

PRODUCTION AND SALE OF COKING COAL

SECTOR: COAL INDUSTRY

Coking coal

is an essential raw material for the metallurgical industry, required for the production of pig iron and steel. It possesses unique properties that allow producing high-quality coke, ensuring high temperatures and strength during metal smelting



Today, coking coal is among the most demanded fuels in heavy industry. Its primary consumers are steel plants, which use it in blast furnaces and steel production processes

Global production of coking coal continues to grow steadily, surpassing 1.1 billion tons in 2022. The largest producing countries are China (~600 million tons), Australia (170 million tons), Russia (85 million tons), and the United States (70 million tons)

Coking coal accounts for approximately 15% of total coal extraction, yet its economic and industrial significance is far greater due to its unique characteristics and the absence of full substitutes

EXPERIENCE AND TECHNOLOGIES OF DEL MAR ENERGY IN COKING COAL PRODUCTION

Del Mar Energy is one of the leading companies in coking coal mining and sales, utilizing advanced technologies and ensuring consistently high product quality



EXPERIENCE AND SCOPE OF OPERATIONS

- ▶ Over 10 years of experience in coking coal mining and processing
- ▶ Annual production volume exceeding 12 million tons
- ▶ Production facilities include 8 modern mines and open-pit operations



ADVANCED TECHNOLOGIES

- ▶ Modern methods of underground mining and open-pit extraction
- ▶ Automated quality control and coal sorting systems
- ▶ Advanced enrichment technologies and preparation of raw materials for metallurgical use



COMPANY MISSION AND PRIORITIES

- ▶ Supplying high-quality raw materials to the metallurgical industry
- ▶ Implementing environmentally friendly and resource-efficient technologies
- ▶ Expanding sales geography and strengthening positions in the global market

COKING COAL MINING AND PROCESSING TECHNOLOGIES

Modern Mining Methods:



Underground Mining:

mechanized systems for deep coal seams, ensuring high productivity and safety



Open-Pit Mining:

effective at shallow depths, reduces production costs, and increases extraction volumes

ADVANCED PROCESSING AND ENRICHMENT TECHNOLOGIES:

- ▶ Flotation and gravity enrichment: effectively removes impurities and improves coal quality
- ▶ Automated quality control systems: ensure consistent raw material parameters and minimize rejects
- ▶ Mine gas degasification: enhances safety, reduces environmental impact, and serves as an additional energy resource

DEL MAR ENERGY'S INNOVATIVE SOLUTIONS:

- ▶ **Digitalization of production processes:** digital twins and intelligent monitoring systems
- ▶ **Modern methods of waste utilization and recycling:** minimize environmental impact
- ▶ Regular implementation of new developments to enhance efficiency and sustainability in coal mining and processing

Coking Coal Market: Current Situation And Outlook

Coking coal is a strategically vital raw material for the metallurgical industry, with demand consistently rising due to infrastructure expansion and global industrial growth

CURRENT MARKET SITUATION:

- * Global consumption of coking coal is approximately 1 billion tons per year
- * Main consumers include China, India, Japan, South Korea, and the European Union
- * Prices of coking coal are influenced by macroeconomic factors and geopolitical risks

MARKET OUTLOOK:

- * Demand is projected to grow steadily, driven by expanding metallurgical capacities in Asia and South America
- * Rising environmental standards require coal with low impurity levels and high coking efficiency
- * Development of new deposits and mining technologies will meet increasing demand and ensure long-term supply stability



DEL MAR ENERGY'S ROLE IN THE MARKET:

- * Actively expanding extraction and increasing production capacities
- * Implementing a sustainable development strategy and diversifying sales markets
- * Focused on high-quality coal, in demand by leading global metallurgical companies

COKING COAL MINING AND PROCESSING TECHNOLOGIES

Del Mar Energy employs advanced technologies that ensure high efficiency and environmental friendliness in coking coal production

PRIMARY EXTRACTION METHODS:

Underground mining: mechanized complexes for deep-seam mining, minimizing environmental impact

Open-pit mining: surface extraction used for shallow coal seams, significantly increasing production volumes and reducing costs

PROCESSING AND ENRICHMENT TECHNOLOGIES:

Dry and wet beneficiation: reduces impurities and enhances coal quality

Flotation and gravity separation technologies: effectively remove waste rock and mineral contaminants

Modern degasification techniques: reduce methane content, improving safety and environmental sustainability of operations

INNOVATIVE SOLUTIONS:

Automation and digitalization of mines and open pits

Implementation of real-time quality control monitoring systems

Adoption of advanced waste recycling methods to minimize environmental impact

Del Mar Energy continuously improves its technologies, ensuring competitiveness and sustainable growth in the coking coal market

ECONOMIC EFFICIENCY OF COKING COAL PRODUCTION

Coking coal is one of the most demanded resources in the metallurgical industry, making its production economically attractive and promising

FACTORS ENSURING HIGH PROFITABILITY:

- ▶ Ownership of production facilities and infrastructure, significantly reducing coal production costs
- ▶ Flexible adaptation of production to meet specific customer requirements, enhancing competitive advantages
- ▶ Government support and favorable conditions for mining companies in various regions

ECONOMIC INDICATORS:

- ▶ Average payback period for coking coal mining projects ranges from 5 to 7 years
- ▶ Consistent profitability exceeding 20% annually, making this sector attractive to investors

KEY PRODUCTION ADVANTAGES:

- ▶ High and stable global demand driven by growth in steel production
- ▶ Long-term contracts with metallurgical enterprises, ensuring steady cash flow and risk minimization
- ▶ Relatively low operational costs due to the use of modern technologies and efficient production management



Coking coal production represents a reliable and profitable investment area with substantial potential for long-term growth

COKING COAL IN THE METALLURGICAL INDUSTRY

Coking coal plays a crucial role in metallurgy, enabling the production of steel and cast iron—the cornerstones of modern industry and construction

APPLICATIONS OF COKING COAL IN METALLURGY:

- ▶ Production of coke, a key ingredient for smelting iron and steel
- ▶ Used in blast furnaces for efficient and economical melting of iron ore
- ▶ Essential for producing high-quality metals with required physical and chemical properties

ADVANTAGES OF COKING COAL:

- ▶ Ensures high temperature and stability in metal-smelting processes
- ▶ Enhances final product quality by reducing harmful impurities
- ▶ Helps metallurgical enterprises lower production costs

FUTURE PROSPECTS:

- ▶ Rising global demand for steel and cast iron ensures steady growth in the coking coal market
- ▶ Innovative beneficiation and processing technologies increase efficiency and environmental sustainability
- ▶ Continued investment attractiveness due to the resource's high demand and limited availability

INNOVATIVE TECHNOLOGIES AND DIGITALIZATION IN COAL MINING

Del Mar Energy's use of digital and innovative solutions ensures industry leadership, enhances efficiency, and maintains high safety standards

DIGITALIZATION OF MINING PROCESSES:

- ▶ Digital twins of mines and quarries for efficient planning and operational management
- ▶ Automated real-time monitoring systems for equipment and production processes

ARTIFICIAL INTELLIGENCE AND DATA ANALYTICS:

- ▶ Predictive maintenance based on data analytics, significantly reducing breakdowns and accidents
- ▶ Optimization of production processes using machine learning algorithms, enhancing product quality

INTERNET OF THINGS (IOT):

- ▶ Implementation of sensors monitoring equipment conditions, personnel safety, and environmental parameters
- ▶ Remote monitoring of mining operations, improving efficiency and decision-making speed

BLOCKCHAIN IN LOGISTICS:

- ▶ Transparency in coal supply chains through product traceability and quality tracking
- ▶ Increased trust among international clients and partners

COKING COAL MARKET: TRENDS AND PROSPECTS

Analysts forecast sustained growth in coking coal demand through 2030, making this sector attractive for long-term investments

The global coking coal market demonstrates steady growth, driven by strong demand from the steel industry



CURRENT MARKET SITUATION:

Main consumers: China, India, Japan, South Korea, and EU countries

Total global coking coal production exceeds 1 billion tons per year

Australia, USA, Russia, and Canada are the largest exporters, accounting for over 70% of global supplies



KEY TRENDS:

Increasing consumption in the metallurgy sector due to growing steel production

Rising quality standards, demanding low impurity content and high coking efficiency

Technological advancements, including automation and digital management systems in mining and processing



MARKET OUTLOOK:

Growing demand in Asia and developing economies

Rising prices for high-quality coking coal due to limited supply

Stricter environmental regulations and sustainability requirements driving industry modernization

INVESTMENT ATTRACTIVENESS OF COKING COAL PRODUCTION

REASONS TO INVEST IN COKING COAL:

- High and stable demand – essential resource for the metallurgy and steel industries
- Limited reserves – scarcity drives price increases and ensures long-term value appreciation
- Export opportunities – strong international demand provides steady cash flow

ECONOMIC ADVANTAGES:

- High profitability – coking coal commands higher prices than thermal coal, offering greater profit margins
- Low exposure to market volatility – long-term contracts with steel manufacturers ensure stable pricing
- Government support – incentives and subsidies available for modernization and development of coal industry operations

Investing in coking coal production is a strategic choice for long-term capital growth

MONETIZATION STRATEGIES IN COKING COAL PRODUCTION

KEY PROFIT MODELS:

VERTICAL INTEGRATION

- ▶ Adding value through additional processing stages—coal enrichment and coke production
- ▶ Increasing profitability by capturing higher margins at each production stage

LONG-TERM COAL SUPPLY CONTRACTS

- ▶ Establishing multi-year agreements with metallurgical and steel enterprises
- ▶ Fixed long-term pricing minimizes risks associated with market fluctuations

EXPORT SHIPMENTS

- ▶ Selling products on international markets such as China, India, Japan, and the EU
- ▶ Leveraging international price advantages and currency fluctuations to enhance profitability

INFRASTRUCTURE AND LOGISTICS DEVELOPMENT

- ▶ Investing in proprietary railroads and port facilities to reduce transportation costs
- ▶ Enhancing efficiency and product competitiveness on domestic and global markets

FINANCIAL INSTRUMENTS AND ESG INITIATIVES

- ▶ Access to favorable financing and attracting investments through compliance with ESG standards
- ▶ Participation in emission offset programs and international environmental projects

ENVIRONMENTAL ASPECTS AND SUSTAINABILITY IN COKING COAL PRODUCTION

MINIMIZING ENVIRONMENTAL IMPACT:

ADVANCED MINING TECHNOLOGIES

Closed-loop water supply and wastewater treatment systems

Dust suppression and gas capture technologies to reduce atmospheric emissions

LAND RECLAMATION

Restoring territories after mining activities are completed

Planting forests and establishing nature conservation zones on reclaimed land

EFFICIENT WASTE UTILIZATION

Recycling rock waste and slurry for road construction and industrial use

Utilizing methane captured during mining as an additional energy source

ENERGY EFFICIENCY

Modernizing equipment to reduce energy consumption in coal mining and processing

Implementing alternative energy sources for the company's internal needs

COMPLIANCE WITH INTERNATIONAL ESG STANDARDS

Regular environmental audits and certification of production facilities

Enhancing company attractiveness for global investors and financial institutions

Sustainable coal production is essential for the company's long-term competitiveness and investment appeal

MODERN DIGITAL SOLUTIONS IN MINING:

- ▶ Automated monitoring systems for equipment status and coal extraction processes
- ▶ Digital twins of mining facilities to optimize production processes and reduce operating costs

ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING:

- ▶ Predicting and preventing equipment failures and emergencies
- ▶ Data analysis to enhance production efficiency and improve coal quality

IOT (INTERNET OF THINGS) AND SENSOR TECHNOLOGIES:

- ▶ Real-time sensors monitoring gas levels, temperature, and equipment conditions
- ▶ Remote monitoring to ensure worker safety and oversee production processes

BLOCKCHAIN AND SUPPLY CHAIN TRANSPARENCY:

- ▶ Using blockchain technology to track coal origin and quality
- ▶ Ensuring reliability and transparency in client transactions

TECHNOLOGICAL DEVELOPMENT PROSPECTS:

- ▶ Robotics and autonomous systems for operating in complex and hazardous conditions
- ▶ Innovative processing methods to enhance product quality

**DIGITALIZATION AND
INNOVATIVE TECHNOLOGIES
IN COKING COAL PRODUCTION**

MINIMIZING ENVIRONMENTAL IMPACT:

- ▶ Implementation of advanced water purification and recycling systems at mines and open pits
- ▶ Utilization of gas and dust collection equipment to reduce pollutant emissions

REDUCING CARBON FOOTPRINT:

- ▶ Technologies for degasification and utilization of methane released during extraction
- ▶ Improved energy efficiency through equipment modernization and reduced energy consumption

LAND RECLAMATION:

- ▶ Restoration of lands after mining operations, reforestation, and establishment of natural areas
- ▶ Support for biodiversity and preservation of local ecosystems

ENVIRONMENTAL REPORTING AND ESG:

- ▶ Regular environmental audits and compliance with international ESG standards
- ▶ Data transparency and participation in global environmental initiatives

ENVIRONMENTAL STANDARDS AND SUSTAINABILITY IN COAL PRODUCTION

Del Mar Energy adheres to high environmental standards, ensuring sustainable business development and the conservation of natural resources

SOCIAL RESPONSIBILITY AND PRODUCTION SAFETY



INDUSTRIAL SAFETY:

- ▶ Strict compliance with international safety standards
- ▶ Implementation of advanced monitoring systems to prevent accidents and ensure employee safety



SUPPORTING LOCAL COMMUNITIES:



- ▶ Execution of social projects: infrastructure development, construction of schools, hospitals, and cultural facilities
- ▶ Open dialogue and collaboration with local residents and government authorities in operational regions



EMPLOYEE CARE:

- ▶ Regular medical examinations, healthcare insurance programs, and occupational disease prevention initiatives
- ▶ Creating comfortable and safe working conditions at all company facilities

COMMITMENT TO SOCIETY:



- ▶ Active participation in regional social and economic development programs
- ▶ Fulfillment of obligations regarding taxes, social payments, and support of the local economy

ENVIRONMENTAL SUSTAINABILITY IN COKING COAL PRODUCTION

ADVANCED ENVIRONMENTAL TECHNOLOGIES:

- Utilizing closed-loop water systems to minimize water consumption
- Implementing modern purification and gas-capture technologies to reduce pollutant emissions

LAND RECLAMATION AND RESTORATION:

- Comprehensive restoration of lands following mining operations
- Establishing protected areas and restoring natural ecosystems at former mining sites

ENERGY EFFICIENCY AND EMISSION REDUCTION:

- Employing energy-efficient technologies and equipment to decrease energy consumption
- Utilizing captured mine methane to generate on-site electricity and heat

TRANSPARENCY AND INTERNATIONAL ESG STANDARDS:

- Regular environmental audits and certification of production facilities
- Public reporting and active participation in global environmental initiatives

Environmental sustainability ensures the company's long-term success and high competitiveness in the global market

INVESTMENT ADVANTAGES IN COKING COAL PRODUCTION

HIGH DEMAND AND STABILITY:

Guaranteed global demand from the metallurgical industry

Long-term contracts provide steady cash flow and minimize risks

FAVORABLE BUSINESS CONDITIONS:

Government support programs and tax incentives for the coal industry

Developed infrastructure, including transportation routes and port facilities, ensuring efficient logistics

COMPETITIVE ADVANTAGES OF THE COMPANY:

Advanced mining and processing technologies that lower production costs

High-quality products meeting international standards and environmental regulations

DIVERSIFICATION AND RISK REDUCTION:

Opportunities to invest across different industry segments (mining, processing, logistics)

Geographic asset diversification reduces regional risks and market volatility



MONETIZATION STRATEGIES IN COKING COAL PRODUCTION

Long-Term Contracts with Metallurgical Enterprises:

Stable and predictable cash flow through fixed volumes and pricing
Minimizes exposure to market volatility

Export Operations on Global Markets:

Supply to key consumer countries (China, India, Japan, South Korea, EU)
Leverage favorable pricing trends and currency fluctuations to maximize profits

Vertical Business Integration:

Incorporation of beneficiation and coking stages to increase product margins
Full control over the production and distribution chain reduces overall costs

Development of In-House Infrastructure and Logistics:

Investment in rail lines and port terminals to lower transportation expenses
Additional revenue from offering logistics services

A comprehensive monetization strategy ensures maximum profitability, business resilience, and flexibility in adapting to market shifts

Use of Financial Instruments:

Risk hedging through futures and options contracts
Participation in international commodity exchanges for trading opportunities



**BY OPENING A DEPOSIT WITH THE
MINIMUM ALLOWABLE AMOUNT OF
\$500,000, YOUR BALANCE WILL REACH**

\$1,910,000

in just

192 DAYS

Deposit Term: 192 days

ROI: 382%

DEL MAR ENERGY INC.

is an american holding company primarily focused on the extraction, processing, and sale of oil

Having started out with just a few oil rigs in 2002, we began developing and manufacturing with our own technologies in 2012

The company also engages in electricity production and distribution; manufacturing, repairing, and leasing electromechanical equipment; designing and constructing wind, solar, and geothermal power plants; extracting coal and gas; and developing oil and gas infrastructure

91%

of our products are exported to more than 40 countries worldwide

LEADERSHIP TEAM



MICHAEL LATHAM

Founder/CEO

Michael Latham is the founder and CEO of Del Mar Energy. He established the holding company in 2002 in Texas, successfully building and growing industrial sectors



NICK KAUFMAN

COO (Chief Operating Officer)

Nick has served as COO since 2018. A Texas native and graduate of the University of Massachusetts, Nick initially worked in law. He first encountered Del Mar Energy in 2013 and officially became a partner in 2018. Nick introduced many of the modernized technologies now used in production



STEFAN RUSSO

CIO (Chief Information Officer)

Stefan started his internship at Del Mar Energy in 2016. In less than five years, he advanced from intern to company director



THOMAS LIEBERMAN

CMO (Chief Marketing Officer)

Born in 1984 in Nevada, Thomas studied at a local university before moving to New York in 2006 to work in marketing and public relations. He began collaborating with Del Mar Energy in 2011. Prior to joining the company, Thomas worked on promoting brands such as P&G, Gillette, and General Motors