

Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information for the purposes of Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. With the publication of this announcement, this information is now considered to be in the public domain.

18 February 2022

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

Issue of a second convertible loan note to raise an additional US\$6.0 million

Bens Creek Group plc (AIM:BEN), the owner of a metallurgical coal mine in North America supplying the steel industry, is pleased to announce that on 17 February 2022 it agreed to issue a second convertible loan note (the "Second CLN") to raise an additional US\$6.0 million for the Company. The Second CLN is being issued to ACAM LP ("ACAM" or the "Lender"). The terms of the Second CLN are broadly the same as the first convertible loan note issued by the Company on 14 December 2021 (the "First CLN"), apart from the conversion price, which is set at 40p per new ordinary share, and the rate of interest, which is reduced to 12 per cent per annum from 15 per cent. Further details of the terms of the Second CLN are set out below.

The net proceeds of the Second CLN will be used predominately to finance future acquisition opportunities which are designed to enhance the Company's existing metallurgical coal reserves and expand its infrastructure capabilities.

As outlined in the Company's admission document, published on 13 October 2021, the Company's strategy includes seeking acquisitions of metallurgical coal assets in North America, including evaluating prospective new leases and seeking royalty and additional infrastructure arrangements on neighbouring properties to the existing Bens Creek property where the board of the Company believe there could be potential synergistic value.

Whilst the Company is in active discussions on a number of possible acquisitions, no terms have been agreed.

Terms of the Second CLN

The Second CLN takes the form of an unsecured convertible loan note agreement with the Lender for a total subscription of US\$6.0 million of convertible loan notes. The Second CLN has a term of two years and attracts interest at a rate of 12 per cent per annum, which is payable monthly in arrears, commencing on 31 March of 2022. Interest can, at the Company's option, be paid in cash or via the issuance of additional convertible loan notes as payment in kind. The Second CLN, which is unsecured, will be issued by the Company in multiples of US\$0.5 million.

The Second CLN can be converted into new ordinary shares of the Company (the "New Ordinary Shares") at the price of 40 pence per New Ordinary Share (the "Conversion Price"), a discount of 8.75 per cent to the closing middle-market price of 43 pence per existing ordinary share of the Company ("Ordinary Share") on 15 February 2022, when a non-binding term sheet for the Second CLN was agreed. The Second CLN shall be convertible, in part or in full, at the option of the Lender from the date of issuance until five business days prior to the final repayment date, being 28 February 2024. Until conversion, the Second CLN does not give the Lender voting rights or dividend rights.

To the extent the Second CLNs are not repaid, redeemed or converted on 28 February 2023, 50 per cent of the amount of the Second CLN can be redeemed at the principal amount plus accrued interest in cash. The remainder of the Second CLN shall be redeemed on 28 February 2024.

No application has been or will be made to any stock exchange for the listing of, or for permission to deal in, all or any of the Second CLNs.

Should the First CLN and the Second CLN be converted in full the new Ordinary Shares issued pursuant the First CLN and the Second CLN would represent approximately 7 per cent. of the issued share capital of the Company. This calculation excludes the impact of any additional convertible loan notes created through the payment in kind of interest payments and assumes no other new Ordinary Shares are issued by the Company in the period until conversion, other than those set out in the admission document published by the Company on 13 October 2021.

Adam Wilson, Chief Executive Officer of Bens Creek, commented:

"We are very pleased to put in place a further, unsecured convertible loan facility with such a reputable institutional partner. This funding will provide us with the financial strength to make focussed added value acquisitions. The conversion price of the Second CLN at 40p is at a significant premium to both the IPO issue price of 10p in October 2021 and the 28p conversion price of the First CLN issued on 14 December 2021 which, the board believes, demonstrates ACAM's investment appetite, confidence and support for the Company.

"The support for our approach to the market by investors has been great and we are particularly appreciative of the confidence shown in us by ACAM.

"Having moved into initial production at the existing Bens Creek site in West Virginia at the beginning of December 2021 and subsequently completed first deliveries to our offtake partner, Integrity Coal Sales, Inc. the focus of the Bens Creek management team and operational staff remains to make further progress with production and enhance our programme of shipping metallurgical coal."

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