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# NewLead in coal push

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**NewLead Holdings of Greece has made another foray into the US commodities business with the acquisition of a second coal mine in Kentucky.**



Michael Zolotas, CEO of NewLead.

However, in a twist, the Michael Zolotas-led company said it had pursued the deal despite a third party disputing the validity of the lease it has acquired.

NewLead has agreed to pay just \$4m for the Viking Mine which independent appraisals indicate could contain up to 20 million tonnes of coal.

A separate reserve report compliant with the U.S. Securities and Exchange Commission (SEC) will be finalised by the end of the year, NewLead said in an exchange filing.

The company is already generating revenue from the mine and will negotiate deals with mineral rights holders on the property by the second quarter of next year.

But before it does that one major issue still needs to be resolved.

"A third party that owns the mineral rights on this property is asserting that the lease being acquired by NewLead has been terminated," it said in the statement.

"However, the seller and NewLead believe that the lease is currently valid, because, among other reasons, the seller has been mining the property and paying the third party without incident.

"NewLead will continue to mine the property and will seek a settlement with such a third party."

NewLead also said it is close to agreeing to buy another mine and a coal wash plant within the current quarter.

The aggregate investment for the two mines and the coal wash plant is \$68m and is being funded by a combination of convertible notes, warrants, shares and cash.

If no settlement is reached on the disputed mine by the second quarter of next year, the convertible notes will be reduced by the \$4m purchase price.

Michael Zolotas, chairman and CEO, said: "We are pleased to complete the agreement to acquire the two mines in Kentucky, and we continue to prospect for more mining acquisitions in the area.

"Through the mining business, we are developing a competitive, vertically integrated shipping and commodity company, building on our longstanding presence and experience in the international shipping industry."

## **Listing under threat**

NewLead has also announced plans for a reverse stock split to regain compliance with Nasdaq rules governing minimum share prices.

Its shares began trading on Wednesday at \$0.11 each, well below the threshold of \$1.0 demanded by exchange rules and NewLead said either a 1/10 or 1/20 reverse split is on the cards.