



**THE FOUNDATION  
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#54279

**Date:** March 08, 2024

**Subject:** American Resources Corporation – Distribution  
Option Symbol: AREC  
New Symbol: AREC1  
Date: 03/14/2024

American Resources Corporation (AREC) has announced a distribution of (New) Novusterra Inc. Class A Common Shares (“SpinCo”). The distribution ratio is 0.083 of a SpinCo share for each AREC share held. The record date is March 18, 2024; the payable date is March 25, 2024. The treatment of fractional shares is unknown at this time.

AREC will not be quoted “ex-dividend” on the NASDAQ. On March 14, 2024, AREC options will be adjusted to include the distributed SpinCo shares.

#### **Possible Settlement Procedures**

OCC anticipates that if an OTC or OTCBB (Bulletin Board) market develops, NSCC will accept transactions in the SpinCo Class A Common Shares which arise as a result of option exercise and assignment activity. In that event, AREC1 option exercise and assignment activity will settle in the normal fashion through NSCC. However, if a market does not develop or NSCC does not accept transactions in the SpinCo Class A Common Shares, OCC anticipates requiring broker to broker settlement for AREC1 options. Pursuant to customary OCC broker to broker settlement procedures, inability to effect delivery may subsequently occasion cash settlement as determined by OCC.

#### **Contract Adjustment**

**Effective Date:** March 14, 2024

**Option Symbol:** AREC changes to AREC1

**Strike Prices:** No Change

**Number of Contracts:** No Change

**Multiplier:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 2.50 yields \$250.00)

**New Deliverable Per Contract:** 1) 100 American Resources Corporation (AREC) Class A Common Shares

- 2) Approximately 8 (New) Novusterra Inc. Class A Common Shares (subject to delayed settlement until the trading status and treatment of fractional shares can be determined)
- 3) Cash in lieu of fractional Novusterra Inc. shares, if any

Note: Once determined, the cash in lieu of fractional share portion of the option deliverable will remain fixed and will not vary with price changes of any security.

#### **Settlement**

**Allocation:** AREC: 95%  
SpinCo: 5%

**CUSIPs:** AREC: 02927U208  
SpinCo: TBD

THE SETTLEMENT ALLOCATION OF THE TOTAL STRIKE PRICE AMOUNT IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITY CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

#### **Delayed Settlement**

The AREC component of the AREC1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the SpinCo Class A Common Share component and cash portion, if any, of the AREC1 deliverable until the trading status of the SpinCo Class A Common Shares and treatment of fractional shares, if any, have been determined. Upon determination of the trading status of the SpinCo Class A Common Shares and treatment of fractional shares, OCC will require Put exercisers and Call assignees to deliver the appropriate number of SpinCo shares and cash amount, if any.

#### **Disclaimer**

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

**ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.**

For questions regarding this memo, please email the Investor Education team at [options@theocc.com](mailto:options@theocc.com). Clearing Member Firms of OCC may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email [memberservices@theocc.com](mailto:memberservices@theocc.com).