

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

American Resources Corp

Form: 8-K

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) October 4, 2017

American Resources Corporation

(Exact name of registrant as specified in its charter)

Florida

(State or other jurisdiction of incorporation)

000-55456

(Commission File Number)

46-3914127

(IRS Employer Identification No.)

8856 South Street, Fishers, IN

(Address of principal executive offices)

46038

(Zip Code)

Registrant's telephone number, including area code (917) 685-2547

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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FORWARD LOOKING STATEMENTS

This Form 8-K and other reports filed by Registrant from time to time with the Securities and Exchange Commission (collectively the "Filings") contain or may contain forward looking statements and information that are based upon beliefs of, and information currently available to, Registrant's management as well as estimates and assumptions made by Registrant's management. When used in the filings the words "anticipate", "believe", "estimate", "expect", "future", "intend", "plan" or the negative of these terms and similar expressions as they relate to Registrant or Registrant's management identify forward looking statements. Such statements reflect the current view of Registrant with respect to future events and are subject to risks, uncertainties, assumptions and other factors relating to Registrant's industry, Registrant's operations and results of operations and any businesses that may be acquired by Registrant. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned.

Although Registrant believes that the expectations reflected in the forward-looking statements are reasonable, Registrant cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, Registrant does not intend to update any of the forward-looking statements to conform these statements to actual results.

In this Current Report on Form 8-K, "Company," "our company," "us," and "our" refer to American Resources Corporation, unless the context requires otherwise.

Section 1 – Registrant’s Business and Operations

Item 1.01 Entry into a Material Definitive Agreement.

On October 4, 2017, we entered into a financing transaction with Golden Properties Ltd., a British Columbia company based in Vancouver, Canada (“Golden Properties”). Specifically, we entered into a Consolidated and Restated Loan and Security Agreement (the “Loan Agreement”); a promissory note in the amount of \$600,000; a promissory note in the amount of \$1,674,632.14 (collectively, the “Notes”); a Common Stock Purchase Warrant “B-4” for the purchase of 3,417,006 shares of common stock at \$0.01 per share, as adjusted from time to time (expiration October 2, 2020); a Common Stock Purchase Warrant “C-1” for the purchase of 400,000 shares of common stock at \$3.55 per share, as adjusted from time to time (expiration October 2, 2019); a Common Stock Purchase Warrant “C-2” for the purchase of 400,000 shares of common stock at \$7.09 per share, as adjusted from time to time (expiration October 2, 2019); a Common Stock Purchase Warrant “C-3” for the purchase of 400,000 shares of common stock at \$8.58 per share, as adjusted from time to time (expiration October 2, 2020); and a Common Stock Purchase Warrant “C-4” for the purchase of 400,000 shares of common stock at \$11.44 per share, as adjusted from time to time (expiration October 2, 2020) (collectively the “Warrants”).

The Loan Agreement also provides for additional funding obligations by Golden Properties in a series of loans in the principal amount of up to \$1,200,000.00 (the “Additional Loans”). The Additional Loans will be funded through advances pursuant to the following schedule:

- a. Week 1 Following the date of the Loan Agreement: \$300,000; plus
- b. Week 2 Following the date of the Loan Agreement: \$300,000; plus
- c. Week 3 Following the date of the Loan Agreement: \$300,000; plus
- d. Week 4 Following the date of the Loan Agreement: \$300,000.

Copies of the above referenced financing documents are included herewith as exhibits to this Form 8-K.

Section 2 – Financial Information

Item 2.03 Creation of a Direct Financial Obligation

On October 4, 2017, we entered into a financing transaction with Golden Properties which included our execution of the Loan Agreement and the Notes in the respective amounts of \$600,000.00 and \$1,674,632.14 (the “Loan”). The Notes were issued under the Loan Agreement, which provides a maturity date on the earlier of February 2, 2018 or upon the closing of a subsequent financing transaction of sufficient size to allow the Company to pay the outstanding balances of the Notes, together with all accrued but unpaid interest. The Company has granted a security interest to Golden Properties and pledged all of the assets of Quest Energy, Inc. and its subsidiaries as collateral for repayment of the Loan.

The Loan Agreement identifies various events of default that could result in acceleration of the repayment of the Loan, including failure to perform under the terms of the Loan Agreement (including timely repayment of the Loan); any material inaccurate representation, warranty or statement made by the Company in connection with the financing transaction; the cessation or threat by the Company to cease to carry on its business or to commit an act of bankruptcy; insolvency of the Company, intention to file a proposal or assignment for the benefit of creditors or bankruptcy, liquidation, dissolution, winding up or reorganization of the Company; and, borrowing of any money from any other lender without the written permission of Golden Properties.

In addition to our execution of the Loan Agreement and the Notes, we issued various Common Stock Purchase Warrants to Golden Properties as part of this financing transaction. Specifically, we issued a Common Stock Purchase Warrant "B-4" for the purchase of 3,417,006 shares of common stock at \$0.01 per share, as adjusted from time to time (expiration October 2, 2020); a Common Stock Purchase Warrant "C-1" for the purchase of 400,000 shares of common stock at \$3.55 per share, as adjusted from time to time (expiration October 2, 2019); a Common Stock Purchase Warrant "C-2" for the purchase of 400,000 shares of common stock at \$7.09 per share, as adjusted from time to time (expiration October 2, 2019); a Common Stock Purchase Warrant "C-3" for the purchase of 400,000 shares of common stock at \$8.58 per share, as adjusted from time to time (expiration October 2, 2020); and a Common Stock Purchase Warrant "C-4" for the purchase of 400,000 shares of common stock at \$11.44 per share, as adjusted from time to time (expiration October 2, 2020). None of the Warrants have been exercised as of the date of this report.

Section 9 – Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

[4.1 Common Stock Purchase Warrant "B-4" dated October 4, 2017](#)

[4.2 Common Stock Purchase Warrant "C-1" dated October 4, 2017](#)

[4.3 Common Stock Purchase Warrant "C-2" dated October 4, 2017](#)

[4.4 Common Stock Purchase Warrant "C-3" dated October 4, 2017](#)

[4.5 Common Stock Purchase Warrant "C-4" dated October 4, 2017](#)

[4.6 Promissory Note for \\$600,000.00 dated October 4, 2017](#)

[4.7 Promissory Note for \\$1,674,632.14 dated October 4, 2017](#)

[10.1 Consolidated and Restated Loan and Security Agreement dated October 4, 2017](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICAN RESOURCES CORPORATION

Date: October 10, 2017

By: /s/ Mark C. Jensen

Name: Mark C. Jensen

Title: CEO/Chairman of the Board

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR ANY STATE SECURITIES LAWS AND NEITHER SUCH SHARES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE 1933 ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT.

IN ADDITION, A LOAN AND SECURITY AGREEMENT DATED AS OF OCTOBER 4, 2017 (THE "LOAN AGREEMENT") CONTAINS CERTAIN ADDITIONAL TERMS AND AGREEMENTS BETWEEN THE PARTIES WITH RESPECT TO THIS WARRANT.

COMMON STOCK PURCHASE WARRANT "B-4"

Name of Holder:	Golden Properties Ltd.
Number of Shares:	3,417,006
Original Issue Date:	October 4, 2017
Expiration Date:	October 4, 2020
Exercise Price per Share:	\$0.01

American Resources Corporation, a company organized and existing under the laws of the State of Florida (the "**Company**"), hereby certifies that, for value received, **Golden Properties Ltd.**, or its registered assigns (the "**Warrant Holder**"), is entitled, subject to the terms set forth below, to purchase from the Company up to Three Million Four Hundred Seventeen Thousand Six (3,417,006) shares (as adjusted from time to time as provided in Section 7, the "**Warrant Shares**") of common stock, \$.001 par value, of the Company (the "**Common Stock**") at a price of One Cent (\$0.01) per Warrant Share (as adjusted from time to time as provided in Section 7, the "**Exercise Price**"), at any time and from time to time from and after the date thereof and through and including 5:00 p.m. Indianapolis, Indiana time on October 02, 2020 (the "Expiration Date"), and subject to the following terms and conditions:

1. **Registration of Warrant.** The Company shall register this Warrant upon records to be maintained by the Company for that purpose (the "**Warrant Register**"), in the name of the record Warrant Holder hereof from time to time. The Company may deem and treat the registered Warrant Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Warrant Holder, and for all other purposes, and the Company shall not be affected by notice to the contrary.

2. Investment Representation. The Warrant Holder by accepting this Warrant represents that the Warrant Holder is acquiring this Warrant for its own account or the account of an affiliate for investment purposes and not with the view to any offering or distribution and that the Warrant Holder will not sell or otherwise dispose of this Warrant or the underlying Warrant Shares in violation of applicable securities laws. The Warrant Holder acknowledges that the certificates representing any Warrant Shares will bear a legend indicating that they have not been registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") and may not be sold by the Warrant Holder except pursuant to an effective registration statement or pursuant to an exemption from registration requirements of the 1933 Act and in accordance with federal and state securities laws. If this Warrant was acquired by the Warrant Holder pursuant to the exemption from the registration requirements of the 1933 Act afforded by Regulation S thereunder, the Warrant Holder acknowledges and covenants that this Warrant may not be exercised by or on behalf of a Person during the one year distribution compliance period (as defined in Regulation S) following the date hereof. "**Person**" means an individual, partnership, firm, limited liability company, trust, joint venture, association, corporation, or any other legal entity.

3. Validity of Warrant and Issue of Shares. The Company represents and warrants that this Warrant has been duly authorized and validly issued and warrants and agrees that all of Common Stock that may be issued upon the exercise of the rights represented by this Warrant will, when issued upon such exercise, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issue thereof. The Company further warrants and agrees that during the period within which the rights represented by this Warrant may be exercised, the Company will at all times have authorized and reserved a sufficient number of Common Stock to provide for the exercise of the rights represented by this Warrant.

4. Registration of Transfers and Exchange of Warrants.

a. Subject to compliance with the legend set forth on the face of this Warrant, the Company shall register the transfer of any portion of this Warrant in the Warrant Register, upon surrender of this Warrant with the Form of Assignment attached hereto duly completed and signed, to the Company at the office specified in or pursuant to Section 13. Upon any such registration or transfer, a new warrant to purchase Common Stock, in substantially the form of this Warrant (any such new warrant, a "**New Warrant**"), evidencing the portion of this Warrant so transferred shall be issued to the transferee and a New Warrant evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the transferring Warrant Holder. The acceptance of the New Warrant by the transferee thereof shall be deemed the acceptance of such transferee of all of the rights and obligations of a Warrant Holder of a Warrant.

b. This Warrant is exchangeable, upon the surrender hereof by the Warrant Holder to the office of the Company specified in or pursuant to Section 13 for one or more New Warrants, evidencing in the aggregate the right to purchase the number of Warrant Shares which may then be purchased hereunder. Any such New Warrant will be dated the date of such exchange.

5. Exercise of Warrants.

a. Upon surrender of this Warrant with the Form of Election to Purchase attached hereto duly completed and signed to the Company, at its address set forth in Section 13, and upon payment and delivery of the Exercise Price per Warrant Share multiplied by the number of Warrant Shares that the Warrant Holder intends to purchase hereunder, in lawful money of the United States of America, in cash or by certified or official bank check or checks, to the Company, all as specified by the Warrant Holder in the Form of Election to Purchase, the Company shall promptly (but in no event later than 7 business days after the Date of Exercise (as defined herein)) issue or cause to be issued and cause to be delivered to or upon the written order of the Warrant Holder and in such name or names as the Warrant Holder may designate (subject to the restrictions on transfer described in the legend set forth on the face of this Warrant), a certificate for the Warrant Shares issuable upon such exercise, with such restrictive legend as required by the 1933 Act. Any person so designated by the Warrant Holder to receive Warrant Shares shall be deemed to have become holder of record of such Warrant Shares as of the Date of Exercise of this Warrant.

b. A "Date of Exercise" means the date on which the Company shall have received (i) this Warrant (or any New Warrant, as applicable), with the Form of Election to Purchase attached hereto (or attached to such New Warrant) appropriately completed and duly signed, and (ii) payment of the Exercise Price for the number of Warrant Shares so indicated by the Warrant Holder to be purchased.

c. This Warrant shall be exercisable at any time and from time to time for such number of Warrant Shares as is indicated in the attached Form of Election to Purchase. If less than all of the Warrant Shares which may be purchased under this Warrant are exercised at any time, the Company shall issue or cause to be issued, at its expense, a New Warrant evidencing the right to purchase the remaining number of Warrant Shares for which no exercise has been evidenced by this Warrant.

d. Notwithstanding anything contained herein to the contrary the Warrant Holder may, at its election exercised in its sole discretion, exercise this Warrant in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Aggregate Exercise Price, elect instead to receive upon such exercise the "Net Number" of shares of Common Stock determined according to the following formula (a "Cashless Exercise"):

$$\text{Net Number} = (A \times (B - C)) / B$$

For purposes of the foregoing formula:

A= the total number shares with respect to which this Warrant is then being exercised.

B= the last reported sale price (as reported by Bloomberg) of the Common Stock on the trading day immediately preceding the date of the Exercise Notice.

C= the Warrant Exercise Price then in effect at the time of such exercise.

6. **Maximum Exercise.** The Warrant Holder shall not be entitled to exercise this Warrant on a Date of Exercise in connection with that number of shares of Common Stock which would be in excess of the sum of (i) the number of shares of Common Stock beneficially owned by the Warrant Holder and its affiliates on an exercise date, and (ii) the number of shares of Common Stock issuable upon the exercise of this Warrant with respect to which the determination of this limitation is being made on an exercise date, which would result in beneficial ownership by the Warrant Holder and its affiliates of more than 9.99% of the outstanding shares of Common Stock on such date, unless otherwise mutually agreed to in writing between the Company and the Warrant Holder.

7. **Adjustment of Exercise Price and Number of Shares.** The character of the shares of stock or other securities at the time issuable upon exercise of this Warrant and the Exercise Price therefore, are subject to adjustment upon the occurrence of the following events, and all such adjustments shall be cumulative:

a. **Adjustment for Stock Splits, Stock Dividends, Recapitalizations, Etc.** The Exercise Price of this Warrant and the number of shares of Common Stock or other securities at the time issuable upon exercise of this Warrant shall be appropriately adjusted to reflect any stock dividend, stock split, combination of shares, reclassification, recapitalization or other similar event affecting the number of outstanding shares of stock or securities.

b. **Adjustment for Reorganization, Consolidation, Merger, Etc.** In case of any consolidation or merger of the Company with or into any other corporation, entity or person, or any other corporate reorganization, in which the Company shall not be the continuing or surviving entity of such consolidation, merger or reorganization (any such transaction being hereinafter referred to as a "**Reorganization**"), then, in each case, the holder of this Warrant, on exercise hereof at any time after the consummation or effective date of such Reorganization (the "**Effective Date**"), shall receive, in lieu of the shares of stock or other securities at any time issuable upon the exercise of the Warrant issuable on such exercise prior to the Effective Date, the stock and other securities and property (including cash) to which such holder would have been entitled upon the Effective Date if such holder had exercised this Warrant immediately prior thereto (all subject to further adjustment as provided in this Warrant).

c. **Certificate as to Adjustments.** In case of any adjustment or readjustment in the price or kind of securities issuable on the exercise of this Warrant, the Company will promptly give written notice thereof to the holder of this Warrant in the form of a certificate, certified and confirmed by the Board of Directors of the Company, setting forth such adjustment or readjustment and showing in reasonable detail the facts upon which such adjustment or readjustment is based.

d. **Adjustment for Loan Prepayment.** In the event that the Company repays the Loan (as described in the Loan Agreement), plus any accrued interest, on or before the Determination Date (as defined in the Loan Agreement), the number of Warrant Shares under this Warrant shall be immediately reduced to up to a maximum of Two Million Eight Hundred Ten Thousand Five Hundred Seventeen (2,810,517) common shares, as adjusted from time to time as provided in other provisions of this Section 7.

8. **Fractional Shares.** The Company shall not be required to issue or cause to be issued fractional Warrant Shares on the exercise of this Warrant. The number of full Warrant Shares that shall be issuable upon the exercise of this Warrant shall be computed on the basis of the aggregate number of Warrants Shares purchasable on exercise of this Warrant so presented. If any fraction of a Warrant Share would, except for the provisions of this Section 8, be issuable on the exercise of this Warrant, the Company shall, at its option, (i) pay an amount in cash equal to the Exercise Price multiplied by such fraction or (ii) round the number of Warrant Shares issuable, up to the next whole number.

9. **Sale or Merger of the Company.** Upon a Change in Control, the restriction contained in Section 6 shall immediately be released and the Warrant Holder will have the right to exercise this Warrant concurrently with such Change in Control event. For purposes of this Warrant, the term "Change in Control" shall mean a consolidation or merger of the Company with or into another company or entity in which the Company is not the surviving entity or the sale of all or substantially all of the assets of the Company to another company or entity not controlled by the then existing stockholders of the Company in a transaction or series of transactions.

10. **Notice of Intent to Sell or Merge the Company.** The Company will give Warrant Holder Five (5) business days notice before the event of a sale of all or substantially all of the assets of the Company or the merger or consolidation of the Company in a transaction in which the Company is not the surviving entity.

11. **Issuance of Substitute Warrant.** In the event of a merger, consolidation, recapitalization or reorganization of the Company or a reclassification of Company shares of stock, which results in an adjustment to the number of shares subject to this Warrant and/or the Exercise Price hereunder, the Company agrees to issue to the Warrant Holder a substitute Warrant reflecting the adjusted number of shares and/or Exercise Price upon the surrender of this Warrant to the Company.

12. **Notice.** All notices and other communications hereunder shall be in writing and shall be deemed to have been given (i) on the date they are delivered if delivered in person; (ii) on the date initially received if delivered by facsimile transmission followed by registered or certified mail confirmation; (iii) on the date delivered by an overnight courier service; or (iv) on the third business day after it is mailed by registered or certified mail, return receipt requested with postage and other fees prepaid as follows:

If to the Company:

American Resources Corporation
PO Box: 606
Fishers, IN 46038
Attention: Kirk Taylor

If to the Warrant Holder:

Golden Properties Ltd.
1177 West Hastings Street, Suite 500
Vancouver, British Columbia V6E 2K3
Canada
Attention: Simon Royle

13. Miscellaneous.

a. This Warrant shall be binding on and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Warrant may be amended only by a writing signed by the Company and the Warrant Holder.

b. Nothing in this Warrant shall be construed to give to any person or corporation other than the Company and the Warrant Holder any legal or equitable right, remedy or cause of action under this Warrant; this Warrant shall be for the sole and exclusive benefit of the Company and the Warrant Holder.

c. This Warrant shall be governed by, construed and enforced in accordance with the internal laws of the State of Indiana without regard to the principles of conflicts of law thereof.

d. The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

e. In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefore, and upon so agreeing, shall incorporate such substitute provision in this Warrant.

f. The Warrant Holder shall not, by virtue hereof, be entitled to any voting or other rights of a shareholder of the Company, either at law or equity, and the rights of the Warrant Holder are limited to those expressed in this Warrant.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by the authorized officer as of the date first above stated.

American Resources Corporation

By: _____
Name: Thomas M. Sauve
Its: President

FORM OF ELECTION TO PURCHASE

(To be executed by the Warrant Holder to exercise the right to purchase shares of Common Stock under the foregoing Warrant)

To: American Resources Corporation:

In accordance with the Warrant enclosed with this Form of Election to Purchase, the undersigned hereby irrevocably elects to purchase _____ shares of Common Stock ("Common Stock"), \$.0001 par value, of American Resources Corporation and encloses the warrant and \$0.01 for each Warrant Share being purchased or an aggregate of \$_____ in cash or certified or official bank check or checks, which sum represents the aggregate Exercise Price (as defined in the Warrant) together with any applicable taxes payable by the undersigned pursuant to the Warrant.

The undersigned requests that certificates for the shares of Common Stock issuable upon this exercise be issued in the name of:

(Please print name and address)

(Please insert Social Security or Tax Identification Number)

If the number of shares of Common Stock issuable upon this exercise shall not be all of the shares of Common Stock which the undersigned is entitled to purchase in accordance with the enclosed Warrant, the undersigned requests that a New Warrant (as defined in the Warrant) evidencing the right to purchase the shares of Common Stock not issuable pursuant to the exercise evidenced hereby be issued in the name of and delivered to:

(Please print name and address)

Dated: _____

Name of Warrant Holder:

(Print) _____

(By:) _____

(Name:) _____

(Title:) _____

Signature must conform in all respects to name of Warrant Holder as specified on the face of the Warrant

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR ANY STATE SECURITIES LAWS AND NEITHER SUCH SHARES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE 1933 ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT.

IN ADDITION, A LOAN AND SECURITY AGREEMENT DATED AS OF OCTOBER 4, 2017 (THE "LOAN AGREEMENT") CONTAINS CERTAIN ADDITIONAL TERMS AND AGREEMENTS BETWEEN THE PARTIES WITH RESPECT TO THIS WARRANT.

COMMON STOCK PURCHASE WARRANT "C-1"

Name of Holder:	Golden Properties Ltd.
Number of Shares:	400,000
Original Issue Date:	October 4, 2017
Expiration Date:	October 4, 2019
Exercise Price per Share:	\$3.55

American Resources Corporation, a company organized and existing under the laws of the State of Florida (the "**Company**"), hereby certifies that, for value received, **Golden Properties Ltd.**, or its registered assigns (the "**Warrant Holder**"), is entitled, subject to the terms set forth below, to purchase from the Company up to Four Hundred Thousand (400,000) shares (as adjusted from time to time as provided in Section 7, the "**Warrant Shares**") of common stock, \$.001 par value, of the Company (the "**Common Stock**") at a price of Three Dollars and Fifty-Five Cents (\$3.55) per Warrant Share (as adjusted from time to time as provided in Section 7, the "**Exercise Price**"), at any time and from time to time from and after the date thereof and through and including 5:00 p.m. Indianapolis, Indiana time on October 02, 2019 (the "Expiration Date"), and subject to the following terms and conditions:

1. **Registration of Warrant.** The Company shall register this Warrant upon records to be maintained by the Company for that purpose (the "**Warrant Register**"), in the name of the record Warrant Holder hereof from time to time. The Company may deem and treat the registered Warrant Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Warrant Holder, and for all other purposes, and the Company shall not be affected by notice to the contrary.

WARRANT AGREEMENT BETWEEN COMPANY AND HOLDER

2. **Investment Representation.** The Warrant Holder by accepting this Warrant represents that the Warrant Holder is acquiring this Warrant for its own account or the account of an affiliate for investment purposes and not with the view to any offering or distribution and that the Warrant Holder will not sell or otherwise dispose of this Warrant or the underlying Warrant Shares in violation of applicable securities laws. The Warrant Holder acknowledges that the certificates representing any Warrant Shares will bear a legend indicating that they have not been registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") and may not be sold by the Warrant Holder except pursuant to an effective registration statement or pursuant to an exemption from registration requirements of the 1933 Act and in accordance with federal and state securities laws. If this Warrant was acquired by the Warrant Holder pursuant to the exemption from the registration requirements of the 1933 Act afforded by Regulation S thereunder, the Warrant Holder acknowledges and covenants that this Warrant may not be exercised by or on behalf of a Person during the one year distribution compliance period (as defined in Regulation S) following the date hereof. "**Person**" means an individual, partnership, firm, limited liability company, trust, joint venture, association, corporation, or any other legal entity.

3. **Validity of Warrant and Issue of Shares.** The Company represents and warrants that this Warrant has been duly authorized and validly issued and warrants and agrees that all of Common Stock that may be issued upon the exercise of the rights represented by this Warrant will, when issued upon such exercise, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issue thereof. The Company further warrants and agrees that during the period within which the rights represented by this Warrant may be exercised, the Company will at all times have authorized and reserved a sufficient number of Common Stock to provide for the exercise of the rights represented by this Warrant.

4. **Registration of Transfers and Exchange of Warrants.**

a. Subject to compliance with the legend set forth on the face of this Warrant, the Company shall register the transfer of any portion of this Warrant in the Warrant Register, upon surrender of this Warrant with the Form of Assignment attached hereto duly completed and signed, to the Company at the office specified in or pursuant to Section 13. Upon any such registration or transfer, a new warrant to purchase Common Stock, in substantially the form of this Warrant (any such new warrant, a "**New Warrant**"), evidencing the portion of this Warrant so transferred shall be issued to the transferee and a New Warrant evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the transferring Warrant Holder. The acceptance of the New Warrant by the transferee thereof shall be deemed the acceptance of such transferee of all of the rights and obligations of a Warrant Holder of a Warrant.

b. This Warrant is exchangeable, upon the surrender hereof by the Warrant Holder to the office of the Company specified in or pursuant to Section 13 for one or more New Warrants, evidencing in the aggregate the right to purchase the number of Warrant Shares which may then be purchased hereunder. Any such New Warrant will be dated the date of such exchange.

5. Exercise of Warrants.

a. Upon surrender of this Warrant with the Form of Election to Purchase attached hereto duly completed and signed to the Company, at its address set forth in Section 13, and upon payment and delivery of the Exercise Price per Warrant Share multiplied by the number of Warrant Shares that the Warrant Holder intends to purchase hereunder, in lawful money of the United States of America, in cash or by certified or official bank check or checks, to the Company, all as specified by the Warrant Holder in the Form of Election to Purchase, the Company shall promptly (but in no event later than 7 business days after the Date of Exercise (as defined herein)) issue or cause to be issued and cause to be delivered to or upon the written order of the Warrant Holder and in such name or names as the Warrant Holder may designate (subject to the restrictions on transfer described in the legend set forth on the face of this Warrant), a certificate for the Warrant Shares issuable upon such exercise, with such restrictive legend as required by the 1933 Act. Any person so designated by the Warrant Holder to receive Warrant Shares shall be deemed to have become holder of record of such Warrant Shares as of the Date of Exercise of this Warrant.

b. A "Date of Exercise" means the date on which the Company shall have received (i) this Warrant (or any New Warrant, as applicable), with the Form of Election to Purchase attached hereto (or attached to such New Warrant) appropriately completed and duly signed, and (ii) payment of the Exercise Price for the number of Warrant Shares so indicated by the Warrant Holder to be purchased.

c. This Warrant shall be exercisable at any time and from time to time for such number of Warrant Shares as is indicated in the attached Form of Election to Purchase. If less than all of the Warrant Shares which may be purchased under this Warrant are exercised at any time, the Company shall issue or cause to be issued, at its expense, a New Warrant evidencing the right to purchase the remaining number of Warrant Shares for which no exercise has been evidenced by this Warrant.

d. This Warrant may be called by the Company pursuant to the provisions in this Section 5(d), through the satisfaction of the following:

i. The Warrant Shares are freely-tradable under an existing registration statement; and

ii. The weighted-average common stock price of the Company for the immediately prior fifteen (15) trading days is greater than or equal to One Hundred Fifty percent (150%) of the Exercise Price.

Upon satisfaction of the two conditions above, the Company may force exercise of all the Warrant Shares by giving the Warrant Holder notice of its intent to force such exercise. Within five (5) business days after giving notice, the Warrant Holder shall provide consideration to the Company for the exercise of the Warrant Shares pursuant to the terms of this Warrant. Should the Warrant Holder fail to provide consideration to the Company, within five (5) business days, this Warrant shall be immediately null, void, and deemed cancelled.

WARRANT AGREEMENT BETWEEN COMPANY AND HOLDER

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6. **Maximum Exercise.** The Warrant Holder shall not be entitled to exercise this Warrant on a Date of Exercise in connection with that number of shares of Common Stock which would be in excess of the sum of (i) the number of shares of Common Stock beneficially owned by the Warrant Holder and its affiliates on an exercise date, and (ii) the number of shares of Common Stock issuable upon the exercise of this Warrant with respect to which the determination of this limitation is being made on an exercise date, which would result in beneficial ownership by the Warrant Holder and its affiliates of more than 9.99% of the outstanding shares of Common Stock on such date, unless otherwise mutually agreed to in writing between the Company and the Warrant Holder.

7. **Adjustment of Exercise Price and Number of Shares.** The character of the shares of stock or other securities at the time issuable upon exercise of this Warrant and the Exercise Price therefore, are subject to adjustment upon the occurrence of the following events, and all such adjustments shall be cumulative:

a. **Adjustment for Stock Splits, Stock Dividends, Recapitalizations, Etc.** The Exercise Price of this Warrant and the number of shares of Common Stock or other securities at the time issuable upon exercise of this Warrant shall be appropriately adjusted to reflect any stock dividend, stock split, combination of shares, reclassification, recapitalization or other similar event affecting the number of outstanding shares of stock or securities.

b. **Adjustment for Reorganization, Consolidation, Merger, Etc.** In case of any consolidation or merger of the Company with or into any other corporation, entity or person, or any other corporate reorganization, in which the Company shall not be the continuing or surviving entity of such consolidation, merger or reorganization (any such transaction being hereinafter referred to as a "**Reorganization**"), then, in each case, the holder of this Warrant, on exercise hereof at any time after the consummation or effective date of such Reorganization (the "**Effective Date**"), shall receive, in lieu of the shares of stock or other securities at any time issuable upon the exercise of the Warrant issuable on such exercise prior to the Effective Date, the stock and other securities and property (including cash) to which such holder would have been entitled upon the Effective Date if such holder had exercised this Warrant immediately prior thereto (all subject to further adjustment as provided in this Warrant).

c. **Certificate as to Adjustments.** In case of any adjustment or readjustment in the price or kind of securities issuable on the exercise of this Warrant, the Company will promptly give written notice thereof to the holder of this Warrant in the form of a certificate, certified and confirmed by the Board of Directors of the Company, setting forth such adjustment or readjustment and showing in reasonable detail the facts upon which such adjustment or readjustment is based.

8. **Fractional Shares.** The Company shall not be required to issue or cause to be issued fractional Warrant Shares on the exercise of this Warrant. The number of full Warrant Shares that shall be issuable upon the exercise of this Warrant shall be computed on the basis of the aggregate number of Warrants Shares purchasable on exercise of this Warrant so presented. If any fraction of a Warrant Share would, except for the provisions of this Section 8, be issuable on the exercise of this Warrant, the Company shall, at its option, (i) pay an amount in cash equal to the Exercise Price multiplied by such fraction or (ii) round the number of Warrant Shares issuable, up to the next whole number.



9. **Sale or Merger of the Company.** Upon a Change in Control, the restriction contained in Section 6 shall immediately be released and the Warrant Holder will have the right to exercise this Warrant concurrently with such Change in Control event. For purposes of this Warrant, the term "Change in Control" shall mean a consolidation or merger of the Company with or into another company or entity in which the Company is not the surviving entity or the sale of all or substantially all of the assets of the Company to another company or entity not controlled by the then existing stockholders of the Company in a transaction or series of transactions.

10. **Notice of Intent to Sell or Merge the Company.** The Company will give Warrant Holder Five (5) business days notice before the event of a sale of all or substantially all of the assets of the Company or the merger or consolidation of the Company in a transaction in which the Company is not the surviving entity.

11. **Issuance of Substitute Warrant.** In the event of a merger, consolidation, recapitalization or reorganization of the Company or a reclassification of Company shares of stock, which results in an adjustment to the number of shares subject to this Warrant and/or the Exercise Price hereunder, the Company agrees to issue to the Warrant Holder a substitute Warrant reflecting the adjusted number of shares and/or Exercise Price upon the surrender of this Warrant to the Company.

12. **Notice.** All notices and other communications hereunder shall be in writing and shall be deemed to have been given (i) on the date they are delivered if delivered in person; (ii) on the date initially received if delivered by facsimile transmission followed by registered or certified mail confirmation; (iii) on the date delivered by an overnight courier service; or (iv) on the third business day after it is mailed by registered or certified mail, return receipt requested with postage and other fees prepaid as follows:

If to the Company:

American Resources Corporation
PO Box: 606
Fishers, IN 46038
Attention: Kirk Taylor
Email: kpt@questenergycorp.com

If to the Warrant Holder:

Golden Properties Ltd.
1177 West Hastings Street, Suite 500
Vancouver, British Columbia V6E 2K3
Canada
Attention: Simon Royle
Email: sroyle@goldenproperties.ca and alau@goldenproperties.ca

13. Miscellaneous.

a. This Warrant shall be binding on and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Warrant may be amended only by a writing signed by the Company and the Warrant Holder.

b. Nothing in this Warrant shall be construed to give to any person or corporation other than the Company and the Warrant Holder any legal or equitable right, remedy or cause of action under this Warrant; this Warrant shall be for the sole and exclusive benefit of the Company and the Warrant Holder.

c. This Warrant shall be governed by, construed and enforced in accordance with the internal laws of the State of Indiana without regard to the principles of conflicts of law thereof.

d. The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

e. In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefore, and upon so agreeing, shall incorporate such substitute provision in this Warrant.

f. The Warrant Holder shall not, by virtue hereof, be entitled to any voting or other rights of a shareholder of the Company, either at law or equity, and the rights of the Warrant Holder are limited to those expressed in this Warrant.

[SIGNATURES ON FOLLOWING PAGE]

WARRANT AGREEMENT BETWEEN COMPANY AND HOLDER

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IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by the authorized officer as of the date first above stated.

American Resources Corporation

By: _____
Name: Thomas M. Sauve
Its: President

**WARRANT AGREEMENT BETWEEN COMPANY AND HOLDER
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FORM OF ELECTION TO PURCHASE

(To be executed by the Warrant Holder to exercise the right to purchase shares of Common Stock under the foregoing Warrant)

To: **American Resources Corporation:**

In accordance with the Warrant enclosed with this Form of Election to Purchase, the undersigned hereby irrevocably elects to purchase _____ shares of Common Stock ("Common Stock"), \$.0001 par value, of American Resources Corporation and encloses the warrant and \$0.01 for each Warrant Share being purchased or an aggregate of \$_____ in cash or certified or official bank check or checks, which sum represents the aggregate Exercise Price (as defined in the Warrant) together with any applicable taxes payable by the undersigned pursuant to the Warrant.

The undersigned requests that certificates for the shares of Common Stock issuable upon this exercise be issued in the name of:

(Please print name and address)

(Please insert Social Security or Tax Identification Number)

If the number of shares of Common Stock issuable upon this exercise shall not be all of the shares of Common Stock which the undersigned is

entitled to purchase in accordance with the enclosed Warrant, the undersigned requests that a New Warrant (as defined in the Warrant) evidencing the right to purchase the shares of Common Stock not issuable pursuant to the exercise evidenced hereby be issued in the name of and delivered to:

(Please print name and address)

Dated: _____

Name of Warrant Holder:

(Print) _____

(By:) _____

(Name:) _____

(Title:) _____

Signature must conform in all respects to name of Warrant Holder as specified on the face of the Warrant

WARRANT AGREEMENT BETWEEN COMPANY AND HOLDER

PAGE 8 OF 8

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR ANY STATE SECURITIES LAWS AND NEITHER SUCH SHARES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE 1933 ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT.

IN ADDITION, A LOAN AND SECURITY AGREEMENT DATED AS OF OCTOBER 4, 2017 (THE "LOAN AGREEMENT") CONTAINS CERTAIN ADDITIONAL TERMS AND AGREEMENTS BETWEEN THE PARTIES WITH RESPECT TO THIS WARRANT.

COMMON STOCK PURCHASE WARRANT "C-2"

Name of Holder:	Golden Properties Ltd.
Number of Shares:	400,000
Original Issue Date:	October 4, 2017
Expiration Date:	October 4, 2019
Exercise Price per Share:	\$7.09

American Resources Corporation, a company organized and existing under the laws of the State of Florida (the "**Company**"), hereby certifies that, for value received, **Golden Properties Ltd.**, or its registered assigns (the "**Warrant Holder**"), is entitled, subject to the terms set forth below, to purchase from the Company up to Four Hundred Thousand (400,000) shares (as adjusted from time to time as provided in Section 7, the "**Warrant Shares**") of common stock, \$.001 par value, of the Company (the "**Common Stock**") at a price of Seven Dollars and Nine Cents (\$7.09) per Warrant Share (as adjusted from time to time as provided in Section 7, the "**Exercise Price**"), at any time and from time to time from and after the date thereof and through and including 5:00 p.m. Indianapolis, Indiana time on October 02, 2019 (the "Expiration Date"), and subject to the following terms and conditions:

1. **Registration of Warrant.** The Company shall register this Warrant upon records to be maintained by the Company for that purpose (the "**Warrant Register**"), in the name of the record Warrant Holder hereof from time to time. The Company may deem and treat the registered Warrant Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Warrant Holder, and for all other purposes, and the Company shall not be affected by notice to the contrary.

WARRANT AGREEMENT BETWEEN COMPANY AND HOLDER

2. Investment Representation. The Warrant Holder by accepting this Warrant represents that the Warrant Holder is acquiring this Warrant for its own account or the account of an affiliate for investment purposes and not with the view to any offering or distribution and that the Warrant Holder will not sell or otherwise dispose of this Warrant or the underlying Warrant Shares in violation of applicable securities laws. The Warrant Holder acknowledges that the certificates representing any Warrant Shares will bear a legend indicating that they have not been registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") and may not be sold by the Warrant Holder except pursuant to an effective registration statement or pursuant to an exemption from registration requirements of the 1933 Act and in accordance with federal and state securities laws. If this Warrant was acquired by the Warrant Holder pursuant to the exemption from the registration requirements of the 1933 Act afforded by Regulation S thereunder, the Warrant Holder acknowledges and covenants that this Warrant may not be exercised by or on behalf of a Person during the one year distribution compliance period (as defined in Regulation S) following the date hereof. "**Person**" means an individual, partnership, firm, limited liability company, trust, joint venture, association, corporation, or any other legal entity.

3. Validity of Warrant and Issue of Shares. The Company represents and warrants that this Warrant has been duly authorized and validly issued and warrants and agrees that all of Common Stock that may be issued upon the exercise of the rights represented by this Warrant will, when issued upon such exercise, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issue thereof. The Company further warrants and agrees that during the period within which the rights represented by this Warrant may be exercised, the Company will at all times have authorized and reserved a sufficient number of Common Stock to provide for the exercise of the rights represented by this Warrant.

4. Registration of Transfers and Exchange of Warrants.

a. Subject to compliance with the legend set forth on the face of this Warrant, the Company shall register the transfer of any portion of this Warrant in the Warrant Register, upon surrender of this Warrant with the Form of Assignment attached hereto duly completed and signed, to the Company at the office specified in or pursuant to Section 13. Upon any such registration or transfer, a new warrant to purchase Common Stock, in substantially the form of this Warrant (any such new warrant, a "**New Warrant**"), evidencing the portion of this Warrant so transferred shall be issued to the transferee and a New Warrant evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the transferring Warrant Holder. The acceptance of the New Warrant by the transferee thereof shall be deemed the acceptance of such transferee of all of the rights and obligations of a Warrant Holder of a Warrant.

b. This Warrant is exchangeable, upon the surrender hereof by the Warrant Holder to the office of the Company specified in or pursuant to Section 13 for one or more New Warrants, evidencing in the aggregate the right to purchase the number of Warrant Shares which may then be purchased hereunder. Any such New Warrant will be dated the date of such exchange.

5. Exercise of Warrants.

a. Upon surrender of this Warrant with the Form of Election to Purchase attached hereto duly completed and signed to the Company, at its address set forth in Section 13, and upon payment and delivery of the Exercise Price per Warrant Share multiplied by the number of Warrant Shares that the Warrant Holder intends to purchase hereunder, in lawful money of the United States of America, in cash or by certified or official

bank check or checks, to the Company, all as specified by the Warrant Holder in the Form of Election to Purchase, the Company shall promptly (but in no event later than 7 business days after the Date of Exercise (as defined herein)) issue or cause to be issued and cause to be delivered to or upon the written order of the Warrant Holder and in such name or names as the Warrant Holder may designate (subject to the restrictions on transfer described in the legend set forth on the face of this Warrant), a certificate for the Warrant Shares issuable upon such exercise, with such restrictive legend as required by the 1933 Act. Any person so designated by the Warrant Holder to receive Warrant Shares shall be deemed to have become holder of record of such Warrant Shares as of the Date of Exercise of this Warrant.

WARRANT AGREEMENT BETWEEN COMPANY AND HOLDER
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b. A "Date of Exercise" means the date on which the Company shall have received (i) this Warrant (or any New Warrant, as applicable), with the Form of Election to Purchase attached hereto (or attached to such New Warrant) appropriately completed and duly signed, and (ii) payment of the Exercise Price for the number of Warrant Shares so indicated by the Warrant Holder to be purchased.

c. This Warrant shall be exercisable at any time and from time to time for such number of Warrant Shares as is indicated in the attached Form of Election to Purchase. If less than all of the Warrant Shares which may be purchased under this Warrant are exercised at any time, the Company shall issue or cause to be issued, at its expense, a New Warrant evidencing the right to purchase the remaining number of Warrant Shares for which no exercise has been evidenced by this Warrant.

d. This Warrant may be called by the Company pursuant to the provisions in this Section 5(d), through the satisfaction of the following:

- i. The Warrant Shares are freely-tradable under an existing registration statement; and
- ii. The weighted-average common stock price of the Company for the immediately prior fifteen (15) trading days is greater than or equal to One Hundred Fifty percent (150%) of the Exercise Price.

Upon satisfaction of the two conditions above, the Company may force exercise of all the Warrant Shares by giving the Warrant Holder notice of its intent to force such exercise. Within five (5) business days after giving notice, the Warrant Holder shall provide consideration to the Company for the exercise of the Warrant Shares pursuant to the terms of this Warrant. Should the Warrant Holder fail to provide consideration to the Company, within five (5) business days, this Warrant shall be immediately null, void, and deemed cancelled.

6. **Maximum Exercise.** The Warrant Holder shall not be entitled to exercise this Warrant on a Date of Exercise in connection with that number of shares of Common Stock which would be in excess of the sum of (i) the number of shares of Common Stock beneficially owned by the Warrant Holder and its affiliates on an exercise date, and (ii) the number of shares of Common Stock issuable upon the exercise of this Warrant with respect to which the determination of this limitation is being made on an exercise date, which would result in beneficial ownership by the Warrant Holder and its affiliates of more than 9.99% of the outstanding shares of Common Stock on such date, unless otherwise mutually agreed to in writing between the Company and the Warrant Holder.

7. **Adjustment of Exercise Price and Number of Shares.** The character of the shares of stock or other securities at the time issuable upon exercise of this Warrant and the Exercise Price therefore, are subject to adjustment upon the occurrence of the following events, and all such adjustments shall be cumulative:

a. **Adjustment for Stock Splits, Stock Dividends, Recapitalizations, Etc.** The Exercise Price of this Warrant and the number of shares of Common Stock or other securities at the time issuable upon exercise of this Warrant shall be appropriately adjusted to reflect any stock dividend, stock split, combination of shares, reclassification, recapitalization or other similar event affecting the number of outstanding shares of stock or securities.

b. **Adjustment for Reorganization, Consolidation, Merger, Etc.** In case of any consolidation or merger of the Company with or into any other corporation, entity or person, or any other corporate reorganization, in which the Company shall not be the continuing or surviving entity of such consolidation, merger or reorganization (any such transaction being hereinafter referred to as a "**Reorganization**"), then, in each case, the holder of this Warrant, on exercise hereof at any time after the consummation or effective date of such Reorganization (the "**Effective Date**"), shall receive, in lieu of the shares of stock or other securities at any time issuable upon the exercise of the Warrant issuable on such exercise prior to the Effective Date, the stock and other securities and property (including cash) to which such holder would have been entitled upon the Effective Date if such holder had exercised this Warrant immediately prior thereto (all subject to further adjustment as provided in this Warrant).

c. **Certificate as to Adjustments.** In case of any adjustment or readjustment in the price or kind of securities issuable on the exercise of this Warrant, the Company will promptly give written notice thereof to the holder of this Warrant in the form of a certificate, certified and confirmed by the Board of Directors of the Company, setting forth such adjustment or readjustment and showing in reasonable detail the facts upon which such adjustment or readjustment is based.

8. **Fractional Shares.** The Company shall not be required to issue or cause to be issued fractional Warrant Shares on the exercise of this Warrant. The number of full Warrant Shares that shall be issuable upon the exercise of this Warrant shall be computed on the basis of the aggregate number of Warrants Shares purchasable on exercise of this Warrant so presented. If any fraction of a Warrant Share would, except for the provisions of this Section 8, be issuable on the exercise of this Warrant, the Company shall, at its option, (i) pay an amount in cash equal to the Exercise Price multiplied by such fraction or (ii) round the number of Warrant Shares issuable, up to the next whole number.

9. **Sale or Merger of the Company.** Upon a Change in Control, the restriction contained in Section 6 shall immediately be released and the Warrant Holder will have the right to exercise this Warrant concurrently with such Change in Control event. For purposes of this Warrant, the term "Change in Control" shall mean a consolidation or merger of the Company with or into another company or entity in which the Company is not the surviving entity or the sale of all or substantially all of the assets of the Company to another company or entity not controlled by the then existing stockholders of the Company in a transaction or series of transactions.

WARRANT AGREEMENT BETWEEN COMPANY AND HOLDER

10. **Notice of Intent to Sell or Merge the Company.** The Company will give Warrant Holder Five (5) business days notice before the event of a sale of all or substantially all of the assets of the Company or the merger or consolidation of the Company in a transaction in which the Company is not the surviving entity.

11. **Issuance of Substitute Warrant.** In the event of a merger, consolidation, recapitalization or reorganization of the Company or a reclassification of Company shares of stock, which results in an adjustment to the number of shares subject to this Warrant and/or the Exercise Price hereunder, the Company agrees to issue to the Warrant Holder a substitute Warrant reflecting the adjusted number of shares and/or Exercise Price upon the surrender of this Warrant to the Company.

12. **Notice.** All notices and other communications hereunder shall be in writing and shall be deemed to have been given (i) on the date they are delivered if delivered in person; (ii) on the date initially received if delivered by facsimile transmission followed by registered or certified mail confirmation; (iii) on the date delivered by an overnight courier service; or (iv) on the third business day after it is mailed by registered or certified mail, return receipt requested with postage and other fees prepaid as follows:

If to the Company:

American Resources Corporation
PO Box: 606
Fishers, IN 46038
Attention: Kirk Taylor
Email: kpt@questenergycorp.com

If to the Warrant Holder:

Golden Properties Ltd.
1177 West Hastings Street, Suite 500
Vancouver, British Columbia V6E 2K3
Canada
Attention: Simon Royle
Email: sroyle@goldenproperties.ca and alau@goldenproperties.ca

13. Miscellaneous.

a. This Warrant shall be binding on and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Warrant may be amended only by a writing signed by the Company and the Warrant Holder.

b. Nothing in this Warrant shall be construed to give to any person or corporation other than the Company and the Warrant Holder any legal or equitable right, remedy or cause of action under this Warrant; this Warrant shall be for the sole and exclusive benefit of the Company and the Warrant Holder.

c. This Warrant shall be governed by, construed and enforced in accordance with the internal laws of the State of Indiana without regard to the principles of conflicts of law thereof.

d. The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

e. In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefore, and upon so agreeing, shall incorporate such substitute provision in this Warrant.

f. The Warrant Holder shall not, by virtue hereof, be entitled to any voting or other rights of a shareholder of the Company, either at law or equity, and the rights of the Warrant Holder are limited to those expressed in this Warrant.

WARRANT AGREEMENT BETWEEN COMPANY AND HOLDER
PAGE 6 OF 8

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by the authorized officer as of the date first above stated.

By: _____
Name: Thomas M. Sauve
Its: President

WARRANT AGREEMENT BETWEEN COMPANY AND HOLDER
PAGE 7 OF 8

FORM OF ELECTION TO PURCHASE

(To be executed by the Warrant Holder to exercise the right to purchase shares of Common Stock under the foregoing Warrant)

To: **American Resources Corporation:**

In accordance with the Warrant enclosed with this Form of Election to Purchase, the undersigned hereby irrevocably elects to purchase

_____ shares of Common Stock ("Common Stock"), \$.0001 par value, of American Resources Corporation and encloses the warrant and \$0.01 for each Warrant Share being purchased or an aggregate of \$_____ in cash or certified or official bank check or checks, which sum represents the aggregate Exercise Price (as defined in the Warrant) together with any applicable taxes payable by the undersigned pursuant to the Warrant.

The undersigned requests that certificates for the shares of Common Stock issuable upon this exercise be issued in the name of:

(Please print name and address)

(Please insert Social Security or Tax Identification Number)

If the number of shares of Common Stock issuable upon this exercise shall not be all of the shares of Common Stock which the undersigned is entitled to purchase in accordance with the enclosed Warrant, the undersigned requests that a New Warrant (as defined in the Warrant) evidencing the right to purchase the shares of Common Stock not issuable pursuant to the exercise evidenced hereby be issued in the name of and delivered to:

(Please print name and address)

Dated: _____

Name of Warrant Holder:

(Print) _____

(By:) _____

(Name:) _____

(Title:) _____

Signature must conform in all respects to name of Warrant Holder as specified on the face of the Warrant

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR ANY STATE SECURITIES LAWS AND NEITHER SUCH SHARES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE 1933 ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT.

IN ADDITION, A LOAN AND SECURITY AGREEMENT DATED AS OF OCTOBER 4, 2017 (THE "LOAN AGREEMENT") CONTAINS CERTAIN ADDITIONAL TERMS AND AGREEMENTS BETWEEN THE PARTIES WITH RESPECT TO THIS WARRANT.

COMMON STOCK PURCHASE WARRANT "C-3"

Name of Holder:	Golden Properties Ltd.
Number of Shares:	400,000
Original Issue Date:	October 4, 2017
Expiration Date:	October 4, 2020
Exercise Price per Share:	\$8.58

American Resources Corporation, a company organized and existing under the laws of the State of Florida (the "**Company**"), hereby certifies that, for value received, **Golden Properties Ltd.**, or its registered assigns (the "**Warrant Holder**"), is entitled, subject to the terms set forth below, to purchase from the Company up to Four Hundred Thousand (400,000) shares (as adjusted from time to time as provided in Section 7, the "**Warrant Shares**") of common stock, \$.001 par value, of the Company (the "**Common Stock**") at a price of Eight Dollars and Fifty-Eight Cents (\$8.58) per Warrant Share (as adjusted from time to time as provided in Section 7, the "**Exercise Price**"), at any time and from time to time from and after the date thereof and through and including 5:00 p.m. Indianapolis, Indiana time on October 02, 2020 (the "Expiration Date"), and subject to the following terms and conditions:

1. **Registration of Warrant.** The Company shall register this Warrant upon records to be maintained by the Company for that purpose (the "**Warrant Register**"), in the name of the record Warrant Holder hereof from time to time. The Company may deem and treat the registered Warrant Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Warrant Holder, and for all other purposes, and the Company shall not be affected by notice to the contrary.

WARRANT AGREEMENT BETWEEN COMPANY AND HOLDER

2. **Investment Representation.** The Warrant Holder by accepting this Warrant represents that the Warrant Holder is acquiring this Warrant for its own account or the account of an affiliate for investment purposes and not with the view to any offering or distribution and that the Warrant Holder will not sell or otherwise dispose of this Warrant or the underlying Warrant Shares in violation of applicable securities laws. The Warrant Holder acknowledges that the certificates representing any Warrant Shares will bear a legend indicating that they have not been registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") and may not be sold by the Warrant Holder except pursuant to an effective registration statement or pursuant to an exemption from registration requirements of the 1933 Act and in accordance with federal and state securities laws. If this Warrant was acquired by the Warrant Holder pursuant to the exemption from the registration requirements of the 1933 Act afforded by Regulation S thereunder, the Warrant Holder acknowledges and covenants that this Warrant may not be exercised by or on behalf of a Person during the one year distribution compliance period (as defined in Regulation S) following the date hereof. "**Person**" means an individual, partnership, firm, limited liability company, trust, joint venture, association, corporation, or any other legal entity.

3. **Validity of Warrant and Issue of Shares.** The Company represents and warrants that this Warrant has been duly authorized and validly issued and warrants and agrees that all of Common Stock that may be issued upon the exercise of the rights represented by this Warrant will, when issued upon such exercise, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issue thereof. The Company further warrants and agrees that during the period within which the rights represented by this Warrant may be exercised, the Company will at all times have authorized and reserved a sufficient number of Common Stock to provide for the exercise of the rights represented by this Warrant.

4. **Registration of Transfers and Exchange of Warrants.**

a. Subject to compliance with the legend set forth on the face of this Warrant, the Company shall register the transfer of any portion of this Warrant in the Warrant Register, upon surrender of this Warrant with the Form of Assignment attached hereto duly completed and signed, to the Company at the office specified in or pursuant to Section 13. Upon any such registration or transfer, a new warrant to purchase Common Stock, in substantially the form of this Warrant (any such new warrant, a "**New Warrant**"), evidencing the portion of this Warrant so transferred shall be issued to the transferee and a New Warrant evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the transferring Warrant Holder. The acceptance of the New Warrant by the transferee thereof shall be deemed the acceptance of such transferee of all of the rights and obligations of a Warrant Holder of a Warrant.

b. This Warrant is exchangeable, upon the surrender hereof by the Warrant Holder to the office of the Company specified in or pursuant to Section 13 for one or more New Warrants, evidencing in the aggregate the right to purchase the number of Warrant Shares which may then be purchased hereunder. Any such New Warrant will be dated the date of such exchange.

5. Exercise of Warrants.

a. Upon surrender of this Warrant with the Form of Election to Purchase attached hereto duly completed and signed to the Company, at its address set forth in Section 13, and upon payment and delivery of the Exercise Price per Warrant Share multiplied by the number of Warrant Shares that the Warrant Holder intends to purchase hereunder, in lawful money of the United States of America, in cash or by certified or official bank check or checks, to the Company, all as specified by the Warrant Holder in the Form of Election to Purchase, the Company shall promptly (but in no event later than 7 business days after the Date of Exercise (as defined herein)) issue or cause to be issued and cause to be delivered to or upon the written order of the Warrant Holder and in such name or names as the Warrant Holder may designate (subject to the restrictions on transfer described in the legend set forth on the face of this Warrant), a certificate for the Warrant Shares issuable upon such exercise, with such restrictive legend as required by the 1933 Act. Any person so designated by the Warrant Holder to receive Warrant Shares shall be deemed to have become holder of record of such Warrant Shares as of the Date of Exercise of this Warrant.

b. A "Date of Exercise" means the date on which the Company shall have received (i) this Warrant (or any New Warrant, as applicable), with the Form of Election to Purchase attached hereto (or attached to such New Warrant) appropriately completed and duly signed, and (ii) payment of the Exercise Price for the number of Warrant Shares so indicated by the Warrant Holder to be purchased.

c. This Warrant shall be exercisable at any time and from time to time for such number of Warrant Shares as is indicated in the attached Form of Election to Purchase. If less than all of the Warrant Shares which may be purchased under this Warrant are exercised at any time, the Company shall issue or cause to be issued, at its expense, a New Warrant evidencing the right to purchase the remaining number of Warrant Shares for which no exercise has been evidenced by this Warrant.

d. This Warrant may be called by the Company pursuant to the provisions in this Section 5(d), through the satisfaction of the following:

- i. The Warrant Shares are freely-tradable under an existing registration statement; and
- ii. The weighted-average common stock price of the Company for the immediately prior fifteen (15) trading days is greater than or equal to One Hundred Fifty percent (150%) of the Exercise Price.

Upon satisfaction of the two conditions above, the Company may force exercise of all the Warrant Shares by giving the Warrant Holder notice of its intent to force such exercise. Within five (5) business days after giving notice, the Warrant Holder shall provide consideration to the Company for the exercise of the Warrant Shares pursuant to the terms of this Warrant. Should the Warrant Holder fail to provide consideration to the Company, within five (5) business days, this Warrant shall be immediately null, void, and deemed cancelled.

6. **Maximum Exercise.** The Warrant Holder shall not be entitled to exercise this Warrant on a Date of Exercise in connection with that number of shares of Common Stock which would be in excess of the sum of (i) the number of shares of Common Stock beneficially owned by the Warrant Holder and its affiliates on an exercise date, and (ii) the number of shares of Common Stock issuable upon the exercise of this Warrant with respect to which the determination of this limitation is being made on an exercise date, which would result in beneficial ownership by the Warrant Holder and its affiliates of more than 9.99% of the outstanding shares of Common Stock on such date, unless otherwise mutually agreed to in writing between the Company and the Warrant Holder.

7. **Adjustment of Exercise Price and Number of Shares.** The character of the shares of stock or other securities at the time issuable upon exercise of this Warrant and the Exercise Price therefore, are subject to adjustment upon the occurrence of the following events, and all such adjustments shall be cumulative:

a. **Adjustment for Stock Splits, Stock Dividends, Recapitalizations, Etc.** The Exercise Price of this Warrant and the number of shares of Common Stock or other securities at the time issuable upon exercise of this Warrant shall be appropriately adjusted to reflect any stock dividend, stock split, combination of shares, reclassification, recapitalization or other similar event affecting the number of outstanding shares of stock or securities.

b. **Adjustment for Reorganization, Consolidation, Merger, Etc.** In case of any consolidation or merger of the Company with or into any other corporation, entity or person, or any other corporate reorganization, in which the Company shall not be the continuing or surviving entity of such consolidation, merger or reorganization (any such transaction being hereinafter referred to as a "**Reorganization**"), then, in each case, the holder of this Warrant, on exercise hereof at any time after the consummation or effective date of such Reorganization (the "**Effective Date**"), shall receive, in lieu of the shares of stock or other securities at any time issuable upon the exercise of the Warrant issuable on such exercise prior to the Effective Date, the stock and other securities and property (including cash) to which such holder would have been entitled upon the Effective Date if such holder had exercised this Warrant immediately prior thereto (all subject to further adjustment as provided in this Warrant).

c. **Certificate as to Adjustments.** In case of any adjustment or readjustment in the price or kind of securities issuable on the exercise of this Warrant, the Company will promptly give written notice thereof to the holder of this Warrant in the form of a certificate, certified and confirmed by the Board of Directors of the Company, setting forth such adjustment or readjustment and showing in reasonable detail the facts upon which such adjustment or readjustment is based.

d. **Cancellation for Loan Prepayment.** In the event that the Company repays the Loan (as described in the Loan Agreement), plus any accrued interest, on or before the Determination Date (as defined in the Loan Agreement), this Warrant, in its entirety, shall be immediately null, void, and deemed cancelled.

8. **Fractional Shares.** The Company shall not be required to issue or cause to be issued fractional Warrant Shares on the exercise of this Warrant. The number of full Warrant Shares that shall be issuable upon the exercise of this Warrant shall be computed on the basis of the aggregate number of Warrants Shares purchasable on exercise of this Warrant so presented. If any fraction of a Warrant Share would, except for the provisions of this Section 8, be issuable on the exercise of this Warrant, the Company shall, at its option, (i) pay an amount in cash equal to the Exercise Price multiplied by such fraction or (ii) round the number of Warrant Shares issuable, up to the next whole number.

9. **Sale or Merger of the Company.** Upon a Change in Control, the restriction contained in Section 6 shall immediately be released and the Warrant Holder will have the right to exercise this Warrant concurrently with such Change in Control event. For purposes of this Warrant, the

term "Change in Control" shall mean a consolidation or merger of the Company with or into another company or entity in which the Company is not the surviving entity or the sale of all or substantially all of the assets of the Company to another company or entity not controlled by the then existing stockholders of the Company in a transaction or series of transactions.

10. **Notice of Intent to Sell or Merge the Company.** The Company will give Warrant Holder Five (5) business days notice before the event of a sale of all or substantially all of the assets of the Company or the merger or consolidation of the Company in a transaction in which the Company is not the surviving entity.

11. **Issuance of Substitute Warrant.** In the event of a merger, consolidation, recapitalization or reorganization of the Company or a reclassification of Company shares of stock, which results in an adjustment to the number of shares subject to this Warrant and/or the Exercise Price hereunder, the Company agrees to issue to the Warrant Holder a substitute Warrant reflecting the adjusted number of shares and/or Exercise Price upon the surrender of this Warrant to the Company.

12. **Notice.** All notices and other communications hereunder shall be in writing and shall be deemed to have been given (i) on the date they are delivered if delivered in person; (ii) on the date initially received if delivered by facsimile transmission followed by registered or certified mail confirmation; (iii) on the date delivered by an overnight courier service; or (iv) on the third business day after it is mailed by registered or certified mail, return receipt requested with postage and other fees prepaid as follows:

If to the Company:

American Resources Corporation
PO Box: 606
Fishers, IN 46038
Attention: Kirk Taylor
Email: kpt@questenergycorp.com

If to the Warrant Holder:

Golden Properties Ltd.
1177 West Hastings Street, Suite 500
Vancouver, British Columbia V6E 2K3
Canada
Attention: Simon Royle
Email: sroyle@goldenproperties.ca and alau@goldenproperties.ca

13. Miscellaneous.

a. This Warrant shall be binding on and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Warrant may be amended only by a writing signed by the Company and the Warrant Holder.

b. Nothing in this Warrant shall be construed to give to any person or corporation other than the Company and the Warrant Holder any legal or equitable right, remedy or cause of action under this Warrant; this Warrant shall be for the sole and exclusive benefit of the Company and the Warrant Holder.

c. This Warrant shall be governed by, construed and enforced in accordance with the internal laws of the State of Indiana without regard to the principles of conflicts of law thereof.

d. The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

e. In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefore, and upon so agreeing, shall incorporate such substitute provision in this Warrant.

f. The Warrant Holder shall not, by virtue hereof, be entitled to any voting or other rights of a shareholder of the Company, either at law or equity, and the rights of the Warrant Holder are limited to those expressed in this Warrant.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by the authorized officer as of the date first above stated.

American Resources Corporation

By: _____
Name: Thomas M. Sauve
Its: President

WARRANT AGREEMENT BETWEEN COMPANY AND HOLDER
PAGE 7 OF 8

FORM OF ELECTION TO PURCHASE

(To be executed by the Warrant Holder to exercise the right to purchase shares of Common Stock under the foregoing Warrant)

To: American Resources Corporation:

In accordance with the Warrant enclosed with this Form of Election to Purchase, the undersigned hereby irrevocably elects to purchase _____ shares of Common Stock ("Common Stock"), \$.0001 par value, of American Resources Corporation and encloses the warrant and \$0.01 for each Warrant Share being purchased or an aggregate of \$_____ in cash or certified or official bank check or checks, which sum represents the aggregate Exercise Price (as defined in the Warrant) together with any applicable taxes payable by the undersigned pursuant to the Warrant.

The undersigned requests that certificates for the shares of Common Stock issuable upon this exercise be issued in the name of:

(Please print name and address)

(Please insert Social Security or Tax Identification Number)

If the number of shares of Common Stock issuable upon this exercise shall not be all of the shares of Common Stock which the undersigned is entitled to purchase in accordance with the enclosed Warrant, the undersigned requests that a New Warrant (as defined in the Warrant) evidencing the right to purchase the shares of Common Stock not issuable pursuant to the exercise evidenced hereby be issued in the name of and delivered to:

(Please print name and address)

Dated: _____

Name of Warrant Holder:

(Print) _____

(By:) _____

(Name:) _____

(Title:) _____

Signature must conform in all respects to name of Warrant Holder as specified on the face of the Warrant

WARRANT AGREEMENT BETWEEN COMPANY AND HOLDER

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THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR ANY STATE SECURITIES LAWS AND NEITHER SUCH SHARES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE 1933 ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT.

IN ADDITION, A LOAN AND SECURITY AGREEMENT DATED AS OF OCTOBER 4, 2017 (THE "LOAN AGREEMENT") CONTAINS CERTAIN ADDITIONAL TERMS AND AGREEMENTS BETWEEN THE PARTIES WITH RESPECT TO THIS WARRANT.

COMMON STOCK PURCHASE WARRANT "C-4"

Name of Holder:	Golden Properties Ltd.
Number of Shares:	400,000
Original Issue Date:	October 4, 2017
Expiration Date:	October 4, 2020
Exercise Price per Share:	\$11.44

American Resources Corporation, a company organized and existing under the laws of the State of Florida (the "**Company**"), hereby certifies that, for value received, **Golden Properties Ltd.**, or its registered assigns (the "**Warrant Holder**"), is entitled, subject to the terms set forth below, to purchase from the Company up to Four Hundred Thousand (400,000) shares (as adjusted from time to time as provided in Section 7, the "**Warrant Shares**") of common stock, \$.001 par value, of the Company (the "**Common Stock**") at a price of Eleven Dollars and Forty-Four Cents (\$11.44) per Warrant Share (as adjusted from time to time as provided in Section 7, the "**Exercise Price**"), at any time and from time to time from and after the date thereof and through and including 5:00 p.m. Indianapolis, Indiana time on October 02, 2020 (the "Expiration Date"), and subject to the following terms and conditions:

1. **Registration of Warrant.** The Company shall register this Warrant upon records to be maintained by the Company for that purpose (the "**Warrant Register**"), in the name of the record Warrant Holder hereof from time to time. The Company may deem and treat the registered Warrant Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Warrant Holder, and for all other purposes, and the Company shall not be affected by notice to the contrary.

2. Investment Representation. The Warrant Holder by accepting this Warrant represents that the Warrant Holder is acquiring this Warrant for its own account or the account of an affiliate for investment purposes and not with the view to any offering or distribution and that the Warrant Holder will not sell or otherwise dispose of this Warrant or the underlying Warrant Shares in violation of applicable securities laws. The Warrant Holder acknowledges that the certificates representing any Warrant Shares will bear a legend indicating that they have not been registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") and may not be sold by the Warrant Holder except pursuant to an effective registration statement or pursuant to an exemption from registration requirements of the 1933 Act and in accordance with federal and state securities laws. If this Warrant was acquired by the Warrant Holder pursuant to the exemption from the registration requirements of the 1933 Act afforded by Regulation S thereunder, the Warrant Holder acknowledges and covenants that this Warrant may not be exercised by or on behalf of a Person during the one year distribution compliance period (as defined in Regulation S) following the date hereof. "**Person**" means an individual, partnership, firm, limited liability company, trust, joint venture, association, corporation, or any other legal entity.

3. Validity of Warrant and Issue of Shares. The Company represents and warrants that this Warrant has been duly authorized and validly issued and warrants and agrees that all of Common Stock that may be issued upon the exercise of the rights represented by this Warrant will, when issued upon such exercise, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issue thereof. The Company further warrants and agrees that during the period within which the rights represented by this Warrant may be exercised, the Company will at all times have authorized and reserved a sufficient number of Common Stock to provide for the exercise of the rights represented by this Warrant.

4. Registration of Transfers and Exchange of Warrants.

a. Subject to compliance with the legend set forth on the face of this Warrant, the Company shall register the transfer of any portion of this Warrant in the Warrant Register, upon surrender of this Warrant with the Form of Assignment attached hereto duly completed and signed, to the Company at the office specified in or pursuant to Section 13. Upon any such registration or transfer, a new warrant to purchase Common Stock, in substantially the form of this Warrant (any such new warrant, a "**New Warrant**"), evidencing the portion of this Warrant so transferred shall be issued to the transferee and a New Warrant evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the transferring Warrant Holder. The acceptance of the New Warrant by the transferee thereof shall be deemed the acceptance of such transferee of all of the rights and obligations of a Warrant Holder of a Warrant.

b. This Warrant is exchangeable, upon the surrender hereof by the Warrant Holder to the office of the Company specified in or pursuant to Section 13 for one or more New Warrants, evidencing in the aggregate the right to purchase the number of Warrant Shares which may then be purchased hereunder. Any such New Warrant will be dated the date of such exchange.

5. Exercise of Warrants.

a. Upon surrender of this Warrant with the Form of Election to Purchase attached hereto duly completed and signed to the Company, at its address set forth in Section 13, and upon payment and delivery of the Exercise Price per Warrant Share multiplied by the number of Warrant Shares that the Warrant Holder intends to purchase hereunder, in lawful money of the United States of America, in cash or by certified or official

bank check or checks, to the Company, all as specified by the Warrant Holder in the Form of Election to Purchase, the Company shall promptly (but in no event later than 7 business days after the Date of Exercise (as defined herein)) issue or cause to be issued and cause to be delivered to or upon the written order of the Warrant Holder and in such name or names as the Warrant Holder may designate (subject to the restrictions on transfer described in the legend set forth on the face of this Warrant), a certificate for the Warrant Shares issuable upon such exercise, with such restrictive legend as required by the 1933 Act. Any person so designated by the Warrant Holder to receive Warrant Shares shall be deemed to have become holder of record of such Warrant Shares as of the Date of Exercise of this Warrant.

WARRANT AGREEMENT BETWEEN COMPANY AND HOLDER
PAGE 2 OF 8

b. A "Date of Exercise" means the date on which the Company shall have received (i) this Warrant (or any New Warrant, as applicable), with the Form of Election to Purchase attached hereto (or attached to such New Warrant) appropriately completed and duly signed, and (ii) payment of the Exercise Price for the number of Warrant Shares so indicated by the Warrant Holder to be purchased.

c. This Warrant shall be exercisable at any time and from time to time for such number of Warrant Shares as is indicated in the attached Form of Election to Purchase. If less than all of the Warrant Shares which may be purchased under this Warrant are exercised at any time, the Company shall issue or cause to be issued, at its expense, a New Warrant evidencing the right to purchase the remaining number of Warrant Shares for which no exercise has been evidenced by this Warrant.

d. This Warrant may be called by the Company pursuant to the provisions in this Section 5(d), through the satisfaction of the following:

- i. The Warrant Shares are freely-tradable under an existing registration statement; and
- ii. The weighted-average common stock price of the Company for the immediately prior fifteen (15) trading days is greater than or equal to One Hundred Fifty percent (150%) of the Exercise Price.

Upon satisfaction of the two conditions above, the Company may force exercise of all the Warrant Shares by giving the Warrant Holder notice of its intent to force such exercise. Within five (5) business days after giving notice, the Warrant Holder shall provide consideration to the Company for the exercise of the Warrant Shares pursuant to the terms of this Warrant. Should the Warrant Holder fail to provide consideration to the Company, within five (5) business days, this Warrant shall be immediately null, void, and deemed cancelled.

6. **Maximum Exercise.** The Warrant Holder shall not be entitled to exercise this Warrant on a Date of Exercise in connection with that number of shares of Common Stock which would be in excess of the sum of (i) the number of shares of Common Stock beneficially owned by the Warrant Holder and its affiliates on an exercise date, and (ii) the number of shares of Common Stock issuable upon the exercise of this Warrant with respect to which the determination of this limitation is being made on an exercise date, which would result in beneficial ownership by the Warrant Holder and its affiliates of more than 9.99% of the outstanding shares of Common Stock on such date, unless otherwise mutually agreed to in writing between the Company and the Warrant Holder.

7. **Adjustment of Exercise Price and Number of Shares.** The character of the shares of stock or other securities at the time issuable upon exercise of this Warrant and the Exercise Price therefore, are subject to adjustment upon the occurrence of the following events, and all such adjustments shall be cumulative:

a. **Adjustment for Stock Splits, Stock Dividends, Recapitalizations, Etc.** The Exercise Price of this Warrant and the number of shares of Common Stock or other securities at the time issuable upon exercise of this Warrant shall be appropriately adjusted to reflect any stock dividend, stock split, combination of shares, reclassification, recapitalization or other similar event affecting the number of outstanding shares of stock or securities.

b. **Adjustment for Reorganization, Consolidation, Merger, Etc.** In case of any consolidation or merger of the Company with or into any other corporation, entity or person, or any other corporate reorganization, in which the Company shall not be the continuing or surviving entity of such consolidation, merger or reorganization (any such transaction being hereinafter referred to as a "**Reorganization**"), then, in each case, the holder of this Warrant, on exercise hereof at any time after the consummation or effective date of such Reorganization (the "**Effective Date**"), shall receive, in lieu of the shares of stock or other securities at any time issuable upon the exercise of the Warrant issuable on such exercise prior to the Effective Date, the stock and other securities and property (including cash) to which such holder would have been entitled upon the Effective Date if such holder had exercised this Warrant immediately prior thereto (all subject to further adjustment as provided in this Warrant).

c. **Certificate as to Adjustments.** In case of any adjustment or readjustment in the price or kind of securities issuable on the exercise of this Warrant, the Company will promptly give written notice thereof to the holder of this Warrant in the form of a certificate, certified and confirmed by the Board of Directors of the Company, setting forth such adjustment or readjustment and showing in reasonable detail the facts upon which such adjustment or readjustment is based.

d. **Cancellation for Loan Prepayment.** In the event that the Company repays the Loan (as described in the Loan Agreement), plus any accrued interest, on or before the Determination Date (as defined in the Loan Agreement), this Warrant, in its entirety, shall be immediately null, void, and deemed cancelled.

8. **Fractional Shares.** The Company shall not be required to issue or cause to be issued fractional Warrant Shares on the exercise of this Warrant. The number of full Warrant Shares that shall be issuable upon the exercise of this Warrant shall be computed on the basis of the aggregate number of Warrants Shares purchasable on exercise of this Warrant so presented. If any fraction of a Warrant Share would, except for the provisions of this Section 8, be issuable on the exercise of this Warrant, the Company shall, at its option, (i) pay an amount in cash equal to the Exercise Price multiplied by such fraction or (ii) round the number of Warrant Shares issuable, up to the next whole number.

9. **Sale or Merger of the Company.** Upon a Change in Control, the restriction contained in Section 6 shall immediately be released and the Warrant Holder will have the right to exercise this Warrant concurrently with such Change in Control event. For purposes of this Warrant, the term "Change in Control" shall mean a consolidation or merger of the Company with or into another company or entity in which the Company is not the surviving entity or the sale of all or substantially all of the assets of the Company to another company or entity not controlled by the then existing stockholders of the Company in a transaction or series of transactions.

10. **Notice of Intent to Sell or Merge the Company.** The Company will give Warrant Holder Five (5) business days notice before the event of a sale of all or substantially all of the assets of the Company or the merger or consolidation of the Company in a transaction in which the Company is not the surviving entity.

11. **Issuance of Substitute Warrant.** In the event of a merger, consolidation, recapitalization or reorganization of the Company or a reclassification of Company shares of stock, which results in an adjustment to the number of shares subject to this Warrant and/or the Exercise

Price hereunder, the Company agrees to issue to the Warrant Holder a substitute Warrant reflecting the adjusted number of shares and/or Exercise Price upon the surrender of this Warrant to the Company.

12. **Notice.** All notices and other communications hereunder shall be in writing and shall be deemed to have been given (i) on the date they are delivered if delivered in person; (ii) on the date initially received if delivered by facsimile transmission followed by registered or certified mail confirmation; (iii) on the date delivered by an overnight courier service; or (iv) on the third business day after it is mailed by registered or certified mail, return receipt requested with postage and other fees prepaid as follows:

If to the Company:

American Resources Corporation
PO Box: 606
Fishers, IN 46038
Attention: Kirk Taylor
Email: kpt@questenergycorp.com

If to the Warrant Holder:

Golden Properties Ltd.
1177 West Hastings Street, Suite 500
Vancouver, British Columbia V6E 2K3
Canada
Attention: Simon Royle
Email: sroyle@goldenproperties.ca and alau@goldenproperties.ca

WARRANT AGREEMENT BETWEEN COMPANY AND HOLDER

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13. Miscellaneous.

a. This Warrant shall be binding on and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Warrant may be amended only by a writing signed by the Company and the Warrant Holder.

b. Nothing in this Warrant shall be construed to give to any person or corporation other than the Company and the Warrant Holder any legal or equitable right, remedy or cause of action under this Warrant; this Warrant shall be for the sole and exclusive benefit of the Company and the Warrant Holder.

c. This Warrant shall be governed by, construed and enforced in accordance with the internal laws of the State of Indiana without regard to the principles of conflicts of law thereof.

d. The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

e. In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefore, and upon so agreeing, shall incorporate such substitute provision in this Warrant.

f. The Warrant Holder shall not, by virtue hereof, be entitled to any voting or other rights of a shareholder of the Company, either at law or equity, and the rights of the Warrant Holder are limited to those expressed in this Warrant.



[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by the authorized officer as of the date first above stated.

American Resources Corporation

By: _____
Name: Thomas M. Sauve
Its: President

FORM OF ELECTION TO PURCHASE

(To be executed by the Warrant Holder to exercise the right to purchase shares of Common Stock under the foregoing Warrant)

To: **American Resources Corporation:**

In accordance with the Warrant enclosed with this Form of Election to Purchase, the undersigned hereby irrevocably elects to purchase _____ shares of Common Stock ("Common Stock"), \$.0001 par value, of American Resources Corporation and encloses the warrant and \$0.01 for each Warrant Share being purchased or an aggregate of \$_____ in cash or certified or official bank check or checks, which sum represents the aggregate Exercise Price (as defined in the Warrant) together with any applicable taxes payable by the undersigned pursuant to the Warrant.

The undersigned requests that certificates for the shares of Common Stock issuable upon this exercise be issued in the name of:

(Please print name and address)

(Please insert Social Security or Tax Identification Number)

If the number of shares of Common Stock issuable upon this exercise shall not be all of the shares of Common Stock which the undersigned is entitled to purchase in accordance with the enclosed Warrant, the undersigned requests that a New Warrant (as defined in the Warrant) evidencing the right to purchase the shares of Common Stock not issuable pursuant to the exercise evidenced hereby be issued in the name of and delivered to:

(Please print name and address)

Dated: _____

Name of Warrant Holder:

(Print) _____

(By:) _____

(Name:) _____

(Title:) _____

Signature must conform in all respects to name of Warrant Holder as specified on the face of the Warrant

SENIOR SECURED PROMISSORY NOTE

\$600,000

Date of Issuance
October 4, 2017

FOR VALUE RECEIVED, **AMERICAN RESOURCES CORPORATION**, an Indiana company (the "Company"), hereby promises to pay to Golden Properties Ltd. (the "Lender"), the principal sum of Six Hundred Thousand dollars (\$600,000.00), together with interest thereon from the date of this Note. Interest shall accrue at a rate set forth in that certain Loan and Security Agreement dated as of October 4, 2017 by and between the Company and the Lender (the "Loan and Security Agreement"). The principal and unpaid accrued interest shall be due and payable by the Company on the Maturity Date as further described in the Loan and Security Agreement. This Note is issued under the Loan and Security Agreement, and capitalized terms not defined herein shall have the meaning set forth in the Loan and Security Agreement.

1. Payment. All payments shall be made in lawful money of the United States of America at the principal office of the Lender, or at such other place as the holder hereof may from time to time designate in writing to the Company. Payment shall be credited first to Costs (as defined below), if any, then to accrued interest due and payable and any remainder applied to principal. The Company may prepay the whole or any portion of the outstanding balance of this Note at any time and from time to time without any prepayment penalty or premium. The Company hereby waives demand, notice, presentment, protest and notice of dishonor. Notwithstanding any other provision of this Note, the Lender does not intend to charge, and the Company shall not be required to pay, any interest or other fees or charges in excess of the maximum permitted by applicable law. Any payments in excess of such maximum shall be refunded to the Company or credited to reduce the outstanding balance of the Loan hereunder.

2. Security. This Note is secured under the Loan and Security Agreement. Reference is hereby made to the Loan and Security Agreement for a description of the nature and extent of the security for this Note and the rights with respect to such security of the holder of this Note.

3. Priority. This Note shall be senior in all respects (including right of payment) to all other indebtedness of the Company, now existing or hereafter.

4. Amendments and Waivers; Resolutions of Dispute; Notice. The amendment or waiver of any term of this Note, the resolution of any controversy or claim arising out of or relating to this Note and the provision of notice shall be conducted pursuant to the terms of the Loan and Security Agreement.

5. Successors and Assigns. This Note applies to, inures to the benefit of, and binds the successors and assigns of the parties hereto; provided, however, that the Company may not assign its obligations under this Note without the written consent of the Lender.

6. Expenses. The Company hereby agrees, subject only to any limitation imposed by applicable law, to pay all expenses, including reasonable attorneys' fees and legal expenses, incurred by the holder of this Note in endeavoring to collect any amounts payable hereunder which are not paid when due, whether by declaration or otherwise ("Costs"). The Company agrees that any delay on the part of the holder in exercising any rights hereunder will not operate as a waiver of such rights. The holder of this Note shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies, and no waiver of any kind shall be valid unless in writing and signed by the party or parties waiving such rights or remedies.

7. Governing Law. This Agreement and all actions arising out of or in connection with this Agreement shall be governed by and construed in accordance with the laws of the State of Indiana, without regard to the conflicts of law provisions of the State of Indiana, or of any other state.

8. Jurisdiction and Venue. Lender, Company and Related Party irrevocably consent to the exclusive jurisdiction of, and venue in, the courts in British Columbia, Canada, in connection with any matter based upon or arising out of this Agreement or the matters contemplated herein.

9. Approval. The Company hereby represents that its board of directors, in the exercise of its fiduciary duty, has approved the Company's execution of this Secured Senior Promissory Note based upon a reasonable belief that the principal provided hereunder is appropriate for the Company after reasonable inquiry concerning the Company's financing objectives and financial situation. In addition, the Company hereby represents that it intends to use the principal of this Secured Senior Promissory Note primarily for the operations of its business, and not for any personal, family or household purpose.

AMERICAN RESOURCES CORPORATION

By: _____
Name: _____
Title: _____

SENIOR SECURED PROMISSORY NOTE

\$1,674,632.14

Date of Issuance
October 4, 2017

FOR VALUE RECEIVED, **AMERICAN RESOURCES CORPORATION**, an Indiana company (the "Company"), hereby promises to pay to Golden Properties Ltd. (the "Lender"), the principal sum of One Million Six Hundred Seventy-Four Thousand Six Hundred Thirty-Two Dollars and Fourteen Cents (\$1,674,632.14), together with interest thereon from the date of this Note. Interest shall accrue at a rate set forth in that certain Loan and Security Agreement dated as of October 4, 2017 by and between the Company and the Lender (the "Loan and Security Agreement"). The principal and unpaid accrued interest shall be due and payable by the Company on the Maturity Date as further described in the Loan and Security Agreement. This Note is issued under the Loan and Security Agreement, and capitalized terms not defined herein shall have the meaning set forth in the Loan and Security Agreement.

1. Payment. All payments shall be made in lawful money of the United States of America at the principal office of the Lender, or at such other place as the holder hereof may from time to time designate in writing to the Company. Payment shall be credited first to Costs (as defined below), if any, then to accrued interest due and payable and any remainder applied to principal. The Company may prepay the whole or any portion of the outstanding balance of this Note at any time and from time to time without any prepayment penalty or premium. The Company hereby waives demand, notice, presentment, protest and notice of dishonor. Notwithstanding any other provision of this Note, the Lender does not intend to charge, and the Company shall not be required to pay, any interest or other fees or charges in excess of the maximum permitted by applicable law. Any payments in excess of such maximum shall be refunded to the Company or credited to reduce the outstanding balance of the Loan hereunder.

2. Security. This Note is secured under the Loan and Security Agreement. Reference is hereby made to the Loan and Security Agreement for a description of the nature and extent of the security for this Note and the rights with respect to such security of the holder of this Note.

3. Priority. This Note shall be senior in all respects (including right of payment) to all other indebtedness of the Company, now existing or hereafter.

4. Amendments and Waivers; Resolutions of Dispute; Notice. The amendment or waiver of any term of this Note, the resolution of any controversy or claim arising out of or relating to this Note and the provision of notice shall be conducted pursuant to the terms of the Loan and Security Agreement.

5. Successors and Assigns. This Note applies to, inures to the benefit of, and binds the successors and assigns of the parties hereto; provided, however, that the Company may not assign its obligations under this Note without the written consent of the Lender.

6. Expenses. The Company hereby agrees, subject only to any limitation imposed by applicable law, to pay all expenses, including reasonable attorneys' fees and legal expenses, incurred by the holder of this Note in endeavoring to collect any amounts payable hereunder which are not paid when due, whether by declaration or otherwise ("Costs"). The Company agrees that any delay on the part of the holder in exercising any rights hereunder will not operate as a waiver of such rights. The holder of this Note shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies, and no waiver of any kind shall be valid unless in writing and signed by the party or parties waiving such rights or remedies.

7. Governing Law. This Agreement and all actions arising out of or in connection with this Agreement shall be governed by and construed in accordance with the laws of the State of Indiana, without regard to the conflicts of law provisions of the State of Indiana, or of any other state.

8. Jurisdiction and Venue. Lender, Company and Related Party irrevocably consent to the exclusive jurisdiction of, and venue in, the courts in British Columbia, Canada, in connection with any matter based upon or arising out of this Agreement or the matters contemplated herein.

9. Approval. The Company hereby represents that its board of directors, in the exercise of its fiduciary duty, has approved the Company's execution of this Secured Senior Promissory Note based upon a reasonable belief that the principal provided hereunder is appropriate for the Company after reasonable inquiry concerning the Company's financing objectives and financial situation. In addition, the Company hereby represents that it intends to use the principal of this Secured Senior Promissory Note primarily for the operations of its business, and not for any personal, family or household purpose.

AMERICAN RESOURCES CORPORATION

By: _____
Name: _____
Title: _____

LOAN AND SECURITY AGREEMENT

This Loan and Security Agreement (the "Agreement") dated for reference October 4, 2017, is made by:

AMERICAN RESOURCES CORPORATION, an Indiana company with an office at 8856 South Street, PO Box 606, Fishers, IN 46038,

(the "**Borrower**")

in favour of:

GOLDEN PROPERTIES LTD., a British Columbia company with an office at Suite 500 – 1177 West Hastings Street, Vancouver, British Columbia, V6E 2K3,

(the "**Lender**").

and related party:

QUEST ENERGY INC., an Indiana company with an office at 8856 South Street, PO Box 606, Fishers, IN 46038

("Related Party").

For good and valuable consideration, the Borrower and Related Party covenant and agree with the Lender as follows:

1. LOAN AND PROMISE TO PAY

1.1 **Previous Loans Advanced to Borrow**. The Lender has previously loaned to the Borrower or the Related Party the principal sum of One Hundred Seventy-Five Thousand Dollars (\$175,000.00) on October 5, 2016 and the principal sum of One Million Four Hundred Seventy Thousand Dollars (\$1,470,000) in a series of loans from July 10, 2017 to September 20, 2017, equaling a total principal sum of One Million Six Hundred Forty-Five Thousand Dollars (\$1,645,000) (collectively, the "Prior Loans"). The Prior Loans, plus accrued interest pursuant to their respective Promissory Notes, shall be consolidated into a new Secured Promissory Note that will be incorporated as part of, and governed by, this Agreement and issued by the Borrower in the form of the Secured Promissory Note attached hereto as Exhibit A. The principal and accrued interest, as of the date of this Agreement, which shall be the new principal under the new Note, is \$1,674,632.14.

1.2 **Additional Loans**. The Lender agrees to provide the Borrower with an additional series of loans in the principal amount of up to One Million Eight Hundred Thousand Dollars (\$1,800,000.00, the "Additional Loan", and when combined with previous loans outlined in Section 1.1, collectively the "Loan") subject to the terms and conditions set out in this Agreement. The Loan will be drawn by way of advances pursuant to the following schedule:

- a. Upon execution of this Agreement: \$600,000; plus
- b. Week 1 Following the date of this Agreement: \$300,000; plus
- c. Week 2 Following the date of this Agreement: \$300,000; plus
- d. Week 3 Following the date of this Agreement: \$300,000; plus
- e. Week 4 Following the date of this Agreement: \$300,000.

The Loan is non-revolving. All advances of loans made hereunder shall be further evidenced by a Secured Senior Promissory Note ("Note") in the form attached hereto as Exhibit A.

1.3 **Promise to Pay.** The Borrower promises to pay to the Lender the Loan together with interest on the balance of the Loan outstanding from time to time calculated and compounded semi-annually not in advance at the rate of seven percent (7.0%) per annum from the date of advance to the Maturity Date, Event of Default or judgment and interest at the rate of 20% per annum shall be payable after the Maturity Date, Event of Default or judgment. Notwithstanding any other provision of this Agreement, the Lender does not intend to charge, and the Borrower shall not be required to pay, any interest or other fees or charges in excess of the maximum permitted by applicable law. Any payments in excess of such maximum shall be refunded to the Borrower or credited to reduce the outstanding balance of the Loan hereunder.

1.4 **Interest.** The Borrower shall pay interest accrued on the outstanding balance of the Loan upon the Maturity Date

1.5 **Maturity.** The Loan will mature (the "Maturity Date") the earlier of, (1) four (4) calendar months after the date of this Agreement, being February 2, 2018, or (2) upon the closing of a financing of sufficient size to allow the Borrower to pay the outstanding balance of the Loan, together with all accrued but unpaid interest thereon, to the Lender.

1.6 **Warrant.** Upon execution of this Agreement, Lender will be issued a cashless penny warrant in American Resources Corporation for Sixteen and Thirty-Five one-hundredths percent (16.35%) of the fully-diluted shares outstanding (the "Warrant B-4"), which when combined with the Lender's existing fully diluted ownership of One and Fifteen One-Hundredths percent (1.15%) through the Series A Preferred, will result in the Lender owning Seventeen and One-Half percent (17.50%) of the fully diluted shares outstanding of the Borrower at the time of this Agreement. Should Borrower repay the Loan, plus any accrued interest, on or before November 10, 2017 (the "Determination Date"), Warrant B-4 shall be reduced to Thirteen and Eighty-Five one-hundredths percent (13.85%) of the fully-diluted shares outstanding, as detailed in Warrant B-4. Warrant B-4 shall replace and supersede the previously issued Warrants B-2 and B-3 to the Lender and thereby render Warrants B-2 and B-3 null and void. Warrant B-4 is attached as Exhibit C.

1.7 **Additional Warrants.** As additional consideration for the Loan, Lender will be issued additional cash-pay warrants (Warrant C-1, C-2, C-3, and C-4), attached as Exhibit D. Should Borrower repay the Loan, plus any accrued interest, on or before the Determination Date, Warrant C-3 and Warrant C-4 shall be cancelled, as detailed in Warrant C-3 and Warrant C-4.

2. REPRESENTATIONS AND COVENANTS

2.1 **General.** The Borrower and Related Party represent and warrant to the Lender that each statement made in this Agreement and in any other document provided to the Lender in connection with the Loan is true, complete and accurate in all material respects. The Borrower and Related Party will strictly observe and perform each of the covenants and obligations set out herein except to the extent that the Lender may from time to time in its absolute discretion, by prior written notice or consent, waive such compliance.

2.2 **Authority.** The Borrower and Related Party represent and warrant to the Lender that they have good right, full power and lawful authority to enter into this Agreement and to incur the obligations provided for herein, and all necessary resolutions have been passed and all other necessary steps have been taken to authorize the execution and delivery of this Agreement.

2.3 **Financial and Business Information.** The Borrower will from time to time promptly deliver to the Lender all information reasonably requested by the Lender relating to their financial or business affairs, including but not limited to financial statements, net worth statements or cash flow statements. The Borrower consents to the Lender conducting such credit inquiries as the Lender may deem appropriate without further notice to the Borrower.

2.4 **Prepayment.** The Borrower may prepay the whole or any portion of the outstanding balance of the Loan at any time and from time to time without any prepayment penalty or premium. Any prepayment shall first be applied to accrued but unpaid interest and thereafter applied to the unpaid Loan.

2.5 **Expenses.** The Borrower will, on demand by the Lender, pay all charges and expenses, including all legal costs of a solicitor or lawyer and his own client basis, which may be incurred or charged by the Lender in connection with exercising and enforcing any rights, remedies or powers under this Agreement or otherwise in relation to the loan contemplated hereby. The Borrower shall pay all fees and expenses incurred by the Lender in connection with this Agreement and the transactions contemplated hereby

2.6 **Use of Funds.** The Borrower shall use the Loan solely to fund operating capital.

3. GRANT OF SECURITY

3.1 **Grant of Security Interest.** Borrower and Related Party hereby grant Lender, to secure the payment and performance in full of all of the obligations hereunder, a continuing security interest in, and pledge to Lender, all assets of Quest Energy Inc. and its subsidiaries (the "Collateral"), see Exhibit B, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof.

3.2 **Priority of Security Interest.** Borrower and Related Party represent, warrant, and covenant that the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral. If Borrower or Related Party acquire a commercial tort claim, Borrower or Related Party shall promptly notify Lender in a writing signed by Borrower or Related Party of the general details thereof and grant to Lender in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Lender. If this Agreement is terminated, the Lender's lien in the Collateral shall continue until the obligations hereunder are repaid in full. Upon payment in full of such obligations the Lender shall promptly, at Borrower's or Related Party's sole cost and expense, release its liens in the Collateral and all rights therein shall revert to Borrower or Related Party.

3.3 **Financing Statements.** Borrower and Related Party hereby authorize the Lender to, or upon request from Lender the Borrower and Related Party will, file financing statements with all appropriate jurisdictions to perfect or protect the Lender's interest or rights hereunder, including a notice that any disposition of the Collateral in violation of this Agreement, by either Borrower, Related Party or any other person, shall be deemed to violate the rights of the Lender. Lender shall provide Borrower with a copy of all financing statements filed, indicating the jurisdiction and date of filing, promptly after each such filing, provided that failure of the Lender to provide Borrower with such copies or other information shall not impair the validity or priority of any financing statement or impair or restrict any of the rights and remedies of the Lender under this Agreement.

4. RIGHTS, REMEDIES, AND DISCLAIMERS

4.1 **General.** The occurrence of any of the following events will constitute an event of default (an "Event of Default"):

- (a) the Borrower or Related Party fails to observe or perform any covenant, agreement, condition or obligation in favour of the Lender, whether or not contained herein, including a failure to pay the Loan or any payment of interest when due, which failure is not cured within 10 business days after Lender sends written notice thereof to Borrower;
- (b) any representation, warranty or statement made by or on behalf of the Borrower or Related Party to the Lender, herein contained, proves to have been materially incorrect as of the date made;

- (c) the Borrower or Related Party ceases or threatens to cease to carry on business or any material part thereof, or commit or threaten to commit an act of bankruptcy;
- (d) the Borrower or Related Party becomes insolvent, or file a proposal, a notice of intention to file a proposal, or an assignment for the benefit of creditors under applicable bankruptcy or similar legislation, or a petition is filed, an order is made, a resolution is passed, or any other step is taken for the bankruptcy, liquidation, dissolution, winding-up or reorganization of the Borrower or Related Party, or for any arrangement or composition of the debts of the Borrower; or
- (e) the Borrower or Related Party borrows any money from any other lender without the written permission of Lender.

4.2 Acceleration. Upon the occurrence of an Event of Default all of the Loan and any accrued but unpaid interest and any other amounts payable hereunder shall be immediately due and payable.

4.3 Realization. For 10 business days after an Event of Default, the Borrower is allowed to cure the default or repay the Loan and all accrued interest (the "Cure Period"). Without restricting the foregoing, upon expiration of the Cure Period, the Lender may exercise upon any security held by it and may sell, transfer or otherwise dispose of the Collateral by private sale or auction as determined by the Lender in its discretion. The Borrower will assist the Lender in any manner required by the Lender with the foregoing and the realization of the assets held as security. Any proceeds received from any such sale or disposition shall be applied by the Lender to amounts payable hereunder in such manner as it may deem appropriate, in its discretion. The Borrower shall remain liable for any remaining balance of amounts payable after application of such sale proceeds against the amounts payable hereunder. Assets may only be sold until the Loan plus all accrued interest are repaid in full and any excess assets shall be returned to Borrower.

4.4 Waiver. The Lender may from time to time waive in whole or in part any right, remedy, breach or default under any provision of this Agreement, but any such waiver on any particular occasion will not be deemed to be a waiver of any such right, remedy, breach or default thereafter or of any other right, remedy, breach or default. No waiver will be effective unless in writing and executed by the Lender and without limitation, no failure to exercise or delay in exercising any right or remedy of the Lender will operate as a waiver of such right or remedy.

5. OTHER AGREEMENTS

5.1 Place and Time of Payments. All payments to be made by the Borrower to the Lender hereunder, including the payments of interest shall be made to the Lender at the address set out on page 1 of this Agreement or at such other address as may be designated by the Lender from time to time.

5.2 Presentment and Other Notices. The Borrower waives demand, presentment, protest, notice of non-payment, notice of protest, notice of intention to accelerate and notice of acceleration.

5.3 Obligations Absolute. The obligation of the Borrower to pay, observe, perform and satisfy their obligations hereunder is absolute and unconditional and will not be affected by any circumstance, including any set-off, claim, counterclaim, defense or other right which the Borrower now or hereafter have against the Lender or anyone else for any reason whatsoever.

5.4 No Merger. Neither this Agreement nor the agreements set out herein will merge or discharge any of the Borrower's obligations or any instrument by which the same may be evidenced.

5.5 Judgements. The taking of a judgment against the Borrower on any of the agreements herein contained will not operate as a merger of those agreements or affect the Lender's right to recover the Loan together with interest at the rates payable thereon if the Loan is not paid when due.

5.6 **Time**. Time is of the essence of this Agreement.

5.7 **Amendment**. This Agreement may only be amended by a document executed by all parties to this Agreement.

5.8 **Assignment**. The Borrower or Related Party may not assign this Agreement. Upon notice to Borrower and Related Party, the Lender may assign its rights under this Agreement, including its right to repayment of the Loan or of any interest thereon, in whole or in part, to an affiliate of the Lender.

5.9 **Communication**. No notice, consent or other communication in connection herewith will be effective unless it is in writing and is executed by the party giving the same. Any such communication may be given by delivery, mail or fax or other method of electronic transmission to the address for the intended party set out on the first page hereof, or a corresponding fax number, or such other address or fax number or electronic transmission address as the intended party may have given notice of. Any such communication given by mail will be deemed to have been given on the earlier of the date of actual receipt or, except when postal services are not functioning, on the fourth business day after the date of mailing. Any such communication given by delivery or fax or other means of electronic transmission will be deemed to have been given on the next business day following the date of delivery or transmission.

5.10 **Release of Agreement**. The Borrower and Related Party will be entitled to a written release of this Agreement upon full payment, observance, performance and satisfaction of all of their obligations hereunder. No release or acknowledgement of satisfaction of this Agreement will be effective unless in writing and executed by the Lender.

5.11 **Integration**. This Agreement contains the entire understanding and agreement of the parties with regard to Lender's investment in the Borrower and the Related Party and it supersedes all prior agreements, arrangements, assurances, guarantees, and understandings between the Lender, the Borrower, the Related Party, and its officers.

6. INTERPRETATION

6.1 **Governing Law**. This Agreement and all actions arising out of or in connection with this Agreement shall be governed by and construed in accordance with the laws of the State of Indiana, without regard to the conflicts of law provisions of the State of Indiana, or of any other state.

6.2 **Jurisdiction and Venue**. Lender, Borrower and Related Party irrevocably consent to the exclusive jurisdiction of, and venue in, the courts in British Columbia, Canada, in connection with any matter based upon or arising out of this Agreement or the matters contemplated herein.

6.3 **Waiver of Jury Trial**. To the fullest extent permitted by applicable law, Lender, Borrower and Related Party waive their right to a jury trial of any claim or cause of action arising out of or based upon this Agreement or any contemplated transaction, including contract, tort, breach of duty and all other claims. This waiver is a material inducement for all parties to enter into this Agreement

6.4 **Joint and Several Obligations**. In the event that the Borrower comprise more than one person, the covenants, obligations, and liabilities of the Borrower hereunder shall be the joint and several covenants, obligations and liabilities of each of the parties named herein and comprising the Borrower and this Agreement shall be jointly and severally binding upon each of the persons comprising the Borrower.

6.5 **Successors**. This Agreement will inure to the benefit of and be binding upon the parties and their respective heirs, personal representatives, successors and permitted assigns.

6.6 **Severability**. The invalidity or unenforceability of any provision of this Agreement will not affect the remaining provisions or the remainder of the impugned provision.

6.7 **Currency.** All references for dollar amounts in this Agreement are in United States of America currency.

6.8 **Number and Gender.** Unless the context otherwise requires, words importing the singular will include the plural and vice versa, and words importing gender will include all genders.

6.9 **Headings.** Headings have been inserted for convenience of reference only and are not to affect interpretation.

6.10 **Entire Agreement/Conflicting Terms.** The Lender has not made any representation or agreement or undertaken any obligation in connection with the subject matter of this Agreement other than as specifically set out herein and in any other document executed by the Lender.

6.11 **Execution in Counterpart and Electronic Delivery.** This Agreement may be executed in counterparts and delivered by fax or other means of electronic transmission of documents.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

AMERICAN RESOURCES CORPORATION

By: _____

Name: _____

Title: _____

GOLDEN PROPERTIES LTD.

By: _____

Name: _____

Title: _____

QUEST ENERGY INC.

By: _____

Name: _____

Title: _____

Exhibit A:

Date of Issuance

\$ _____

October , 2017

FOR VALUE RECEIVED, **AMERICAN RESOURCES CORPORATION**, an Indiana company (the "Company"), hereby promises to pay to Golden Properties Ltd. (the "Lender"), the principal sum of _____ dollars (\$ _____), together with interest thereon from the date of this Note. Interest shall accrue at a rate set forth in that certain Loan and Security Agreement dated as of October 4, 2017 by and between the Company and the Lender (the "Loan and Security Agreement"). The principal and unpaid accrued interest shall be due and payable by the Company on the Maturity Date as further described in the Loan and Security Agreement. This Note is issued under the Loan and Security Agreement, and capitalized terms not defined herein shall have the meaning set forth in the Loan and Security Agreement.

1. Payment. All payments shall be made in lawful money of the United States of America at the principal office of the Lender, or at such other place as the holder hereof may from time to time designate in writing to the Company. Payment shall be credited first to Costs (as defined below), if any, then to accrued interest due and payable and any remainder applied to principal. The Company may prepay the whole or any portion of the outstanding balance of this Note at any time and from time to time without any prepayment penalty or premium. The Company hereby waives demand, notice, presentment, protest and notice of dishonor. Notwithstanding any other provision of this Note, the Lender does not intend to charge, and the Company shall not be required to pay, any interest or other fees or charges in excess of the maximum permitted by applicable law. Any payments in excess of such maximum shall be refunded to the Company or credited to reduce the outstanding balance of the Loan hereunder.

2. Security. This Note is secured under the Loan and Security Agreement. Reference is hereby made to the Loan and Security Agreement for a description of the nature and extent of the security for this Note and the rights with respect to such security of the holder of this Note.

3. Priority. This Note shall be senior in all respects (including right of payment) to all other indebtedness of the Company, now existing or hereafter.

4. Amendments and Waivers; Resolutions of Dispute; Notice. The amendment or waiver of any term of this Note, the resolution of any controversy or claim arising out of or relating to this Note and the provision of notice shall be conducted pursuant to the terms of the Loan and Security Agreement.

5. Successors and Assigns. This Note applies to, inures to the benefit of, and binds the successors and assigns of the parties hereto; provided, however, that the Company may not assign its obligations under this Note without the written consent of the Lender.

6. Expenses. The Company hereby agrees, subject only to any limitation imposed by applicable law, to pay all expenses, including reasonable attorneys' fees and legal expenses, incurred by the holder of this Note in endeavoring to collect any amounts payable hereunder which are not paid when due, whether by declaration or otherwise ("Costs"). The Company agrees that any delay on the part of the holder in exercising any rights hereunder will not operate as a waiver of such rights. The holder of this Note shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies, and no waiver of any kind shall be valid unless in writing and signed by the party or parties waiving such rights or remedies.

7. Governing Law. This Agreement and all actions arising out of or in connection with this Agreement shall be governed by and construed in accordance with the laws of the State of Indiana, without regard to the conflicts of law provisions of the State of Indiana, or of any other state.

8. Jurisdiction and Venue. Lender, Company and Related Party irrevocably consent to the exclusive jurisdiction of, and venue in, the courts in British Columbia, Canada, in connection with any matter based upon or arising out of this Agreement or the matters contemplated herein.

9. Approval. The Company hereby represents that its board of directors, in the exercise of its fiduciary duty, has approved the Company's execution of this Secured Senior Promissory Note based upon a reasonable belief that the principal provided hereunder is appropriate for the Company after reasonable inquiry concerning the Company's financing objectives and financial situation. In addition, the Company hereby represents that it intends to use the principal of this Secured Senior Promissory Note primarily for the operations of its business, and not for any personal, family or household purpose.

AMERICAN RESOURCES CORPORATION

By: _____

Name: _____

Title: _____

Exhibit B:

Description of Collateral

The Collateral consists of all Quest Energy Inc.'s and its subsidiaries' right, title and interest in and to all the assets and available equipment of Quest Energy Inc. and its subsidiaries, as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

For purposes hereof, the defined term of "Code" shall be the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of Indiana; provided, that, to the extent that the Code is used to define any term herein and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Lender's lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of Delaware, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

Exhibit C:

Warrant B-4

Exhibit D:

Warrants C-1, C-2, C-3, and C-4