



HALLADOR ENERGY COMPANY

**NOTICE OF
2024 ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MAY 30, 2024**



1183 East Canvasback Drive
Terre Haute, IN 47802

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD MAY 30, 2024

Dear Fellow Shareholders,

It is our pleasure to invite you to our 2024 Annual Meeting of Shareholders (our "Meeting" or "2024 Annual Meeting") to be held on May 30, 2024, at 10:00 a.m. Eastern Daylight Time, at our offices at 1183 East Canvasback Drive, Terre Haute, Indiana 47802. The purpose of the Meeting is to:

1. Elect six directors named in the Proxy Statement to serve for a one-year term, or until their successors are duly elected or qualified;
2. Approve, on an advisory basis, the Named Executive Officers' compensation;
3. Ratify the appointment of Grant Thornton LLP, as our independent registered public accounting firm for 2024; and
4. Transact such other business as may properly come before the Meeting.

The foregoing items of business are more fully described in the proxy statement accompanying this notice. The Board of Directors has fixed the close of business on April 10, 2024, as the record date for determining shareholders of Hallador Energy Company entitled to receive notice of and vote at the 2024 Annual Meeting and any adjournment or postponement thereof.

WHETHER OR NOT YOU EXPECT TO ATTEND THE 2024 ANNUAL MEETING IN PERSON, WE URGE YOU TO VOTE YOUR SHARES VIA THE TOLL-FREE TELEPHONE NUMBER OR OVER THE INTERNET, AS PROVIDED IN THE ENCLOSED MATERIALS. IF YOU REQUESTED A PROXY CARD BY MAIL, YOU MAY SIGN, DATE, AND MAIL THE PROXY CARD IN THE ENVELOPE PROVIDED.

By Order of the Board of Directors,

A handwritten signature in black ink, appearing to read 'Ryan McManis', is written over a light gray rectangular background.

Ryan McManis
Corporate Secretary
April 19, 2024

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 30, 2024.

The Notice of Annual Meeting, Proxy Statement, and Annual Report for the fiscal year ended December 31, 2023, are available at <http://materials.proxyvote.com/40609P>.

IMPORTANT NOTICE REGARDING ADMISSION TO THE 2024 ANNUAL MEETING

We ask that shareholders or their legal proxy holders who wish to attend the 2024 Annual Meeting register with Investor Relations no later than May 21, 2024, by email to investorrelations@halladorenergy.com or by telephone at (303) 839-5504.

TABLE OF CONTENTS

	Page No.
GENERAL MEETING INFORMATION	1
DELIVERY OF THE PROXY MATERIALS	1
VOTING INFORMATION	2
OUR MANAGEMENT TEAM	5
PROPOSAL NO.1.: ELECTION OF DIRECTORS FOR A ONE-YEAR TERM.	5
OUR CURRENT BOARD OF DIRECTORS AND NOMINEES	6
OUR NAMED EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS	8
BOARD AND ITS COMMITTEES	9
Board Leadership and Structure	9
Cyber Security Risk and Information Oversight	9
Board Risk Oversight	10
Code of Conduct	10
Board Meetings and Attendance	10
Executive Sessions of Non-Management Directors	10
Committees	10
Criteria for Director Nominations	12
Board of Directors Diversity	12
Human Capital	13
Shareholder Engagement	13
Anti-Hedging and Anti-Pledging Policy	14
Ownership Policy	14
Compensation Recovery ("Clawback") Policy	14
Delinquent Section 16(a) Reports	14
Director Compensation	14
2023 Director Compensation Table	14
PROPOSAL NO.2: APPROVE, ON AN ADVISORY BASIS, THE NAMED EXECUTIVE OFFICERS' COMPENSATION.	15
EXECUTIVE COMPENSATION	16
Summary Compensation Table	16
2022 Executive Officer Plan	16
2023 Payout Under the 2022 Executive Officer Plan	18
2024 Executive Officer Plan	19
Outstanding Equity Awards at December 31, 2023	19
Equity Compensation Plan Information	19
Potential Payments Upon Termination or Change in Control	20
Separation Agreement with Mr. Martin	21
Other Benefits	21
PAY VERSUS PERFORMANCE	21
Summary Table	22
Relationship Between Compensation Actually Paid and Performance Measures	23
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	24
CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE	25
Review and Approval of Transactions with Related Persons	25
Promissory Notes	26
Director Independence	26
PROPOSAL NO. 3: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.	26
INDEPENDENT AUDITOR'S FEES AND SERVICES	26
Auditors	26
Principal Accountant Fees	26
Pre-Approval Policy	27
Audit Committee Report	27
OTHER INFORMATION	27
Proposals by Security Holders	27
Other Matters	27
Shareholder Proposals and Director Nominations for the 2025 Annual Meeting	28
Communications with the Board of Directors	29
Householding	29
Incorporation by Reference	29
Availability of SEC Filings, Code of Conduct and Committee Charters	29
Appendix	
Proxy Card	A-1

HALLADOR ENERGY COMPANY

PROXY STATEMENT FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD MAY 30, 2024

This Proxy Statement is furnished by the Board of Directors (the "Board") of Hallador Energy Company (the "Company", "Hallador", "we" or "us") to holders of our common stock in connection with the solicitation by the Board of proxies to be voted at the 2024 Annual Meeting of Shareholders (our "Meeting" or "2024 Annual Meeting").

GENERAL MEETING INFORMATION

Date and Location of Meeting

Our Meeting will be held on May 30, 2024, at 10:00 a.m. Eastern Daylight Time, at our offices at 1183 East Canvasback Drive, Terre Haute, Indiana 47802, or at such other time and place if the Meeting is postponed or adjourned. References in this Proxy Statement to the 2024 Annual Meeting also refer to any adjournments, postponements, or changes in time or location of the Meeting, to the extent applicable.

Who can attend the Meeting?

All of our shareholders as of the close of business on April 10, 2024, may attend the 2024 Annual Meeting.

What do I need to do to attend the Meeting?

Proof of ownership, together with valid government-issued photo identification such as a driver's license or passport, are required to attend the Meeting. **We ask that shareholders or their legal proxy holders who wish to attend the 2024 Annual Meeting register with Investor Relations no later than May 21, 2024, by email to investorrelations@halladorenergy.com or by telephone at (303) 839-5504.**

For safety reasons, we will not allow anyone to bring large bags, briefcases, packages, or other similar items into the Meeting, or to record or photograph the Meeting.

What is the purpose of the Meeting?

At the Meeting, our shareholders will act upon the matters outlined in the "Notice of Annual Meeting," which appears on the cover page of this Proxy Statement, including:

1. Elect six directors named in this Proxy Statement to serve for a one-year term, or until their successors are elected or qualified;
2. Approve, on an advisory basis, the Named Executive Officers' compensation;
3. Ratify the appointment of Grant Thornton LLP, as our independent registered public accounting firm for 2024; and
4. Transact such other business as may properly come before the Meeting.

DELIVERY OF THE PROXY MATERIALS

Mailing Date

On or about April 19, 2024 we mailed a Notice of Internet Availability of Proxy Materials (the "Notice of Availability") to our shareholders containing instructions on how to access the proxy materials and submit your proxy online. We have made these proxy materials available to you over the Internet or, upon your request, have delivered paper copies of these materials to you by mail, in connection with the solicitation of proxies by the Board for the Meeting.

Shareholders Sharing an Address

Registered Shareholders—Each record shareholder (meaning you own shares in your name on the books of our transfer agent, Computershare Trust Company, N.A.) will receive one Notice of Availability, regardless of whether you have the same address as another record shareholder.

Street Name Shareholders—If you own shares in "street name" (that is, in the name of a bank, broker, or another holder of record), applicable rules permit brokerage firms and our Company, under certain circumstances, to send one Notice of Availability to multiple shareholders who share the same address. This practice is known as "householding." Householding saves printing and postage costs by reducing duplicate mailings. If you hold your shares through a broker, you may have consented to reduce the number of copies of materials delivered to your address. If you wish to revoke a "householding" consent you previously provided to a broker, you must contact that broker to revoke your consent. If your household is receiving multiple copies of the Notice of Availability and you wish to request delivery of a single copy, you should contact your broker directly.

VOTING INFORMATION

Who is entitled to vote?

Only shareholders of record at the close of business on April 10, 2024, (the "Record Date"), are entitled to receive notice of the Meeting and to vote the shares of common stock of the Company ("Common Stock"). The holders of the Common Stock may vote on all matters presented at the Meeting and will vote together as a class. Each outstanding share of Common Stock entitles the holder to one vote. As of the Record Date, there were 36,532,019 shares of Common Stock outstanding.

As of the Record Date, the Company's officers and directors are the record and beneficial owners of a total of 11,799,336 shares (32.30%) of the Company's outstanding Common Stock. Management intends to vote all of its shares in the manner recommended by the Board for each matter to be considered by the shareholders.

What constitutes a quorum?

One-third of the outstanding shares of Common Stock entitled to vote, represented in person or by proxy, constitutes a quorum for the Meeting.

Is my vote confidential?

Yes. All proxies, ballots, and vote tabulations that identify how individual shareholders voted will be kept confidential and will not be disclosed to our directors, officers, or employees, except in limited circumstances, including:

- When disclosure is required by law;
- During any contested solicitation of proxies; or
- When written comments by a shareholder appear on a proxy card/voting instruction form or other voting material.

How do I vote?

Shareholders of record may vote using one of the following methods:

- over the Internet, which you are encouraged to do so if you have access to the Internet;
- by telephone;
- by completing, signing, and returning the included proxy card, for those who requested to receive printed proxy materials in the mail; or
- by attending the 2024 Annual Meeting and voting in person.

The Notice of Availability provides instructions on how to access your proxy, which contains instructions on how to vote via the Internet or by telephone. For shareholders who request to receive a paper proxy card in the mail, instructions for voting via the Internet, by telephone, or by mail are set forth on the proxy card.

If you hold shares in "street name", the organization holding your account is considered the shareholders of record for purposes of voting at the Meeting. The shareholder of record will provide you with instructions on how to vote your shares. Internet and telephone voting will be offered to shareholders owning shares through most brokerage firms and banks. Additionally, if you would like to vote in person at the Meeting, contact the brokerage firm, bank or other nominee who holds your shares to obtain a proxy from them and bring it with you to the Meeting. **You will not be able to vote at the Meeting unless you have a proxy from your brokerage firm, bank, or other nominee.**

You may read, print, and download our 2023 Form 10-K, 2024 Proxy Statement and Proxy Card at <http://materials.proxyvote.com/40609P>. On an ongoing basis, shareholders may request to receive proxy materials in printed form by mail or electronically by email.

To ensure that your vote is counted at the Meeting, regardless of whether you plan to attend, you should vote by using the Internet or telephone voting options on your Proxy Card or by mailing in your Proxy Card. If you return an executed Proxy Card without marking your instructions, your executed Proxy Card will be voted by the recommendations of the Board. In connection therewith, the Board has designated Brent K. Bilsland, Chairman, President and CEO, and Marjorie Hargrave, CFO, as proxies. If you indicate a choice concerning any matter to be acted upon on your Proxy Card or voting instruction card, your shares will be voted per your instructions.

Information for Beneficial Owners

As a beneficial owner, in order to ensure your shares are voted in the way you would like, you must provide voting instructions to your bank, broker or other nominee by the deadline provided in the materials you receive from your bank, broker or other nominee. If you do not provide voting instructions to your bank, broker or other nominee, whether your shares can be voted by such bank, broker or nominee depends on the type of item being considered for vote.

Non-Discretionary (Non-Routine) Items. The election of directors (Proposal 1) and the Advisory Vote Approving the Named Executive Officers' Compensation (Proposal 2) are non-discretionary items and may not be voted on by brokers, banks or other nominees who have not received specific voting instructions from beneficial owners.

Discretionary (Routine) Items. The ratification of the appointment of Grant Thornton LLP as independent registered public accounting firm is a discretionary item, also known as a "routine" matter. Generally, brokers, banks and other nominees that do not receive voting instructions from beneficial owners may vote on this proposal in their discretion.

When a broker, bank or other nominee votes its clients' unvoted shares on "routine" matters, these shares are counted to determine if a quorum exists to conduct business at the Meeting. A broker, bank or other nominee cannot vote clients' unvoted shares on non-routine matters, which results in a "broker non-vote".

Can I change my vote or revoke my proxy?

Yes. If you are a shareholder of record, you may change your vote or revoke your proxy at any time before your shares are voted at the Meeting by:

- Notifying our Corporate Secretary in writing at our address above that you are revoking your proxy;
- Executing and delivering a later-dated proxy card or submitting a later-dated vote by telephone or the Internet; or
- Attending the Meeting in person, revoking your proxy, and voting in person.

Attendance at the Meeting will not cause your previously granted proxy to be revoked unless you specifically make that request. If you hold your shares in "street name," you may submit new voting instructions by contacting your bank, broker, or other nominee, or if you have obtained a legal proxy from your bank, broker or other holder of record giving you the right to vote your shares, by attending the Meeting and voting in person.

What if other matters come up at the Meeting?

The matters described in this Proxy Statement are the only matters we know to be voted on at the Meeting. If other matters are properly presented at the Meeting, the proxy holders will vote your shares as they see fit.

Can I vote in person at the Meeting rather than by completing the Proxy Card?

Although we encourage you to complete and return the Proxy Card to ensure that your vote is counted, you can attend the Meeting and vote your shares in person.

How are votes counted?

We will hold the Meeting if holders of one-third of the total shares of Common Stock that are entitled to vote either sign and return their Proxy Card or attend the Meeting. If you sign and return your Proxy Card, your shares will be counted to determine whether the Company has a quorum even if you abstain or fail to vote on any of the proposals listed on the Proxy Card.

Where can I find the voting results of the Annual Meeting?

We plan to announce preliminary voting results at the 2024 Annual Meeting and to publish final results in a Current Report on Form 8-K filed with the Securities and Exchange Commission (the "SEC") within four business days after the 2024 Annual Meeting.

Who pays for this proxy solicitation?

We will bear all of the solicitation costs and will supply copies of the solicitation materials to brokerage houses, fiduciaries, and custodians holding shares in their names that are beneficially owned by others so that they may forward this solicitation material to such beneficial owners. Also, we may reimburse such persons for their costs in forwarding the solicitation materials to such beneficial owners. In addition to sending you these materials, some of the Company's employees may contact you by telephone, by mail, or in person. None of these employees will receive any extra compensation for doing this.

What vote is required to approve each item?

Election of Directors. At the Meeting, six director-nominees are standing for election to the Board. With respect to the election of directors, you may vote "for" or "against" each of the nominees for the Board, or you may "abstain" from voting for one or more nominees. To be elected to the Board, each director-nominee must receive the affirmative vote of the holders of a majority of shares present in person or represented by proxy and entitled to vote on the matter (meaning that of the shares represented at the Meeting and entitled to vote, a majority of them must be voted "FOR" the nominee). Abstentions will have the same effect as a vote "against" the election of the nominee to the Board. Your broker may not vote your shares on the nominees unless you give voting instructions. Broker non-votes will have no effect on the election of the nominees. Each director-nominee elected at the Meeting will serve on the Board for a one-year term or until his successor is duly elected and qualified, or until he resigns or is removed.

Say-on-Pay. At the Meeting, we are asking shareholders to vote to approve on an advisory basis the compensation paid to the Named Executive Officers. With respect to this proposal, you may vote "for," "against," or "abstain" from voting with respect to this proposal. A majority of the shares represented at the Meeting and entitled to vote on this proposal must vote "FOR" the proposal to approve it. If you "abstain" from voting with respect to this proposal, your vote will have the same effect as a vote "against" the proposal. Your broker may not vote your shares on this proposal unless you give voting instructions. Broker non-votes will have no effect on the vote for this proposal. Your vote will not directly change or otherwise limit or enhance any existing compensation or award arrangement of any of our Named Executive Officers, but the outcome of the say-on-pay vote will be taken into account by the Compensation Committee when considering future compensation arrangements.

Ratification of Auditor. At the Meeting, we are asking shareholders to ratify the appointment of Grant Thornton LLP, as our independent registered public accounting firm for the year ending December 31, 2024. With respect to this proposal, you may vote "for," "against" or "abstain" from voting with respect to this proposal. A majority of the shares represented at the Meeting and entitled to vote on this proposal must vote "FOR" the proposal to approve it. If you "abstain" from voting with respect to this proposal, your vote will have the same effect as a vote "against" the proposal. As this proposal is considered a "routine" matter, your broker may vote your shares on this proposal if you do not provide voting instructions.

Other Matters. For most other matters that properly come before the Meeting, the affirmative vote of a majority of shares of Common Stock, present in person or represented by proxy and voted at the Meeting, will be required.

OUR MANAGEMENT TEAM

Hallador is led by Brent K. Bilsland, our Chairman, President, and Chief Executive Officer, whose biography appears below under "*Our Current Board of Directors and Nominees*," Marjorie Hargrave, our Chief Financial Officer, and Heath A. Lovell, our President of Hallador Power, whose biographies appear under "*Our Named Executive Officers Who Are Not Directors*."

PROPOSAL NO. 1: ELECTION OF DIRECTORS FOR A ONE-YEAR TERM.

THE BOARD RECOMMENDS THAT YOU VOTE "FOR" ALL OF THE NOMINEES.

At our 2023 Annual Meeting of Shareholders, our shareholders elected a Board of six directors.

Five of our current directors are listed below and nominated for re-election, and one new nominee is seeking election at the Meeting. One of our current directors, Steven R. Hardie, is not standing for re-election and will be retiring from the Board when his current term expires at the Meeting. Hallador would like to thank Mr. Hardie for his guidance and valuable contributions during his many years of dedicated service on the Board.

Each of the directors elected at the Meeting will serve a one-year term expiring at the next annual meeting of shareholders or until their successors are duly elected and qualified, or until he resigns or is removed. Each nominee agreed to be named in this Proxy Statement and to serve if elected.

To be elected to the Board, each director-nominee must receive the affirmative vote of the holders of a majority of shares present in person or represented by proxy at the Meeting. Abstentions will have the same effect as a vote "against" the election of the nominee to the Board. Your broker may not vote your shares on the nominees unless you give voting instructions. Thus, broker non-votes will have no effect on the vote for this proposal. If you sign your Proxy Card but do not give instructions with respect to the voting of director-nominees, your shares will be voted for the nominees. Each director-nominee elected at the Meeting will serve on the Board for a one-year term or until his successor is duly elected and qualified, or until he resigns or is removed.

Any director-nominee who is currently serving as a director and who does not meet the voting requirement described above must tender his resignation.

We have no reason to believe that any of the nominees will be unable or unwilling for good cause to serve if elected. However, if any nominee should become unable for any reason or unwilling for good cause to serve, the proxies may be voted for another person nominated as a substitute by the Board, or the Board may reduce the number of directors.

OUR CURRENT BOARD OF DIRECTORS AND NOMINEES

Below is an overview of our current directors and each of the director nominees you are being asked to elect at the 2024 Annual Meeting.

Name and Principal Occupation	Age	Board Member Since	Independent	Audit Committee	Compensation Committee	Nominating Committee
Brent K. Bilsland <i>Chairman of the Board, President and CEO Hallador Energy Company</i>	50	2009				
Zarrell Gray <i>Executive Advisor to Teays Rivers</i>	57		✓			
David C. Hardie <i>Executive Chairman of the Board Hallador Investment Advisors Inc.</i>	73	1989	✓	Chair	✓	✓
Steven R. Hardie** <i>Managing Member NextG LLC</i>	69	1994	✓		✓	✓
Bryan H. Lawrence <i>Managing Member of Yorktown Partners LLC</i>	81	1995	✓	✓	✓	✓
David J. Lubar <i>Director, CEO and President Lubar & Co.</i>	69	2018	✓	✓	Chair	✓
Charles R. Wesley, IV <i>President Thoroughbred Resources LP</i>	45	2018	✓			Chair
Total Committee Meetings in 2023				4	1	0

**Mr. Steven Hardie is not standing for re-election.

Director Nominees

BRENT K. BILSLAND, the Chairman of the Board, President, and CEO, has served on the Board since 2009. Mr. Bilsland was elected Chairman of the Board in 2018, appointed CEO in 2014, and has been a director and our President since 2009. He was President of Sunrise Coal, LLC, our primary operating subsidiary, from July 2006 through November 2017, and Vice President of Knapper Corporation, a private corporation, from 1998 to 2004. Mr. Bilsland is a graduate of Butler University located in Indianapolis, Indiana.

Mr. Bilsland brings broad industry experience and significant operational capabilities to our Company. He has an intimate understanding of our business and its operations that benefit us. In 2015 and 2016, Mr. Bilsland served as the Chairman of the Indiana Coal Council. Mr. Bilsland's investment in our Common Stock, combined with his wife and children, is 3.88%.

ZARRELL GRAY, Executive Advisor to Teays Rivers, a U.S. holding company with a strategic focus on production based and vertically integrated agricultural businesses with assets and operations across 23 states and 10 countries. From 2007 to 2021 he was Executive Vice President and Chief Operating Officer at Teays River. Prior to joining Teays River, Mr. Gray was professionally involved in the hybrid seed industry for over 17 years (1990 to 2007) and remains a principal owner of Gray's Seed, Inc. Mr. Gray graduated from Purdue University and has a Bachelor of Science in Agricultural Economics.

Mr. Gray brings more than 16 years as a senior executive (COO/EVP) in the formation and growth of a large-scale holding company. Mr. Gray has served on multiple private corporate boards each with sales in the hundreds of millions or greater. He also has extensive experience in investment committees, diligence processes, and various acquisition execution responsibilities and has been engaged in raising capital and debt facilities, each in excess of a billion dollars. Over his career he developed a unique and broad global network of investors, bankers and operators. We believe that Mr. Gray's vast experience will enable us to advance our long-term strategic growth plan.

DAVID C. HARDIE, a Director, serves as Chair of our Audit Committee. From July 1989 through January 2014, Mr. Hardie was our Chairman of the Board. He is the Executive Chairman of the board of directors of Hallador Investment Advisors Inc., which manages Hallador Cash Fund LP, Hallador Alternative Assets Fund, Moka Fund, and Hallador Balanced Fund. Mr. Hardie is also the Managing Member of Allora, a fine dining restaurant in Sacramento, California. Mr. Hardie joined the board of directors of Earlens Corporation, a venture-backed hearing aid company, in November 2020. He serves as a director and partner of other private entities that are owned by members of his family and serves as director of The Parasol Tahoe Community Foundation and University of California Davis Environmental Research Center. Mr. Hardie is a Graduate of California Polytechnic University, San Luis Obispo with a Bachelor of Science in Accounting. He also completed the Owner/President Management program at the Harvard Business School.

Mr. David C. Hardie, who controls 6.31% of our Common Stock, has been a Board member for the last 35 years. His significant broad experience, as well as an intimate knowledge of our Company, is a tremendous benefit to us in planning and executing our corporate strategy.

BRYAN H. LAWRENCE, a Director, is a founder and senior manager of Yorktown Partners LLC, the manager of the Yorktown group of investment partnerships, which make investments in companies engaged in the energy industry. The Yorktown partnerships were formerly affiliated with the investment firm of Dillon, Read & Co. Inc., where Mr. Lawrence had been employed since 1966, serving as a Managing Director until the merger of Dillon Read with SBC Warburg in September 1997. Mr. Lawrence also serves as a director of Riley Exploration Permian, Inc., Ramaco Resources, Inc., and Star Group, LP (each a United States publicly-traded company) and certain non-public companies in the energy industry in which Yorktown partnerships hold equity interests. Mr. Lawrence is a graduate of Hamilton College and also has an MBA from Columbia University.

Mr. Lawrence, who controls 1.37% of our Common Stock, has been a Board member for the last 29 years. We believe that Mr. Lawrence's wealth of industry-specific transactional skills and experience qualifies him to serve on our Board. As with most of our other Board members, he too has a significant indirect monetary investment in our Company and accordingly has a vested interest in our success.

DAVID J. LUBAR, a Director, is President and CEO of Lubar & Co. He began his career in 1977 at Wells Fargo Bank (f/k/a Norwest Bank N.A.) in Minneapolis, where he spent six years in commercial and correspondent banking. Mr. Lubar joined Lubar & Co. in 1983 and has served as lead investor to over 20 companies in a wide range of industries and various stages of development. He currently serves as a director of each of the Lubar Companies as well as Nicholas Company, Baird Funds, Ixonia Bank (chairman), Milwaukee Brewers Baseball Club, and several other private companies. He previously served on the boards of BMO Financial Corp and Northwestern Mutual Life Insurance Company. He also serves in many community leadership positions throughout the Milwaukee area. Mr. Lubar has a Bachelor of Arts degree from Bowdoin College and Master of Business Administration from the University of Minnesota.

Mr. David J. Lubar controls 14.92% of our Common Stock. Mr. Lubar has 40 years of investment experience with private companies, public stocks, and fixed income. His experience provides him insight from the view of an investor and Board member.

CHARLES R WESLEY, IV, a Director, has served as President of Thoroughbred Resources LP (a Yorktown Partners affiliate) since 2014 and CEO since 2016. Mr. Wesley served as Chief Planning and Commercial Officer of Ramaco Resources and, before joining Thoroughbred, Senior Director of Finance and Senior Counsel at Lumen Technologies (formerly Level 3 Communications), where he was also responsible for the operation and ultimate disposition of the Company's coal mining operations. Prior to Lumen Technologies, he worked at the law firms of Akin, Gump, Strauss, Hauer & Feld, and Strasburger & Price, focusing on international energy transactions. He began his career with a coal company as a mining engineer and is an active investor in natural resources and financial technology. Mr. Wesley is a board member across multiple industries and philanthropic organizations. Mr. Wesley holds a Juris Doctorate from the University of Kentucky College of Law and a Bachelor of Science in Mining Engineering from Virginia Polytechnic Institute.

Mr. Wesley brings a wealth of invaluable coal mining industry knowledge and experience to the Board. His vast knowledge of the industry assists the Board in driving future and potential growth and expansion opportunities.

Non-Continuing Director

STEVEN R. HARDIE, a *Director*, has served on the Board since 1994. He is the manager of NextG LLC, a family investment partnership formed in 2016. For the past 38 years, he has been a private investor and serves as director and partner of other private entities owned by members of his family. Mr. Hardie is not standing for re-election and will be retiring from the Board when his current term expires at the Meeting.

OUR NAMED EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS

On March 25, 2024, the Company appointed Marjorie Hargrave as its new Chief Financial Officer, effective April 10, 2024, to succeed Lawrence D. Martin. Because Ms. Hargrave joined the Company as CFO in April 2024, she is not a “Named Executive Officer” in respect of the fiscal year ended December 31, 2023 for purposes of this proxy statement, but Mr. Martin is a “Named Executive Officer” for such purpose.

LAWRENCE D. MARTIN, CPA, age 58, served as both Hallador’s CFO and President of Hallador’s subsidiary Sunrise Coal through April 9, 2024. From 2007 to 2017, Mr. Martin was Sunrise’s CFO. Prior to joining Sunrise, he worked for 19 years at CliftonLarsonAllen, LLP (CLA). Mr. Martin was a Senior Manager at CLA before his employment with Sunrise Coal. Mr. Martin is a graduate of Indiana State University and received his Bachelor of Science degree in Accounting in 1988.

HEATH A. LOVELL, age 49, has served as President of Hallador Power Company since 2022. Mr. Lovell will succeed Mr. Martin as President of Sunrise Coal. Prior to joining Hallador, Mr. Lovell was the Vice President – Public Affairs for Alliance Coal, LLC since June of 2017. Before that, he was Vice President of Operations for Alliance Coal covering Illinois, Indiana, and parts of Western Kentucky. He had been with Alliance Coal since 2006 and held several other positions including General Manager of River View Coal, LLC and General Manager of Webster County Coal, LLC. Mr. Lovell was responsible for the development of River View in 2009 with its nine units of operations and initial capital investment of \$270 million. Before joining Alliance, Mr. Lovell was Vice President and Partner of Dodge Hill Mining, LLC. He has over 25 years of experience in the mining industry and holds a Master of Business Administration and a Bachelor of Science degree in Electrical Engineering from the University of Kentucky.

Mr. Lovell has served as the Chairman of the Kentucky Coal Association Board of Directors, West Virginia Coal Association Board of Directors, Indiana Coal Association Board of Directors, Reliable Energy, Inc. Board of Directors, as well as a Board Member of the American Coal Council and an appointed member of the National Coal Council.

MARJORIE HARGRAVE, age 60, joined Hallador on April 10, 2024 as our Chief Financial Officer. Ms. Hargrave has served as a director for Evolution Petroleum, a publicly traded company on the NYSE, since March 1, 2021 and currently serves as its Chair of the Audit Committee, and as a member of the Compensation and Nominating & Corporate Governance Committees. Ms. Hargrave most recently was the President and CFO of Enservco Corporation, a publicly traded Oilfield Services Company. Ms. Hargrave is the former CFO of CTAP (currently owned by Marubeni-Itochu Tubulars America), a provider of pipe and tubing to the energy industry and the former CFO of High Sierra Energy, a midstream energy company that was sold to NGL Energy Partners. Previous assignments include VP Finance/Managing Director, Black Hills Corp., Finance Consultant, Xcel Energy; and VP Investment Banking, Merrill Lynch. Ms. Hargrave holds a Bachelor’s degree in economics from Boston University, a Master’s degree in economics from New York University, and certification in Cybersecurity Oversight from Carnegie Mellon University.

BOARD AND ITS COMMITTEES

Board Leadership and Structure

Chairman

Our Board does not have a fixed policy regarding the roles for the Chairman of the Board ("Chairman") and CEO on whether they should be served independently or jointly. Currently, Mr. Bilsland holds both positions. We see the dual role as a bridge between management and the Board. We believe that a Chairman who understands the day-to-day business and the important issues to be addressed by the Board is currently in the Company's and the shareholders' best interest. Our Board members have a significant monetary stake in the Company and believe they can provide oversight to the combined role.

Due to the limited size of our Board, we do not have a Lead Independent Director.

In addition, we have a separate Chair for each committee of the Board. The Chair of each committee reports periodically to the Board.

Independent and Non-Management Directors

After considering the standards for independence adopted by Nasdaq, the SEC, and various other factors as described herein, the Board has determined that all of our current directors and director nominees, other than Mr. Bilsland, are independent.

Cyber Security Risk and Information Oversight

We rely on information technology to operate our business. We have endpoint and other protection systems, and incident response processes, both internally and through third-party consultants, designed to protect our information technology systems. These established processes assist us to continuously assess and identify threats to our systems and minimize impact to our business in the event of a breach or other security incident. With our third-party consultants, the processes protect our information systems and allow us to resolve issues timely. As new threats to security may be identified, our personnel are notified, with instruction to increase awareness of the threat and how to react if such a threat or actual breach appears to be encountered. Periodic educational notices are also disseminated to all personnel.

Additionally, as our systems are modified and upgraded, all personnel are notified, with instruction as appropriate. Responsibility for the identification and assessment of risks and the recommendation of upgrades to our systems resides with our expert consultants who report to our IT Director.

Our Board oversees the risks involved in our operations as part of its general oversight function, integrating risk management into the Company's compliance policies and procedures. With respect to cybersecurity, the Board has the ultimate oversight responsibility, with the Audit Committee and IT Steering Committee each having certain responsibilities relating to risk management of cybersecurity. Among other things, the Audit Committee discusses with management the Company's major policies with respect to risk assessment and risk management, including cyber-security, as they relate to the integrity of the Company's accounting and financial reporting processes and the Company's compliance with legal and regulatory requirement. In addition to its other responsibilities, the IT Steering Committee oversees operational information technology risks, including cybersecurity, as they relate to the technical aspects of the Company's operations. The IT Steering Committee and/or the full Executive Team receive at least quarterly reports from management on information technology matters, including cybersecurity. The reports address upgrades to hardware, software, and IT systems throughout the Company, and include the identification of IT and cybersecurity risks. Security scores, risk management, and mitigation measures are routinely presented. As discussed above, we maintain endpoint and other protection systems, and incident response processes, both internally and through third-party experts. As these systems, processes, training, and upgrades are implemented, updates are provided to the Executive Team. We have not identified an indication of a substantive cyber security incident that would have a material impact on our business, results of operations or financial statements.

Board Risk Oversight

Our Board has ultimate responsibility for general oversight of risk management processes. The Board receives regular reports from Mr. Bilsland on areas of risk we face. Our risk management processes are intended to identify, manage, and control risks so that they are appropriate considering our scope, operations, and business objectives. The full Board engages with the appropriate members of management to enable its members to understand and provide input and oversight of our risk identification, risk management, and risk mitigation strategies. The Audit Committee also meets without management present to, among other things, discuss our risk management culture and processes. In the event, a committee receives a report from a member of management regarding areas of risk, the Chairman of the relevant committee will report on the discussion to the full Board to the extent necessary or appropriate. This enables the Board to coordinate risk oversight, particularly concerning interrelated or cumulative risks that may involve multiple areas for which more than one committee has responsibility.

Code of Conduct

Our Board adopted the Company's Code of Conduct, which provides general statements of our expectations regarding ethical standards that we expect our directors, officers, and employees to adhere to while acting on our behalf. The Code of Conduct provides, among other things, that our directors, officers, and employees will: (i) comply with all laws, rules, and regulations applicable to us; (ii) avoid conflicts of interest; (iii) protect our assets and maintain our confidentiality; (iv) honestly and accurately maintain records and make required disclosures; and (v) promote ethical behavior and report violations of laws, rules, regulations or the Code of Conduct.

The Code of Conduct is available on our website, www.halladorenergy.com.

Board Meetings and Attendance

During 2023, the Board held seven regular meetings, and each of the committees held the number of meetings included in the description of the committees set forth below. Each Board member up for re-election attended at least 75% of the Board and committee meetings, which they served on during 2023.

We do not have a specific policy regarding attendance at the annual meeting of shareholders. All directors, however, are encouraged to attend if available. All of our directors participated in the 2023 Annual Meeting of Shareholders.

Executive Sessions of Non-Management Directors

To promote open discussions, our non-management directors meet in executive sessions regularly after scheduled Board meetings.

Committees

Our Board has three separately designated standing committees: an Audit Committee, a Compensation Committee, and a Nominating Committee. The committee charters are available on our website, www.halladorenergy.com.

The membership and purposes of each of the committees are described below.

Audit Committee

David C. Hardie
Chair and Financial
Expert
Bryan H. Lawrence
David J. Lubar

All of our Audit Committee members are "independent" as defined by the Nasdaq listing standards, including those standards applicable specifically to audit committee members. Also, no member of the Audit Committee has served as one of our officers or employees at any time. All members of the Audit Committee are "non-employee directors" as defined in SEC rules. In addition to regularly scheduled meetings, the committee meets separately in executive sessions with representatives of our independent auditor. The Audit Committee approves the appointment and services of the independent auditor and reviews the general scope of the audit and audit-related services, matters relating to internal controls, and other matters related to accounting and reporting functions. The Audit Committee assists the Board in fulfilling its oversight responsibilities concerning:

- (i) The integrity of the financial reports and other financial information provided by us to the public or any governmental body;
- (ii) our compliance with legal and regulatory requirements;
- (iii) our systems of internal controls over financial reporting;
- (iv) the qualifications and independence of our independent auditors;
- (v) our auditing, accounting, and financial reporting processes generally; and
- (vi) the performance of such other functions as the Board may assign from time to time.

To this end, the Audit Committee maintains free and open communication with the Board, the independent auditors, and any other person responsible for our financial management. The Board also determined that Mr. David C. Hardie qualifies as an audit committee financial expert under the applicable SEC rules.

The Audit Committee met four times in 2023.

Compensation Committee

David J. Lubar
Chair
David C. Hardie
Steven R. Hardie
Bryan H. Lawrence

All of our Compensation Committee members are "independent" as defined by the Nasdaq listing standards, including those standards that apply specifically to compensation committee members. Also, no member of the Compensation Committee has served as one of our officers or employees at any time. All members of the Compensation Committee are "non-employee directors" as defined in SEC rules. The purpose of our Compensation Committee is to:

- (i) oversee our executive and director compensation; and
- (ii) oversee and administer our stock incentive plans.

The Compensation Committee met once in 2023.

Nominating Committee

Charles R. Wesley, IV
Chair
David C. Hardie
Steven R. Hardie
Bryan H. Lawrence
David J. Lubar

No member of the Nominating Committee has served as one of our officers or employees at any time. All members of the Nominating Committee are independent, as defined in SEC rules. The purpose of our Nominating Committee is to:

- (i) assist our Board by identifying individuals qualified for election and re-election as Board members and to recommend to our Board, the director nominees for each annual meeting of shareholders, subject to the provisions of any shareholder or similar agreement binding on us; and
- (ii) recommend to the Board director nominees for each committee of the Board, subject to the provisions of any shareholder or similar agreement binding on us, and act on specific matters within its delegated authority, as determined by the Board from time to time.

The Nominating Committee did not meet in 2023.

Criteria for Director Nominations

General criteria for the nomination of director candidates include experience and successful track record, integrity, skills, ability to make analytical inquiries, understanding of our business environment and willingness to devote adequate time to director duties, diversity (although no formal policy exists, considered along with the aforementioned factors), all in the context of the perceived needs of the Board at that time. Stock ownership could also be a consideration.

Board of Directors Diversity

The Company seeks to maintain a Board comprised of talented and dedicated directors with a diverse mix of expertise, experience, skills, and backgrounds. The skills and backgrounds collectively represented on the Board should reflect the diverse nature of the business environment in which the Company operates. Although the Company has not adopted a formal diversity policy for the Board, as new members of the Board are considered, diversity considerations should include - but not be limited to - business expertise, geography, age, gender, and ethnicity.

The Company is committed to a merit-based system for Board composition within a diverse and inclusive culture which solicits multiple perspectives and views and is free of conscious or unconscious bias. When assessing Board composition or identifying suitable candidates for appointment to the Board, the Company will consider candidates on merit with due consideration to the benefits of diversity and the needs of the Board. Prior to recommending the director slate this year, our Nominating Committee conducted a broad search for new director candidates, and reviewed and considered candidates from a variety of backgrounds, including female candidates and other candidates that would have qualified as diverse under the Nasdaq Board Diversity Rule. Taking into account these various factors, our Nominating Committee determined to recommend Mr. Gray as a new director nominee to our Board, and to nominate each of our continuing directors, other than Mr. Steven Hardie who, as noted above, is not standing for re-election this year and will retire from the Board at the Meeting.

The Nasdaq Board Diversity Rule requires companies listed on Nasdaq to publicly disclose board-level diversity statistics using a standardized template. Our current Board Diversity Matrix is set forth below. Beginning this fiscal year, smaller reporting companies like our Company must also either have or explain why they do not have at least one diverse director on their board of directors. As of the date hereof, we do not satisfy the diversity objective under the Nasdaq Board Diversity Rule. We believe that the current composition of our Board is and, upon election of the proposed slate of director nominees at this year's Meeting, will be appropriately balanced in skills and experience in light of the Company's current business environment and the challenges currently facing the Company and the coal and electricity markets in general; as such, we do not currently have at least one diverse director on the Board.

The Board Diversity Matrix sets forth information about the diversity of the Board in accordance with the recently adopted NASDAQ Board Diversity Rule.

Board Diversity Matrix (as of April 12, 2024)

Total Number of Directors:					6
	<u>Female</u>	<u>Male</u>	<u>Non-Binary</u>	<u>Did Not Disclose Gender</u>	
Part 1: Gender Identity					
Directors	-	6	-	-	
Part 2: Demographic Background					
African American or Black	-	-	-	-	
Alaskan Native or Native American	-	-	-	-	
Asian	-	-	-	-	
Hispanic or Latino	-	-	-	-	
Native Hawaiian or Pacific Islander	-	-	-	-	
White	-	6	-	-	
Two or More Races or Ethnicities					
LGBTQ+					
Did Not Disclose Demographic Background					

Human Capital

As of December 31, 2023, Hallador and its subsidiaries employed 936 full-time employees and temporary miners, 886 of those employees and temporary miners are directly involved in the coal mining or coal washing process. Our coal workforce is entirely non-union. To attract and retain top talent, we provide competitive wages, an annual bonus for all employees, excellent benefits, an employee health clinic and a culture that is committed to health and safety at all levels.

Employee health and safety is a top priority at our wholly owned subsidiary, Sunrise Coal. With a robust safety department and safety standards that exceed mandated guidelines, we make safety the foundation of everything we do. While every precaution is taken to prevent mine emergencies, Sunrise Coal has its own private mine rescue team. This team is trained and ready to manage emergency situations at a Sunrise Coal facility, but also ready and available to assist other mine rescue teams. We continuously monitor safety data such as injury severity, violations per inspection day, and significant and substantial citations.

We are committed to providing comprehensive affordable health insurance with low-cost deductibles and co-pays to take care of our employees and their families. We believe in decreasing the barriers to healthcare, so employees and their dependents do not have to delay care. Our employees and their families also have access to a private full-time health and wellness clinic, with free medications, no cost diagnostics, and a wellness coach.

Beyond investing in the safety and health of its employees, we invest in educational opportunities for our employees. All continuing education requirements and training are completely paid for by our Company and tuition reimbursement programs are available to every employee company wide.

Shareholder Engagement

Engagement with our shareholders helps us gain useful feedback on a wide variety of relevant topics pertaining to the operations, governance and strategy of our Company. If such feedback is received, it is shared regularly with the Company's management and the Board and may be considered in setting the governance practices and strategic direction for the Company.

The Company from time to time interacts and communicates with shareholders in a number of forums, including quarterly earnings calls and webcasts, SEC filings, meetings and press releases. The Company is committed to constructive communication and engagement with shareholders.

Shareholders who wish to contact our Board or any individual director regarding Hallador may do so by mail addressed to our Corporate Secretary at Hallador Energy Company, 1183 East Canvasback Drive, Terre Haute, Indiana, 47802. Relevant communications received in writing are distributed to our Board or to individual directors, as appropriate, depending on the facts and circumstances outlined in the communication received.

Anti-Hedging and Anti-Pledging Policy

We maintain an insider trading policy that applies to our officers and directors that prohibits trading our securities when in possession of material non-public information. It prohibits the hedging of our securities, including short sales or purchases or sales of derivative securities based on our securities, and, unless our Audit Committee approves an exemption, the pledging of our securities. Since the adoption of our insider trading policy, the Audit Committee has not granted any such exemptions to the policy's general prohibition on pledging.

Ownership Policy

We have not adopted a formal stock ownership policy for our Named Executive Officers, but through existing stock ownership and the vesting of the restricted stock units, they hold a significant portion of our outstanding shares of Common Stock.

Compensation Recovery ("Clawback") Policy

We adopted a compensation recovery "clawback" policy as required by Rule 10D-1 under the Securities Exchange Act of 1934, as amended, and the corresponding rules adopted by Nasdaq, which provides for the mandatory recovery of certain erroneously awarded incentive compensation from our officers in the event of an accounting restatement to correct the Company's material noncompliance with any financial reporting requirement under securities laws.

Delinquent Section 16(a) Reports

Section 16(a) of the Securities Exchange Act of 1934 and related regulations require our Section 16 officers and directors and persons who beneficially own more than 10% of our Common Stock to file with the SEC. We believe all of these reports were timely filed based upon our review of the reports filed with the SEC, with the exception of Todd Davis, Chief Accounting Officer through December 1, 2023, who was late reporting one transaction in December 2023. The transaction was reported on Form 4 filed on December 28, 2023.

Director Compensation

Beginning in 2023, each of our non-employee members of our Board, with the exception of Mr. Lawrence, who declined being compensated for his Board role, receives an annual retainer of \$50,000 and each chair of the Audit Committee, the Compensation Committee and the Nominating Committee receives an additional retainer of \$25,000.

2023 Director Compensation Table

The following table sets forth information concerning the compensation paid to the non-employee members of our Board during the fiscal year ended December 31, 2023:

<i>Director Name</i>	<i>Fees Earned⁽¹⁾</i>	<i>Total</i>
Brent K. Bilisland	\$ --	\$ --
David C. Hardie	\$ 75,000	\$ 75,000
Steven R. Hardie	\$ 50,000	\$ 50,000
Bryan H. Lawrence	\$ --	\$ --
David J. Lubar	\$ 75,000	\$ 75,000
Charles R. Wesley, IV	\$ 75,000	\$ 75,000

⁽¹⁾ Such amounts were earned in 2023, and paid in March 2024.

PROPOSAL NO. 2: APPROVE, ON AN ADVISORY BASIS, THE NAMED EXECUTIVE OFFICERS' COMPENSATION.

THE BOARD RECOMMENDS THAT YOU VOTE "FOR" HALLADOR'S NAMED EXECUTIVE OFFICER COMPENSATION.

In accordance with Section 14A of the Securities Exchange Act of 1934, we are asking our shareholders for an advisory vote to approve the compensation of our Named Executive Officers as disclosed in this Proxy Statement as set forth in the "Summary Compensation Table" in accordance with the compensation disclosure rules of the SEC.

The Board recommends that shareholders support the following resolution.

RESOLVED, that the shareholders approve, on an advisory basis, Hallador's compensation of its Named Executive Officers, as disclosed in Hallador's Proxy Statement for the 2024 Annual Meeting, pursuant to the compensation disclosure rules of the SEC, including the Summary Compensation Table and all other tables and narrative disclosures regarding Named Executive Officer compensation.

This advisory proposal is not binding.

A majority of the shares of Common Stock represented at the Meeting in person or by proxy must vote FOR the proposal to approve it. If you "abstain" from voting with respect to this proposal, your vote will have the same effect as a vote "against" the proposal. Your broker may not vote your shares on this proposal unless you give voting instructions. Broker non-votes will have no effect on the vote for this proposal. Your vote will not directly change or otherwise limit or enhance any existing compensation or award arrangement of any of our Named Executive Officers, but the outcome of the say-on-pay vote will be taken into account by the Compensation Committee when considering future compensation arrangements.

EXECUTIVE COMPENSATION

Compensation of our Named Executive Officers (referred to as "NEOs" below) is generally determined under our executive officer plan, which is reviewed and updated annually by the Compensation Committee.

Summary Compensation Table

The following table sets forth information regarding the compensation awarded to, earned by, or paid to our NEOs in fiscal years ended December 31, 2023 and 2022:

Name and Principal Position	Fiscal Year	Salary	Bonus ⁽¹⁾	Non-Equity Incentive Plan ⁽²⁾	Stock Awards ⁽³⁾	All Other Compensation ⁽⁴⁾	Total
Brent K. Bilsland Chairman, President and CEO	2023	\$ 615,000	\$ 184,800	\$ 184,800	\$ -	\$ 13,200	\$ 997,800
	2022	\$ 586,250	\$ 357,200	\$ 611,449	\$ 1,864,733	\$ 12,200	\$ 3,431,832
Lawrence D. Martin ⁽⁵⁾ CFO, and President, Sunrise Coal	2023	\$ 400,000	\$ 120,000	\$ 120,000	\$ -	\$ 13,200	\$ 653,200
	2022	\$ 375,000	\$ 260,000	\$ 397,045	\$ 1,212,174	\$ 12,200	\$ 2,256,419
Heath A. Lovell ⁽⁶⁾ President, Hallador Power	2023	\$ 400,000	\$ 120,000	\$ 120,000	\$ -	\$ 13,200	\$ 653,200

(1) The amounts disclosed in the Bonus column reflect discretionary bonuses under the executive officer plan.

(2) The amounts disclosed in the Non-Equity Incentive Plan column reflect amounts paid in respect of our 2023 executive officer bonus performance plan, as determined by the Compensation Committee.

(3) The amounts disclosed in the Stock Awards column represent the aggregate grant date fair value of time-based RSUs, computed in accordance with FASB Accounting Standards Codification Topic 718, disregarding for this purpose the estimate of forfeitures. Amounts disclosed in this column reflect the closing market price per share on the respective grant dates of the time-based RSUs.

(4) The amounts disclosed in the All Other Compensation column reflect matching contributions by the Company to our 401(k) plan.

(5) Mr. Martin ceased to be our Chief Financial Officer effective as of April 9, 2024.

(6) Mr. Lovell was not an NEO prior to the fiscal year ended December 31, 2022 and, therefore, in accordance with SEC regulations, only compensation information for the fiscal year ended December 31, 2023 is included in the Summary Compensation Table.

2022 Executive Officer Plan

On November 11, 2022, the Compensation Committee approved a two-year compensation plan, for the period April 1, 2022, through March 31, 2024. The two-year compensation plan set forth our NEOs' annual base salary, grants of RSUs under the Amended and Restated 2008 Restricted Stock Unit Plan (the "RSU Plan"), performance bonus criteria, and certain other components of compensation.

Annual Base Salary

The following table sets forth the 2023 base salaries approved for the NEOs:

Name	2023 Annual Base Salary	2022 Annual Base Salary
Brent K. Bilsland	\$ 615,000	\$ 586,250
Lawrence D. Martin	\$ 400,000	\$ 375,000
Heath A. Lovell	\$ 400,000	\$ 375,000

RSU Plan

The Compensation Committee approved a one-time grant (for the two-year period) under the RSU Plan on November 11, 2022, pursuant to which Mr. Bilsland was granted 267,537 RSUs and Mr. Martin and Mr. Lovell were each granted 173,913 RSUs. The closing market price per share of our Common Stock on November 11, 2022, was \$6.97. The RSUs are time-based awards that vest ratably over three years beginning March 31, 2022.

Executive Officer Bonus Performance Plan

The Compensation Committee established the performance goals for each of the NEOs' performance bonuses for the 2022 and 2023 performance sub-periods. The following tables summarize the performance goals as well as the threshold, target and maximum payout opportunities during the two-year period. A portion of the target bonus is allocated to each performance measure in proportion to the base points allocated to the performance measure. Performance against each performance goal and the corresponding payout are measured separately. The attained performance against a performance goal does not affect the performance bonus amount payable with respect to any other performance goal. No payout is available with respect to a performance measure if performance is at or below the threshold level. The payout for performance above the threshold level but below the target level and above the target level but below the maximum level shall be determined by straight line interpolation between zero and the target payout amount and between the target and maximum payout amount.

Brent K. Bilsland

Area	Goals	Base Points (#)	Threshold Goal (%)	Target Goal (%)	Maximum Goal (%)	Payout Does Not Meet Threshold (\$)	Payout at Target (\$)	Payout at Maximum (\$)
Safety (Sunrise)⁽¹⁾	Severity Measure (National Average)	5	100.00	89	78.00	0	23,100	46,200
	Violations Per Inspection Day (National Average)	5	0.50	0.42	0.34	0	23,100	46,200
Safety (Power)⁽²⁾	Incident Rate	5	5.40	4.50	3.60	0	23,100	46,200
	Safety Inspection Rate	5	1	1.25	1.50	0	23,100	46,200
Financial	Adjusted EBITDA (\$ million)	50	36.0	45.0	54.0	0	231,000	462,000
Discretionary		30				0	138,600	277,200
Totals						0	462,000	924,000

Lawrence D. Martin and Heath A. Lovell

Area	Goals	Base Points (#)	Threshold Goal (%)	Target Goal (%)	Maximum Goal (%)	Payout Does		
						Not Meet Threshold (\$)	Payout at Target (\$)	Payout at Maximum (\$)
Safety (Sunrise)⁽¹⁾	Severity Measure (National Average)	5	100.00	89	78.00	0	15,000	30,000
	Violations Per Inspection Day (National Average)	5	0.50	0.42	0.34	0	15,000	30,000
Safety (Power)⁽²⁾	Incident Rate	5	5.40	4.50	3.60	0	15,000	30,000
	Safety Inspection Rate	5	1	1.25	1.50	0	15,000	30,000
Financial	Adjusted EBITDA (\$ million)	50	36.0	45.0	54.0	0	150,000	300,000
Discretionary		30				0	90,000	180,000
Total							300,000	600,000

- (1) Safety (Sunrise) is based on Sunrise Coal's performance percentage relative to the national average for underground coal mines over the preceding 4 years. For the 2023 performance period, safety was determined relative to the 2019 - 2022 period. For the 2024 Performance Period, safety will be determined relative to the 2020 - 2023 period. Actual results for each safety measure will be calculated by Sunrise Coal management and reviewed by the Compensation Committee with final results available.
- (2) Application of the Safety (Power) goal was as a threshold matter dependent on Hallador Power's completion of the acquisition of Merom Generating Station. Safety (Power) is then based on Hallador Power's performance percentage relative to the national average for coal-fired power generating facilities over the preceding four years. For the 2023 performance period, safety was determined relative to the 2019 - 2022 period. For the 2024 performance period, safety will be determined relative to the 2020 - 2023 period. Actual results for each safety measure will be calculated by Hallador Power management and reviewed by the Compensation Committee with final results available.

2023 Payout Under the 2022 Executive Officer Plan

In March 2024, the Compensation Committee evaluated the levels of achievement of the various performance measures for 2023 and made the following determinations based on the tables above. The Sunrise severity measure was 0.0% of the national average which beat the target goal and resulted in a performance bonus of 200% of target. Sunrise violations per inspection were below the maximum goal of 0.34, which beat the target goal and resulted in a performance bonus of 200% of target. The threshold performance goals for Hallador Power were not achieved, which resulted in no performance bonus being earned in respect of those goals. Adjusted EBITDA exceeded the maximum goal, which resulted in a performance bonus of 200% of target. The Compensation Committee also awarded the discretionary amount at the maximum payout noting the skills, capabilities and commitment of the management team and the many impressive and important accomplishments last year.

Name	2023 Annual Target Bonus	2023 Annual Bonus Paid
Brent K. Bilsland	\$ 462,000	\$ 369,600
Lawrence D. Martin	\$ 300,000	\$ 240,000
Heath A. Lovell	\$ 300,000	\$ 240,000

2024 Executive Officer Plan

On March 27, 2024, the Board approved a new two-year compensation plan, for the period April 1, 2024 through March 31, 2026. The two-year compensation plan sets forth the annual base salary, grants of RSUs under the RSU Plan, performance bonus criteria, and certain other components of compensation for our executive officers, including Messrs. Bilsland and Lovell. The following table sets forth the compensation for the first year of the compensation plan for our continuing NEOs:

Name	2024 Annual Base Salary	2024 Annual Target Bonus	Value of RSU Grants
Brent K. Bilsland	\$ 675,000	\$ 462,000	\$ 1,800,000
Heath A. Lovell	\$ 450,000	\$ 300,000	\$ 700,000

Outstanding Equity Awards at December 31, 2023

Name	Grant Date	Number of Shares or Units of Stock That Have Not Vested ⁽¹⁾	Market Value of Shares or Units of Stock That Have Not Vested ⁽²⁾
Brent K. Bilsland	11/11/2022	178,358	\$ 1,576,685
Lawrence D. Martin	11/11/2022	115,942	\$ 1,024,927
Heath A. Lovell	11/11/2022	115,942	\$ 1,024,927

(1) The RSUs granted to Messrs. Bilsland, Martin, and Lovell on November 11, 2022 vest ratably on March 31, 2024, and March 31, 2025.

(2) Market value was calculated based on the closing market price per share of our Common Stock on the last trading day of 2023 (\$8.84 per share).

Equity Compensation Plan Information

We adopted the RSU Plan, which allows us to issue shares of our Common Stock to eligible individuals upon meeting the vesting requirements set by the Compensation Committee as administrator. Accordingly, the following table provides information as of December 31, 2023, with respect to the shares of our Common Stock that may be issued under our existing equity compensation plans.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Restricted Stock Units, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by shareholders ⁽¹⁾	858,363 ⁽²⁾	—	415,459 ⁽³⁾
Equity compensation plans not approved by shareholders	—	—	—
Total	858,363	—	451,459

(1) Includes our RSU Plan.

(2) Represents 858,363 unvested RSUs.

(3) Reflects the shares remaining available for future issuance under our RSU Plan.

Potential Payments Upon Termination or Change in Control

As of December 31, 2023, Messrs. Bilisland and Lovell were eligible to receive payments upon a change in control, including with respect to termination of employment related to a change in control in certain cases, in accordance with the 2022 executive officer plan, in each case, as follows:

- **Mr. Bilisland** – in the event of a change in control, Mr. Bilisland would be entitled to the following amounts, subject to his execution, delivery and non-revocation of a general release of claims in favor of the Company:
 - a lump sum retention payment equal to \$1,076,250, provided he remains employed with the Company through the closing of such change in control transaction (or \$1,230,000 in the event he is not engaged to work for the acquiring company following the transaction).
 - if following the announcement of, but prior to the closing of, a change in control transaction, Mr. Bilisland's employment is terminated by the Company without cause, or if he resigns for good reason, the retention payment described above that would have been paid had he remained employed through the change in control (reduced on a dollar-for-dollar basis (but not below zero) by the amount of any severance paid to him by the Company pursuant to the terms of any severance agreement (if applicable)); and
 - an amount equal to the performance bonus paid for the most recently completed fiscal year prior to the change in control, pro-rated for the period served in the fiscal year of the change in control through the closing of such change in control transaction.
- **Mr. Lovell** – in the event of a change in control, Mr. Lovell would be entitled to the following amounts, subject to his execution, delivery and non-revocation of a general release of claims in favor of the Company:
 - a lump sum retention payment equal to \$700,000, provided he remains employed with the Company through the closing of such change in control transaction (or \$800,000 in the event he is not engaged to work for the acquiring company following the transaction).
 - if following the announcement of, but prior to the closing of, a change in control transaction, Mr. Lovell's employment is terminated by the Company without cause, or if he resigns for good reason, the retention payment described above that would have been paid had he remained employed through the change in control (reduced on a dollar-for-dollar basis (but not below zero) by the amount of any severance paid to him by the Company pursuant to the terms of any severance agreement (if applicable)).
 - an amount equal to the performance bonus paid for the most recently completed fiscal year prior to the change in control, pro-rated for the period served in the fiscal year of the change in control through the closing of such change in control transaction.

The retention payments described above for Messrs. Bilisland and Lovell may, if they are employed at the time of the change in control, be conditioned on them agreeing with the acquirer, if so requested, to continue to work for the acquirer following the change-in-control for a period of three months, provided the acquirer agrees to pay (i) a monthly base salary no less than the monthly base salary rate in effect before the transaction, and (ii) an additional retention payment equal to 25% of the performance bonus for the most recently completed fiscal year prior to the change in control.

Under the terms of the 2024 executive officer plan, Messrs. Bilisland and Lovell are entitled to similar retention payments in connection with a change in control as under the 2022 executive officer plan, except that the lump sum retention payment each would be entitled to would be \$1,181,250 for Mr. Bilisland (or \$1,350,000 in the event he is not engaged to work for the acquiring company following the transaction) and \$787,500 for Mr. Lovell (or \$900,000 in the event he is not engaged to work for the acquiring company following the transaction).

In April 2024, following the expiration of their existing severance agreements, the Company entered into new severance agreements with each of our executive officers, including Messrs. Bilsland and Lovell that terminate on March 31, 2026 or, if earlier, a change in control. Under the terms of the severance agreements, upon a termination of the executive's employment by the Company without cause or a resignation for good reason, subject to the executive's execution, delivery and non-revocation of a general release of claims in favor of the Company, the executive is entitled to a lump sum severance payment equal to 1.5 times the sum of (i) the executive's annual base salary in effect on the termination date and (ii) the annual bonus received by the executive for the fiscal year prior to the year in which the termination date occurs. No severance is payable in connection with a termination of the executive's employment by the Company for cause or a resignation without good reason.

In addition, vesting would be accelerated for any unvested RSUs held by Mr. Bilsland and Lovell upon either (i) a change in control, or (ii) termination of employment by the Company without cause, or resignation for good reason.

Separation Agreement with Mr. Martin

We are party to a separation agreement with Mr. Martin, effective April 17, 2024, pursuant to which his employment as Chief Financial Officer of the Company terminated as of such date. The separation agreement provides (i) for a one-time payment of \$960,000, payable within 15 days after the effective date of the agreement (which is after the expiration of the applicable release revocation period), and (ii) that any RSUs granted to Mr. Martin in 2022 that had not yet vested as of April 1, 2024 would accelerate and vest as of April 30, 2024. The separation agreement further provides that Mr. Martin will continue to be employed with the Company on a reduced schedule during a transition period through August 6, 2024. During the transition period, Mr. Martin is entitled to (x) base salary at an annual rate of \$400,000, (y) eligibility for benefits, and (z) a one-time retention payment of \$100,000, to be paid at the conclusion of the transition period (subject to Mr. Martin's execution and non-revocation of a bring-down release of claims in favor of the Company).

Other Benefits

Our NEOs are eligible to participate in our health and welfare programs, and our 401(k) plan on the same basis as other employees.

PAY VS. PERFORMANCE

The following table sets forth additional compensation information of our Principal Executive Officer ("PEO") and our non-PEO named executive officers ("Non-PEOs") along with the relationship of such compensation to total shareholder return and net income performance results for our fiscal years ended December 31, 2023, 2022, and 2021, in accordance with Item 402(v) of Regulation S-K. "Compensation Actually Paid" values shown in the required table below are calculated in accordance with SEC rules and do not represent amounts actually earned or realized by our PEO and Non-PEOs in such fiscal years. The calculations and analysis below do not necessarily reflect the Company's approach to aligning executive compensation with performance.

Summary Table

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
					Value of initial fixed \$100 investment based on:			
						Peer group total shareholder return		
Year	Summary compensation table total for PEO ⁽¹⁾	Compensation actually paid to PEO ⁽²⁾	Average summary compensation table total for Non-PEOs	Average compensation actually paid to Non-PEOs ⁽²⁾	Total shareholder return ⁽³⁾	⁽³⁾	Net income ⁽⁴⁾	Company selected measure ⁽⁵⁾
2023	\$ 997,800	\$ 721,345	\$ 653,200	\$ 473,490	\$601.36	N/A	\$44,793,000	N/A
2022	\$ 3,431,832	\$ 4,239,794	\$ 2,256,419	\$ 2,781,636	\$679.59	N/A	\$18,105,000	N/A
2021	\$ 730,252	\$ 778,378	\$ 457,368	\$ 483,618	\$167.35	N/A	\$(3,754,000)	N/A

Table Footnotes

(1) The dollar amounts reported are the average amounts of total compensation reported for our PEO and Non-PEOs in the Summary Compensation Table above. The PEO and Non-PEOs for each year reported are as follows:

Fiscal Year	PEO	Non-PEOs
2023	Brent K. Bilsland	Lawrence D. Martin and Heath A. Lovell
2022	Brent K. Bilsland	Lawrence D. Martin
2021	Brent K. Bilsland	Lawrence D. Martin

(2) SEC rules require certain adjustments to be made to the “Summary Compensation Table” totals to determine “compensation actually paid” as reported in the “Pay versus Performance Table” above. The following tables detail the applicable adjustments from the compensation reported in the “Total” column of the Summary Compensation Table.

PEO			
Adjustments to Determine Compensation Actually Paid			
	2023	2022	2021
Reported Summary Compensation Table Total for PEO	\$ 997,800	\$ 3,431,832	\$ 730,252
Deduction for Amounts Reported under the Stock Awards Column in our Summary Compensation Table (or SCT)	\$ -	\$(1,864,733)	\$ -
Increase for Fair Value as of Year-end of Awards Granted during the Year that Remain Unvested as of Year-end	\$ -	\$ 2,672,695	\$ -
Increase for Fair Value as of the Vesting Date of Awards Granted during the Year that Vest during the Year	\$ -	\$ -	\$ -
Increase/deduction for Change in Fair Value from prior Year-end to current Year-end of Awards Granted Prior to the Year that were Outstanding and Unvested as of Year-end	\$ (205,112)	\$ -	\$ -
Increase/deduction for Change in Fair Value from prior Year-end to Vesting Date of Awards Granted Prior to the Year that Vested during the Year	\$ (71,343)	\$ -	\$ 48,125
Deduction of Fair Value of Awards Granted Prior to the Year that were Forfeited during the Year	\$ -	\$ -	\$ -
Compensation Actually Paid to PEO	\$ 721,345	\$ 4,239,794	\$ 778,378

Non-PEOs**Adjustments to Determine Compensation**

Actually Paid	2023	2022	2021
Reported Summary Compensation Table Total for Non-PEOs	\$ 653,200	\$ 2,256,419	\$ 457,368
Deduction for Amounts Reported under the Stock Awards Column in our Summary Compensation Table (or SCT)	\$ -	\$ (1,212,174)	\$ -
Increase for Fair Value as of Year-end of Awards Granted during the Year that Remain Unvested as of Year-end	\$ -	\$ 1,737,391	\$ -
Increase for Fair Value as of the Vesting Date of Awards Granted during the Year that Vest during the Year	\$ -	\$ -	\$ -
Increase/deduction for Change in Fair Value from prior Year-end to current Year-end of Awards Granted Prior to the Year that were Outstanding and Unvested as of Year-end	\$ (133,333)	\$ -	\$ -
Increase/deduction for Change in Fair Value from prior Year-end to Vesting Date of Awards Granted Prior to the Year that Vested during the Year	\$ (46,377)	\$ -	\$ 26,250
Deduction of Fair Value of Awards Granted Prior to the Year that were Forfeited during the Year	\$ -	\$ -	\$ -
Compensation Actually Paid to Non-PEOs	\$ 473,490	\$ 2,781,636	\$ 483,618

- (3) Total shareholder return reflects the cumulative total return of our Common Stock for the measurement period December 31, 2020, through December 31 of the year indicated. Each year reflects what the cumulative value of \$100 would be, including reinvestment of dividends, if such amount were invested on December 31, 2020. Hallador is a smaller reporting company and is not required to disclose peer group TSR.
- (4) Net income as reported for each year in our Annual Report on Form 10-K.
- (5) Hallador is a smaller reporting company and is not required to disclose the company-selected measure or the tabular list of their most important financial performance measures.

Relationship Between Compensation Actually Paid and Performance Measures

From 2022 to 2023, the compensation actually paid to our CEO and the average of the compensation actually paid to the Non-PEOs both decreased by 83%, compared to a 12% decrease in our TSR over the same time period, and net income increased by 147% from 2022 to 2023.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table and accompanying footnotes show information as of April 10, 2024, regarding the beneficial ownership of our Common Stock by (i) each person who is known by us to own more than 5% beneficially of our Common Stock; (ii) each current member of our Board, director nominee and our NEOs; and (iii) all members of our Board and our executive officers as a group. The number of shares and percentages of beneficial ownership set forth below is based on shares of our Common Stock issued and outstanding as of April 10, 2024.

We do not have any RSUs that vest within 60 days of the date of this Proxy Statement.

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned	Percent (1)
BENEFICIAL OWNERS OF MORE THAN 5%		
Lubar & Co ⁽²⁾ 833 E. Michigan Street, Suite 1500 Milwaukee, WI 53202	5,452,019	14.92%
Aegis Financial Corporation ⁽³⁾ 6862 Elm Street, Suite 830 McLean, VA 22101	2,076,102	5.68%
Hallador Alternative Assets Fund ⁽⁴⁾ 5486 Kietzke Lane Reno, NV 89511	2,145,020	5.85%
DIRECTORS AND NAMED EXECUTIVE OFFICERS		
David J. Lubar ⁽²⁾ 833 E. Michigan Street, Suite 1500 Milwaukee, WI 53202	5,452,019	14.92%
David C. Hardie ⁽⁴⁾ 5485 Kietzke Lane Reno, NV 89511	2,314,489	6.31%
Steven R. Hardie ⁽⁵⁾ 748 S. Meadow Parkway, A-9 #336 Reno, NV 89521	1,962,500	5.37%
Bryan H. Lawrence 410 Park Avenue New York, NY 10022	499,746	1.37%
Brent K. Bilisland ⁽⁶⁾ 1183 East Canvasback Drive Terre Haute, IN 47802	1,416,876	3.88%
Charles R. Wesley IV ⁽⁷⁾ 1700 Lincoln Street, Suite 3475 Denver, CO 80203	245,572	**%

Heath A. Lovell 1183 East Canvasback Drive Terre Haute, IN 47802	68,032	**%
Zarrell Gray 1183 East Canvasback Drive Terre Haute, IN 47802	13,000	**%
Executive Officers and Current Directors as a group (8 persons)	11,799,336	32.30%

**Less than 1%

- (1) Based on shares issued and outstanding as of April 10, 2024.
- (2) Based on a Schedule 13D amendment #5, filed April 2, 2024. Of these shares, 2,788,685 are owned through the Lubar Equity Fund LLC (LEF), and 2,663,334 shares are owned by the Lubar Opportunity Fund, I (LOFI). Lubar & Co, Incorporated serves as investment manager over, and exercises in its sole discretion the entire voting and dispositive power with respect to, all shares of the Issuer held by each of LEF and LOFI. Mr. David J. Lubar serves as the CEO of Lubar & Co., Incorporated, and as a result, may be deemed to beneficially own these shares. Mr. Lubar disclaims beneficial ownership in these shares except to the extent of his respective pecuniary interest therein.
- (3) Based on a Schedule 13G amendment #2 filed with the SEC on February 28, 2024, by Aegis Financial Corporation.
- (4) Based on a Schedule 13D amendment #11, filed on February 23, 2024. Hallador Alternative Assets Fund LLC ("HAAF") beneficially owns 2,145,020 shares, which includes 159,898 shares issuable upon conversion of the 2028 Notes. HAAF is a Delaware limited liability company. The address for Hallador Alternative Asset Fund, LLC is 940 Southwood Blvd., Suite 201, Incline Village, NV 89451. Hallador Alternative Assets Fund LLC is a private equity investment fund directed or controlled by its managing members, Hallador Management LLC David C. Hardie. The David Hardie Separate Property Trust beneficially owns 169,469 shares. Mr. David C. Hardie and his spouse, Janice Hardie, are trustees of the trust and have sole voting power of these shares.
- (5) Based on a Schedule 13D filed on June 21, 2022. Steven R. Hardie is a member and manager of NextG Partners, LLC, owning 38% of its membership interest. He disclaims beneficial ownership of the other 62% of the shares held by NextG Partners. Mr. Steven R. Hardie individually owns 139,089 shares directly. Mr. Steven R. Hardie's shares also include 21,489 shares beneficially owned by the Steven Robert Hardie Trust; 13,481 shares beneficially owned by the Sandra Hardie Trust; and 1,788,441 shares owned by NextG Partners, LLC, a Nevada limited liability company. Mr. Steven R. Hardie is also the trustee of the Steven Robert Hardie Trust. Mr. Steven R. Hardie's spouse, Sandra Hardie, is the trustee of the Sandra W. Hardie Revocable Family Trust. Mr. Steven R. Hardie disclaims any beneficial ownership in any other shares held by the above-described entities.
- (6) Includes 467,897 shares owned by Mr. Bilsland's spouse and children. Mr. Bilsland disclaims beneficial ownership of such shares.
- (7) Includes 154,302 shares owned by the Charles R. Wesley IV Revocable Trust.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Review and Approval of Transactions with Related Persons

Related person transactions are those that meet the minimum threshold for disclosure in the proxy statement under relevant SEC and Nasdaq stock exchange rules (generally, transactions involving amounts exceeding \$120,000 in which a related person has a direct or indirect material interest).

Any transaction with a related person must be approved in advance by our Audit Committee. The Audit Committee approves only those related person transactions that are determined to be in, or consistent with, the best interests of the Company and our shareholders, taking into account all available facts and circumstances as the Audit Committee determines in good faith to be necessary. In reviewing and approving such transactions, the Audit Committee shall obtain or shall direct management to obtain on its behalf, all information that the Audit Committee believes to be relevant and important to a review of the transaction before its approval. The Audit Committee may adopt any further policies and procedures relating to the approval of related person transactions that it deems necessary or advisable from time to time.

Promissory Notes

In March 2024, the Company issued unsecured promissory notes, having a 12-month maturity date and 12% per annum interest rate, to (i) Charles R. Wesley IV Revocable Trust (in which our director Charles R. Wesley IV has a pecuniary interest) in the principal amount of \$2,000,000, (ii) Lubar Opportunities Fund I, LLC (in which our director David J. Lubar has a pecuniary interest) in the principal amount of \$2,500,000, and (iii) Hallador Alternative Investment Advisors LLC (in which our director David C. Hardie has a pecuniary interest) in the principal amount of \$500,000.

Director Independence

The Board has determined that all of our current non-employee directors and director nominees are independent within the meaning of SEC and Nasdaq rules (Messrs. D. Hardie, Lawrence, Lubar, and Wesley and director nominee, Mr. Gray). The Board determined that all of the directors serving on the Audit Committee, Compensation Committee, and Nominating Committee are independent within the meaning of SEC and Nasdaq rules.

PROPOSAL NO. 3: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

THE BOARD RECOMMENDS THAT YOU VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF GRANT THORNTON LLP, THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2024.

The Board's Audit Committee has appointed Grant Thornton LLP ("Grant Thornton"), as Hallador's independent registered public accounting firm, to audit Hallador's financial statements for the fiscal year ending December 31, 2024. As a matter of good corporate governance, the Audit Committee submits its selection of Grant Thornton to our shareholders for ratification and will consider the vote of our shareholders when appointing our independent registered public accounting firm in the future.

INDEPENDENT AUDITOR'S FEES AND SERVICES

Auditors

The members of the Audit Committee believe that the continued retention of Grant Thornton to serve as the Company's Independent Auditor is in the best interests of the Company and its shareholders. Their appointment is being presented to the shareholders for ratification. If the shareholders do not ratify this appointment, the Audit Committee will consider such results and determine whether to recommend and appoint a different independent registered public accounting firm to audit our consolidated financial statements in the future.

Representatives of Grant Thornton are not expected to be present at the Meeting but will be available for questions during the Meeting.

Principal Accountant Fees

The following table provides information regarding the aggregate fees incurred by the Company from Grant Thornton LLP during the last two years:

	December 31,	
	2023	2022
Audit Fees ⁽¹⁾	\$ 809,170	\$ 741,550
Audit-Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-
Total	\$ 809,170	\$ 741,550

(1) Audit fees represent amounts billed for each of the years presented for professional services rendered in connection with those services normally provided in connection with statutory and regulatory filings or engagements including comfort letters, consents and other services related to SEC matters.

Pre-Approval Policy

The Audit Committee adopted a formal policy concerning approval of audit and non-audit services to be provided by Grant Thornton. The policy requires that all services Grant Thornton provides to us be pre-approved by the Audit Committee. The Audit Committee approved all services provided by Grant Thornton during 2023.

Audit Committee Report

Review of the Fiscal Year 2023 Consolidated Financial Statements

The Audit Committee is comprised of independent directors and operates under a written charter adopted by the Board. The Audit Committee Charter is reviewed and updated as needed per applicable rules of the SEC and The Nasdaq Stock Market.

The Audit Committee serves in an oversight capacity. Management is responsible for the Company's internal controls over financial reporting. The independent auditors are responsible for performing an independent audit of the Company's financial statements per the standards of the Public Company Accounting Oversight Board ("PCAOB") and issuing a report thereon. The Audit Committee's primary responsibility is to monitor and oversee these processes and to select and retain the Company's independent auditors. In fulfilling its oversight responsibilities, the Audit Committee reviewed with management the Company's audited financial statements and discussed not only the acceptability but also the quality of the accounting principles, the reasonableness of the significant judgments and estimates, critical accounting policies, and the clarity of disclosures in the audited financial statements prior to issuance.

The Audit Committee reviewed and discussed the audited financial statements as of and for the year ended December 31, 2023, with the Company's independent auditors, Grant Thornton, and discussed not only the acceptability but also the quality of the accounting principles, the reasonableness of the significant judgments and estimates, critical accounting policies and the clarity of disclosures in the audited financial statements prior to issuance. The Audit Committee discussed with Grant Thornton the matters required to be discussed by the applicable requirements of the PCAOB and the SEC. The Audit Committee has received the written disclosures and the letter from Grant Thornton required by the applicable requirements of the PCAOB regarding independent auditor communications with the Audit Committee concerning independence and has discussed with Grant Thornton.

Based on the review and discussions with our independent registered public accounting firm, Grant Thornton, the Audit Committee has recommended to the Board, and the Board has approved, that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2023, for filing with the SEC.

MEMBERS OF THE AUDIT COMMITTEE:

David C. Hardie – Chair of the Committee
Bryan H. Lawrence
David J. Lubar

OTHER INFORMATION

Proposals by Security Holders

The Board did not receive any proposals for consideration to be voted upon at the Meeting.

Other Matters

The Board does not intend to bring any other matters before the Meeting and has not been informed that any other matters are to be presented by others.

Shareholder Proposals and Director Nominations for the 2025 Annual Meeting

Type of Proposal	Rule 14a-8 proposals for inclusion in 2025 proxy statement	Other proposals and nominees to be presented at the 2025 annual shareholder meeting	Universal proxy card nominees for 2025 annual shareholder meeting
Rules	SEC rules permit shareholders to submit proposals for inclusion in our proxy statement if the shareholder and their proposal meet the requirements specified in SEC Rule 14a-8.	SEC Rule 14a-4(c)(1) permits shareholders to submit proposals and nominations at the 2025 annual meeting of shareholders, but not for inclusion in the Company's proxy statement and form of proxy. Failure to notify the Company by the required deadline would allow the Company's proxy holders to use their discretionary voting authority (to vote for or against the proposal) when the proposal is raised at the 2025 annual meeting of shareholders without any discussion of the matter being included in the Company's proxy statement.	To comply with the universal proxy rules, shareholders who intend to solicit proxies in support of director nominees other than the Company's nominees must provide notice that sets forth the information required by SEC Rule 14a-19(b).
Deadline for Submitting Proposal	Proposals must be received no later than December 20, 2024.	Proposals must be received no earlier than February 20, 2025, and no later than March 15, 2025.	A notice that sets forth the information required by Rule 14a-19 must be received no later than April 1, 2025.
Where to Send Proposal	Corporate Secretary, Hallador Energy Company, 1183 East Canvasback Drive, Terre Haute, Indiana 47802.		
What to Include	Proposals must conform to and include the information required by SEC Rule 14a-8.		Notice must include the information required by our bylaws as well as conform to and include the information required by SEC Rule 14a-19.

If the date of the 2025 Annual Meeting of shareholders is scheduled for a date that is more than 30 days before or more than 60 days after the anniversary date of the 2024 Annual Meeting, the dates set forth above may change in accordance with the Company's bylaws.

To curtail controversy as to the date on which we received a proposal, it is suggested that proponents submit their proposals by certified mail-return receipt requested. Such proposals must also meet the other requirements established by the SEC for shareholder proposals.

Communications with the Board of Directors

Because of our relatively small size, to date, we have not developed formal processes by which shareholders or other interested parties may communicate directly with directors. Until formal procedures are developed and posted on our website (www.halladorenergy.com), any communication to one or more members of our Board may be made by sending them in care of:

Investor Relations
SHAREHOLDER-BOARD COMMUNICATION
Hallador Energy Company
1183 East Canvasback Drive
Terre Haute, Indiana 47802.

Householding

A single Notice of Internet Availability of Proxy Materials will be delivered to multiple shareholders sharing an address unless contrary instructions have been received from the affected shareholders. Once you have received notice from your broker that they will be “householding” communications to your address, “householding” will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in “householding” and would prefer to receive a separate Notice of Internet Availability of Proxy Materials, please notify your broker or notify us by sending a written request to: Attn: Corporate Secretary, 1183 East Canvasback Drive, Terre Haute, Indiana 47802. You will be removed from the householding program, after which you will receive an individual copy of the proxy materials promptly.

Incorporation by Reference

The Audit Committee report shall not be deemed soliciting material and shall not be filed with the SEC. This report shall not be considered to be incorporated by reference into any of our prior or future SEC filings except to the extent that we specifically incorporate such information by reference. Also, this document includes certain website addresses, that are intended to provide inactive, textual references only. The information on these websites is not part of this Proxy Statement.

Availability of SEC Filings, Code of Conduct and Committee Charters

Copies of our reports on Forms 10-K (including the financial statements and financial statement schedules), 10-Q, 8-K and all amendments to those reports filed with the SEC, Code of Conduct and the charters of the Audit Committee, Compensation Committee, and the Nominating Committee, and any stock ownership reports filed by our executive officers, directors, and 10%+ beneficial owners for our Common Stock are posted on, and free of charge, on our website, www.halladorenergy.com, by telephone to (812) 299-2800 or by mail to Investor Relations, Hallador Energy Company, 1183 East Canvasback Drive, Terre Haute, Indiana 47802.

The information contained on our website is not a part of this Proxy Statement.

APPENDIX

HALLADOR ENERGY COMPANY
 ATTN: REBECCA PALUMBO
 1183 EAST CANNASBACK DRIVE
 TERRE HAUTE, IN 47802



VOTE BY INTERNET - www.proxyvote.com or scan the QR Barcode above
 Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time on May 29, 2024. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS
 If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903
 Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time on May 29, 2024. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL
 Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

V45442-P10931

KEEP THIS PORTION FOR YOUR RECORDS
 DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

HALLADOR ENERGY COMPANY

The Board of Directors recommends you vote FOR the following:

1. Election of six Directors for a one-year term.

Nominees:	For	Against	Abstain
1a. Brent K. Bilsland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1b. Zarrell Gray	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1c. David C. Hardie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1d. Bryan H. Lawrence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1e. David J. Lubar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1f. Charles R. Wesley, IV	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Board of Directors recommends you vote FOR proposal 2.

2. Approve, on an Advisory Basis, the Named Executive Officers' Compensation.

For Against Abstain

The Board of Directors recommends you vote FOR proposal 3.

3. Ratify the appointment of Grant Thornton LLP, as our independent registered public accounting firm for 2024.

For Against Abstain

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX] Date

Signature (Joint Owners) Date

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:
The Notice & Proxy Statement and Form 10-K are available at www.proxyvote.com.

V45443-P10931

**HALLADOR ENERGY COMPANY
Annual Meeting of Shareholders
May 30, 2024, 10:00 am ET
This proxy is solicited by the Board of Directors**

The shareholder(s) hereby appoint(s) Brent K. Bilsland and Marjorie Hargrave, or either of them, as proxies, each with the power to appoint his or her substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Common Stock of HALLADOR ENERGY COMPANY that the shareholder(s) is/are entitled to vote at the Annual Meeting of Shareholders to be held at 10:00 am ET on May 30, 2024, at 1183 East Canvasback Drive, Terre Haute, Indiana 47802, and any adjournment or postponement thereof.

This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.

Continued and to be signed on reverse side