

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

6 March 2024

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

**Amended loan instrument and security agreement with Avani**

Bens Creek Group plc (AIM:BEN), the owner of a metallurgical coal mine in North America supplying the steel industry, announces that it has entered into an amended loan instrument and security agreement (the "Agreement") with Avani Resources Pte Ltd (the "Lender" or "Avani"), the Company's largest shareholder.

Pursuant to the Agreement, Avani is providing Bens Creek Operations WV LLC ("Bens Creek Operations" or "BCO"), a 100% owned subsidiary of the Company, with a working capital facility of \$7.5 million plus an additional \$2.5 million at the discretion of the Lender (the "Working Capital Facility" or "WCF"). To date, Avani has advanced a total of \$5.0 million to the Company under the WCF. In addition, Avani has agreed to restructure its outstanding loan note and accrued interest of \$6.5 million that were put in place with Bens Creek in July 2023 as announced by Bens Creek on 7 July 2023 (the "Loan Note").

**The Working Capital Facility**

On 5 March 2024 BCO and the Company entered into a secured a working capital facility of \$7.5 million plus an additional \$2.5 million at the discretion of the Lender. \$5.0 million has previously been advanced by Avani. A total of \$4.25 million was advanced during February 2024 as announced by the Company on 9 February 2024 and 27 February 2024 and a further \$0.75 million was advanced by Avani shortly prior to the Working Capital Facility being entered into. The Working Capital Facility has been entered into by Bens Creek Operations for the purpose of financing the working capital requirements of the Company's mining projects. The WCF shall be available until 1 July 2025 but may be terminated earlier if BCO fails to make any coal sales in two consecutive calendar months.

The WCF shall accrue interest at 13% per annum which shall not compound. If BCO fails to achieve any coal sales in any two consecutive calendar months in accordance with the off-take agreement entered into between the Lender and BCO (announced by the Company on 29 February 2024) and/or fails to repay the full WCF amount consistent with the terms of the Agreement, the interest rate will increase to 16% effective immediately until the date the defect is remedied or the WCF is fully repaid.

Repayment of the WCF will be in tranches based on a royalty from coal sales made by Bens Creek Operations during the term of the WCF. The repayment amount will be the excess of \$120 short ton for coal sales achieved by BCO from the mine during the term of the WCF, to any seller, including the Lender. The amount shall be paid within 3 working days of the date when the coal is dispatched from the mine which is when Bens Creek Operations receives final payment for the coal. Amounts repaid by BCO may be redrawn during the term of the facility.

In the event of default the Lender may elect, in its sole discretion, to convert all or part of the amount due under the Loan Note or WCF into shares in Bens Creek Operations. The Company shall provide

financial reporting, consistent with IFRS, to the Lender at least quarterly or as reasonably required by the Lender.

### **Loan Note restructuring**

On 7 July 2023 the Company announced that it had issued \$6.5 million of loan notes to Avani. Upon entering into the Working Capital Facility, Avani and Bens Creek have agreed to restructure the terms of the Loan Note which are due for repayment in January 2025. The Loan Note shall now be a rolling note which shall remain open until the earlier of: (i) repayment of the amounts outstanding under the Loan Note; or (ii) there is an event of default under the Agreement which has not been cured in accordance with the terms of the Agreement.

Pursuant to the terms of the Agreement, the Loan Note and the Working Capital Facility now authorise the Lender to secure the repayment obligations by taking and perfecting a security interest in and to certain of the Company's assets.

Other than the amendments to the security and repayment terms of the Loan Note, the terms of the Loan Note shall remain unchanged, including the interest on the Loan Note.

### **Related party transaction**

The Company entering into the Agreement with Avani is deemed to be transaction with a related party pursuant to rule 13 of the AIM Rules for Companies by virtue of Avani being a 29.86% shareholder of the Company. The directors of the Company (except for Rajesh Johar who represents Avani on the Company's board) consider, having consulted with the Company's nominated adviser, Allenby Capital Limited, that the terms of the Agreement are fair and reasonable insofar as the Company's shareholders are concerned.

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

*"The additional working capital facility and the restructured loan note (which is now rolling and no longer repayable in January 2025) announced today, the offtake agreement announced last week and Chris Walker starting as the CEO of Bens Creek Operations are all positives. Combined with the operational issues that we hope have largely been resolved this should put Bens Creek in a good position to meet its goal of being a leading supplier of HvB into both the Domestic and International markets."*

### **For further information please contact:**

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