

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2016 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u>			
A	This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____	
B	This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)	
C	If the plan is a collectively-bargained plan, check here. ► ☐		
D	Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☒ special extension (enter description) <u>HURRICANE HARVEY</u>	

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>NAVAJO MINE RETIREMENT PLAN</u>	1b	Three-digit plan number (PN) ► <u>001</u>
		1c	Effective date of plan <u>06/01/1964</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>SAN JUAN COAL COMPANY</u> <u>9540 SOUTH MAROON CIRCLE, SUITE 300</u> <u>ENGLEWOOD, CO 80112</u>	2b	Employer Identification Number (EIN) <u>94-2557286</u>
		2c	Plan Sponsor's telephone number <u>720-354-4535</u>
		2d	Business code (see instructions) <u>212110</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/16/2017	ELIZABETH A. MARTINEZ
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/16/2017	ELIZABETH A. MARTINEZ
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

3a Plan administrator's name and address ☐ Same as Plan Sponsor SAN JUAN COAL COMPANY 9540 SOUTH MAROON CIRCLE, SUITE 300 ENGLEWOOD, CO 80112	3b Administrator's EIN 94-2557286 3c Administrator's telephone number 720-354-4535
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name BHP BILLITON NEW MEXICO COAL INC.	4b EIN 45-2485938 4c PN 002
5 Total number of participants at the beginning of the plan year	5 1158
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 309 6a(2) 188 6b 411 6c 214 6d 813 6e 139 6f 952 6g 6h
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1B 3H b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service <hr/> Department of Labor Employee Benefits Security Administration <hr/> Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110
		2016
		This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning **01/01/2016** and ending **12/31/2016**

A Name of plan NAVAJO MINE RETIREMENT PLAN	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 SAN JUAN COAL COMPANY	D Employer Identification Number (EIN) 94-2557286

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier

PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	017369	952	01/01/2016	12/31/2016

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid 0	(b) Total amount of fees paid 0
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3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end **4** 8695413**5** Current value of plan's interest under this contract in separate accounts at year end..... **5** 83001018**6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier**6b****c** Premiums due but unpaid at the end of the year**6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount**6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ GUARANTEED GENERAL ACCT CONTRACT**b** Balance at the end of the previous year **7b** 0**c** Additions: (1) Contributions deposited during the year **7c(1)** 9141787(2) Dividends and credits..... **7c(2)** 0(3) Interest credited during the year..... **7c(3)** 155806(4) Transferred from separate account..... **7c(4)** 3500000(5) Other (specify below)..... **7c(5)** 143535

▶ REIMBURSEMENT OF PLAN EXPENSES TRANSFER FROM OUTSIDE FUNDS

(6) Total additions **7c(6)** 12941128**d** Total of balance and additions (add lines **7b** and **7c(6)**). **7d** 12941128**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 4963186(2) Administration charge made by carrier..... **7e(2)** 0(3) Transferred to separate account..... **7e(3)** 0(4) Other (specify below)..... **7e(4)** 463722

▶ CASH, CONTRACT EXP CHG, GPS FEE ELECTIVE SRV CHG, PYMT OF PLAN EXP BOTH PAID BY PRU AND REIMBURSEMENTS

(5) Total deductions **7e(5)** 5426908**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**)..... **7f** 7514220

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3))		9a(4)	
b Benefit charges (1) Claims paid	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs.	10b	

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☐ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>NAVAJO MINE RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>SAN JUAN COAL COMPANY</u>	D Employer Identification Number (EIN) <u>94-2557286</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2016</u>	
2 Assets:	
a Market value	2a <u>116212493</u>
b Actuarial value	2b <u>116212493</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants <u>556</u> (2) Vested Funding Target <u>51407203</u> (3) Total Funding Target <u>51407203</u>
b For terminated vested participants	<u>308</u> <u>10490258</u> <u>10490258</u>
c For active participants	<u>309</u> <u>27640041</u> <u>28509386</u>
d Total	<u>1173</u> <u>89537502</u> <u>90406847</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.06 %</u>
6 Target normal cost	6 <u>421537</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		<u>07/13/2017</u>
Signature of actuary		Date
<u>KEVIN BILLS, FSA, EA, MAAA</u>		<u>17-07029</u>
Type or print name of actuary		Most recent enrollment number
<u>MERCER</u>		<u>713-276-2100</u>
Firm name		Telephone number (including area code)
<u>500 DALLAS STREET, SUITE 1400</u> <u>HOUSTON, TX 77002</u>		
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

**Schedule SB (Form 5500) 2016
v. 160205**

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	335730	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9	Amount remaining (line 7 minus line 8)	335730	0
10	Interest on line 9 using prior year's actual return of <u>-2.55</u> %	-8561	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		0
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.26</u> %		0
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	327169	0

Part III Funding Percentages			
14	Funding target attainment percentage	14	128.18%
15	Adjusted funding target attainment percentage	15	128.54%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	142.32%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V	Assumptions Used to Determine Funding Target and Target Normal Cost					
21	Discount rate:					
a	Segment rates:	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">1st segment: 4.43%</td> <td style="width: 33%;">2nd segment: 5.91%</td> <td style="width: 33%;">3rd segment: 6.65%</td> </tr> </table>	1st segment: 4.43%	2nd segment: 5.91%	3rd segment: 6.65%	☐ N/A, full yield curve used
1st segment: 4.43%	2nd segment: 5.91%	3rd segment: 6.65%				
b	Applicable month (enter code)	21b	4			
22	Weighted average retirement age	22	62			
23	Mortality table(s) (see instructions) ☐ Prescribed - combined ☐ Prescribed - separate ☐ Substitute					
Part VI	Miscellaneous Items					
24	Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No					
25	Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No					
26	Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No					
27	If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.	27				
Part VII	Reconciliation of Unpaid Minimum Required Contributions For Prior Years					
28	Unpaid minimum required contributions for all prior years	28	0			
29	Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29				
30	Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0			
Part VIII	Minimum Required Contribution For Current Year					
31	Target normal cost and excess assets (see instructions):					
a	Target normal cost (line 6)	31a	421537			
b	Excess assets, if applicable, but not greater than line 31a	31b	421537			
32	Amortization installments:	Outstanding Balance	Installment			
a	Net shortfall amortization installment	0	0			
b	Waiver amortization installment	0	0			
33	If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0			
34	Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	0			
	Carryover balance	Prefunding balance	Total balance			
35	Balances elected for use to offset funding requirement		0			
36	Additional cash requirement (line 34 minus line 35)	36	0			
37	Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37				
38	Present value of excess contributions for current year (see instructions)					
a	Total (excess, if any, of line 37 over line 36)	38a	0			
b	Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b				
39	Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0			
40	Unpaid minimum required contributions for all years	40	0			
Part IX	Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)					
41	If an election was made to use PRA 2010 funding relief for this plan:					
a	Schedule elected	☐ 2 plus 7 years ☐ 15 years				
b	Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011				
42	Amount of acceleration adjustment	42				
43	Excess installment acceleration amount to be carried over to future plan years	43				

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2016
		This Form is Open to Public Inspection.
For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016		
A Name of plan NAVAJO MINE RETIREMENT PLAN		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 SAN JUAN COAL COMPANY		D Employer Identification Number (EIN) 94-2557286

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRUDENTIAL RETIREMENT INS & ANNUITY
06-1050034

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

GLOBAL RETIREMENT

47-1411118

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	NONE	54188	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

GLOBAL PORTFOLIO STRATEGIES, INC.

06-1055669

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE	24827	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

PRUDENTIAL RETIREMENT INS & ANNUITY

06-1050034

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	NONE	14768	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:	HAM, LANGSTON, & BREZINA, L.L.P.	b EIN:	76-0448495
c Position:	AUDITOR		
d Address:	11550 FUQUA, SUITE 475 HOUSTON, TX 77034	e Telephone:	281-481-1040

Explanation: CHANGED AUDITOR WITH THE CHANGE IN PLAN SPONSOR

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2016</div> This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan NAVAJO MINE RETIREMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 SAN JUAN COAL COMPANY	D Employer Identification Number (EIN) 94-2557286	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)		
a Name of MTIA, CCT, PSA, or 103-12 IE: INTL BLD/PICTET ASSET MGMT			
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.			
c EIN-PN 06-1050034-534	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2400611	
a Name of MTIA, CCT, PSA, or 103-12 IE: LONG DURATION BOND/IR&M FUND			
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.			
c EIN-PN 06-1050034-537	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 32100339	
a Name of MTIA, CCT, PSA, or 103-12 IE: PRU LONG CORPORATE BOND			
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.			
c EIN-PN 06-1050034-714	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 32924041	
a Name of MTIA, CCT, PSA, or 103-12 IE: QMA US BROAD MARKET INDEX			
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.			
c EIN-PN 06-1050034-671	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 15576027	
a Name of MTIA, CCT, PSA, or 103-12 IE:			
b Name of sponsor of entity listed in (a):			
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:			
b Name of sponsor of entity listed in (a):			
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:			
b Name of sponsor of entity listed in (a):			
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Internal Revenue Service</small> <small>Department of Labor</small> <small>Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016		
A Name of plan NAVAJO MINE RETIREMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 SAN JUAN COAL COMPANY	D Employer Identification Number (EIN) 94-2557286	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	10393544	
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	0	
(2) U.S. Government securities	1c(2)	31567639	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	3303752	
(B) All other.....	1c(3)(B)	14020504	
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)	0	
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)	2084581	
(10) Value of interest in pooled separate accounts	1c(10)	0	83001018
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	52726854	2380017
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		8695413
(15) Other	1c(15)	15610829	

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	129707703	94076448

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	13495211	
k Total liabilities (add all amounts in lines 1g through 1j)	1k	13495211	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	116212492	94076448
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Part II Income and Expense Statement

- 2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)	2787720	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		2787720
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		-350517
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		2437203

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	4963186	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		4963186
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other	2i(4)	463722	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		463722
j Total expenses. Add all expense amounts in column (b) and enter total	2j		5426908

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-2989705
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		19146339

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: EKS&H LLLP

(2) EIN: 46-1497033

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☐ Yes ☒ No **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
NMC RETIREMENT PLAN	45-2485938	003

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4000255. (See instructions.)

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan <u>NAVAJO MINE RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SAN JUAN COAL COMPANY</u>	D Employer Identification Number (EIN) <u>94-2557286</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>22-1211670</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	<u>0</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2016
v. 160205

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14	Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:		
	a The current year	14a	
	b The plan year immediately preceding the current plan year	14b	
	c The second preceding plan year	14c	
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
	a The corresponding number for the plan year immediately preceding the current plan year	15a	
	b The corresponding number for the second preceding plan year	15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:		
	a Enter the number of employers who withdrew during the preceding plan year	16a	
	b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment	☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c)	
	a Enter the percentage of plan assets held as: Stock: _____% Investment-Grade Debt: <u>99</u> % High-Yield Debt: _____% Real Estate: _____% Other: <u>1</u> %	
	b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☒ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more	
	c What duration measure was used to calculate line 19(b)? ☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____	

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan? If "No," skip b	☐ Yes ☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No
22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter / / and the serial number .	
22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter / / .	



NAVAJO MINE RETIREMENT PLAN

**Financial Statements
and
Independent Auditors' Report
December 31, 2016 and 2015**

NAVAJO MINE RETIREMENT PLAN

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INDEPENDENT AUDITORS' REPORT

Westmoreland Retirement Benefits Administrative Committee
Navajo Mine Retirement Plan
Englewood, Colorado

REPORT ON FINANCIAL STATEMENTS

We were engaged to audit the accompanying financial statements of Navajo Mine Retirement Plan (the "Plan"), which are comprised of the statement of net assets available for benefits as of December 31, 2016, the related statement of changes in net assets available for benefits for the year ended December 31, 2016, the statement of accumulated plan benefits as of January 1, 2016, the related statement of changes in accumulated plan benefits for the year ended January 1, 2016, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Prudential Retirement Insurance and Annuity Company and Northern Trust Company, the trustees of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained certifications from the trustees as of December 31, 2016 and 2015, and for the year ended December 31, 2016, that the information provided to the Plan administrator by the trustees is complete and accurate.

DISCLAIMER OF OPINION

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

OTHER MATTERS

Supplemental Schedules

The supplemental schedules as of December 31, 2016, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Prior Period Financial Statements

The financial statements of the Plan as of December 31, 2015, were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed the predecessor auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by the trustee. Their report, dated October 12, 2016, indicated that (a) because of the significance of the information that they did not audit, they were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion, and accordingly, they did not express an opinion on the financial statements and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

REPORT ON FORM AND CONTENT IN COMPLIANCE WITH THE DEPARTMENT OF LABOR'S RULES AND REGULATIONS

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

EKS&H LLP
EKS&H LLP

October 16, 2017
Denver, Colorado

NAVAJO MINE RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2016	2015
Assets		
Investments, at fair value		
Pooled separate accounts	\$ 83,001,018	\$ 2,084,580
Registered investment companies	2,380,017	—
Guaranteed deposit fund	8,695,413	—
Corporate bonds	—	17,324,257
Government securities	—	31,842,875
Mutual funds	—	52,726,854
Securities purchased under agreements to resell	—	14,000,000
Cash collateral held	—	1,285,261
Derivatives	—	10,721
Total investments, at fair value	94,076,448	119,274,548
Receivables		
Accrued income receivable	—	393,342
Assets available for benefits	<u>\$ 94,076,448</u>	<u>\$ 119,667,890</u>
Liabilities		
Liability for pending trades	\$ —	\$ 2,156,873
Obligation to return cash collateral held	—	1,298,525
Total liabilities	<u>\$ —</u>	<u>\$ 3,455,398</u>
Net assets available for benefits	<u>\$ 94,076,448</u>	<u>\$ 116,212,492</u>

See accompanying Notes to Financial Statements.

NAVAJO MINE RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	For the Years Ended December 31,	
	2016	2015
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments	\$ (350,517)	\$ (7,720,175)
Interest and dividend income	2,787,720	4,509,942
Total investment income (loss)	2,437,203	(3,210,233)
Deductions from net assets		
Benefits paid to participants	4,963,186	4,879,909
Administrative expenses	463,722	145,169
Total deductions from net assets	5,426,908	5,025,078
Net decrease in net assets available for benefits	(2,989,705)	(8,235,311)
Transfer out (Note 1)	(19,146,339)	—
Net assets available for benefits		
Beginning of year	116,212,492	124,447,803
End of year	<u>\$ 94,076,448</u>	<u>\$ 116,212,492</u>

See accompanying Notes to Financial Statements.

NAVAJO MINE RETIREMENT PLAN**STATEMENT OF ACCUMULATED PLAN BENEFITS****January 1, 2016**

Actuarial present value of accumulated plan benefits	
Vested benefits	
Active participants	\$ 28,917,592
Retired participants and beneficiaries	63,485,726
Total vested benefits	92,403,318
Non-vested benefits	933,918
Total actuarial present value of accumulated plan benefits	<u>\$ 93,337,236</u>

NAVAJO MINE RETIREMENT PLAN**STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
For the Year Ended January 1, 2016**

Actuarial present value of accumulated plan benefits at beginning of year	<u>\$ 114,041,897</u>
Increase (decrease) during the year attributable to	
Benefits paid	(4,879,909)
Benefits accumulated and actuarial loss	1,017,887
Interest	4,567,343
Change in actuarial assumptions	<u>(21,409,982)</u>
Net decrease	<u>(20,704,661)</u>
Actuarial present value of accumulated plan benefits at end of year	<u><u>\$ 93,337,236</u></u>

NAVAJO MINE RETIREMENT PLAN

Notes to Financial Statements

1. Description of the Plan and Significant Accounting Policies

The following description of Navajo Mine Retirement Plan (the "Plan" or "NMRP") provides only general information. Participants and all others should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan was established effective June 1, 1964 (subsequently amended and restated) and is a defined benefit plan covering all eligible employees of the Navajo Mine (as formerly referenced by previous owner BHP Billiton New Mexico Coal ("BHP"), newly referred to as the "San Juan Mine") which includes company mines in the Navajo Indian Reservation and throughout San Juan County, New Mexico which were originally covered by the agreement between Broken Hill Proprietary (USA) Inc. and the International Union of Operating Engineers, Local No. 953. Effective January 31, 2016, Westmoreland Coal Company's ("WCC") wholly owned subsidiary San Juan Coal Company ("SJCC" or the "Company"), acquired the Plan as a result of the acquisition of the San Juan Mine from BHP. The Company amended the Plan as of this date to reflect SJCC as the Plan sponsor and split the Plan into the following two plans:

- NMRP consisting of all San Juan Mine employees and all inactive participants (except for 5 current BHP Billiton employees that had a terminated vested benefit in the NMRP which were spun into NMC) (defined below).
- NMC Retirement Plan ("NMC") belonging to BHP and consisting of employees that had been in NMRP until January 31, 2016 who are not San Juan Mine employees. The NMRP transferred \$19.1 million during 2016 to the NMC plan for assets that pertained to BHP's employees.

The Westmoreland Coal Company Retirement Committee administers the NMRP and manages the Plan's assets. Prudential Retirement Insurance and Annuity Company ("Prudential Retirement") is the Plan's custodian, trustee, and maintains the Plan's records. As the Plan was split on January 31, 2016, Northern Trust Company was the custodian, trustee and maintained the Plan's records from January 1, 2016 until May 23, 2016 when all transactions to transfer Plan assets amongst trustees were completed. BHP used the professional services firm Mercer's U.S. Valuations Group ("Mercer") for actuarial valuation of the Plan. Mercer's actuarial assumptions as of January 1, 2016 are used in these financial statements.

During the year ended December 31, 2015, the Plan's investments were held in a separate account within the BHP USA Master Retirement Trust, and accordingly, this separate account held only investments specific to the Plan. This segregation of assets was implemented to more effectively manage the cash needs of the Plan and to match the maturities of the investments to the needs of the Plan.

Pension Benefits and Vesting Provisions

A participant who retires on or after February 1, 2002 and has attained age 65 is entitled to receive a monthly benefit (Normal Retirement Benefit) equal to \$40.00 multiplied by the participant's years of credited service prior to February 1, 2002, plus \$36.00 multiplied by the participant's years of service on or after February 1, 2002. Effective February 1, 2004, the past service multiplier for eligible participants employed in surface operations increased from \$40.00 to \$42.00 for periods of service prior to February 1, 2002, and effective February 1, 2007, the past service multiplier increased to \$44.00. One year of credited service is earned for each year in which at least 1,600 hours are worked. Partial years of credited service can also be earned for years in which less than 1,600 hours are worked. Effective April 30, 2006, the Plan was closed to new entrants.

An eligible participant who retires on or after he or she attains age 55 and completes five years of service is entitled to receive a monthly benefit (Early Retirement Benefit) equal to the participant's Normal Retirement Benefit, reduced by 0.5% for each month the participant is younger than age 60 on the date the Early Retirement Benefit is to commence. An early retirement supplement is available for participants who retire after attaining age 55 when their age plus years of service total at least 85. The early retirement supplement is \$300.00 per month payable until age 62 or death, if earlier.

The surviving spouse of a participant entitled to a benefit that has not commenced at the date of the participant's death is entitled to a survivor benefit. The amount of the survivor benefit is paid at 50% of member's pension benefit to surviving spouse for life or 60 times member's monthly pension benefit to non-spousal beneficiaries over a 60 month period. Additional death benefits are available in the case of deaths resulting from mine accidents. Benefits are recorded when paid on a cash basis of accounting.

Disability Benefits

Certain disability benefits, as defined in the Plan, are available for eligible participants.

Payment of Benefits

If a participant is married when benefits commence, the participant's benefits will be paid in the form of an individual life and 50% spouse's benefit, as defined in the Plan. If a participant is not married on the annuity starting date, the participant's benefits will be paid in the form of a five year certain and life benefit, as defined in the Plan.

Administrative Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees incurred and paid directly (or through appreciation/depreciation) by the Plan for administrative services were \$463,722 and \$145,169, for the years ended December 31, 2016 and 2015, respectively.

Funding Policy

The Company contributes such amounts as are necessary, based on actuarial calculations and as required by ERISA (defined below), to provide the Plan with assets sufficient to meet the benefits to be paid to Plan participants and their beneficiaries. The contributions to the Plan are subject to the limitations of maximum tax deductible contributions and minimum required contributions determined by the actuary and the funding policy adopted by the Company. The Company was not required to make any minimum funding contributions as required by the Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Code ("IRC") to the Plan for the years ended December 31, 2016 and 2015, and, accordingly, no contributions were made to the Plan for the years then ended.

The yield (interest, dividends, and net realized and unrealized gains and losses) on Plan investments in excess of amounts established in the actuarial assumptions, plus any gains resulting from forfeiture of non-vested benefits, serve to reduce future contributions that would otherwise be required to provide the defined level of benefits under the Plan.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Risks, Uncertainties and Concentrations

The Plan provides for various investments that, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

Plan contributions are made and the actuarial value of accumulated plan benefits is reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would have a material impact on Plan contributions and the financial statements.

Additionally, some investments held by the Plan are invested in the securities of foreign companies, which involve special risks and considerations not typically associated with investing in U.S. companies. These risks include devaluation of currencies, less reliable information about issuers, different securities transaction clearance and settlement practices, and possible adverse political and economic developments. Moreover, securities of many foreign companies and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. companies.

During the years ended December 31, 2016 and 2015, there were three and two investments that accounted for 86% and 56% of total investments, respectively.

Investment Valuation and Income Recognition

The Plan's investments are recorded at fair value as reported to the Plan by the trustee. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 2 for a discussion of fair value measurements.

The net appreciation or depreciation in fair value of investments is reflected in the accompanying Statements of Changes in Net Assets Available for Benefits and is determined as the difference between fair value at the beginning of the year (or date purchased if during the year) and selling price (if sold during the year) or year-end fair value. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recognized on the accrual basis. Dividends are recognized on the ex-dividend date.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included, to the extent they are deemed attributable to employee service rendered prior to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Plan's independent actuary and is the amount that results from applying actuarial assumptions to the accumulated plan benefits to reflect the time value of money (through discounts and for interest) and the probability of the payment (by means of decrements such as death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. Actuarial assumptions for the Plan are made as of the beginning of the Plan year. The Statement of Accumulated Plan Benefits and the Statement of Changes in Accumulated Plan Benefits were prepared as of January 1, 2016 and for the year then ended. Had the reports been prepared as of and for the year ended December 31, 2015, no material changes would have been necessary. The significant actuarial assumptions used in the valuations as of January 1, 2016 by the actuarial company, Mercer, are as follows:

- For Accounting Standards Codification ("ASC") Topic 960, the effective interest rate and expected rate of return were 6.00%
- Life expectancy of participants was obtained from the RP-2014 mortality tables separately for employees and retirees and males and females, with blue collar adjustment and MP-2016 generalization mortality improvement scale
- Expected administrative expenses are assumed to equal prior year administrative expenses but adjusted for PBGC premiums with current year PBGC premiums replacing prior year discounted to beginning of year
- 80% of participants are assumed to be married at death and husbands are assumed to be three years older than their wives
- Benefit commencement age for both current and future vested deferred participants is assumed to be 60 years of age
- Disability incident rate is assumed to be 82% of the 1985 Disability Study Class 4 rates for males and females in accordance with the following sample rates:

Age	Disability Percentage Rate	
	Male	Female
20	0.145%	0.085%
25	0.209%	0.145%
30	0.300%	0.245%
35	0.417%	0.375%
40	0.568%	0.521%
45	0.771%	0.722%
50	1.110%	1.088%
55	1.876%	1.738%
60	2.816%	2.025%

- Withdrawal rate is assumed to be 50% of the 2003 SOA study age only table in accordance with the following sample rates:

Age	Withdrawal Percentage Rate
	Male and Female
20	8.73%
25	9.26%
30	6.10%
35	4.39%
40	3.50%
45	3.11%
50	2.82%
55	1.46%
60	1.10%

- Participants are assumed to retire based on rates of retirement varying by age:

Age	% Retiring
55 - 60	5%
61-63	15%
64	25%
65 - 66	35%
67+	100%

- Forms of payment are as follows:

Participant Status	50% Joint & Survivor	Lifetime Annuity with 5 Year Payout	Lifetime Annuity
Active retirements	80%	20%	0%
Future vested deferred	80%	20%	0%
Future disabilities	80%	20%	0%
Future deaths	0%	0%	100%
Current vested deferred	80%	20%	0%

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

2. Fair Value Accounting

Generally accepted accounting principles require disclosure about how fair value is determined and establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2016 and 2015.

Guaranteed deposit fund: Valued using a method that approximates the market value of underlying investments by discounting expected future investment cash flow from both investment income and repayment of principal for each investment purchased.

Withdrawals from the guaranteed deposit fund are restricted during a calendar year to up to 10% of the value of the amounts held in the guaranteed deposit fund as of the beginning of that calendar year plus the sum of new allocations and transfers made to the fund during the year.

Registered investment companies: Valued at the net asset value of shares held by the Plan at year-end based on the quoted price in an active market.

Pooled separate accounts: Valued as a practical expedient at the net asset value of units held by the Plan at year-end based on the quoted market prices of the securities underlying the investments. There are no unfunded commitments, and the units may be redeemed on a daily basis.

Fixed income securities: Includes corporate and governmental bonds, which have been valued based upon quoted prices from actively traded markets, and mortgage backed securities which have been valued using discounted cash flow and other similar models using information and assumptions about interest rates, prepayment rates, collateral values and creditworthiness of the issuers. (Market approach and income approach)

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily Net Asset Value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded. (Market approach)

Collective investment funds: Valued at the NAV of units of a collective fund. The NAV, as provided by the Trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Were the Plan to initiate a full redemption of the collective fund, the investment advisor reserves the right to temporarily delay withdrawals from the trust in order to

ensure that securities liquidations will be carried out in an orderly business manner. (Market approach and income approach). There are no unfunded commitments, and the units may be redeemed on a daily basis.

Securities purchased under agreements to resell: Valued at amortized cost which approximates fair value.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes to the valuation techniques used during the period.

The following table sets forth the fair value of the Plan's investment assets by level within the fair value hierarchy as of December 31, 2016:

Description	Level 1	Level 2	Total
Assets measured at fair value			
Guaranteed deposit fund	\$ —	\$ 8,695,413	\$ 8,695,413
Registered investment companies	2,380,017	—	2,380,017
Total of assets at fair value	\$ 2,380,017	\$ 8,695,413	\$ 11,075,430
Assets measured at net asset value*			
Pooled separate accounts			\$ 83,001,018
Total investments, at fair value			\$ 94,076,448

* Total assets measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation to fair value of total investments held.

The following table sets forth the fair value of the Plan's investment assets by level within the fair value hierarchy as of December 31, 2015:

Description	Level 1	Level 2	Total
Assets measured at fair value			
Fixed income securities	\$ —	\$ 49,167,132	\$ 49,167,132
Mutual funds	52,726,854	—	52,726,854
Securities purchased under agreements to resell	—	14,000,000	14,000,000
Cash collateral held	1,285,261	—	1,285,261
Derivatives	—	10,721	10,721
Total of assets at fair value	\$ 54,012,115	\$ 63,177,853	\$ 117,189,968
Assets measured at net asset value*			
Pooled separate accounts			\$ 2,084,580
Total investments, at fair value			\$ 119,274,548

* Total assets measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation to fair value of total investments held.

The following table sets forth the fair value of the Plan's investment liabilities by level within the fair value hierarchy as of December 31, 2015:

Description	Level 1	Level 2	Total
Liabilities measured at fair value			
Obligation to return cash collateral held	\$ —	\$ 1,298,525	\$ 1,298,525
Total of liabilities at fair value	\$ —	\$ 1,298,525	\$ 1,298,525

3. Certification of Investments

Prudential Retirement and Northern Trust Company have certified in writing to the Plan administrator that the stated amounts for investments at fair value as of December 31, 2016 and 2015 and the income earned or losses incurred on the investments for

the period from January 1, 2016 through December 31, 2016, as reflected in the accompanying financial statements and the supplemental schedules, are complete and accurate.

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's auditors not to perform any auditing procedures with respect to the investment information certified by the trustees, except for comparing the information contained therein to information included in the financial statements and the supplemental schedules.

4. Income Taxes

The Plan obtained its latest determination letter on April 22, 2014, in which the IRS stated that the Plan was in compliance with applicable requirements of the IRC. Due to the change in Plan sponsorship during 2016 and also due to the amended and restated Plan document dated January 1, 2016, the Plan applied for a current determination from the IRS. The Plan received an acknowledgment letter from the IRS that their application was under review for a determination that the Plan qualifies under the applicable provisions of the IRC and, therefore, is exempt from federal income taxes. The Plan has not been amended since receiving the acknowledgment letter. The Plan Administrator believes that the Plan is designed and currently being operated in compliance with the applicable requirements of the IRC.

Generally accepted accounting principles require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax exempt status and had taken no uncertain tax positions that require adjustment to the financial statements or taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. Therefore, no provision or liability for income taxes has been included in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

5. Administration of the Plan

The Company provides, at no cost to the Plan, certain administrative, accounting, and legal services to the Plan and also pays the cost of certain outside services for the Plan.

6. Related Party and Party-in-Interest Transactions

Plan investments include pooled separate accounts and a guaranteed deposit fund managed by Prudential Retirement. Prudential Retirement was and is the custodian and trustee of the Plan from February 1, 2016 through the period ended December 31, 2016. These transactions qualify as party-in-interest but are exempt from prohibited transaction regulations.

Northern Trust Company was the Plan's trustee throughout 2015 until May 23, 2016 when all transactions to transfer Plan assets to Prudential Retirement were completed. During the first part of 2016 while Northern Trust Company acted as the trustee, certain investments were shares of collective investment funds, which were managed by an affiliate of the Northern Trust Company. These transactions qualify as party-in-interest transactions, as defined by ERISA. However, such transactions are permitted under the provisions of the Plan and are exempt from the prohibition of party-in-interest transactions under ERISA.

7. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. If the Plan is terminated for any reason, the net assets of the Plan would be allocated, as prescribed by ERISA and its regulations, generally to provide the following benefits in the order indicated:

- Annuity benefits that former employees or their beneficiaries have been receiving for at least three years or that employees eligible to retire for the three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been

payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination;

- Other vested benefits insured by the Pension Benefit Guaranty Corporation ("PBGC"), a U.S. government agency, up to the applicable limitations (discussed below);
- All other vested benefits not insured by the PBGC; or
- All non-vested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivors' pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

8. Subsequent Events

The Company has evaluated subsequent events related to the Plan through the auditors' report date, which is the date the financial statements were available for issuance, and determined there were no subsequent events requiring disclosure.

NAVAJO MINE RETIREMENT PLAN

Schedule 1

Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)

EIN: 94-2557286

Plan #001

December 31, 2016

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	Pooled separate accounts:			
*	Prudential Retirement	QMA U.S. Broad Market Index Fund	\$ 13,380,264	\$ 15,576,027
*	Prudential Retirement	Pru Long Corporate Bond Fund	31,027,685	32,924,041
*	Prudential Retirement	Long Duration Bond/IR&M Fund	32,517,124	32,100,339
*	Prudential Retirement	Intl Bld/Pictet Asset Management Fund	2,244,082	2,400,611
	Registered investment companies			
	American Funds	American Europacific Growth Fund	2,201,750	2,380,017
	Guaranteed deposit fund			
*	Prudential Retirement	Guaranteed Deposit Fund	8,695,413	8,695,413
	Total investments		<u>\$ 90,066,318</u>	<u>\$ 94,076,448</u>
*	Denotes party-in-interest			

NAVAJO MINE RETIREMENT PLAN

Schedule 2

Schedule H, Part IV, Line 4j - Schedule of Reportable Transactions

EIN: 94-2557286

Plan #001

Year ended December 31, 2016

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Lease Rental	Expense Incurred with Transaction	Cost of Asset Purchase / (Sales)	Current Value of Asset on Transaction Date Purchase / (Sales)	Net Gain or (Loss)
Individual transactions in excess of 5% of net assets available as of the beginning of the Plan year: None								
Series of non-securities transactions in excess of 5% of plan assets: None								
Series of securities transactions in excess of 5% of plan assets:								
Prudential Retirement	QMA US Broad Market Index	\$ 12,232,043	\$ —	\$ —	\$ —	\$ 12,232,043	\$ 12,232,043	\$ —
Prudential Retirement	QMA US Broad Market Index	—	12,232,043	—	—	12,232,043	12,232,043	—
Prudential Retirement	Long Duration Bond/IR&M Fund	28,541,435	—	—	—	28,541,435	28,541,435	—
Prudential Retirement	Long Duration Bond/IR&M Fund	—	28,541,435	—	—	28,541,435	28,541,435	—
Prudential Retirement	Pru Long Corporate Bond	28,541,435	—	—	—	28,541,435	28,541,435	—
Prudential Retirement	Pru Long Corporate Bond	—	28,541,435	—	—	28,541,435	28,541,435	—
Prudential Retirement	Guaranteed Deposit Fund	8,154,696	—	—	—	8,154,696	8,154,696	—
Prudential Retirement	Guaranteed Deposit Fund	—	8,154,696	—	—	8,154,696	8,154,696	—
Securities transactions related to individual transactions in excess of 5% of plan assets: None								

Schedule SB, line 26 — Schedule of Active Participant Data

Attained age	Years of credited service										
	Under 1	1–4	5–9	10–14	15–19	20–24	25–29	30–34	35–39	40 & up	Total
Under 25											
25–29											
30–34		1		2							3
35–39		5	3	8							16
40–44		8	6	10	2	2					28
45–49		6	7	9	4	8	7				41
50–54		4	4	16	7	13	10	10			64
55–59		4	1	15	4	10	18	17	11	1	81
60–64			1	4	4	6	9	12	18	8	62
65–69				1	1		1	4	1	6	14
70 & up											
Total		28	22	65	22	39	45	43	30	15	309

In each cell, the number is the count of active participants for each age/service combination.

Schedule SB, line 24 — Change in Actuarial Assumptions

Actuarial Assumption Changes Since Prior Valuation

- Interest discounts and mortality rates were updated from 2015 to 2016 in accordance with PPA.
- The expense component of normal cost was updated to reflect our expectations for the current plan year.

Schedule SB, line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 62.

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	5.0%	10,000	500	27,500
56	5.0%	9,500	475	26,600
57	5.0%	9,025	451	25,721
58	5.0%	8,574	429	24,864
59	5.0%	8,145	407	24,028
60	5.0%	7,738	387	23,213
61	15.0%	7,351	1,103	67,261
62	15.0%	6,248	937	58,109
63	15.0%	5,311	797	50,189
64	25.0%	4,514	1,129	72,230
65	35.0%	3,386	1,185	77,027
66	35.0%	2,201	770	50,838
67	100.0%	1,430	1,430	95,843
Total			10,000	623,423
Average				62.34

Schedule SB, Part V — Summary of Plan Provisions

Effective date and plan year	Original plan: June 1, 1964 Restated plan: January 1, 2013 Effective date of NMC Plan: January 31, 2016 Plan year: January 1 through December 31
Status of the plan	The plan has ongoing benefit accruals. New employees are not eligible to participate in the plan effective April 30, 2006.
Significant events that occurred during the year	Effective January 31, 2016, the NMRP was split into the following two plans: <ul style="list-style-type: none"> - NMRP – consisting of all San Juan Mine Employees and all inactive participants (except for 5 current BHP Billiton employees that had a terminated vested benefit in the NMRP which were spun into NMC) in NMRP - NMC Retirement Plan – consisting of employees in NMRP who are not San Juan Mine Employees <p>The provisions for both plans are identical, as described in this section.</p>
Definitions	
• Covered employees	Any BHP employee at Navajo Mine (including company mines in the Navajo Indian Reservation and throughout San Juan County, New Mexico) who is covered by the collective bargaining agreement between BHP and the International Union of Operating Engineers, Local No. 953. Employees hired in surface operations after June 30, 2004, and employees hired in underground operations after April 30, 2006 are not eligible for the Plan.
• Participation	Covered employees become participants upon employment. Effective April 30, 2006, the Plan was closed to new entrants.
• Vesting service	A year of service for vesting and eligibility purposes is earned for each calendar year in which a covered employee works at least 1,000 hours; for years in which an employee works at least 400 but less than 1,000 hours, a partial year of service is earned, equal to the number of hours worked, divided by 1,000. Under certain conditions, vesting and eligibility service may include periods of temporary disability, approved leaves of absence, military leave, and prior employment.
• Credited service	A year of service for benefit accrual purposes is earned for each calendar year in which a covered employee works at least 1,600 hours; for years in which an employee works at least 400 but less than 1,600 hours, a partial year is earned, equal to the number of hours worked, divided by 1,600. Credited service does not include periods of employment on and after January 1, 2007 after a participant has elected to receive contributions from the Employer Funded Account under the BHP New Mexico Coal 401(k) Savings Plan.
• Benefit formula – Underground employee terminations on or after February 1, 2002 (monthly)	\$40 x years of credited service before February 1, 2002, plus \$36 x years of credited service after February 1, 2002.

Schedule SB, Part V — Summary of Plan Provisions

• Benefit formula – Surface employee terminations on or after February 1, 2002 (monthly)	\$44 (\$42 if terminated between 2/1/2002 and 1/31/2007) x years of credited service before February 1, 2002, plus \$36 x years of credited service after February 1, 2002.
• Benefit formula – termination before February 1, 2002 (monthly)	Years of credited service x multiplier in effect at termination.
Normal retirement	
• Eligibility	Retirement on or after age 65.
• Benefit	Monthly benefit determined under the applicable benefit formula.
Early retirement	
• Eligibility	Retirement before age 65 after both attaining age 55 and completing 5 years of vesting service.
• Benefit	Benefits for any participants who elect to commence their benefits prior to normal retirement are reduced by ½% for each of the first 60 months commencement precedes age 60. No reduction applies for benefits commenced after age 60.
Supplemental early retirement	
• Eligibility	Retirement before age 65 after the participant attains age 55 and the sum of age plus years of service equals or exceeds 85 and employed at Navajo immediately prior to retirement.
• Benefit	\$300 per month, payable from early retirement to age 62 or death, if earlier.
Deferred vested	
• Eligibility	Termination for reasons other than death, disability, or retirement after becoming fully vested in the Plan benefit. Eligible for commencement on the first of any month following age 55. Participants are vested in their plan benefit after 5 years of vesting service.
• Benefit	Equal to the early retirement benefit.
Disability	
• Eligibility	Termination upon becoming totally and permanently disabled (defined by the plan administrator). Must be eligible for Social Security disability payments.
• Benefit	Equal to the normal retirement benefit determined using a minimum of 10 years of credited service, unreduced for early commencement, payable from date of disability to age 65.
Occupational disability transition	
• Eligibility	Termination upon becoming seriously disabled (defined by plan administrator) after completing 10 years of vesting service with at least 6 years of credited service and after attaining age 55, if the participant was employed by Navajo immediately prior to disability. Participant must release the Company of all liability, and cannot be eligible for a disability retirement benefit.

Schedule SB, Part V — Summary of Plan Provisions

• Benefit	Annual payment of \$1,200, plus \$1,200 for each year of credited service in excess of 6 years (maximum \$12,000 annual payment.) Payable from the date of disability until the participant receives 5 annual installments or becomes eligible for Social Security pension payments, whichever is earlier. A portion of this benefit may be payable as a lump sum.
Pre-retirement survivor	
• Eligibility	Death of a vested participant after being married for at least one year. Eligible for commencement not earlier than on the first of the month following the date on which the participant would have attained age 55.
• Survivor benefits – married participants	Equal to 50% of the benefit the deceased participant would have received had he elected to commence on the date the survivor payments begin. The benefit is paid as a monthly annuity for the survivor's lifetime.
Pre-retirement death	
• Eligibility	Death of an unmarried vested participant or a participant who has been married less than one year who is at least age 55. Payments begin on the first of the month following the date of the participant's death.
• Survivor benefits – unmarried participants	60 monthly payments in the amount the deceased participant would have received had he elected to commence on the first of the month following his death.
Mine accident death	
• Eligibility	Death of a married participant in a Company mine accident. Payments begin on the first of the month following the date of the participant's death and end at the earlier of the survivor's death or remarriage.
• Benefit	Equal to the excess of the normal retirement benefit (determined using a minimum of 10 years of credited service) over the survivor benefits generally payable under the plan. This benefit is paid in addition to the general survivor benefits.
Benefit offsets	The plan benefits for certain participants are offset by benefits earned under prior plans.
Form of benefits	
• Automatic form for unmarried participants	The normal form of payment for monthly pension benefits is a life annuity with 60 payments guaranteed if the member has no spouse as of the date payments begin.
• Automatic form for married participants	50% joint and survivor annuity with no reduction if the member is married at the date payments begin.
• Optional forms	No optional forms of payment are available from the plan.
Miscellaneous	
• Voluntary early retirement	There are special provisions which applied to voluntary early retirement program which applied in 1995, 1997, 1999, 2002 and 2014.
• Maximum benefits	Annual benefits may not exceed the limits in IRC Section 415. This limit is indexed annually. For 2016, the limit is \$210,000.

Schedule SB, Part V — Summary of Plan Provisions***Benefits Included or Excluded***

Unless noted below, all benefits provided by the plan, as restated effective January 1, 2013 and amended through Amendment #4, are included in this valuation.

- **Most recent plan amendments included:** Amendment #4
- **Plan amendments excluded:** None.
- **Late retirement increases:**
 - *Active participants:* The plan provides actuarial increases to benefits of participants who work beyond normal retirement. We have reflected these increases for participants who were over age 65. The Plan distributes benefits to active participants who work beyond age 70½.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) has been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60 percent of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.
- **Occupational Disability Transition Benefit and Mine Accident Death Benefit:** We have assumed that all participants who become disabled or die while active receive benefits under the normal disability and death provisions of the Plan rather than under the Occupational Disability Transition Benefit or Mine Accident Death Benefit.

Additional Benefits Included or Excluded

- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - *Plan amendments:* See above.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.
- **Scheduled benefit increases:** Scheduled benefit increases effective after the end of the current plan year are excluded from minimum funding requirements.
- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.

Schedule SB, Part V — Summary of Plan Provisions

Plan Provision Changes Since Prior Valuation

- Maximum benefit amounts under IRS rules were updated from 2015 to 2016.
- Effective January 31, 2016, the NMRP was split into the following two plans:
 - NMRP – consisting of all San Juan Mine Employees and all inactive participants (except for 5 current BHP Billiton employees that had a terminated vested benefit in the NMRP which were spun into NMC) in NMRP
 - NMC Retirement Plan - consisting of employees in NMRP who are not San Juan Mine Employees

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial Assumptions****Discount rate sponsor elections**

• Segment rates or full yield curve	Segment		
• Look-back months	4		
	<u>Stabilized</u>	<u>Nonstabilized</u>	
• First 5 years	4.43%	1.34%	
• Next 15 years	5.91%	4.03%	
• Over 20 years	6.65%	5.06%	

Mortality sponsor elections

• Healthy participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA.
• Disabled participants	Revenue Ruling 96-7 table for participants who became disabled after 1994 and are eligible for Social Security disability benefits. All other disabled participants use the healthy mortality table.

Other economic assumptions

• Salary increases	Not applicable
• Flat-dollar benefit increases	Not applicable
• Social Security wage base	Not applicable
• Inflation	Not applicable
• Expected investment return	Not applicable
• Expenses	Expected administrative expenses (assumed to equal prior year administrative expenses but adjusted for PBGC premiums with current year PBGC premiums replacing prior year) discounted to beginning of year are included in normal cost.

Rationale for Significant Economic Assumptions

- Discount rates – These are the IRS prescribed rates. The plan sponsor elected this methodology from alternative IRS prescribed options.
- Expenses – Based on actual experience.

Demographic assumptions

• Withdrawal	50% of 2003 SOA study age only table. See table of sample rates.
• Disability incidence	82% of the 1985 Disability Study Class 4 rates for males and females. See table of sample rates.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

• Retirement age	Attained age		Percentage
	55 – 60		5%
	61 – 63		15%
	64		25%
	65 – 66		35%
	67+		100%
• Benefit commencement age for			
— Future vested deferred	60		
— Current vested deferred	60		
• Spouse assumptions	Male participants		Female participants
— Percentage married	80%		80%
— Spouse age difference	3 years younger		3 years older
Form of payment	50% J&S	LA w/5	LA
• Active retirements	80%	20%	0%
• Future vested deferred	80%	20%	0%
• Future disabilities	80%	20%	0%
• Future deaths	0%	0%	100%
• Current vested deferred	80%	20%	0%
Unpredictable contingent event assumptions	Not applicable		

Table of Sample Rates

Attained age	Percentage		
	Withdrawal	Disability	
	All	Male	Female
20	8.73%	.145%	.085%
25	9.26	.209	.145
30	6.10	.300	.245
35	4.39	.417	.375
40	3.50	.568	.521
45	3.11	.771	.722
50	2.82	1.110	1.088
55	1.46	1.876	1.738
60	1.10	2.816	2.025

Rationale for Significant Demographic Assumptions

- Mortality – Prescribed by the IRS and based on the plan sponsor's election.
- Withdrawal, retirement age, benefit commencement age, spouse assumptions, form of payment – Based on an experience study undertaken by Mercer in 2015 using experience from January 1, 2009 through December 31, 2013. The resulting assumptions balance the plan's historical experience with future expectations based on input and concurrence from the plan sponsor.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial Methods*****Asset Methods***

The asset valuation method is the fair market value.

Participant Methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** Only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.

Minimum Funding Methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- This plan provides benefits that are not a function of a participant's accrued benefit or years of service. This benefit is allocated to funding target based on the ratio of the participant's service at the beginning of the plan year to their service at each decrement age and is allocated to target normal cost based on the proportionate benefit attributable to the increase in the participant's service and compensation during the plan year.
- This plan provides disability/death benefits that are only partially based on a participant's accrued benefit or years of service. This benefit is allocated to funding target based on the accrued benefit on the valuation date plus a portion of the excess of the benefit over the accrued benefit multiplied by the ratio of the participant's service at the beginning of the plan year to their service at each decrement age. This benefit is allocated to target normal cost based on the proportionate benefit attributable to the increase in the participant's service and compensation during the plan year.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Method Changes Since Prior Valuation

Funding

No method changes have occurred since the January 1, 2015 valuation.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code) File as an attachment to Form 5500 or 5500-SF.	OMB No 1210-0110 2016 This Form Is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established

A Name of plan NAVAJO MINE RETIREMENT PLAN	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">B Three-digit plan number (PN) ▶</td> <td style="width:40%; text-align: center;">001</td> </tr> </table>	B Three-digit plan number (PN) ▶	001
B Three-digit plan number (PN) ▶	001		
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF SAN JUAN COAL COMPANY	D Employer Identification Number (EIN) 94-2557286		

E Type of plan ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size ☐ 100 or fewer ☐ 101-500 ☒ More than 500
--	--

Part I Basic Information

1	Enter the valuation date Month <u>01</u> Day <u>01</u> Year <u>2016</u>	
2	Assets	
	a Market value	2a 116,212,493
	b Actuarial value	2b 116,212,493
3	Funding target/participant count breakdown	
	a For retired participants and beneficiaries receiving payment	556 51,407,203 51,407,203
	b For terminated vested participants	308 10,490,258 10,490,258
	c For active participants	309 27,640,041 28,509,386
	d Total	1,173 89,537,502 90,406,847
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐	
	a Funding target disregarding prescribed at-risk assumptions	4a
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5	Effective interest rate	5 6.06%
6	Target normal cost	6 421,537

Statement by Enrolled Actuary
 To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	 Signature of actuary KEVIN BILLS, FSA, EA, MAAA Type or print name of actuary MERCER Firm name 500 DALLAS STREET, SUITE 1400 HOUSTON TX 77002 Address of the firm	<u>10/4/2017</u> Date 1707029 Most recent enrollment number 713-276-2100 Telephone number (including area code)
------------------	--	--

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2016
v. 160205

Part II	Beginning of Year Carryover and Prefunding Balances
----------------	--

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	335,730	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9 Amount remaining (line 7 minus line 8)	335,730	0
10 Interest on line 9 using prior year's actual return of <u>-2.55%</u>	-8,561	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.26%</u>		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	327,169	

Part III	Funding Percentages
-----------------	----------------------------

14	Funding target attainment percentage	14	128.18%
15	Adjusted funding target attainment percentage	15	128.54%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	142.32%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ►	18(b)	0 18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year.

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	

20 Quarterly contributions and liquidity shortfalls

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

C If line 20a is "Yes," see instructions and complete the following table as applicable.

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate				
a Segment rates	1st segment 4.43%	2nd segment 5.91%	3rd segment 6.65%	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions)	☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions)			
a Target normal cost (line 6)	31a	421,537	
b Excess assets, if applicable, but not greater than line 31a	31b	421,537	
32 Amortization installments	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan	
a Schedule elected	☐ 2 plus 7 years ☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011
42 Amount of acceleration adjustment	42
43 Excess installment acceleration amount to be carried over to future plan years	43



NAVAJO MINE RETIREMENT PLAN

**Financial Statements
and
Independent Auditors' Report
December 31, 2016 and 2015**

NAVAJO MINE RETIREMENT PLAN

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INDEPENDENT AUDITORS' REPORT

Westmoreland Retirement Benefits Administrative Committee
Navajo Mine Retirement Plan
Englewood, Colorado

REPORT ON FINANCIAL STATEMENTS

We were engaged to audit the accompanying financial statements of Navajo Mine Retirement Plan (the "Plan"), which are comprised of the statement of net assets available for benefits as of December 31, 2016, the related statement of changes in net assets available for benefits for the year ended December 31, 2016, the statement of accumulated plan benefits as of January 1, 2016, the related statement of changes in accumulated plan benefits for the year ended January 1, 2016, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Prudential Retirement Insurance and Annuity Company and Northern Trust Company, the trustees of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained certifications from the trustees as of December 31, 2016 and 2015, and for the year ended December 31, 2016, that the information provided to the Plan administrator by the trustees is complete and accurate.

DISCLAIMER OF OPINION

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

OTHER MATTERS

Supplemental Schedules

The supplemental schedules as of December 31, 2016, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Prior Period Financial Statements

The financial statements of the Plan as of December 31, 2015, were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed the predecessor auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by the trustee. Their report, dated October 12, 2016, indicated that (a) because of the significance of the information that they did not audit, they were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion, and accordingly, they did not express an opinion on the financial statements and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

REPORT ON FORM AND CONTENT IN COMPLIANCE WITH THE DEPARTMENT OF LABOR'S RULES AND REGULATIONS

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

EKS+H LLP
EKS&H LLP

October 16, 2017
Denver, Colorado

NAVAJO MINE RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2016	2015
Assets		
Investments, at fair value		
Pooled separate accounts	\$ 83,001,018	\$ 2,084,580
Registered investment companies	2,380,017	—
Guaranteed deposit fund	8,695,413	—
Corporate bonds	—	17,324,257
Government securities	—	31,842,875
Mutual funds	—	52,726,854
Securities purchased under agreements to resell	—	14,000,000
Cash collateral held	—	1,285,261
Derivatives	—	10,721
Total investments, at fair value	94,076,448	119,274,548
Receivables		
Accrued income receivable	—	393,342
Assets available for benefits	<u>\$ 94,076,448</u>	<u>\$ 119,667,890</u>
Liabilities		
Liability for pending trades	\$ —	\$ 2,156,873
Obligation to return cash collateral held	—	1,298,525
Total liabilities	<u>\$ —</u>	<u>\$ 3,455,398</u>
Net assets available for benefits	<u>\$ 94,076,448</u>	<u>\$ 116,212,492</u>

See accompanying Notes to Financial Statements.

NAVAJO MINE RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	For the Years Ended December 31,	
	2016	2015
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments	\$ (350,517)	\$ (7,720,175)
Interest and dividend income	2,787,720	4,509,942
Total investment income (loss)	2,437,203	(3,210,233)
Deductions from net assets		
Benefits paid to participants	4,963,186	4,879,909
Administrative expenses	463,722	145,169
Total deductions from net assets	5,426,908	5,025,078
Net decrease in net assets available for benefits	(2,989,705)	(8,235,311)
Transfer out (Note 1)	(19,146,339)	—
Net assets available for benefits		
Beginning of year	116,212,492	124,447,803
End of year	<u>\$ 94,076,448</u>	<u>\$ 116,212,492</u>

See accompanying Notes to Financial Statements.

NAVAJO MINE RETIREMENT PLAN**STATEMENT OF ACCUMULATED PLAN BENEFITS****January 1, 2016**

Actuarial present value of accumulated plan benefits	
Vested benefits	
Active participants	\$ 28,917,592
Retired participants and beneficiaries	63,485,726
Total vested benefits	92,403,318
Non-vested benefits	933,918
Total actuarial present value of accumulated plan benefits	<u>\$ 93,337,236</u>

NAVAJO MINE RETIREMENT PLAN**STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
For the Year Ended January 1, 2016**

Actuarial present value of accumulated plan benefits at beginning of year	<u>\$ 114,041,897</u>
Increase (decrease) during the year attributable to	
Benefits paid	(4,879,909)
Benefits accumulated and actuarial loss	1,017,887
Interest	4,567,343
Change in actuarial assumptions	(21,409,982)
Net decrease	<u>(20,704,661)</u>
Actuarial present value of accumulated plan benefits at end of year	<u><u>\$ 93,337,236</u></u>

NAVAJO MINE RETIREMENT PLAN

Notes to Financial Statements

1. Description of the Plan and Significant Accounting Policies

The following description of Navajo Mine Retirement Plan (the "Plan" or "NMRP") provides only general information. Participants and all others should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan was established effective June 1, 1964 (subsequently amended and restated) and is a defined benefit plan covering all eligible employees of the Navajo Mine (as formerly referenced by previous owner BHP Billiton New Mexico Coal ("BHP"), newly referred to as the "San Juan Mine") which includes company mines in the Navajo Indian Reservation and throughout San Juan County, New Mexico which were originally covered by the agreement between Broken Hill Proprietary (USA) Inc. and the International Union of Operating Engineers, Local No. 953. Effective January 31, 2016, Westmoreland Coal Company's ("WCC") wholly owned subsidiary San Juan Coal Company ("SJCC" or the "Company"), acquired the Plan as a result of the acquisition of the San Juan Mine from BHP. The Company amended the Plan as of this date to reflect SJCC as the Plan sponsor and split the Plan into the following two plans:

- NMRP consisting of all San Juan Mine employees and all inactive participants (except for 5 current BHP Billiton employees that had a terminated vested benefit in the NMRP which were spun into NMC) (defined below).
- NMC Retirement Plan ("NMC") belonging to BHP and consisting of employees that had been in NMRP until January 31, 2016 who are not San Juan Mine employees. The NMRP transferred \$19.1 million during 2016 to the NMC plan for assets that pertained to BHP's employees.

The Westmoreland Coal Company Retirement Committee administers the NMRP and manages the Plan's assets. Prudential Retirement Insurance and Annuity Company ("Prudential Retirement") is the Plan's custodian, trustee, and maintains the Plan's records. As the Plan was split on January 31, 2016, Northern Trust Company was the custodian, trustee and maintained the Plan's records from January 1, 2016 until May 23, 2016 when all transactions to transfer Plan assets amongst trustees were completed. BHP used the professional services firm Mercer's U.S. Valuations Group ("Mercer") for actuarial valuation of the Plan. Mercer's actuarial assumptions as of January 1, 2016 are used in these financial statements.

During the year ended December 31, 2015, the Plan's investments were held in a separate account within the BHP USA Master Retirement Trust, and accordingly, this separate account held only investments specific to the Plan. This segregation of assets was implemented to more effectively manage the cash needs of the Plan and to match the maturities of the investments to the needs of the Plan.

Pension Benefits and Vesting Provisions

A participant who retires on or after February 1, 2002 and has attained age 65 is entitled to receive a monthly benefit (Normal Retirement Benefit) equal to \$40.00 multiplied by the participant's years of credited service prior to February 1, 2002, plus \$36.00 multiplied by the participant's years of service on or after February 1, 2002. Effective February 1, 2004, the past service multiplier for eligible participants employed in surface operations increased from \$40.00 to \$42.00 for periods of service prior to February 1, 2002, and effective February 1, 2007, the past service multiplier increased to \$44.00. One year of credited service is earned for each year in which at least 1,600 hours are worked. Partial years of credited service can also be earned for years in which less than 1,600 hours are worked. Effective April 30, 2006, the Plan was closed to new entrants.

An eligible participant who retires on or after he or she attains age 55 and completes five years of service is entitled to receive a monthly benefit (Early Retirement Benefit) equal to the participant's Normal Retirement Benefit, reduced by 0.5% for each month the participant is younger than age 60 on the date the Early Retirement Benefit is to commence. An early retirement supplement is available for participants who retire after attaining age 55 when their age plus years of service total at least 85. The early retirement supplement is \$300.00 per month payable until age 62 or death, if earlier.

The surviving spouse of a participant entitled to a benefit that has not commenced at the date of the participant's death is entitled to a survivor benefit. The amount of the survivor benefit is paid at 50% of member's pension benefit to surviving spouse for life or 60 times member's monthly pension benefit to non-spousal beneficiaries over a 60 month period. Additional death benefits are available in the case of deaths resulting from mine accidents. Benefits are recorded when paid on a cash basis of accounting.

Disability Benefits

Certain disability benefits, as defined in the Plan, are available for eligible participants.

Payment of Benefits

If a participant is married when benefits commence, the participant's benefits will be paid in the form of an individual life and 50% spouse's benefit, as defined in the Plan. If a participant is not married on the annuity starting date, the participant's benefits will be paid in the form of a five year certain and life benefit, as defined in the Plan.

Administrative Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees incurred and paid directly (or through appreciation/depreciation) by the Plan for administrative services were \$463,722 and \$145,169, for the years ended December 31, 2016 and 2015, respectively.

Funding Policy

The Company contributes such amounts as are necessary, based on actuarial calculations and as required by ERISA (defined below), to provide the Plan with assets sufficient to meet the benefits to be paid to Plan participants and their beneficiaries. The contributions to the Plan are subject to the limitations of maximum tax deductible contributions and minimum required contributions determined by the actuary and the funding policy adopted by the Company. The Company was not required to make any minimum funding contributions as required by the Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Code ("IRC") to the Plan for the years ended December 31, 2016 and 2015, and, accordingly, no contributions were made to the Plan for the years then ended.

The yield (interest, dividends, and net realized and unrealized gains and losses) on Plan investments in excess of amounts established in the actuarial assumptions, plus any gains resulting from forfeiture of non-vested benefits, serve to reduce future contributions that would otherwise be required to provide the defined level of benefits under the Plan.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Risks, Uncertainties and Concentrations

The Plan provides for various investments that, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

Plan contributions are made and the actuarial value of accumulated plan benefits is reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would have a material impact on Plan contributions and the financial statements.

Additionally, some investments held by the Plan are invested in the securities of foreign companies, which involve special risks and considerations not typically associated with investing in U.S. companies. These risks include devaluation of currencies, less reliable information about issuers, different securities transaction clearance and settlement practices, and possible adverse political and economic developments. Moreover, securities of many foreign companies and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. companies.

During the years ended December 31, 2016 and 2015, there were three and two investments that accounted for 86% and 56% of total investments, respectively.

Investment Valuation and Income Recognition

The Plan's investments are recorded at fair value as reported to the Plan by the trustee. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 2 for a discussion of fair value measurements.

The net appreciation or depreciation in fair value of investments is reflected in the accompanying Statements of Changes in Net Assets Available for Benefits and is determined as the difference between fair value at the beginning of the year (or date purchased if during the year) and selling price (if sold during the year) or year-end fair value. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recognized on the accrual basis. Dividends are recognized on the ex-dividend date.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included, to the extent they are deemed attributable to employee service rendered prior to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Plan's independent actuary and is the amount that results from applying actuarial assumptions to the accumulated plan benefits to reflect the time value of money (through discounts and for interest) and the probability of the payment (by means of decrements such as death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. Actuarial assumptions for the Plan are made as of the beginning of the Plan year. The Statement of Accumulated Plan Benefits and the Statement of Changes in Accumulated Plan Benefits were prepared as of January 1, 2016 and for the year then ended. Had the reports been prepared as of and for the year ended December 31, 2015, no material changes would have been necessary. The significant actuarial assumptions used in the valuations as of January 1, 2016 by the actuarial company, Mercer, are as follows:

- For Accounting Standards Codification ("ASC") Topic 960, the effective interest rate and expected rate of return were 6.00%
- Life expectancy of participants was obtained from the RP-2014 mortality tables separately for employees and retirees and males and females, with blue collar adjustment and MP-2016 generalization mortality improvement scale
- Expected administrative expenses are assumed to equal prior year administrative expenses but adjusted for PBGC premiums with current year PBGC premiums replacing prior year discounted to beginning of year
- 80% of participants are assumed to be married at death and husbands are assumed to be three years older than their wives
- Benefit commencement age for both current and future vested deferred participants is assumed to be 60 years of age
- Disability incident rate is assumed to be 82% of the 1985 Disability Study Class 4 rates for males and females in accordance with the following sample rates:

Age	Disability Percentage Rate	
	Male	Female
20	0.145%	0.085%
25	0.209%	0.145%
30	0.300%	0.245%
35	0.417%	0.375%
40	0.568%	0.521%
45	0.771%	0.722%
50	1.110%	1.088%
55	1.876%	1.738%
60	2.816%	2.025%

- Withdrawal rate is assumed to be 50% of the 2003 SOA study age only table in accordance with the following sample rates:

Age	Withdrawal Percentage Rate
	Male and Female
20	8.73%
25	9.26%
30	6.10%
35	4.39%
40	3.50%
45	3.11%
50	2.82%
55	1.46%
60	1.10%

- Participants are assumed to retire based on rates of retirement varying by age:

Age	% Retiring
55 - 60	5%
61-63	15%
64	25%
65 - 66	35%
67+	100%

- Forms of payment are as follows:

Participant Status	50% Joint & Survivor	Lifetime Annuity with 5 Year Payout	Lifetime Annuity
Active retirements	80%	20%	0%
Future vested deferred	80%	20%	0%
Future disabilities	80%	20%	0%
Future deaths	0%	0%	100%
Current vested deferred	80%	20%	0%

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

2. Fair Value Accounting

Generally accepted accounting principles require disclosure about how fair value is determined and establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2016 and 2015.

Guaranteed deposit fund: Valued using a method that approximates the market value of underlying investments by discounting expected future investment cash flow from both investment income and repayment of principal for each investment purchased.

Withdrawals from the guaranteed deposit fund are restricted during a calendar year to up to 10% of the value of the amounts held in the guaranteed deposit fund as of the beginning of that calendar year plus the sum of new allocations and transfers made to the fund during the year.

Registered investment companies: Valued at the net asset value of shares held by the Plan at year-end based on the quoted price in an active market.

Pooled separate accounts: Valued as a practical expedient at the net asset value of units held by the Plan at year-end based on the quoted market prices of the securities underlying the investments. There are no unfunded commitments, and the units may be redeemed on a daily basis.

Fixed income securities: Includes corporate and governmental bonds, which have been valued based upon quoted prices from actively traded markets, and mortgage backed securities which have been valued using discounted cash flow and other similar models using information and assumptions about interest rates, prepayment rates, collateral values and creditworthiness of the issuers. (Market approach and income approach)

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily Net Asset Value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded. (Market approach)

Collective investment funds: Valued at the NAV of units of a collective fund. The NAV, as provided by the Trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Were the Plan to initiate a full redemption of the collective fund, the investment advisor reserves the right to temporarily delay withdrawals from the trust in order to

ensure that securities liquidations will be carried out in an orderly business manner. (Market approach and income approach). There are no unfunded commitments, and the units may be redeemed on a daily basis.

Securities purchased under agreements to resell: Valued at amortized cost which approximates fair value.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes to the valuation techniques used during the period.

The following table sets forth the fair value of the Plan's investment assets by level within the fair value hierarchy as of December 31, 2016:

Description	Level 1	Level 2	Total
Assets measured at fair value			
Guaranteed deposit fund	\$ —	\$ 8,695,413	\$ 8,695,413
Registered investment companies	2,380,017	—	2,380,017
Total of assets at fair value	\$ 2,380,017	\$ 8,695,413	\$ 11,075,430
Assets measured at net asset value*			
Pooled separate accounts			\$ 83,001,018
Total investments, at fair value			\$ 94,076,448

* Total assets measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation to fair value of total investments held.

The following table sets forth the fair value of the Plan's investment assets by level within the fair value hierarchy as of December 31, 2015:

Description	Level 1	Level 2	Total
Assets measured at fair value			
Fixed income securities	\$ —	\$ 49,167,132	\$ 49,167,132
Mutual funds	52,726,854	—	52,726,854
Securities purchased under agreements to resell	—	14,000,000	14,000,000
Cash collateral held	1,285,261	—	1,285,261
Derivatives	—	10,721	10,721
Total of assets at fair value	\$ 54,012,115	\$ 63,177,853	\$ 117,189,968
Assets measured at net asset value*			
Pooled separate accounts			\$ 2,084,580
Total investments, at fair value			\$ 119,274,548

* Total assets measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation to fair value of total investments held.

The following table sets forth the fair value of the Plan's investment liabilities by level within the fair value hierarchy as of December 31, 2015:

Description	Level 1	Level 2	Total
Liabilities measured at fair value			
Obligation to return cash collateral held	\$ —	\$ 1,298,525	\$ 1,298,525
Total of liabilities at fair value	\$ —	\$ 1,298,525	\$ 1,298,525

3. Certification of Investments

Prudential Retirement and Northern Trust Company have certified in writing to the Plan administrator that the stated amounts for investments at fair value as of December 31, 2016 and 2015 and the income earned or losses incurred on the investments for

the period from January 1, 2016 through December 31, 2016, as reflected in the accompanying financial statements and the supplemental schedules, are complete and accurate.

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's auditors not to perform any auditing procedures with respect to the investment information certified by the trustees, except for comparing the information contained therein to information included in the financial statements and the supplemental schedules.

4. Income Taxes

The Plan obtained its latest determination letter on April 22, 2014, in which the IRS stated that the Plan was in compliance with applicable requirements of the IRC. Due to the change in Plan sponsorship during 2016 and also due to the amended and restated Plan document dated January 1, 2016, the Plan applied for a current determination from the IRS. The Plan received an acknowledgment letter from the IRS that their application was under review for a determination that the Plan qualifies under the applicable provisions of the IRC and, therefore, is exempt from federal income taxes. The Plan has not been amended since receiving the acknowledgment letter. The Plan Administrator believes that the Plan is designed and currently being operated in compliance with the applicable requirements of the IRC.

Generally accepted accounting principles require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax exempt status and had taken no uncertain tax positions that require adjustment to the financial statements or taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. Therefore, no provision or liability for income taxes has been included in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

5. Administration of the Plan

The Company provides, at no cost to the Plan, certain administrative, accounting, and legal services to the Plan and also pays the cost of certain outside services for the Plan.

6. Related Party and Party-in-Interest Transactions

Plan investments include pooled separate accounts and a guaranteed deposit fund managed by Prudential Retirement. Prudential Retirement was and is the custodian and trustee of the Plan from February 1, 2016 through the period ended December 31, 2016. These transactions qualify as party-in-interest but are exempt from prohibited transaction regulations.

Northern Trust Company was the Plan's trustee throughout 2015 until May 23, 2016 when all transactions to transfer Plan assets to Prudential Retirement were completed. During the first part of 2016 while Northern Trust Company acted as the trustee, certain investments were shares of collective investment funds, which were managed by an affiliate of the Northern Trust Company. These transactions qualify as party-in-interest transactions, as defined by ERISA. However, such transactions are permitted under the provisions of the Plan and are exempt from the prohibition of party-in-interest transactions under ERISA.

7. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. If the Plan is terminated for any reason, the net assets of the Plan would be allocated, as prescribed by ERISA and its regulations, generally to provide the following benefits in the order indicated:

- Annuity benefits that former employees or their beneficiaries have been receiving for at least three years or that employees eligible to retire for the three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been

payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination;

- Other vested benefits insured by the Pension Benefit Guaranty Corporation ("PBGC"), a U.S. government agency, up to the applicable limitations (discussed below);
- All other vested benefits not insured by the PBGC; or
- All non-vested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivors' pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

8. Subsequent Events

The Company has evaluated subsequent events related to the Plan through the auditors' report date, which is the date the financial statements were available for issuance, and determined there were no subsequent events requiring disclosure.

NAVAJO MINE RETIREMENT PLAN

Schedule 1

Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)

EIN: 94-2557286

Plan #001

December 31, 2016

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	Pooled separate accounts:			
*	Prudential Retirement	QMA U.S. Broad Market Index Fund	\$ 13,380,264	\$ 15,576,027
*	Prudential Retirement	Pru Long Corporate Bond Fund	31,027,685	32,924,041
*	Prudential Retirement	Long Duration Bond/IR&M Fund	32,517,124	32,100,339
*	Prudential Retirement	Intl Bld/Pictet Asset Management Fund	2,244,082	2,400,611
	Registered investment companies			
	American Funds	American Europacific Growth Fund	2,201,750	2,380,017
	Guaranteed deposit fund			
*	Prudential Retirement	Guaranteed Deposit Fund	8,695,413	8,695,413
	Total investments		<u>\$ 90,066,318</u>	<u>\$ 94,076,448</u>
*	Denotes party-in-interest			

NAVAJO MINE RETIREMENT PLAN

Schedule 2

Schedule H, Part IV, Line 4j - Schedule of Reportable Transactions

EIN: 94-2557286

Plan #001

Year ended December 31, 2016

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Lease Rental	Expense Incurred with Transaction	Cost of Asset Purchase / (Sales)	Current Value of Asset on Transaction Date Purchase / (Sales)	Net Gain or (Loss)
Individual transactions in excess of 5% of net assets available as of the beginning of the Plan year: None								
Series of non-securities transactions in excess of 5% of plan assets: None								
Series of securities transactions in excess of 5% of plan assets:								
Prudential Retirement	QMA US Broad Market Index	\$ 12,232,043	\$ —	\$ —	\$ —	\$ 12,232,043	\$ 12,232,043	\$ —
Prudential Retirement	QMA US Broad Market Index	—	12,232,043	—	—	12,232,043	12,232,043	—
Prudential Retirement	Long Duration Bond/IR&M Fund	28,541,435	—	—	—	28,541,435	28,541,435	—
Prudential Retirement	Long Duration Bond/IR&M Fund	—	28,541,435	—	—	28,541,435	28,541,435	—
Prudential Retirement	Pru Long Corporate Bond	28,541,435	—	—	—	28,541,435	28,541,435	—
Prudential Retirement	Pru Long Corporate Bond	—	28,541,435	—	—	28,541,435	28,541,435	—
Prudential Retirement	Guaranteed Deposit Fund	8,154,696	—	—	—	8,154,696	8,154,696	—
Prudential Retirement	Guaranteed Deposit Fund	—	8,154,696	—	—	8,154,696	8,154,696	—
Securities transactions related to individual transactions in excess of 5% of plan assets: None								



NAVAJO MINE RETIREMENT PLAN

**Financial Statements
and
Independent Auditors' Report
December 31, 2016 and 2015**

NAVAJO MINE RETIREMENT PLAN

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INDEPENDENT AUDITORS' REPORT

Westmoreland Retirement Benefits Administrative Committee
Navajo Mine Retirement Plan
Englewood, Colorado

REPORT ON FINANCIAL STATEMENTS

We were engaged to audit the accompanying financial statements of Navajo Mine Retirement Plan (the "Plan"), which are comprised of the statement of net assets available for benefits as of December 31, 2016, the related statement of changes in net assets available for benefits for the year ended December 31, 2016, the statement of accumulated plan benefits as of January 1, 2016, the related statement of changes in accumulated plan benefits for the year ended January 1, 2016, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Prudential Retirement Insurance and Annuity Company and Northern Trust Company, the trustees of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained certifications from the trustees as of December 31, 2016 and 2015, and for the year ended December 31, 2016, that the information provided to the Plan administrator by the trustees is complete and accurate.

DISCLAIMER OF OPINION

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

OTHER MATTERS

Supplemental Schedules

The supplemental schedules as of December 31, 2016, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Prior Period Financial Statements

The financial statements of the Plan as of December 31, 2015, were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed the predecessor auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by the trustee. Their report, dated October 12, 2016, indicated that (a) because of the significance of the information that they did not audit, they were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion, and accordingly, they did not express an opinion on the financial statements and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

REPORT ON FORM AND CONTENT IN COMPLIANCE WITH THE DEPARTMENT OF LABOR'S RULES AND REGULATIONS

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

EKS&H LLP
EKS&H LLP

October 16, 2017
Denver, Colorado

NAVAJO MINE RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2016	2015
Assets		
Investments, at fair value		
Pooled separate accounts	\$ 83,001,018	\$ 2,084,580
Registered investment companies	2,380,017	—
Guaranteed deposit fund	8,695,413	—
Corporate bonds	—	17,324,257
Government securities	—	31,842,875
Mutual funds	—	52,726,854
Securities purchased under agreements to resell	—	14,000,000
Cash collateral held	—	1,285,261
Derivatives	—	10,721
Total investments, at fair value	94,076,448	119,274,548
Receivables		
Accrued income receivable	—	393,342
Assets available for benefits	<u>\$ 94,076,448</u>	<u>\$ 119,667,890</u>
Liabilities		
Liability for pending trades	\$ —	\$ 2,156,873
Obligation to return cash collateral held	—	1,298,525
Total liabilities	<u>\$ —</u>	<u>\$ 3,455,398</u>
Net assets available for benefits	<u>\$ 94,076,448</u>	<u>\$ 116,212,492</u>

See accompanying Notes to Financial Statements.

NAVAJO MINE RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	For the Years Ended December 31,	
	2016	2015
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments	\$ (350,517)	\$ (7,720,175)
Interest and dividend income	2,787,720	4,509,942
Total investment income (loss)	2,437,203	(3,210,233)
Deductions from net assets		
Benefits paid to participants	4,963,186	4,879,909
Administrative expenses	463,722	145,169
Total deductions from net assets	5,426,908	5,025,078
Net decrease in net assets available for benefits	(2,989,705)	(8,235,311)
Transfer out (Note 1)	(19,146,339)	—
Net assets available for benefits		
Beginning of year	116,212,492	124,447,803
End of year	<u>\$ 94,076,448</u>	<u>\$ 116,212,492</u>

See accompanying Notes to Financial Statements.

NAVAJO MINE RETIREMENT PLAN**STATEMENT OF ACCUMULATED PLAN BENEFITS**
January 1, 2016

Actuarial present value of accumulated plan benefits	
Vested benefits	
Active participants	\$ 28,917,592
Retired participants and beneficiaries	63,485,726
Total vested benefits	92,403,318
Non-vested benefits	933,918
Total actuarial present value of accumulated plan benefits	<u>\$ 93,337,236</u>

NAVAJO MINE RETIREMENT PLAN**STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
For the Year Ended January 1, 2016**

Actuarial present value of accumulated plan benefits at beginning of year	<u>\$ 114,041,897</u>
Increase (decrease) during the year attributable to	
Benefits paid	(4,879,909)
Benefits accumulated and actuarial loss	1,017,887
Interest	4,567,343
Change in actuarial assumptions	<u>(21,409,982)</u>
Net decrease	<u>(20,704,661)</u>
Actuarial present value of accumulated plan benefits at end of year	<u><u>\$ 93,337,236</u></u>

NAVAJO MINE RETIREMENT PLAN

Notes to Financial Statements

1. Description of the Plan and Significant Accounting Policies

The following description of Navajo Mine Retirement Plan (the "Plan" or "NMRP") provides only general information. Participants and all others should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan was established effective June 1, 1964 (subsequently amended and restated) and is a defined benefit plan covering all eligible employees of the Navajo Mine (as formerly referenced by previous owner BHP Billiton New Mexico Coal ("BHP"), newly referred to as the "San Juan Mine") which includes company mines in the Navajo Indian Reservation and throughout San Juan County, New Mexico which were originally covered by the agreement between Broken Hill Proprietary (USA) Inc. and the International Union of Operating Engineers, Local No. 953. Effective January 31, 2016, Westmoreland Coal Company's ("WCC") wholly owned subsidiary San Juan Coal Company ("SJCC" or the "Company"), acquired the Plan as a result of the acquisition of the San Juan Mine from BHP. The Company amended the Plan as of this date to reflect SJCC as the Plan sponsor and split the Plan into the following two plans:

- NMRP consisting of all San Juan Mine employees and all inactive participants (except for 5 current BHP Billiton employees that had a terminated vested benefit in the NMRP which were spun into NMC) (defined below).
- NMC Retirement Plan ("NMC") belonging to BHP and consisting of employees that had been in NMRP until January 31, 2016 who are not San Juan Mine employees. The NMRP transferred \$19.1 million during 2016 to the NMC plan for assets that pertained to BHP's employees.

The Westmoreland Coal Company Retirement Committee administers the NMRP and manages the Plan's assets. Prudential Retirement Insurance and Annuity Company ("Prudential Retirement") is the Plan's custodian, trustee, and maintains the Plan's records. As the Plan was split on January 31, 2016, Northern Trust Company was the custodian, trustee and maintained the Plan's records from January 1, 2016 until May 23, 2016 when all transactions to transfer Plan assets amongst trustees were completed. BHP used the professional services firm Mercer's U.S. Valuations Group ("Mercer") for actuarial valuation of the Plan. Mercer's actuarial assumptions as of January 1, 2016 are used in these financial statements.

During the year ended December 31, 2015, the Plan's investments were held in a separate account within the BHP USA Master Retirement Trust, and accordingly, this separate account held only investments specific to the Plan. This segregation of assets was implemented to more effectively manage the cash needs of the Plan and to match the maturities of the investments to the needs of the Plan.

Pension Benefits and Vesting Provisions

A participant who retires on or after February 1, 2002 and has attained age 65 is entitled to receive a monthly benefit (Normal Retirement Benefit) equal to \$40.00 multiplied by the participant's years of credited service prior to February 1, 2002, plus \$36.00 multiplied by the participant's years of service on or after February 1, 2002. Effective February 1, 2004, the past service multiplier for eligible participants employed in surface operations increased from \$40.00 to \$42.00 for periods of service prior to February 1, 2002, and effective February 1, 2007, the past service multiplier increased to \$44.00. One year of credited service is earned for each year in which at least 1,600 hours are worked. Partial years of credited service can also be earned for years in which less than 1,600 hours are worked. Effective April 30, 2006, the Plan was closed to new entrants.

An eligible participant who retires on or after he or she attains age 55 and completes five years of service is entitled to receive a monthly benefit (Early Retirement Benefit) equal to the participant's Normal Retirement Benefit, reduced by 0.5% for each month the participant is younger than age 60 on the date the Early Retirement Benefit is to commence. An early retirement supplement is available for participants who retire after attaining age 55 when their age plus years of service total at least 85. The early retirement supplement is \$300.00 per month payable until age 62 or death, if earlier.

The surviving spouse of a participant entitled to a benefit that has not commenced at the date of the participant's death is entitled to a survivor benefit. The amount of the survivor benefit is paid at 50% of member's pension benefit to surviving spouse for life or 60 times member's monthly pension benefit to non-spousal beneficiaries over a 60 month period. Additional death benefits are available in the case of deaths resulting from mine accidents. Benefits are recorded when paid on a cash basis of accounting.

Disability Benefits

Certain disability benefits, as defined in the Plan, are available for eligible participants.

Payment of Benefits

If a participant is married when benefits commence, the participant's benefits will be paid in the form of an individual life and 50% spouse's benefit, as defined in the Plan. If a participant is not married on the annuity starting date, the participant's benefits will be paid in the form of a five year certain and life benefit, as defined in the Plan.

Administrative Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees incurred and paid directly (or through appreciation/depreciation) by the Plan for administrative services were \$463,722 and \$145,169, for the years ended December 31, 2016 and 2015, respectively.

Funding Policy

The Company contributes such amounts as are necessary, based on actuarial calculations and as required by ERISA (defined below), to provide the Plan with assets sufficient to meet the benefits to be paid to Plan participants and their beneficiaries. The contributions to the Plan are subject to the limitations of maximum tax deductible contributions and minimum required contributions determined by the actuary and the funding policy adopted by the Company. The Company was not required to make any minimum funding contributions as required by the Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Code ("IRC") to the Plan for the years ended December 31, 2016 and 2015, and, accordingly, no contributions were made to the Plan for the years then ended.

The yield (interest, dividends, and net realized and unrealized gains and losses) on Plan investments in excess of amounts established in the actuarial assumptions, plus any gains resulting from forfeiture of non-vested benefits, serve to reduce future contributions that would otherwise be required to provide the defined level of benefits under the Plan.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Risks, Uncertainties and Concentrations

The Plan provides for various investments that, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

Plan contributions are made and the actuarial value of accumulated plan benefits is reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would have a material impact on Plan contributions and the financial statements.

Additionally, some investments held by the Plan are invested in the securities of foreign companies, which involve special risks and considerations not typically associated with investing in U.S. companies. These risks include devaluation of currencies, less reliable information about issuers, different securities transaction clearance and settlement practices, and possible adverse political and economic developments. Moreover, securities of many foreign companies and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. companies.

During the years ended December 31, 2016 and 2015, there were three and two investments that accounted for 86% and 56% of total investments, respectively.

Investment Valuation and Income Recognition

The Plan's investments are recorded at fair value as reported to the Plan by the trustee. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 2 for a discussion of fair value measurements.

The net appreciation or depreciation in fair value of investments is reflected in the accompanying Statements of Changes in Net Assets Available for Benefits and is determined as the difference between fair value at the beginning of the year (or date purchased if during the year) and selling price (if sold during the year) or year-end fair value. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recognized on the accrual basis. Dividends are recognized on the ex-dividend date.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included, to the extent they are deemed attributable to employee service rendered prior to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Plan's independent actuary and is the amount that results from applying actuarial assumptions to the accumulated plan benefits to reflect the time value of money (through discounts and for interest) and the probability of the payment (by means of decrements such as death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. Actuarial assumptions for the Plan are made as of the beginning of the Plan year. The Statement of Accumulated Plan Benefits and the Statement of Changes in Accumulated Plan Benefits were prepared as of January 1, 2016 and for the year then ended. Had the reports been prepared as of and for the year ended December 31, 2015, no material changes would have been necessary. The significant actuarial assumptions used in the valuations as of January 1, 2016 by the actuarial company, Mercer, are as follows:

- For Accounting Standards Codification ("ASC") Topic 960, the effective interest rate and expected rate of return were 6.00%
- Life expectancy of participants was obtained from the RP-2014 mortality tables separately for employees and retirees and males and females, with blue collar adjustment and MP-2016 generalization mortality improvement scale
- Expected administrative expenses are assumed to equal prior year administrative expenses but adjusted for PBGC premiums with current year PBGC premiums replacing prior year discounted to beginning of year
- 80% of participants are assumed to be married at death and husbands are assumed to be three years older than their wives
- Benefit commencement age for both current and future vested deferred participants is assumed to be 60 years of age
- Disability incident rate is assumed to be 82% of the 1985 Disability Study Class 4 rates for males and females in accordance with the following sample rates:

Age	Disability Percentage Rate	
	Male	Female
20	0.145%	0.085%
25	0.209%	0.145%
30	0.300%	0.245%
35	0.417%	0.375%
40	0.568%	0.521%
45	0.771%	0.722%
50	1.110%	1.088%
55	1.876%	1.738%
60	2.816%	2.025%

- Withdrawal rate is assumed to be 50% of the 2003 SOA study age only table in accordance with the following sample rates:

Age	Withdrawal Percentage Rate
	Male and Female
20	8.73%
25	9.26%
30	6.10%
35	4.39%
40	3.50%
45	3.11%
50	2.82%
55	1.46%
60	1.10%

- Participants are assumed to retire based on rates of retirement varying by age:

Age	% Retiring
55 - 60	5%
61-63	15%
64	25%
65 - 66	35%
67+	100%

- Forms of payment are as follows:

Participant Status	50% Joint & Survivor	Lifetime Annuity with 5 Year Payout	Lifetime Annuity
Active retirements	80%	20%	0%
Future vested deferred	80%	20%	0%
Future disabilities	80%	20%	0%
Future deaths	0%	0%	100%
Current vested deferred	80%	20%	0%

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

2. Fair Value Accounting

Generally accepted accounting principles require disclosure about how fair value is determined and establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2016 and 2015.

Guaranteed deposit fund: Valued using a method that approximates the market value of underlying investments by discounting expected future investment cash flow from both investment income and repayment of principal for each investment purchased.

Withdrawals from the guaranteed deposit fund are restricted during a calendar year to up to 10% of the value of the amounts held in the guaranteed deposit fund as of the beginning of that calendar year plus the sum of new allocations and transfers made to the fund during the year.

Registered investment companies: Valued at the net asset value of shares held by the Plan at year-end based on the quoted price in an active market.

Pooled separate accounts: Valued as a practical expedient at the net asset value of units held by the Plan at year-end based on the quoted market prices of the securities underlying the investments. There are no unfunded commitments, and the units may be redeemed on a daily basis.

Fixed income securities: Includes corporate and governmental bonds, which have been valued based upon quoted prices from actively traded markets, and mortgage backed securities which have been valued using discounted cash flow and other similar models using information and assumptions about interest rates, prepayment rates, collateral values and creditworthiness of the issuers. (Market approach and income approach)

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily Net Asset Value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded. (Market approach)

Collective investment funds: Valued at the NAV of units of a collective fund. The NAV, as provided by the Trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Were the Plan to initiate a full redemption of the collective fund, the investment advisor reserves the right to temporarily delay withdrawals from the trust in order to

ensure that securities liquidations will be carried out in an orderly business manner. (Market approach and income approach). There are no unfunded commitments, and the units may be redeemed on a daily basis.

Securities purchased under agreements to resell: Valued at amortized cost which approximates fair value.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes to the valuation techniques used during the period.

The following table sets forth the fair value of the Plan's investment assets by level within the fair value hierarchy as of December 31, 2016:

Description	Level 1	Level 2	Total
Assets measured at fair value			
Guaranteed deposit fund	\$ —	\$ 8,695,413	\$ 8,695,413
Registered investment companies	2,380,017	—	2,380,017
Total of assets at fair value	\$ 2,380,017	\$ 8,695,413	\$ 11,075,430
Assets measured at net asset value*			
Pooled separate accounts			\$ 83,001,018
Total investments, at fair value			\$ 94,076,448

* Total assets measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation to fair value of total investments held.

The following table sets forth the fair value of the Plan's investment assets by level within the fair value hierarchy as of December 31, 2015:

Description	Level 1	Level 2	Total
Assets measured at fair value			
Fixed income securities	\$ —	\$ 49,167,132	\$ 49,167,132
Mutual funds	52,726,854	—	52,726,854
Securities purchased under agreements to resell	—	14,000,000	14,000,000
Cash collateral held	1,285,261	—	1,285,261
Derivatives	—	10,721	10,721
Total of assets at fair value	\$ 54,012,115	\$ 63,177,853	\$ 117,189,968
Assets measured at net asset value*			
Pooled separate accounts			\$ 2,084,580
Total investments, at fair value			\$ 119,274,548

* Total assets measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation to fair value of total investments held.

The following table sets forth the fair value of the Plan's investment liabilities by level within the fair value hierarchy as of December 31, 2015:

Description	Level 1	Level 2	Total
Liabilities measured at fair value			
Obligation to return cash collateral held	\$ —	\$ 1,298,525	\$ 1,298,525
Total of liabilities at fair value	\$ —	\$ 1,298,525	\$ 1,298,525

3. Certification of Investments

Prudential Retirement and Northern Trust Company have certified in writing to the Plan administrator that the stated amounts for investments at fair value as of December 31, 2016 and 2015 and the income earned or losses incurred on the investments for

the period from January 1, 2016 through December 31, 2016, as reflected in the accompanying financial statements and the supplemental schedules, are complete and accurate.

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's auditors not to perform any auditing procedures with respect to the investment information certified by the trustees, except for comparing the information contained therein to information included in the financial statements and the supplemental schedules.

4. Income Taxes

The Plan obtained its latest determination letter on April 22, 2014, in which the IRS stated that the Plan was in compliance with applicable requirements of the IRC. Due to the change in Plan sponsorship during 2016 and also due to the amended and restated Plan document dated January 1, 2016, the Plan applied for a current determination from the IRS. The Plan received an acknowledgment letter from the IRS that their application was under review for a determination that the Plan qualifies under the applicable provisions of the IRC and, therefore, is exempt from federal income taxes. The Plan has not been amended since receiving the acknowledgment letter. The Plan Administrator believes that the Plan is designed and currently being operated in compliance with the applicable requirements of the IRC.

Generally accepted accounting principles require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax exempt status and had taken no uncertain tax positions that require adjustment to the financial statements or taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. Therefore, no provision or liability for income taxes has been included in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

5. Administration of the Plan

The Company provides, at no cost to the Plan, certain administrative, accounting, and legal services to the Plan and also pays the cost of certain outside services for the Plan.

6. Related Party and Party-in-Interest Transactions

Plan investments include pooled separate accounts and a guaranteed deposit fund managed by Prudential Retirement. Prudential Retirement was and is the custodian and trustee of the Plan from February 1, 2016 through the period ended December 31, 2016. These transactions qualify as party-in-interest but are exempt from prohibited transaction regulations.

Northern Trust Company was the Plan's trustee throughout 2015 until May 23, 2016 when all transactions to transfer Plan assets to Prudential Retirement were completed. During the first part of 2016 while Northern Trust Company acted as the trustee, certain investments were shares of collective investment funds, which were managed by an affiliate of the Northern Trust Company. These transactions qualify as party-in-interest transactions, as defined by ERISA. However, such transactions are permitted under the provisions of the Plan and are exempt from the prohibition of party-in-interest transactions under ERISA.

7. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. If the Plan is terminated for any reason, the net assets of the Plan would be allocated, as prescribed by ERISA and its regulations, generally to provide the following benefits in the order indicated:

- Annuity benefits that former employees or their beneficiaries have been receiving for at least three years or that employees eligible to retire for the three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been

payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination;

- Other vested benefits insured by the Pension Benefit Guaranty Corporation ("PBGC"), a U.S. government agency, up to the applicable limitations (discussed below);
- All other vested benefits not insured by the PBGC; or
- All non-vested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivors' pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

8. Subsequent Events

The Company has evaluated subsequent events related to the Plan through the auditors' report date, which is the date the financial statements were available for issuance, and determined there were no subsequent events requiring disclosure.

NAVAJO MINE RETIREMENT PLAN**Schedule 1****Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)**

EIN: 94-2557286

Plan #001

December 31, 2016

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	Pooled separate accounts:			
*	Prudential Retirement	QMA U.S. Broad Market Index Fund	\$ 13,380,264	\$ 15,576,027
*	Prudential Retirement	Pru Long Corporate Bond Fund	31,027,685	32,924,041
*	Prudential Retirement	Long Duration Bond/IR&M Fund	32,517,124	32,100,339
*	Prudential Retirement	Intl Bld/Pictet Asset Management Fund	2,244,082	2,400,611
	Registered investment companies			
	American Funds	American Europacific Growth Fund	2,201,750	2,380,017
	Guaranteed deposit fund			
*	Prudential Retirement	Guaranteed Deposit Fund	8,695,413	8,695,413
	Total investments		<u>\$ 90,066,318</u>	<u>\$ 94,076,448</u>
*	Denotes party-in-interest			

NAVAJO MINE RETIREMENT PLAN

Schedule 2

Schedule H, Part IV, Line 4j - Schedule of Reportable Transactions

EIN: 94-2557286

Plan #001

Year ended December 31, 2016

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Lease Rental	Expense Incurred with Transaction	Cost of Asset Purchase / (Sales)	Current Value of Asset on Transaction Date Purchase / (Sales)	Net Gain or (Loss)
Individual transactions in excess of 5% of net assets available as of the beginning of the Plan year: None								
Series of non-securities transactions in excess of 5% of plan assets: None								
Series of securities transactions in excess of 5% of plan assets:								
Prudential Retirement	QMA US Broad Market Index	\$ 12,232,043	\$ —	\$ —	\$ —	\$ 12,232,043	\$ 12,232,043	\$ —
Prudential Retirement	QMA US Broad Market Index	—	12,232,043	—	—	12,232,043	12,232,043	—
Prudential Retirement	Long Duration Bond/IR&M Fund	28,541,435	—	—	—	28,541,435	28,541,435	—
Prudential Retirement	Long Duration Bond/IR&M Fund	—	28,541,435	—	—	28,541,435	28,541,435	—
Prudential Retirement	Pru Long Corporate Bond	28,541,435	—	—	—	28,541,435	28,541,435	—
Prudential Retirement	Pru Long Corporate Bond	—	28,541,435	—	—	28,541,435	28,541,435	—
Prudential Retirement	Guaranteed Deposit Fund	8,154,696	—	—	—	8,154,696	8,154,696	—
Prudential Retirement	Guaranteed Deposit Fund	—	8,154,696	—	—	8,154,696	8,154,696	—
Securities transactions related to individual transactions in excess of 5% of plan assets: None								



NAVAJO MINE RETIREMENT PLAN

**Financial Statements
and
Independent Auditors' Report
December 31, 2016 and 2015**

NAVAJO MINE RETIREMENT PLAN

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INDEPENDENT AUDITORS' REPORT

Westmoreland Retirement Benefits Administrative Committee
Navajo Mine Retirement Plan
Englewood, Colorado

REPORT ON FINANCIAL STATEMENTS

We were engaged to audit the accompanying financial statements of Navajo Mine Retirement Plan (the "Plan"), which are comprised of the statement of net assets available for benefits as of December 31, 2016, the related statement of changes in net assets available for benefits for the year ended December 31, 2016, the statement of accumulated plan benefits as of January 1, 2016, the related statement of changes in accumulated plan benefits for the year ended January 1, 2016, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Prudential Retirement Insurance and Annuity Company and Northern Trust Company, the trustees of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained certifications from the trustees as of December 31, 2016 and 2015, and for the year ended December 31, 2016, that the information provided to the Plan administrator by the trustees is complete and accurate.

DISCLAIMER OF OPINION

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

OTHER MATTERS

Supplemental Schedules

The supplemental schedules as of December 31, 2016, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Prior Period Financial Statements

The financial statements of the Plan as of December 31, 2015, were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed the predecessor auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by the trustee. Their report, dated October 12, 2016, indicated that (a) because of the significance of the information that they did not audit, they were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion, and accordingly, they did not express an opinion on the financial statements and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

REPORT ON FORM AND CONTENT IN COMPLIANCE WITH THE DEPARTMENT OF LABOR'S RULES AND REGULATIONS

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

EKS+H LLP
EKS&H LLP

October 16, 2017
Denver, Colorado

NAVAJO MINE RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2016	2015
Assets		
Investments, at fair value		
Pooled separate accounts	\$ 83,001,018	\$ 2,084,580
Registered investment companies	2,380,017	—
Guaranteed deposit fund	8,695,413	—
Corporate bonds	—	17,324,257
Government securities	—	31,842,875
Mutual funds	—	52,726,854
Securities purchased under agreements to resell	—	14,000,000
Cash collateral held	—	1,285,261
Derivatives	—	10,721
Total investments, at fair value	94,076,448	119,274,548
Receivables		
Accrued income receivable	—	393,342
Assets available for benefits	<u>\$ 94,076,448</u>	<u>\$ 119,667,890</u>
Liabilities		
Liability for pending trades	\$ —	\$ 2,156,873
Obligation to return cash collateral held	—	1,298,525
Total liabilities	<u>\$ —</u>	<u>\$ 3,455,398</u>
Net assets available for benefits	<u>\$ 94,076,448</u>	<u>\$ 116,212,492</u>

See accompanying Notes to Financial Statements.

NAVAJO MINE RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	For the Years Ended December 31,	
	2016	2015
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments	\$ (350,517)	\$ (7,720,175)
Interest and dividend income	2,787,720	4,509,942
Total investment income (loss)	2,437,203	(3,210,233)
Deductions from net assets		
Benefits paid to participants	4,963,186	4,879,909
Administrative expenses	463,722	145,169
Total deductions from net assets	5,426,908	5,025,078
Net decrease in net assets available for benefits	(2,989,705)	(8,235,311)
Transfer out (Note 1)	(19,146,339)	—
Net assets available for benefits		
Beginning of year	116,212,492	124,447,803
End of year	<u>\$ 94,076,448</u>	<u>\$ 116,212,492</u>

See accompanying Notes to Financial Statements.

NAVAJO MINE RETIREMENT PLAN**STATEMENT OF ACCUMULATED PLAN BENEFITS****January 1, 2016**

Actuarial present value of accumulated plan benefits	
Vested benefits	
Active participants	\$ 28,917,592
Retired participants and beneficiaries	63,485,726
Total vested benefits	92,403,318
Non-vested benefits	933,918
Total actuarial present value of accumulated plan benefits	<u>\$ 93,337,236</u>

NAVAJO MINE RETIREMENT PLAN**STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
For the Year Ended January 1, 2016**

Actuarial present value of accumulated plan benefits at beginning of year	<u>\$ 114,041,897</u>
Increase (decrease) during the year attributable to	
Benefits paid	(4,879,909)
Benefits accumulated and actuarial loss	1,017,887
Interest	4,567,343
Change in actuarial assumptions	<u>(21,409,982)</u>
Net decrease	<u>(20,704,661)</u>
Actuarial present value of accumulated plan benefits at end of year	<u><u>\$ 93,337,236</u></u>

NAVAJO MINE RETIREMENT PLAN

Notes to Financial Statements

1. Description of the Plan and Significant Accounting Policies

The following description of Navajo Mine Retirement Plan (the "Plan" or "NMRP") provides only general information. Participants and all others should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan was established effective June 1, 1964 (subsequently amended and restated) and is a defined benefit plan covering all eligible employees of the Navajo Mine (as formerly referenced by previous owner BHP Billiton New Mexico Coal ("BHP"), newly referred to as the "San Juan Mine") which includes company mines in the Navajo Indian Reservation and throughout San Juan County, New Mexico which were originally covered by the agreement between Broken Hill Proprietary (USA) Inc. and the International Union of Operating Engineers, Local No. 953. Effective January 31, 2016, Westmoreland Coal Company's ("WCC") wholly owned subsidiary San Juan Coal Company ("SJCC" or the "Company"), acquired the Plan as a result of the acquisition of the San Juan Mine from BHP. The Company amended the Plan as of this date to reflect SJCC as the Plan sponsor and split the Plan into the following two plans:

- NMRP consisting of all San Juan Mine employees and all inactive participants (except for 5 current BHP Billiton employees that had a terminated vested benefit in the NMRP which were spun into NMC) (defined below).
- NMC Retirement Plan ("NMC") belonging to BHP and consisting of employees that had been in NMRP until January 31, 2016 who are not San Juan Mine employees. The NMRP transferred \$19.1 million during 2016 to the NMC plan for assets that pertained to BHP's employees.

The Westmoreland Coal Company Retirement Committee administers the NMRP and manages the Plan's assets. Prudential Retirement Insurance and Annuity Company ("Prudential Retirement") is the Plan's custodian, trustee, and maintains the Plan's records. As the Plan was split on January 31, 2016, Northern Trust Company was the custodian, trustee and maintained the Plan's records from January 1, 2016 until May 23, 2016 when all transactions to transfer Plan assets amongst trustees were completed. BHP used the professional services firm Mercer's U.S. Valuations Group ("Mercer") for actuarial valuation of the Plan. Mercer's actuarial assumptions as of January 1, 2016 are used in these financial statements.

During the year ended December 31, 2015, the Plan's investments were held in a separate account within the BHP USA Master Retirement Trust, and accordingly, this separate account held only investments specific to the Plan. This segregation of assets was implemented to more effectively manage the cash needs of the Plan and to match the maturities of the investments to the needs of the Plan.

Pension Benefits and Vesting Provisions

A participant who retires on or after February 1, 2002 and has attained age 65 is entitled to receive a monthly benefit (Normal Retirement Benefit) equal to \$40.00 multiplied by the participant's years of credited service prior to February 1, 2002, plus \$36.00 multiplied by the participant's years of service on or after February 1, 2002. Effective February 1, 2004, the past service multiplier for eligible participants employed in surface operations increased from \$40.00 to \$42.00 for periods of service prior to February 1, 2002, and effective February 1, 2007, the past service multiplier increased to \$44.00. One year of credited service is earned for each year in which at least 1,600 hours are worked. Partial years of credited service can also be earned for years in which less than 1,600 hours are worked. Effective April 30, 2006, the Plan was closed to new entrants.

An eligible participant who retires on or after he or she attains age 55 and completes five years of service is entitled to receive a monthly benefit (Early Retirement Benefit) equal to the participant's Normal Retirement Benefit, reduced by 0.5% for each month the participant is younger than age 60 on the date the Early Retirement Benefit is to commence. An early retirement supplement is available for participants who retire after attaining age 55 when their age plus years of service total at least 85. The early retirement supplement is \$300.00 per month payable until age 62 or death, if earlier.

The surviving spouse of a participant entitled to a benefit that has not commenced at the date of the participant's death is entitled to a survivor benefit. The amount of the survivor benefit is paid at 50% of member's pension benefit to surviving spouse for life or 60 times member's monthly pension benefit to non-spousal beneficiaries over a 60 month period. Additional death benefits are available in the case of deaths resulting from mine accidents. Benefits are recorded when paid on a cash basis of accounting.

Disability Benefits

Certain disability benefits, as defined in the Plan, are available for eligible participants.

Payment of Benefits

If a participant is married when benefits commence, the participant's benefits will be paid in the form of an individual life and 50% spouse's benefit, as defined in the Plan. If a participant is not married on the annuity starting date, the participant's benefits will be paid in the form of a five year certain and life benefit, as defined in the Plan.

Administrative Expenses

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees incurred and paid directly (or through appreciation/depreciation) by the Plan for administrative services were \$463,722 and \$145,169, for the years ended December 31, 2016 and 2015, respectively.

Funding Policy

The Company contributes such amounts as are necessary, based on actuarial calculations and as required by ERISA (defined below), to provide the Plan with assets sufficient to meet the benefits to be paid to Plan participants and their beneficiaries. The contributions to the Plan are subject to the limitations of maximum tax deductible contributions and minimum required contributions determined by the actuary and the funding policy adopted by the Company. The Company was not required to make any minimum funding contributions as required by the Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Code ("IRC") to the Plan for the years ended December 31, 2016 and 2015, and, accordingly, no contributions were made to the Plan for the years then ended.

The yield (interest, dividends, and net realized and unrealized gains and losses) on Plan investments in excess of amounts established in the actuarial assumptions, plus any gains resulting from forfeiture of non-vested benefits, serve to reduce future contributions that would otherwise be required to provide the defined level of benefits under the Plan.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Risks, Uncertainties and Concentrations

The Plan provides for various investments that, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

Plan contributions are made and the actuarial value of accumulated plan benefits is reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would have a material impact on Plan contributions and the financial statements.

Additionally, some investments held by the Plan are invested in the securities of foreign companies, which involve special risks and considerations not typically associated with investing in U.S. companies. These risks include devaluation of currencies, less reliable information about issuers, different securities transaction clearance and settlement practices, and possible adverse political and economic developments. Moreover, securities of many foreign companies and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. companies.

During the years ended December 31, 2016 and 2015, there were three and two investments that accounted for 86% and 56% of total investments, respectively.

Investment Valuation and Income Recognition

The Plan's investments are recorded at fair value as reported to the Plan by the trustee. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 2 for a discussion of fair value measurements.

The net appreciation or depreciation in fair value of investments is reflected in the accompanying Statements of Changes in Net Assets Available for Benefits and is determined as the difference between fair value at the beginning of the year (or date purchased if during the year) and selling price (if sold during the year) or year-end fair value. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recognized on the accrual basis. Dividends are recognized on the ex-dividend date.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included, to the extent they are deemed attributable to employee service rendered prior to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Plan's independent actuary and is the amount that results from applying actuarial assumptions to the accumulated plan benefits to reflect the time value of money (through discounts and for interest) and the probability of the payment (by means of decrements such as death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. Actuarial assumptions for the Plan are made as of the beginning of the Plan year. The Statement of Accumulated Plan Benefits and the Statement of Changes in Accumulated Plan Benefits were prepared as of January 1, 2016 and for the year then ended. Had the reports been prepared as of and for the year ended December 31, 2015, no material changes would have been necessary. The significant actuarial assumptions used in the valuations as of January 1, 2016 by the actuarial company, Mercer, are as follows:

- For Accounting Standards Codification ("ASC") Topic 960, the effective interest rate and expected rate of return were 6.00%
- Life expectancy of participants was obtained from the RP-2014 mortality tables separately for employees and retirees and males and females, with blue collar adjustment and MP-2016 generalization mortality improvement scale
- Expected administrative expenses are assumed to equal prior year administrative expenses but adjusted for PBGC premiums with current year PBGC premiums replacing prior year discounted to beginning of year
- 80% of participants are assumed to be married at death and husbands are assumed to be three years older than their wives
- Benefit commencement age for both current and future vested deferred participants is assumed to be 60 years of age
- Disability incident rate is assumed to be 82% of the 1985 Disability Study Class 4 rates for males and females in accordance with the following sample rates:

Age	Disability Percentage Rate	
	Male	Female
20	0.145%	0.085%
25	0.209%	0.145%
30	0.300%	0.245%
35	0.417%	0.375%
40	0.568%	0.521%
45	0.771%	0.722%
50	1.110%	1.088%
55	1.876%	1.738%
60	2.816%	2.025%

- Withdrawal rate is assumed to be 50% of the 2003 SOA study age only table in accordance with the following sample rates:

Age	Withdrawal Percentage Rate
	Male and Female
20	8.73%
25	9.26%
30	6.10%
35	4.39%
40	3.50%
45	3.11%
50	2.82%
55	1.46%
60	1.10%

- Participants are assumed to retire based on rates of retirement varying by age:

Age	% Retiring
55 - 60	5%
61-63	15%
64	25%
65 - 66	35%
67+	100%

- Forms of payment are as follows:

Participant Status	50% Joint & Survivor	Lifetime Annuity with 5 Year Payout	Lifetime Annuity
Active retirements	80%	20%	0%
Future vested deferred	80%	20%	0%
Future disabilities	80%	20%	0%
Future deaths	0%	0%	100%
Current vested deferred	80%	20%	0%

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

2. Fair Value Accounting

Generally accepted accounting principles require disclosure about how fair value is determined and establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2016 and 2015.

Guaranteed deposit fund: Valued using a method that approximates the market value of underlying investments by discounting expected future investment cash flow from both investment income and repayment of principal for each investment purchased.

Withdrawals from the guaranteed deposit fund are restricted during a calendar year to up to 10% of the value of the amounts held in the guaranteed deposit fund as of the beginning of that calendar year plus the sum of new allocations and transfers made to the fund during the year.

Registered investment companies: Valued at the net asset value of shares held by the Plan at year-end based on the quoted price in an active market.

Pooled separate accounts: Valued as a practical expedient at the net asset value of units held by the Plan at year-end based on the quoted market prices of the securities underlying the investments. There are no unfunded commitments, and the units may be redeemed on a daily basis.

Fixed income securities: Includes corporate and governmental bonds, which have been valued based upon quoted prices from actively traded markets, and mortgage backed securities which have been valued using discounted cash flow and other similar models using information and assumptions about interest rates, prepayment rates, collateral values and creditworthiness of the issuers. (Market approach and income approach)

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily Net Asset Value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded. (Market approach)

Collective investment funds: Valued at the NAV of units of a collective fund. The NAV, as provided by the Trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Were the Plan to initiate a full redemption of the collective fund, the investment advisor reserves the right to temporarily delay withdrawals from the trust in order to

ensure that securities liquidations will be carried out in an orderly business manner. (Market approach and income approach). There are no unfunded commitments, and the units may be redeemed on a daily basis.

Securities purchased under agreements to resell: Valued at amortized cost which approximates fair value.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes to the valuation techniques used during the period.

The following table sets forth the fair value of the Plan's investment assets by level within the fair value hierarchy as of December 31, 2016:

Description	Level 1	Level 2	Total
Assets measured at fair value			
Guaranteed deposit fund	\$ —	\$ 8,695,413	\$ 8,695,413
Registered investment companies	2,380,017	—	2,380,017
Total of assets at fair value	\$ 2,380,017	\$ 8,695,413	\$ 11,075,430
Assets measured at net asset value*			
Pooled separate accounts			\$ 83,001,018
Total investments, at fair value			<u>\$ 94,076,448</u>

* Total assets measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation to fair value of total investments held.

The following table sets forth the fair value of the Plan's investment assets by level within the fair value hierarchy as of December 31, 2015:

Description	Level 1	Level 2	Total
Assets measured at fair value			
Fixed income securities	\$ —	\$ 49,167,132	\$ 49,167,132
Mutual funds	52,726,854	—	52,726,854
Securities purchased under agreements to resell	—	14,000,000	14,000,000
Cash collateral held	1,285,261	—	1,285,261
Derivatives	—	10,721	10,721
Total of assets at fair value	\$ 54,012,115	\$ 63,177,853	\$ 117,189,968
Assets measured at net asset value*			
Pooled separate accounts			\$ 2,084,580
Total investments, at fair value			<u>\$ 119,274,548</u>

* Total assets measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation to fair value of total investments held.

The following table sets forth the fair value of the Plan's investment liabilities by level within the fair value hierarchy as of December 31, 2015:

Description	Level 1	Level 2	Total
Liabilities measured at fair value			
Obligation to return cash collateral held	\$ —	\$ 1,298,525	\$ 1,298,525
Total of liabilities at fair value	\$ —	\$ 1,298,525	\$ 1,298,525

3. Certification of Investments

Prudential Retirement and Northern Trust Company have certified in writing to the Plan administrator that the stated amounts for investments at fair value as of December 31, 2016 and 2015 and the income earned or losses incurred on the investments for

the period from January 1, 2016 through December 31, 2016, as reflected in the accompanying financial statements and the supplemental schedules, are complete and accurate.

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's auditors not to perform any auditing procedures with respect to the investment information certified by the trustees, except for comparing the information contained therein to information included in the financial statements and the supplemental schedules.

4. Income Taxes

The Plan obtained its latest determination letter on April 22, 2014, in which the IRS stated that the Plan was in compliance with applicable requirements of the IRC. Due to the change in Plan sponsorship during 2016 and also due to the amended and restated Plan document dated January 1, 2016, the Plan applied for a current determination from the IRS. The Plan received an acknowledgment letter from the IRS that their application was under review for a determination that the Plan qualifies under the applicable provisions of the IRC and, therefore, is exempt from federal income taxes. The Plan has not been amended since receiving the acknowledgment letter. The Plan Administrator believes that the Plan is designed and currently being operated in compliance with the applicable requirements of the IRC.

Generally accepted accounting principles require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax exempt status and had taken no uncertain tax positions that require adjustment to the financial statements or taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. Therefore, no provision or liability for income taxes has been included in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

5. Administration of the Plan

The Company provides, at no cost to the Plan, certain administrative, accounting, and legal services to the Plan and also pays the cost of certain outside services for the Plan.

6. Related Party and Party-in-Interest Transactions

Plan investments include pooled separate accounts and a guaranteed deposit fund managed by Prudential Retirement. Prudential Retirement was and is the custodian and trustee of the Plan from February 1, 2016 through the period ended December 31, 2016. These transactions qualify as party-in-interest but are exempt from prohibited transaction regulations.

Northern Trust Company was the Plan's trustee throughout 2015 until May 23, 2016 when all transactions to transfer Plan assets to Prudential Retirement were completed. During the first part of 2016 while Northern Trust Company acted as the trustee, certain investments were shares of collective investment funds, which were managed by an affiliate of the Northern Trust Company. These transactions qualify as party-in-interest transactions, as defined by ERISA. However, such transactions are permitted under the provisions of the Plan and are exempt from the prohibition of party-in-interest transactions under ERISA.

7. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. If the Plan is terminated for any reason, the net assets of the Plan would be allocated, as prescribed by ERISA and its regulations, generally to provide the following benefits in the order indicated:

- Annuity benefits that former employees or their beneficiaries have been receiving for at least three years or that employees eligible to retire for the three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been

payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination;

- Other vested benefits insured by the Pension Benefit Guaranty Corporation ("PBGC"), a U.S. government agency, up to the applicable limitations (discussed below);
- All other vested benefits not insured by the PBGC; or
- All non-vested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivors' pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

8. Subsequent Events

The Company has evaluated subsequent events related to the Plan through the auditors' report date, which is the date the financial statements were available for issuance, and determined there were no subsequent events requiring disclosure.

NAVAJO MINE RETIREMENT PLAN**Schedule 1****Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)**

EIN: 94-2557286

Plan #001

December 31, 2016

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	Pooled separate accounts:			
*	Prudential Retirement	QMA U.S. Broad Market Index Fund	\$ 13,380,264	\$ 15,576,027
*	Prudential Retirement	Pru Long Corporate Bond Fund	31,027,685	32,924,041
*	Prudential Retirement	Long Duration Bond/IR&M Fund	32,517,124	32,100,339
*	Prudential Retirement	Intl Bld/Pictet Asset Management Fund	2,244,082	2,400,611
	Registered investment companies			
	American Funds	American Europacific Growth Fund	2,201,750	2,380,017
	Guaranteed deposit fund			
*	Prudential Retirement	Guaranteed Deposit Fund	8,695,413	8,695,413
	Total investments		<u>\$ 90,066,318</u>	<u>\$ 94,076,448</u>
*	Denotes party-in-interest			

NAVAJO MINE RETIREMENT PLAN

Schedule 2

Schedule H, Part IV, Line 4j - Schedule of Reportable Transactions

EIN: 94-2557286

Plan #001

Year ended December 31, 2016

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Lease Rental	Expense Incurred with Transaction	Cost of Asset Purchase / (Sales)	Current Value of Asset on Transaction Date Purchase / (Sales)	Net Gain or (Loss)
Individual transactions in excess of 5% of net assets available as of the beginning of the Plan year: None								
Series of non-securities transactions in excess of 5% of plan assets: None								
Series of securities transactions in excess of 5% of plan assets:								
Prudential Retirement	QMA US Broad Market Index	\$ 12,232,043	\$ —	\$ —	\$ —	\$ 12,232,043	\$ 12,232,043	\$ —
Prudential Retirement	QMA US Broad Market Index	—	12,232,043	—	—	12,232,043	12,232,043	—
Prudential Retirement	Long Duration Bond/IR&M Fund	28,541,435	—	—	—	28,541,435	28,541,435	—
Prudential Retirement	Long Duration Bond/IR&M Fund	—	28,541,435	—	—	28,541,435	28,541,435	—
Prudential Retirement	Pru Long Corporate Bond	28,541,435	—	—	—	28,541,435	28,541,435	—
Prudential Retirement	Pru Long Corporate Bond	—	28,541,435	—	—	28,541,435	28,541,435	—
Prudential Retirement	Guaranteed Deposit Fund	8,154,696	—	—	—	8,154,696	8,154,696	—
Prudential Retirement	Guaranteed Deposit Fund	—	8,154,696	—	—	8,154,696	8,154,696	—
Securities transactions related to individual transactions in excess of 5% of plan assets: None								