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

Final results for the year ended 31 March 2022

Bens Creek Group plc (AIM: BEN), the owner of a metallurgical coal mine in North America supplying the steel industry, is delighted to announce its inaugural audited results for the year ended 31 March 2022.

Financial Highlights for the year to 31 March 2022

- Purchase gain on acquisition of Ben's Creek operating companies, $33.7m
- Profit before taxation, $25.3m
- Basic EPS 6.17 cents per share
- Net assets, $31.7m
- Property, plant and equipment, $29.8m, inclusive of plant valued at $24m
- Coal reserves, $25.0m
- Reclamation bonding asset, $1.6m
- Net cash, $5.6m
- Capitalised construction in progress (at cost) in use from April 2022, $3.6m
- Revenue between January and March 2022, $5.4m
- Stock of raw and clean coal of 21.8k tons as at 31 March 2022, valued at $1.5m
- Operating loss, $7.5m
- Adjusted EBITDA loss*, $3.4m
- Adjusted basic EPS* loss 1.24 cents per share
- IPO placing raised $9.6m in October 2021
- Convertible Loan Notes issued since IPO, $12m

**Adjusted EBITDA and Adjusted EPS before, depreciation, share-based payment expense, IPO and convertible loan note issuances and foreign exchange movements and sale fund costs and non-recurring items.*

Operational highlights

- Mining undertaken by contract mining arrangements
- Existing mining infrastructure remediated, including railway line, with additional equipment purchased where necessary
- Total raw coal production of 64.8k tons of which 43.5k tons sold in the three months to March 2022

Current trading outlook

- Production steadily increasing month on month. Between April and August 2022:
  - ✓ 184k raw tons of coal have been stockpiled
  - ✓ 66k clean tons (equivalent to 134k raw tons) sold via 6 trains
- Further 8 trains booked, two per month from September to December 2022, equivalent to 179k raw tons
- Move from contractor model to equipment owner to "face-up" surface areas to be highwall mined by our contractor, Mega Highwall Mining, to achieve cost efficiencies
- Imminent receipt of new permit for a second highwall miner to be used
- Target production of 80k clean tons (160k raw tons) per month during the last quarter of 2022

Extracted below is the annual report and accounts of the Group. A copy of this announcement can be accessed via our website; www.benscreek.com. The full report and accounts are expected to be published and sent to shareholders in early September 2022 for which a further announcement will be made at the time of publication.

Adam Wilson, Chief Executive Officer, commented:

"It gives me great pleasure to report our inaugural audited results for the year ended 31 March 2022, as a public company. As a Group, we have achieved considerable success within a short time frame; taking an idle mine, developing it, achieving production and generating revenue, whilst also providing employment and investment into the local community where our mine is situated in West Virginia."

"Our development strategy is designed to put into place the core buildings blocks of a fully producing met coal business which aids the de-carbonisation of the planet as it moves towards providing infrastructure to use more renewable energy. Without steel, this safeguarding of the environment cannot be fulfilled in the medium to long term."

"Our rate of production continues to increase month on month following the restart of an idle preparation and wash plant. We anticipate further increased output as our rate of mining increases."

"We have only just started to take the initial steps to growing a met coal Company, which we anticipate will provide our shareholders with a favourable return on their investment from the IPO price of 10p per share."

"Our expansion plans have already secured two contiguous sites adjacent to the Bens Creek operations, which has already enhanced our coal reserves, and is expected in due course to be subjected to further testing and drilling to quantify these into resources."

"I thank our shareholders who have joined our journey since our IPO and also welcome new shareholders who have joined us since. We look forward to next updating our shareholders at our AGM on Tuesday 27 September 2022 and as the remainder of the year progresses."

"I take this opportunity to also thank MBU Capital Group Ltd ("MBU") for its support and investment in developing the Group to launch an IPO in October 2021. This foundation has subsequently enabled the Group to operate independently and allowed the Company to relocate its headquarters independently from MBU. As a result, Raju Haldankar decided, as announced on 12 July 2022, to step down as Chief Financial Officer of the Group and was replaced by Murat Erden as Chief Financial Officer and Director of ESG matters."

"Finally, I would also like to thank all members of staff, for their hard work and dedication in ensuring that the very challenging milestones we had set ourselves have been achieved in a very a short period of time."

"We look forward with confidence to an exciting and busy remainder of our financial year to 31 March 2023."

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BENS CREEK GROUP PLC
CHAIRMAN'S STATEMENT

I am delighted to present this first annual report and audited financial statements of Bens Creek Group Plc (the "Group") following our Initial Public Offering in October 2021. We are proud to have successfully built, thanks to our outstanding management team and staff, a fully sustainable business in a matter of months.

By way of background, we acquired two US companies, Ben's Creek Operations WV LLC ("BC Operations") and Ben's Creek Land WV LLC ("BC Land") on 11 November, 2020 and received regulatory approval of the change of ownership on 29 April 2021. The property, which covers over 10,000 acres, had been controlled by several different owners over its 100 year history, with the earliest production at the site being recorded in 1914. In 2011, Investec, the previous owner of the property, arranged a syndicate of investors to acquire the operations. In 2014, however, following a sustained period of weakened commodity prices, resulting in production ceasing, the business was placed on a care and maintenance basis and remained in this state until late 2020.

I am thankful for the West Virginia Department of Environmental Protection ("WVDEP") granting the regulatory approval to acquire the mining permits and for providing us with the opportunity to restart a dormant mine and provide investment and employment to the local community. The transition, with the assistance of the WVDEP, has been transparent and has aided the restart of production within a short timeframe.

Today, the land and mining rights are controlled by Pocahontas Land Corporation and Carbon Fuels Properties LLC. BC Land has lease agreements in place with both these entities over the surface and mining assets. We are grateful to these landowners in granting us the opportunity to reactivate mining on these lands for our mutual benefit.

On 15 December 2021, we acquired the mining rights, via a lease, with M.G.C. Inc., over a further 1,200 acres of an adjacent property, located in the Stafford district in Mingo County, West Virginia. Furthermore, on 13 April 2022, we entered into a further lease agreement with Star Ridge Land LLC over the mining rights of an additional 2,640 acres of adjacent property, also located in Mingo County. Both lease arrangements are contiguous with the primary Bens Creek property, which adds to our reserves and extends the life of the mine.

Our product, metallurgical coal, of which we commenced delivery in January 2022 to our offtake partner Integrity Coal Sales Inc, is integral to modern methods of steel production, which in turn will assist in the de-carbonisation of the planet via the use of steel in renewables such as wind turbines, solar panels, electric cars, etc. Steel is the world's most important engineering and construction material. Metallurgical coal, sometimes referred to as met coal or coking coal, is used, in some form, in all steel production with 70% of steel requiring coal as a direct resource. The remaining 30%, is used in electric arc furnace processes. Whilst this does not require direct use of our product, it does, however, require the use of pig iron which needs metallurgical coal in its production.

Essentially, a world without metallurgical coal mining would be a world without steel production. I stress, however, that Bens Creek, in keeping with its commitment to environmental protection, is not a producer of thermal coal.

Our financial performance is set out in the accompanying financial statements. It is important to note, however, that the revenue numbers reported reflect only a short period of production to the end of March 2022. Since then, we have enhanced our production capability, not least by the introduction of a second highwall miner via a contract mining agreement, which we anticipate will be operational between September and October 2022.

We have additionally, purchased our own highwall miner which, once fully remediated, will be available to quickly replace either of the other Highwall miners, should they require repair, ensuring that we have only a minimal delay in production. This addition to our equipment fleet may also be used in conjunction with the existing highwall miners, enabling all three highwall miners to be used simultaneously.

Post 31 March 2022, we have purchased a fleet of earth moving equipment to supplement that used by an existing contractor.

We are proud to have an engaged a productive workforce committed to the highest standards, supported by a highly skilled management team. I thank them for their commitment to building a successful business.

We have, through our first financial period, tried to provide shareholders and the market with information on a regular basis and will continue to do so. Your board is committed to the provision of long-term sustainable returns to shareholders. The board meets regularly, four times a year, with further ad hoc meetings as required. The board challenges the executive team in the development and implementation of their business plans and, where it can, brings to bear the considerable experience of the non-executive directors. The executive team consists of a group of mining executives who are highly qualified and have many years of experience in the industry.

While we have recently seen some retraction in the underlying price of metallurgical coal, demand continues to be strong for our product. We will be pushing hard to move to full production by the end of 2022, and believe that, now we have commenced deliveries of metallurgical coal, by train, our anticipated delivery programme can be completed without interruption.

We are thankful for our shareholders who have shown their commitment and support by providing the capital required for us to undertake our plan to reinvigorate an idled mine, provide employment and investment, which restores some financial stability to the region. We are confident that the year ahead will be one that will see the fulfilment of our planned production programme, thereby securing a profitable business for the future.

Robin Fryer
Non-Executive Director and Chairman
28 August 2022

BENS CREEK GROUP PLC CHIEF EXECUTIVE'S STATEMENT

To all our shareholders and stakeholders, including new members of this investment community – I want to welcome you to this our first annual report and audited financial statements of Bens Creek Group Plc since our listing on AIM in October 2021.

Since we successfully completed our initial public offering ("IPO") on the London Stock Exchange's AIM market in October 2021, I am pleased to report that the Group has been able to fulfil its primary objective, which was to turn a previously bankrupt, dormant mine and underperforming asset back into production. This has been achieved within a very short time frame.

The net proceeds from our IPO, and subsequently further funding provided via the issue of convertible loan notes, we have been able to remediate seven main areas:

1. Implementing the necessary initial steps whilst preparing the idle mine site;
2. Rebuild the infrastructure, such as haul roads - to get the mine ready for future use;
3. Repair, rebuild and upgrade the wash and preparation plant;
4. Repair and rebuild the 5.2 kilometre railway line for the transportation of our met coal product via the Norfolk Southern national railway system;
5. Complete the advancement work, both physically at site and via the regulators (WVDEP and MSHA) on the site, to prepare for the commencement of Highwall Mining ("HWM");
6. Repair, rebuild and make safe the area and submit a mining plan for the recommencement of underground mining; and
7. Purchase of a highwall miner.

I am delighted to report that, by the end of March 2022, a large part of this work had already been completed while, post the year end, the balance of the restoration activity has been completed. This was a considerable undertaking, especially against external factors such as Covid-19, rising inflation and logistical supply chain issues that all contributed to making the above achievements more difficult.

Our ability to execute the above remedial measures was due to the excellent management team that we were able to assemble in such a short period at Bens Creek, both in the administrative office in Charleston and in the mine offices at Glen Allum, West Virginia. As CEO, I want to personally thank all the employees who, due to the relatively young age of our company, all of whom have joined us recently and yet performed so diligently for the Group and its shareholders.

Post year-end we have steadily increased production. We anticipate the monthly run rate of production will be 40,000 US short tons per month as we approach autumn 2022. This was our stated goal when we listed onto AIM back in October 2021. I am delighted to report that we aim to surpass this number on a monthly basis after the deployment of a second Highwall Miner machine, which will be in operational as soon as we receive our permit to mine in the area allocated for its use. We are hopeful that this can be done well before the end of this calendar year.

During the three months to 31 March 2022, we were able to ship some Run of Mine coal (unwashed met coal) to generate some revenues, even though the primary objective was to restore and renovate our infrastructure so that next year's annual report will be one that demonstrates full production.

As a metallurgical coal mining company, we are always affected by the underlying commodity price of met coal. Since the beginning of this year, we have seen the price of High Vol B met coal increase to an all-time high of $465 per metric ton achieved on the 17 March 2022 and then retrace some of those gains to now stand at $284 per metric ton (at the time of writing this report). This price reduction appears to be driven by the ban, from 10 August 2022, by the European Union, of all coal imports from Russia following their invasion of Ukraine.

As a considerate mining company we take our Environmental, Social and Governance ("ESG") responsibilities very seriously. Thankfully, in taking over and restoring this particular mining area in West Virginia, we faced none of the major legacy issues that other mining companies have had to deal with, such as reclamation of areas previously mined and water and drainage facilities. We also ensure our mining staff are provided with targeted task training and training to standards expected by the US Department of Labour and Mine Safety and Health Administration.

At Bens Creek we use the least evasive mining methods possible, highwall mining versus strip mining. We actively reseed and reclaim areas previously mined as soon as possible, so that the reclamation process is embedded within our mining strategy.

This mining efficiency and our concern for the environment is combined with a strong and effective safety strategy. I am delighted to report we have had no accidents for the period reported on, or to the date of this report.

Personally, I want to thank everyone involved in the Bens Creek story: from the employees providing their skills and labour to the contractors with their professional experience. I wish to extend my thanks to our shareholders, a family of investors that have backed our vision to bring this asset and infrastructure back into production and create value for all concerned, including ensuring a supply of well rewarded jobs that are highly appreciated in this local area of West Virginia.

Adam Wilson
Chief Executive Officer

28 August 2022

STRATEGIC REPORT

The Directors present their Strategic Report on the Group for the year ended 31 March 2022.

Strategic approach

Bens Creek Group plc is a holding company that owns and operates the Ben's Creek mining project in West Virginia, USA. The Group's key objective is to deliver sustainable shareholder growth through the acquisition and development of metallurgical coal assets, the underlying commodity of the Company. A key component of the Company's success will be the metallurgical coal price.

The Group may seek to make further acquisitions of metallurgical coal mines in North America.

Organisation overview

The Group's business is directed by the Board of Directors and is managed on a day-to-day basis by the Chief Executive Officer. The Board monitors compliance with objectives and policies of the Group through monthly performance reporting, budget updates and periodic operational reviews.

The Board comprises of two Executive Directors and two Non-Executive Directors.

The Corporate Head Office of the Group is located in London, and provides corporate support services to the overseas operations in West Virginia, United States of America ("USA").

Review of business

The strategic approach of the business pre and post IPO has been to undertake the necessary remediation and infrastructure works required to a dormant mine to enable it to become operational with the aim of commencing the production of metallurgical coal or met coal. The investment made pre IPO enabled the operational business to commence the remediation works required to the 5.2 kilometre railway facility, repairs to the preparation and wash plant and to the underground mine site.

During the year under review and post 31 March 2022, the Group has completed several milestones, which chronologically include:

Bens Creek Group Plc acquired on 22 September 2021, its wholly owned subsidiary, Ben's Creek Carbon LLC based in West Virginia, USA along with its operating subsidiaries, Ben's Creek Operations WV LLC and Ben's Creek Land WV LLC.

The shares of the Company, via an IPO, were admitted to trading onto the London Stock Exchange's AIM market on 19 October 2021, by the issue 70,000,000 shares at 10 pence per share, capitalising the Group at £35m. The IPO raised $9m (£7m), before expenses, for the Group to undertake the necessary infrastructure and redemption works as outlined above.

On 29 October 2021, the Company entered into an agreement with Integrity Coal Sales Inc, New York ("Integrity"), our offtake partner, to supply it with a minimum of 22,000 clean tons of metallurgical coal per month during the calendar year 2022.

A contract mining agreement was entered into with Mega Highwall Mining on 29 October 2021 for the supply and operation of a highwall miner to extract, using modern and environmentally friendly mining methods, met coal with a capacity to mine up to 40,000 tons per month.

The Company commenced its initial production of mining raw (unwashed) met coal on 1 December 2021.

On 15 December 2021, the Company raised $6m (£4.5m) from ACAM GP Limited, an existing institutional shareholder, under a 2 year convertible loan note facility with a conversion price of 28p per ordinary share. A further amount of $6m (£4.5m) was raised from ACAM GP Limited on 18 February 2022 under a 2 year convertible loan note facility, with a conversion price of 40p per ordinary share. Both of these convertible loan notes are unsecured.

Lease acquisition agreements were entered into on 16 December 2021 and 13 April 2022 for sites adjacent to the Group's site in West Virginia, giving it rights to mine met coal reserves in situ. At the date of approval of this strategic report, the Company had not commenced mining operations on these sites.

The beginning of 2022, saw the Company generating revenue by the selling raw met coal to its offtake partner, Integrity. Whilst our wash and preparation plant were still undergoing repairs, Integrity had substantial demand for either raw or clean met coal. This enabled us to supply our production of raw High Vol B met coal from January to March 2022 by transporting our product to Integrity's own wash and preparation plant.

During March 2022, the Group's own preparation and wash plant become fully operational following the completion of remediation works and upgrades, which initially commenced in January 2021. This has allowed the phased processing of raw met coal into clean met coal ready for sale.

In April 2022, the Group's railway was approved for use by the inspectors of the Norfolk Southern railway company. This enabled the Group to transport, via rail, its stock of clean coal to Integrity for their onward transportation to their designated loading port for onward sale.

Following the substantial investment in the current year under review and in the current financial year (to 31 March 2023), during May 2022, the Group was able to report on the commencement of underground mining operations to extract High Vol A met coal. The Group was also able to report during June 2022, the results of a reserve base evaluation undertaken by Marshall Miller & Associates, Inc. which summarised the Group's coal properties in West Virginia. This report stated the Group has 92.7 million tons of in-place dry reserves, prior to any recovery of washed coal, and 33.6 million tons that are recoverable reserves.

Outlook

The medium to long term demand for met coal would appear reasonable as developed and developing countries embark on their plans for de-carbonisation and infrastructure spending. Furthermore, defence spending in developed countries is expected to increase following the armed conflict between Russia and Ukraine.

The Group intends to maximise production using two highwall miners and underground mining, which in aggregate is expected to produce up to 80,000 clean tons of met coal monthly. Whilst the Group has an offtake agreement for a minimum of 22,000 clean tons per month, our offtake partner has indicated they have further demand for our product, in excess of our contractual commitments, to supply one of the largest steel producers in the world.

Metallurgical coal pricing

The Group is focused on producing met coal which span two quality grades, commonly referred to as High Vol A and High Vol B. The High Vol A product is extracted from the Group's underground property in West Virginia, whilst the High Vol B is extracted via highwall mining. The selling prices of the Group's met coal is correlated to the daily prices published by Standard & Poors Global Platts Coal Trader. The prices quoted are typically for metric tons. The weights used by the Group in its commercial arrangements are US short tons, equivalent to 2,000 lbs per metric ton.

The pricing of met coal has since the beginning of 2021 increased substantially, setting record all time highs in March 2022, the price having increased from $120 to $465 per metric ton. At the time of issuing this report, the price has softened to $284 per metric ton.

Financial review

Income Statement

The year under review has seen the Company transition from acquiring a dormant mine and embarking on an extensive rehabilitation project to re-active underground mining along with preparing the overall site for highwall mining in addition to costs incurred in respect of the Company's IPO in October 2021.

The net profit generated by the Group for the year ended 31 March 2022, before taxation was $25,285,795 with a profit (basic earnings per share) of 6.165 cents per ordinary share. The operating loss was $7,460,142.

The Company commenced the sale of High Vol B raw met coal on a monthly basis between January and March 2022 to its offtake partner, Integrity. This generated revenue of $5,411,816.

The direct costs incurred in connection with the sales made amounted to $3,878,565. This generated a gross margin of 28%.

The operating loss of $7,460,142 has been driven by administrative costs of $8,993,393, as set out in note 9 to the financial statements, which includes the costs of $1,299,484 associated with the Group's IPO in October 2021, brokerage related costs of $728,705 and share based payments of $2,095,151 in relation to the Group granting share options to management and staff during the year. Further details of granting of share options is set out in note 32 to the financial statements. Other costs incurred include depletion expenses of $744,513, in connection with the amortisation of the stock of met coal reserves sold to Integrity during the three months to 31 March 2022. Further details of the value of the Company's met coal reserves is contained in note 16 of these financial statements.

The Bargain Purchase Gain of $33,688,689, has arisen from the acquisition by BC Carbon of its subsidiaries BC Operations and BC Land on 29 April 2021, and represents the assets acquired including plant and equipment along with the met coal reserves less a deferred consideration payable to the seller, net of any deferred tax liabilities. Further details of this transaction is set out in note 29 to the financial statements.

Balance Sheet

The Group's investment in its mining activities amounts to $59,175,112 (2021: $449,948), excluding the right of use of assets and deferred tax asset, comprises of property, plant and equipment, coal rights to mine the known met coal reserves along with the remediation works for the underground mining operations and railway repairs and improvements recorded as construction in progress.

The Group's property, plant and equipment includes capital expenditure during the year of $7,166,523, which has contributed to the increase in the valuation of the plant, following the successful completion of the remediation works during the year. Accordingly, the value of the Group's plant has been independently assessed with a carrying value of $24,000,000, details of which are set out in note 15 of these financial statements.

Cash and cash equivalents were $5,555,296 held at the end of the year.

The Group's coal reserves are valued at $24,955,487, net of sales made during the year.

During the period the Company issued 353,911,751 ordinary shares. This included the issue at IPO of 70,000,000 ordinary shares of at 10p per share along with a pre IPO issuance of 22,722,070 ordinary shares at 10p per ordinary share. Further details of the shares issued during the period are set out in note 31 to the financial statements.

During the year MBU Capital Group Limited ("MBU"), the Group's largest single shareholder, provided two bridging loans, which in aggregate amounted to $2,758,520 to allow the Group to continue the required remediation works whilst the IPO process was being undertaken. This amount was repaid from the proceeds of the IPO, shortly after the shares were admitted to trading onto AIM. Without this funding, the project would have been considerably delayed, and accordingly the Board expresses its sincere thanks to the management of MBU in providing this funding.

The Group issued two convertible loan notes of $6,000,000 each, during the year which raised $12,000,000 before expenses, which are repayable within 24 months from the date of issue. Further details of these issuances are contained in note 24 of these financial statements.

During the year, following the completion of the remediation works on the plant, which was revalued upwards by $5,411,476 to $24,000,200, as set out in note 15 to the financial statements.

As part of the Group's transition from a "start-up operation" to a fully operational mining business, the Board is in the process of developing on appropriate set of key performance indicators ("KPIs") against which to benchmark how it performs against
operational, health and safety and ESG standards. The Board is fully committed to ensuring the Group operates to the highest standards of sustainability and responsibility whilst delivering shareholder value. The Board intends to communicate its proposed KPIs once the transition has been fully completed. However, in the meantime the Board is pleased to report the following KPIs for the year to 31 March 2022:

KPI / Financial Information	2022
Cash and cash equivalents	$5,555,296
Net assets	$31,744,285
Clean tons produced	666
ROM tons produced	63,562
Health and Safety - number of reportable accidents (number)	Nil
Environmental Incidents - breaches of environmental legislation (number)	Nil

Cash has been used to fund the Group's operations and facilitate its investment activities (refer to the Statements of Cash Flows).

The Board continues to monitor the activities and performance of the Group in delivering its key milestones since IPO.

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks.

Risks are formally reviewed by the Board, and appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group. The key business risks affecting the Group are set out below:

Mining and processing risks

The Group's principal operation is the mining of met coal. Its operations are subject to all of the hazards and risks normally encountered in mining and processing coal. These include unusual and unexpected geological formations, rock falls, flooding and other conditions involved in the extraction of material, any of which could result in damage to the mine and infrastructure, including, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimise risk are taken, operations are subject to hazards, which may result in environmental pollution and consequent liability which could have a material adverse impact on the business, operations and financial performance of the Group.

As is common with all mining operations, there is uncertainty and therefore risk associated with the Group's operating parameters and costs. These can be difficult to predict particularly in a high inflationary environment and are often affected by factors outside the Group's control.

The Group may be required to undertake clean-up programmes resulting from any contamination from its operations or to participate in mine rehabilitation programmes which may vary from project to project. The Group follows all necessary laws and regulations and is not aware of any present material issues in this regard.

Dependence on key personnel

The Group is dependent upon its executive management team and various technical consultants. Whilst it has entered into contractual agreements with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. The development and success of the Group depends on its ability to recruit and retain high quality and experienced staff. The loss of the service of key personnel or the inability to attract additional qualified personnel as the Group grows could have an adverse effect on future business and financial conditions.

Uninsured risk

The Group, as a participant in mining and development programmes, may become subject to liability for hazards that cannot be insured against or third party claims that exceed the insurance cover. The Group may also be disrupted by a variety of risks and hazards that are beyond control, including geological, geotechnical and seismic factors, environmental hazards, industrial accidents, occupational and health hazards and weather conditions or other acts of God.

Financial risks

The Group's operations expose it to a variety of financial risks that can include market risk (including foreign currency, price and interest rate risk), credit risk, and liquidity risk. The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs. The Group does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied. Further details on financial risks can be found in note 3 to the financial statements.

Financial Instruments

The Group's financial instruments comprise of financial assets; trade and other receivables and cash and cash equivalents, as set out in note 27 to the financial statements. Financial liabilities comprise of short and long term borrowings and trade and other payables also set out in note 27 to the financial statements.

Reserve and resource estimates

The Group's reported reserves and resources are only estimates. No assurance can be given that the estimated reserves and resources will be recovered or that they will be recovered at the rates estimated. Reserve and resource estimates are based on sampling and, consequently, are uncertain because the samples may not be representative. Reserve and resource estimates may require revision (either up or down) based on future actual production experience.

The ability to extract coal reserves is dependent on obtaining the necessary permits from the WVDEP.

Volatility of commodity prices

Historically, commodity prices have fluctuated and are affected by numerous factors beyond the Group's control, including global demand and supply, international economic trends, currency exchange fluctuations, expectations for inflation, speculative activity, consumption patterns and global or regional political events. The aggregate effect of these factors is impossible to predict. Fluctuations in commodity prices, over the short term to long term, may adversely impact the returns of the Group's investments.

A significant reduction in global demand for met coal, leading to a fall in coal prices, could lead to a significant fall in the cash flow of the Group, which may have a material adverse impact on the operating results and financial condition of the Group.

COVID-19

The outbreak of the global COVID-19 virus has not in resulted in any material business disruption of the Group's activities or stock market volatility.

Section 172(1) Statement - Promotion of the Company for the benefit of the members as a whole

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the impact of the Group's operations on the community and the environment;
- Maintain a reputation for high standards of business conduct;
- Foster the Group's relationships with suppliers, customers and others;
- Consider the interests of the Group's employees;
- Act fairly between the members of the Group; and
- Consider the likely consequences of any decision in the long term.

The Group continues to progress the development of its existing project in West Virginia, United States of America.

The application of the s172 requirements can largely be demonstrated by the ongoing development of our business and developing Environmental Social and Governance matters.

A number of the key decisions made during the year ended 31 March 2022 and post this date included:

- The raising of unsecured financing via the issue of two convertible loan notes to ACAM GP Limited, which allowed the Group to raise $12m;
- Re-negotiating the convertible terms of the unsecured loan provided by MBU. The revised terms, effective from April 2022, ensures that in the event that MBU were to seek to exercise their conversion rights under the loan facility, this would now be done at price of 60p per ordinary share instead of 15p, as noted in the Group's admission document, in respect of any amounts drawn down from April 2022 onwards;
- Development of an ESG strategy, elements of which have been implemented including environmental and climate change aspects, such as the planting of trees and grass seeding of areas that have been mined;
- Ensuring the Group's day to day operational aspects are independent from its largest shareholder, which included the relocating to a new office in April 2022;
- Implementing a staff share option plan to reward and retain key members of both operational and administrative staff;
- Providing operational staff with a first class healthcare package to ensure their mental and physical health is paramount to them and their families, which in turn will aid the successful development of the business; and
- As a start-up operation demonstrating to suppliers, particularly in the state of West Virginia, that our DNA is to foster relationships, goodwill and to provide investment and jobs to the community.

As a coal mining group with operations in the USA, the Board takes seriously its ethical responsibilities to the communities and environment in which it works. We abide by the local and relevant UK laws on anti-corruption and bribery. Wherever possible, local communities are engaged in the geological operations and support functions required for field operations, providing much needed employment and wider economic benefits to the local communities. In addition, we follow international best practise on environmental aspects of our work. Our goal is to meet or exceed standards, in order to ensure we maintain our social licence to operate from the communities with which we interact. The interests of our employees are a primary consideration for the Board. Personal development opportunities are supported and a health and security support network is in place to assist with any issues that may arise on field expeditions.

We would like to thank our family of Shareholders for their continued support as we transition from a start-up operation into a fully fledged operating business by providing a key ingredient to steel producers which will aid the de-carbonisation of the planet.

The Group Strategic Report was approved by the Board on 28 August 2022.

On behalf of the Board

Adam Wilson
Chief Executive Office

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
For the year ended 31 March 2022

	Note	**For the year ended 31 March 2022**	For the year ended 31 March 2021 Unaudited
		$	$
Revenue	7	**5,411,816**	**-**
Cost of sales	8	(3,878,565)	-
Gross Profit		**1,533,251**	**-**
Administrative expenses	9	(8,993,393)	(1,404,680)
Operating Loss		**(7,460,142)**	**(1,404,680)**
Finance income		1,235	-
Finance costs	11	(997,449)	(47,079)
Fair value gain on Convertible Loan Note embedded derivative	24	53,462	-
Bargain Purchase Gain	29	33,688,689	-
Profit/(loss) before taxation		**25,285,795**	**(1,451,759)**
Tax expense	12	(8,222,085)	-
Profit/(loss)		**17,063,710**	**(1,451,759)**
Profit/(loss) attributable to:			
Owners of the parent		**17,063,710**	**(1,451,759)**
		17,063,710	**(1,451,759)**

All results arise from continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2022

	Note	**For the year ended 31 March 2022** $	For the year ended 31 March 2021 Unaudited $
Profit/(loss) for the year		**17,063,710**	(1,451,759)
Other comprehensive income:			
Foreign exchange movement		(1,249,783)	-
Revaluation gain of Plant and equipment		5,411,476	-
Other comprehensive income before taxation		**21,225,403**	**-**
Taxation relating to other comprehensive income		(1,488,156)	-
Total comprehensive income		**19,737,247**	**(1,451,759)**
Basic earnings per share (cents)	14	6.165	-
Diluted earnings per share (cents)	14	5.922	-

CONSOLIDATED AND PARENT STATEMENT OF FINANCIAL POSITION
For the year ended 31 March 2022

	Note	Group		Company
		31 March 2022 $	31 March 2021 Unaudited $	**31 March 2022 $**
Non-current assets				
Property, plant and equipment	15	28,948,808	119,403	539
Coal reserves and reclamation assets	16	24,955,487	-	-
Other assets	16	1,628,605	135,163	-
Right of use assets	17	61,708	245,182	-
Construction in progress	15	3,642,212	-	-
Investment in subsidiaries	35	-	-	28,385,729
Deferred tax asset	13	576,151	-	-
Trade and other receivables	18	-	-	16,026,796
		59,812,971	**499,948**	**44,413,064**
Current assets				
Trade and other receivables	18	570,328	398,057	315,465
Cash and cash equivalents	19	5,555,296	-	2,971,515
Inventory	20	1,528,613	-	-
		7,654,237	**398,057**	**3,286,980**
Total assets		**67,467,208**	**898,005**	**47,700,044**
Current liabilities				
Trade and other payables	21	3,451,346	411,348	291,263
Deferred consideration	22	816,000	-	-
Borrowings	23	-	54,454	-
Lease liability	17	63,367	115,136	-
Provisions	25	350,000	-	-
		4,680,713	**580,938**	**291,263**
Non-current liabilities				
Borrowings	23	3,280,827	1,646,749	-
Convertible loans notes	24	9,435,588	-	9,435,588
Provisions	25	2,841,888	-	-
Deferred consideration	22	2,357,698	-	-
Deferred tax liability	13	10,286,392	-	-
Embedded derivative	24	2,839,817	-	2,839,817
Lease liability	17	-	122,077	-
		31,042,210	**1,768,826**	**12,275,405**
Total liabilities		**35,772,923**	**2,349,764**	**12,566,668**
Net assets		**31,744,285**	**(1,451,759)**	**35,133,376**
Equity attributable to owners of the parent				
Share capital	31	485,273	-	485,273
Share premium	31	38,712,008	-	38,712,008
Share based payments reserve	32	2,647,242	-	2,647,242
Translation reserve		(1,249,783)	-	(1,270,738)
Revaluation reserve		3,923,320	-	-
Merger reserve		(6,750,420)	-	-
Retained losses		(6,023,355)	(1,451,759)	(5,440,409)
Total equity		**31,744,285**	**(1,451,759)**	**35,133,376**

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company Income Statement and Statement of Comprehensive Income. The loss for the Company for the period ended 31 March 2022 was $5,440,409.

The Financial Statements were approved and authorised for issue by the Board on 28 August 2022 and were signed on its behalf by:

Adam Wilson
Chief Executive Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2022

Group

Unaudited

	Note	Share capital $	Share premium $	Share Based Payments $	Translation Reserve $	Revaluation Reserve $	Merger Reserve $	Retained losses $	Total $
Balance as at 1 April 2020		-	-	-	-	-	-	-	-
Loss for the year		-	-	-	-	-	-	(1,451,759)	**(1,451.759)**
Total comprehensive income for the year		-	-	-	-	-	-	**(1,451,759)**	**(1,451,759)**
Total transactions with owners, recognised directly in equity		-	-	-	-	-	-	**(1,451,759)**	**(1,451,759)**
Balance as at 31 March 2021		-	-	-	-	-	-	**(1,451,759)**	**(1,451,759)**

Group

Audited

	Note	Share capital $	Share premium $	Share Option Reserve $	Translation Reserve $	Revaluation Reserve $	Merger Reserve $	Retained losses $	Total $
Balance as at 1 April 2021		-	-	-	-	-	-	**(1,451,759)**	(1,451,759)
Profit for the year		-	-	-	-	-	-	17,063,710	17,063,710
Other comprehensive income		-	-	-	-	-	-	-	-
Gain on the revaluation of fixed assets		-	-	-	-	5,411,476	-	-	**5,411,476**
Taxation on revaluation		-	-	-	-	(1,488,156)	-	-	**(1,488,156)**
Currency translation differences		-	-	-	(1,249,783)	-	-	-	**(1,249,783)**
Total comprehensive income for the year		-	-	-	**(1,249,783)**	**3,923,320**	-	17,063,710	**19,737,247**
Proceeds from issue of shares	31	152,390	12,578,569	-	-	-	-	-	**12,730,959**
Share based payments	32	-	-	2,647,242	-	-	-	-	**2,647,242**
Issue of ordinary shares relating to business combination	31	332,883	26,133,439	-	-	-	(6,750,420)	(21,635,306)	**(1,919,404)**
Total transactions with owners, recognised directly in equity		**485,273**	**38,712,008**	**2,647,242**	-	-	**(6,750,420)**	(21,635,306)	**13,458,797**
Balance as at 31 March 2022		**485,273**	**38,712,008**	**2,647,242**	**(1,249,783)**	**3,923,320**	**(6,750,420)**	(6,023,355)	**31,744,285**

COMPANY STATEMENT OF CHANGES IN EQUITY
For the period ended 31 March 2022

Company

	Note	Share capital $	Share premium $	Share Option Reserve $	Translation Reserve $	Retained losses $	Total $
Balance as at 11 August 2021		-	-	-	-	-	-
Loss for the period		-	-	-	-	(5,440,409)	**(5,440,409)**
Currency translation differences		-	-	-	(1,270,738)	-	**(1,270,738)**
Total other comprehensive income					**(1,270,738)**	**(5,440,409)**	**(6,711,147)**
Total comprehensive income for the period		-	-	-	**(1,270,738)**	(5,440,409)	**(6,711,147)**
Transactions with owners:							
Proceeds from issue of shares	31	152,390	12,578,569	-	-	-	**12,730,959**
Share based payments	32	-	-	2,647,242	-	-	**2,647,242**
Issue of ordinary shares relating to business combination	31	332,883	26,133,439	-	-	(5,440,409)	**21,025,913**
Total transactions with owner, recognised directly in equity		**485,273**	**38,712,008**	**2,647,242**	-	**(5,440,409)**	**36,404,114**
Balance as at 31 March 2022		**485,273**	**38,712,008**	**2,647,242**	**(1,270,738)**	**(5,440,409)**	**35,133,376**

CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS
For the year ended 31 March 2022

		Group		Company
	Note	**Year ended 31 March 2022**	Year ended 31 March 2021 Unaudited	**Period ended 31 March 2022**
		$	$	**$**
Cash flows from operating activities				
Profit/(loss)		25,285,795	(1,451,759)	(5,440,409)
Adjustments for:				
Depreciation and amortisation		154,008	49,713	27
Interest expense		997,449	47,057	355,780
Interest income		(1,235)	-	(254,686)
Fair value gain on revaluation of embedded derivative		(53,462)	-	(53,462)
Foreign exchange translation		(1,629,735)	64,342	(588,596)
Share based payment charge		2,095,150	-	2,095,150
Depletion expense		744,513	-	-
Bargain purchase gain		(33,688,689)	-	-
Change in working capital				
Increase in trade and other receivables		(172,271)	(398,057)	(315,465)
Increase in trade and other payables		3,039,997	411,348	291,263
Increase in inventory		1,528,613	-	-
Net cash flows (used in)/ generated from operating activities		**(1,699,687)**	**(1,277,356)**	**(3,910,399)**
Investing activities				
Purchase of property, plant and equipment		(13,225,108)	(121,225)	(565)
Loans granted to subsidiary undertakings		-	-	(15,296,261)
Acquisition of subsidiary		(1,412,637)	-	-
Acquisition of reclamation assets		(1,493,242)	(135,363)	-
Net cash used in investing activities		**(16,130,987)**	**(256,588)**	**(15,296,826)**
Financing activities				
Proceeds from borrowings		1,439,252	1,530,000	-
Repayment of borrowings		(54,454)	-	-
Proceeds from issue of shares, net of issue costs		10,178,740	-	10,178,740
Proceeds from issuance of convertible loan notes		12,000,000	-	12,000,000
Repayment of lease liabilities		(122,934)	(50,536)	-
Net cash generated from financing activities		**23,440,604**	**1,479,464**	**22,178,740**
Net increase/(decrease) in cash and cash equivalents		**5,609,750**	**(54,454)**	**2,971,515**
Cash and cash equivalents at beginning of year		(54,454)	-	-
Cash and cash equivalents as at end of year		**5,555,296**	**(54,454)**	**2,971,515**

Major non-cash transactions:

Fair value uplift of plant and underground equipment was $5,411,476, and is set out in note 15 to the financial statements.

Share based payments amounted to $2,095,150, and is set out in note 32 to the financial statements.

Acquisition of subsidiary for shares of $25,400,390 and deferred consideration of $2,985,339, and is set out in note 35 of the financial statements.

1. General information

The principal activity of Bens Creek Group Plc (the **Company**) is that of a holding company and through its subsidiaries, Ben's Creek Land WV LLC and Ben's Creek Operations WV LLC (the **Subsidiaries)** (together the **Group**), the Group's principal activity is the production and sale of high-quality metallurgical coal products.

The Company was incorporated on 11 August 2021 in the United Kingdom. The address of the Company's registered office is 53 Davies Street, London, United Kingdom, W1K 5JH. The Company is listed on the AIM market of the London Stock Exchange.

The Company acquired the Subsidiaries on 22 September 2021. Further details are set out in note 29 of these financial statements.

The Group financial statements cover the period from 1 April 2021 to 31 March 2022.

2. Accounting policies

The principal accounting policies applied in the preparation of the Financial Statements is set out below (**Accounting Policies** or **Policies**). These Policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1. Basis of preparing the Financial Statements

The Group and Company Financial Statements has been prepared in accordance with UK-adopted international accounting standards in accordance with the requirements of the Companies Act 2006. The Group and Company Financial Statements has also been prepared under the historical cost convention, subsequent to any fair value adjustments required upon acquisition via a business combination, with the exception of the preparation and wash plant which is held under the revaluation model. Additionally, convertible loan notes are held under the fair value through profit or loss "FVTPL" model. The prior year financial statements were prepared as noted above.

The Group and Company Financial Statements are presented in United States Dollars rounded to the nearest dollar, which is the Group's functional currency.

The preparation of Group and Company Financial Statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information are disclosed in note 4 to these financial statements.

a) Changes in Accounting Policies

i) *New and amended standards adopted by the Group*

All new and amended standards should be adopted for the first time for the financial period beginning 1 April 2021. The adoption of these standards has not had a material impact on the Group and Company Financial Statements. The new and amended standards are as follows:

- IFRS 9 – Financial instruments
- IFRS 15 – Revenue with contracts
- IFRS 16 - Leases

ii) New IFRS Standards and Interpretations not adopted

At the date on which the Group and Company Financial Statements was authorised, there were no Standards, Interpretations and Amendments which had been issued but were not effective for the period ended 31 March 2022 that are expected to materially impact the Group and Company Financial Statements.

iii) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

Standard	Impact on initial application	Effective date
IFRS 3	Reference to Conceptual Framework	1 January 2022
IAS 37	Onerous contracts	1 January 2022
IAS 16	Proceeds before intended use	1 January 2022
Annual improvements	2018-2020 Cycle	1 January 2022
IFRS 17	Insurance contracts	1 January 2023
IAS 8	Accounting estimates	1 January 2023
IAS 1	Classification of Liabilities as Current or Non-Current.	1 January 2023

The Group is evaluating the impact of the new and amended standards above which are not expected to have a material impact on the Group's results or shareholders' funds.

b) Reporting under IFRS

Bens Creek Group Plc has adopted IFRS since incorporation, The Subsidiaries were previously reported using US GAAP. The Group reports using IFRS standards and in order to comply with the Group's reporting standards, the subsidiaries will be reported in IFRS.

Upon the date of acquisition, the assets and liabilities of the subsidiaries as shown under note 29 were consolidated into the Group. It has been deemed that no transition adjustments to IFRS are required for the acquired entities as the entities were acquired with nil assets and liabilities as per the terms of the Membership Interest Purchase Agreement.

2.2. Basis of consolidation

The Group and Company Financial Statements consolidates the financial information of the Company and the accounts of all of its subsidiary undertakings for all periods presented.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred unless they result from the issuance of shares, in which case they are offset against the premium on those shares within equity.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Investments in subsidiaries are accounted for at cost less impairment.

Where considered appropriate, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by other members of the Group. All intercompany transactions and balances between Group enterprises are eliminated on consolidation.

2.3. Going concern

The Group and Company Financial Statements has been prepared on a going concern basis.

The Group's and Company's business activities, together with the factors likely to affect their future development, performance and position are set out in the Strategic Report. The Directors' Report includes the Group's and Company's objectives, policies and processes for managing their capital, their financial risk management objectives and their exposure to credit risk and liquidity risk.

Several events occurred post year-end which have given further reassurance that the Group is a going concern. The most immediate of which was the completion of the railway line in April 2022, which has allowed the commencement of delivery of clean coal to the Group's offtake partner via its rail facility. The commencement of underground mining occurred in May 2022, which has resulted in an increase in production and quality of coal. The Group announced on 18 August 2022, that it has raised $7,200,000 (£6,000,000) by way of placing of 20,000,000 ordinary shares at 30p per share.

The price of metallurgical coal has fluctuated in the year and post year-end, with a sharp fall in the price. However, management is confident even at the current price ($284/ metric ton, High Vol B) that the Group will be able to generate positive cash flows.

The Directors have reviewed the cashflow forecast and the future requirements of the Group for the period to 31 December 2023. They have given consideration to current and future offtake agreements, changes in the economic climate and other contracts in place. The Group has in place an offtake agreement to sell a minimum tonnage a month. The directors are of the opinion that the Group has adequate resources to continue in operational existence 18 months from signing of the audited annual report.

2.4. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

2.5. Foreign currencies

a) Functional and presentation currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the entity operates (the **functional currency**). Bens Creek Group Plc, the parent company, is based in the United Kingdom and has a functional currency in GBP Sterling. The Financial Statements are presented in US Dollars, rounded to the nearest dollar as this is where the entity primarily operates.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss. All other foreign exchange gains and losses are presented in the Consolidated Statement if Comprehensive Income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measured at fair value, such as equities classified as available for sale, are included in Consolidated Statement of Profit and Loss.

c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each period end date presented are translated at the period-end closing rate;
- income and expenses for each Income Statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

2.6. Property, plant and equipment

Vehicles, office equipment, plant, underground equipment and leasehold improvements are stated at cost, plus any purchase price allocation uplift. Plant upon acquisition has been accounted for under the fair value method of accounting, less accumulated depreciation and any accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Depreciation is provided to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

Office equipment	5 year straight-line
Plant and machinery	5 year straight-line
Vehicles	5 year straight-line
Plant	10 year straight-line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Other net gains/(losses)' in the Statement of Profit and Loss.

The preparation plant is recognised at fair value based on external and internal valuations performed by Raw Resources LLC and management. Any revaluation gains are recognised in other comprehensive income. Revaluation losses are recognised with other comprehensive income, against any pre-existing gains, with anything over and above pre-existing gains being recognised as an expense in profit and loss.

2.7. Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the average costing method. Components of inventories consist of coal, parts and supplies, net of allowance for obsolescence. Coal inventories represent coal contained in stockpiles, coal that has been mined and hauled to the wash plant for processing raw coal and coal that has been processed (crushed, washed and sized) and stockpiled for shipment to customers.

The cost of raw and prepared coal comprises extraction costs, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.8. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represent amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. Under IFRS 15 there is a five-step approach to revenue recognition which is adopted across all revenue streams. The process is:

Step 1: Identify the contract(s) with a customer;
Step 2: Identify the performance obligations in the contract;
Step 3: Determine the transaction price;
Step 4: Allocate the transaction price to the performance obligations in the contract; and
Step 5: Recognise revenue as and when the entity satisfies the performance obligation.

The Group has one revenue stream being the sale of coal and other aggregate bi-products produced by the Group. During the year under review, such revenue was recognised at the point of contact at a pre-agreed fixed price on a per tonnage basis. For deliveries made via truck the revenue is recognised once the product leaves the Group's premises, which is the point at which the risk and rewards are transferred to the customer. For sales made via railway it is at the point at which the coal has arrived at the dock and is of satisfactory quality.

2.9. Construction in Progress

Assets under construction are accounted for at cost, based on the value of receipts and other direct costs incurred to 31 March 2022. They are not depreciated until the period in which they are brought into use, where the asset is transferred to the relevant category and depreciated the following month.

As at 31 March 2022, construction in progress included the purchased Highwall Miner and the railway line which has been subsequently completed. There were no costs committed at the year end.

2.10. Coal rights and restoration assets

Coal land, mine development costs, which include directly attributable construction overheads, land and coal rights are recorded at cost, plus any purchase price allocation uplift if applicable upon acquisitions accounted for under the acquisition method of accounting. Coal land and mine development are depleted and amortised, respectively, using the units of production method, based on estimated recoverable tonnage. The depletion of coal rights and depreciation of restoration costs are expensed by reference to the estimated amount of coal to be recovered over the expected life of the operation.

Future cost requirements for land reclamation are estimated where surface operations have been conducted, based on the Group's interpretation of the technical standards of regulations enacted by the U.S. Office of Surface Mining, as well as West Virginia state regulations. These costs relate to reclaiming the pit and support acreage at surface mines and sealing portals at deep mines. Other costs include reclaiming refuse and slurry ponds as well as related termination/exit costs.

The Group records asset retirement obligations that result from the acquisition, construction or operation of long-lived assets at fair value when the liability is incurred. Upon the initial recognition of a liability, that cost is capitalised as part of the related long-lived asset and expensed over the useful life of the asset. The asset retirement costs are recorded in Coal Rights and Restoration Assets – see note 16 of these financial statements.

The Group expenses reclamation costs prior to the mine closure. The establishment of the end of mine reclamation and closure liability is based upon permit requirements and requires significant estimates and assumptions, principally associated with regulatory requirements, costs and recoverable coal lands. Annually, the end of mine reclamation and closure liability is reviewed and necessary adjustments are made, including adjustments due to mine plan and permit changes and revisions of cost and production levels to optimize mining and reclamation efficiency. The amount of such adjustments is reflected in the year end reclamation provision calculation – see note 25 of these financial statements.

2.11. Financial assets

Classification
The Group's financial assets consist of loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents at the year-end.

Recognition and Measurement
Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Group commits to purchasing or selling the asset. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss. Financial assets

are derecognised when the rights to receive cash flows from the assets have expired or have been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss are presented in the Statement of Profit and Loss within “Other (Losses)/Gains” in the period in which they arise.

Impairment of Financial Assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. A financial asset, or a group of financial assets, is impaired and impairment losses are incurred, only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a “loss event”), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal repayments;
- the Group, for economic or legal reasons relating to the borrower’s financial difficulty, granting to the borrower a concession that the lender would not otherwise consider; and
- it becomes probable that the borrower will enter bankruptcy or another financial reorganisation.

The Group first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset’s original effective interest rate. The asset’s carrying amount is reduced and the loss is recognised in the Statement of Profit and Loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss is recognised in the Statement of Profit and Loss.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).
For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset’s lifetime ECL at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. This is the same treatment for a financial asset measured at FVTPL.

2.12. Trade receivables

Trade receivables are amounts due from third parties in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.13. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and are subject to an insignificant risk of changes in value.

2.14. Reserves

Equity comprises the following:

- "Share capital" represents the nominal value of the Ordinary shares;
- "Share Premium" represents consideration less nominal value of issued shares and costs directly attributable to the issue of new shares;
- "Other reserves" represents the merger reserve, translation reserve, revaluation reserve and share based payments reserve where;
    - "Merger reserve" represents the difference between the fair value of an acquisition and the nominal value of the shares allotted in a share exchange;
    - "Revaluation reserve" represents the change in valuation of assets measured at fair value;
    - "Translation reserve" (foreign currency) represents the translation differences arising from translating the financial statement items from functional currency to presentational currency; and
    - "Share based payments reserve" represents share options awarded by the Group;
- "Retained earnings" represents retained losses.

2.15. Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16. Share Based Payments

The Group operates a number of equity-settled, share-based schemes, under which it receives services from employees or third party suppliers as consideration for equity instruments (options and warrants) of the Group. The Group may also issue warrants to share subscribers as part of a share placing. The fair value of the equity-settled share based payments is recognised as an expense in the income statement or charged to equity depending on the nature of the service provided or instrument issued. The total amount to be expensed or charged is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

In the case of warrants the amount charged to the share premium account is determined by reference to the fair value of the services received if available. If the fair value of the services received is not determinable, the warrants are valued by reference to the fair value of the warrants granted as previously described.

Non-market vesting conditions are included in assumptions about the number of options or warrants that are expected to vest. The total expense or charge is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement or equity as appropriate, with a corresponding adjustment to a separate reserve in equity.

When the options are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

2.17. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

2.18. Provisions

The Group provides for the costs of restoring a site where a legal or constructive obligation exists. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of estimated future costs. The Group also provides minimum lease payments on land where they have leased and are obligated per agreements The estimated cost of these leases over the shorter of the life of the mine or the lease terms is calculated at present value.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material). The increase in provisions due to the passage of time is included in the Consolidated Statement of Profit or Loss and Comprehensive Income. Any increase in provision due to reclamation obligations is capitalised as part of the mine asset and subsequently depreciated. This is through depletion or impairment if the provision is larger than the carrying value of the mine.

2.19. Convertible Loan Notes

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual agreement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised as the proceeds are received, net of direct issue costs.

Where warrants are granted in conjunction with other equity instruments, which themselves meet the definition of equity, they are recorded at their fair value, which is measured using an appropriate valuation model. Warrants which do no meet the definition of equity are classified as derivative financial instruments.

The component parts of compound instruments, such as Convertible Loan Notes, issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement.

If the conversion feature of a Convertible Loan Notes issued does not meet the definition of an equity instrument, that portion is classified as an embedded derivative and measured accordingly. The debt component of the instrument is determined by deducting the fair value of the conversion option at inception from the fair value of consideration received for the instrument as a whole. The debt component amount is recorded as a financial liability on an amortised cost basis using the effective interest rate method until extinguished upon conversion or at the instrument’s maturity date.

Where debt instruments issued by the Group are repurchased for cancellation, the financial liability is derecognised at the point at which the cash consideration is settled. Upon derecognition, the difference between the liability’s carrying amount that has been cancelled and the consideration paid is recognised as a gain in the Statement of Profit and Loss, net of any direct transaction costs.

In December 2021 and February 2022 the Group raised $6m and $6m respectively from the placement of two Convertible Loan Notes. They were both issued at par and carry a coupon of 15% and 12% payable quarterly in arrears. The Convertible Loan Notes are convertible into fully paid Ordinary Shares with the initial conversion prices set at £0.28 and £0.40 per ordinary share. The number of Ordinary shares at the year end that could be issued if all the Convertible Loan Notes were converted is 27,175,221 (assuming that the exchange rate at the year-end is

$1.31/£1). Unless previously converted, redeemed or purchased and cancelled, the Convertible Loan Notes will be redeemed at par on 13 December 2023 and 16 February 2024 respectively.

The conversion feature of the Convertible Loan Notes is classified as an embedded derivative as the number of shares issued to settle the liability is not fixed due to the variable nature of the US$ and £ exchange rate. Therefore, the Convertible Loan Note does not meet the 'fixed for fixed' criteria outlined in IAS 32 for recognition as an equity instrument. It has therefore been measured at fair value through profit and loss. The amount recognised at inception in respect of the host debt contract was determined by deducting the fair value of the conversion option at inception (the embedded derivative) from the fair value of the consideration received for the Convertible Loan Notes. The debt component is then recognised at amortised cost, using the effective interest method, until extinguished upon conversion or maturity. The effective interest rate applicable to the debt component is 15% and 12% respectively.

Embedded derivatives

Derivatives embedded in financial instruments or other host contracts that are not financial assets are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. Derivatives embedded in financial instruments or other host contracts that are financial assets are not separated; instead, the entire contract is accounted for either at amortised cost of fair value as appropriate.

An embedded derivative is presented as non-current if the remaining maturity of the compound instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.

The table below analyses the derivatives, by valuation method. The different levels are defined as follows:

Financials instruments by valuation method	Level 1 $	Level 2 $	Level 3 $	Total $
Fair value at 31 March 2021	-	-	-	-
Additions	-	9,106,722	2,893,278	**12,000,000**
Interest		401,128	-	**401,128**
Foreign exchange gains	-	(72,262)	-	**(72,262)**
Revaluation	-	-	(53,461)	**(53,461)**
Fair value at 31 March 2022	-	9,435,588	2,839,817	**12,275,405**

The embedded derivative component of the Convertible Loan Note is categorised within Level 3 of the fair value hierarchy, as the derivatives themselves are not traded on an active market and their fair values are determined using a valuation technique that uses one key input that is not based on observable market data, being share price volatility.

Borrowing costs

Borrowing costs directly relating to the construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time as the assets are substantially ready for their intended use, i.e. when they are capable of commercial production. The amount of borrowing costs eligible to be capitalized is reduced by an amount equivalent to any interest income received on temporary reinvestment of those borrowings.

Borrowings

Interest-bearing loans are recognised initially at fair value less attributable transaction costs. All borrowings are subsequently stated at amortised cost with the difference between initial net proceeds and redemption value recognised in the Statement of Profit or Loss over the period to redemption on an effective interest basis.

	Debt component $	Derivative component $	Total $
As at 1 April 2021	-	-	-
Gross proceeds from issue of convertible loan notes	9,106,722	2,893,278	12,000,000
Transaction costs paid	-	-	-
Net proceeds from convertible loan notes	9,106,722	2,893,278	12,000,000
Cash interest paid	-	-	-
Foreign exchange gains	(72,262)	-	(72,262)
Fair value gains	-	(53,461)	(53,461)
Interest charged	401,128	-	401,128
As at 31 March 2022	**9,435,588**	**2,839,817**	**12,275,405**

2.20. Taxation

Tax is recognised in the Statement of Profit or Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

No current tax is yet payable in view of the losses to date.

Deferred tax is recognised for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.
In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets (including those arising from investments in subsidiaries), are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be used.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax is calculated at the tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply to the period when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are not discounted.

2.21. Leases and right of use assets

The Group leases certain property, plant and equipment. Leases of plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases under IFRS 16. Finance leases are capitalised on the lease's commencement at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Other leases are either small in value or cover a period of less than 12 months.

The lease liability is initially measured at the present value of the lease payments that are not paid. Lease payments generally include fixed payments less any lease incentives receivable. The lease liability is discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group estimates the incremental borrowing rate based on the lease term, collateral assumptions, and the economic environment in which the lease is denominated. The lease liability is subsequently measured at amortised cost using the effective interest method. The lease liability is remeasured when the expected lease payments change as a result of new assessments of contractual options and residual value guarantees.

The right-of-use asset is recognised at the present value of the liability at the commencement date of the lease less any incentives received from the lessor. Added to the right-of-use asset are initial direct costs, payments made before the commencement date, and estimated restoration costs. The right-of-use asset is subsequently depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in lease liabilities, split between current and non-current depending on when the liabilities are due. The interest element of the finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Assets obtained under finance leases are depreciated over their useful lives. The lease liabilities are shown in note 17 to these financial statements.

2.22. Earnings per share

The calculation of the total basic earnings per share is based on the loss attributable to equity holders of the parent company and on the weighted average number of ordinary shares in issue during the year.

In accordance with IAS 33, basic and diluted earnings per share are identical for the Group as the effect of the exercise of share options would be to decrease the earnings per share.

2.23. Deferred consideration

The Deferred Consideration is comprised of re-imbursement of reclamation bonds and of ongoing royalty payments over the life of the mines. It is recognised at the present value over the life of the mine and split between current and non-current liabilities.

3. Financial risk management

3.1. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the management team under policies approved by the Board of Directors.

a) Market Risk

The Group is exposed to market risk, primarily relating to interest rate, foreign exchange and commodity prices. The Group has not sensitised the figures for fluctuations in interest rates, foreign exchange or commodity prices as the Directors are of the opinion that these fluctuations are immaterial and would not have a significant impact on the Financial Statements at the present time. The Directors will continue to assess the effect of movements in market risks on the Group's financial operations and initiate suitable risk management measures where necessary.

b) Credit Risk

Credit risk arises from cash and cash equivalents as well as exposure to customers including outstanding receivables. To manage this risk, the Group periodically assesses the financial reliability of customers and counterparties. The Group regularly reviews ageing of receivables to ensure there is no risk of default.

No credit limits were exceeded during the year, and management does not expect any losses from non-performance by these counterparties.

c) Liquidity Risk

The Group's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital or debt. The Directors are reasonably confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed.

3.2. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, in order to enable the Group to continue its activities, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the issue of shares or sell assets to reduce debts.

The Group defines capital based on the total equity of the Company. The Group monitors its level of cash resources available against future planned operational activities and the Company may issue new shares in order to raise further funds from time to time.

The gearing ratio at 31 March 2022 is as follows:

	31 March 2022
	$
Total borrowings (Notes 23 & 24)	15,556,232
Less: Cash and cash equivalents (Note 19)	(5,555,296)
Net debt	10,000,936
Total equity	31,744,285
Gearing ratio	32%

The table below analyses financial instruments carried at fair value, by valuation method. The different levels are defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

	Level 1	**Level 2**	**Level 3**	**Total**
Financials instruments by valuation method	**$**	**$**	**$**	**$**
Fair value at 1 April 2021	-	-	-	-
Additions	-	-	24,000,000	24,000,000
Fair value at 31 March 2022	-	-	24,000,000	24,000,000

Included in Level 3 is the Plant measured at fair value (see note 15).

4. Critical accounting estimates

The preparation of the Financial Statements in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amount of expenses during the year. Actual results may vary from the estimates used to produce these Financial Statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant items subject to such estimates and assumptions include, but are not limited to:

a) Valuation of provision for reclamation costs (see note 25)

The Group's provision for reclamation costs has a carrying value at 31 March 2022 of $1,949,888 relates to the Group's reclamation obligations. The provision for reclamation costs is calculated by discounting the future cash outflows in respect of reclamation work based on the estimated future cost provided by independent experts (Heritage Technical Associates, Inc). The reclamation costs are expected to be incurred from 2028 to 2033 (at the end of the mine life per the mine plan). The cash outflows have been discounted at 12.69% and an inflation rate of 2% has been used. The discounted provision for reclamation costs is broadly equivalent to the reclamation bond assessments made by the WVDEP. The restoration provision is a commitment to restore the site to a safe and secure environment. The provisions are reviewed annually.

b) Fair value of the acquisition of Ben's Creek Operations LLC (See note 29)

The initial fair value of the plant acquired was $12,450,000 and is based on independent expert valuations of the preparation plant and associated facilities (Raw Resources Group) and equipment (New Age Mining LLC). Raw Resources Group valued the preparation plant and associated facilities at $16,000,000. In the valuation report they noted that;

1. the plant was in very good condition,
2. the plant had a remaining life of at least 15 to 20 years and is of efficient process design,
3. the preparation plant had a current value from $12,000,000,
4. the existing material handling system and loadout was valued at $4,000,000, if operable,
5. replacement cost for a similar 500-tph processing plant with floatation would cost around $25,000,000 and basic material handling with a raw coal feed system and a batch-weigh loadout system would add another $9.000,000 of cost.

The valuation letter does not allocate value between the various assets that make up the plant and associated facilities and was prepared on the assumption that the assets are in working order. Included within the value is the preparation plant, unit train loadout, coal refuse belt systems and electronic distribution system. The Company had assumed a lower and conservative valuation of $10,000,000. Management have used the Raw Resources LLC valuation letter and Marshall Miller & Associates Competent Person Report together to confirm the reasonableness of the $10,000,000 valuation. Management have also completed a present value calculation assuming a range of margins achieved from washing coal in the preparation plant, which gave a range of indicative fair values for the plant from $8,900,000 (assuming a $5 margin per tonne) to $14,700,000 (assuming a $30 margin per tonne). Under this approach, valuing the plant and associated facilities as a whole rather than by component parts, the plant was carried at fair value through the Statement of Profit and Loss in the financial statements. Component parts purchased for the plant going forward will be expensed rather than capitalised.

New Age Mining LLC valued the equipment at $2,450,000. The equipment is comprised of five continuous miners ($1,225,000), eleven shuttle cars ($880,000), five roof bolters ($295,000) and two scoops ($50,000). New Age Mining LLC assessed the state of equipment by physical condition as follows – good ($1,945,000), good/fair ($125,000), fair ($350,000) and fair/poor ($30,000). Komatsu Limited, an independent manufacturer of such equipment, quoted a total cost of circa $22,000,000 if the equipment was bought new.

The fair value of the coal rights was evaluated by Marshall Miller & Associates in their Competent Person Report produced at the IPO. The valuation is based on identified coal reserves of 2.34 million marketable tons (within the Pond Creek and Lower Alma underground mines) at a sale price of $115 per ton less the capital expenditure and all operating expenditure required to extract, process, maintain and reclaim the mines plant and equipment and sell the coal, over the life the mines. Corporate income tax at a rate of 27.5% (Federal tax of 21% and State tax of 6.5%) was applied to the pre-tax profits. The operating costs include all royalties payable and all applicable coal production and sales taxes. The net cash flows were discounted at 12.69% (which represents Marshall Miller & Associates estimate of the constant US dollar, risk adjusted weighted average cost of capital for likely market participants if the subject resources were offered for sale). The net present value of the discounted cash flows, over the life of the mines, at a discount rate of 12.69% was calculated to be $25,700,000.

c) Subsequent re-measurement of fair value of the plant (See note 15)

At the year-end a second valuation of the plant was undertaken. The fair value of the plant was determined at be $24,000,000, is based on an independent expert valuation of the preparation plant and associated facilities. Raw Resources Group valued the preparation plant and associated facilities at $24,000,000. In the valuation report they noted that;

1. the plant is in very good condition;
2. the plant has a remaining life of at least 15 to 20 years and is of efficient process design;
3. the preparation plant has a current value from $20,000,000; and
4. the existing material handling system and loadout is valued at $4,000,000, if operable.

The Group had spent $7.2m on the remediation costs of the plant. As the valuation at the year-end was $24m, there is a clear uplift. The increase in demand and subsequent price of metallurgical coal has led to the increase in valuation. Additionally, inflation has resulted in the increase of parts and labour.

d) Deferred Consideration (See note 22)

The Deferred Consideration of $4,485,428, payable to Ben's Creek Holding LLC, is comprised of re-imbursement of reclamation bonds of $1,412,637 and ongoing royalty payments of $3,072,791 over the life of the mine. In May 2021, $130,000 was paid to Ben's Creek Holding LLC (the seller) in respect of the re-imbursement of reclamation bonds with the outstanding balance having been paid from the listing proceeds. The ongoing royalties payable, has been accepted at a rate of $2 per tonne of coal mined and sold, over the life of the mines discounted at 12.69% in calculating the deferred consideration. The life of the mines is projected to be from October 2021 until May 2028.

The Group completed the re-imbursement of the reclamation bonds earlier than planned and on 23 July 2021, it paid $1,258,520 to the seller in full and final settlement. MBU Capital Group Limited provided a bridging loan of GBP 918,164 ($1,258,520) to the Group to fund the re-imbursement. The bridging loan accrued interest at 1% per month. This bridging loan was paid from the proceeds following the Group's IPO.

e) Share based payments (See note 32)

The Group has made awards of options and warrants over its unissued share capital to certain Directors and employees as part of their remuneration package. The valuation of these options and warrants involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in note 32 to these financial statements.

f) Embedded derivative (See note 24)

Valuation of the embedded derivative within the Convertible Loan Notes requires a number of estimates, the most significant of which is the estimated equivalent bond yield applied to the debt component. The fair value calculations and related sensitivities for the embedded derivative are disclosed in note 24 to these financial statements.

In December 2021 and February 2022, the Group raised $6m and $6m respectively from the placement of two Convertible Loan Notes. They were both issued at par and carry a coupon of 15% and 12% payable quarterly in arrears. The Convertible Loan Notes are convertible into fully paid Ordinary Shares with the initial conversion prices set at £0.28 and £0.40. The number of Ordinary shares at the year-end that could be issued if all the Convertible Loan Notes were converted is 27,175,221 (assuming that the exchange rate at the year-end is $1.31/£1). Unless previously converted, redeemed, or purchased and cancelled, the Convertible Loan Notes will be redeemed at par on 13 December 2023 and 16 February 2024 respectively.

g) Impairment of Investment in subsidiary (See note 35)

The Company's investment in its subsidiary has a carrying value at 31 March 2022 of $28,385,729.

Management tests annually whether the investment in subsidiary has future economic value in accordance with the accounting policies. The investment is subject to an annual impairment review by management. This calculates the net present value of future cash flows of the subsidiary's operations over the life of the mine. The review takes into consideration changing coal prices, anticipated resources, sales volumes and cost of production. The estimated future cash flows are discounted (12.69%) to their present value at the Company's cost of capital in order to determine the recoverable amount of the mine.

h) Royalty provision (See note 25)

The Group has a provision in place at a value of $1,242,000 in relation to minimum royalty payments. This is based on minimum lease payments for leases with mining rights. The present value of the minimum lease payments has been calculated based on the life of the mine or if shorter, the lease term. The provision will be discounted over this period at 12.69%.

i) Recoverability of Intragroup loans (See note 23)

The Group currently has an intra group loan between Bens Creek Group Plc and Ben's Creek Carbon WV LLC. The terms of the loan are over 5 years, with a total facility of $20,000,000. Interest is accrued monthly at 6% which is considered a market rate. As the interest rate is deemed market value the loan has not been discounted over the term.

5. Dividends

No dividend has been declared or paid by the Company during the period ended 31 March 2022.

6. Segment information

Management has determined the operating segments based on reports reviewed by the Board of Directors that are used to make strategic decisions. During the year the Group had interests in two geographical segments, the United Kingdom and the United States of America ("USA"). Activities in the UK are mainly administrative in nature whilst the activities in the USA relate to coal production and sale of coal. The reportable operating segments derive their revenue from the sale of prepared coal to industrial and retail customers. All of the revenue and costs of Ben's Creek Carbon are US based, whereas all the costs of Ben's Creek Group Plc are from the UK.

2021	**USA** **$**	**UK** **$**	**Total** **$**
Administrative expense	(1,451,759)	-	**(1,451,759)**
Operating loss	**(1,451,759)**	**-**	**(1,451,759)**
Additions to plant and equipment	121,225	-	**121,225**
Reportable segment assets	898,005	-	**898,005**
Reportable segment liabilities	2,349,764	-	**2,349,764**

2022	**USA** **$**	**UK** **$**	**Total** **$**
Revenue	5,411,816	-	**5,411,816**
Cost of sales	(3,878,565)	-	**(3,878,565)**
Administrative expense	(3,600,617)	(5,392,776)	**(8,993,393)**
Operating loss	**(2,067,366)**	**(5,392,776)**	**(7,460,142)**
Additions to plant and equipment	12,325,171	565	**12,325,736**
Reportable segment assets	64,179,689	3,287,519	**67,467,208**
Reportable segment liabilities	23,156,255	12,566,668	**35,772,923**

7. Revenue

	31 March 2022 **$**	31 March 2021 Unaudited $
Coal Sales	5,411,816	-
	5,411,816	**-**

Revenue was noted above were derived from one external customer. This revenue was all generated in the USA.

8. Cost of sales

	31 March 2022	31 March 2021 Unaudited
	$	$
Production costs	3,051,937	-
Royalty expense (See note 4)	826,628	-
	3,878,565	**-**

9. Administrative expenses

	31 March 2022	31 March 2021 Unaudited
	$	$
Expenses by nature:		
Operational and remediation costs	-	696,694
Staff costs	1,928,301	214,726
Legal, professional and brokerage	1,267,578	248,991
Travel and subsistence	139,920	70,206
Depreciation	154,008	49,717
Coal Depletion	744,513	-
Insurance	564,551	-
IPO related costs	1,299,484	-
Audit fees	152,456	-
Sale of scrap	(133,982)	-
Share based payment charge	2,095,151	-
Foreign exchange costs	(125,505)	-
Other administrative costs	906,918	124,346
Total administrative expenses	**8,993,393**	**1,404,680**

During the year the Group obtained the following services from the Company's auditors and its subsidiaries:

	31 March 2022	31 March 2021 Unaudited
	$	$
Fees payable to the Group's auditor and its associates for the audit of the Company and Consolidated Financial Statements	152,456	-
Fees payable to the Company's auditor for other services:		
- Reporting accountant services	104,494	-
- Interim financial statements review	3,000	
	259,950	**-**

10. Employee benefits expense

Staff costs	31 March 2022 $	31 March 2021 Unaudited $	31 March 2022 Company $
Salaries and wages	1,139,642	195,591	139,934
Bonuses	624,079	-	624,079
Social security contributions and similar taxes	89,449	17,661	13,568
Other benefits	75,131	1,474	-
	1,928,301	**214,726**	**777,581**

Average number of employees by function	31 March 2022 Numbers	31 March 2021 Numbers Unaudited	31 March 2022 Company Numbers
Operations	10	-	-
Administration	2	-	-
Directors	-	-	4
	12	**-**	4

Details of the directors' emoluments are set out in note 30 to these financial statements.

11. Finance costs

	31 March 2022 $	31 March 2021 Unaudited $
Interest expense	682,130	-
Unwinding of discount of reclamation liability	315,319	
Total finance costs	**997,449**	**-**

12. Taxation

Tax recognised in profit or loss	31 March 2022 $	31 March 2021 Unaudited $
Current tax	-	-
Deferred tax (note 13)	8,222,085	-
Total tax charge in the Statement of Profit and Loss	8,222,085	**-**

The tax on the Group's profit/(loss) before taxation differs from the theoretical amount that would arise using the weighted average tax rate applicable to the profits/(losses) of the consolidated entities as follows:

	31 March 2022	31 March 2021 Unaudited
	$	$
Profit/(loss) on ordinary activities before tax	25,285,795	(1,451,759)
Tax on profit on ordinary activities at combined CT rate of 29.3% (2021: 27.5%)	**7,408,738**	**(275,834)**
Effects of:		
Disallowed Expenditure	767,687	275,834
Parent company tax losses not recognised	726,846	-
Brought forward deferred tax asset on US losses not previously recognised	(143,017)	-
Other timing differences	(538,169)	-
Tax charge	**8,222,085**	**-**

The overseas tax rate used is a combination of 21% US federal tax rate and 6.5% West Virginia state tax rate, to give an applicable rate of 27.5%. The rate used for the UK tax is 19%, which with the overseas tax rate gives a blended rate of 29.3%.

The Group has UK tax losses of approximately $2,480,704 available to carry forward against future taxable profits. A deferred tax asset has been recognised in respect of overseas losses which are likely to be offset against future profits arising from the Group's overseas entities. No deferred tax asset has been recognised in respect of UK tax losses which are unlikely to be offset against future expected profits.

13. Deferred tax

	Group	
	Deferred tax liability	**Deferred tax asset**
	$	**$**
As at 1 April 2021	-	-
Gain on bargain purchase	8,798,236	-
Uplift on fair value of plant	1,488,156	-
Deferred tax asset on future profit	-	576,151
Total deferred tax	**10,286,392**	**576,151**
Current	**-**	**-**
Non-current	**10,286,392**	**576,151**

A deferred tax liability of $8,798,236 arose as part of the acquisition of Ben's Creek Operations LLC and Ben's Creek Land LLC. Additionally, a deferred tax liability of $1,488,151 was recognised on the increase in fair value of the plant in relation to Other Comprehensive Income. The total deferred tax liability amounted to $10,286,392. The charge in the profit and loss of $8,222,085 consists of the liability from the acquisition of $8,798,236 less a deferred tax asset of $576,151 recognised on the basis of future profits.

14. **Earnings per share**

The calculation of the total basic earnings per share of 6.165 cents is based on the profit attributable to equity holders of the Company of $17,063,710 and on the weighted average number of ordinary shares of 276,774,515 in issue during the period. Diluted earnings per share are 5.922 cents based on a weighted average of 288,162,165 shares. There are no prior year shares due to the Company being incorporated in the year. Due to the uncertainty of the Convertible Loan Notes being converted, they have not been included in the weight average number of shares for the diluted earnings per share.

Details of share options that could potentially dilute earnings per share in future periods are set out in note 32 to these financial statements.

15. Property, Plant and Equipment

Group

	Vehicles	Office equipment	Plant	Underground equipment	Leasehold Improvements	Construction in progress	Total
	$	$	$	$	$	$	$
Cost or valuation							
As at 1 April 2020	-	-	-	-	-	-	-
Acquired during year	9,800	111,425	-	-	-	-	**121,225**
As at 31 March 2021	**9,800**	**111,425**	-	-	-	-	**121,225**
As at 1 April 2021	-	-	-	-	-	-	-
Acquired from business combination	-	-	-	-	-	**13,692,000**	**13,692,000**
Additions during the year	114,597	420,396	-	-	544,379	**12,325,736**	**13,405,108**
Transfers	-	-	18,588,524	3,787,000	-	**(22,375,524)**	-
Gain on revaluation	-	-	5,411,476	-	-	-	**5,411,476**
As at 31 March 2022	**124,397**	**531,821**	**24,000,000**	**3,787,000**	**544,379**	**3,642,212**	**32,629,809**
Depreciation							
As at 1 April 2020	-	-	-	-	-	-	-
Depreciation during the year	(653)	(1,169)	-	-	-	-	**(1,822)**
As at 31 March 2021	**(653)**	**(1,169)**	-	-	-	-	**(1,822)**
As at 1 April 2021	-	-	-	-	-	-	-
Depreciation during the year	(4,367)	(14,454)	-	-	(18,146)	-	**(36,967)**
As at 31 March 2022	**(5,020)**	**(15,623)**	-	-	**(18,146)**	-	**(38,789)**
Net book value as at 31 March 2021	**9,147**	**110,256**	-	-	-	-	**119,403**
Net book value as at 31 March 2022	**119,377**	**516,198**	**24,000,000**	**3,787,000**	**526,233**	**3,642,212**	**32,591,020**

The items acquired through acquisition are detailed in note 29 to these financial statements. An independent valuation of the Group's plant was performed by valuers to determine the fair value as at 31 March 2022 (and acquisition). The asset was reviewed and assessed as to the replacement for the asset would be. The revaluation surplus, net of deferred income taxes, was credited to other comprehensive income and is shown in the 'revaluation reserve'. The plant and underground machinery are not depreciated in the year due to completion of the remediation work until post year end and therefore the assets are to be depreciated in the next financial year.

If the plant was to be recognised on the historical cost basis, they would be measured at cost (being the fair value upon acquisition) less accumulated depreciation ($18,588,524). As there is no depreciation the year, the value would be the cost.

Included in the value of the plant additions, is the value of the minimum lease payments on the lease of land from various lessees. The following leases require a minimum payment: Pocahontas, based on the life of the mine to May 2028; MGC based on the lease term to end of 2025 and Carbon Fuels, based on the life of the mine to May 2028. In aggregate this amounted to $1,242,000. Other contractual payments due to the lessees are obligations based on the sales of coal which have not been provided for as they cannot be reliably estimated. A further $180k is included due to an increase in the reclamation bond which is part of the mine asset. Additionally, $7.2m relates to costs incurred in remediating the plant.

As at the year end construction in progress was made up of the following, Highwall Miner ($2,726,574), railroad ($773,757) and other projects ($141,881). Post year-end the railway became fully operational. Work is still being undertaken on the purchased Highwall miner to ensure it is fully operational. There were no committed costs at 31 March 2022.

Company

	Office equipment	**Total**
	$	**$**
Cost or valuation		
As at 1 April 2021	**-**	**-**
Acquired during period	565	**565**
As at 31 March 2022	**565**	**565**
Depreciation		
As at 1 April 2021	**-**	**-**
Depreciation charge during the period	(26)	**(26)**
As at 31 March 2022	**(26)**	**(26)**
Net book value	**539**	**539**
As at 31 March 2022	**539**	**539**

16. Coal reserves and reclamation assets

Group	**Coal Reserves**
	$
Cost or valuation	
As at April 2020	**-**
As at 31 March 2021	**-**
As at 1 April 2021	**-**
Fair value uplift at acquisition	25,700,000
Additions during the year	-
As at 31 March 2022	**25,700,000**
Depletion	
As at April 2020	**-**
As at 31 March 2021	**-**
As at 1 April 2021	**(744,513)**
As at 31 March 2022	**(744,513)**
Net book value	
As at 1 April 2021	**-**
As at 31 March 2022	**24,955,487**

The coal reserves acquired through acquisition are detailed in note 29 to these financial statements. The reclamation assets relate to bonds paid to and held by the West Virginia Department of Environmental Protection as part of the Groups reclamation commitments. Movement in the year relates to the depletion of coal reserves from coal mined during the year.

The reclamation bond is based on a number of mining permits which is held with the West Virginia Department of Environmental Protection and is interest bearing.

The group has provided certificates of deposit as collateral to secure mine reclamation obligations as required by the West Virginia Department of Environmental Protection. The certificates are not released until the underlying reclamation obligations have been completed by the group to the satisfaction of the WDEP.

	Group		**Company**	
	31 March 2022	31 March 2021 Unaudited	**31 March 2022**	31 March 2021 Unaudited
	$	$	**$**	$
Certificates of deposit	1,628,605	135,363	-	-

17. Leases

The following lease liabilities arose in respect of the recognition of right of use assets with a net book value of $63,366. The Group holds two leases that it accounts for under IFRS 16.

	Office	Housing	Vehicle	Total
	$	**$**	**$**	**$**
Balance as 1 April 2020				-
Acquired right of use assets	115,402	96,168	71,053	283,073
Principal reduction	(25,000)	(20,833)	(4,703)	(50,536)
Interest	1,671	1,392	1,614	4,677
Balance as 31 March 2021	92,073	76,727	67,964	237,214
Balance at 1 April 2021	92,073	76,727	67,964	237,214
Disposal right of use assets	-	-	(59,804)	(59,804)
Principal reduction	(60,000)	(50,000)	(12,934)	(122,934)
Interest	2,490	2,077	4,324	8,891
Balance at 31 March 2022	**34,563**	**28,804**	**-**	**63,367**
Less: Current portion	**(34,563)**	**(28,803)**	**-**	**(63,367)**
Non-current portion	**-**	**-**	**-**	**-**

All lease payments will occur in the next 12 months and are therefore classified as current. The cash flows of the leases are as follows:

	31 March 2022	31 March 2021 Unaudited
	$	$
Interest charge	801	5,605
Principal reduction	64,167	66,277
Depreciation	44,077	47,891

The right of use assets are as follows:

	Office lease	Apartment lease	Vehicle lease	Total
	$	**$**	**$**	**$**
Balance at 1 April 2020	-	-	-	-
Additions	115,402	96,168	81,503	**293,073**
Depreciation	(24,042)	(20,035)	(3,814)	**(47,891)**
Balance at 31 March 2021	**91,360**	**76,133**	**77,689**	**245,182**
Balance at 1 April 2021	91,360	76,133	77,689	**245,182**
Disposal	-	-	(68,156)	**(68,156)**
Additions	-	-	-	**-**
Depreciation	(57,701)	(48,084)	(9,533)	**(115,318)**
Balance at 31 March 2022	**33,659**	**28,049**	**-**	**61,708**

18. Trade and other receivables

	Group		Company
	31 March 2022	31 March 2021 Unaudited	**31 March 2022**
Current	**$**	$	**$**
Prepayments	298,096	263,057	146,517
Other Receivables	272,232	135,000	168,948
	570,328	**398,057**	**315,465**

	Group		Company
	31 March 2022	31 March 2021 Unaudited	**31 March 2022**
Non-current	**$**	$	**$**
Amount due from Ben's Creek Carbon LLC	-	-	16,026,796
	-	**-**	**16,026,796**

Amount due from Ben's Creek Carbon LLC is funding provided by the parent company to Bens Creek Carbon LLC for working capital and other projects. Interest is accruing at 6% per annum and the loan is repayable immediately following the first business day of the fifth anniversary of Admission, or a later day as the parties may agree.

19. Cash and cash equivalents

	Group		**Company**	
	31 March 2022	31 March 2021 Unaudited	**31 March 2022**	31 March 2021 Unaudited
	$	$	**$**	$
Cash at bank and on hand	5,555,296	-	2,971,515	-
	5,555,296	**-**	**2,971,515**	**-**

The carrying amounts of the Group's cash and cash equivalents are denominated in USD.

20. Inventory

	Group	
	As at 31 March 2022	As at 31 March 2021 Unaudited
	$	$
Coal inventory	**1,528,613**	**-**

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to $3,051,937 and is stated at the lower of cost and net realisable value.

21. Trade and other payables

	Group		Company
Current	**31 March 2022** **$**	31 March 2021 Unaudited $	**31 March 2022** **$**
Trade payables	2,367,290	411,348	91,111
Other payables	30,150	-	-
Payroll liabilities	27,971	-	24,123
Accruals	1,025,935	-	176,029
	3,451,346	**411,348**	**291,263**

22. Deferred consideration

	31 March 2022 Group **$**	**31 March 2021 Group Unaudited** **$**
Current liabilities		
Deferred consideration	816,000	-
	816,000	-
Non-current liabilities		
Deferred consideration	**2,357,698**	-
	2,357,698	-

The deferred consideration relates to the purchase consideration for the acquisition of Ben's Creek Operations LLC and Ben's Creek Land LLC. For further information, see notes 4 and 29 of these financial statements.

23. Borrowings

	MBU Capital Group **$**
Non-current liabilities	
As at 1 April 2020	-
Drawdowns	1,604,367
Interest charge	42,401
Payments	-
As at 31 March 2021	1,646,768
As at 1 April 2021	1,646,768
Drawdowns	1,439,252
Interest charge	194,807
Payments	-
As at 31 March 2022	**3,280,827**

The Loan provided by MBU Capital Group Limited is a convertible facility up to £10,000,000 (GBP) draw down. The loan commenced on 1 November 2020 and is repayable in full by 30th June 2023 or such earlier date as may be agreed between lender and borrower. The interest rate is 7% per annum, accruing monthly. MBU Capital Group

Limited is a shareholder of the Group and therefore is considered a related party as disclosed in note 34 of these financial statements.

	31 March 2022	**31 March 2021 Unaudited**
	$	**$**
Current liabilities		
Bank overdraft	-	54,454
	-	**54,454**

24. Convertible Loan Notes

	Debt component $	Derivative component $	Total $
As at 1 April 2021	-	-	-
Gross proceeds from issue of convertible loan notes	9,106,722	2,893,278	12,000,000
Transaction costs paid	-	-	-
Net proceeds from convertible loan notes	9,106,722	2,893,278	12,000,000
Cash interest paid	-	-	-
Foreign exchange losses	(72,262)	-	(72,262)
Fair value gains	-	(53,461)	(53,461)
Interest charged	401,128	-	401,128
As at 31 March 2022	**9,435,588**	**2,839,817**	**12,275,405**

The fair value of the embedded derivative was determined using the Black Scholes valuation model. The parameters used are detailed below:

	2021 Loan	2022 Loan
Granted on:	14 Dec 2021	17 Feb 2022
Life (years)	24 months	24 months
Exercise price (cents per share)	33 pence	44 pence
Risk free rate	1.25%	1.25%
Expected volatility	25.2%	25.2%
Fair value per share	£0.0750	£0.0858

In December 2021 and February 2022, the Group raised $6m and $6m from the placement of two Convertible Loan Notes. They were both issued at par and carry a coupon of 15% and 12% respectively payable quarterly in arrears. The Convertible Loan Notes are convertible into fully paid Ordinary Shares with the initial conversion prices set at £0.28 and £0.40. The number of Ordinary shares at the year-end that could be issued if all the Convertible Loan Notes were converted is 27,175,221 (assuming that the exchange rate at the year-end is $1.31/£1). Unless previously converted, redeemed, or purchased and cancelled, the Convertible Loan Notes will be redeemed at par on 13 December 2023 and 16 February 2024 respectively. Volatility is calculated by reviewing historic share price movements of comparable companies to the Group being newly listed, as well as historic foreign exchange volatility between USD and GBP (5%). The derivative is to be revalued at the year-end based on the year-end foreign exchange rate.

25. Provisions

	Reclamation provision	Minimum lease payments	Total
	$	$	$
As at 1 April 2021	-	-	-
Additions	1,635,569	1,242,000	2,877,569
Unwinding of discount	314,319	-	314,319
As at 31 March 2022	**1,949,888**	**1,242,000**	**3,191,888**
Current provisions	**-**	**(350,000)**	**(350,000)**
Non-current provisions	**1,949,888**	**892,000**	**2,841,888**

The Group's provision for reclamation costs has a carrying value at 31 March 2022 of $1,949,888 and relates to the Group's reclamation obligations. The provision for reclamation costs is calculated by discounting the expected future cash outflows in respect of reclamation work based on the estimated future cost provided by independent experts (Heritage Technical Associates, Inc), being $4,454,777. The reclamation costs are expected to be incurred from 2028 to 2033 (at the end of the mine life per the mine plan – being 7 years). The cash outflows have been discounted at 12.69%. The discounted provision for reclamation costs is broadly equivalent to the reclamation bond assessments made by the WVDEP. The reclamation provision is a commitment to restore the site to a safe and secure environment. The provisions are reviewed annually.

The Group's provision for minimum lease payments amount to $1,242,000 relate to leases held with Pocahontas, MGC and Carbon Fuels. In the agreements with each respectively there is a minimum monthly payment which has been calculated based on the life of the mine or if shorter the lease agreement. The lease payments have been discounted to present value and will be reviewed annually. The royalty agreements contain further clauses in which further royalties are payable when mining on the land. However, as there is no accurate method to estimate the level of production, no provision has been included.

26. Reconciliation of debt

2021	As at 1 April 2020 $	Cash transactions $	Non-cash transactions $	As at 31 March 2021 $
Borrowings (note 23)	-	1,658,821	42,382	1,701,203
Convertible loan notes (note 24)	-	-	-	-
Lease liability (note 17)	-	(50,536)	287,750	237,214

2022	As at 1 April 2021 $	Cash transactions $	Non-cash transactions $	As at 31 March 2022 $
Borrowings (note 23)	1,701,203	1,384,798	194,826	3,280,827
Convertible loan notes (note 24)	-	12,000,000	275,405	12,275,405
Lease liability (note 17)	237,214	(122,934)	(50,913)	63,367

27. Financial instruments by category

Consolidated	**31 March 2022**		
Financial Assets	**At amortised cost $**	**FVTPL $**	**Total $**
Trade and other receivables (excluding prepayments)	272,231	-	**272,231**
Cash and cash equivalents	5,555,296	-	**5,555,296**
	5,827,527	-	**5,827,527**

Financial Liabilities	**At amortised cost $**	**FVTPL $**	**Total $**
Borrowings	12,716,415	2,839,817	**15,556,232**
Trade and other payables	2,425,411	-	**2,425,411**
Lease liability	63,367	-	**63,367**
	15,205,193	**2,839,817**	**18,045,010**

Consolidated	**31 March 2021 Unaudited**		
Financial Assets	**Loans & receivables $**	**FVTPL $**	**Total $**
Trade and other receivables (excluding prepayments)	135,000	-	135,000
Cash and cash equivalents	-	-	-
	135,000		**135,000**

Financial Liabilities	At amortised cost $	FVTPL $	Total $
Borrowings	1,701,203	-	**1,701,203**
Trade and other payables	411,348	-	**526,464**
Lease liability	237,214	-	**237,214**
	2,349,765	-	**2,349,765**

The periods where the financial liabilities are payable are as follows:

	31 March 2022			
	Less than 1 year $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $
Borrowings	-	15,556,232	-	-
Trade and other payables	2,425,411	-	-	-
Leases	63,367	-	-	-
	2,488,778	**15,556,232**	**-**	**-**

	31 March 2021 Unaudited			
	Less than 1 year $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $
Borrowings	54,454	1,646,749	-	-
Trade and other payables	411,348	-	-	-
Leases	115,136	122,077	-	-
	580,938	**1,768,826**	**-**	**-**

Company	31 March 2022		
Financial Assets	Loans & receivables $	FVTPL $	Total $
Trade and other receivables (excluding prepayments)	16,195,744	-	**16,195,744**
Cash and cash equivalents	2,971,515	-	**2,971,515**
	19,167,259	-	**19,167,259**

Financial Liabilities	At amortised cost $	FVTPL $	Total $
Borrowings	9,435,588	2,839,817	**12,275,405**
Trade and other payables	115,234	-	**115,234**
	9,550,822	**2,893,817**	**12,390,639**

The periods where the financial liabilities are payable are as follows:

	31 March 2022			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	$	$	$	$
Borrowings	-	12,275,405	-	-
Trade and other payables	115,234	-	-	-
	115,234	**12,275,405**	**-**	**-**

28. Fair Value of Financial Assets and Liabilities Measured at Amortised Costs

Financial assets and liabilities comprise the following:

- Trade and other receivables;
- Cash and cash equivalents; and
- Trade and other payables.

The fair values of these items equate to their carrying values as at the reporting date.

29. Business combinations

On 22 September 2021, the Company acquired 100% of the membership interests in Ben's Creek Carbon LLC, Delaware United States of America, which is registered and incorporated in Delaware, United States of America and operates from its office in West Virginia, United States of America.

The following table summarises the consideration paid for Ben's Creek Carbon LLC and the values of the net assets assumed at the acquisition date. Acquisition accounting has been completed using merger accounting, as the transaction was between entities under common control, and is not within the scope of IFRS 3 - Business Combinations:

	2022 $
Recognised amounts of assets and liabilities acquired	
Total assets	41,085,879
Total liabilities	(19,450,569)
Total identifiable net assets	21,635,310
Purchase consideration	(28,385,730)
Merger reserve from acquisition of subsidiary	(6,750,420)

The identifiable net assets of Ben's Creek LLC have been consolidated into the results of the Company as at 31 March 2022, and reflect the assets acquired by Ben's Creek Carbon LLC on 22 September 2021.

Acquisition of Ben's Creek Operations WV LLC and Ben's Creek Land WV LLC

On 29 April 2021, Ben's Creek Carbon LLC, acquired 100% interest in Ben's Creek Operations WV LLC and Ben's Creek Land WV LLC. Both of these entities are registered and incorporated in Delaware, United States of America are based and operate in West Virginia, United States of America.

The following table summarises the consideration payable of $4,485,428 for Ben's Creek Operations WV LLC and Ben's Creek Land WV LLC and the values of the assets and equity assumed at the acquisition date:

	2022 $
Recognised amounts of assets and liabilities acquired	
Property and plant	10,000,000
Equipment	2,450,000
Coal reserves	25,700,000
Total identifiable net assets	38,150,000
Purchase consideration payable	(4,485,428)
Interest saving on early repayment of reclamation bonds	24,117
Gain on bargain purchase price	33,688,689

On acquisition the fair value of the plant of $10,000,000 and equipment of $2,450,000 is based on independent expert valuations of the preparation plant and associated facilities (Raw Resources Group) and equipment (New Age Mining LLC). Raw Resources Group valued the preparation plant and associated facilities at $16,000,000. The Company assumed a lower and more conservative valuation of $10,000,000. New Age Mining LLC valued the equipment at $2,450,000.

The fair value of the coal rights was evaluated by Marshall Miller & Associates in their Competent Person Report. The valuation is based on proven and probable recoverable coal reserves of 2.34 million tons (within the Pond Creek and Lower Alma underground mines) at a sale price of $115 per ton less the capital expenditure and all operating expenditure required to extract, process, maintain and reclaim the mines plant and equipment and sell the coal, over the life the mines. Corporate income tax at a rate of 27.5% (Federal tax of 21% and State tax of 6.5%) was applied to the pre-tax profits. The operating costs include all royalties payable and all applicable coal production and sales taxes. The net cash flows were discounted at 12.69% (which represents Marshall Miller & Associates estimate of the constant US dollar, risk adjusted weighted average cost of capital for likely market participants if the subject resources were offered for sale). The net present value of the discounted cash flows, over the life of the mines, at a discount rate of 12.69%, was calculated to be $25,700,000.

The deferred purchase consideration of $4,485,428, payable to The former owner, is comprised of re-imbursement of reclamation bonds ($1,412,637), which has been reduced by $24,117, following the early repayment and transfer to the Group of the reclamation bonds, and royalty payments (being $3,072,791) over the life of the mines. In May 2021, $130,000 was paid to Ben's Creek Holding LLC in respect of the re-imbursement of reclamation bonds with the outstanding amount payable by 31 October 2021 which nevertheless was settled early on 23 July 2021. The balance outstanding accrued interest at 7.5% per annum. Accrued interest has been included in calculating the deferred consideration, which was paid on 23 July 2021. The royalties payable, at a rate of $2 per tonne of coal mined and sold, over the life of the mines were discounted at 12.69% in calculating the deferred consideration. The life of the mine is projected to be from October 2021 until May 2028. The production tonnage assumptions on which the royalties were calculated are as follows;

Year To	Tonnage
April 22	169,500
April 23	408,000
April 24	408,000
April 25	418,667
April 26	434,667
April 27	311,833
April 28	176,667
April 29	8,666
Total	2,336,000

Note 22 of these financial statements out the deferred consideration payable at 31 March 2022, following the early repayment to the former owner of the reclamation bonds.

30. Directors' emoluments

		Year ended 31 March 2022				
	Notice period months	Short-term benefits salary $	Short-term Bonuses $	Share based payments $	Total $	Share options No.
Executive Directors						
Adam Wilson	6	259,489	459,848	925,322	1,644,659	10,500,000
Raju Haldankar	6	43,759	98,539	-	142,298	-
Non-executive Directors						
Robin Fryer	-	21,428	26,277	-	47,705	-
David Harris	-	16,151	19,708	-	35,859	-
Mohammed Iqbal		-	-	-	-	-
		340,827	604,372	925,322	**1,870,521**	**10,500,000**

Mohammed Iqbal resigned on 30 September 2021.

On 19 October 2021, Adam Wilson was granted 10,500,000 share options in the Company at an exercise price of 5p per ordinary share. The vesting conditions of the grant were related to performance criteria as set out in the Group's admission document. The performance criteria was such that three targets of 3,500,000 share options would vest on conditions that the ordinary share price of the Group's shares would increase by 100%, 200% and 300% of the admission price of the Group following its IPO on 19 October 2021. These conditions were met during the period from 19 October 2021 to 31 March 2022.

Short term benefits paid to Adam Wilson include a discretionary bonus of $459,848 (£350,000) in connection with his employment contract with Bens Creek Operations WV LLC. Short term benefits paid to Raju Haldankar includes a discretionary bonus of $98,539 (£75,000). The discretionary bonuses paid to both Adam Wilson and Raju Haldankar were in recognition of their efforts in managing the affairs of the Group's subsidiaries including the rapid development of the business to achieve a fundamental milestone, the commencement of mining operations in December 2021.

31. Share capital and share premium

	Shares issued	Ordinary shares $	Share premium $	Total $
Incorporation	1	-	-	-
Issue of shares – 11 August 2021	999	1	-	1
Issue of shares – 10 September 2021	49,999,000	68,543	-	68,543
Issue of shares – 22 September 2021	192,827,930	264,340	26,133,439	26,397,779
Issue of shares – 30 September 2021	14,450,000	19,809	-	19,809
Issue of shares – 19 October 2021	22,722,070	31,149	3,083,726	3,114,875
Issue of shares – 19 October 2021	70,000,000	95,960	9,500,051	9,596,011
Issue of shares – 27 November 2021	200,000	274	32,284	32,558
Issue of shares – 3 December 2021	1,500,000	2,056	203,573	205,629
Issue of shares – 14 December 2021	370,880	508	50,334	50,842
Issue of shares – 20 January 2022	900,000	1,234	122,144	123,378
Issue of shares – 14 February 2022	85,435	117	11,595	11,712
Issue of shares – 25 February 2022	600,000	823	81,429	82,252
Issue of shares – 25 March 2022	85,435	117	11,595	11,712
Issue of shares – 25 March 2022	250,000	342	33,928	34,270

Share issuance costs	-	-	(552,090)	(552,090)
	353,991,750	**485,273**	**38,712,008**	**39,197,281**

On 11 August 2021, the Group issued 1,000 new ordinary shares in the capital of the Company at a price of 0.1 pence per share raising £1.

On 10 September 2021, the Group issued 49,999,000 new ordinary shares in the capital of the Company at a price of 0.1 pence per share raising £49,999 ($68,543).

On 22 September 2021, the Group entered into a purchase agreement to acquire the membership interests of BC Carbon for a consideration of $26,433,984 (£19,282,793). The consideration was satisfied by the issue of 192,827,930 ordinary in the Group. Details of the share for share exchange are noted below:

MBU Capital Group	159,227,930
Adam Wilson	28,000,000
Larkin Hoskins	5,600,000
	192,827,930

On 30 September 2021, the Group issued 14,450,000 new ordinary shares in the capital of the Company at a price of 0.1 pence per share raising $19,809 (£14,450).

On 19 October 2021 the Group issued 22,722,070 new ordinary shares in the capital of the Company at a price of 10p per share to a number of convertible loan note investors of MBU in settlement of funding provided to the Subsidiaries, raising $3,114,875 (£2,272,207).

On 19 October 2021 the Group issued 70,000,000 new ordinary shares in the capital of the Company were issued at a price of 10p per share pursuant to its initial public offering on 13 October 2021, with trading in the shares having commenced on 19 October 2021, raising $9,596,011 (£7,000,000)

On 27 November 2021, the Group issued 200,000 new ordinary shares in the capital of the Company at a price of 11.875p per share under a contractual agreement for services.

On 3 December 2021, warrants were exercised for 1,500,000 new ordinary shares in the capital of the company at a price of 10p per share, with the proceeds of issue amounting to $205,629 (£150,000).

On 14 December 2021, warrants were exercised for 370,880 new ordinary shares in the capital of the company were issued on 14 December 2021, at a price of 10p per share, with the proceeds of issue amounting to $50,842 (£37,088).

On 20 January 2022, warrants were exercised for 900,000 new ordinary shares in the capital of the Company at a price of 10p per share, with proceeds of the issue amounting to $123,378 (£90,000).

On 14 February 2022, warrants were exercised for 85,435 new ordinary shares in the capital of the Company at a price of 10p per share, with the proceeds of issue amounting to $11,712 (£8,543)

On 25 February 2022, warrants were exercised for 600,000 new ordinary shares in the capital of the Company at a price of 10p per share, with the proceeds of issue amounting to $82,252 (£60,000).

On 25 March 2022, warrants were exercised for 85,435 new ordinary shares in the capital of the Company at a price of 10p per share, with the proceeds of issue amounting to $11,712 (£8,543).

On 25 March 2022, warrants were exercised for 250,000 new ordinary shares in the capital of the Company at a price of 10p per share, with the proceeds of issue amounting to $34,272 (£25,000).

32. Share based payments reserve

Share options and warrants

Share options and warrants outstanding at the end of the year have the following expiry dates and exercise prices:

Share options

Grant Date	Expiry Date	Exercise price in £ per share	**31 March 2022**
19 October 2021	18 October 2031	0.05	10,500,000
19 October 2021	18 October 2031	0.05	3,500,000
04 January 2022	04 January 2032	0.05	1,750,000
16 February 2022	15 February 2032	0.05	450,000
09 March 2022	08 March 2032	0.05	100,000
			16,300,000

Warrants

Grant Date	Expiry Date	Exercise price in £ per share	**31 March 2022**
19 October 2021	18 October 2024	0.10	40,000
19 October 2021	18 October 2024	0.10	118,250
30 November 2021	29 November 2024	0.10	500,000
14 January 2022	13 December 2024	0.28	971,000
17 February 2022	16 February 2025	0.40	661,764
			2,291,014
Total			**18,591,014**

The Company and Group have no legal or constructive obligation to settle or repurchase the options or warrants in cash.

The fair value of the share options and warrants was determined using the Black Scholes valuation model. The parameters used are detailed below using the weighted average:

	2022 Options	2022 Warrants
Granted:	2022	2022
Life (years)	10 years	3 years
Exercise price (pence per share)	5 pence	26 pence
Risk free rate	1.25%	1.25%
Expected volatility	23.6%	23.6%
Fair value per share	£0.0979	£0.18344

Volatility is calculated looking back at the historic exchange rate movement.
A reconciliation of share options and warrants granted and lapsed during the period ended 31 March 2022 are shown below:

	Number
Outstanding as at 1 April 2021	-
Granted	22,382,764
Exercised	(3,791,750)
Outstanding as at 31 March 2022	**18,591,014**
Exercisable at 31 March 2022	**18,591,014**

The total fair value of the options and warrants granted in the current year resulted in a charge of $2,095,151 to the Consolidated Statement of Comprehensive Income. The total charge to share premium at 31 March 2022 was $552,091 due to the broker warrants which had not been exercised at the year end.

33. Capital commitments

On 13 April 2022, the Group entered into a lease arrangement with Star Ridge Land LLC over the mining rights for 2,640 acres contiguous to the Group's property Mingo County, West Virginia. This agreement commits the Group to pay an annual royalty of $120,000 per annum from October 2024, which is recoupable from any sales made from the coal assets of the property.

The group has provided certificates of deposit as collateral to secure mine reclamation obligations as required by the West Virginia Department of Environmental Protection. The certificates are not released until the underlying reclamation obligations have been completed by the group to the satisfaction of the WDEP (see note 16 for more details).

34. Related party transactions

MBU, at 31 March 2022, owned 59.25% of the voting issued share capital of the Company.

The Group is party to the following arrangements with MBU:

MBU loan facility

MBU, which was a member of Ben's Creek Carbon LLC until 22 September 2021, has a GBP £10,000,000 draw down facility with the Group. This facility commenced on 1 November 2020 and is repayable in full by 30 June 2023 or such earlier date as may be agreed between lender and borrower. The facility also allows MBU to convert any funding provided, along with accrued interest, into ordinary shares of the Group at a premium of 50% of the IPO price of 10p per share. Accordingly, the conversion price is 15p per share. The interest applicable on this facility is 7% per annum, which accrues monthly. As at 31 March 2022, $3,043,619 was drawn down by Ben's Creek Carbon LLC from the loan facility. During the period $237,208 was charged as interest on the loan. This is included in note 10 above and remains outstanding at 31 March 2022.

On 7 April 2022, the Group renegotiated and agreed with MBU, the balance of the unused facility, if drawn down by the Group, can be converted at a price of 60p per ordinary share, if MBU exercises its option to convert into shares of the Group rather than seeking repayment of it loan and accrued interest.

MBU first bridging facility

On 23 July 2021, MBU provided a short-term bridging loan of $1,258,520 to enable the Subsidiaries to pay the purchase consideration in respect of the reclamation bonds. This facility, along with the outstanding interest of $28,488, was repaid in full on 20 October 2021 from the net proceeds of the Company's initial public offering on 19 October 2021.

MBU second bridging facility

On 27 August 2021, MBU provided a second short-term bridging loan of $1,000,000 to enable the Subsidiaries to fund ongoing remediation works for the plant, repairs to the rail facility and to provide working capital. This facility, along with the outstanding interest of $11,279, was repaid in full on 20 October 2021 from the net proceeds of the Company's initial public offering on 19 October 2021.

MBU share Issuance to connected parties

On 30 September 2021, the Company issued 14,450,000 shares to employees and connected persons of MBU who subscribed for these shares at par value. The aggregate consideration payable for these was £14,450, which was paid during the year.

MBU Services Agreement Licence

On 19 October 2021, the Group entered into a Services Agreement and Licence for the supply of support services, covering information technology, human resources, legal and compliance and the use of a logo. The monthly cost of these services to the Group amounted to £10,833 per month. Accordingly, the aggregate amount charged during the year to 31 March 2022 by MBU was £60,804, of which £20,464 remained outstanding at 31 March 2022 and is included within trade and other payables.

Ben's Creek Carbon LLC

During the year the Group provided funding of $15,777,986 to its Subsidiary; Ben's Creek Carbon LLC, along with accrued interest of $248,810. The interest rate applicable on the loan is an annual rate of 6%.

Executive Directors

The Board of Directors includes two Executive Directors; Adam Wilson (CEO) and Raju Haldankar (CFO during the year), who are regarded as related parties by virtue of their employment with MBU GBR Limited, a 100% subsidiary of MBU.

Adam Wilson was until 5 May 2022, an employee of MBU GBR Limited, On 6 May 2022, he commenced employment with Hamra Limited, a 75% owned subsidiary of MBU.

Raju Haldankar was an employee of MBU GBR Limited during the year.

Directors' emoluments is disclosed in note 30 to these financial statements.

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35. Investment in Subsidiary

	Company 31 March 2022 $
Shares in Group	
At beginning of period	-
Consideration	25,400,390
Deferred consideration for subsidiaries	2,985,339
At end of period	**28,385,729**

Investments in Group undertakings are stated at cost, which is the fair value of the consideration paid, less any impairment provision. Investments are eliminated upon consolidation.

Name of subsidiary	Country of incorporation and place of business	Proportion of ordinary shares held by parent (%)	Nature of business
Ben's Creek Carbon LLC	United States	100% Direct	Mining
Ben's Creek WV Operations LLC	United States	100% Indirect	Mining
Ben's Creek Land WV LLC	United States	100% Indirect	Lease rights

The registered address of all three subsidiary companies is 109 Capitol St, Charleston, WV, 25301. The subsidiaries are exempt from individual audits.

36. Ultimate Controlling Party

As at 31 March 2022, MBU Capital Group Limited is the ultimate controlling party as a result of owning 59.25% of the Group.

37. Events After Reporting Date

On the 13 April 2022, the Group entered into a further lease arrangement with Star Ridge Land LLC over the mining rights of an additional 2,640 acres of adjacent property, also located in Mingo County. The acquisition is contiguous with the first Bens Creek property, which adds to our reserves and extends the life of the mine.

Additionally, the Group agreed revised terms on an unsecured loan facility provided by MBU. The revised terms, effective from April 2022, ensures that in the event that MBU were to seek to exercise their conversion rights under the loan facility, this would now be done at price of 60p per ordinary share instead of 15p, as noted in the Group' s admission document, in respect of any drawdowns from April 2022. The Group exercised its right to draw down from the MBU loan facility in April 2022, drawing down $6,500,000 (£5,000,000).

Other material events after the reporting period included, in chronological order:

- Completion of the remediation of the Group railway facility, which was formally approved for use by Norfolk Southern during April 2022;
- The commencement of underground mining during May 2022;
- The commencement of delivery of the Group's stock of clean met coal via its railway facility to the Group's offtake partner Integrity;
- The grant of 2,000,000 share options to Raju Haldankar, the Group's outgoing CFO, who retains an executive role with the Board;
- Post year-end 408,250 warrants were exercised by various brokers.
- The purchase of a fleet of earth moving equipment at a cost of $5,405,000 to supplement the machinery operated by a contractor; and
- The placing of 20,000,000 ordinary shares of the Group at a price of 30p per ordinary share. The aggregate gross proceeds of this issue was $7,200,000 (£6,000,000).
- Draw down of $6,138,000 for an equipment financing facility to aid the purchase of further earth moving equipment as the Group moves from a contractor model to an equipment owner.