

29 October 2021

## **BENS CREEK GROUP PLC**

("Bens Creek" or the "Company" or the "Group")

### **Contract mining services agreement**

Bens Creek Group Plc (AIM: BEN), the owner of a metallurgical coal mine in North America, is pleased to announce that its wholly owned subsidiary Ben's Creek Operations LLC ("BCO") and Mega Highwall Mining LLC ("MHW") have entered into a contract mining services agreement ("the Contract"). MHW will be responsible for the production of BCO's metallurgical coal reserves for an initial 12 month period.

#### **Production capability**

The Contract allows for a minimum production capability of 40,000 tons of metallurgical coal per month, which equates to 480,000 tons annually. MHW will deploy a single highwall miner, which is designed to meet the target sales volumes disclosed in the recently signed offtake agreement between the Company and Integrity Coal, as announced on 21 October 2021. The surplus production of 18,000 tons per month can therefore be sold under any future offtake agreements the Company may enter into at prevailing market prices.

#### **Contract details**

MHW and BCO have agreed a fixed price per ton of coal produced for the duration of the 12 month contract period. The contract price negotiated is in line with the Company's working capital projections, despite the uptick in demand for contract mining services and high wall mining equipment in the United States. The contract allows MHW to mobilise its equipment and manpower to commence production in December 2021. The fixed price per ton is designed to cover:

- the supply and maintenance of high wall mining equipment for the production of metallurgical coal;
- the supply and payment of the necessary labour costs required to operate the high wall mining equipment supplied;
- adherence to state and federal regulations in connection with the operation of the high wall mining equipment;
- the supply of necessary tools and materials to maintain and repair the equipment provided;
- the payment of penalties that may arise from the use of the highwall miner whilst equipment is on-site and deployed by MHW;
- the determination of and advice on whether any particular designated mining areas are considered impractical to mine;
- any demobilisation costs / relocation costs associated with moving the highwall mining equipment; and
- insurances designed to cover comprehensive general liability, automotive liability, workers compensation, and employer's liability insurances.

MHW, founded in 2015, is a Kentucky based company, who operate a range of industry leading specialist highwall mining systems, comprising of ADDCAR, Superior Highwall Miners and CAT. MHW recruits operators from around the industry and are dedicated to producing results in a safe and efficient manner. Their sister company, Mega Rebuilders LLC, operates two fabrication shops which allow MHW to produce their own parts and upgrades for the machines they operate. Their skill set

allows them to operate under various conditions including working in uneven seams and extreme climatic conditions. MHW have a variety of clients based in the mining regions of the United States, with a particular focus on West Virginia, the state in which BCO's operations are conducted, along with states such as Kentucky and Alabama.

**Adam Wilson, CEO of the Company, commented:**

*"We are delighted to have secured our first highwall miner to meet our expected production target. The agreement with MHW enables us to commission a second highwall miner to enable the Company to further expand its metallurgical coal production output. The nature of highwall mining is that the recoverability of metallurgical coal via direct mining into the coal seams is considerable which allows for production to be targeted to seams which have a higher level of recoverability than traditional mining methods."*

Adam Wilson added:

*"In our recent IPO on AIM we set out some clear operational benchmarks for the Company, including the signing of a mining contract with a third-party contractor. We are delighted to announce this new mining services agreement, following the offtake agreement that we entered into last week. We are now well on our way to commence revenue generation from our significant mining asset. The global scarcity of construction materials reinforces our strategy and role as a supplier of metallurgical coal to the steel industry."*

This announcement contains information which, prior to its disclosure, was inside information as stipulated under Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310 (as amended).

**-Ends-**

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