

CRAIG R. WOOD
PRINCIPAL ECONOMIC ANALYST

Mr. Wood, Stagg Resource Consultants, Inc.'s ("STAGG") principal economic analyst, is involved in a wide variety of economic feasibility and market studies, mineral appraisals, and litigation support. In this capacity, he develops complex and highly detailed costing, pricing, tax, and discounted cash flow models. Additionally, Mr. Wood serves as STAGG's vice president and the firm's secretary/treasurer. Mr. Wood has been with the firm since 1995. He is a certified member of the International Institute of Minerals Appraisers.

PROFESSIONAL EXPERIENCE

In October 2007, Mr. Wood was appointed to the position of vice president and chief financial officer, a position he held until early 2016 when he relinquished the role of chief financial officer to focus on his consulting role to the firm's clients. His responsibilities in this position have included overseeing the firm's accounting, corporate administration, human resource, and information technology operations. Mr. Wood continues to serve as the corporation's secretary-treasurer and on the board of directors.

Additionally, Mr. Wood has served in corporate management since his appointment in January 2003 to the positions of director, corporate finance and secretary/treasurer. Since that time, he has variously managed the firm's accounting, administrative, human resource, and information technology groups. In January 2007, his title was changed to director – finance and administration to reflect the additional responsibilities of managing the firm's administrative staff.

Mr. Wood, a key member of STAGG's appraisal and economic group, was promoted to the firm's principal economic analyst position in December 2010, after approximately 15 years as an economic analyst or senior economic analyst at STAGG. In this role, Wood participates in a wide variety of appraisals, economic feasibility studies, market analyses, and litigation support. His responsibilities include project management; executing appraisal assignments; performing property inspections; the development of complex and highly detailed costing, pricing, tax, and discounted cash flow models; analysis of historic performance data including production, price and operating costs; development of forecasts based on results from this analysis; development of discount rates; report preparation; litigation support; critiques of opposing expert work; and internal peer review.

During his professional consulting career with STAGG, Mr. Wood has participated in the writing of over 200 technical reports, has been a workshop instructor for the preparation of discounted cash flow models, and has authored and/or presented professional papers at industry meetings. He is also a certified member of the International Institute of Minerals Appraisers.

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Mr. Wood's experience in **appraisals** ranges from work completed on a variety of coal, oil and gas, metalliferous, and industrial mineral-bearing properties to the appraisal of equity and partnership interests in natural resource-related companies. Projects in which he has participated include appraisals of an undeveloped zinc, copper, gold, silver, and lead-bearing property in Wisconsin; the business enterprise associated with an iron ore deposit in Brazil on an ongoing quarterly basis; the shares in a Kentucky-based quarrying and road construction company; the partnership interests in various landholding entities receiving royalties from mineral and natural gas extraction; the partnership and working interests controlled by various entities involved in oil and natural gas extraction; the phosphate reserves of a major Florida producer on an ongoing annual basis; the U.S. and Canadian phosphate, potash, and salt reserves in the merger of IMC Global and Cargill Crop Nutrition's operations; numerous crushed stone and sand and gravel operations throughout the U.S., including the simultaneous appraisal of 36 crushed stone and aggregate producing properties in 11 states; coal bed methane-producing properties in Alabama, and a variety of undeveloped and developed coal, oil, or natural gas properties throughout the U.S.

His experience in **economic and market analysis** ranges from the economic and financial evaluation and analysis of mining operations to market royalty and tax analysis projects. His experience in the evaluation and analysis of mining operations is derived from the numerous acquisitions programs and mineral reserve studies in which he has participated. This experience ranges from participation in preliminary evaluations of operations that are potential candidates for acquisition through in-depth evaluations made during option phases and the extremely detailed evaluations required during due diligence programs, as well as the economic analysis required to establish reserves from resources for financial reporting purposes. Specific areas of experience gained through this work include the preparation of detailed *pro forma* cost models and cash flow projections. His experience in tax analysis includes a comprehensive eight-state regional study conducted for a major U.S. coal producer. The study compared the impact and changes of state and tribal production taxes on coal-producing companies in the west from 1988 to 1996.

Mr. Wood provides **litigation support** for STAGG's lead expert, Alan Stagg, in natural resource litigation and arbitration. He has assisted Mr. Stagg in preparing for expert testimony on matters ranging from reserve/resource determination and lost coal issues to contractual issues and valuation issues in a variety of venues throughout the U.S. Examples of cases for which this work has been conducted include a variety of lost coal claims; the appraisal of shares in a natural-resource land holding company; matters involving breach of contract and tortious interference issues; and a number of condemnation and taking cases.

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Prior to assuming the position of economic analyst in January 1996, Mr. Wood had accepted the position of administrative assistant to the president of STAGG in July 1995. In this position, he provided technical support to Alan Stagg on various projects involving economic analysis and valuation. Additionally, he served as a client liaison when Mr. Stagg was away from the office.

Mr. Wood was employed by Wood & Wood Business Services, Inc., a family-owned business, from 1985 to 1995. His client responsibilities included general bookkeeping, payroll preparation, accounts receivable/payable, and tax return preparation.

EDUCATION

Mr. Wood received the Bachelor of Science degree in mathematics from Marshall University in 1995. Continuing education includes, among others, the following workshops, short courses, and seminars:

- Eastern Conference and Mineral Appraisal Workshop – International Institute of Minerals Appraisers workshop (2018)
- Society of Mining, Metallurgy, and Exploration, Inc. Annual Conference in Minneapolis, Minnesota, consisting of the following technical sessions presented by the International Institute of Minerals Appraisers (2018):
 - *Valuation Session I: Case Studies and Methodologies*
 - *Valuation Session II: Lessons Learned and Fundamental Issues*
- *Appraisal of Oil & Gas Properties*—Gustavson Associates short course on behalf of International Institute of Minerals Appraisers (2015)
- Society of Mining, Metallurgy, and Exploration, Inc. Annual Conference in Denver, Colorado, consisting of the following technical sessions presented by the International Institute of Minerals Appraisers (2015):
 - *Valuation I: Lessons Learned*
 - *Valuation II: Case Histories*
- Society of Mining, Metallurgy, and Exploration, Inc. Annual Conference in Salt Lake City, Utah, consisting of the following technical sessions presented by the American Institute of Minerals Appraisers (2014):
 - *Valuation I: Case Histories*
 - *Valuation II: Lessons Learned*
- *Appraisal of Oil & Gas Properties*—The University of Tulsa short course (2012)
- *Geology for Non-Geologists*—Petroleum Institute for Continuing Education short course (2012)
- *The Use and Application of Data for Control Premiums and Discounts*—Business Valuation Resources, LLC webinar (2011)

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- Society of Mining, Metallurgy, and Exploration, Inc. Annual Conference in Denver, Colorado, consisting of the following technical sessions presented by the American Institute of Minerals Appraisers (2011):
 - *Valuation I: Concepts and Methods*
 - *Valuation II: Special Purpose Appraisals*
 - *Valuation III: Valuation and Economic Evaluation Research*
- NACVA/IBA Annual Consultants Conference consisting of the following technical sessions (2011):
 - *Case Law Update*
 - *Industry Standards: Ready to Protect and Serve*
 - *Normalizing Financial Statements: Normal or Not? Factors to Consider*
 - *The Heat is On: A Cost of Capital Pressure Cooker*
 - *A Premium Perspective on Discounts*
 - *The “New Economy” – What it Means for Businesses and Values*
 - *Private Cost of Capital*
 - *Risk Analysis in Financial Valuation and Decision*
 - *Ibbotson and Duff & Phelps: You Can’t Just Mix and Match*
 - *Does Firm Size Matter?*
 - *Business Valuation, DLOM and Daubert: The Issue of Redundancy*
 - *Value Maps/Value Enhancement*
 - *Winning Through Regression: The Power of Statistics on Your Side*
 - *The Market Approach: Ways to Tame the Beast*
- *Discounts for Lack of Marketability – Theory and Evidence*—Pluris Valuation Advisors LLC webinar (2010)
- *The Use and Application of Option Pricing Modeling*—Business Valuation Resources, LLC webinar (2010)
- *Discounts for Lack of Marketability – Valuation of Illiquid Securities and Business Interests*—Consultants Training Institute, in conjunction with National Association of Certified Valuation Analysts, webinar (2010)
- *Using RMA Valuation Edition*—Consultants Training Institute, in conjunction with National Association of Certified Valuation Analysts, webinar (2010)
- *Goodwill and Intangible Asset Impairment*—The Knowledge Congress group-based internet webcast (2010)
- *Mastering the Art of Normalization Adjustments*—Business Valuation Resources, LLC teleconference (2010)
- *The Effect of Taxes on Value in Private Capital Markets*—Business Valuation Resources, LLC teleconference (2009)
- *Business Valuations: Fundamentals, Techniques and Theory*—National Association of Certified Valuation Analysts short course (2007)

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- *Valuation Session*—Society of Mining, Metallurgy, and Exploration, Inc. Annual Conference technical session presented by the American Institute of Minerals Appraisers in Denver, Colorado (2007)
- *Appraising Mineral Interests: Keeping Abreast in a Changing World*—Society of Mining, Metallurgy, and Exploration, Inc. Annual Conference technical session presented by the American Institute of Minerals Appraisers in St. Louis, Missouri (2006)
- *Financial Statement Analysis*—SkillPath seminar (2006)
- *Economic and Financial Analysis*—Stagg Resource Consultants, Inc. workshop for staff and associates (2004)
- *Taxation of Mining Operations*—Ernst & Young LLP annual short course (2003)
- *Advanced Cost of Capital workshop*—Ibbotson Associates (1998)
- *Cost of Capital workshop*—Ibbotson Associates (1998)
- *Taxation of mining Operations, Basic Concepts of Mining Taxation*—Ernst & Young LLP annual short course (1997)
- *Taxation of Mining Operations, Current Developments and Advanced Planning*—Ernst & Young LLP annual short course (1997)
- *Coal Taxation for Accountants, Attorneys, and Others Who Advise Coal Companies*—Virginia Polytechnic Institute and State University workshop (1997)
- *Economic Evaluation and Investment Decision-Making*—Colorado School of Mines short course (1997)
- Business and technical writing workshop—West Virginia State College (1997)
- *Taking Stock—Evaluating and Improving Financial Performance*—Management Advisory Services, a division of MOSS-ADAMS LLP short course (1996)

PROFESSIONAL MEMBERSHIPS

Mr. Wood holds membership in the following professional organizations:

- Society for Mining, Metallurgy, and Exploration, Inc.
- International Institute of Minerals Appraisers – Certified Member

WORKSHOP INSTRUCTION

Mr. Wood has participated as an instructor at the following workshop:

- Workshop – *Economic and Financial Analysis*

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Instructor on building the discounted cash flow model at workshop presented by Stagg Resource Consultants, Inc. for its staff and associates in Charleston, West Virginia, July 2004.

PROFESSIONAL PAPERS AND PRESENTATIONS

Mr. Wood has authored the following unpublished papers:

- *Pass-Through Entities and the Appraisal Process – To Tax Affect or Not To Tax Affect?*, presented at the annual meeting of the Society of Mining, Metallurgy, and Exploration, Inc., in Denver, Colorado, March 1, 2011.
- *Selecting the Discount Rate – Whose Interest is Being Valued?*, presented at the annual meeting of the Society of Mining, Metallurgy, and Exploration, Inc., in St. Louis, Missouri, March 27, 2006.

In the course of his consulting practice, Mr. Wood has co-authored more than 100 unpublished reports covering the entire spectrum of his consulting activities.

Mr. Wood has participated as an expert panelist at the following:

- *Get Help with Your Secret Valuation Fears! A Panel Discussion*, presented during a technical session at the annual meeting of the Society of Mining, Metallurgy, and Exploration, Inc., in Minneapolis, Minnesota, February 27, 2018.