



Spring Creek Mine

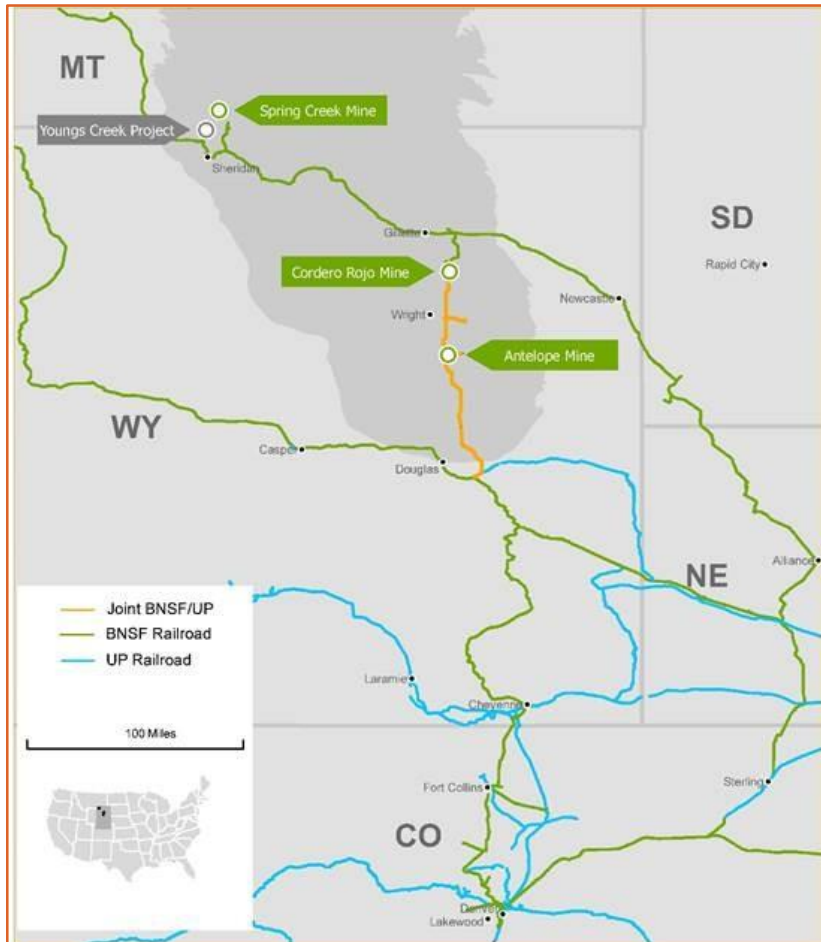
2021 Visitor Presentation

About NTEC

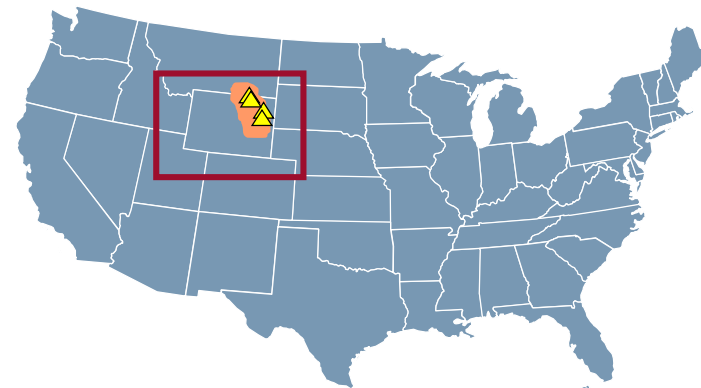
- Navajo Transitional Energy Company (**NTEC**) is a Navajo Nation owned Limited Liability Company.
- Formed in 2013 to purchase Navajo Mine, New Mexico
- Hold a 7% share of the Four Corners Power Plant, New Mexico
- Invested in a Rare Earth Element Mining Project
- Alternative and Renewable Energy Projects (Primarily on the Navajo Nation)
- **NTEC** acquired **Spring Creek Mine** along with the other assets of Cloud Peak Energy on October 24th 2019



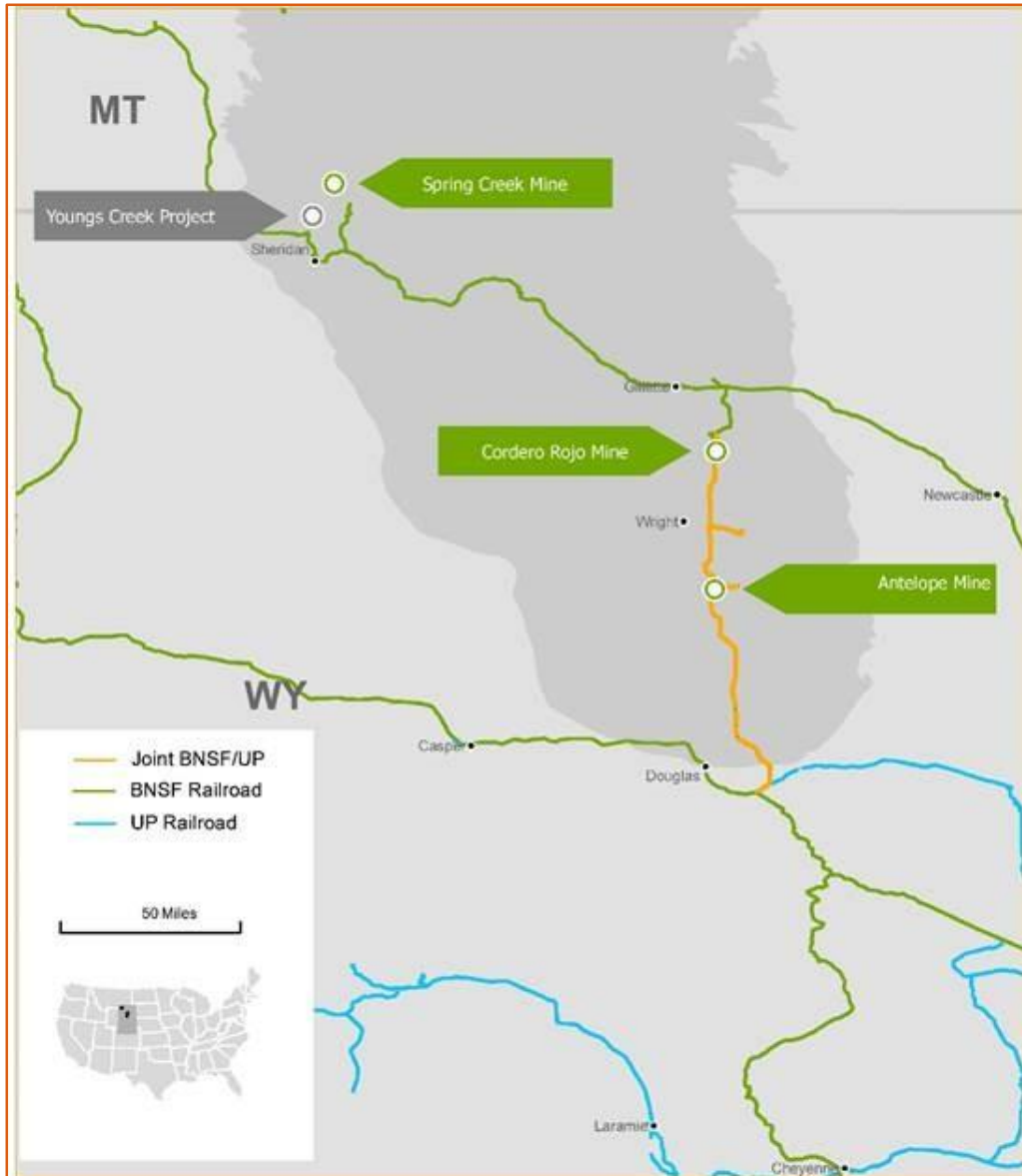
Powder River Basin



- **Approx. 20 percent of U.S. electricity generation is powered by coal**
- **45 percent of the nation's coal is from the Powder River Basin**
- **High-quality, low-sulfur and one of the largest deposits of coal in the world**
- **120 miles east to west; 200 miles north to south spanning Wyoming and Montana**



NTEC Operations



2020 by the numbers:

- **Approx. 1,100 employees in Wyoming, Montana, Colorado and New Mexico**
- **3rd largest U.S. coal producer**
- **Approx. 43.3 million tons produced**
- **Approx. 2 percent of U.S. electricity generation**
- **3.2 million tons exported to Asia through British Columbia**

Recognized for Health, Safety & Environmental Performance



National Association of State Land Reclamationists – Outstanding Reclamation Award

- 2018 – Impressive reclamation and innovative practices

Office of Surface Mining (OSM) – National Excellence in Surface Mine Reclamation

- 2017 – Enhanced reclamation success through diversity of topography, soil and vegetation
- 2009 – Voluntary plantings of rare mustard plant (woolly twinpod)
- 2005 – Reclamation of the South Fork stream channel

Office of Surface Mining (OSM) – Good Neighbor Award to all CPE operations

- 2012 – Reclamation & mining education outreach, flood responses

Mine Safety and Health Administration (MSHA) – Sentinel’s of Safety

- 2017-2019 – Sentinel’s of Safety Runner-Up
- 2013 – Sentinel’s of Safety Runner-Up
- 2011 – Sentinel’s of Safety Runner-Up
- 2008 – Sentinel’s of Safety Runner-Up
- 2005 – Sentinel’s of Safety Runner-Up

Rocky Mountain Coal Mining Institute (RMCMI)

- 2013 – Safety Award
- 2006 – Safety Award



Spring Creek At-A-Glance⁽¹⁾

- **245 employees**
- **9.5 million tons shipped in 2020**
- **9th largest coal mine in the U.S. in 2019**
- **Four Pits**
- **Single 80' Seam, Mined In Multiple Lifts**
- **Reserve: 196.1 Million Tons⁽²⁾**
- **Large Equipment:**
 - 2 draglines, 3 shovels, 17 trucks,
 - 8 dozers, 1 loader, 1 hydraulic excavator
- **Production began in 1980**
- **Approximately 416.5 Million Tons Shipped Life-to-Date**

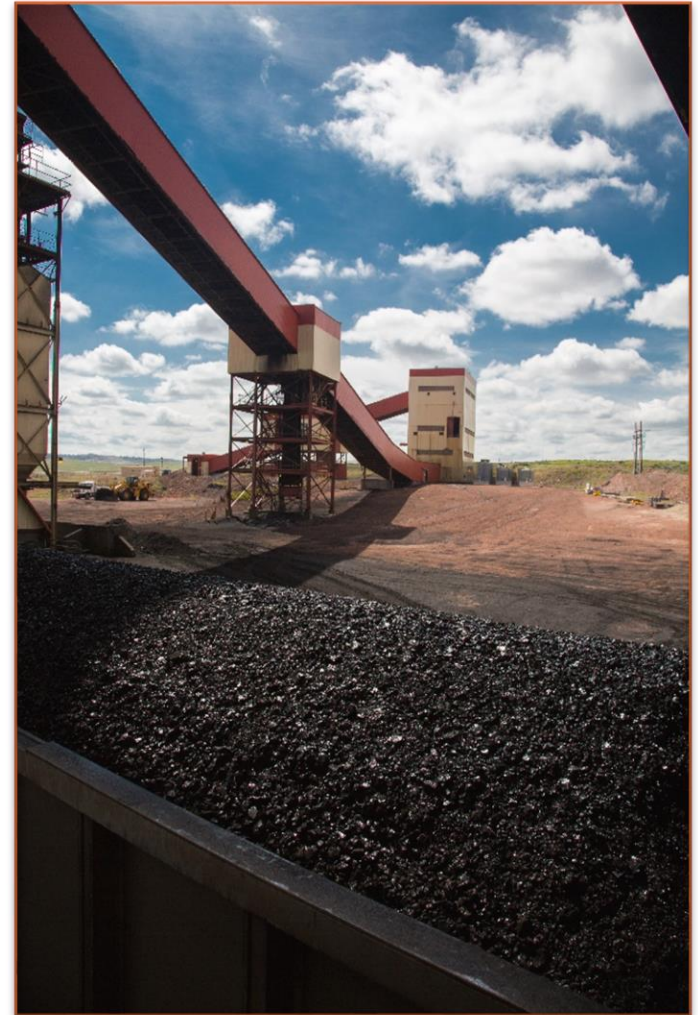


(1) As of December 31, 2020

(2) Reserve estimate provided is derived from the SCM Resource and Reserve Report 2020 and represents estimated recoverable reserve.

Spring Creek Mine History

- 1960's** Exploration by Pacific Power and Light
- 1965** Federal Coal Lease Acquired
- 1976** **NERCO Created**
- 1979** Mining Permit Approved
- 1980** **Production Commenced**
- 1992** Expanded Lease Holdings
- 1993** **Rio Tinto Obtained Ownership**
- 1998** **Record Coal Sales - 11.3 M Tons –
Largest MT Coal Mine**
- 2001** Carbone Lease Acquisition
- 2002** Mining Commenced In Carbone Pit
- 2005** Record Sales of 13.1 M Tons
- 2006** Record Sales of 14.5 M Tons
- 2007** Record Sales of 15.7 M Tons
- 2008** Record Sales of 17.9 M Tons
- 2009** **Cloud Peak Energy IPO November 29**
- 2010** Record Sales of 19.3 M Tons
- 2019** **NTEC Acquired Ownership October 24**

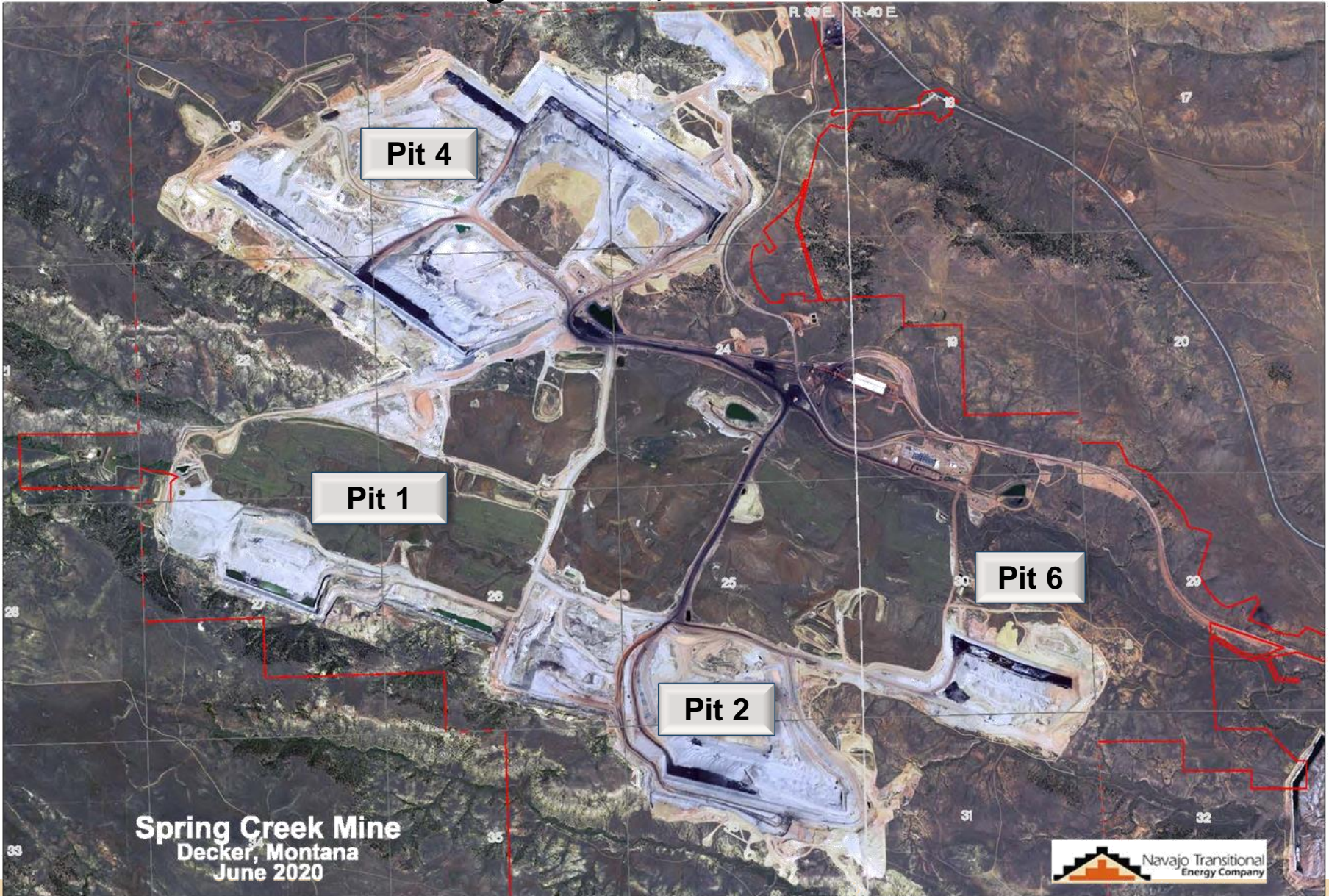


Mine Layout

Active Mining in Pits 2, 4 & 6



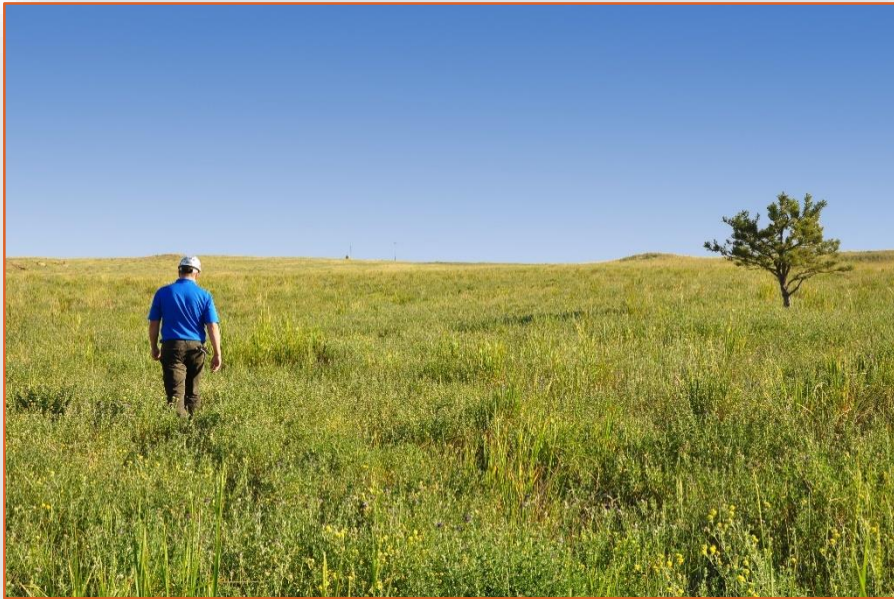
Navajo Transitional
Energy Company



Long before mining operations begin...

Coal Leasing

Mine Permitting



Exploration and Coal Data Gathering

- Core Drilling
- Site Geologic Studies

Environmental Assessments

- Soil Quantity and Qualities
- Vegetation Species and Density
- Wildlife

Cultural Resources

- Archeological Sites
 - Stone Features
 - Work Sites
 - Rock Art
- Points of Interest

Substantial Opportunity for Public Involvement in the Process

Mining Operations...

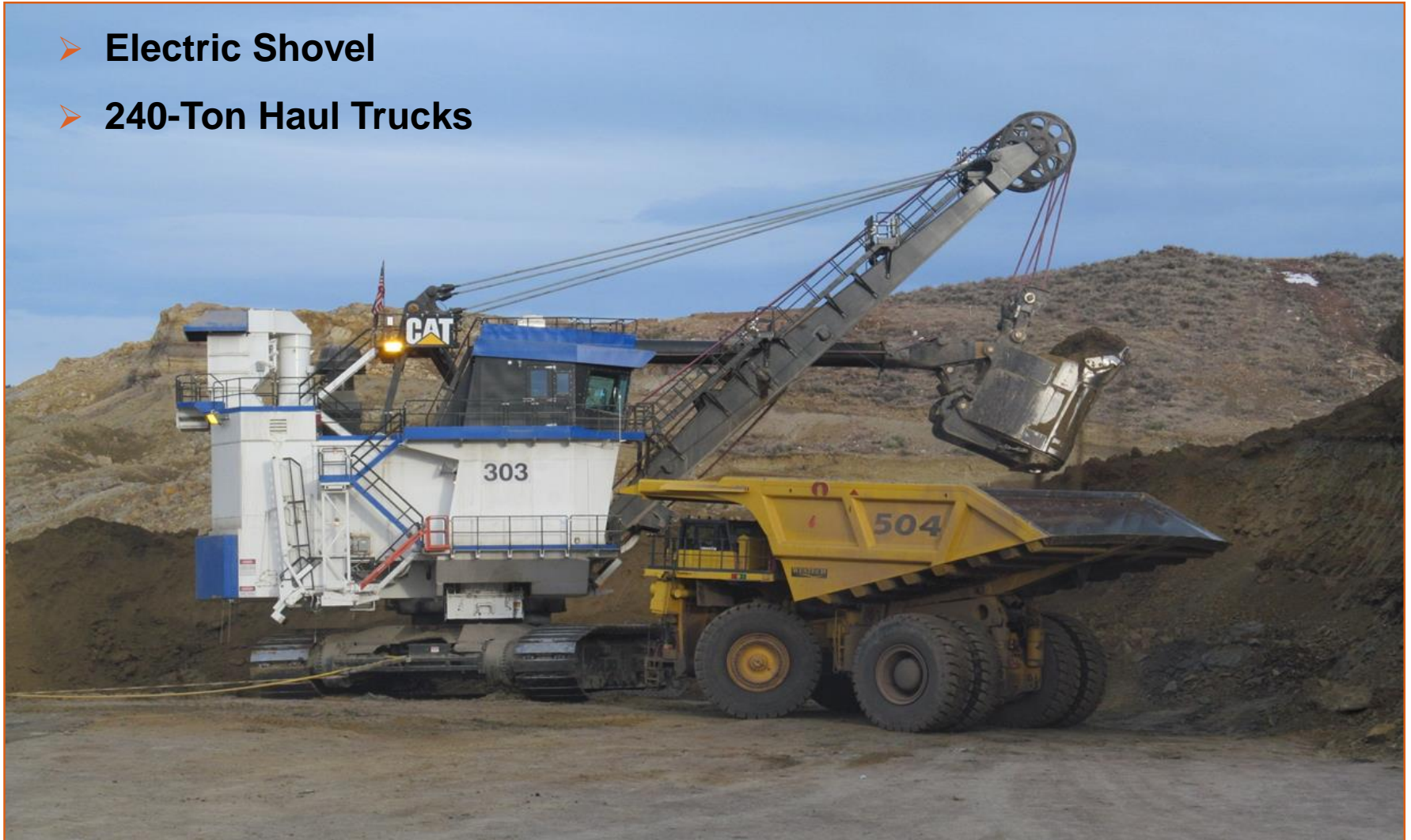
Topsoil Salvage



Mining Operations...

Pre-strip

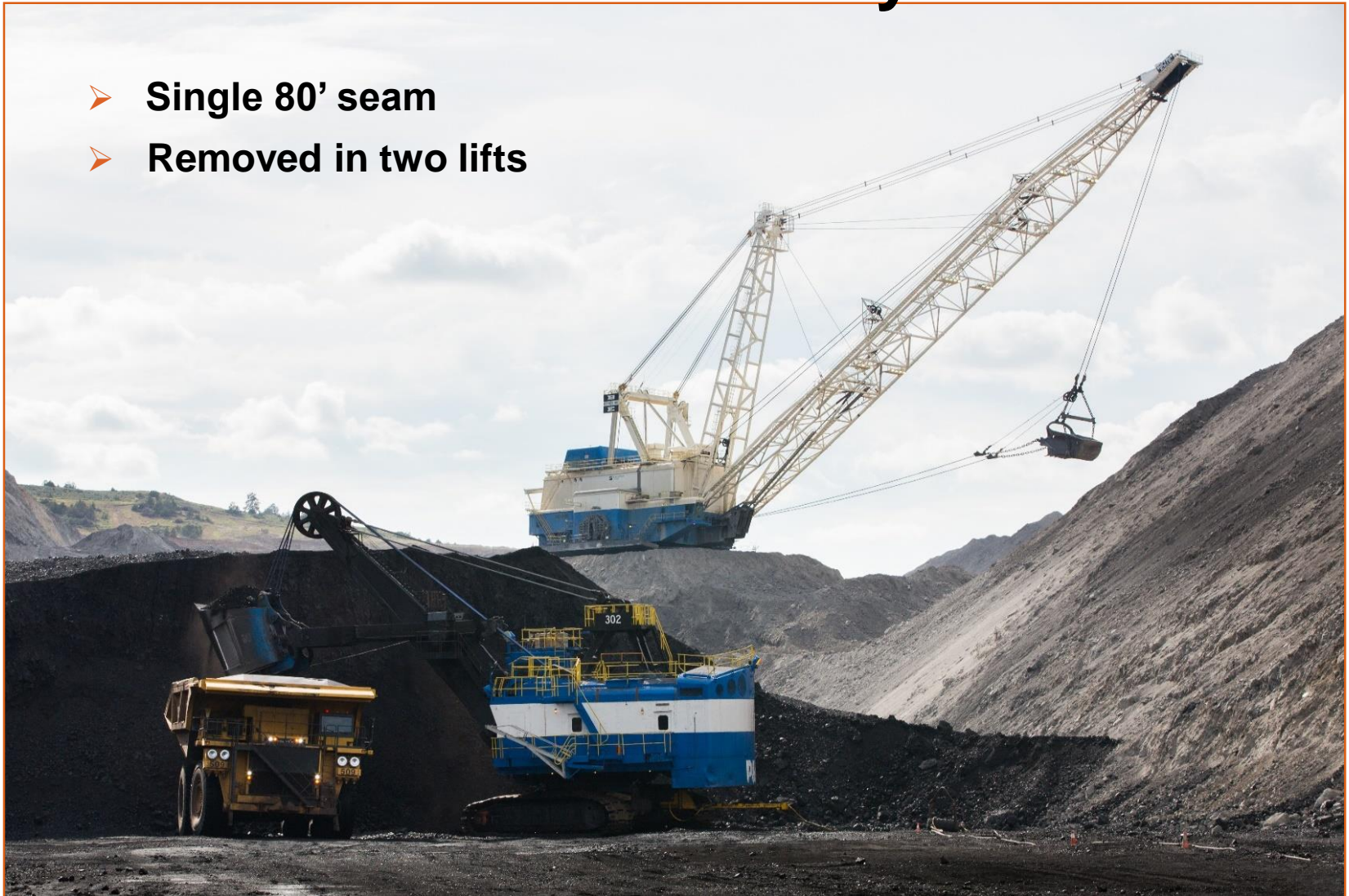
- Electric Shovel
- 240-Ton Haul Trucks



Mining Operations...

Coal Recovery

- Single 80' seam
- Removed in two lifts



Mining Operations...

Environmental Controls



Dust Control

- Using Recycled Water



Erosion Prevention

- Drainage Controls
- Sediment Capture Structures
- Limited Off-site Discharges



Water Conservation

- Capturing Surface Run-Off
- Preventing Losses
- Limiting Usage

Mining Operations...

Reclamation

- **Graded to Approximate Original Contour**
- **Reseeded with All Native Species**
- **Monitored for Progress – Return to Baseline Land Uses**
- **Provide for Wildlife Habitat and Grazing Land**



Mining Operations...

➤ Dragline Reclamation work



SCM Supporting the Economy



Average Salary for all Full-Time Hourly Employees
\$73,900/year*

Goods and Services & Community Contributions
\$44.8 million



Total Federal, State and local Taxes and Royalties paid to Montana in 2020
\$31.6 million



Total Tax and Royalties Paid by NTEC in 2020:
\$195.2 MILLION

Core Behaviors

We Do the Right Thing

- Helping Neighbors

We Operate a World-Class Energy Company

We Empower People and Communities

- Donations to local communities and groups (4H, Relay for Life, Hospital, Booster clubs, FFA, Senior Center)

We Create Multi-Generational Solutions

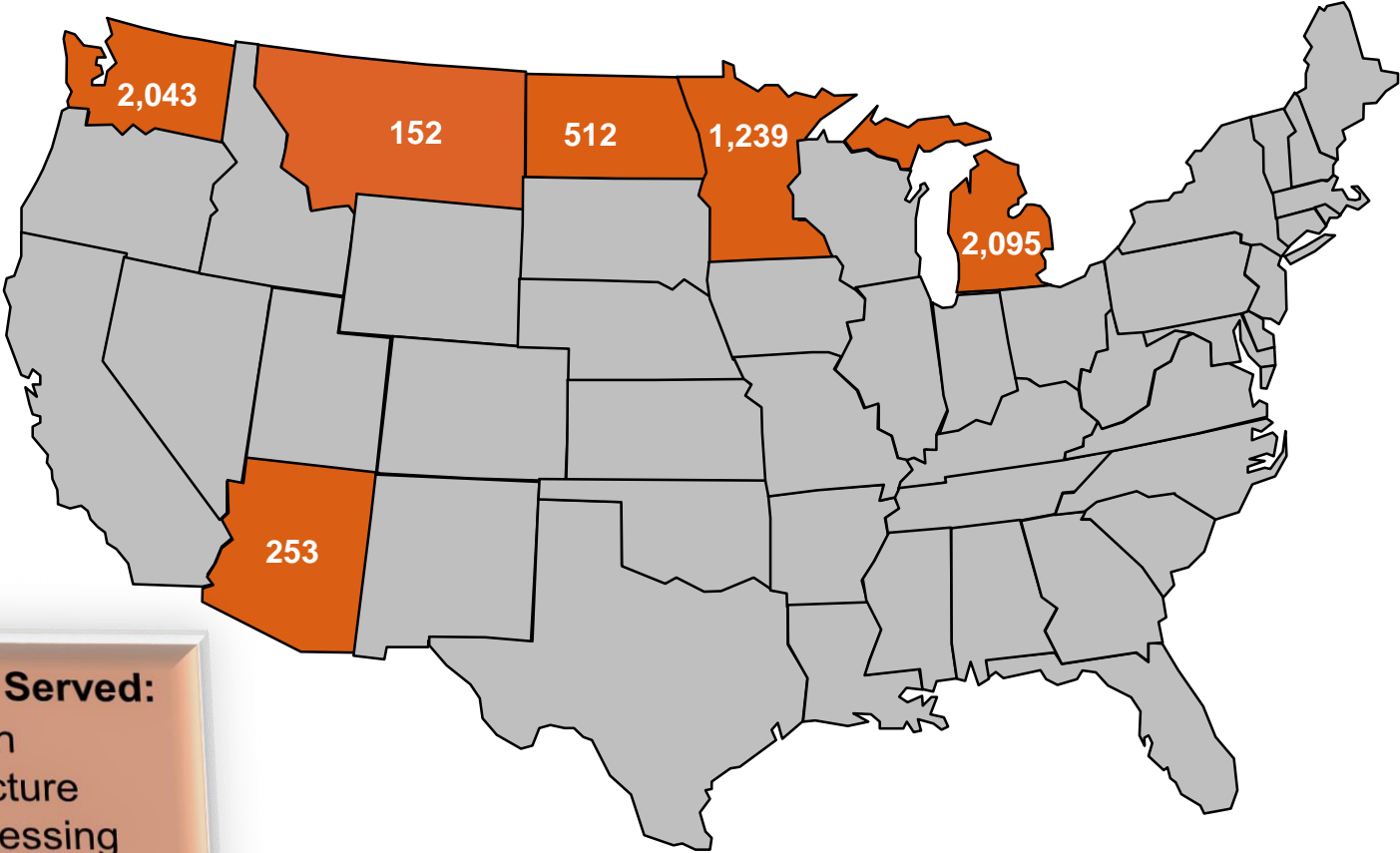


Spring Creek Mine – Customer Reach

Asian Exports

3,220

2020 Shipments in thousands of tons



Customer Industries Served:

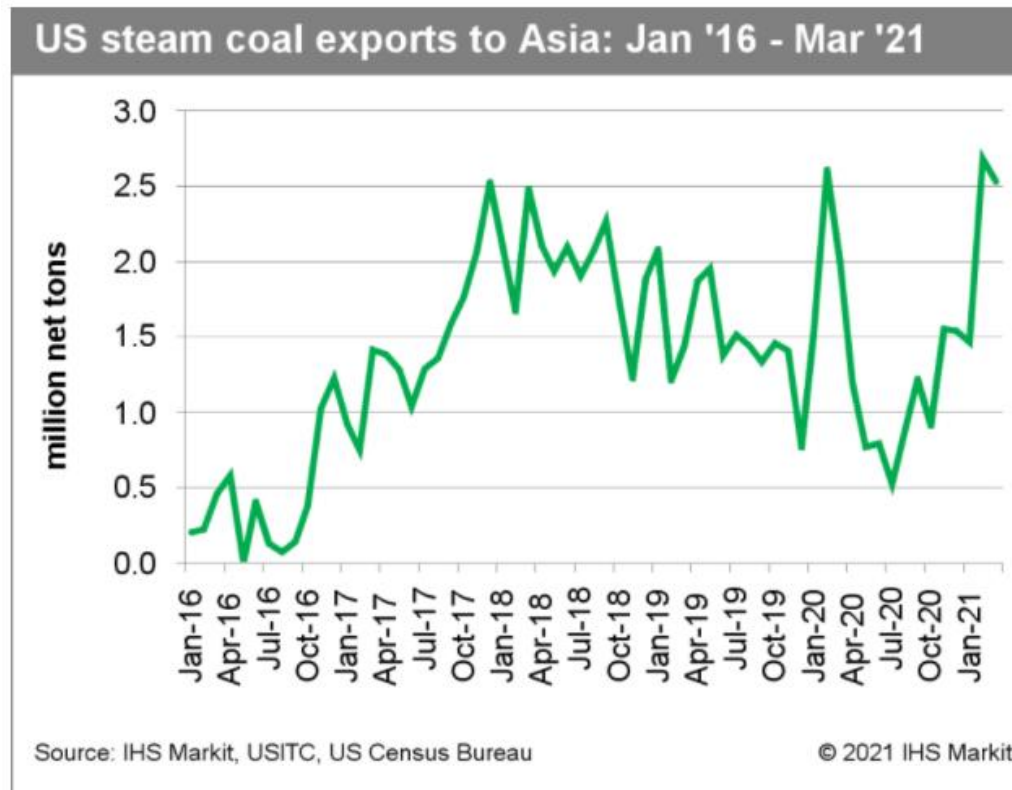
- Power Production
- Cement Manufacture
- Sugar Beet Processing
- Institutional Heating
- Retail Coal Sales

Export Demand

- **Global coal electricity generation capacity continues to grow at a rapid pace as most developing countries rely on coal as the most affordable and scalable energy source used to improve living conditions and lift populations out of poverty.**
- **Global coal generation capacity has increased by over 60% since 2005 reaching approximately 2,150 GW. There are currently 180 GW of coal generation under construction with an additional 300 GW in planning stages. (For comparison, current US coal fleet = ~230 GW)**
- **This generation growth is estimated to increase seaborne thermal coal demand by 20 to 25 million metric tons per annum.**
- **Any supply response is expected to be delayed by the past several years of low capital investment in Australia and Indonesia.**

Asian Demand Growth

Increases in U.S. thermal exports are primarily a result of Asian demand growth



Export Terminal Capacity

NTEC has terminal capacity or option for capacity at:

- Westshore Terminals – Vancouver, BC Canada (long-term agreement)
- Millennium Bulk Terminal – Longview, WA (option for capacity)



Questions?

