

Adams Natural Resources Fund, Inc.

500 East Pratt Street, Suite 1300
Baltimore, MD 21202

November 10, 2022

IMPORTANT NOTICE

Please Read Carefully

To our Shareholders:

The Board of Directors today declared (i) a dividend of \$0.53 per share from 2022 net investment income, and (ii) a distribution of \$0.80 per share from net capital gains realized during the year 2022, of which \$0.15 was short-term and \$0.65 was long-term, payable December 16, 2022, to shareholders of record at the close of business November 21, 2022.

Options to Receive Stock and/or Cash

Each shareholder may elect to receive the income dividend and the capital gain distribution in one of three different ways, as follows:

Option 1

You may elect to receive full shares of stock for the combined total income dividend and capital gain distribution of \$1.33 per share. Any balance of less than one full share will be paid in cash.

A shareholder exercising Option 1 whose combined total dividend and capital gain distribution amounts to less than the value of one share of stock will receive only cash.

All full shares of stock will be placed in electronic book entry form and a statement will be mailed. If you wish to receive a certificate for the shares credited to your account, please contact American Stock Transfer & Trust Company, LLC after the payable date.

Option 1 provides the best opportunity for shareholders who wish to increase their holdings in the Fund's stock.

Option 2

You may elect to receive full shares of stock for the capital gain distribution of \$0.80 per share. The income dividend and any balance of the capital gain distribution of less than one full share will be paid in cash.

A shareholder exercising Option 2 whose total capital gain distribution amounts to less than the value of one share will receive only cash.

All full shares of stock will be placed in electronic book entry form and a statement will be mailed. If you wish to receive a certificate for the shares credited to your account, please contact American Stock Transfer & Trust Company, LLC after the payable date.

Option 2 allows shareholders to increase their holding in the Fund's stock, and to receive the income generated by the Fund in cash.

Option 3

You may elect to receive both the income dividend and the capital gain distribution in cash.

Option 3 will not increase your holdings in the Fund's stock.

Automatic Reinvestment (Investors Choice)

No election card is enclosed for shareholders whose distributions are automatically reinvested. The total payment will be used for the purchase of stock and, if applicable, will include a fractional share. **There will be no service charge for the December 16, 2022 reinvestment.** You will receive a confirmation of shares credited to your account 10 to 12 days after the date of the distribution.

How to Exercise Your Option

Determine the option you wish to exercise and clearly mark the box indicating such option on the enclosed election card. Then sign and mail this election card in the enclosed postage-paid envelope so that it will be received by American Stock Transfer & Trust Company, LLC, 6201 15th Avenue, Brooklyn, NY 11219 no later than **December 7, 2022**.

Please note that your election card must be received by American Stock Transfer & Trust Company, LLC by the close of business December 7, 2022. If it is NOT received by American Stock Transfer & Trust Company, LLC by December 7, 2022, or if it is received but none of the boxes are clearly marked, you will automatically receive payment under Option 1.

Method of Computation

The number of additional shares to be issued to a shareholder electing Option 1 or 2 will be determined by dividing the total dollar amount of their combined distribution under Option 1, or the total dollar amount of their capital gain

distribution under Option 2, by the value per share of the Fund's stock on December 7, 2022. The "value per share" on that date for this purpose shall be the **lower** of (1) the "fair market value" on that date, which shall be the **mean** between the high and low sales prices on the New York Stock Exchange or, if there are no sales, then the **mean** between the closing bid and asked quotation for such day, or (2) the net asset value per share determined as of the close of business on December 7, 2022. In no event shall the "value per share" for this purpose be less than 95 percent of the "fair market value" on December 7, 2022. In the event that the New York Stock Exchange should be closed on December 7, 2022, prices from the next preceding day on which the New York Stock Exchange shall have been open will be used in this computation.

The number of shares that will be outstanding after these payments are made cannot be established until the price at which shares will be issued has been determined, as described in the preceding paragraph, and the elections of the shareholders have been tabulated.

As of the close of business October 31, 2022, the net asset value of the Fund's stock, as computed by the Fund, was \$27.57 per share and the closing price on the New York Stock Exchange was \$23.56 per share. Therefore, on that date the market price represented a discount of 14.5 percent from the net asset value. If the market price discount on the computation date should be the same as on October 31, 2022, after provision for the payments announced herein, and assuming that shareholders elect to take 36 percent of the total payment (the approximate average over the past five years) in stock, the net asset value per share would be reduced by 0.3 percent.

Important — Federal Income Tax Information — Note Carefully

Both the income dividend and the capital gain portion of the distribution that you will receive are subject to federal income taxes, whether received in stock or cash.

Accordingly, the dividend of \$0.53 from net investment income plus the \$0.15 per share distribution from short-term capital gain (total of \$0.68 per share) should be reported in your federal income tax return for the calendar year 2022 as dividend income, whether received in stock or cash.

The long-term capital gain distribution of \$0.65 per share, whether received in stock or cash, should be reported in your federal income tax return for the calendar year 2022 as long-term capital gain realized in 2022 regardless of how long you have owned your Adams Natural Resources Fund stock. The long-term capital gain distribution is taxable at the capital gain tax rates. Shareholders should consult their tax advisers for their individual tax rates.

The distributions reported in this notice do not currently represent information for tax reporting purposes. The actual composition of the distributions may change based on the Fund's investment activity through December 31, 2022. Shareholders should not draw any conclusions about the Fund's investment performance from the amount or type of the current, or any other, distributions made by the Fund. Shareholders will be notified regarding the components of all distributions for the year and the related tax treatment via Form 1099-DIV in early 2023.

If you exercise Option 1 or 2, your cost basis per share for federal tax purposes of the shares you receive will generally be an amount equal to the amount you would have received had you taken the dividend or capital gain distribution in cash divided by the number of shares that you receive.

If you have any questions, please contact the Shareholder Relations Department at American Stock Transfer & Trust Company, LLC at 866-723-8330. If you have any further questions, please communicate with the office of the Secretary, Adams Natural Resources Fund, Inc., 500 East Pratt Street, Suite 1300, Baltimore, MD 21202 (410-752-5900 or 800-638-2479) or by e-mail to: ir@adamsfunds.com.

Yours truly,
MARK E. STOECKLE
Chief Executive Officer

MAIL YOUR ELECTION CARD EARLY IN ORDER TO GUARD AGAINST MAIL DELAY. THE ELECTION CARD MUST BE RECEIVED BY AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC NO LATER THAN THE CLOSE OF BUSINESS ON DECEMBER 7, 2022.