

7 November 2022

Bens Creek Group plc

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

Mining update

Bens Creek Group plc (AIM:BEN), the owner of a metallurgical coal mine in North America supplying the steel industry, is pleased to announce that preliminary production from the new permit area has been encouraging following commencement of mining on this area at the end of October 2022.

The Company was able to produce 2,500 tons of run of mine coal in a single day with a higher clean coal recovery of 62%. Furthermore, the Company can confirm that initial analysis suggests that the coal seam being mined under the new permit is approximately 50 inches which is greater than the coal seam on the Company's original permitted site, which had a coal seam thickness of 38 inches.

To accommodate the additional capacity of future production on the new permit area and to attain the optimum recovery levels, Ben's Creek has started to reduce cost and manpower by accelerating the process plant facility upgrades. This will be achieved by the Company modifying the truck dump belt infrastructure and through the integration of an additional dryer into the existing processing plant, which is expected to provide elevated coal recovery and raw throughput capacity of the processing plant facility.

As of 7 November 2022, the Company has introduced a second shift on its first highwall miner which will allow the Company to double daily production. The Company can also confirm that the creation of the required benches to support the second highwall miner are progressing quickly. As such the Company will soon be requesting the second highwall miner. The Company has previously stated, in the mine plan agreement with Mega Highwall Mining LLC, that it will then be ready for further production by the end of December 2022. Once the second highwall miner is fully mobilised and operational, the Company intends to introduce a two-shift production schedule on this highwall miner as well.

The Company is still reviewing its options with regards to its own highwall miner and it has recently received offers in excess of the purchase price which are currently under consideration.

The Company has largely completed the acquisition or rental of all the necessary ancillary mobile equipment with all equipment now being on site except for the highwall miner. This has allowed the Company to move away from contractors to an owner operator model and progress towards full production as a result.

The Company is getting ready to initiate an aggressive core drilling program with the objective of improving its metallurgical coal reserve base and expand its recoverable and mineable tons. The Company will be utilising the results from this drilling program to build into the already started third permit application for the surface/highwall miner, as well as two additional underground operations at the same time with this third permit. These advances are important for the Company's future operations at the Bens Creek mine as they are expected to allow the Company to increase productivity and maintain the operational momentum that has been built by the Ben's Creek team.

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

"The set up to allow us to move from a contracted fleet to an owner operated fleet with two highwall miners is nearly completed. This, together with the remediation of the infrastructure (from what was a previously idle mine) and the commencement on the underground mine for the creation of a first walking super section, is nearing completion. An update on resources and the issue of a new mining permit have taken place at an expedited pace over the last twelve months and we remain confident

that 2023 will be a good year for Bens Creek. The regular train deliveries and inventory build are now expected to commence alongside the increased production. As with all mining projects, more production spreads the cost across more tonnage and thus reduces the average unit cost per ton, thereby increasing margins.”

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