.0% increments over a 10 month period. The asset allocation targets have been set with the expectation that the Pension Plans’ assets will fund the expected liabilities within an appropriate level of risk. In determining the appropriate target asset allocations, the Benefits Committee considers the demographics of the Pension Plans’ participants, the funding status of each plan, the Company’s contribution philosophy, the Company’s business and financial profile, and other associated risk factors.

Black Lung

The following table details the components of the net periodic expense for black lung obligations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Service cost	$ 598	$ 751	$ 1,762	$ 1,558
Interest cost	747	1,567	2,493	3,386
Expected return on plan assets	(14)	(17)	(40)	(49)
Amortization of net actuarial loss	596	72	1,346	162
Net periodic expense	$ 1,927	$ 2,373	$ 5,561	$ 5,057

As a result of the strategic actions impacting certain mines during the three months ended June 30, 2020 (refer to Note 8), black lung obligations were revalued for curtailment and remeasured with an updated discount rate as of May 31, 2020, which resulted in an increase in the liability for black lung obligations of approximately $7,400 with the offset to accumulated other comprehensive loss and a slight increase in net periodic expense to be recognized subsequent to the remeasurement date.

Life Insurance Benefits

The following table details the components of the net periodic expense for life insurance benefit obligations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Interest cost	$ 84	$ 106	$ 253	$ 318
Amortization of net actuarial gain	(12)	(26)	(36)	(78)
Net periodic expense	$ 72	$ 80	$ 217	$ 240

Defined Contribution and Profit Sharing Plans

The Company sponsors defined contribution plans to assist its eligible employees in providing for retirement. Generally, under the terms of these plans, employees make voluntary contributions through payroll deductions and the Company makes matching and/or discretionary contributions, as defined by each plan. The Company’s total contributions to these plans for the three months ended September 30, 2020 and 2019 was $628 and $4,158, respectively. The Company’s total contributions to these plans for the nine months ended September 30, 2020 and 2019 was $6,520 and $23,461, respectively.

During the second quarter of 2020, the Company’s matching contributions under the Contura Energy 401(k) Retirement Savings Plan were suspended due to current market conditions.

Self-Insured Medical Plan

The Company is self-insured for health insurance coverage for all of its active employees. Estimated liabilities for health and medical claims are recorded based on the Company's historical experience and include a component for incurred but not paid claims. During the three months ended September 30, 2020 and 2019, the Company incurred total expenses of $17,327 and $20,976, respectively, which primarily includes claims processed and an estimate for claims incurred but not paid. During the nine months ended September 30, 2020 and 2019, the Company incurred total expenses of $48,430 and $58,873, respectively, which primarily includes claims processed and an estimate for claims incurred but not paid.

(17) Related Party Transactions

There were no material related party transactions for the nine months ended September 30, 2020.

On June 14, 2019 the Company entered into a Credit Agreement which provides for the Term Loan Credit Facility as provided by a group of existing shareholders as of the agreement date. Refer to Note 11 for additional disclosures.

On July 19, 2019, in association with the Blackjewel Chapter 11 bankruptcy filing, the U.S. Bankruptcy Court approved debtor-in-possession ("DIP") financing of $2,900 with DIP lenders, Highbridge Capital Management, LLC and Whitebox Advisors LLC, shareholders of the Company. The Company entered into an arrangement on July 19, 2019 to purchase the obligations under the DIP financing at the request of the lenders thereunder pursuant to certain terms and conditions.

On September 12, 2019, the Company entered into a common stock repurchase agreement with Whitebox, shareholders of the Company. Refer to Note 10 for additional disclosures.

There were no other material related party transactions for the nine months ended September 30, 2019.

(18) Commitments and Contingencies

(a) General

Estimated losses from loss contingencies are accrued by a charge to income when information available indicates that it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated.

If a loss contingency is not probable or reasonably estimable, disclosure of the loss contingency is made in the Condensed Consolidated Financial Statements when it is at least reasonably possible that a loss may be incurred and that the loss could be material.

(b) Commitments and Contingencies

Commitments

The Company leases coal mining and other equipment under long-term financing and operating leases with varying terms. Refer to Note 9 for further information on leases. In addition, the Company leases mineral interests and surface rights from land owners under various terms and royalty rates.

Coal royalty expense was $16,176 and $21,868 for the three months ended September 30, 2020 and 2019, respectively. Coal royalty expense was $52,092 and $73,119 for the nine months ended September 30, 2020 and 2019, respectively.

Minimum royalty obligations under coal leases total $1,784, $15,974, $14,081, $13,064, $11,110, and $46,724 for the remainder of 2020, 2021, 2022, 2023, 2024, and after 2024, respectively.

Other Commitments

The Company has obligations under certain coal purchase agreements that contain minimum quantities to be purchased in the remainder of 2020 totaling an estimated $15,670. The Company has obligations under certain coal transportation agreements that contain minimum quantities to be shipped in 2021 totaling $8,793. The Company also has obligations under certain equipment purchase agreements that contain minimum quantities to be purchased in the remainder of 2020, 2021, and 2024 totaling $9,931, $8,968, and $1,157, respectively.

Contingencies

Extensive regulation of the impacts of mining on the environment and of maintaining workplace safety has had, and is expected to continue to have, a significant effect on the Company's costs of production and results of operations. Further regulations, legislation or litigation in these areas may also cause the Company's sales or profitability to decline by increasing costs or by hindering the Company's ability to continue mining at existing operations or to permit new operations.

During the normal course of business, contract-related matters arise between the Company and its customers. When a loss related to such matters is considered probable and can reasonably be estimated, the Company records a liability.

Future Federal Income Tax Refunds

As of September 30, 2020, the Company has recorded $66,129 of federal income tax receivable related to AMT Credits. In addition, the Company has recorded a non-current federal income tax receivable of $64,160 and associated interest receivable of $5,126 related to an NOL carryback claim. Because the federal government was a creditor in the Alpha Natural Resources, Inc. ("Predecessor Alpha") bankruptcy proceedings, it is possible that the federal government could withhold some or all of the tax refund attributable to the NOL carryback claim and the refundable AMT Credits and assert a right to set off the tax refund, refundable credits, and associated interest receivable against its prepetition bankruptcy claims.

(c) Guarantees and Financial Instruments with Off-Balance Sheet Risk

In the normal course of business, the Company is a party to certain guarantees and financial instruments with off-balance sheet risk, such as bank letters of credit, performance or surety bonds, and other guarantees and indemnities related to the obligations of affiliated entities which are not reflected in the Company's Condensed Consolidated Balance Sheets. However, the underlying liabilities that they secure, such as asset retirement obligations, workers' compensation liabilities, and royalty obligations, are reflected in the Company's Condensed Consolidated Balance Sheets.

The Company is required to provide financial assurance in order to perform the post-mining reclamation required by its mining permits, pay workers' compensation claims under workers' compensation laws in various states, pay federal black lung benefits, and perform certain other obligations. In order to provide the required financial assurance, the Company generally uses surety bonds for post-mining reclamation and workers' compensation obligations. The Company can also use bank letters of credit to collateralize certain obligations.

As of September 30, 2020, the Company had outstanding surety bonds with a total face amount of $349,772 to secure various obligations and commitments. To secure the Company's reclamation-related obligations, the Company currently has $113,470 of collateral supporting these obligations.

The Company meets frequently with its surety providers and has discussions with certain providers regarding the extent of and the terms of their participation in the program. These discussions may cause the Company to shift surety bonds between providers or to alter the terms of their participation in our program. To the extent that surety bonds become unavailable or the Company's surety bond providers require additional collateral, the Company would seek to secure its obligations with letters of credit, cash deposits or other suitable forms of collateral. The Company's failure to maintain, or inability to acquire, surety bonds or to provide a suitable alternative would have a material adverse effect on its liquidity. These failures could result from a variety of factors including lack of availability, higher cost or unfavorable market terms of new surety bonds, and the exercise by third-party surety bond issuers of their right to refuse to renew the surety.

Amounts included in restricted cash represent cash deposits primarily invested in interest bearing accounts that are restricted as to withdrawal as required by certain agreements entered into by the Company and provide collateral for securing the following obligations which have been written on the Company's behalf:

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	September 30, 2020	December 31, 2019
Workers' compensation	$ 39,141	$ 38,944
Black lung	12,770	12,706
Reclamation-related obligations	69,148	67,868
Financial guarantees and other	3,006	3,006
Contingent revenue obligation escrow	7,104	12,363
Total restricted cash	131,169	134,887
Less current portion [1]	(7,104)	(12,363)
Restricted cash, net of current portion	$ 124,065	$ 122,524

[1] Included within prepaid expenses and other current assets on the Company's Condensed Consolidated Balance Sheets.

Amounts included in restricted investments consist of certificates of deposit, mutual funds, and U.S. treasury bills that are restricted as to withdrawal as required by certain agreements entered into by the Company and provide collateral for securing the following obligations which have been written on the Company's behalf:

	September 30, 2020	December 31, 2019
Workers' compensation	$ 3,131	$ 3,100
Reclamation-related obligations	24,662	18,786
Total restricted investments [1], [2]	$ 27,793	$ 21,886

[1] Included within other non-current assets on the Company's Condensed Consolidated Balance Sheets.
[2] As of September 30, 2020 and December 31, 2019, respectively, $26,015 and $13,508 are classified as trading securities and $1,778 and $8,378 are classified as held-to-maturity securities.

Deposits represent cash deposits held at third parties as required by certain agreements entered into by the Company to provide cash collateral to secure the following obligations which have been written on the Company's behalf:

	September 30, 2020	December 31, 2019
Reclamation-related obligations	$ 19,660	$ 8,887
Other operating agreements	1,419	1,836
Total deposits [1]	$ 21,079	$ 10,723

[1] Included within prepaid expenses and other current assets and other non-current assets on the Company's Condensed Consolidated Balance Sheets.

Letters of Credit

As of September 30, 2020, the Company had $122,366 letters of credit outstanding under the Amended and Restated Asset-Based Revolving Credit Agreement. Additionally, as of September 30, 2020, the Company had $14,242 letters of credit outstanding under the Amended and Restated Letter of Credit Agreement dated November 9, 2018 between ANR, Inc. and Citibank, N.A. and $613 letters of credit outstanding under the Credit and Security Agreement dated June 30, 2017, and related amendments, between ANR, Inc. and First Tennessee Bank National Association.

DCMWC Reauthorization Process

In July 2019, the U.S. Department of Labor (Division of Coal Mine Workers' Compensation or "DCMWC") began implementing a new authorization process for all self-insured coal mine operators. As requested by the DCMWC, the Company filed an application and supporting documentation for reauthorization to self-insure certain of its black lung obligations in October 2019. As a result of this application, the DCMWC notified the Company in a letter dated February 21, 2020 that the Company was reauthorized to self-insure certain of its black lung obligations for a period of one-year from February 21, 2020. The DCMWC reauthorization is contingent, however, upon the Company's providing collateral of $65,700 to secure certain of its black lung obligations. This proposed collateral requirement is an increase from the approximate $2,600 in collateral that the Company currently provides to secure these self-insured black lung obligations. The reauthorization process provided the Company with the right to appeal the security determination in writing within 30 days of the date of the notification, which appeal period the DCMWC agreed to extend to May 22, 2020. The Company exercised this right of appeal in connection with the substantial increase in the amount of required collateral. If the Company's appeal is unsuccessful, the Company may be required to provide additional letters of credit to receive the self-insurance reauthorization from the DCMWC or alternatively insure these black lung obligations through a third party provider that would likely also require the Company to provide collateral. Either of these outcomes could potentially reduce the Company's liquidity.

(Unaudited, amounts in thousands except share and per share data)

(d) Legal Proceedings

The Company is party to legal proceedings from time to time. These proceedings, as well as governmental examinations, could involve various business units and a variety of claims including, but not limited to, contract disputes, personal injury claims, property damage claims (including those resulting from blasting, trucking and flooding), environmental and safety issues, securities-related matters and employment matters. While some legal matters may specify the damages claimed by the plaintiffs, many seek an unquantified amount of damages. Even when the amount of damages claimed against the Company or its subsidiaries is stated, (i) the claimed amount may be exaggerated or unsupported; (ii) the claim may be based on a novel legal theory or involve a large number of parties; (iii) there may be uncertainty as to the likelihood of a class being certified or the ultimate size of the class; (iv) there may be uncertainty as to the outcome of pending appeals or motions; and/or (v) there may be significant factual issues to be resolved. As a result, if such legal matters arise in the future, the Company may be unable to estimate a range of possible loss for matters that have not yet progressed sufficiently through discovery and development of important factual information and legal issues. The Company records accruals based on an estimate of the ultimate outcome of these matters, but these estimates can be difficult to determine and involve significant judgment.

(19) Segment Information

The Company extracts, processes and markets met and thermal coal from surface and deep mines for sale to steel and coke producers, industrial customers, and electric utilities. The Company conducts mining operations only in the United States with mines in Central and Northern Appalachia. The Company has three reportable segments: CAPP - Met, CAPP - Thermal, and NAPP. CAPP - Met consists of four active mines and two preparation plants in Virginia, seventeen active mines and five preparation plants in West Virginia, as well as expenses associated with certain idled/closed mines. CAPP - Thermal consists of one active mine and one preparation plant in West Virginia, as well as expenses associated with certain idled/closed mines. NAPP consists of one active mine in Pennsylvania and one preparation plant, as well as expenses associated with one closed mine.

In addition to the three reportable segments, the All Other category includes general corporate overhead and corporate assets and liabilities and the elimination of certain intercompany activity.

The operating results of these reportable segments are regularly reviewed by the CODM, who is the Chief Executive Officer of the Company.

Segment operating results and capital expenditures for the three months ended September 30, 2020 were as follows:

	Three Months Ended September 30, 2020				
	CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Total revenues	$ 295,381	$ 39,835	$ 65,100	$ 375	$ 400,691
Depreciation, depletion, and amortization	$ 41,177	$ 7,313	$ 1,504	$ 745	$ 50,739
Amortization of acquired intangibles, net	$ 2,535	$ (486)	$ 145	$ 25	$ 2,219
Adjusted EBITDA	$ 17,847	$ 5,155	$ 7,250	$ (10,565)	$ 19,687
Capital expenditures	$ 22,668	$ 765	$ 4,299	$ 74	$ 27,806

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Segment operating results and capital expenditures for the three months ended September 30, 2019 were as follows:

	Three Months Ended September 30, 2019				
	CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Total revenues	$ 373,356	$ 80,432	$ 71,446	$ 630	$ 525,864
Depreciation, depletion, and amortization	$ 38,212	$ 13,972	$ 6,241	$ 2,417	$ 60,842
Amortization of acquired intangibles, net	$ 4,765	$ (3,359)	$ 908	$ —	$ 2,314
Adjusted EBITDA	$ 58,796	$ 1,954	$ (4,152)	$ (16,575)	$ 40,023
Capital expenditures	$ 47,316	$ 5,706	$ 7,114	$ 165	$ 60,301

Segment operating results and capital expenditures for the nine months ended September 30, 2020 were as follows:

	Nine Months Ended September 30, 2020				
	CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Total revenues	$ 974,674	$ 115,416	$ 190,643	$ 2,256	$ 1,282,989
Depreciation, depletion, and amortization	$ 121,699	$ 19,422	$ 10,525	$ 2,820	$ 154,466
Amortization of acquired intangibles, net	$ 7,875	$ (3,484)	$ 714	$ 75	$ 5,180
Adjusted EBITDA	$ 104,668	$ 5,459	$ 20,645	$ (33,942)	$ 96,830
Capital expenditures	$ 83,449	$ 6,349	$ 28,468	$ 630	$ 118,896

Segment operating results and capital expenditures for the nine months ended September 30, 2019 were as follows:

	Nine Months Ended September 30, 2019				
	CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Total revenues	$ 1,340,684	$ 225,698	$ 222,750	$ 2,052	$ 1,791,184
Depreciation, depletion, and amortization	$ 113,714	$ 44,586	$ 19,390	$ 7,237	$ 184,927
Amortization of acquired intangibles, net	$ 5,816	$ (12,142)	$ 1,614	$ —	$ (4,712)
Adjusted EBITDA	$ 283,483	$ 8,704	$ 21,900	$ (49,930)	$ 264,157
Capital expenditures	$ 105,008	$ 13,365	$ 23,317	$ 2,493	$ 144,183

The following table presents a reconciliation of net income (loss) to Adjusted EBITDA for the three months ended September 30, 2020:

	Three Months Ended September 30, 2020				
	CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Net (loss) income from continuing operations	$ (29,545)	$ (3,815)	$ 149	$ (35,426)	$ (68,637)
Interest expense	(189)	2	(357)	18,933	18,389
Interest income	(3)	—	(1)	(374)	(378)
Income tax benefit	—	—	—	(45)	(45)
Depreciation, depletion and amortization	41,177	7,313	1,504	745	50,739
Non-cash stock compensation expense	105	—	—	973	1,078
Mark-to-market adjustment - acquisition-related obligations	—	—	—	3,624	3,624
Accretion on asset retirement obligations	3,767	2,406	2,424	530	9,127
Asset impairment and restructuring (1)	—	(265)	3,386	450	3,571
Amortization of acquired intangibles, net	2,535	(486)	145	25	2,219
Adjusted EBITDA	$ 17,847	$ 5,155	$ 7,250	$ (10,565)	$ 19,687

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(1) Asset impairment and restructuring for the three months ended September 30, 2020 includes long-lived asset impairments of $3,516 as a result of capital spending during the quarter at previously impaired locations requiring the impairment of certain additional assets not considered recoverable and restructuring expense of $55 as a result of the strategic actions with respect to two thermal coal mining complexes announced during the second quarter of 2020. Refer to Note 8 for further information.

The following table presents a reconciliation of net income (loss) to Adjusted EBITDA for the three months ended September 30, 2019:

	Three Months Ended September 30, 2019				
	CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Net income (loss) from continuing operations	$ 13,033	$ (11,338)	$ (12,304)	$ (32,952)	$ (43,561)
Interest expense	84	6	1	18,756	18,847
Interest income	(4)	—	(15)	(1,744)	(1,763)
Income tax benefit	—	—	—	(3,102)	(3,102)
Depreciation, depletion and amortization	38,212	13,972	6,241	2,417	60,842
Merger-related costs	—	—	—	68	68
Non-cash stock compensation expense	348	3	—	2,387	2,738
Mark-to-market adjustment - acquisition-related obligations	—	—	—	(3,238)	(3,238)
Accretion on asset retirement obligations	2,326	2,670	1,017	833	6,846
Asset impairment	32	—	—	—	32
Amortization of acquired intangibles, net	4,765	(3,359)	908	—	2,314
Adjusted EBITDA	$ 58,796	$ 1,954	$ (4,152)	$ (16,575)	$ 40,023

The following table presents a reconciliation of net income (loss) to Adjusted EBITDA for the nine months ended September 30, 2020:

	Nine Months Ended September 30, 2020				
	CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Net loss from continuing operations	$ (67,996)	$ (37,711)	$ (158,983)	$ (82,056)	$ (346,746)
Interest expense	(1,495)	6	(1,431)	57,728	54,808
Interest income	(63)	—	(15)	(6,811)	(6,889)
Income tax benefit	—	—	—	(2,200)	(2,200)
Depreciation, depletion and amortization	121,699	19,422	10,525	2,820	154,466
Non-cash stock compensation expense	410	8	—	3,782	4,200
Mark-to-market adjustment - acquisition-related obligations	—	—	—	(13,425)	(13,425)
Accretion on asset retirement obligations	10,786	7,025	3,963	2,032	23,806
Asset impairment and restructuring (1)	32,951	20,188	165,866	2,448	221,453
Management restructuring costs (2)	501	5	6	435	947
Loss on partial settlement of benefit obligations	—	—	—	1,230	1,230
Amortization of acquired intangibles, net	7,875	(3,484)	714	75	5,180
Adjusted EBITDA	$ 104,668	$ 5,459	$ 20,645	$ (33,942)	$ 96,830

(1) Asset impairment and restructuring for the nine months ended September 30, 2020 includes long-lived asset impairments of $198,963 and restructuring expense of $22,490 as a result of weakened coal prices and the strategic actions with respect to two thermal coal mining complexes announced during the second quarter of 2020 and capital spending during the third quarter of 2020 at previously impaired locations requiring the impairment of certain additional assets not considered recoverable. Refer to Note 8 for further information.
(2) Management restructuring costs are related to severance expense associated with senior management changes during the

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three months ended March 31, 2020.

The following table presents a reconciliation of net income (loss) to Adjusted EBITDA for the nine months ended September 30, 2019:

	Nine Months Ended September 30, 2019				
	CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Net income (loss) from continuing operations	$ 154,020	$ (34,675)	$ (2,118)	$ (128,498)	$ (11,271)
Interest expense	306	16	2	49,755	50,079
Interest income	(12)	—	(38)	(5,534)	(5,584)
Income tax benefit	—	—	—	(8,880)	(8,880)
Depreciation, depletion and amortization	113,714	44,586	19,390	7,237	184,927
Merger related costs	—	—	—	1,055	1,055
Non-cash stock compensation expense	1,127	60	—	6,276	7,463
Mark-to-market adjustment - acquisition-related obligations	—	—	—	(288)	(288)
Accretion on asset retirement obligations	6,986	7,401	3,050	2,488	19,925
Loss on modification and extinguishment of debt	—	—	—	26,459	26,459
Asset impairment (1)	5,858	—	—	—	5,858
Cost impact of coal inventory fair value adjustment (2)	4,751	3,458	—	—	8,209
Gain on assets acquired in an exchange transaction (3)	(9,083)	—	—	—	(9,083)
Amortization of acquired intangibles, net	5,816	(12,142)	1,614	—	(4,712)
Adjusted EBITDA	$ 283,483	$ 8,704	$ 21,900	$ (49,930)	$ 264,157

(1) Asset impairment primarily related to the write-off of prepaid purchased coal from Blackjewel as a result of Blackjewel's Chapter 11 bankruptcy filing on July 1, 2019.
(2) The cost impact of the coal inventory fair value adjustment as a result of the Alpha Merger was completed during the three months ended June 30, 2019.
(3) During the nine months ended September 30, 2019, the Company entered into an exchange transaction which primarily included the release of the PRB overriding royalty interest owed to the Company in exchange for met coal reserves which resulted in a gain of $9,083.

No asset information has been provided for these reportable segments as the CODM does not regularly review asset information by reportable segment.

The Company markets produced, processed and purchased coal to customers in the United States and in international markets, primarily India, Brazil, Turkey, Netherlands, and Italy. Export coal revenues were the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Total coal revenues	$ 399,954	$ 523,987	$ 1,278,935	$ 1,784,775
Export coal revenues (1)	$ 209,046	$ 261,815	$ 718,058	$ 967,959
Export coal revenues as % of total coal revenues	52 %	50 %	56 %	54 %

(1) The amounts for the three months ended September 30, 2020 include $57,740 of export coal revenues from external customers in India, recorded within the CAPP - Met and CAPP - Thermal segments. The amounts for the nine months ended September 30, 2020 include $174,182 and $133,501 of export coal revenues from external customers in India and Brazil, respectively, recorded within the CAPP - Met, CAPP - Thermal, and NAPP segments. The amounts for the nine months ended September 30, 2019 include $228,754 of export coal revenues from external customers in India recorded within the CAPP - Met, CAPP - Thermal, and NAPP segments. Revenue is tracked within the Company's accounting records based on the product destination.

GLOSSARY

Acquisition. Refers to the transaction by which Contura acquired certain of Alpha's core coal operations as part of the Alpha Restructuring.

Alpha. Alpha Natural Resources, Inc.

Alpha Restructuring. On August 3, 2015, Alpha Natural Resources, Inc. ("Predecessor Alpha") and each of its wholly owned domestic subsidiaries other than ANR Second Receivables Funding LLC (collectively, the "Alpha Debtors") filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of Virginia (the "Bankruptcy Court"). The Bankruptcy Court approved the Alpha Debtors' Plan of Reorganization on July 7, 2016. On July 26, 2016, a consortium of former creditors of the Alpha Debtors acquired Contura common stock in exchange for a partial release of their creditor claims pursuant to the Alpha Debtors' bankruptcy settlement. The Alpha Debtors, collectively, were a coal producer with operations in Central Appalachia, Northern Appalachia, and the PRB.

Ash. Impurities consisting of iron, alumina and other incombustible matter that are contained in coal. Since ash increases the weight of coal, it adds to the cost of handling and can affect the burning characteristics of coal.

British Thermal Unit or BTU. A measure of the thermal energy required to raise the temperature of one pound of pure liquid water one degree Fahrenheit at the temperature at which water has its greatest density (39 degrees Fahrenheit).

Central Appalachia or CAPP. Coal producing area in eastern Kentucky, Virginia, southern West Virginia and a portion of eastern Tennessee.

Coal seam. Coal deposits occur in layers. Each layer is called a "seam."

Coke. A hard, dry carbon substance produced by heating coal to a very high temperature in the absence of air. Coke is used in the manufacture of iron and steel. Its production results in a number of useful byproducts.

Contura or Company. Contura Energy, Inc.

ESG. Environmental, social and governance sustainability criteria.

ESM Transaction. The sale by Blackjewel L.L.C. ("Blackjewel") of the Eagle Butte and Belle Ayr mines located in Wyoming (the "Western Mines" or "Western Assets") to Eagle Specialty Materials ("ESM"), an affiliate of FM Coal, LLC on October 18, 2019. The ESM Transaction was approved by the United States Bankruptcy Court for the Southern District of West Virginia (the "Bankruptcy Court") pursuant to an order on October 4, 2019. The Company was the former owner of the Western Assets, having sold them to Blackjewel in December 2017.

Merger. Merger with ANR, Inc. and Alpha Natural Resources Holdings, Inc. completed on November 9, 2018.

Metallurgical coal. The various grades of coal suitable for carbonization to make coke for steel manufacture. Also known as "met" coal, its quality depends on four important criteria: volatility, which affects coke yield; the level of impurities including sulfur and ash, which affect coke quality; composition, which affects coke strength; and basic characteristics, which affect coke oven safety. Met coal typically has a particularly high BTU but low ash and sulfur content.

Northern Appalachia or NAPP. Coal producing area in Maryland, Ohio, Pennsylvania and northern West Virginia.

Operating Margin. Coal revenues less cost of coal sales.

Powder River Basin or PRB. Coal producing area in northeastern Wyoming and southeastern Montana.

Preparation plant. A preparation plant is a facility for crushing, sizing and washing coal to remove impurities and prepare it for use by a particular customer. The washing process has the added benefit of removing some of the coal's sulfur content. A preparation plant is usually located on a mine site, although one plant may serve several mines.

Probable reserves. Reserves for which quantity and grade and/or quality are computed from information similar to that used for proven reserves, but the sites for inspection, sampling and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation.

Productivity. As used in this report, refers to clean metric tons of coal produced per underground man hour worked, as published by the MSHA.

Proven reserves. Reserves for which quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling; and the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.

Reclamation. The process of restoring land and the environment to their original state following mining activities. The process commonly includes "recontouring" or reshaping the land to its approximate original appearance, restoring topsoil and planting native grass and ground covers. Reclamation operations are usually underway before the mining of a particular site is completed. Reclamation is closely regulated by both state and federal law.

Reserve. That part of a mineral deposit that could be economically and legally extracted or produced at the time of the reserve determination.

Roof. The stratum of rock or other mineral above a coal seam; the overhead surface of a coal working place.

Sulfur. One of the elements present in varying quantities in coal that contributes to environmental degradation when coal is burned. Sulfur dioxide is produced as a gaseous by-product of coal combustion.

Surface mine. A mine in which the coal lies near the surface and can be extracted by removing the covering layer of soil.

Thermal coal. Coal used by power plants and industrial steam boilers to produce electricity, steam or both. It generally is lower in BTU heat content and higher in volatile matter than metallurgical coal.

Tons. A "short" or net ton is equal to 2,000 pounds. A "long" or British ton is equal to 2,240 pounds; a "metric" ton (or "*tonne*") is approximately 2,205 pounds. Tonnage amounts in this report are stated in short tons, unless otherwise indicated.

Underground mine. Also known as a "deep" mine. Usually located several hundred feet below the earth's surface, an underground mine's coal is removed mechanically and transferred by shuttle car and conveyor to the surface.

UMWA. United Mine Workers of America.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion and analysis provides a narrative of our results of operations and financial condition for the three and nine months ended September 30, 2020 and 2019. The following discussion and analysis should be read in conjunction with our Condensed Consolidated Financial Statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and our Consolidated Financial Statements and related notes and risk factors contained in our Annual Report on Form 10-K for the year ended December 31, 2019.

COVID-19 Pandemic

In the first quarter of 2020, the COVID-19 virus was declared a pandemic by the World Health Organization. The COVID-19 pandemic has had negative impacts on our business, results of operations, financial condition and cash flows. A continued period of reduced demand for our products could have significant adverse consequences. The full extent of the impact of the COVID-19 pandemic on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, its impact on our customers and suppliers and the range of governmental and community reactions to the pandemic, which are still uncertain and cannot be fully predicted at this time.

Our current view of the impacts of COVID-19 to our customers and suppliers is discussed below in the Market Overview section. Additionally, refer to Note 1 for further discussion of the COVID-19 pandemic impacts to our business and Note 8 for discussion of certain strategic actions announced during the second quarter of 2020 with respect to two of our thermal coal mining complexes in an effort to strengthen our financial performance.

All of our coal mining operations have been classified as essential in the states in which we operate. Health and safety is a core value of our company and is the foundation for how we manage every aspect of our business and we have therefore implemented policies, procedures and prevention measures to protect our employees during the COVID-19 pandemic. These policies, procedures and prevention measures include, but are not limited to, employee communications on COVID-19 monitoring and precautionary measures, enhanced cleaning and sterilization practices, limiting contractor access to our properties, limiting business travel, implementing social distancing measures by staggering shift times, limiting in-person meetings and meeting sizes, and remote work arrangements. We will continue to evaluate these policies, procedures and precautionary measures for further enhancements as necessary.

Market Overview

The metallurgical coal market continued to exhibit weakness into the third quarter of 2020 with the indices declining to an annual low in mid-August, primarily driven by the impacts of the COVID-19 pandemic. Atlantic High-Vol A indices, averaged under $110 per metric ton in July and August and only increased to $117.50 per metric ton in late-October, representing a 12% increase from the annual low in mid-August. Coinciding with the moderate strengthening of the market, domestic steel utilization has steadily increased from a post-pandemic low of 51.1% to 69.7% as of October 26, still trailing the annual high of 82.7% achieved on January 18, 2020. Although, Chinese import restrictions continue to have an impact on Australian metallurgical coal imports resulting in continued softness in the seaborne market.

Global manufacturing and industrial production are showing some signs of improvement, with the manufacturing Purchasing Managers' Indices ("PMI") above 50.0 in all the main metallurgical coal export markets and India showing the most improvement over the last three months, increasing to 58.9 in October from 46.0 in July. Brazil continues to show the strongest overall PMI, improving further from 64.9 in September to 66.7 in October.

According to the World Steel Association ("WSA"), September crude steel production increased nearly 3% with China continuing to lead the major producing regions, growing 10.9% for the month of September and 4.5% for the year-to-date period, whereas Europe declined 14.0% and 17.9% for the respective periods. Turkey and Brazil were the only other major producers to show growth, growing 18.0% and 7.5%, respectively in September. The U.S. market continued to struggle, declining 18.5% for the month of September and 19.2% for the year-to-date period. Metallurgical coal exports remained soft in August, declining approximately 39% for the month of August and 24% for the year-to-date period. We remain focused on being nimble in meeting the uncertain demand and will adjust our production profile as needed.

Throughout the third quarter of 2020, we received force majeure lift or cessation notices from customers, including many customers who quantified no impact from their alleged force majeure event notices. We also negotiated arrangements with various customers to defer anticipated shortfall volumes from 2020 into 2021. As noted, we have recently seen steel prices in our markets beginning to show some strength, encouraging more steel production and creating immediate additional demand for coking coal. As a result of these circumstances, we have experienced only a limited reduction impact in overall metallurgical coal sales volume and production for the quarter.

Negotiations for 2021 domestic metallurgical contracts are nearly complete, with approximately four million net tons of metallurgical coal already sold to domestic customers for 2021. This is roughly the same level as in 2020, which we consider positive given the expectation that most domestic coke plants are expected to operate at lower levels in 2021 than in previous years. In total, based on these contracts, we expect to sell approximately 14 million net tons of metallurgical coal from our CAPP - Met reportable segment in 2021.

International markets continue to exhibit volatility, with Asia-Pacific metallurgical coal price indices having shown significant improvement in September and early October only to drop sharply in response to a lack of demand from Chinese buyers in recent weeks. We believe this reduced demand stems in part from predetermined import quotas as well as trade tensions between China and Australia. We anticipate these to be temporary influences on the market, with backlogs at Chinese ports expected to clear quickly and additional clarity on 2021 Chinese quotas to be released in the coming weeks. Atlantic metallurgical coal prices have also shifted downward in recent days, but not to the same extent as Asian prices. Since the beginning of September, the Australian Premium Low Volatile index price increased from $109.25/MT to $139.00/MT before retreating to $107.25/MT on October 29.

On the thermal side, natural gas forecasts are more optimistic than in previous months. With a normal winter, we expect domestic thermal prices to strengthen and would anticipate some utility customers to alter generation dispatch by switching from natural gas back to coal.

We continue to evaluate market conditions, including customer demand and inventory levels, amid uncertainty attributable to the continued concern around the global economic impact of the COVID-19 pandemic. Consequently, depending on the timing and extent of economic stabilization and recovery, our ability to estimate future metallurgical or thermal customer coal demand remains limited.

We have not experienced any significant supply chain disruptions due to the COVID-19 pandemic. As a result of the overall decline in coal production, we have observed an inventory increase of certain mining supplies across the coal market, resulting in some market share competition among vendors. We will continue to monitor these developments closely.

Business Overview

We are a large-scale provider of met and thermal coal to a global customer base, operating high-quality, cost-competitive coal mines across two major U.S. coal basins (CAPP and NAPP). As of September 30, 2020, our operations consisted of twenty-three active mines and nine coal preparation and load-out facilities, with approximately 3,900 employees. We produce, process, and sell met coal and thermal coal from operations located in Virginia, West Virginia and Pennsylvania. We also sell coal produced by others, some of which is processed and/or blended with coal produced from our mines prior to resale, with the remainder purchased for resale. As of December 31, 2019, we had 1.3 billion tons of reserves, including 861.0 million tons of proven reserves and 469.9 million tons of probable reserves.

For the three months ended September 30, 2020 and 2019, sales of met coal were 3.2 million tons and 3.0 million tons, respectively, and accounted for approximately 57.4% and 52.0%, respectively, of our coal sales volume. Sales of thermal coal were 2.4 million tons and 2.8 million tons, respectively, and accounted for approximately 42.6% and 48.0%, respectively, of our coal sales volume. For the nine months ended September 30, 2020 and 2019, sales of met coal were 9.8 million tons and 9.5 million tons, respectively, and accounted for approximately 60.4% and 52.5%, respectively, of our coal sales volume. Sales of thermal coal were 6.4 million tons and 8.6 million tons, respectively, and accounted for approximately 39.6% and 47.5%, respectively, of our coal sales volume.

Our sales of met coal were made primarily to steel companies in the northeastern and midwestern regions of the United States and in several countries in Europe, Asia and the Americas. Our sales of thermal coal were made primarily to large utilities and industrial customers throughout the United States. For the three months ended September 30, 2020 and 2019 approximately 52.3% and 50.0%, respectively, of our total coal revenues were derived from coal sales made to customers outside the United States. For the nine months ended September 30, 2020 and 2019 approximately 56.1% and 54.2%, respectively, of our total coal revenues were derived from coal sales made to customers outside the United States.

We have three reportable segments: CAPP - Met, CAPP - Thermal, and NAPP. Refer to Note 19 for additional disclosures on reportable segments including export coal revenue information.

Business Developments

During the third quarter of 2020, we joined three other regional coal producers to restructure and expand the Virginia Coal & Energy Alliance to now be named the Metallurgical Coal Producers Association ("MCPA") focusing on issues specific to the U.S.'s metallurgical coal industry. Additionally, the MCPA will focus on our regional presence by combining forces to advance collective interests.

Refer to Note 8 for disclosure information regarding strategic actions impacting certain mines announced during the second quarter of 2020.

Refer to Note 2 for disclosure information on discontinued operations related to the sale of assets in our former PRB operations.

Factors Affecting Our Results of Operations

Sales Agreements

We manage our commodity price risk for coal sales through the use of coal supply agreements. As of October 21, 2020, we have sales commitments as follows:

	2020		
	Tons	**% Priced**	**Average Realized Price per Ton**
CAPP - Met	13.3 million	86 %	$81.49
CAPP - Thermal	3.3 million	99 %	$54.78
NAPP	5.5 million	100 %	$42.02

Due to the significant uncertainty in the worldwide coal markets due to COVID-19, there is risk of reduction in future shipments due to deferrals and utilization of force majeure clauses in customer contracts.

Realized Pricing. Our realized price per ton of coal is influenced by many factors that vary by region, including (i) coal quality, which includes energy (heat content), sulfur, ash, volatile matter and moisture content; (ii) differences in market conventions concerning transportation costs and volume measurement; and (iii) regional supply and demand.

- *Coal Quality.* The energy content or heat value of thermal coal is a significant factor influencing coal prices as higher energy coal is more desirable to consumers and typically commands a higher price in the market. The heat value of coal is commonly measured in British thermal units or the amount of heat needed to raise the temperature of one pound of water by one degree Fahrenheit. Coal from the eastern and midwest regions of the United States tends to have a higher heat value than coal found in the western United States. Coal volatility is a significant factor influencing met coal pricing as coal with a lower volatility has historically been more highly valued and typically commands a higher price in the market. The volatility refers to the loss in mass, less moisture, when coal is heated in the absence of air. The volatility of met coal determines the percentage of feed coal that actually becomes coke, known as coke yield, with lower volatility producing a higher coke yield.

- *Market Conventions.* Coal sales contracts are priced according to conventions specific to the market into which such coal is to be sold. Our domestic sales contracts are typically priced free on board ("FOB") at our mines and on a short ton basis. Our international sales contracts are typically priced FOB at the shipping port from which such coal is delivered and on a metric ton basis. Accordingly, for international sales contracts, we typically bear the cost of transportation from our mines to the applicable outbound shipping port, and our coal sales realization per ton calculation reflects the conversion of such tonnage from metric tons into short tons, as well as the elimination of the freight and handling fulfillment component of coal sales revenue. In addition, for domestic sales contracts, as customers typically bear the cost of transportation from our mines, our operations located further away from the end user of the coal may command lower prices.

- *Regional Supply and Demand.* Our realized price per ton is influenced by market forces of the regional market into which such coal is to be sold. Market pricing may vary according to region and lead to different discounts or premiums to the most directly comparable benchmark price for such coal product.

Costs. Our results of operations are dependent upon our ability to improve productivity and control costs. Our primary expenses are for operating supply costs, repair and maintenance expenditures, cost of purchased coal, royalties, current wages and benefits, freight and handling costs and taxes incurred in selling our coal. Principal goods and services we use in our operations include maintenance and repair parts and services, electricity, fuel, roof control and support items, explosives, tires, conveyance structure, ventilation supplies and lubricants.

Our management strives to aggressively control costs and improve operating performance to mitigate external cost pressures. We experience volatility in operating costs related to fuel, explosives, steel, tires, contract services and healthcare, among others, and take measures to mitigate the increases in these costs at all operations. We have a centralized sourcing group for major supplier contract negotiation and administration, for the negotiation and purchase of major capital goods, and to support the business units. We promote competition between suppliers and seek to develop relationships with suppliers that focus on lowering our costs. We seek suppliers who identify and concentrate on implementing continuous improvement opportunities within their area of expertise. To the extent upward pressure on costs exceeds our ability to realize sales increases, or if we experience unanticipated operating or transportation difficulties, our operating margins would be negatively impacted. We may also experience difficult geologic conditions, delays in obtaining permits, labor shortages, unforeseen equipment problems, and unexpected shortages of critical materials such as tires, fuel and explosives that may result in adverse cost increases and limit our ability to produce at forecasted levels.

Results of Operations

Our results of operations for the three and nine months ended September 30, 2020 and 2019 are discussed in these “Results of Operations” presented below.

Three Months Ended September 30, 2020 Compared to the Three Months Ended September 30, 2019

Revenues

The following table summarizes information about our revenues during the three months ended September 30, 2020 and 2019:

	Three Months Ended September 30,		Increase (Decrease)	
(In thousands, except for per ton data)	**2020**	**2019**	**$ or Tons**	**%**
Coal revenues	$ 399,954	$ 523,987	$ (124,033)	(23.7)%
Other revenues	737	1,877	(1,140)	(60.7)%
Total revenues	$ 400,691	$ 525,864	$ (125,173)	(23.8)%
Tons sold	5,535	5,765	(230)	(4.0)%

Coal revenues. Coal revenues decreased $124.0 million, or 23.7%, for the three months ended September 30, 2020 compared to the prior year period. The decrease was primarily due to lower coal sales realization within our CAPP - Met operations, as a result of a weaker pricing environment amid the impacts of the COVID-19 pandemic, relative to the prior year period. Refer to the Coal Operations section below for further detail on coal revenues for the three months ended September 30, 2020 compared to the prior year period.

Cost and Expenses

The following table summarizes information about our costs and expenses during the three months ended September 30, 2020 and 2019:

	Three Months Ended September 30,		Increase (Decrease)	
(In thousands)	**2020**	**2019**	**$**	**%**
Cost of coal sales (exclusive of items shown separately below)	$ 367,277	$ 467,658	$ (100,381)	(21.5)%
Depreciation, depletion and amortization	50,739	60,842	(10,103)	(16.6)%
Accretion on asset retirement obligations	9,127	6,846	2,281	33.3 %
Amortization of acquired intangibles, net	2,219	2,314	(95)	(4.1)%
Asset impairment and restructuring	3,571	32	3,539	11,059.4 %

Selling, general and administrative expenses (exclusive of depreciation, depletion and amortization shown separately above)	14,501	17,387	(2,886)	(16.6)%
Merger-related costs	—	68	(68)	(100.0)%
Total other operating (income) loss:				
Mark-to-market adjustment for acquisition-related obligations	3,624	(3,238)	6,862	211.9 %
Other (income) expense	(1,359)	166	(1,525)	(918.7)%
Total costs and expenses	$ 449,699	$ 552,075	$ (102,376)	(18.5)%

Cost of coal sales. Cost of coal sales decreased $100.4 million, or 21.5%, for the three months ended September 30, 2020 compared to the prior year period. The decrease was primarily driven by a decrease in tons sold in the current period relative to the prior year period and decreased costs of purchased coal, supplies and maintenance expense, and salaries and wages expense as we continue to improve our cost management to achieve operational efficiencies, partially offset by inventory change during the current period.

Depreciation, depletion and amortization. Depreciation, depletion and amortization decreased $10.1 million, or 16.6%, for the three months ended September 30, 2020 compared to the prior year period. The decrease in depreciation, depletion and amortization primarily related to a decrease in depreciation of machinery and equipment primarily due to asset disposals and asset impairments during the current period.

Accretion on asset retirement obligations. Accretion on asset retirement obligations increased $2.3 million, or 33.3%, for the three months ended September 30, 2020 compared to the prior year period. This increase was primarily driven by an increase in our credit-adjusted risk-free rate used to discount the obligations relative to the prior period.

Amortization of acquired intangibles, net. Amortization of acquired intangibles, net increased $0.1 million, or 4.1%, for the three months ended September 30, 2020 compared to the prior year period. The increase was primarily driven by the lower current period amortization related to below-market acquired coal supply agreements and acquired mine permits.

Asset impairment and restructuring. Asset impairment and restructuring increased $3.5 million for the three months ended September 30, 2020 compared to the prior year period. Asset impairment and restructuring for the three months ended September 30, 2020 is primarily comprised of long-lived asset impairments of $3.5 million, of which $3.3 million was recorded within NAPP and $0.2 million was recorded within CAPP - Thermal to reduce the carrying value of property, plant, and equipment, net, due to capital spending during the quarter at previously impaired locations requiring the impairment of certain additional assets not considered recoverable. Refer to Note 8 for further information.

Selling, general and administrative. Selling, general and administrative expenses decreased $2.9 million, or 16.6%, for the three months ended September 30, 2020 compared to the prior year period. This decrease in expense was primarily related to decreases of $1.6 million in wages and benefits expense, $1.1 million in professional fees, and $1.0 million in stock compensation expense, partially offset by increases of $1.9 million in incentive pay.

Merger-related costs. Merger-related costs were $0.1 million for the three months ended September 30, 2019. The costs related primarily to professional fees, severance pay and incentive pay incurred related to the Merger Agreement entered into with the Alpha Companies.

Mark-to-market adjustment for acquisition-related obligations. The mark-to-market adjustment for acquisition-related obligations resulted in a decrease to income of $6.9 million for the three months ended September 30, 2020 compared to the prior year period. This decrease was related to the $3.6 million Contingent Revenue Obligation mark-to-market adjustment recorded during the three months ended September 30, 2020 due to changes in underlying fair value assumptions during the current period. Refer to Note 14 for Contingent Revenue Obligation fair value input assumptions.

Other (income) expense. Other income increased $1.5 million, or 918.7%, for the three months ended September 30, 2020 compared to the prior year period, primarily due to an increase in income on sale of assets in the current period.

Other Income (Expense)

The following table summarizes information about our other income (expense) during the three months ended September

30, 2020 and 2019:

(In thousands)	Three Months Ended September 30, 2020	2019	Increase (Decrease) $	%
Other income (expense):				
Interest expense	$ (18,389)	$ (18,847)	$ 458	2.4 %
Interest income	378	1,763	(1,385)	(78.6)%
Equity loss in affiliates	(1,295)	(1,845)	550	29.8 %
Miscellaneous loss, net	(368)	(1,523)	1,155	75.8 %
Total other expense, net	$ (19,674)	$ (20,452)	$ 778	3.8 %

Income Tax (Expense) Benefit

The following table summarizes information about our income tax benefit during the three months ended September 30, 2020 and 2019:

(In thousands)	Three Months Ended September 30, 2020	2019	Increase (Decrease) $	%
Income tax benefit	$ 45	$ 3,102	$ (3,057)	(98.5)%

Income taxes. Income tax benefit of $45.2 thousand was recorded for the three months ended September 30, 2020 on a loss from continuing operations before income taxes of $68.7 million. The effective tax rate differs from the federal statutory rate of 21% primarily due to the increase in the valuation allowance.

Income tax benefit of $3.1 million was recorded for the three months ended September 30, 2019 on a loss from continuing operations before income taxes of $46.7 million. The effective tax rate differs from the federal statutory rate of 21% primarily due to the permanent impact of percentage depletion and the increase in the valuation allowance. Refer to Note 15 for additional information.

Coal Operations

We extract, process and market met and thermal coal from surface and deep mines for sale to steel and coke producers, industrial customers, and electric utilities. The Company conducts mining operations only in the United States with mines in Central and Northern Appalachia.

Our CAPP - Met operations consist of high-quality met coal mines, such as Deep Mine 41, which predominantly produce low-ash met coal, including High-Vol. A, High-Vol. B, Mid-Vol., and Low-Vol., which are shipped to domestic and international coke and steel producers. While the CAPP - Met operations produce predominantly met coal, they also produce some amounts of thermal coal as a byproduct of mining. CAPP - Met operations consist of four active mines and two preparation plants in Virginia, seventeen active mines and five preparation plants in West Virginia, as well as expenses associated with certain idled/closed mines.

Our CAPP - Thermal operations consist of surface and underground thermal coal mines primarily producing low sulfur, high BTU thermal coal for electricity generation, as well as specialty coal for industrial customers, with some met coal byproduct. CAPP - Thermal consists of one active mine and one preparation plant in West Virginia, as well as expenses associated with certain idled/closed mines.

Our NAPP operations produce primarily high-BTU thermal coal. This thermal coal has metallurgical properties, but it is higher in sulfur content than typical products sold in the metallurgical coal market. Limited volumes can be placed in the metallurgical coal market where customers have the flexibility to accommodate quantities of higher sulfur coal in their coking coal blends. Our thermal coal is primarily sold to the domestic power generation industry. Our NAPP operations consist of one active mine in Pennsylvania and one preparation plant, as well as expenses associated with one closed mine.

Our All Other category is not included in our Coal Operations results of operations as it includes general corporate overhead and corporate assets and liabilities and the elimination of certain intercompany activity.

Non-GAAP Financial Measures

The discussion below contains “non-GAAP financial measures.” These are financial measures which either exclude or include amounts that are not excluded or included in the most directly comparable measures calculated and presented in accordance with generally accepted accounting principles in the United States (“U.S. GAAP” or “GAAP”). Specifically, we make use of the non-GAAP financial measures “Adjusted EBITDA,” “non-GAAP coal revenues,” “non-GAAP cost of coal sales,” and “Adjusted cost of produced coal sold.” We use Adjusted EBITDA to measure the operating performance of our segments and allocate resources to the segments. Adjusted EBITDA does not purport to be an alternative to net income (loss) as a measure of operating performance. We use non-GAAP coal revenues to present coal revenues generated, excluding freight and handling fulfillment revenues. Non-GAAP coal sales realization per ton for our operations is calculated as non-GAAP coal revenues divided by tons sold. We use non-GAAP cost of coal sales to adjust cost of coal sales to remove freight and handling costs, depreciation, depletion and amortization - production (excluding the depreciation, depletion and amortization related to selling, general and administrative functions), accretion on asset retirement obligations, amortization of acquired intangibles, net, idled and closed mine costs and coal inventory acquisition accounting impacts. Non-GAAP cost of coal sales per ton for our operations is calculated as non-GAAP cost of coal sales divided by tons sold. Non-GAAP coal margin per ton for our coal operations is calculated as non-GAAP coal sales realization per ton for our coal operations less non-GAAP cost of coal sales per ton for our coal operations. We also use Adjusted cost of produced coal sold to distinguish the cost of captive produced coal from the effects of purchased coal. The presentation of these measures should not be considered in isolation, or as a substitute for analysis of our results as reported under GAAP.

Management uses non-GAAP financial measures to supplement GAAP results to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone. The definition of these non-GAAP measures may be changed periodically by management to adjust for significant items important to an understanding of operating trends and to adjust for items that may not reflect the trend of future results by excluding transactions that are not indicative of our core operating performance. Furthermore, analogous measures are used by industry analysts to evaluate the Company’s operating performance. Because not all companies use identical calculations, the presentations of these measures may not be comparable to other similarly titled measures of other companies and can differ significantly from company to company depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate, and capital investments.

Included below are reconciliations of non-GAAP financial measures to GAAP financial measures.

The following tables summarize certain financial information relating to our coal operations for the three months ended September 30, 2020 and 2019:

(In thousands, except for per ton data)	Three Months Ended September 30, 2020				
	CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Coal revenues	$ 295,376	$ 39,813	$ 64,765	$ —	$ 399,954
Less: Freight and handling fulfillment revenues	(49,742)	(3,015)	(1,947)	—	(54,704)
Non-GAAP Coal revenues	$ 245,634	$ 36,798	$ 62,818	$ —	$ 345,250
Tons sold	3,329	636	1,570	—	5,535
Non-GAAP Coal sales realization per ton	$ 73.79	$ 57.86	$ 40.01	$ —	$ 62.38
Cost of coal sales (exclusive of items shown separately below)	$ 276,170	$ 33,999	$ 57,661	$ (553)	$ 367,277
Depreciation, depletion and amortization - production [1]	41,177	7,313	1,504	410	50,404
Accretion on asset retirement obligations	3,767	2,406	2,424	530	9,127
Amortization of acquired intangibles, net	2,535	(486)	145	25	2,219
Total Cost of coal sales	$ 323,649	$ 43,232	$ 61,734	$ 412	$ 429,027
Less: Freight and handling costs	(49,742)	(3,015)	(1,947)	—	(54,704)
Less: Depreciation, depletion and amortization - production [1]	(41,177)	(7,313)	(1,504)	(410)	(50,404)
Less: Accretion on asset retirement obligations	(3,767)	(2,406)	(2,424)	(530)	(9,127)
Less: Amortization of acquired intangibles, net	(2,535)	486	(145)	(25)	(2,219)
Less: Idled and closed mine costs	(5,091)	(1,742)	(713)	546	(7,000)
Non-GAAP Cost of coal sales	$ 221,337	$ 29,242	$ 55,001	$ (7)	$ 305,573
Tons sold	3,329	636	1,570	—	5,535
Non-GAAP Cost of coal sales per ton	$ 66.49	$ 45.98	$ 35.03	$ —	$ 55.21

[1] Depreciation, depletion and amortization - production excludes the depreciation, depletion and amortization related to selling, general and administrative functions.

(In thousands, except for per ton data)	Three Months Ended September 30, 2020 CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Coal revenues	$ 295,376	$ 39,813	$ 64,765	$ —	$ 399,954
Less: Total Cost of coal sales (per table above)	(323,649)	(43,232)	(61,734)	(412)	(429,027)
GAAP Coal margin	$ (28,273)	$ (3,419)	$ 3,031	$ (412)	$ (29,073)
Tons sold	3,329	636	1,570	—	5,535
GAAP Coal margin per ton	$ (8.49)	$ (5.38)	$ 1.93	$ —	$ (5.25)
GAAP Coal margin	$ (28,273)	$ (3,419)	$ 3,031	$ (412)	$ (29,073)
Add: Depreciation, depletion and amortization - production [(1)]	41,177	7,313	1,504	410	50,404
Add: Accretion on asset retirement obligations	3,767	2,406	2,424	530	9,127
Add: Amortization of acquired intangibles, net	2,535	(486)	145	25	2,219
Add: Idled and closed mine costs	5,091	1,742	713	(546)	7,000
Non-GAAP Coal margin	$ 24,297	$ 7,556	$ 7,817	$ 7	$ 39,677
Tons sold	3,329	636	1,570	—	5,535
Non-GAAP Coal margin per ton	$ 7.30	$ 11.88	$ 4.98	$ —	$ 7.17

[(1)] Depreciation, depletion and amortization - production excludes the depreciation, depletion and amortization related to selling, general and administrative functions.

(In thousands, except for per ton data)	Three Months Ended September 30, 2019 CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Coal revenues	$ 373,078	$ 80,174	$ 70,735	$ —	$ 523,987
Less: Freight and handling fulfillment revenues	(50,100)	(9,869)	(2,961)	—	(62,930)
Non-GAAP Coal revenues	$ 322,978	$ 70,305	$ 67,774	$ —	$ 461,057
Tons sold	2,981	1,144	1,640	—	5,765
Non-GAAP Coal sales realization per ton	$ 108.35	$ 61.46	$ 41.33	$ —	$ 79.98
Cost of coal sales (exclusive of items shown separately below)	$ 312,369	$ 78,022	$ 75,571	$ 1,696	$ 467,658
Depreciation, depletion and amortization - production [1]	38,212	13,972	6,241	2,070	60,495
Accretion on asset retirement obligations	2,326	2,670	1,017	833	6,846
Amortization of acquired intangibles, net	4,765	(3,359)	908	—	2,314
Total Cost of coal sales	$ 357,672	$ 91,305	$ 83,737	$ 4,599	$ 537,313
Less: Freight and handling costs	(50,100)	(9,869)	(2,961)	—	(62,930)
Less: Depreciation, depletion and amortization - production [1]	(38,212)	(13,972)	(6,241)	(2,070)	(60,495)
Less: Accretion on asset retirement obligations	(2,326)	(2,670)	(1,017)	(833)	(6,846)
Less: Amortization of acquired intangibles, net	(4,765)	3,359	(908)	—	(2,314)
Less: Idled and closed mine costs	(1,956)	(458)	(659)	(1,696)	(4,769)
Non-GAAP Cost of coal sales	$ 260,313	$ 67,695	$ 71,951	$ —	$ 399,959
Tons sold	2,981	1,144	1,640	—	5,765
Non-GAAP Cost of coal sales per ton	$ 87.32	$ 59.17	$ 43.87	$ —	$ 69.38

[1] Depreciation, depletion and amortization - production excludes the depreciation, depletion and amortization related to selling, general and administrative functions.

(In thousands, except for per ton data)	Three Months Ended September 30, 2019 CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Coal revenues	$ 373,078	$ 80,174	$ 70,735	$ —	$ 523,987
Less: Total Cost of coal sales (per table above)	(357,672)	(91,305)	(83,737)	(4,599)	(537,313)
GAAP Coal margin	$ 15,406	$ (11,131)	$ (13,002)	$ (4,599)	$ (13,326)
Tons sold	2,981	1,144	1,640	—	5,765
GAAP Coal margin per ton	$ 5.17	$ (9.73)	$ (7.93)	$ —	$ (2.31)
GAAP Coal margin	$ 15,406	$ (11,131)	$ (13,002)	$ (4,599)	$ (13,326)
Add: Depreciation, depletion and amortization - production [1]	38,212	13,972	6,241	2,070	60,495
Add: Accretion on asset retirement obligations	2,326	2,670	1,017	833	6,846
Add: Amortization of acquired intangibles, net	4,765	(3,359)	908	—	2,314
Add: Idled and closed mine costs	1,956	458	659	1,696	4,769
Non-GAAP Coal margin	$ 62,665	$ 2,610	$ (4,177)	$ —	$ 61,098
Tons sold	2,981	1,144	1,640	—	5,765
Non-GAAP Coal margin per ton	$ 21.03	$ 2.29	$ (2.54)	$ —	$ 10.60

[1] Depreciation, depletion and amortization - production excludes the depreciation, depletion and amortization related to selling, general and administrative functions.

	Three Months Ended September 30,		Increase (Decrease)	
(In thousands, except for per ton data)	2020	2019	$	%
Tons sold:				
CAPP - Met operations	3,329	2,981	348	11.7 %
CAPP - Thermal operations	636	1,144	(508)	(44.4)%
NAPP operations	1,570	1,640	(70)	(4.3)%
Non-GAAP Coal revenues:				
CAPP - Met operations	$ 245,634	$ 322,978	$ (77,344)	(23.9)%
CAPP - Thermal operations	$ 36,798	$ 70,305	$ (33,507)	(47.7)%
NAPP operations	$ 62,818	$ 67,774	$ (4,956)	(7.3)%
Non-GAAP Coal sales realization per ton:				
CAPP - Met operations	$ 73.79	$ 108.35	$ (34.56)	(31.9)%
CAPP - Thermal operations	$ 57.86	$ 61.46	$ (3.60)	(5.9)%
NAPP operations	$ 40.01	$ 41.33	$ (1.32)	(3.2)%
Average	$ 62.38	$ 79.98	$ (17.60)	(22.0)%

Non-GAAP segment coal revenues. CAPP - Met operations non-GAAP coal revenues decreased $77.3 million, or 23.9%, for the three months ended September 30, 2020 compared to the prior year period. The decrease in CAPP - Met operations non-GAAP coal revenues was primarily due to lower non-GAAP coal sales realization of $34.56 per ton resulting from a weaker pricing environment amid the impacts of the COVID-19 pandemic.

CAPP - Thermal operations non-GAAP coal revenues decreased $33.5 million, or 47.7%, for the three months ended September 30, 2020 compared to the prior year period. The decrease in CAPP - Thermal operations non-GAAP coal revenues was primarily due to lower coal sales volume of 0.5 million tons and lower non-GAAP coal sales realization of $3.60 per ton as a result of a weaker pricing environment amid the impacts of the COVID-19 pandemic.

NAPP operations non-GAAP coal revenues decreased $5.0 million, or 7.3%, for the three months ended September 30, 2020 compared to the prior year period. The decrease in NAPP operations non-GAAP coal revenues was due to lower coal sales volumes of 0.1 million tons and lower non-GAAP coal sales realization of $1.32 per ton resulting from a weaker pricing environment amid the impacts of the COVID-19 pandemic.

	Three Months Ended September 30,		Increase (Decrease)	
(In thousands, except for per ton data)	2020	2019	$	%
Non-GAAP Cost of coal sales:				
CAPP - Met operations	$ 221,337	$ 260,313	$ (38,976)	(15.0)%
CAPP - Thermal operations	$ 29,242	$ 67,695	$ (38,453)	(56.8)%
NAPP operations	$ 55,001	$ 71,951	$ (16,950)	(23.6)%
Non-GAAP Cost of coal sales per ton:				
CAPP - Met operations	$ 66.49	$ 87.32	$ (20.83)	(23.9)%
CAPP - Thermal operations	$ 45.98	$ 59.17	$ (13.19)	(22.3)%
NAPP operations	$ 35.03	$ 43.87	$ (8.84)	(20.2)%
Non-GAAP Coal margin per ton:				
CAPP - Met operations	$ 7.30	$ 21.03	$ (13.73)	(65.3)%
CAPP - Thermal operations	$ 11.88	$ 2.29	$ 9.59	418.8 %
NAPP operations	$ 4.98	$ (2.54)	$ 7.52	296.1 %

Non-GAAP cost of coal sales. CAPP - Met operations non-GAAP cost of coal sales decreased $39.0 million, or 15.0%, for the three months ended September 30, 2020 compared to the prior year period. The decrease in CAPP - Met operations non-GAAP cost of coal sales was primarily driven by decreased costs of purchased coal, salaries and wages expense, supplies and maintenance expense, and royalties and taxes, partially offset by inventory change during the current period.

CAPP - Thermal operations non-GAAP cost of coal sales decreased $38.5 million, or 56.8%, for the three months ended September 30, 2020 compared to the prior year period. The decrease in CAPP - Thermal operations non-GAAP cost of coal sales was primarily due to a decrease in tons sold in the current period relative to the prior year period and decreased supplies and maintenance expense, salaries and wages expense, and royalties and taxes, partially offset by inventory change during the current period.

NAPP operations non-GAAP cost of coal sales decreased $17.0 million, or 23.6%, for the three months ended September 30, 2020 compared to the prior year period. The decrease in NAPP operations non-GAAP cost of coal sales was primarily due to a decrease in tons sold in the current period relative to the prior year period and decreased supplies and maintenance expense and salaries and wages expenses.

Our non-GAAP cost of coal sales includes purchased coal costs. In the following tables, we calculate Adjusted cost of produced coal sold as non-GAAP cost of coal sales less purchased coal costs.

	Three Months Ended September 30, 2020				
(In thousands, except for per ton data)	CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Non-GAAP Cost of coal sales	$ 221,337	$ 29,242	$ 55,001	$ (7)	$ 305,573
Less: cost of purchased coal sold	(12,511)	70	—	—	(12,441)
Adjusted cost of produced coal sold	$ 208,826	$ 29,312	$ 55,001	$ (7)	$ 293,132
Produced tons sold	3,142	636	1,570	—	5,348
Adjusted cost of produced coal sold per ton [1]	$ 66.46	$ 46.09	$ 35.03	$ —	$ 54.81

[1] Cost of produced coal sold per ton for our operations is calculated as non-GAAP cost of produced coal sold divided by

produced tons sold.

(In thousands, except for per ton data)	Three Months Ended September 30, 2019 CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Non-GAAP Cost of coal sales	$ 260,313	$ 67,695	$ 71,951	$ —	$ 399,959
Less: cost of purchased coal sold	(47,731)	(1,050)	—	—	(48,781)
Adjusted cost of produced coal sold	$ 212,582	$ 66,645	$ 71,951	$ —	$ 351,178
Produced tons sold	2,558	1,127	1,640	—	5,325
Adjusted cost of produced coal sold per ton [1]	$ 83.10	$ 59.13	$ 43.87	$ —	$ 65.95

[1] Cost of produced coal sold per ton for our operations is calculated as non-GAAP cost of produced coal sold divided by produced tons sold.

Segment Adjusted EBITDA

Segment Adjusted EBITDA for our reportable segments is a financial measure. This non-GAAP financial measure is presented as a supplemental measure and is not intended to replace financial performance measures determined in accordance with GAAP. Moreover, this measure is not calculated identically by all companies and therefore may not be comparable to similarly titled measures used by other companies. Segment Adjusted EBITDA is presented because management believes it is a useful indicator of the financial performance of our coal operations. The following tables present a reconciliation of net income (loss) to Adjusted EBITDA for the three months ended September 30, 2020 and 2019:

(In thousands)	Three Months Ended September 30, 2020 CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Net (loss) income from continuing operations	$ (29,545)	$ (3,815)	$ 149	$ (35,426)	$ (68,637)
Interest expense	(189)	2	(357)	18,933	18,389
Interest income	(3)	—	(1)	(374)	(378)
Income tax benefit	—	—	—	(45)	(45)
Depreciation, depletion and amortization	41,177	7,313	1,504	745	50,739
Non-cash stock compensation expense	105	—	—	973	1,078
Mark-to-market adjustment - acquisition-related obligations	—	—	—	3,624	3,624
Accretion on asset retirement obligations	3,767	2,406	2,424	530	9,127
Asset impairment and restructuring [1]	—	(265)	3,386	450	3,571
Amortization of acquired intangibles, net	2,535	(486)	145	25	2,219
Adjusted EBITDA	$ 17,847	$ 5,155	$ 7,250	$ (10,565)	$ 19,687

[1] Asset impairment and restructuring for the three months ended September 30, 2020 includes long-lived asset impairments of $3.5 million as a result of capital spending during the quarter at previously impaired locations requiring the impairment of certain additional assets not considered recoverable and restructuring expense of $0.1 million as a result of the strategic actions with respect to two thermal coal mining complexes announced during the second quarter of 2020. Refer to Note 8 for further information.

(In thousands)	Three Months Ended September 30, 2019 CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Net income (loss) from continuing operations	$ 13,033	$ (11,338)	$ (12,304)	$ (32,952)	$ (43,561)
Interest expense	84	6	1	18,756	18,847
Interest income	(4)	—	(15)	(1,744)	(1,763)
Income tax benefit	—	—	—	(3,102)	(3,102)
Depreciation, depletion and amortization	38,212	13,972	6,241	2,417	60,842
Merger-related costs	—	—	—	68	68
Non-cash stock compensation expense	348	3	—	2,387	2,738
Mark-to-market adjustment - acquisition-related obligations	—	—	—	(3,238)	(3,238)
Accretion on asset retirement obligations	2,326	2,670	1,017	833	6,846
Asset impairment	32	—	—	—	32
Amortization of acquired intangibles, net	4,765	(3,359)	908	—	2,314
Adjusted EBITDA	$ 58,796	$ 1,954	$ (4,152)	$ (16,575)	$ 40,023

The following table summarizes Adjusted EBITDA for our three reportable segments and All Other category:

(In thousands)	Three Months Ended September 30, 2020	2019	Increase (Decrease) $	%
Adjusted EBITDA				
CAPP - Met operations	$ 17,847	$ 58,796	$ (40,949)	(69.6)%
CAPP - Thermal operations	5,155	1,954	3,201	163.8 %
NAPP operations	7,250	(4,152)	11,402	274.6 %
All Other	(10,565)	(16,575)	6,010	36.3 %
Total	$ 19,687	$ 40,023	$ (20,336)	(50.8)%

CAPP - Met operations. Adjusted EBITDA decreased $40.9 million, or 69.6%, for the three months ended September 30, 2020 compared to the prior year period. The decrease in Adjusted EBITDA was primarily driven by decreased non-GAAP coal sales realization per ton of $34.56, or 31.9%, relative to the prior period, due to a weaker pricing environment impacted by the COVID-19 pandemic.

CAPP - Thermal operations. Adjusted EBITDA increased $3.2 million, or 163.8%, for the three months ended September 30, 2020. The increase in Adjusted EBITDA was primarily driven by decreased non-GAAP cost of coal sales per ton of $13.19, or 22.3%, relative to the prior period as we continue to improve our cost management in areas such as supplies and maintenance expense to achieve operational efficiencies.

NAPP operations. Adjusted EBITDA increased $11.4 million, or 274.6%, for the three months ended September 30, 2020 compared to the prior year period. The increase in Adjusted EBITDA was primarily driven by decreased non-GAAP cost of coal sales per ton of $8.84, or 20.2%, relative to the prior period as we continue to improve our cost management in areas such as supplies and maintenance expense to achieve operational efficiencies.

All Other category. Adjusted EBITDA increased $6.0 million, or 36.3%, for the three months ended September 30, 2020 compared to the prior year period. The increase in Adjusted EBITDA was primarily driven by decreases in selling, general and administrative expenses and cost of coal sales.

Nine Months Ended September 30, 2020 Compared to the Nine Months Ended September 30, 2019

Revenues

The following table summarizes information about our revenues during the nine months ended September 30, 2020 and 2019:

(In thousands, except for per ton data)	Nine Months Ended September 30, 2020	2019	Increase (Decrease) $ or Tons	%
Coal revenues	$ 1,278,935	$ 1,784,775	$ (505,840)	(28.3)%
Other revenues	4,054	6,409	(2,355)	(36.7)%
Total revenues	$ 1,282,989	$ 1,791,184	$ (508,195)	(28.4)%
Tons sold	16,139	18,017	(1,878)	(10.4)%

Coal revenues. Coal revenues decreased $505.8 million, or 28.3%, for the nine months ended September 30, 2020 compared to the prior year period. The decrease was primarily due to lower total overall coal sales volume and lower coal sales realization within our CAPP - Met operations as a result of a weaker pricing environment impacted by the COVID-19 pandemic. Refer to the Coal Operations section below for further detail on coal revenues for the nine months ended September 30, 2020 compared to the prior year period.

Cost and Expenses

The following table summarizes information about our costs and expenses during the nine months ended September 30, 2020 and 2019:

(In thousands)	Nine Months Ended September 30, 2020	2019	Increase (Decrease) $	%
Cost of coal sales (exclusive of items shown separately below)	$ 1,148,416	$ 1,480,098	$ (331,682)	(22.4)%
Depreciation, depletion and amortization	154,466	184,927	(30,461)	(16.5)%
Accretion on asset retirement obligations	23,806	19,925	3,881	19.5 %
Amortization of acquired intangibles, net	5,180	(4,712)	9,892	209.9 %
Asset impairment and restructuring	221,453	5,858	215,595	3,680.4 %
Selling, general and administrative expenses (exclusive of depreciation, depletion and amortization shown separately above)	42,010	53,121	(11,111)	(20.9)%
Merger-related costs	—	1,055	(1,055)	(100.0)%
Total other operating (income) loss:				
Mark-to-market adjustment for acquisition-related obligations	(13,425)	(288)	(13,137)	(4,561.5)%
Other income	(2,063)	(7,319)	5,256	71.8 %
Total costs and expenses	$ 1,579,843	$ 1,732,665	$ (152,822)	(8.8)%

Cost of coal sales. Cost of coal sales decreased $331.7 million, or 22.4%, for the nine months ended September 30, 2020 compared to the prior year period. The decrease was primarily driven by a decrease in tons sold in the current period relative to the prior year period and decreased costs of purchased coal, salaries and wages expense, and supplies and maintenance expense as we continue to improve our cost management to achieve operational efficiencies, partially offset by inventory change during the current period.

Depreciation, depletion and amortization. Depreciation, depletion and amortization decreased $30.5 million, or 16.5%, for the nine months ended September 30, 2020 compared to the prior year period. The decrease in depreciation, depletion and amortization primarily related to increased asset disposals and asset impairments during the current period.

Accretion on asset retirement obligations. Accretion on asset retirement obligations increased $3.9 million, or 19.5%, for the nine months ended September 30, 2020 compared to the prior year period. This increase was primarily driven by an increase in our credit-adjusted risk-free rate used to discount the obligations relative to the prior period.

Amortization of acquired intangibles, net. Amortization of acquired intangibles, net increased $9.9 million, or 209.9%, for the nine months ended September 30, 2020 compared to the prior year period. The increase was primarily driven by the lower current period amortization related to below-market acquired coal supply agreements, partially offset by lower acquired mine permit amortization.

Asset impairment and restructuring. Asset impairment and restructuring increased $215.6 million for the nine months ended September 30, 2020 compared to the prior year period. Asset impairment and restructuring for the nine months ended September 30, 2020 includes long-lived asset impairments of $199.0 million recorded within CAPP - Met, CAPP - Thermal, NAPP, and All Other and restructuring expense of $22.5 million recorded within CAPP - Thermal, NAPP, and All Other primarily as a result of weakened coal prices and strategic actions with respect to two thermal coal mining complexes announced during the second quarter of 2020 and capital spending during the third quarter of 2020 at previously impaired locations requiring the impairment of certain additional assets not considered recoverable. We recorded asset impairment of $5.9 million during the nine months ended September 30, 2019 primarily related to the write-off of prepaid purchased coal from Blackjewel due to Blackjewel’s Chapter 11 bankruptcy filing on July 1, 2019. Refer to Note 8 for further information.

Selling, general and administrative. Selling, general and administrative expenses decreased $11.1 million, or 20.9%, for the nine months ended September 30, 2020 compared to the prior year period. This decrease in expense was primarily related to decreases of $4.7 million in wages and benefits expense, $3.2 million in professional fees, $1.0 million in incentive pay, and $0.9 million in stock compensation expense, partially offset by $1.1 million in severance expense.

Merger-related costs. Merger-related costs were $1.1 million for the nine months ended September 30, 2019. The costs related primarily to professional fees, severance pay, and incentive pay incurred related to the Merger Agreement entered into with the Alpha Companies.

Mark-to-market adjustment for acquisition-related obligations. The mark-to-market adjustment for acquisition-related obligations resulted in an increase to income of $13.1 million for the nine months ended September 30, 2020 compared to the adjustment in the prior year period. This increase was related to the ($13.4) million Contingent Revenue Obligation mark-to-market adjustment recorded during the nine months ended September 30, 2020 due to changes in underlying fair value assumptions during the current period. Refer to Note 14 for Contingent Revenue Obligation fair value input assumptions.

Other income. Other income decreased $5.3 million, or 71.8%, for the nine months ended September 30, 2020 compared to the prior year period. This decrease primarily related to the gain on assets acquired in an exchange transaction of $9.1 million recorded during the nine months ended September 30, 2019.

Other Income (Expense)

The following table summarizes information about our other income (expense) during the nine months ended September 30, 2020 and 2019:

	Nine Months Ended September 30,		Increase (Decrease)	
(In thousands)	2020	2019	$	%
Other income (expense):				
Interest expense	$ (54,808)	$ (50,079)	$ (4,729)	(9.4)%
Interest income	6,889	5,584	1,305	23.4 %
Loss on modification and extinguishment of debt	—	(26,459)	26,459	100.0 %
Equity loss in affiliates	(3,085)	(4,804)	1,719	35.8 %
Miscellaneous loss, net	(1,088)	(2,912)	1,824	62.6 %
Total other expense, net	$ (52,092)	$ (78,670)	$ 26,578	33.8 %

Interest expense. Interest expense increased $4.7 million, or 9.4%, for the nine months ended September 30, 2020 compared to the prior year period, primarily due to an increase in debt outstanding and higher interest rates related to the debt facilities in place during the current period. Refer to Note 11 for additional information.

Loss on modification and extinguishment of debt. During the nine months ended September 30, 2019, we recorded a loss on modification of debt of $0.3 million, primarily related to modification fees paid under the refinance, and a loss on extinguishment of debt of $26.2 million, primarily related to the write-off of outstanding debt discounts and unamortized debt issuance costs under the Amended and Restated Credit Agreement dated November 9, 2018. Refer to Note 11 for additional information.

Income Tax Benefit

The following table summarizes information about our income tax benefit during the nine months ended September 30, 2020 and 2019:

	Nine Months Ended September 30,		Increase (Decrease)	
(In thousands)	2020	2019	$	%
Income tax benefit	$ 2,200	$ 8,880	$ (6,680)	(75.2)%

Income taxes. Income tax benefit of $2.2 million was recorded for the nine months ended September 30, 2020 on a loss from continuing operations before income taxes of $348.9 million. The effective tax rate differs from the federal statutory rate of 21% primarily due to the increase in the valuation allowance, partially offset by the permanent impact of percentage depletion deductions, the impact of state income taxes, net of federal tax impact, and the recording of a discrete tax benefit related to the refundability of previously sequestered AMT Credits.

Income tax benefit of $8.9 million was recorded for the nine months ended September 30, 2019 on a loss from continuing operations before income taxes of $20.2 million. The effective tax rate differs from the federal statutory rate of 21% primarily due to the permanent impact of percentage depletion and stock-based compensation deductions, partially offset by an increase in the valuation allowance. Refer to Note 15 for additional information.

Coal Operations

The following tables summarize certain financial information relating to our coal operations for the nine months ended September 30, 2020 and 2019:

	Nine Months Ended September 30, 2020				
(In thousands, except for per ton data)	CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Coal revenues	$ 974,098	$ 115,276	$ 189,171	$ 390	$ 1,278,935
Less: Freight and handling fulfillment revenues	(158,258)	(11,392)	(9,785)	—	(179,435)
Non-GAAP Coal revenues	$ 815,840	$ 103,884	$ 179,386	$ 390	$ 1,099,500
Tons sold	9,860	1,901	4,372	6	16,139
Non-GAAP Coal sales realization per ton	$ 82.74	$ 54.65	$ 41.03	$ 65.00	$ 68.13
Cost of coal sales (exclusive of items shown separately below)	$ 866,311	$ 108,190	$ 169,406	$ 4,509	$ 1,148,416
Depreciation, depletion and amortization - production [(1)]	121,699	19,422	10,525	1,795	153,441
Accretion on asset retirement obligations	10,786	7,025	3,963	2,032	23,806
Amortization of acquired intangibles, net	7,875	(3,484)	714	75	5,180
Total Cost of coal sales	$ 1,006,671	$ 131,153	$ 184,608	$ 8,411	$ 1,330,843
Less: Freight and handling costs	(158,258)	(11,392)	(9,785)	—	(179,435)
Less: Depreciation, depletion and amortization - production [(1)]	(121,699)	(19,422)	(10,525)	(1,795)	(153,441)
Less: Accretion on asset retirement obligations	(10,786)	(7,025)	(3,963)	(2,032)	(23,806)
Less: Amortization of acquired intangibles, net	(7,875)	3,484	(714)	(75)	(5,180)
Less: Idled and closed mine costs	(13,191)	(5,432)	(2,104)	(4,202)	(24,929)
Non-GAAP Cost of coal sales	$ 694,862	$ 91,366	$ 157,517	$ 307	$ 944,052
Tons sold	9,860	1,901	4,372	6	16,139
Non-GAAP Cost of coal sales per ton	$ 70.47	$ 48.06	$ 36.03	$ 51.17	$ 58.50

(1) Depreciation, depletion and amortization - production excludes the depreciation, depletion and amortization related to selling, general and administrative functions.

	Nine Months Ended September 30, 2020				
(In thousands, except for per ton data)	CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Coal revenues	$ 974,098	$ 115,276	$ 189,171	$ 390	$ 1,278,935
Less: Total Cost of coal sales (per table above)	(1,006,671)	(131,153)	(184,608)	(8,411)	(1,330,843)
GAAP Coal margin	$ (32,573)	$ (15,877)	$ 4,563	$ (8,021)	$ (51,908)
Tons sold	9,860	1,901	4,372	6	16,139
GAAP Coal margin per ton	$ (3.30)	$ (8.35)	$ 1.04	$ (1,336.83)	$ (3.22)
GAAP Coal margin	$ (32,573)	$ (15,877)	$ 4,563	$ (8,021)	$ (51,908)
Add: Depreciation, depletion and amortization - production (1)	121,699	19,422	10,525	1,795	153,441
Add: Accretion on asset retirement obligations	10,786	7,025	3,963	2,032	23,806
Add: Amortization of acquired intangibles, net	7,875	(3,484)	714	75	5,180
Add: Idled and closed mine costs	13,191	5,432	2,104	4,202	24,929
Non-GAAP Coal margin	$ 120,978	$ 12,518	$ 21,869	$ 83	$ 155,448
Tons sold	9,860	1,901	4,372	6	16,139
Non-GAAP Coal margin per ton	$ 12.27	$ 6.59	$ 5.00	$ 13.83	$ 9.63

(1) Depreciation, depletion and amortization - production excludes the depreciation, depletion and amortization related to selling, general and administrative functions.

(In thousands, except for per ton data)	Nine Months Ended September 30, 2019				
	CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Coal revenues	$ 1,339,663	$ 224,814	$ 220,298	$ —	$ 1,784,775
Less: Freight and handling fulfillment revenues	(182,729)	(23,683)	(5,430)	—	(211,842)
Non-GAAP Coal revenues	$ 1,156,934	$ 201,131	$ 214,868	$ —	$ 1,572,933
Tons sold	9,653	3,325	5,039	—	18,017
Non-GAAP Coal sales realization per ton	$ 119.85	$ 60.49	$ 42.64	$ —	$ 87.30
Cost of coal sales (exclusive of items shown separately below)	$ 1,057,988	$ 218,667	$ 199,566	$ 3,877	$ 1,480,098
Depreciation, depletion and amortization - production (1)	113,714	44,586	19,390	6,190	183,880
Accretion on asset retirement obligations	6,986	7,401	3,050	2,488	19,925
Amortization of acquired intangibles, net	5,816	(12,142)	1,614	—	(4,712)
Total Cost of coal sales	$ 1,184,504	$ 258,512	$ 223,620	$ 12,555	$ 1,679,191
Less: Freight and handling costs	(182,729)	(23,683)	(5,430)	—	(211,842)
Less: Depreciation, depletion and amortization - production (1)	(113,714)	(44,586)	(19,390)	(6,190)	(183,880)
Less: Accretion on asset retirement obligations	(6,986)	(7,401)	(3,050)	(2,488)	(19,925)
Less: Amortization of acquired intangibles, net	(5,816)	12,142	(1,614)	—	4,712
Less: Idled and closed mine costs	(5,942)	(1,442)	(2,222)	(3,877)	(13,483)
Less: Cost impact of coal inventory fair value adjustment (2)	(4,751)	(3,458)	—	—	(8,209)
Non-GAAP Cost of coal sales	$ 864,566	$ 190,084	$ 191,914	$ —	$ 1,246,564
Tons sold	9,653	3,325	5,039	—	18,017
Non-GAAP Cost of coal sales per ton	$ 89.56	$ 57.17	$ 38.09	$ —	$ 69.19

(1) Depreciation, depletion and amortization - production excludes the depreciation, depletion and amortization related to selling, general and administrative functions.
(2) The cost impact of the coal inventory fair value adjustment as a result of the Alpha Merger was completed during the three months ended June 30, 2019.

(In thousands, except for per ton data)	Nine Months Ended September 30, 2019 CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Coal revenues	$ 1,339,663	$ 224,814	$ 220,298	$ —	$ 1,784,775
Less: Total Cost of coal sales (per table above)	(1,184,504)	(258,512)	(223,620)	(12,555)	(1,679,191)
GAAP Coal margin	$ 155,159	$ (33,698)	$ (3,322)	$ (12,555)	$ 105,584
Tons sold	9,653	3,325	5,039	—	18,017
GAAP Coal margin per ton	$ 16.07	$ (10.13)	$ (0.66)	$ —	$ 5.86
GAAP Coal margin	$ 155,159	$ (33,698)	$ (3,322)	$ (12,555)	$ 105,584
Add: Depreciation, depletion and amortization - production [1]	113,714	44,586	19,390	6,190	183,880
Add: Accretion on asset retirement obligations	6,986	7,401	3,050	2,488	19,925
Add: Amortization of acquired intangibles, net	5,816	(12,142)	1,614	—	(4,712)
Add: Idled and closed mine costs	5,942	1,442	2,222	3,877	13,483
Add: Cost impact of coal inventory fair value adjustment [2]	4,751	3,458	—	—	8,209
Non-GAAP Coal margin	$ 292,368	$ 11,047	$ 22,954	$ —	$ 326,369
Tons sold	9,653	3,325	5,039	—	18,017
Non-GAAP Coal margin per ton	$ 30.29	$ 3.32	$ 4.55	$ —	$ 18.11

[1] Depreciation, depletion and amortization - production excludes the depreciation, depletion and amortization related to selling, general and administrative functions.
[2] The cost impact of the coal inventory fair value adjustment as a result of the Alpha Merger was completed during the three months ended June 30, 2019.

(In thousands, except for per ton data)	Nine Months Ended September 30, 2020	2019	Increase (Decrease) $	%
Tons sold:				
CAPP - Met operations	9,860	9,653	207	2.1 %
CAPP - Thermal operations	1,901	3,325	(1,424)	(42.8)%
NAPP operations	4,372	5,039	(667)	(13.2)%
Non-GAAP Coal revenues:				
CAPP - Met operations	$ 815,840	$ 1,156,934	$ (341,094)	(29.5)%
CAPP - Thermal operations	$ 103,884	$ 201,131	$ (97,247)	(48.4)%
NAPP operations	$ 179,386	$ 214,868	$ (35,482)	(16.5)%
Non-GAAP Coal sales realization per ton:				
CAPP - Met operations	$ 82.74	$ 119.85	$ (37.11)	(31.0)%
CAPP - Thermal operations	$ 54.65	$ 60.49	$ (5.84)	(9.7)%
NAPP operations	$ 41.03	$ 42.64	$ (1.61)	(3.8)%
Average	$ 68.13	$ 87.30	$ (19.17)	(22.0)%

Non-GAAP segment coal revenues. CAPP - Met operations non-GAAP coal revenues decreased $341.1 million, or 29.5%, for the nine months ended September 30, 2020 compared to the prior year period. The decrease in CAPP - Met operations non-GAAP coal revenues was primarily due to lower non-GAAP coal sales realization of $37.11 per ton as a result of a weaker pricing environment resulting from the impacts of the COVID-19 pandemic.

CAPP - Thermal operations non-GAAP coal revenues decreased $97.2 million, or 48.4%, for the nine months ended September 30, 2020 compared to the prior year period. The decrease in CAPP - Thermal operations non-GAAP coal revenues was due to lower coal sales volumes of 1.4 million tons and lower non-GAAP coal sales realization of $5.84 per ton as a result of a weaker pricing environment resulting from the impacts of the COVID-19 pandemic.

NAPP operations non-GAAP coal revenues decreased $35.5 million, or 16.5%, for the nine months ended September 30, 2020 compared to the prior year period. The decrease in NAPP operations non-GAAP coal revenues was due to lower coal sales volumes of 0.7 million tons and lower non-GAAP coal sales realization of $1.61 per ton as a result of a weaker pricing environment resulting from the impacts of the COVID-19 pandemic.

	Nine Months Ended September 30,		Increase (Decrease)	
(In thousands, except for per ton data)	2020	2019	$	%
Non-GAAP Cost of coal sales:				
CAPP - Met operations	$ 694,862	$ 864,566	$ (169,704)	(19.6)%
CAPP - Thermal operations	$ 91,366	$ 190,084	$ (98,718)	(51.9)%
NAPP operations	$ 157,517	$ 191,914	$ (34,397)	(17.9)%
Non-GAAP Cost of coal sales per ton:				
CAPP - Met operations	$ 70.47	$ 89.56	$ (19.09)	(21.3)%
CAPP - Thermal operations	$ 48.06	$ 57.17	$ (9.11)	(15.9)%
NAPP operations	$ 36.03	$ 38.09	$ (2.06)	(5.4)%
Non-GAAP Coal margin per ton:				
CAPP - Met operations	$ 12.27	$ 30.29	$ (18.02)	(59.5)%
CAPP - Thermal operations	$ 6.59	$ 3.32	$ 3.27	98.5 %
NAPP operations	$ 5.00	$ 4.55	$ 0.45	9.9 %

Non-GAAP cost of coal sales. CAPP - Met operations non-GAAP cost of coal sales decreased $169.7 million, or 19.6%, for the nine months ended September 30, 2020 compared to the prior year period. The decrease in CAPP - Met operations non-GAAP cost of coal sales was primarily driven by decreased costs of purchased coal, salaries and wages expense, and supplies and maintenance expense, partially offset by inventory change during the current period.

CAPP - Thermal operations non-GAAP cost of coal sales decreased $98.7 million, or 51.9%, for the nine months ended September 30, 2020 compared to the prior year period. The decrease in CAPP - Thermal operations non-GAAP cost of coal sales was primarily due to a decrease in tons sold in the current period relative to the prior year period and decreased supplies and maintenance expense and salaries and wages expense, partially offset by inventory change during the current period.

NAPP operations non-GAAP cost of coal sales decreased $34.4 million, or 17.9%, for the nine months ended September 30, 2020 compared to the prior year period. The decrease in NAPP operations non-GAAP cost of coal sales was primarily due to a decrease in tons sold in the current period relative to the prior year period and decreased salaries and wages expense and supplies and maintenance expense.

Our non-GAAP cost of coal sales includes purchased coal costs. In the following tables, we calculate Adjusted cost of produced coal sold as non-GAAP cost of coal sales less purchased coal costs.

	Nine Months Ended September 30, 2020				
(In thousands, except for per ton data)	CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Non-GAAP Cost of coal sales	$ 694,862	$ 91,366	$ 157,517	$ 307	$ 944,052
Less: cost of purchased coal sold	(65,777)	(832)	—	—	(66,609)
Adjusted cost of produced coal sold	$ 629,085	$ 90,534	$ 157,517	$ 307	$ 877,443
Produced tons sold	9,002	1,887	4,372	6	15,267
Adjusted cost of produced coal sold per ton [(1)]	$ 69.88	$ 47.98	$ 36.03	$ 51.17	$ 57.47

(1) Cost of produced coal sold per ton for our operations is calculated as non-GAAP cost of produced coal sold divided by produced tons sold.

	Nine Months Ended September 30, 2019				
(In thousands, except for per ton data)	CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Non-GAAP Cost of coal sales	$ 864,566	$ 190,084	$ 191,914	$ —	$ 1,246,564
Less: cost of purchased coal sold	(194,590)	(6,378)	—	—	(200,968)
Adjusted cost of produced coal sold	$ 669,976	$ 183,706	$ 191,914	$ —	$ 1,045,596
Produced tons sold	7,948	3,215	5,039	—	16,202
Adjusted cost of produced coal sold per ton (1)	$ 84.29	$ 57.14	$ 38.09	$ —	$ 64.53

(1) Cost of produced coal sold per ton for our operations is calculated as non-GAAP cost of produced coal sold divided by produced tons sold.

Segment Adjusted EBITDA

Segment Adjusted EBITDA for our reportable segments is a financial measure. This non-GAAP financial measure is presented as a supplemental measure and is not intended to replace financial performance measures determined in accordance with GAAP. Moreover, this measure is not calculated identically by all companies and therefore may not be comparable to similarly titled measures used by other companies. Segment Adjusted EBITDA is presented because management believes it is a useful indicator of the financial performance of our coal operations. The following tables present a reconciliation of net income (loss) to Adjusted EBITDA for the nine months ended September 30, 2020 and 2019:

	Nine Months Ended September 30, 2020				
(In thousands)	CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Net loss from continuing operations	$ (67,996)	$ (37,711)	$ (158,983)	$ (82,056)	$ (346,746)
Interest expense	(1,495)	6	(1,431)	57,728	54,808
Interest income	(63)	—	(15)	(6,811)	(6,889)
Income tax benefit	—	—	—	(2,200)	(2,200)
Depreciation, depletion and amortization	121,699	19,422	10,525	2,820	154,466
Non-cash stock compensation expense	410	8	—	3,782	4,200
Mark-to-market adjustment - acquisition-related obligations	—	—	—	(13,425)	(13,425)
Accretion on asset retirement obligations	10,786	7,025	3,963	2,032	23,806
Asset impairment and restructuring (1)	32,951	20,188	165,866	2,448	221,453
Management restructuring costs (2)	501	5	6	435	947
Loss on partial settlement of benefit obligations	—	—	—	1,230	1,230
Amortization of acquired intangibles, net	7,875	(3,484)	714	75	5,180
Adjusted EBITDA	$ 104,668	$ 5,459	$ 20,645	$ (33,942)	$ 96,830

(1) Asset impairment and restructuring for the nine months ended September 30, 2020 includes long-lived asset impairments of $199.0 million and restructuring expense of $22.5 million as a result of weakened coal prices and the strategic actions with respect to two thermal coal mining complexes announced during the second quarter of 2020 and capital spending during the third quarter of 2020 at previously impaired locations requiring the impairment of certain additional assets not considered recoverable. Refer to Note 8 for further information.
(2) Management restructuring costs are related to severance expense associated with senior management changes during the three months ended March 31, 2020.

(In thousands)	Nine Months Ended September 30, 2019 CAPP - Met	CAPP - Thermal	NAPP	All Other	Consolidated
Net income (loss) from continuing operations	$ 154,020	$ (34,675)	$ (2,118)	$ (128,498)	$ (11,271)
Interest expense	306	16	2	49,755	50,079
Interest income	(12)	—	(38)	(5,534)	(5,584)
Income tax benefit	—	—	—	(8,880)	(8,880)
Depreciation, depletion and amortization	113,714	44,586	19,390	7,237	184,927
Merger related costs	—	—	—	1,055	1,055
Non-cash stock compensation expense	1,127	60	—	6,276	7,463
Mark-to-market adjustment - acquisition-related obligations	—	—	—	(288)	(288)
Accretion on asset retirement obligations	6,986	7,401	3,050	2,488	19,925
Loss on modification and extinguishment of debt	—	—	—	26,459	26,459
Asset impairment [1]	5,858	—	—	—	5,858
Cost impact of coal inventory fair value adjustment [2]	4,751	3,458	—	—	8,209
Gain on assets acquired in an exchange transaction [3]	(9,083)	—	—	—	(9,083)
Amortization of acquired intangibles, net	5,816	(12,142)	1,614	—	(4,712)
Adjusted EBITDA	$ 283,483	$ 8,704	$ 21,900	$ (49,930)	$ 264,157

[1] Asset impairment primarily related to the write-off of prepaid purchased coal from Blackjewel as a result of Blackjewel's Chapter 11 bankruptcy filing on July 1, 2019.
[2] The cost impact of the coal inventory fair value adjustment as a result of the Alpha Merger was completed during the three months ended June 30, 2019.
[3] During the nine months ended September 30, 2019, we entered into an exchange transaction which primarily included the release of the PRB overriding royalty interest owed to us in exchange for met coal reserves which resulted in a gain of $9.1 million.

The following table summarizes Adjusted EBITDA for our three reportable segments and All Other category:

(In thousands)	Nine Months Ended September 30, 2020	2019	Increase (Decrease) $	%
Adjusted EBITDA				
CAPP - Met operations	$ 104,668	$ 283,483	$ (178,815)	(63.1)%
CAPP - Thermal operations	5,459	8,704	(3,245)	(37.3)%
NAPP operations	20,645	21,900	(1,255)	(5.7)%
All Other	(33,942)	(49,930)	15,988	32.0 %
Total	$ 96,830	$ 264,157	$ (167,327)	(63.3)%

CAPP - Met operations. Adjusted EBITDA decreased $178.8 million, or 63.1%, for the nine months ended September 30, 2020 compared to the prior year period. The decrease in Adjusted EBITDA was primarily driven by decreased non-GAAP coal sales realization per ton of $37.11, or 31.0%, due to a weaker pricing environment resulting from the impact of the COVID-19 pandemic.

CAPP - Thermal operations. Adjusted EBITDA decreased $3.2 million, or 37.3%, for the nine months ended September 30, 2020. The decrease in Adjusted EBITDA was primarily driven by decreased coal sales volumes of 1.4 million tons, or 42.8%, and decreased non-GAAP coal sales realization per ton of $5.84, or 9.7%, due to a weaker pricing and demand environment resulting from the COVID-19 pandemic.

NAPP operations. Adjusted EBITDA decreased $1.3 million, or 5.7%, for the nine months ended September 30, 2020 compared to the prior year period. The decrease in Adjusted EBITDA was primarily due to decreased coal sales volumes of 0.7 million tons, or 13.2%, and decreased non-GAAP coal sales realization per ton of $1.61, or 3.8%, due to a weaker pricing and demand environment resulting from the impact of the COVID-19 pandemic.

All Other category. Adjusted EBITDA increased $16.0 million, or 32.0%, for the nine months ended September 30, 2020 compared to the prior year period. The increase in Adjusted EBITDA was primarily driven by decreases in selling, general and administrative expenses and increased gain on sale of assets, partially offset by increases in costs associated with idled properties.

Liquidity and Capital Resources

Our primary liquidity and capital resource requirements stem from the cost of our coal production and purchases, our capital expenditures, our debt service, our reclamation obligations, our regulatory costs and settlements and associated costs. Our primary sources of liquidity are derived from sales of coal, our debt financing and miscellaneous revenues.

We believe that cash on hand, cash generated from our operations, and expected tax refunds will be sufficient to meet our working capital requirements, anticipated capital expenditures, debt service requirements, acquisition-related obligations, and reclamation obligations for the next 12 months. We rely on a number of assumptions in budgeting for our future activities. These include the costs for mine development to sustain capacity of our operating mines, our cash flows from operations, effects of regulation and taxes by governmental agencies, mining technology improvements and reclamation costs. These assumptions are inherently subject to significant business, political, economic, regulatory, environmental and competitive uncertainties, contingencies and risks, all of which are difficult to predict and many of which are beyond our control. Increased scrutiny of ESG matters, specific to the coal sector, could negatively influence our ability to raise capital in the future and result in a reduced number of surety and insurance providers. We may need to raise additional funds more quickly if market conditions deteriorate, and we may not be able to do so in a timely fashion, or at all; or one or more of our assumptions prove to be incorrect or if we choose to expand our acquisition, exploration, appraisal, or development efforts or any other activity more rapidly than we presently anticipate. We may decide to raise additional funds before we need them if the conditions for raising capital are favorable. We may seek to sell equity or debt securities or obtain additional bank credit facilities. The sale of equity securities could result in dilution to our stockholders. The incurrence of additional indebtedness could result in increased fixed obligations and additional covenants that could restrict our operations.

At September 30, 2020, we had cash and cash equivalents of $161.4 million and no remaining unused capacity under the Amended and Restated Asset-Based Revolving Credit Agreement. In October 2020, we repaid $15.0 million of borrowed principal under the ABL Facility in advance of the maturity date and without penalty, to remain in compliance with the ABL Facility’s borrowing base capacity covenant limitations based on outstanding borrowings and letters of credit as of September 30, 2020. Additionally, due to lower realized pricing and volumes in recent quarters due to market disruptions related to COVID-19, the borrowing capacity under our ABL Facility was reduced in the current and prior quarter due to the facility's covenant limitations related to our Fixed Charge Coverage Ratio (as that term is defined in the ABL Facility) reducing our liquidity. During the three months ended September 30, 2020, we repaid $12.4 million of borrowed principal under the ABL Facility in advance of the maturity date and without penalty.

On November 9, 2018, we entered into a $225.0 million ABL Facility under the Amended and Restated Asset-Based Revolving Credit Agreement expiring on April 3, 2022. On June 14, 2019, we entered into a $561.8 million Term Loan Credit Facility under the Credit Agreement. Refer to Note 11 for disclosures on long-term debt.

On March 27, 2020, the CARES Act was enacted into law. As a result of the CARES Act, AMT Credits of $66.1 million are expected to be received in the fourth quarter of 2020. Refer to Note 15.

Weak market conditions and depressed coal prices have resulted in operating losses in recent quarters. If market conditions do not improve, we expect to continue to experience operating losses and cash outflows in the coming quarters, which would adversely affect our liquidity. In particular, we expect a decrease in cash and cash equivalents to the extent that capital expenditures and other cash obligations, including our debt service obligations, exceed cash generated from our operations.

The COVID-19 pandemic has had negative impacts on our business, results of operations, financial condition and cash flows. A continued period of reduced demand for our products could have significant adverse consequences on our business. The full extent of the impact of the COVID-19 pandemic on our operational and financial performance will depend on various developments, including the duration and spread of the outbreak, its impact on our customers and suppliers and the range of governmental and community reactions to the pandemic, which are still uncertain and cannot be fully predicted at this time.

We have continued to take steps to enhance our capital structure and financial flexibility and reduce cash outflows from operations in the near term, including reductions in our operating, SG&A, and overhead costs, reductions in production volumes, and the amendment of our credit facility. We expect to engage in similar efforts in the future as opportunities arise through refinancing, repayment or repurchase of outstanding debt, amendment of our credit facilities, and other methods, and may consider the sale of other assets or businesses, and such other measures as circumstances warrant. We may decide to pursue or not pursue these opportunities at any time. Access to additional funds from liquidity-generating transactions or other sources of external financing is subject to market conditions and certain limitations, including our credit rating and covenant restrictions in our credit facility and indentures.

We sponsor three qualified non-contributory pension plans ("Pension Plans") which cover certain salaried and non-union hourly employees. Participants accrued benefits either based on certain formulas, the participant's compensation prior to retirement or plan specified amounts for each year of service. Benefits are frozen under these Pension Plans. Annual funding contributions to the Pension Plans are made as recommended by consulting actuaries based upon the Employee Retirement Income Security Act of 1974, as amended ("ERISA") funding standards. Funding decisions also consider certain funded status thresholds defined by the Pension Protection Act of 2006. We expect to contribute $4.2 million to the Pension Plans in the remainder of 2020. Refer to Note 16 for further disclosures related to this obligation.

To secure our obligations under certain worker's compensation, black lung, reclamation-related obligations, and financial guarantees and other, we are required to provide cash collateral. At September 30, 2020, we had cash collateral in the amounts of $124.1 million, $27.8 million, and $19.7 million classified as long-term restricted cash, long-term restricted investments, and short-term and long-term deposits, respectively, on our Condensed Consolidated Balance Sheets. Future regulatory changes relating to these obligations could result in increased obligations, additional costs, or additional collateral requirements which could require greater use of alternative sources of funding for this purpose, which would reduce our liquidity. Refer below for information related to the new authorization process for self-insured coal mine operators being implemented by the U.S. Department of Labor (Division of Coal Mine Workers' Compensation). Additionally, as September 30, 2020, we had $7.1 million of short-term restricted cash held in escrow related to our contingent revenue obligation. Refer to Note 12 for further information regarding the contingent revenue obligation.

During the third quarter of 2020, we entered into a collective bargaining agreement with the UMWA representing Cumberland mine employees replacing the prior expired collective bargaining agreement. We are in active negotiations for the divestiture of the Cumberland property with a potential purchaser. However, no definitive agreement has been reached and there can be no assurances that any transaction will result from these negotiations or as to the terms, timing or approval of any such transaction that may be proposed.

During the second quarter of 2020, as a result of the weakening coal market conditions due in part to the impact of the global COVID-19 pandemic, we announced that we would take certain strategic actions with respect to two of our thermal coal mining complexes in an effort to strengthen our financial performance and improve forecasted liquidity. We announced that an underground mine and preparation plant located in West Virginia would be idled during the third quarter of 2020. In addition, we decided not to move forward with the construction of a new refuse impoundment at our Cumberland mine in Pennsylvania and would therefore no longer spend the significant capital required in connection with the project.

With respect to global economic events, there continues to be uncertainty and weakness in the coal industry. On June 2, 2020, S&P Global Ratings downgraded their issuer credit rating on Contura from "B-" to "CCC+" and their issue-level rating on our senior secured debt from "B" to "CCC+" amid weak market indicators. The rating outlook was noted as negative. On April 13, 2020, Moody's Investors Service downgraded Contura's Corporate Family Rating to Caa1 from B3, Senior Secured Bank Credit Facility to Caa2 from Caa1, and Probability of Default Rating to Caa1 from B3. The rating outlook was changed from stable to negative. These issues bring potential liquidity risks for us, including the risks of declines in our stock value, declines in our cash and cash equivalents, less availability and higher costs of additional credit, and requests for additional collateral by surety providers.

DCMWC Reauthorization Process

In July 2019, the U.S. Department of Labor (Division of Coal Mine Workers' Compensation or "DCMWC") began implementing a new authorization process for all self-insured coal mine operators. As requested by DCMWC, we filed an application and supporting documentation for reauthorization to self-insure certain of our black lung obligations in October 2019. As a result of this application, the DCMWC notified us in a letter dated February 21, 2020 that we were reauthorized to self-insure certain of our black lung obligations for a period of one-year from February 21, 2020. The DCMWC reauthorization is contingent, however, upon us providing collateral of $65.7 million to secure certain of our black lung obligations. This collateral requirement, which the DCMWC advises represents 70% of our estimated future liability according to the DCMWC's estimation methodology, is an increase of approximately 2,400% from the approximately $2.6 million in collateral which we (previously by Alpha prior to the Merger) have provided since 2016 to secure these self-insured black lung obligations. Future liability has not previously been estimated by the DCMWC in connection with the reauthorization process but is now being considered as part of its new collateral-setting methodology.

The reauthorization process provided us with the right to appeal the security determination in writing within 30 days of the date of the notification, which appeal period the DCMWC agreed to extend to May 22, 2020, and we exercised this right of appeal. We strongly disagree with the DCMWC's substantially higher collateral determination and the methodology through which the calculation was derived. If our appeal is unsuccessful, we may be required to provide additional letters of credit in order to receive self-insurance reauthorization from the DCMWC or insure these black lung obligations through a third party provider, which would likely also require us to provide collateral. Either of these outcomes would significantly reduce our liquidity.

Sale of PRB Operations

Refer to Note 2 for disclosure information on discontinued operations related to the sale of assets in our former PRB operations.

Cash Flows

Cash, cash equivalents, and restricted cash decreased by $55.1 million and $94.1 million over the nine months ended September 30, 2020 and 2019, respectively. The net change in cash, cash equivalents, and restricted cash was attributable to the following:

	Nine Months Ended September 30,	
	2020	**2019**
Cash flows (in thousands):		
Net cash provided by operating activities	$ 73,033	$ 137,578
Net cash used in investing activities	(124,833)	(167,579)
Net cash used in financing activities	(3,277)	(64,110)
Net decrease in cash and cash equivalents and restricted cash	$ (55,077)	$ (94,111)

Operating Activities

Net cash flows from operating activities consist of net loss adjusted for non-cash items. Net cash provided by operating activities for the nine months ended September 30, 2020 was $73.0 million and was primarily attributable to net loss of $346.7 million adjusted for asset impairment and restructuring of $221.5 million, depreciation, depletion and amortization of $154.5 million, deferred income taxes of $33.0 million, accretion on asset retirement obligations of $23.8 million, employee benefit plans, net of $15.1 million, and amortization of debt issuance costs and accretion of debt discount of $11.1 million, partially offset by a mark-to-market adjustment for acquisition-related obligations of $13.4 million.

Net cash provided by operating activities for the nine months ended September 30, 2019 was $137.6 million and was primarily attributable to net loss of $175.4 million adjusted for depreciation, depletion and amortization of $330.8 million, loss on modification and extinguishment of debt of $26.5 million, accretion on asset retirement obligations of $24.9 million, asset impairment of $23.0 million, employee benefit plans, net of $14.5 million, and amortization of debt issuance costs and accretion of debt discount of $10.4 million, partially offset by deferred income taxes of $22.0 million, and a $9.1 million gain on assets acquired in an exchange transaction.

Investing Activities

Net cash used in investing activities for the nine months ended September 30, 2020 was $124.8 million, primarily driven by capital expenditures of $118.9 million and purchases of investment securities of $18.6 million, partially offset by maturity of investment securities of $12.7 million.

Net cash used in investing activities for the nine months ended September 30, 2019 was $167.6 million, primarily driven by capital expenditures of $144.2 million, purchases of investment securities of $65.2 million, and capital contributions to equity affiliates of $7.6 million, partially offset by maturity of investment securities of $50.8 million.

Financing Activities

Net cash used in financing activities for the nine months ended September 30, 2020 was $3.3 million, primarily attributable to principal repayments of debt of $43.4 million and principal repayments of notes payable of $15.0 million, mostly offset by proceeds from borrowings on debt of $57.5 million.

Net cash used in financing activities for the nine months ended September 30, 2019 was $64.1 million, primarily attributable to principal repayments of debt of $551.4 million, principal repayments of notes payable of $14.1 million, common stock repurchases and related expenses of $35.5 million, and debt issuance costs of $6.1 million, partially offset by proceeds from borrowings on debt of $544.9 million.

Long-Term Debt

Refer to Note 11 for additional disclosures on long-term debt.

Analysis of Material Debt Covenants

We are in compliance with all covenants under the Credit Agreement and the Amended and Restated Asset-Based Revolving Credit Agreement, as of September 30, 2020. A breach of the covenants in the Credit Agreement and the Amended and Restated Asset-Based Revolving Credit Agreement could result in a default under the terms of the agreement and the respective lenders could elect to declare all amounts borrowed due and payable.

Pursuant to the Amended and Restated Asset-Based Revolving Credit Agreement, during any Liquidity Period (capitalized terms as defined in the Amended and Restated Asset-Based Revolving Credit Agreement), our Fixed Charge Coverage Ratio cannot be less than 1.0 as of the last day of any Test Period, commencing with the Test Period ended immediately preceding the commencement of such Liquidity Period. The Fixed Charge Coverage Ratio is calculated as (a) Consolidated EBITDA of the Company and its Restricted Subsidiaries for such period, minus non-financed Capital Expenditures (including Capital Expenditures financed with the proceeds of any Loans) paid or payable currently in cash by the Company or any of its Subsidiaries for such period to (b) the Fixed Charges of the Company and its Restricted Subsidiaries during such period. As of September 30, 2020, we were not in a Liquidity Period.

Acquisition-Related Obligations

Refer to Note 12 for additional details and disclosures on acquisition-related obligations.

Off-Balance Sheet Arrangements

Refer to Note 18, part (c) for disclosures on off-balance sheet arrangements.

Other

As a regular part of our business, we review opportunities for, and engage in discussions and negotiations concerning, the acquisition or disposition of coal mining and related infrastructure assets and interests in coal mining companies, and acquisitions or dispositions of, or combinations or other strategic transactions involving companies with coal mining or other energy assets. When we believe that these opportunities are consistent with our strategic plans and our acquisition or disposition criteria, we will make bids or proposals and/or enter into letters of intent and other similar agreements. These bids or proposals, which may be binding or non-binding, are customarily subject to a variety of conditions and usually permit us to terminate the discussions and any related agreement if, among other things, we are not satisfied with the results of due diligence. Any acquisition opportunities we pursue could materially affect our liquidity and capital resources and may require us to incur indebtedness, seek equity capital or both. There can be no assurance that additional financing will be available on terms acceptable to us, or at all.

Contractual Obligations

Our contractual obligations are discussed in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2019.

Our contractual obligations relating to the contingent revenue obligation decreased during the nine months ended September 30, 2020 as a result of a $14.7 million payment and changes to forecasted future revenue assumptions. Refer to Note 12 and Note 14 for further disclosures related to this obligation. The table below reflects these obligations as of September 30, 2020:

(in thousands)	Remainder of 2020	2021	2022	2023	2024	After 2024	Total
Contingent revenue obligation	$ —	$ 10,945	$ 11,972	$ 11,217	$ —	$ —	$ 34,134

Refer to Note 11 for information about our long-term debt obligations and Note 18 for disclosures related to our other contractual obligations.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other factors and assumptions, including the current economic environment, that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and assumptions on an ongoing basis and adjust such estimates and assumptions as facts and circumstances require. Foreign currency and energy markets, and fluctuations in demand for steel products have combined to increase the uncertainty inherent in such estimates and assumptions. As future events and their effects cannot be determined with precision, actual results may differ significantly from these estimates. Changes in these estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods.

Our critical accounting policies are discussed in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2019. Our critical accounting policies remain unchanged at September 30, 2020. Refer to Note 1 for disclosures related to new accounting policies adopted.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

Commodity Price Risk

We manage our commodity price risk for coal sales through the use of coal supply agreements. As of October 21, 2020, we have sales commitments as follows:

	2020	
	Tons	% Priced
CAPP - Met	13.3 million	86 %
CAPP - Thermal	3.3 million	99 %
NAPP	5.5 million	100 %

Due to the significant uncertainty in the worldwide coal markets due to COVID-19, there is risk of reduction in future shipments due to deferrals and utilization of force majeure clauses in customer contracts.

We have exposure to price risk for supplies that are used directly or indirectly in the normal course of production such as diesel fuel, steel and other items such as explosives. We manage our risk for these items through strategic sourcing contracts in normal quantities with our suppliers and may use derivative instruments in the future from time to time, primarily swap contracts with financial institutions, for a certain percentage of our monthly requirements. Swap agreements would essentially fix the price paid for our diesel fuel by requiring us to pay a fixed price and receive a floating price.

As of September 30, 2020, we expect to use approximately 4.4 million and 20.6 million gallons of diesel fuel in the remainder of 2020 and for the full year 2021, respectively.

Credit Risk

Our credit risk is primarily with electric power generators and steel producers. Our policy is to independently evaluate each customer’s creditworthiness prior to entering into transactions and to monitor outstanding accounts receivable against established credit limits. When appropriate (as determined by our credit management function), we have taken steps to reduce our credit exposure to customers that do not meet our credit standards or whose credit has deteriorated. These steps include obtaining letters of credit or cash collateral, obtaining credit insurance, requiring prepayments for shipments or establishing customer trust accounts held for our benefit in the event of a failure to pay.

Interest Rate Risk

As of September 30, 2020, we had exposure to changes in interest rates through the Term Loan Credit Facility under our Credit Agreement, which bears an interest rate per annum based on the character of the loan (defined as either “Base Rate Loan” or “Eurocurrency Rate Loan”). Each loan type bears interest at a rate per annum comprised of a base rate (as defined) plus an applicable percentage (6.00% to 7.00% on or prior to June 14, 2021, the second anniversary of the Closing Date and 7.00% to 8.00% thereafter (the “Applicable Rate”)). The Eurocurrency base rate is subject to a 2.00% floor. As of September 30, 2020, a 50 basis point increase or decrease in interest rates would not have impacted our annual interest expense as the September 30, 2020 one-month LIBOR rate (approximately 0.2%) was below the LIBOR floor.

As of September 30, 2020, we also had exposure to changes in interest rates through the asset-based revolving credit facility under our Amended and Restated Asset-Based Revolving Credit Agreement, which bears interest based on the character of the loan (defined as either “Base Rate Loan” or “Eurocurrency Rate Loan”) plus an applicable rate ranging from 1.00% to 1.50% for Base Rate Loans and 2.00% to 2.50% for Eurocurrency Rate Loans, depending on the amount of credit available. As of September 30, 2020, a 50 basis point increase or decrease in interest rates would increase or decrease our annual interest expense by approximately $0.1 million.

Item 4. ***Controls and Procedures***

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) that are designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer (“CEO”) and our Chief Financial Officer (“CFO”), as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In accordance with Rule 13a-15(b) of the Exchange Act, we have evaluated, under the supervision of our CEO and our CFO, the effectiveness of disclosure controls and procedures as of September 30, 2020. Based on this evaluation, our CEO and our CFO concluded that our disclosure controls and procedures were effective as of September 30, 2020.

Remediation of Previously Reported Material Weaknesses

As described in “Item 9A. Controls and Procedures” in our Annual Report on Form 10-K for the year ended December 31, 2019, we previously identified material weaknesses in our internal control over the design of the coal inventory controls and our risk assessment process. We executed a remediation plan to address the control deficiencies that led to these material weaknesses. The remediation actions were as follows:

Coal inventory controls

- Implemented enhancements to the design of the coal inventory controls;
- Provided additional training around the sufficiency of control documentation requirements.

Risk assessment process

- Performed the fiscal year risk assessment at a sufficiently granular level to allow management to adequately assess risks at the appropriate level of precision;
- Performed additional training related to internal control over financial reporting for all personnel to enhance knowledge and understanding of the operation and design of controls within the organization and implemented additional resources as necessary to supplement internal personnel.

As of September 30, 2020, we concluded that the enhancements related to the design of the coal inventory controls and the risk assessment process have been satisfactorily implemented and have operated effectively for a sufficient period of time. Therefore, we concluded that these previously identified material weaknesses have been remediated as of September 30, 2020.

Changes in Internal Control Over Financial Reporting

Except as otherwise described herein, there were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Disclosure Controls and Procedures

Our CEO, our CFO and other members of management do not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Part II - Other Information

Item 1. ***Legal Proceedings***

For a description of the Company's legal proceedings, refer to Note 18, part (d), to the unaudited Condensed Consolidated Financial Statements, which is incorporated herein by reference.

Item 1A. ***Risk Factors***

In addition to the other information set forth in this report, you should carefully consider the factors discussed in the "Item 1A. Risk Factors" section in the Company's Annual Report on Form 10-K for the year ended December 31, 2019, together with the cautionary statement under the caption "Cautionary Note Regarding Forward Looking Statements" in this report. These described risks are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

The recent outbreak of COVID-19 and certain developments in the domestic and international coal markets have had, and may continue to have, material adverse consequences for general economic, financial and business conditions, and could materially and adversely affect our business, financial condition, results of operations and liquidity and those of our customers, suppliers and other counterparties.

The recent outbreak of COVID-19 and the responses of governmental authorities, companies and the self-imposed restrictions by many individuals across the world to stem the spread of the virus have significantly reduced global economic activity. As a result, there has been a decline in the demand for the coal we produce, particularly metallurgical coal, as the worldwide demand for steel, and levels of steel production, have declined. In addition, our ability to produce coal has been limited, and may continue to be limited, by the measures we have taken to avoid the introduction and spread of COVID-19 among our workforce.

Further, concerns over the negative effects of COVID-19 on economic and business prospects across the world have diminished expectations for the global economy and increased the possibility of a prolonged economic slowdown and recession. In that case, the current limited demand for our products may decline further, and may continue to decline for an unknown period. Any such prolonged period of economic slowdown or recession, or a protracted period of depressed prices for our products, could have significant adverse consequences for our financial condition and the financial condition of our customers, suppliers and other counterparties, and could materially diminish our liquidity.

Declines in the market prices of coal below the carrying cost of such commodities in our inventory may require us to adjust the value of, and record a loss on, certain inventories. Such conditions could also result in an increased risk that customers, lenders, service and insurance providers, and other counterparties may be unable to fulfill their obligations in a timely manner, or at all. Any of the foregoing events or conditions, or other unforeseen consequences of COVID-19, could significantly adversely affect our business and financial condition and the business and financial condition of our customers and other counterparties.

The ultimate extent of the impact of COVID-19 on our business, financial condition, results of operation and liquidity will depend largely on future developments, including the duration and spread of the outbreak, particularly within the geographic areas where we operate, and the related impact on overall economic activity, all of which are uncertain and cannot be predicted with certainty at this time.

To the extent COVID-19 adversely affects our business, financial condition, results of operation and liquidity, it may also have the effect of heightening many of the other risks described in the "Risk Factors" section included in our Annual Report on Form 10-K for the year ended December 31, 2019, as those risk factors are amended or supplemented by subsequent Quarterly Reports on Form 10-Q and other reports and documents we file with the SEC hereafter.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

The following table summarizes information about shares of common stock that were repurchased during the third quarter of 2020.

	Total Number of Shares Purchased (1)	Average Price Paid per Share (4)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (In thousands) (2),(3)
July 1, 2020 through July 31, 2020	4,290	$ 3.62	—	$ 67,552
August 1, 2020 through August 31, 2020	—	$ —	—	$ 67,552
September 1, 2020 through September 30, 2020	—	$ —	—	$ 67,552
	4,290		—	$ 67,522

(1) We are authorized to repurchase common shares from employees (upon the election by the employee) to satisfy the employees' statutory tax withholdings upon the vesting of stock grants. Shares that are repurchased to satisfy the employees' statutory tax withholdings are recorded in treasury stock at cost.
(2) The Company adopted a capital return program in 2019, including a stock repurchase plan which the Company suspended on October 1, 2019.
(3) We cannot estimate the number of shares that will be repurchased because decisions to purchase are subject to market and business conditions, levels of available liquidity, our cash needs, restrictions under agreements or obligations, legal or regulatory requirements or restrictions, and other relevant factors. This amount does not include $16 thousand of stock repurchase related fees.

There were no repurchases related to warrants during the current quarter.

Item 4. ***Mine Safety Disclosures***

Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to this Quarterly Report on Form 10-Q.

Item 6. ***Exhibits***

Refer to the Exhibit Index following the signature page to this Quarterly Report on Form 10-Q.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	CONTURA ENERGY, INC.	
Date: November 9, 2020	By:	*/s/ Charles Andrew Eidson*
	Name:	Charles Andrew Eidson
	Title:	Executive Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit Index

Exhibit No.	Description of Exhibit
3.1	Second Amended and Restated Certificate of Incorporation of Contura Energy, Inc. (Incorporated by reference to Exhibit 3.1 to the Registration Statement on Form S-4 of Contura Energy, Inc. (File No. 333-226953) filed on August 21, 2018)
3.2	Third Amended and Restated Bylaws of Contura Energy, Inc. (Incorporated by reference to Exhibit 3.2 to the Annual Report on Form 10-K of Contura Energy, Inc. (File No. 001-38735) filed on March 18, 2020)
10.1*	Plan Document and Summary Plan Description of the Amended and Restated Contura Energy, Inc. Key Employee Separation Plan
31*	Certifications Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to §302 of the Sarbanes-Oxley Act of 2002
32*	Certifications Pursuant to 18 U.S.C. §1350, As Adopted Pursuant to §906 of the Sarbanes-Oxley Act of 2002
95*	Mine Safety Disclosure Exhibit
101	The following financial information from Contura Energy, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) Condensed Consolidated Statements of Operations, (ii) Condensed Consolidated Statements of Comprehensive Loss, (iii) Condensed Consolidated Balance Sheets, (iv) Condensed Consolidated Statements of Cash Flows, (v) Condensed Consolidated Statements of Stockholders' Equity, and (vi) Notes to the Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith

Plan Document and
Summary Plan Description of the
Amended and Restated Contura Energy, Inc.
Key Employee Separation Plan

**Effective July 26, 2016 Amended and Restated as of
August 19, 2020**

Contura Energy, Inc.
AMENDED AND RESTATED KEY EMPLOYEE SEPARATION PLAN

ARTICLE 1. INTRODUCTION

1.1 Purpose. The purpose of this Amended and Restated Contura Energy, Inc. Key Employee Separation Plan is to assist the Company to retain the services of key employees by providing eligible employees of the Company and its Affiliates with certain severance and welfare benefits in the event their employment is involuntarily terminated (or constructively terminated).

1.2 Term of the Plan. The Plan was initially effective as of the Effective Date, and is amended and restated in this form as of August 19, 2020 (the “Restatement Date”), but subject to amendment from time to time in accordance with Article 7. The Plan shall continue until terminated pursuant to Article 7 hereof.

ARTICLE 2. DEFINITIONS

Except as may otherwise be specified or as the context may otherwise require, the following terms shall have the respective meanings set forth below whenever used herein:

(a) "Affiliate" shall mean, with respect to any entity, its parent entities and Subsidiaries and, with respect to the Company, its divisions.

(b) "Base Pay" shall mean a Participant's annual base salary rate, exclusive of bonuses, commissions and other incentive pay, as in effect immediately preceding the Participant's Date of Termination.

(c) "Benefit Factor" shall mean the multiple (either 2.0, 1.5, or 1.0) which has been assigned to each Participant for purposes of determining the Participant's benefit under Section 4.2(a)(ii) or Section 4.3(a)(ii), as the case may be, and which Benefit Factor may be different for each of Section 4.2(a)(ii) and Section 4.3(a)(ii).

(d) "Benefit Plans" shall mean the insurance and health and welfare benefits plans and policies of the Company or an Affiliate to which a Participant is entitled to participate.

(e) "Board" shall mean the Board of Directors of Contura.

(f) "Cause" shall mean, with respect to a Participant, the Participant’s:

(i) gross negligence or willful misconduct in the performance of the duties and services required of the Participant;

(ii) final conviction of, or plea of guilty or nolo contendere to, a felony or the Participant engaging in fraudulent or criminal activity relating to the scope of the Participant's employment (whether or not prosecuted);

(iii) material violation of Contura's Code of Business Ethics;

(iv) continuing or repeated failure to perform the Participant’s duties as requested in writing by the Participant's supervisor(s) or the Board after the Participant has been afforded a reasonable opportunity (not to exceed 30 days) to cure such breach;

(v) commission of a felony or crime involving moral turpitude; or

(vi) conduct which brings the Company and/or its Affiliates into public disgrace or disrepute in any material respect.

Determination as to whether or not Cause exists for termination of a Participant's employment will be made by the Committee.

(g) "Change in Control" shall mean the first to occur, after the Effective Date, of any of the following:

(i) any Person, other than (A) any employee plan established by Contura or any Subsidiary, (B) Contura or any of its Affiliates, (C) an underwriter temporarily holding securities pursuant to an offering of such securities, or (D) a corporation owned, directly or indirectly, by stockholders of Contura in substantially the same proportions as their ownership of Contura, is (or becomes, during any 12-month period) the beneficial owner, directly or indirectly, of securities of Contura (not including in the securities beneficially owned by such Person any securities acquired directly from Contura or its Affiliates other than in connection with the acquisition by Contura or its Affiliates of a business) representing 50% or more of the total voting power of the stock of Contura; provided that the provisions of this subsection (i) are not intended to apply to or include as a Change in Control any transaction that is specifically excepted from the definition of Change in Control under subsection (iii) below;

(ii) a change in the composition of the Board such that, during any 12- month period, the individuals who constitute the Board as of the Restatement Date (the “Existing Board”) cease for any reason to constitute at least 50% of the Board; provided, however, that any individual becoming a member of the Board subsequent to the Restatement Date whose election, or nomination for election by Contura’s stockholders, was approved by a vote of at least a majority of the members of the Board immediately prior to the date of such appointment or election shall be considered as though such individual were a member of the Existing Board; provided further, that, notwithstanding the foregoing, no individual whose initial assumption of office occurs as a result of an election contest (as such terms are used in Rule 14a-11 or Regulation 14A promulgated under the Securities Exchange Act or successor statutes or rules containing analogous concepts) or other solicitation of proxies or consents by or on behalf of an individual, corporation, partnership, group, associate or other entity or Person other than the Board, shall in any event be considered to be a member of the Existing Board;

(iii) the consummation of a merger or consolidation of Contura with any other corporation or other entity, or the issuance of voting securities in connection with a merger or consolidation of Contura pursuant to applicable stock exchange requirements; provided that immediately following such merger or consolidation the voting securities of Contura outstanding immediately prior thereto do not continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity of such merger or consolidation or parent entity thereof) 50% or more of the total voting power of Contura's stock (or, if Contura is not the surviving entity of such merger or consolidation, 50% or more of the total voting power of the stock of such surviving entity or parent entity thereof); and provided, further, that a merger or consolidation effected to implement a recapitalization of Contura (or similar transaction) in which no Person is or becomes the beneficial owner, directly or indirectly, of securities of Contura (not including in the securities beneficially owned by such Person any securities acquired directly from Contura or its Affiliates other than in connection with the acquisition by Contura or its Affiliates of a business) representing 50% or more of either the then-outstanding Common Shares or the combined voting power of Contura's then-outstanding voting securities shall not be considered a Change in Control; or

(iv) the sale or disposition by Contura of Contura's assets in which any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person) assets from Contura that have a total gross fair market value equal to more than 50% of the total gross fair market value of all of the assets of Contura immediately prior to such acquisition or acquisitions.

Notwithstanding the foregoing, (A) no Change in Control shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of Stock immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns substantially all of the assets of Contura immediately prior to such transaction or series of transactions, (B) for purposes of any compensation that constitutes "nonqualified deferred compensation" pursuant to Section 409A, no event or circumstances described in any of clauses (i) through (iv) above shall constitute a Change in Control unless such event or circumstances also constitute a change in the ownership or effective control of Contura, or in the ownership of a substantial portion of Contura's assets, in each case, as defined in Section 409A. Terms used in the definition of a Change in Control shall be as defined or interpreted in a manner consistent with Section 409A.

(h) "COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(i) "COBRA Continuation Period" shall mean the period that a Participant is eligible to continue to elect to receive medical and dental insurance as required under COBRA under the terms of a Benefit Plan.

(j) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(k) "Committee" shall mean the Compensation Committee of the Board.

(l) "Company" shall mean Contura Energy Services, LLC, a Delaware limited liability company, and its Affiliates as may employ a Participant from time to time; provided that a Subsidiary which ceases to be, directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with Contura prior to a Change in Control (other than in connection with and as an integral part of a series of transactions resulting in a Change in Control) shall, automatically and without any further action, cease to be (or be a part of) the Company and its Affiliates for purposes hereof.

(m) "Contura" shall mean Contura Energy, Inc., a Delaware corporation.

(n) "Coverage Period" shall have the meaning provided in Section 4.2(iv).

(o) "Covered Change in Control Termination" shall mean, with respect to a Participant, if, during the 90-day period immediately preceding a Change in Control, or on or within the one-year period immediately following a Change in Control, the occurrence of an Involuntary Termination Associated with a Change in Control.

(p) "Covered Termination Prior to Change in Control" shall mean, at any time prior to the 90-day period immediately preceding a Change in Control, a Participant's involuntary Separation from Service with the Company by the Company and any Affiliate for any reason other than (i) Cause, (ii) the Participant's death, or (iii) the Participant's Disability.

(q) "Date of Termination" shall mean, with respect to a Participant, the date on which a Covered Change in Control Termination or Covered Termination Prior to Change in Control occurs, as the case may be.

(r) "Disability" shall mean that a Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continued period of not less than 12 months.

(s) "Effective Date" shall mean July 26, 2016.

(t) "Good Reason" shall mean, with respect to a Participant, the Participant's Separation from Service by the Participant as a result of the occurrence, without the Participant's written consent, of one of the following events:

(i) A material reduction in the Participant's (A) annual Base Pay or (B) Target Bonus opportunity (unless such reduction in (A) and/or (B) relates to an across-the-board reduction similarly affecting the Participant and all or substantially all other executives of the Company and its Affiliates);

(ii) A failure to provide the Participant with the opportunity to materially participate in any material long-term incentive plans of the Company and its Affiliates on a similar basis to those of other similarly situated executives of the Company and its Affiliates, provided however, that:

1) the chief executive officer of the Company shall not be regarded as similarly situated to any other executive of the Company and its Affiliates,

2) a Participant who is an executive officer of the Company (other than the chief executive officer) shall not be regarded as similarly situated

   to any executive of the Company and its Affiliates who is not an executive officer of the Company, and

3) a Participant who is party to an executory employment agreement with the Company or one of its Affiliates that defines the terms of Participant's participation in long-term incentive plans of the Company shall not be regarded as similarly situated to any executive of the Company and its Affiliates who is not party to an executory employment agreement with the Company or any of its Affiliates containing similar terms regarding the Participant's participation in long-term incentive plans of the Company;

(iii) The Company makes or causes to be made a material adverse change in the Participant's scope of duties or responsibilities which results in a significant diminution in the Participant's scope of duties or responsibilities, except in connection with a termination of the Participant's employment with the Company for Disability, Cause, death, or temporarily as a result of the Participant's incapacity or other absence for an extended period; or

(iv) A relocation of the Company's principal place of business, or of the Participant's own office as assigned to the Participant by the Company to a location that increases the Participant's normal work commute by more than 50 miles.

In order for the Participant to terminate for Good Reason, (A) the Company must be notified by the Participant in writing within 90 days of the event constituting Good Reason, (B) the event must remain uncorrected by the Company for 30 days following such notice (the "Notice Period"), and (C) such termination must occur within 60 days after the expiration of the Notice Period.

(u) "Involuntary Termination Associated With a Change in Control" means a Participant's Separation from Service related to a Change in Control: (i) by the Company or any of its Affiliates for any reason other than (A) Cause, (B) the Participant's death, or (C) the Participant's Disability; or (ii) on account of a Good Reason termination of employment by a Participant.

(v) "Notice of Termination" shall mean a notice given by the Company or a Participant, as applicable, which shall indicate the specific termination provision in the Plan relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Participant's employment under the provisions so indicated.

(w) "Participant" shall have the meaning ascribed by Article 3.

(x) “Person” means any individual, firm, corporation, partnership, limited liability company, trust, incorporated or unincorporated association, joint venture, joint stock company, governmental body or other entity of any kind.

(y) "Plan" shall mean this Amended and Restated Contura Energy, Inc. Key Employee Separation Plan, as it may be amended from time to time in accordance with Article 7.

(z) "Plan Administrator" shall have the meaning ascribed by Article 12.

(aa) "Release" shall have the meaning ascribed by Section 4.5.

(bb) “Section 409A” shall mean Section 409A of the Code and the regulations thereunder.

(cc) "Securities Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(dd) "Separation from Service” shall mean a Participant's termination of employment with the Company or an Affiliate of the Company and all of its controlled group members within the meaning of Section 409A. The determination of controlled group members shall be made pursuant to the provisions of Section 414(b) and 414(c) of the Code; provided that the language "at least 50 percent" shall be used instead of "at least 80 percent" in each place it appears in Sections 1563(a)(1), (2) and (3) of the Code and Treas. Reg. Sec. 1.414(c)-2; provided, further, where legitimate business reasons exist (within the meaning of Treas. Reg. ec. 1.409A-1(h)(3)), the language "at least 20 percent" shall be used instead of "at least 80 percent" in each place it appears. Whether a Participant has Separated from Service will be determined based on all of the facts and circumstances and in accordance with the guidance issued under Section 409A. A Participant will be presumed to have experienced a Separation from Service when the level of bona fide services performed permanently decreases to a level less than twenty percent (20%) of the average level of bona fide services performed during the immediately preceding thirty-six (36)-month period or such other period as provided by regulation.

(ee) "Service Period" shall mean the number of months of additional service credit (24, 18 or 12) which has been assigned to a Participant for purposes of determining the Participant's benefit under Section 4.2(a)(v) or Section 4.3(a)(v), as the case may be, and which Service Period may be different for each of Section 4.2(a)(v) and Section 4.3(a)(v).

(ff) “Severance Benefits” shall have the meaning provided in Section 4.5.

(gg) "Six Month Payment Date" means the six (6) month anniversary of a Participant's Date of Termination.

(hh) "Stock" shall mean the common stock, par value $.01 per share, of Contura.

(ii) "Subsidiary" shall mean an entity of which Contura directly or indirectly holds at least a majority of the value of the outstanding equity interests of such entity or a majority of the voting power with respect to the voting securities of such entity.

(jj) "Target Bonus" shall mean 100% of a Participant's annual bonus which is established by the Committee or the Board, as applicable.

ARTICLE 3. PARTICIPATION

3.1 Employees of the Company or any of its Affiliates who are determined by the Committee, as provided in Article 5, to be responsible for the continued growth, development and future financial success of the Company shall be eligible to participate in the Plan. Any such employee selected to participate in the Plan shall be referred to herein as a "Participant". Participants shall be selected, and their respective Benefit Factors and Service Periods assigned and approved, by the Committee in its sole and absolute discretion.

3.2 Notwithstanding the foregoing and subject to Section 7.2, the Committee may terminate a Participant's participation in the Plan at any time, in its sole and absolute discretion. Subject to Section 7.2, the termination of a Participant's employment with the Company and any Affiliate, except under the circumstances described in Section 4.2 and Section 4.3, shall automatically, with no further act on the part of the Company or any of its Affiliates, terminate any right of such Participant to participate, or receive any benefits under, the Plan.

ARTICLE 4. BENEFITS

4.1 Change in Control Bonus Payment. During a Participant's employment with the Company or any of its Affiliates, in the event of a Change in Control, the Participant shall be entitled to receive a lump sum cash payment equal to the Participant's Target Bonus for the year in which the Change in Control occurs, prorated to reflect the portion of such year that the Participant was employed by the Company or any of its Affiliates prior to the effective date of the Change in Control. Such payment, if any, shall be made contemporaneous with the Change in Control, or as soon as administratively practicable thereafter (but in no event later than 60 days following the effective date of the Change in Control).

4.2 If a Covered Change in Control Termination occurs with respect to a Participant, then such Participant shall be entitled hereunder to the following:

(a) Compensation and Benefits Upon Covered Change in Control Termination. Subject to the Participant's execution and non-revocation of the Release as provided in Section 4.5, in the event of a Covered Change in Control Termination, the Company shall pay and provide to the Participant:

(i) (A) any Base Pay earned, accrued or owing to him or her through the Date of Termination, payable in accordance with the Company’s normal payroll practices, (B) any individual bonuses or individual incentive compensation not yet paid, but due and payable under the Company's and/or its Affiliates' applicable bonus and incentive plans for years prior to the year of the Participant's termination of employment, paid when otherwise payable in accordance with the applicable plan or arrangement terms, (C) reimbursement for all reasonable and customary expenses incurred by the Participant in performing services for the Company prior to the Date of Termination, payable in accordance with the Company’s applicable reimbursement practices, and (D) payment equal to the amount of the Participant’s accrued, but unused, vacation time through the Date of Termination, payable in accordance with the Company’s normal payroll practices.

(ii) A lump sum cash payment equal to the applicable Benefit Factor multiplied by the sum of: (A) the Participant's Base Pay in effect as of the Date of Termination;

and (B) the Participant's Target Bonus for the year in which the Date of Termination occurs.

(iii) A lump sum cash payment equal to the Participant’s Target Bonus for the year in which the Participant’s Date of Termination occurred, prorated to reflect the portion of such year that the Participant was employed by the Company and any of its Affiliates.

(iv) To the extent permitted by applicable law and the Benefit Plans, the Company shall maintain (x) subject to the Participant’s election of COBRA, the Participant's paid coverage for health and dental insurance (through the payment of the Participant's COBRA premiums) and (y) life insurance benefits (through the reimbursement of the Participant's premiums upon conversion to an individual policy), until the earlier to occur of: (a) the Participant obtaining the age of 65, (b) the date the Participant is provided by another employer benefits substantially comparable to such benefits provided by the Benefit Plans (which the Participant must provide prompt notice with respect thereto to the Company), or (c) the expiration of the COBRA Continuation Period (the applicable period of coverage described in the foregoing, the “Coverage Period”). During the Coverage Period, the Participant shall be entitled to benefits, on substantially the same basis as would have otherwise been provided had the Participant not been terminated and the Company will have no obligation to pay any benefits to, or premiums on behalf of, the Participant after such period ends. To the extent that such benefits are available under the Benefit Plans and the Participant had such coverage immediately prior to termination of employment, such continuation of benefits for the Participant shall also cover the Participant's dependents for so long as the Participant is receiving such benefits under this Section 4.2(a)(iv). The Coverage Period for medical and dental insurance under this Section 4.2(a)(iv) shall be deemed to run concurrent with the COBRA Continuation Period (generally 18 months), or any longer legally mandated and applicable federal, state, or local coverage period for benefits provided to terminated employees under a health care or dental plan. The Participant shall be entitled to reimbursement of life insurance premiums as provided in this Section 4.2(a)(iv) in accordance with and subject to the following limitations and provisions: (1) reimbursement will be available only to the extent such expense is actually incurred for any particular calendar year and reasonably substantiated; (2) reimbursement shall be made as soon

as administratively practicable after such expense is incurred, but in no event later than the end of the calendar year following the year in which such expense is incurred by the Participant; (3) no reimbursement will be provided for any expense which relates to insurance coverage after the Coverage Period; and
(4) any life insurance premiums incurred prior to the six (6) month anniversary of the Date of Termination shall not be reimbursed prior to the six (6) month anniversary of such Date of Termination.

(v) A lump sum cash payment of $15,000 in order to cover the cost of outplacement assistance services for the Participant and other expenses associated with seeking another employment position.

All payments to be made pursuant to Sections 4.2(a)(ii), (iii) and (v) shall be made, in lump sum, as soon as administratively practicable following the effective date of the Release, but in no event later than 60 days after the Date of Termination; provided, however, that if a Change in Control has not occurred as of such payment date, then the amount of any payments under Sections 4.2(a)(ii) and (iii) that are in excess of the amount of the payments otherwise payable under Sections 4.3(a)(ii) and (iii) shall not be made until the occurrence of a Change in Control.

4.3 If a Covered Termination Prior to Change in Control occurs with respect to a Participant, then such Participant shall be entitled hereunder to the following:

(a) Compensation and Benefits Upon Covered Termination Prior to Change in Control. Subject to the Participant's execution of the Release described in Section 4.5, in the event of a Covered Termination Prior to Change in Control, the Company shall pay and provide to the Participant:

(i) (A) any Base Pay earned, accrued or owing to him or her through the Date of Termination, payable in accordance with the Company's normal payroll practices, (B) any individual bonuses or individual incentive compensation not yet paid, but due and payable under the Company's and/or its Affiliates' applicable incentive and bonus plans for years prior to the year of the Participant's termination of employment, paid when otherwise payable in accordance with the applicable plan or arrangement terms, (C) reimbursement for all reasonable and customary expenses incurred by the Participant in performing services for the Company prior to the Date of Termination, payable in accordance with the Company's applicable reimbursement practices, and (D) payment equal to the amount of the Participant's accrued, but unused, vacation time through the Date of Termination, payable in accordance with the Company's normal payroll practices.

(ii) A lump sum cash payment equal to the applicable Benefit Factor multiplied by the sum of: (A) the Participant's Base Pay in effect as of the Date of Termination and
(B) the Participant's Target Bonus for the year in which the Date of Termination occurs.

(iii) A lump sum cash payment equal to the Participant's Target Bonus for the year in which the Participant's Date of Termination occurred, prorated to reflect the portion of such year that the Participant was employed by the Company and any of its Affiliates.

(iv) To the extent permitted by applicable law and the Benefit Plans, during the Coverage Period, the Company shall maintain (x) subject to the Participant's election of COBRA, the Participant's paid coverage for health and dental insurance (through the payment of the Participant's COBRA premiums) and (y) life insurance benefits (through the reimbursement of the Participant's premiums upon conversion to an individual policy). During the Coverage Period, the Participant shall be entitled to benefits, on substantially the same basis as would have otherwise been provided had the Participant not been terminated and the Company will have no obligation to pay any benefits to, or premiums on behalf of, the Participant after such period ends. To the extent that such benefits are available under the Benefit Plans and the Participant had such coverage immediately prior to termination of employment, such continuation of benefits for the Participant shall also cover the Participant's dependents for so long as the Participant is receiving such benefits under this Section 4.3(a)(iv). The Coverage Period for medical and dental insurance under this Section 4.3(a)(iv) shall be deemed to run concurrent with the COBRA Continuation Period (generally 18 months), or any other legally mandated and applicable federal, state, or local coverage period for benefits provided to terminated employees under a health care or dental plan. The Participant shall be entitled to reimbursement of life insurance premiums as provided in this Section 4.3(a)(iv) in accordance with and subject to the following limitations and provisions: (1) reimbursement will be available only to the extent such expense is actually incurred for any particular calendar year and reasonably substantiated; (2) reimbursement shall be made as soon as administratively practicable after such expense is incurred, but in no event later than the end of the calendar year following the year in which such expense is incurred by the Participant; (3) no reimbursement will be provided for any expense which relates to insurance coverage after the Coverage Period; and (4) any life insurance premiums incurred prior to the six (6) month anniversary of the Date of Termination shall not be reimbursed prior to the six (6) month anniversary of such Date of Termination.

(v) A lump sum cash payment of $15,000 in order to cover the cost of outplacement assistance services for Participant and other expenses associated with seeking another employment position.

All payments to be made pursuant to Sections 4.3(a)(ii) and (v) shall be made, in lump sum, as soon as administratively practicable following the effective date of the Release, but in event later than 60 days after the Date of Termination.

4.4 Vesting of Long-Term Incentive Awards. With respect to any equity or cash-based long-term incentive awards or grants made by the Company or any of its Affiliates after the Effective Date and notwithstanding any provision to the contrary in any applicable plan, program or agreement, upon a termination of a Participant's employment with the Company and any of its Affiliates pursuant to Section 4.2 or Section 4.3, as the case may be, (1) the service condition applicable to any stock options, restricted stock and other equity and cash-based rights held by the Participant will vest on a pro rata basis based on the period of time that the

Participant was employed by the Company and its Affiliates during the applicable vesting period for such award, and all stock options held by the Participant shall remain exercisable until the earlier to occur of:
(a) the expiration date of the applicable option term or (b) the one (1) year anniversary of the Participant's Date of Termination; and (2) the performance condition applicable to any pro-rated service-vested awards held by the Participant that are also subject to performance-vesting conditions will vest and settle at target levels on the Date of Termination.

4.5 Release. Notwithstanding any other provision of the Plan to the contrary, no payment or benefit otherwise provided for under or by virtue of Section 4.2 (other than sub- sections 4.2(a)(1)(A), (C) and (D)), Section 4.3 (other than sub-sections 4.3.(a)(1)(A), (C) and (D)) and/or Section 4.4 of the Plan (as applicable, the "Severance Benefits") shall be paid or otherwise made available unless and until the Participant executes and does not revoke a general release, non-disparagement and non-competition agreement, in a form provided by the Company and substantially in the form attached as Exhibit A hereto (the "Release"). Unless otherwise required by applicable law, the Release must be executed by the Participant within 45 days of the Date of Termination. If the Company determines that the Participant has not fully complied with any of the terms of the Release, the Company and any of its Affiliates may withhold the Severance Benefits not yet in pay status or discontinue the payment of the Severance Benefits and may require the Participant, by providing written notice of such repayment obligation to the Participant, to repay any portion of the Severance Benefits already received under the Plan. If the Company notifies a Participant that repayment of all or any portion of the Severance Benefits received under the Plan is required, such amounts shall be repaid within 30 calendar days of the date written notice is sent. Any remedy under this Section 4.5 shall be in addition to, and not in place of, any other remedy, including injunctive relief, that the Company and any of its Affiliates may have.

4.6 WARN. Notwithstanding any other provision of the Plan to the contrary, to the extent permitted by the Worker Adjustment and Retraining Notification Act ("WARN"), any benefit payable hereunder to a Participant as a consequence of the Participant's Covered Change in Control Termination or Covered Termination Prior to a Change in Control, as the case may be, shall be reduced by any amounts required to be paid under WARN to such Participant in connection with such termination.

4.7 Termination of Employment on Account of Disability, Cause or Death. Notwithstanding anything in the Plan to the contrary, if a Participant's employment with the Company and any of its Affiliates terminates on account of Disability, Cause or because of his or her death, the Participant shall not be considered to have terminated employment under Section 4.2 or Section 4.3 of the Plan and shall not receive the Severance Benefits, but shall receive the benefits under Section 4.2(a)(i)(A), (C) or (D) or 4.3(a)(i)(A), (C) or (D), as applicable. Notwithstanding the foregoing, such Participant shall be eligible to receive disability benefits under any disability program then maintained by the Company or any of its Affiliates that covers the Participant as provided under the terms of such disability program.

ARTICLE 5. ADMINISTRATION

5.1 The Plan shall be administered by the Committee.

5.2 The Committee shall have the full and absolute power, authority and sole discretion to construe, interpret and administer the Plan, to make factual determinations, to correct deficiencies therein, and to supply omissions, including resolving any ambiguity or uncertainty arising under or existing in the terms and provisions of the Plan, which determinations shall be final, conclusive, and binding on the Company, its Affiliates, the Participant and any and all interested parties.

5.3 The Committee may delegate any and all of its powers and responsibilities hereunder to other persons by formal resolution filed with, and accepted by, the Board. Any such delegation may be rescinded at any time by written notice from the Committee to the person to whom delegation is made.

5.4 The Committee shall have the full and absolute authority to employ and rely on such legal counsel, actuaries and accountants (which may also be those of the Company and its Affiliates), and other agents, designees and delegatees, as it may deem advisable to assist in the administration of the Plan.

5.5 Payments to be made under the Plan are intended to be excepted from coverage under Section 409A and the regulations promulgated thereunder and shall be construed accordingly. Notwithstanding any provision of the Plan to the contrary, if any benefit provided under the Plan is subject to the provisions of Section 409A and the regulations issued thereunder (and not excepted therefrom), the provisions of the Plan shall be administered, interpreted and construed in a manner necessary to comply with Section 409A, the regulations issued thereunder (or disregarded to the extent such provision cannot be so administered, interpreted, or construed). Accordingly, if a Participant is a "specified employee" for purposes of Section 409A (as such term is defined in Section 409A, and determined in accordance with the procedures established by the Company) and a payment subject to Section 409A to the Participant is due upon the Participant's Separation from Service, such payment shall be delayed for a period of six (6) months after the date of the Separation from Service (or, if earlier, the death of the Participant). The Company reserves the right to accelerate, delay or modify distributions to the extent permitted under Section 409A, the regulations and other binding guidance promulgated thereunder.

ARTICLE 6. PARACHUTE TAX PROVISIONS

6.1 The provisions of this Article 6 shall apply notwithstanding anything in the Plan to the contrary. In the event that it shall be determined that any payment or distribution by the Company or any of its Affiliates to, or for the benefit of, a Participant, whether paid or payable or distributed or distributable pursuant to the terms of the Plan or otherwise (a "Payment"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, the Company and its Affiliates will apply a limitation on the Payment amount as specified in Section 6.2 unless it is determined that the "Net After Tax Benefits" to the Participant would be greater if the limitations of Section 6.2 were not imposed. For purposes of this Article 6, "Net After Tax Benefits" shall mean the present value of the Payments net of all taxes imposed on the

Participant with respect thereto, including but not limited to excise taxes imposed under Section 4999 of the Code, determined by applying the highest marginal income tax rate applicable to the Participant for such year.

6.2 To the extent required by 6.1 above, the aggregate present value of the Payments under Article 4 of the Plan ("Plan Payments") shall be reduced (but not below zero) to an amount (the “Reduced Amount”) expressed in present value which maximizes the aggregate present value of Plan Payments without causing any Payment to be subject to the limitation of deduction under Section 280G of the Code. For purposes of this Article 6, "present value" shall be determined in accordance with Section 280G(d)(4) of the Code. The total reduction to Plan Payments required under this Article 6 necessary to achieve the Reduced Amount shall be made against Plan Payments that are exempt from Section 409A.

6.3 Except as set forth in the next sentence, all determinations to be made under this Article 6 shall be made by the nationally recognized independent public accounting firm used by the Company immediately prior to the Change in Control ("Accounting Firm"), which Accounting Firm shall provide its determinations and any supporting calculations to the Company and the Participant within ten (10) days of the Participant's Date of Termination; provided, however, that, in the event the Accounting Firm will not or cannot make such a determination, the Company and its Affiliates shall select Deloitte & Touche or such other appropriate firm to make such determination. The value of the Participant's non-competition covenant under Section 4 of the Release shall be determined by independent appraisal by a nationally-recognized business valuation firm, and a portion of the Plan Payments shall, to the extent of that appraised value, be specifically allocated as reasonable compensation for such non-competition covenant and shall not be treated as a parachute payment.

6.4 All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Article 6 shall be borne solely by the Company and its Affiliates.

ARTICLE 7. AMENDMENT AND TERMINATION

7.1 Subject to Section 7.2, the Committee shall have the right in its discretion at any time to amend the Plan in any respect or to terminate the Plan prior to a Change in Control.

7.2 Notwithstanding any other provision of the Plan to the contrary, no amendment or termination of the Plan (including, without limitation, this Section 7.2) as applied to any particular Participant may become effective at any time within (a) the 90-day period immediately prior to or on or within one (1) year after the occurrence of a Change in Control or (b) the 180-day period following the adoption by the Committee of such amendment or termination at any other time not described in clause (a), in any manner adverse to the interests of such Participant, without the express written consent of such Participant, except in the event (i) of a termination of the Participant's employment with the Company and its Affiliates under the circumstances described in Section 4.7 and/or (ii) the Committee determines to amend the Plan in order to conform the provisions of the Plan with Section 409A, the regulations issued thereunder or an exception thereto, regardless of whether such modification, amendment, or termination of the Plan shall adversely affect the rights of the Participant under the Plan.

ARTICLE 8. EMPLOYMENT RIGHTS

Nothing expressed or implied in the Plan will create any right or duty on the part of the Company, any of its Affiliates or the Participant to have the Participant remain in the employment of the Company or any of its Affiliates.

ARTICLE 9. MISCELLANEOUS

9.1 (a) The Company and its Affiliates shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company and its Affiliates (taken as a whole) expressly to assume and agree to perform under the terms of the Plan in the same manner and to the same extent that the Company and its Affiliates would be required to perform it if no such succession had taken place (provided that such a requirement to perform which arises by operation of law shall be deemed to satisfy the requirements for such an express assumption and agreement), and in such event the Company and its Affiliates (as constituted prior to such succession) shall have no further obligation under or with respect to the Plan. Failure of the Company and its Affiliates to obtain such assumption and agreement with respect to any particular Participant prior to the effectiveness of any such succession shall be a breach of the terms of the Plan with respect to such Participant and shall constitute Good Reason for purposes of the Plan. Effective upon a transfer or assignment of the Plan, the term "Company" shall mean any successor to the Company's business or assets as aforesaid which assumes and agrees (or is otherwise required) to perform the Plan. Nothing in this Section 9.1(a) shall be deemed to cause any event or condition which would otherwise constitute a Change in Control not to constitute a Change in Control.

(b) To the maximum extent permitted by law, the right of any Participant or other person to any amount under the Plan may not be subject to voluntary or involuntary anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment by creditors of the Participant or such other person.

(c) The terms of the Plan shall inure to the benefit of and be enforceable by the personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees of each Participant. If a Participant shall die while an amount would still be payable to the Participant hereunder if they had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of the Plan to the Participant's devisee, legatee or other designee or, if there is no such designee, their estate.

9.2 Except as expressly provided in Section 4.2 and Section 4.3, Participants shall not be required to mitigate damages or the amount of any payment or benefit provided for under the Plan by seeking other employment or otherwise, nor will any payments or benefits hereunder be subject to offset in the event a Participant does mitigate.

9.3 Notwithstanding any provision of the Plan to the contrary, the Company shall not be liable for, and nothing provided or contained in the Plan will be construed to obligate or cause the Company to be liable for, any tax, interest or penalties imposed on a Participant related to or arising with respect to any violation of Section 409A.

9.4 All notices under the Plan shall be in writing, and if to the Company or the Committee, shall be delivered to the General Counsel of Contura, or mailed to Contura's principal office, addressed to the attention of the General Counsel of Contura; and if to a Participant (or the estate or beneficiary thereof), shall be delivered personally or mailed to the Participant at the address appearing in the records of the Company and its Affiliates.

9.5 Unless otherwise determined by the Company in an applicable plan or arrangement, no amounts payable hereunder upon a Covered Termination Prior to Change in Control or a Covered Change in Control Termination, as the case may be, shall be deemed salary or compensation for the purpose of computing benefits under any employee benefit plan or other arrangement of the Company and/or any of its Affiliates for the benefit of employees unless the Company shall determine otherwise.

9.6 Participation in the Plan shall not limit any right of a Participant to receive any payments or benefits under any employee benefit or executive compensation plan of the Company and/or its Affiliates; provided that in no event shall any Participant be entitled to any payment or benefit under the Plan which duplicates a payment or benefit received or receivable by the Participant under any severance or similar plan, agreement or policy of the Company and/or its Affiliates. The total reduction to Plan payments or benefits as required by this Section 9.6 shall be made against payments and/or benefits under the Plan that are exempt from Section 409A.

9.7 Any payments hereunder shall be made out of the general assets of the Company. Each Participant shall have the status of general unsecured creditors of the Company, and the Plan constitutes a mere promise by the Company to make payments under the Plan in the future as and to the extent provided herein.

9.8 The Company shall be entitled to withhold from any payments or deemed payments any amount of tax withholding required by law.

9.9 The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision of the Plan which shall remain in full force and effect.

9.10 The use of captions in the Plan is for convenience. The captions are not intended to and do not provide substantive rights.

9.11 Except as otherwise preempted by the laws of the United States, the Plan shall be construed, administered and enforced according to the laws of the State of Delaware, without regard to principles of conflicts of law, and any action relating to the Plan must be brought in state and federal courts located in the Commonwealth of Virginia.

ARTICLE 10. CLAIMS PROCEDURE

If a Participant believes that he or she is eligible for benefits and has not been so notified, such Participant should submit a written request for benefits to the Plan Administrator. Such Participant must take such action no later than 60 days after the date of the Participant's Separation from Service.

<u>If Participant Claim is Denied</u>

If all or part of a Participant's claim for benefits is denied, such Participant will receive written notice of the denial from the Plan Administrator within 60 days after such Participant has applied for a benefit. This notice will include:

* the specific reason(s) for the denial;

* specific reference to the specific Plan provisions on which the denial is based;

* a description of any additional material or information which must be submitted to perfect the claim, and an explanation of why such material or information is necessary; and

* an explanation of the Plan's review procedure.

If a Participant disagrees with the decision, such Participant may file a written notice to have such Participant's claim reviewed by the Plan Administrator. The Participant must file the notice for review within 60 days after the denial was given or mailed to such Participant. The Participant should file one copy of the notice with the Plan Administrator. In connection with the review of Participant's claim, the Participant (or such Participant's authorized representative) will be given the opportunity to review all documentation pertaining to the decision, and to submit issues and comments in writing.

The Participant's claim will be reconsidered and the Participant will receive written notice of the decision within 60 days after receiving such Participant's application for review. If special circumstances require an extension, the Participant will receive written notice to that effect; in this case, the Participant will be informed of the final decision within 120 days. This decision will be in writing and will include the reason for the decision, with specific reference to pertinent Plan provisions. All interpretations, determinations and decisions of the Plan Administrator will be final and binding.

If a Participant's claim for benefits is denied in whole or in part, such Participant may file suit in a state or federal court. ***Notwithstanding the foregoing, before such Participant may file suit in a state or federal court, the Participant <u>must</u> exhaust the Plan's administrative claims procedure. In addition, any such judicial or administrative proceeding must be filed within six***
(6) months after the Plan Administrator's final decision.

ARTICLE 11. STATEMENT OF ERISA RIGHTS

Each Participant in the Plan is entitled to certain rights and protections under ERISA. ERISA provides that all Participants shall be entitled to:

Receive Information About the Plan and Benefits

Examine, without charge, at the Plan Administrator's office, all documents governing the Plan.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan and an updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of Participants and their beneficiaries. No one, including a Participant's employer or any other person, may fire a Participant or otherwise discriminate against a Participant in any way to prevent such Participant from obtaining a welfare benefit or exercising such Participant's rights under ERISA. However, this rule neither guarantees continued employment, nor affects the Company's right to terminate a Participant's employment for other reasons.

Enforce Participant Rights

If a Participant's claim for a benefit is denied or ignored, in whole or in part, the Participant has a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps a Participant can take to enforce the above rights. For instance, if a Participant requests a copy of Plan documents and does not receive them within 30 days, such Participant may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay such Participant up to $110 a day until Participant receives the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If a Participant has a claim for benefits which is denied or ignored, in whole or in part, such Participant may file suit in a state or federal court. If a Participant is discriminated against for asserting such Participant's rights, such Participant may seek assistance from the U.S. Department of Labor, or may file suit in a federal court. The court will decide who should pay court costs and legal fees. If a Participant is successful, the court may order the person such Participant has sued to pay these costs and fees. If a Participant loses, the court may order such Participant to pay these costs and fees, for example, if it finds such Participant's claim is frivolous.

Assistance with Participant Question

If a Participant has any questions about the Plan, such Participant should contact the Plan Administrator. If a Participant has any questions about this statement or about such Participant's rights under ERISA, or if a Participant needs assistance in obtaining documents from the Plan Administrator, such Participant should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in such Participant's telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. A Participant may also obtain certain publications about such Participant's rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration

ARTICLE 12. SUMMARY INFORMATION

Name of Plan: The name of the plan under which benefits are provided is the Amended and Restated Contura Energy, Inc. Key Employee Separation Plan.

Plan Sponsor: The Sponsor of the Plan is:

Contura Energy, Inc.
P.O. Box 848
340 Martin Luther King Jr. Blvd.
Bristol, TN 37620

Plan Administrator: The Plan Administrator is:

The Compensation Committee of the Board of Directors of Contura Energy, Inc.
P.O. Box 848
340 Martin Luther King Jr. Blvd.
Bristol, TN 37620

Employer Identification Number and Plan Number: The Employer Identification Number (EIN) assigned to the Plan Sponsor by the Internal Revenue Service is 81-3015061.

Type of Plan: Severance Pay Employee Welfare Benefit Plan.

Type of Administration: The Plan is self-administered.

Funding: Benefits payable under the Plan are provided from the general assets of the Company.

Agent for Service of Legal Process: For disputes arising under the Plan, service of legal process may be made upon the General Counsel of Plan Sponsor.

<u>Plan Year</u>: The Plan's fiscal records are kept on a calendar year basis (January 1 to December 31).

EXHIBIT A

GENERAL RELEASE, NON-DISPARAGEMENT AND NON-COMPETITION AGREEMENT

THIS GENERAL RELEASE, NON-DISPARAGEMENT AND NON-COMPETITION AGREEMENT (the "Agreement") is made as of this day of___, , by and between_____(the "Company") and ____________ ("Employee").

WHEREAS, the Employee formerly was employed by the Company;

WHEREAS, Employee was designated by the Compensation Committee of the Board of Directors (the "Board") of Contura Energy, Inc. to receive certain severance benefits in the event of a termination of Employee's employment under the circumstances set forth in the Key Employee Separation Plan (the "Plan") and;

WHEREAS, an express condition of the Employee's entitlement to the payments and benefits under the Plan is the execution without revocation of this Agreement; and

WHEREAS, the Employee and the Company mutually desire to effectuate a full and final general release of all claims and rights the Employee may have against the Company to the fullest extent permitted by law, excepting only those rights and claims that cannot, as a matter of law, be released with this Agreement; and

WHEREAS, the Employee and the Company mutually desire to terminate the Employee's employment effective____ , ("Date of Termination"); and

WHEREAS, the Company advises the Employee to consult with an attorney before signing this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED by and between the Employee and the Company as follows:

1. (a) The Employee, for and in consideration of the commitments of the Company as set forth in paragraph 7 of this Agreement and the Plan, and intending to be legally bound, does hereby REMISE, RELEASE AND FOREVER DISCHARGE the Company, its affiliates, predecessors, subsidiaries and parents, and their present or former officers, directors, managers, stockholders, employees, members and agents, and its and their respective successors, assigns, heirs, executors, and administrators and the current and former trustees or administrators of any pension or other benefit plan applicable to the employees or former employees of the Company (collectively, "Releasees") from all causes of action, suits, debts, claims and demands whatsoever in law or in equity, which the Employee ever had, now has, or hereafter may have, whether known or unknown, or which the Employee's heirs, executors, or administrators may have, by reason of any matter, cause or thing whatsoever, from any time prior to the date of this

Agreement, and particularly, but without limitation of the foregoing general terms, any claims arising from or relating in any way to the Employee's employment relationship with the Company, the terms and conditions of that employment relationship, and the termination of that employment relationship, including, but not limited to, any claims arising under the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Employee Retirement Income Security Act of 1974, and any other claims under any federal, state or local common law, statutory, or regulatory provision, now or hereafter recognized, and any claims for attorneys' fees and costs. This Agreement is effective without regard to the legal nature of the claims raised and without regard to whether any such claims are based upon tort, equity, implied or express contract or discrimination of any sort.

(b) To the fullest extent permitted by law, and subject to the provisions of paragraph 12 and paragraph 14 below, the Employee represents and affirms that the Employee has not filed or caused to be filed on the Employee's behalf any charge, complaint or claim for relief against the Company or any Releasee and, to the best of the Employee's knowledge and belief, no outstanding charges, complaints or claims for relief have been filed or asserted against the Company or any Releasee on the Employee's behalf; and the Employee has not reported any improper, unethical or illegal conduct or activities to any supervisor, manager, department head, human resources representative, agent or other representative of the Company or any Releasee, to any member of the Company's or any Releasee's legal or compliance departments, or to the ethics hotline, and has no knowledge of any such improper, unethical or illegal conduct or activities. In the event that there is outstanding any such charge, complaint or claim for relief, Employee agrees to seek its immediate withdrawal and dismissal with prejudice. In the event that for any reason said charge, complaint or claim for relief cannot be immediately withdrawn with prejudice, Employee shall execute such other papers or documents as the Company’s counsel determines may be necessary from time to time to have said charge, complaint or claim for relief dismissed with prejudice at the earliest appropriate time. Nothing herein shall prevent Employee from testifying in any cause of action when required to do so by process of law. Employee shall promptly inform the Company if called upon to testify on matters relating to the Company.

(c) Employee does not waive any right to file a charge with the Equal Employment Opportunity Commission ("EEOC") or participate in an investigation or proceeding conducted by the EEOC, but explicitly waives any right to file a personal lawsuit or receive monetary damages that the EEOC might recover if said charge results in an EEOC lawsuit against the Company or Releasees.

(d) Employee does not waive the right to challenge the validity of this Agreement as a release of claims arising under the federal Age Discrimination in Employment Act.

(e) Employee does not waive rights or claims that may arise after the date this Agreement is executed.

2. In consideration of the Company's agreements as set forth in paragraph 7 herein, the Employee agrees to comply with the limitations set forth in paragraphs 3 and 4 of this Agreement.

3. Ownership and Protection of Intellectual Property and Confidential Information.

(a) All information, ideas, concepts, improvements, innovations, developments, methods, processes, designs, analyses, drawings, reports, discoveries, and inventions, whether patentable or not or reduced to practice, which are conceived, made, developed or acquired by Employee, individually or in conjunction with others, during Employee's employment by the Company or any of its affiliates, both before and after the date hereof (whether during business hours or otherwise and whether on the Company's premises or otherwise) which relate to the business, products or services of the Company or its affiliates (including, without limitation, all such information relating to corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names, marks, and any copyrightable work, trade mark, trade secret or other intellectual property rights (whether or not composing confidential information, and all writings or materials of any type embodying any of such items (collectively, "Work Product"), shall be the sole and exclusive property of the Company or a Company affiliate, as the case may be, and shall be treated as "work for hire." It is recognized that Employee is an experienced executive in the business of the Company and its affiliates and through several decades of prior work in the industry acquired and retains knowledge, contacts, and information which are not bound by this Section 3.

(b) Employee shall promptly and fully disclose all Work Product to the Company and shall cooperate and perform all actions reasonably requested by the Company (whether during or after the term of employment) to establish, confirm and protect the Company's and/or its affiliates' right, title and interest in such Work Product. Without limiting the generality of the foregoing, Employee agrees to assist the Company, at the Company's expense, to secure the Company's and its affiliates' rights in the Work Product in any and all countries, including the execution by Employee of all applications and all other instruments and documents which the Company and/or its affiliates shall deem necessary in order to apply for and obtain rights in such Work Product and in order to assign and convey to the Company and/or its affiliates the sole and exclusive right, title and interest in and to such Work Product. If the Company is unable because of Employee's mental or physical incapacity or for any other reason (including Employee's refusal to do so after request therefor is made by the Company) to secure Employee's signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Work Product belonging to or assigned to the Company and/or its affiliates pursuant to Section 3(a) above, then Employee by this Agreement irrevocably designates and appoints the Company and its duly authorized officers and agents as Employee's agent and attorney-in-fact to act for and in Employee's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents or copyright registrations thereon with the same legal force and effect as if executed by Employee. Employee agrees not to apply for or pursue any application for any United States or foreign patents or copyright registrations covering any Work Product other than pursuant to this paragraph in circumstances where such patents or copyright registrations are or have been or are required to be assigned to the Company or any of its affiliates.

(c) Employee acknowledges that the businesses of the Company and its affiliates are highly competitive and that their strategies, methods, books, records, and documents, their technical information concerning their products, equipment, services, and processes, procurement procedures and pricing techniques, the names of and other information (such as credit and financial data) concerning their former, present or prospective customers and business affiliates, all comprise confidential business information and trade secrets which are valuable, special, and unique assets which the Company and/or its affiliates use in their business to obtain a competitive advantage over their competitors. Employee further acknowledges that protection of such confidential business information and trade secrets against unauthorized disclosure and use is of critical importance to the Company and its affiliates in maintaining their competitive position. Employee acknowledges that by reason of Employee's duties to, and association with, the Company and its affiliates, Employee has had and will have access to, and has and will become informed of, confidential business information which is a competitive asset of the Company and its affiliates. Employee hereby agrees that Employee will not, at any time during or after his or her employment by the Company, make any unauthorized disclosure of any confidential business information or trade secrets of the Company or its affiliates, or make any use thereof, except in the carrying out of his employment responsibilities hereunder. Employee shall take all necessary and appropriate steps to safeguard confidential business information and protect it against disclosure, misappropriation, misuse, loss and theft. Confidential business information shall not include information in the public domain (but only if the same becomes part of the public domain through a means other than a disclosure prohibited hereunder). The above notwithstanding, a disclosure shall not be unauthorized if (i) it is required by law or by a court of competent jurisdiction or (ii) it is in connection with any judicial, arbitration, dispute resolution or other legal proceeding in which Employee's legal rights and obligations as an employee or under this Agreement are at issue; provided, however, that Employee shall, to the extent practicable and lawful in any such events, give prior notice to the Company of his or her intent to disclose any such confidential business information in such context so as to allow the Company or its affiliates an opportunity (which Employee will not oppose) to obtain such protective orders or similar relief with respect thereto as may be deemed appropriate. Any information not specifically related to the Company and its affiliates would not be considered confidential to the Company and its affiliates.

(d) All written materials, records, and other documents made by, or coming into the possession of, Employee during the period of Employee's employment by the Company which contain or disclose confidential business information or trade secrets of the Company or its affiliates, or which relate to Employee's Work Product described in paragraph 3(a) above, shall be and remain the property of the Company, or its affiliates, as the case may be. Upon termination of Employee's employment, for any reason, Employee promptly shall deliver the same, and all copies thereof, to the Company.

4. Covenant Not To Compete.

In the event of the Employee's Covered Change in Control Termination (as defined in the Plan) or Covered Termination Prior to a Change in Control (as defined in the plan), as the case may be, the Company's obligations to provide the payments and benefits set forth in Sections 4.2 or 4.3, as the case may be, of the Plan shall be expressly conditioned upon the Employee's covenants of confidentiality, not to compete and not to solicit as provided herein.

In the event the Employee breaches his obligations to the Company as provided herein, the Company's obligations to provide the payments and benefits set forth in Sections 4.2 or 4.3, as the case may be, of the Plan shall cease without prejudice to any other remedies that may be available to the Company.

(a) If the Employee is receiving payment and benefits under Sections 4.2 or 4.3 of the Plan, Employee agrees that, for a period of one year following Employee's Date of Termination (the "Non-Compete Period"), he or she will not, in association with or as an officer, principal, manager, member, advisor, agent, partner, director, material stockholder, employee or consultant of any corporation (or sub-unit, in the case of a diversified business) or other enterprise, entity or association, work on the acquisition or development of, or engage in any line of business, property or project which is, directly or indirectly, competitive with any business that the Company or any of its affiliates engages in or is planning to engage in during the term of Employee's employment with the Company or any affiliate of the Company, including but not limited to, the mining, processing, transportation, distribution, trading and sale of synfuel, coal and coal byproducts (the "Business"). Such restriction shall cover Employee's activities anywhere in the contiguous United States.

(b) If the Employee is receiving payments and benefits under Sections 4.2 or 4.3 of the Plan, during the Non-Compete Period, Employee will not solicit or induce any person who is or was employed by any of the Company or its affiliates at any time during such term or period (i) to interfere with the activities or businesses of the Company or any of its affiliates or (ii) to discontinue his or her employment with the Company or any of its affiliates.

(c) If the Employee is receiving payments and benefits under Section 4.2 or Section 4.3, as the case may be, of the Plan, during the Non-Compete Period, Employee will not, directly or indirectly, influence or attempt to influence any customers, distributors or suppliers of the Company or any of its affiliates to divert their business to any competitor of the Company or any of its affiliates or in any way interfere with the relationship between any such customer, distributor or supplier and the Company and/or any of its affiliates (including, without limitation, making any negative statements or communications about the Company and its affiliates). During such Non-Compete Period, Employee will not, directly or indirectly, acquire or attempt to acquire any business in the contiguous United States to which the Company or any of its affiliates, prior to the Employee's Date of Termination, has made an acquisition proposal relating to the possible acquisition of such business by the Company or any of its affiliates, or has planned, discussed or contemplated making such an acquisition proposal (such business, an "Acquisition Target"), or take any action to induce or attempt to induce any Acquisition Target to consummate any acquisition, investment or other similar transaction with any person other than the Company or any of its affiliates.

(d) Employee understands that the provisions of paragraphs 4(a), 4(b) and 4(c) hereof may limit his ability to earn a livelihood in a business in which he or she is involved, but as a member of the management group of the Company and its affiliates he or she nevertheless agrees and hereby acknowledges that: (i) such provisions do not impose a greater restraint than is necessary to protect the goodwill or other business interests of the Company and any its affiliates; (ii) such provisions contain reasonable limitations as to time, scope of activity, and geographical area to be restrained; and (iii) the consideration provided hereunder, including without limitation, any amounts or benefits provided under Section 4.2 and Section 4.3, as the case may be, of the Plan, is sufficient to compensate Employee for the restrictions contained in paragraphs 4(a), 4(b) and 4(c) hereof. In consideration of the foregoing and in light of Employee's education, skills and abilities, Employee agrees that he will not assert that, and it should not be considered that, any provisions of paragraphs 4(a), 4(b) and 4(c) otherwise are void, voidable or unenforceable or should be voided or held unenforceable.

(e) If, at the time of enforcement of paragraphs 3 or 4 of this Agreement, a court shall hold that the duration, scope, or area restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed and directed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law. Employee acknowledges that he or she is a member of the Company's and its affiliates' management group with access to the Company's and its affiliates' confidential business information and his services are unique to the Company and its affiliates. Employee therefore agrees that the remedy at law for any breach by him of any of the covenants and agreements set forth in paragraphs 3 and 4 will be inadequate and that in the event of any such breach, the Company and its affiliates may, in addition to the other remedies which may be available to them at law, apply to any court of competent jurisdiction to obtain specific performance and/or injunctive relief prohibiting Employee (together with all those persons associated with him or her) from the breach of such covenants and agreements and to enforce, or prevent any violations of, the provisions of this Agreement. In addition, in the event of a breach or violation by Employee of this paragraph 4, the Non-Compete Period set forth in this paragraph shall be tolled until such breach or violation has been cured.

(f) Each of the covenants of paragraphs 3 and 4 are given by Employee as part of the consideration for the benefits to be received by Employee under the Plan and as an inducement to the Company to grant such benefits under the Plan and accept the obligations thereunder.

(g) Provisions of paragraph 4 shall not be binding on Employee if the Company fails to perform any material obligation under the Plan, including, without limitation, the failure of the Company to make timely payments of monies due to Employee under Section 4.2 or Section 4.3, as the case may be, of the Plan; provided, that (i) Employee has notified the Company in writing within 30 days of the date of the failure of the Company to perform such material obligation and (ii) such failure remains uncorrected and/or uncontested by the Company for 15 days following the date of such notice.

5. The Employee further agrees and recognizes that the Employee has permanently and irrevocably severed the Employee's employment relationship with the Company, that the Employee shall not seek employment with the Company or any affiliated entity at any time in the future, and that the Company has no obligation to employ him or her in the future. Employee agrees that if he submits an application for employment with the Company or any affiliated entity, such application may be summarily rejected without consideration and without notice to Employee.

6. The Employee further agrees that the Employee will not disparage or subvert the Company or any Releasee, or make any statement reflecting negatively on the Company, its affiliated corporations or entities, or any of their officers, directors, managers, members, employees, agents or representatives, including, but not limited to, any matters relating to the operation or management of the Company or any Releasee, the Employee's employment and the termination of the Employee's employment, irrespective of the truthfulness or falsity of such statement.

7. In consideration for the Employee's promises, as set forth herein, the Company agrees to pay or provide to or for the Employee the payments and benefits described in the Plan, the provisions of which are incorporated herein by reference. Except as set forth in this Agreement, it is expressly agreed and understood that Releasees do not have, and will not have, any obligations to provide the Employee at any time in the future with any payments, benefits or considerations other than those recited in this paragraph, or those required by law, other than under the terms of any benefit plans which provide benefits or payments to former employees according to their terms.

8. The Employee understands and agrees that the payments, benefits and agreements provided in this Agreement are being provided to him or her in consideration for the Employee's acceptance and execution of, and in reliance upon the Employee's representations in, this Agreement. The Employee acknowledges that if the Employee had not executed this Agreement containing a release of all claims against the Releasees, including, without limitation, the covenants relating to confidentiality, non-competition and non-disparagement, the Employee would not have been entitled to the payments and benefits set forth in the Plan.

9. The Employee acknowledges and agrees that this Agreement and the Plan supersede any other agreement the Employee has with the Company or any Releasee as to the subjects set forth in this Agreement. To the extent Employee has entered into any other enforceable written agreement with the Company or any Releasee that contains provisions that are outside the scope of this Agreement and the Plan and are not in direct conflict with the provisions in this Agreement or the Plan, the terms in this Agreement and the Plan shall not supercede, but shall be in addition to, any other such agreement. Except as set forth expressly

herein, no promises or representations have been made to Employee in connection with the termination of the Employee's employment agreement, if any, or offer letter, if any, with the Company, or the terms of this Agreement or the Plan.

10. The Employee agrees not to disclose the terms of this Agreement or the Plan to anyone, except the Employee's spouse, attorney and, as necessary, tax/financial advisor. It is expressly understood that any violation of the confidentiality obligation imposed hereunder constitutes a material breach of this Agreement.

11. The Employee represents that the Employee does not, without the Company's prior written consent, presently have in the Employee's possession any records and business documents, whether on computer or hard copy, and other materials (including but not limited to computer disks and tapes, computer programs and software, office keys, correspondence, files, customer lists, technical information, customer information, pricing information, business strategies and plans, sales records and all copies thereof) (collectively, the "Corporate Records") provided by the Company and/or its predecessors, subsidiaries or affiliates or obtained as a result of the Employee's prior employment with the Company and/or its predecessors, subsidiaries or affiliates, or created by the Employee while employed by or rendering services to the Company and/or its predecessors, subsidiaries or affiliates. The Employee acknowledges that all such Corporate Records are the property of the Company. In addition, the Employee shall promptly return in good condition any and all Company owned equipment or property, including, but not limited to, automobiles, personal data assistants, facsimile machines, copy machines, pagers, credit cards, cellular telephone equipment, business cards, laptops, computers, and any other items requested by the Company. As of the Date of Termination, the Company will make arrangements to remove, terminate or transfer any and all business communication lines including network access, cellular phone, fax line and other business numbers.

12. Nothing in this Agreement shall prohibit or restrict the Employee from:
(i) making any disclosure of information required by law; (ii) providing information to, or testifying or otherwise assisting in any investigation or proceeding brought by, any federal regulatory or law enforcement agency or legislative body, any self-regulatory organization, or the Company's designated legal, compliance or human resources officers; or (iii) filing, testifying, participating in or otherwise assisting in a proceeding relating to an alleged violation of any federal, state or municipal law relating to fraud, or any rule or regulation of the Securities and Exchange Commission or any self-regulatory organization.

13. The parties agree and acknowledge that the agreement by the Company described herein, and the settlement and termination of any asserted or unasserted claims against the Releasees, are not and shall not be construed to be an admission of any violation of any federal, state or local statute or regulation, or of any duty owed by any of the Releasees to the Employee.

14. The Employee agrees and recognizes that should the Employee breach any of the obligations or covenants set forth in this Agreement, the Company will have no further obligation to provide the Employee with the consideration set forth herein, and will have the right to seek repayment of all consideration paid up to the time of any such breach. Further, the Employee acknowledges in the event of a breach of this Agreement, Releasees may seek any and

all appropriate relief for any such breach, including equitable relief and/or money damages, attorneys' fees and costs. Notwithstanding the foregoing, in the event the Company fails to perform any material obligation under the Plan, including, without limitation, the failure of the Company to make timely payments of monies due to Employee under Section 4.2 or Section 4.3, as the case may be, of the Plan, this Release shall be null and void and Employee shall have the right to pursue any and all appropriate relief for any such failure, including monetary damages, attorneys' fees and costs; provided, that (i) Employee has notified the Company in writing within 30 days of the date of the failure of the Company to perform such material obligation and (ii) such failure remains uncorrected and/or uncontested by the Company for 15 days following the date of such notice.

15. The Employee further agrees that the Company shall be entitled to preliminary and permanent injunctive relief, without the necessity of proving actual damages, as well as to an equitable accounting of all earnings, profits and other benefits arising from any violations of this Agreement, which rights shall be cumulative and in addition to any other rights or remedies to which the Company may be entitled.

16. This Agreement and the obligations of the parties hereunder shall be construed, interpreted and enforced in accordance with the laws of the State of Delaware.

17. The parties agree that this Agreement shall be deemed to have been made and entered into in Bristol, Virginia. Jurisdiction and venue in any proceeding by the Company or Employee to enforce their rights hereunder is specifically limited to any court geographically located in Virginia.

18. The Employee certifies and acknowledges as follows:

(a) That the Employee has read the terms of this Agreement, and that the Employee understands its terms and effects, including the fact that the Employee has agreed to RELEASE AND FOREVER DISCHARGE the Releasees from any legal action arising out of the Employee's employment relationship with the Company and the termination of that employment relationship; and

(b) That the Employee has signed this Agreement voluntarily and knowingly in exchange for the consideration described herein, which the Employee acknowledges is adequate and satisfactory to him and which the Employee acknowledges is in addition to any other benefits to which the Employee is otherwise entitled; and

(c) That the Company advises the Employee (in writing) to consult with an attorney before signing this Agreement; and

(d) That the Employee does not waive rights or claims that may arise after the date this Agreement is executed; and

(e) That the Company has provided Employee with a period of forty-five

(45) days within which to consider this Agreement, and that the Employee has signed on the date indicated below after concluding that this General Release, Non-Disparagement and Non-Competition Agreement is satisfactory to Employee; and

(f) The Employee acknowledges that this Agreement may be revoked by him within seven (7) days after execution, and it shall not become effective until the expiration of such seven (7) day revocation period. In the event of a timely revocation by the Employee, this Agreement will be deemed null and void and the Company will have no obligations hereunder.

[SIGNATURE PAGE FOLLOWS]

Intending to be legally bound hereby, the Employee and the Company executed the foregoing General Release, Non-Disparagement and Non-Competition Agreement this __ day of___, .

____ **Witness:** ________________________________

EMPLOYEE

[COMPANY]

By: ______________________________ **Witness:** ________________________________

Name: ______________________________

Title: ______________________________

EXHIBIT 31

CERTIFICATIONS

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER

Each of the officers below certifies that:

1. I have reviewed this Quarterly Report on Form 10-Q (this "Report") of Contura Energy, Inc. (the "Registrant");
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined by Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The Registrant's other certifying officer and I have disclosed to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 9, 2020

By: */s/ David J. Stetson*

David J. Stetson
Chief Executive Officer
(Principal Executive Officer)

Date: November 9, 2020

By: */s/ Charles Andrew Eidson*

Charles Andrew Eidson
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

EXHIBIT 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Contura Energy, Inc. (the "Registrant") for the period ended September 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Registrant certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 9, 2020

By: */s/ David J. Stetson*

David J. Stetson
Chief Executive Officer
(Principal Executive Officer)

Date: November 9, 2020

By: */s/ Charles Andrew Eidson*

Charles Andrew Eidson
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 95

Mine Safety and Health Administration Data

Our subsidiaries' mining operations have consistently been recognized with numerous local, state and national awards over the years for outstanding safety performance.

Our behavior-based safety process involves all employees in accident prevention and continuous improvement. Safety leadership and training programs are based upon the concepts of situational awareness and observation, changing behaviors and, most importantly, employee involvement. The core elements of our safety training include identification of critical behaviors, frequency of those behaviors, employee feedback and removal of barriers for continuous improvement.

All employees are empowered to champion the safety process. Every person is challenged to identify hazards and initiate corrective actions, ensuring that hazards are addressed in a timely manner.

All levels of the organization are expected to be proactive and commit to perpetual improvement, implementing new safety processes that promote a safe and healthy work environment.

Our subsidiaries operate multiple mining complexes in three states and are regulated by both the U.S. Mine Safety and Health Administration ("MSHA") and state regulatory agencies. As described in more detail in the "Environmental and Other Regulatory Matters" section of our Annual Report on Form 10-K for the year ended December 31, 2019, the Federal Mine Safety and Health Act of 1977, as amended (the "Mine Act"), among other federal and state laws and regulations, imposes stringent safety and health standards on all aspects of mining operations. Regulatory inspections are mandated by these agencies with thousands of inspection shifts at our properties each year. Citations and compliance metrics at each of our mines and coal preparation facilities vary due to the size and type of the operation. We endeavor to conduct our mining and other operations in compliance with all applicable federal, state and local laws and regulations. However, violations occur from time to time. None of the violations identified or the monetary penalties assessed upon us set forth in the tables below has been material.

For purposes of reporting regulatory matters under Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), we include the following table that sets forth the total number of specific citations and orders and the total dollar value of the proposed civil penalty assessments that were issued by MSHA during the current reporting period for each of our subsidiaries that is a coal mine operator, by individual mine. During the current reporting period, none of the mines operated by our subsidiaries received written notice from MSHA of a pattern of violations under Section 104(e) of the Mine Act.

MSHA Mine ID	Operator	Significant and Substantial Citations Issued (Section 104 of the Mine Act) *Excludes 104(d) citations/orders	Failure to Abate Orders (Section 104(b) of the Mine Act)	Unwarrantable Failure Citations/Orders Issued (Section 104(d) of the Mine Act)	Flagrant Violations (Section 110(b)(2) of the Mine Act)	Imminent Danger Orders Issued (Section 107(a) of the Mine Act)	Dollar Value of Proposed Civil Penalty Assessments (in Thousands) (1)	Mining Related Fatalities
3605018	Cumberland Contura, LLC	8	—	—	—	—	$16.45	—
4405311	Dickenson-Russell Contura, LLC	—	—	—	—	—	$2.74	—
4407223	Paramont Contura, LLC	10	—	—	—	—	$13.08	—
4407308	Paramont Contura, LLC	5	—	—	—	—	$8.14	—
4407381	Paramont Contura, LLC	—	—	—	—	—	$0.25	—
4601544	Spartan Mining Company, LLC	—	—	—	—	—	$43.25	—
4604343	Kingston Mining, Inc.	—	—	—	—	—	$0.97	—
4604637	Kepler Processing Company LLC	1	—	—	—	—	$0.82	—
4605086	Bandmill Coal LLC	2	—	—	—	—	$1.85	—
4605649	Dickenson-Russell Contura, LLC	—	—	—	—	—	$1.54	—
4606263	Brooks Run South Mining, LLC	5	—	—	—	—	$9.30	—
4606558	Highland Mining Company	—	—	—	—	—	$0.12	—
4608159	Mammoth Coal Co.	—	—	—	—	—	$2.35	—
4608374	Marfork Coal Company, LLC	2	—	—	—	—	$2.27	—
4608625	Kingston Mining, Inc.	—	—	—	—	—	$7.51	—
4608787	Nicholas Contura, LLC	6	—	—	—	—	$9.01	—
4608801	Aracoma Coal Company, LLC	3	—	—	—	—	$22.29	—
4608802	Aracoma Coal Company, LLC	2	—	—	—	—	$5.49	—
4608808	Spartan Mining Company, LLC	4	—	—	—	—	$55.58	—
4608837	Marfork Coal Company, LLC	3	—	—	—	—	$2.93	—
4608932	Kingston Mining, Inc.	2	—	—	—	—	$5.30	—

4609026	Republic Energy, LLC	1	—	—	—	—	$0.00	—
4609048	Marfork Coal Company, LLC	—	—	—	—	—	$7.10	—
4609054	Republic Energy, LLC	—	—	—	—	—	$1.18	—
4609091	Marfork Coal Company, LLC	26	—	—	—	—	$115.77	—
4609092	Marfork Coal Company, LLC	1	—	—	—	—	$4.42	—
4609148	Mammoth Coal Co.	—	—	—	—	—	$1.17	—
4609204	Highland Mining Company	—	—	—	—	—	$0.14	—
4609212	Marfork Coal Company, LLC	4	—	—	—	—	$73.03	—
4609221	Mammoth Coal Co.	3	—	—	—	—	$14.71	—
4609361	Aracoma Coal Company, LLC	2	—	—	—	—	$3.13	—
4609409	Republic Energy, LLC	—	—	—	—	—	$0.25	—
4609475	Republic Energy, LLC	6	—	—	—	—	$4.17	—
4609522	Spartan Mining Company, LLC	12	—	—	—	—	$5.69	—
4609550	Marfork Coal Company, LLC	5	—	—	—	—	$19.22	—
4609574	Aracoma Coal Company, LLC	—	—	—	—	—	$0.12	—
4609575	Aracoma Coal Company, LLC	—	—	—	—	—	$0.12	—

For purposes of reporting regulatory matters under Section 1503(a) of the Dodd-Frank Act, we include the following table that sets forth a list of legal actions pending before the Federal Mine Safety and Health Review Commission, including the Administrative Law Judges thereof, pursuant to the Mine Act, and other required information, for each of our subsidiaries that is a coal mine operator, by individual mine including legal actions and other required information.

Mine ID	Operator Name	MSHA Pending Legal Actions (as of last day of reporting period) (1)	New MSHA Dockets commenced during reporting period	MSHA dockets in which final orders were entered (not appealed) during reporting period	Contests of Citations/Orders referenced in Subpart B, 29 CFR Part 2700	Contests of Proposed Penalties referenced in Subpart C, 29 CFR Part 2700	Complaints for compensation referenced in Subpart D, 29 CFR Part 2700	Complaints for discharge, discrimination, or interference referenced in Subpart E, 29 CFR Part 2700	Applications for temporary relief referenced in Subpart F 29 CFR Part 2700	Appeals of judges' decisions or orders to FMSHRC referenced in Subpart H 29 CFR Part 2700
3605018	Cumberland Contura, LLC	—	—	1	—	—	—	—	—	—
4407223	Paramont Contura, LLC	1	1	—	—	1	—	—	—	—
4601544	Spartan Mining Company, LLC	2	2	1	—	2	—	—	—	—
4608625	Kingston Mining, Inc.	1	1	5	—	1	—	—	—	—
4608808	Spartan Mining Company, LLC	2	2	—	—	2	—	—	—	—
4608932	Kingston Mining, Inc.	—	1	4	—	—	—	—	—	—
4609048	Marfork Coal Company, LLC	1	1	1	—	1	—	—	—	—
4609091	Marfork Coal Company, LLC	2	1	3	—	2	—	—	—	—
4609092	Marfork Coal Company, LLC	—	—	1	—	—	—	—	—	—
4609212	Marfork Coal Company, LLC	3	3	3	—	3	—	—	—	—
4609550	Marfork Coal Company, LLC	1	1	2	—	1	—	—	—	—
4407163	Paramont Contura, LLC	—	—	1	—	—				
4609221	Mammoth Coal Co.	—	—	1	—	—	—	—	—	—
4609475	Republic Energy LLC	—	1	2	—	—	—	—	—	—
4604343	Kingston Mining Inc.	1	1	—	—	1	—	—	—	—
4606263	Brooks Run South Mining, LLC	—	—	2	—	—	—	—	—	—

(1) The MSHA proposed assessments issued during the current reporting period do not necessarily relate to the citations or orders issued by MSHA during the current reporting period or to the pending Legal Actions reported herein.