

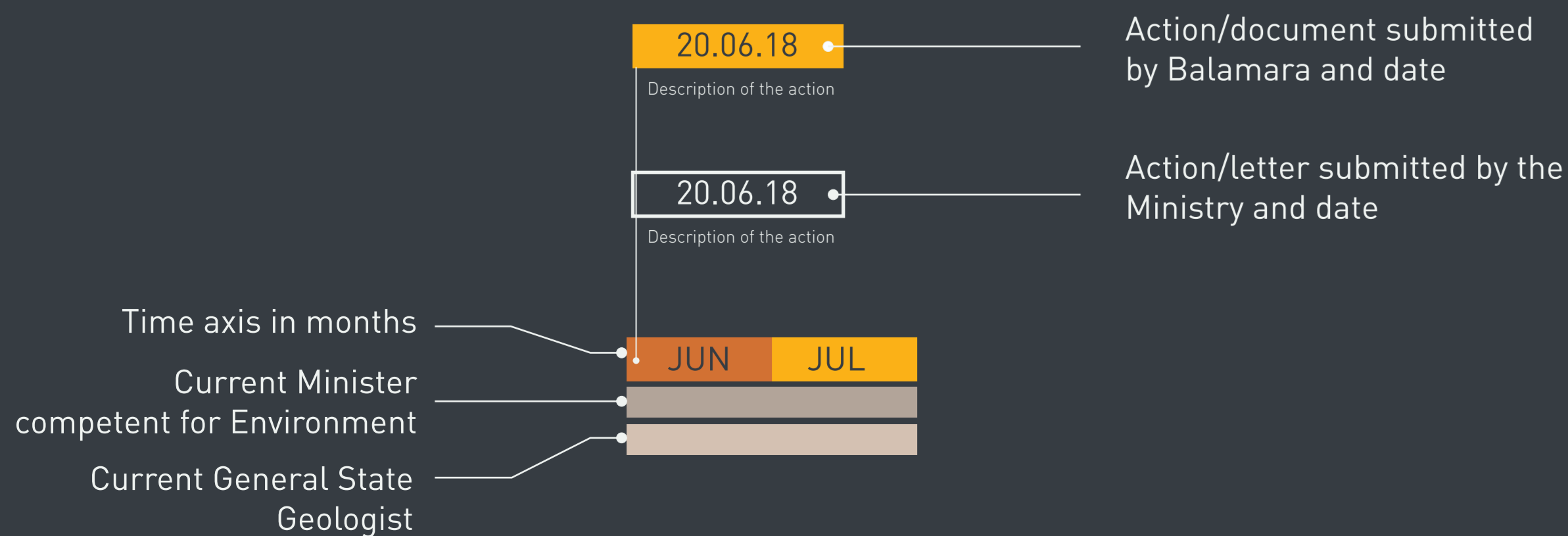
MINING LICENCE LEGAL PROCESS ISSUES

PROJECT NOWA RUDA COKING COAL

The following infographics show the basics of our ongoing mining licence application ("Application") proceedings for our Nowa Ruda project. At the time our Application was submitted to the Ministry of Environment in Warsaw ("the Ministry"), Balamara anticipated the approval process would take approximately six months – this estimate being based both on the experience of previous mining licence applications made by Polish state-owned coal companies, and the normal time frames and due-dates for the completion of specific tasks as specified under Polish law. Unfortunately, the reality is that the Application process has now lasted for more than two years and is being made against an unfavourable administrative environment. Since Balamara originally submitted its Application, the Polish government has been replaced twice, resulting in the position of Minister responsible for the Environment and Natural Resources being held by three different individuals during the relevant period. Also, during 2019, the entire Ministry was reorganised with the responsibility for Natural Resources being given to the newly established Ministry of Climate. Furthermore the incumbent General State Geologist was twice dismissed with gaps of several months between replacement appointments.

Even though we have submitted as a part of our Application nearly two thousand (2,000) documents with accompanying reports and analysis, six (6) sets of additional documents and official forms as requested by the Ministry, issued fourteen (14) official letters, exchanged dozens of e-mails, made over a hundred (100+) telephone calls and held more than ten (10+) substantive official meetings with Ministry Secretaries of State and other high-ranking officials, our Application remains a work-in-progress.

EXPLANATIONS to the time schedule



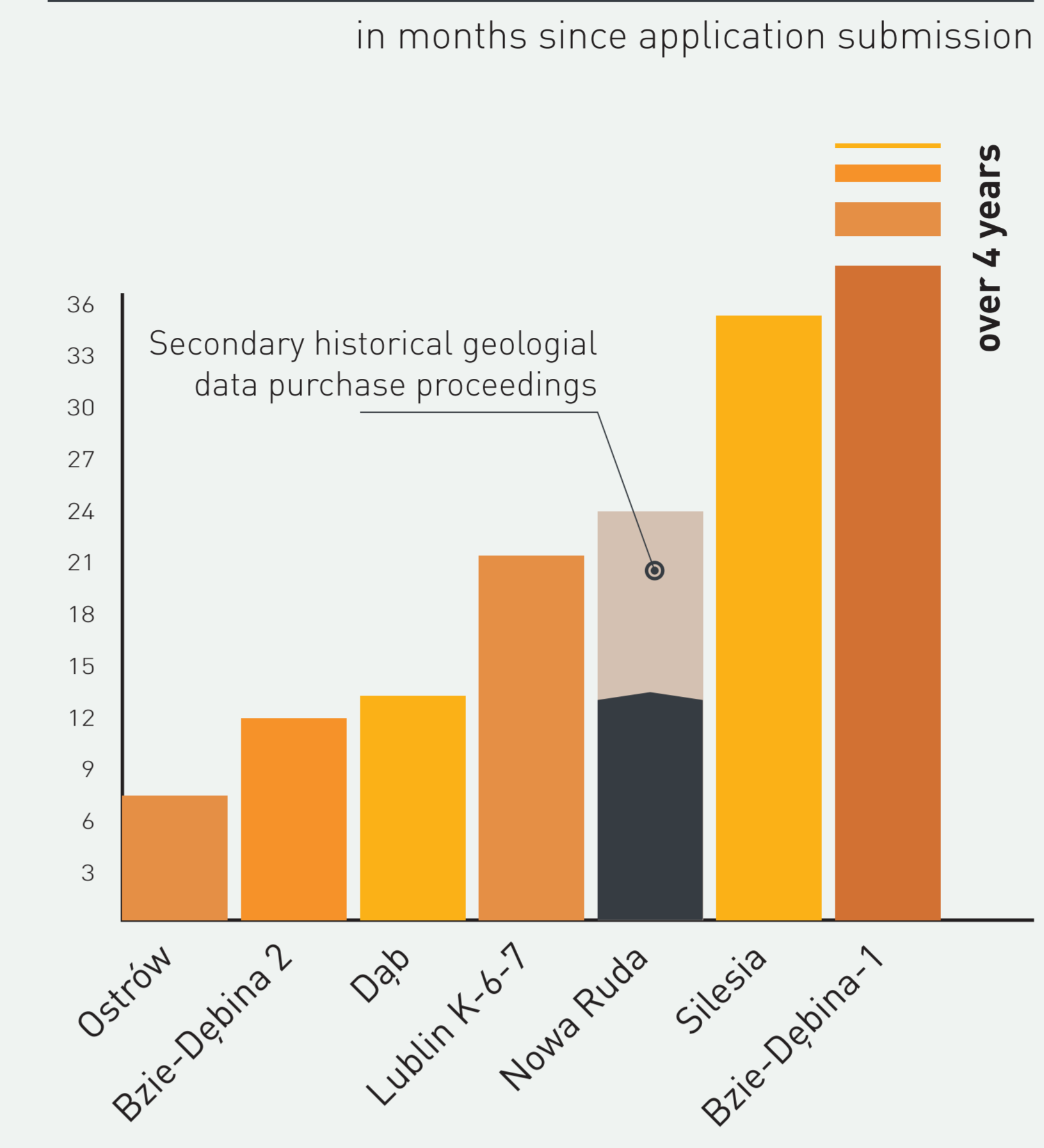
Exemplary scheme of the Mining Licence legal process

estimated duration time: **6 MONTHS**

The schematic of legal proceedings as anticipated at the beginning of the process. Dates of each stage were estimated either on the basis of precedents set by the coal mining licence processes of State-Owned companies or on due dates as determined by the Law.



MINING LICENCE proceedings duration in Poland



Durations of mining licence proceedings for particular coal deposits in Poland and comparison with the Nowa Ruda process. Note: the gray part of the bar represents 12 month delay due to the secondary purchase of geological data.

NOWA RUDA mining licence in numbers

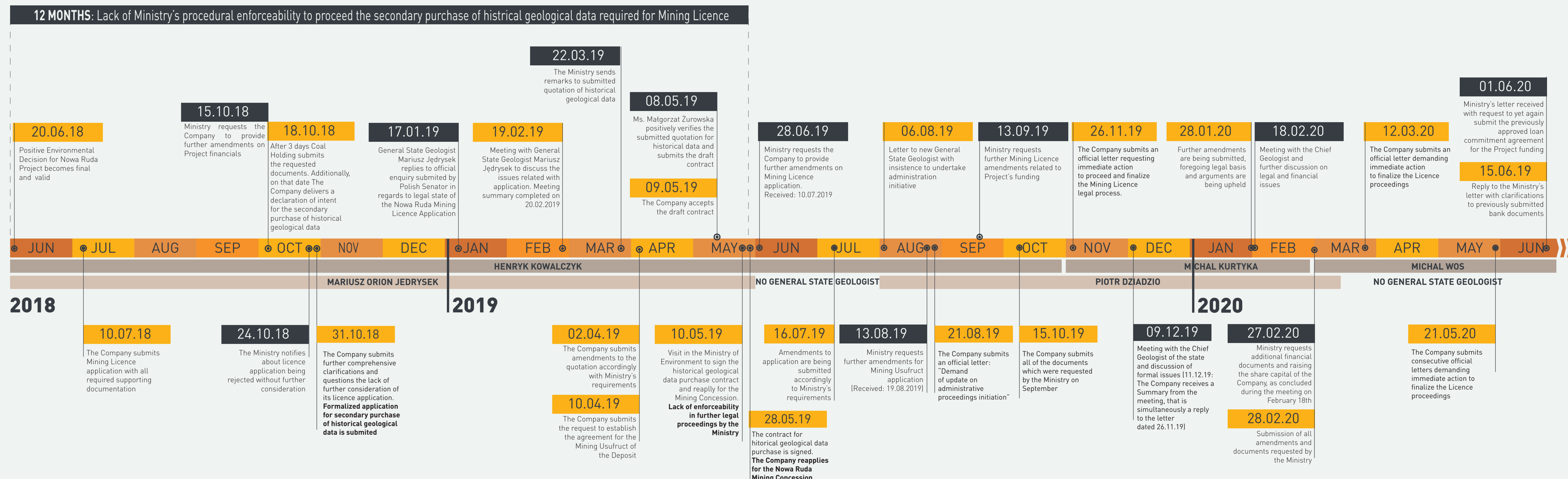
FROM THE BEGINNING OF THE MINING LICENCE PROCEEDINGS:



DURING THIS TIME, THE COMPANY:



TIMELINE of the Mining Licence proceedings



Current duration of the process:

24 MONTHS