THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you should seek your own personal advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who specialises in advising on the acquisition of shares and other securities and is authorised under FSMA if you are resident in the UK, or, if you are not resident in the UK, from another authorised independent adviser.

This document does not comprise a prospectus within the meaning of section 85 of FSMA and does not constitute an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of FSMA, and has not been approved or examined by and will not be filed with the FCA or the London Stock Exchange, but comprises an admission document in relation to AIM. It has been drawn up in accordance with the AIM Rules for Companies and has been issued in connection with the proposed admission to trading on AIM of the Share Capital.

The Company and its Directors, whose names appear on page 7 of this document, accept responsibility, collectively and individually, for the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. To the extent that information has been sourced from a third party, this information has been accurately reproduced and, as far as the Directors are aware and are able to ascertain from information published by the third party, no facts have been omitted which may render the reproduced information inaccurate or misleading. In connection with this document, no person is authorised to give any information or make any representation other than as set out in this document.

Application will be made for Admission and it is expected that Admission will become effective and dealings in the Share Capital will commence on AIM on 19 October 2021.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

Bens Creek Group PLC

(Incorporated and registered in England & Wales with registered number 13559916)

PLACING OF 70,000,000 NEW ORDINARY SHARES AT 10 PENCE PER SHARE

AND

ADMISSION OF THE SHARE CAPITAL TO TRADING ON AIM

Allenby Capital Limited
Nominated Adviser and Joint Broker

Optiva Securities Limited
Joint Broker

Clear Capital Markets Limited
Placing Agent

Allenby Capital is the Company's nominated adviser and joint broker and is authorised and regulated by the FCA. Allenby Capital's responsibilities as the Company's nominated adviser, including a responsibility to advise and guide the Company on its responsibilities under the AIM Rules for Companies and AIM Rules for Nominated Advisers, are owed solely to the London Stock Exchange. Allenby Capital is not acting for and will not be responsible to any other persons for providing protections afforded to customers of Allenby Capital Limited nor for advising them in relation to the proposed arrangements described in this document or the proposed admission of the Share Capital to trading on AIM.

Optiva is the Company's joint broker and is authorised and regulated by the FCA and is acting for the Company and no one else in connection with the proposed arrangements described in the document. Optiva will not regard any other person as their customer nor be responsible to any other person for providing protections afforded to the customers of Optiva nor for providing advice to any other person in connection with the arrangements described in this document or the proposed admission of the Share Capital to trading on AIM.

Clear Capital is the Company's placing agent for the Placing and is authorised and regulated by the FCA and is acting for the Company and no one else in connection with the proposed arrangements described in the document. Optiva will not regard any other person as their customer nor be responsible to any other person for providing protections afforded to the customers of Clear Capital nor for providing advice to any other person in connection with the arrangements described in this document or the proposed admission of the Share Capital to trading on AIM.

No representation or warranty, express or implied, is made by Allenby Capital, Optiva or Clear Capital as to the contents of this document and no liability is accepted by Allenby Capital, Optiva or Clear Capital for the accuracy or opinions contained in, or for the omission of any material information from, this document, for which the Company and the Directors are responsible. The information contained in this document is not intended to inform or be relied upon by any subsequent purchasers of any Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted by Allenby Capital, Optiva or Clear Capital in relation to them. No person has been authorised to give any information or make any representations other than those contained in this document and, if

given or made, such information or representations must not be relied upon as having been so authorised. The delivery of this document will not, under any circumstances, be deemed to create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct at any time subsequent to its date. Nothing in this document shall be effective to limit or exclude any liability for fraud or which, by law or regulation, cannot otherwise be so limited or excluded.

The Placing is conditional, *inter alia*, on Admission taking place by 8.00 a.m. on 19 October 2021 (or such later date as the Company, Allenby Capital, Optiva and Clear Capital may agree, being not later than 12 November 2021). The Placing Shares will, upon Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions declared paid or made in respect of the Ordinary Shares after Admission. It is emphasised that no application is being made for the Ordinary Shares to be admitted to the Official List or to any other recognized investment exchange.

No legal, business, tax or other advice is provided in this document. Prospective investors should consult their professional advisers as needed on the potential consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

OVERSEAS SHAREHOLDERS

This document does not constitute an offer to sell, or a solicitation to buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this document is not, subject to certain exceptions, for distribution in or into the United States of America, Canada, Australia, the Republic of South Africa or Japan. The Ordinary Shares have not been nor will be registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**"), nor under the securities legislation of any state of the United States or any province or territory of Canada, Australia, the Republic of South Africa, Japan, or in any country, territory or possession where to do so may contravene local securities laws or regulations. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered or sold directly or indirectly in or into the United States of America, Canada, Australia, the Republic of South Africa, Japan or to any national, citizen or resident of the United States of America, Canada, Australia, the Republic of South Africa or Japan. The distribution of this document in certain jurisdictions may be restricted by law. No action has been taken by the Company or by Allenby Capital Limited or Clear Capital Markets Limited that would permit a public offer of Ordinary Shares or possession or distribution of this document where action for that purpose is required. Persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Holding Ordinary Shares may have implications for overseas shareholders under the laws of the relevant overseas jurisdictions. Overseas shareholders should inform themselves about, and observe, any applicable legal requirements. It is the responsibility of each overseas shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

SHAREHOLDERS IN THE UNITED STATES

The Ordinary Shares have not been, nor will they be, registered under the US Securities Act and may not be offered, sold or delivered in, into or from the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Subject to certain exemptions, this document does not constitute an offer of Ordinary Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer in the United States. Outside of the United States, the Placing Shares are being offered in "offshore transactions" in reliance on Regulation S under the US Securities Act. The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Placing Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the US.

FORWARD-LOOKING STATEMENTS

Certain statements in this document are forward-looking statements. These forward-looking statements are not based on historical facts but rather on the Directors' expectations regarding the Group's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, planned exploration and development activity and the results of such activity, business prospects and opportunities. Such forward-looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes, the results of exploration and development drilling and related activities, actions by governmental authorities, the availability of capital markets, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. These forward-looking statements are subject to, inter alia, the risk factors described in Part II of this document. Although the forward-looking statements contained in this document are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements.

SOURCES

Various market data and forecasts used in this document have been obtained from independent industry sources. Neither the Company nor Allenby Capital nor Optiva nor Clear Capital has verified the data, statistics or information obtained from these sources nor can give any guarantee of the accuracy or completeness of the data. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications, risks and uncertainties as above.

Various figures and percentages in tables in this document have been rounded and accordingly may not total. Certain financial data has also been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly form the actual arithmetical totals of such data. All times referred to in this document are, unless otherwise stated, references to London, England time.

Currency presentation in this document, references to "sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom, references to "€" and "euros" are to the lawful currency of certain of the countries within the EU and references to "$" are references to the lawful currency of the United States.

Notice to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing offer no guaranteed income and no capital protection; and an investment in the Placing is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Optiva, Allenby Capital and Clear Capital will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

CONTENTS

KEY STATISTICS

Placing Price per Placing Share	10 pence
Number of Existing Ordinary Shares in issue prior to the Placing	257,277,930
Number of Deferred Consideration Shares to be issued immediately prior to Admission	22,722,070
Number of Placing Shares to be issued	70,000,000
Number of Ordinary Shares in issue on Admission following the Placing	350,000,000
Number of warrants in issue on Admission exercisable at the Placing Price	4,450,000
Number of options over Ordinary Shares in issue on Admission	14,000,000
Percentage of the Share Capital constituted by the Placing Shares	20.0 per cent.
Gross proceeds of the Placing	£7.0 million
Estimated net proceeds of the Placing receivable by the Company	£5.8 million
Market capitalisation of the Company on Admission at the Placing Price	£35.0 million
AIM symbol	BEN
ISIN	GB00BP814F22
SEDOL	BP814F2
Legal Entity Identifier (LEI) code	213800I3FGJ7KAZGEG14
Website address	www.benscreek.com

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2021
Publication of this document	13 October
Admission becomes effective and dealings in the Share Capital expected to commence on AIM	8.00 a.m. on 19 October
CREST accounts expected to be credited	19 October
Dispatch of definitive share certificates by	within 10 business days of admission

Note: All references to times in this timetable are to London times. The times and dates may be subject to change.

DIRECTORS, PROPOSED DIRECTORS, SECRETARY AND ADVISERS

Existing Directors	Adam Richard Wilson – *Chief Executive Officer* Raju Haldankar – *Chief Financial Officer*
Proposed Directors (with effect from Admission)	Robin Anthony Fryer – *Independent Non-Executive Chairman* David Harris – *Independent Non-Executive Director*
Company Secretary	Ben Harber Shakespeare Martineau LLP 60 Gracechurch Street London EC3V 0HR
Registered Office	Nightingale House 65 Curzon Street London W1J 8PE
Principal Office Address	109 Capitol Street Charleston West Virginia 25301 United States
website	www.benscreek.com
Nominated Adviser and Joint Broker	Allenby Capital Limited 5 St Helen's Place London EC3A 6AB
Joint Broker	Optiva Securities Limited 49 Berkeley Square London W1J 5AZ
Placing Agent	Clear Capital Markets Limited 12th Floor, Broadgate Tower 20 Primrose Street London EC2A 2EW
Competent Person	Marshall Miller & Associates,Inc 582 Industrial Park Road Bluefield Virginia, VA 24605 United States
Solicitors to the Company as to English law	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW
Solicitors to the Company as to Delaware law	McCarter & English, LLP 265 Franklin Street Boston, MA USA 02110-3113

Solicitors to the Company as to West Virginia law	Christie Law Office PO Box 1113 Bridgeport West Virginia USA 26330
Solicitors to the Nominated Adviser, Joint Brokers and Placing Agent	Fox Williams LLP 10 Finsbury Square London EC2A 1AF
Reporting Accountant and Auditors to the Company	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
Registrar	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD
Financial PR	Belvedere Communications Limited 25 Finsbury Circus London EC2M 7EE

"**Acquisition**"	the acquisition by the Company of all of BCC's membership interests which completed with effect from 22 September 2021 pursuant to the terms of the Acquisition Agreement and the Minority Acquisition Agreement
"**Acquisition Agreement**"	the agreement between, *inter alia*, the Company and MBU in relation to the acquisition of MBU's membership interests of BCC with effect from 22 September 2021, details of which are set out in paragraph 11.20 of Part VIII of this document
"**Act**"	the Companies Act 2006 (as amended)
"**acting in concert**"	shall bear the meaning ascribed thereto in the Takeover Code
"**Admission**"	the admission of the Share Capital to trading on AIM becoming effective in accordance with the AIM Rules for Companies
"**Admission Document**" or "**Document**"	means this admission document
"**Adviser Warrants**"	the Allenby Warrants, the CC Warrants, the Optiva Warrants and the Optiva Performance Warrants
"**AIM**"	the market of that name operated by the London Stock Exchange
"**AIM Rules**"	the AIM Rules for Companies and the AIM Rules for Nominated Advisers
"**AIM Rules and UK MAR Compliance Committee**"	the AIM Rules and UK MAR compliance committee of the Company duly authorised by the Board
"**AIM Rules for Nominated Advisers**"	the rules which set out the obligations and responsibilities in relation to companies whose shares are admitted to AIM as published by the London Stock Exchange from time to time
"**Allenby Capital**"	Allenby Capital Limited, a company incorporated in England and Wales under company number 06706681, the Company's nominated adviser and joint broker
"**Allenby Warrants**"	the 118,250 warrants over new Ordinary Shares to be issued, conditional on Admission, to Allenby Capital, details of which are set out in paragraph 11.24 of Part VIII of this Document
"**Articles**"	the articles of association of the Company, further details of which are set out at paragraph 5 of Part VIII of this document
"**Audit Committee**"	the audit committee of the Company duly authorised by the Board
"**BCC**" or "**Ben's Creek**"	Ben's Creek Carbon, LLC, a Delaware (USA) limited liability company and a wholly owned subsidiary of the Company
"**BC Land**"	Ben's Creek Land WV LLC, a Delaware (USA) limited liability company and a wholly owned subsidiary of BCC
"**BC Operations**"	Ben's Creek Operations WV, a Delaware (USA) limited liability Company and a wholly owned subsidiary of BCC

"**BC Rail Holding**"	Ben's Creek Rail Holding LLC, a Delaware (USA) limited liability company wholly-owned by MBU and not part of the Group
"**BC Rail Land**"	Ben's Creek Rail Land LLC, a Delaware (USA) limited liability Company wholly-owned by MBU and not part of the Group
"**BC Subs**"	means BC Land and BC Operations
"**Ben's Creek Carbon CPR**"	the competent person's report on Ben's Creek which is included in Part IV of this Document
"**Ben's Creek Companies**"	BCC, BC Land and BC Operations
"**Bond Collateral**"	the cash or cash equivalents posted by the BC Subs with WVDEP as reclamation bonds in connection with the Mining Permits
"**Briar Mountain Branch Line**"	3.2 mile rail spur connecting the Project Property to the Norfolk Southern railway mainline
"**Broker Warrants**"	the 541,750 warrants issued, in aggregate, to Novum Securities Limited and Orana Corporate LLP in respect of them procuring Placees for the Placing
"**Carbon Fuels Lease**"	the surface and mineral lease agreement dated 13 May 2004, originally between Carbon Fuels Properties, LLC, as lessor, and Appalachian Fuels, LLC, as lessee, which was assigned to BC Land
"**CC Warrants**"	the 2,040,000 warrants over new Ordinary Shares to be issued, conditional on Admission, to Clear Capital, details of which are set out in paragraph 11.25 of Part VIII of this document
"**Clear Capital**"	Clear Capital Markets Limited, a company incorporated in England and Wales under company number 09294557, the Company's placing agent
"**Committees**"	together the Audit Committee, Nominations Committee, Remuneration Committee and AIM Rules and UK MAR Compliance Committee
"**Company**" or "**Bens Creek**"	Bens Creek Group plc, a public limited company incorporated in England and Wales with registered number 13559916 whose registered address is Nightingale House, 65 Curzon Street, London, United Kingdom, W1J 8PE
"**Competent Person**" or "**MM&A**"	Marshall Miller & Associates, Inc.
"**Concert Party**"	MBU Capital Group Limited, Adam Wilson, Larkin Hoskins, Mark Cooper, Raju Haldankar, Muzaffar Iqbal, Amina Shaheen, Samya Sadiq, Abid Hussain, Daniel Cohen, Zakya Bano, Preet Yousuf, Maria Yousuf, Sangeeta Haldankar and Rohan Haldankar
"**CREST**"	the computerised settlement system to facilitate the transfer of title of shares in uncertificated form operated by Euroclear UK International
"**CREST Regulations**"	Uncertificated Securities Regulations 2001 (S.1.2001 No.3755), including (i) any enactment or subordinate legislation which amends those regulations; and (ii) any applicable rules made under those regulations or such enactment or subordinate legislation for the time being in force

"**Deferred Consideration Shares**"	means the 22,722,070 Ordinary Shares issued to nominees of MBU pursuant to the Acquisition Agreement immediately prior to Admission
"**Directors**" or "**Board**"	the Existing Directors and Proposed Directors of the Company, whose names appear in paragraph 9.1 of Part I of this document, or the board of directors from time to time of the Company, as the context requires, and "Director" is to be construed accordingly
"**Disclosure Guidance and Transparency Rules**" or "**DTR**"	the Disclosure Guidance and Transparency Rules made by the FCA pursuant to section 73A of the FSMA, as amended from time to time
"**ESMA**"	the European Securities and Markets Authority
"**Euro**" or "**€**"	the Euro, the single currency of the European Union
"**Euroclear**"	Euroclear UK International, a company incorporated in England and Wales and the Operator of CREST
"**Existing Directors**"	Adam Wilson and Raju Haldankar
"**Existing Ordinary Shares**"	257,277,930 ordinary shares of 0.1 pence in the capital of the Company in issue as at the date of this document
"**Existing Shareholders**"	those Shareholders who are shareholders in the Company as at the date of this document
"**FCA**"	the Financial Conduct Authority of the United Kingdom
"**First Lock-in Deed**"	the lock-in deed entered into by the First Locked-in Persons, Allenby Capital, Optiva and the Company as described in paragraph 17.1 of Part I and paragraph 11.17.1 of Part VIII of this document
"**First Locked-in Persons**"	the Directors together with MBU, Sangeeta Haldankar and Rohan Haldankar who on Admission will hold, in aggregate, 240,583,470 Ordinary Shares and will be subject to lock-in arrangements as described in paragraph 17.1 of Part I and paragraph 11.17.1 of Part VIII of this document
"**Fourth Lock-in Deed**"	the lock-in deed entered into by the Fourth Locked-in Person, Allenby Capital, Optiva and the Company as described in paragraph 17.4 of Part I and paragraph 11.17.4 of Part VIII of this document
"**Fourth Locked-in Person**"	Larkin Hoskins who, on Admission, will hold 5,600,000 Ordinary Shares and will be subject to lock-in arrangements as described in paragraph 17.4 of Part I and paragraph 11.17.4 of Part VIII of this document
"**Freehold Project Land**"	636.218 acres of land situated in Mingo County, West Virginia that forms part of the Project
"**FSMA**"	the Financial Services and Markets Act 2000 of the United Kingdom, as amended
"**Glen Alum**"	Glen Alum Operations, LLC, a company that was incorporated in the State of Delaware with a branch in the state of West Virginia, which has been administratively dissolved
"**Group**"	the Company, BCC and its subsidiaries from time to time

"**HMRC**"	Her Majesty's Revenue and Customs
"**IFRS**"	International Financial Reporting Standards as adopted by the United Kingdom
"**Initial Consideration Shares**"	means the 192,827,930 new Ordinary Shares issued to MBU, Adam Wilson and Larkin Hoskins pursuant to the Acquisition Agreement and Minority Acquisition Agreement as part of the consideration for the transfer of their membership interests in BCC to the Company
"**Larkin Consideration Shares**"	has the meaning given to it in paragraph 11.21 of Part VIII of this document
"**Larkin Share Charge**"	has the meaning given to it in paragraph 11.21 of Part VIII of this document
"**London Stock Exchange**" or "**LSE**"	London Stock Exchange plc
"**MAR**"	the Market Abuse Regulation No. 596/2014 (as it forms part of domestic UK law pursuant to the European Union (Withdrawal) Act 2018)
"**MBU**"	MBU Capital Group Limited, company number 12605280 and registered office 65 Curzon Street, London, England, W1J 8PE
"**MBU Bridging Facilities**"	means the MBU First Bridging Facility and MBU Second Bridging Facility, details of which can be found at paragraphs 11.5 and 11.7 of Part VIII of this document
"**MBU First Bridging Facility**"	means the loan facility dated 23 July 2021 between MBU and BCC pursuant to which MBU advanced an amount of US$1,258,519.57 to BCC as an unsecured loan as more particularly described in paragraph 11.5 of Part VIII of this document
"**MBU Guarantee**"	the guarantee given by MBU to the Prior Owner dated 11 November 2020 MBU in respect of the Ben's Creek Companies' obligations under the Promissory Note and also the BC Subs' obligations under the Overriding Royalty Agreement
"**MBU Lenders**"	certain investors who have previously provided loans to MBU totalling £2,272,207 and have agreed to receive Deferred Consideration Shares in full settlement of such outstanding amounts
"**MBU Loan Facility**"	a loan facility totalling £10 million that is in place between the Company, MBU and BCC pursuant to a loan facility agreement dated 1 November 2020, further details of which are included at paragraph 11.6 of Part VIII of this document
"**MBU Second Bridging Facility**"	means the loan facility dated 27 August 2021 entered into between MBU and BCC to provide a facility of up to GBP £3,000,000 as more particularly described in paragraph 11.7 of Part VIII of this document
"**Mining Permits**"	the Mining Permits issued by WVDEP in respect of the Project further details of which are included at paragraph 4.11 of Part I of this document
"**Minority Acquisition Agreement**"	the agreement between the Company and each of the Minority BCC Sellers, being Adam Wilson and Larkin Hoskins, in relation to the acquisition of their membership interests of BCC with effect from 22

	September 2021, details of which are set out in paragraph 11.21 of Part VIII of this document
"**Minority BCC Sellers**"	Adam Wilson and Larkin Hoskins who are selling their membership interests in BCC to the Company pursuant to the Minority Acquisition Agreement
"**MIPA**"	the Membership Interest Purchase Agreement, dated 11 November 2020 between BCC and the Prior Owner
"**New Age Mining LLC**" or "**NAM**"	means New Age Mining LLC
"**Optiva**"	Optiva Securities Limited, a company incorporated in England and Wales under company number 3068464, the Company's joint broker
"**Optiva Performance Warrants**"	the 250,000 warrants over new Ordinary Shares to be issued, conditional on Admission, to Optiva, details of which are set out in paragraph 11.27 of Part VIII of this document
"**Optiva Warrants**"	the 1,500,000 warrants over new Ordinary Shares to be issued, conditional on Admission, to Optiva, details of which are set out in paragraph 11.26 of Part VIII of this document
"**Ordinary Shares**"	ordinary shares of 0.1p each in the share capital of the Company
"**Overriding Royalty Agreement**"	the overriding royalty agreement between BCC and the Prior Owner details of which are set out at paragraph 11.3 of Part VIII of this document
"**Owned Real Property**"	the rights title and interest in and to 636.218 acres of land located in Mingo County, West Virginia, held by BC Land which was acquired pursuant to a special warranty deed
"**Panel**"	the UK Panel on Takeovers and Mergers
"**Placees**"	investors to whom Placing Shares are issued pursuant to the Placing
"**Placing**"	the conditional placing by Optiva and Allenby Capital on behalf of the Company of the Placing Shares at the Placing Price pursuant to the Placing Agreement
"**Placing Agreement**"	the conditional agreement dated 13 October 2021 between (1) the Company, (2) Optiva, (3) Allenby Capital, (4) the Directors, (5) the Proposed Directors and (6) MBU relating to the Placing and Admission, details of which are set out at paragraph 14 of Part I and paragraph 11.16 of Part VIII of this document
"**Placing Price**"	10 pence, being the price at which the Placing Shares are to be issued
"**Placing Shares**"	70,000,000 new Ordinary Shares to be issued to the Placees pursuant to the Placing and at the Placing Price
"**Pocahontas Lease**"	a lease dated 4 March 1988, between Pocahontas Land Corporation, as lessor, and MIN, Inc., as lessee and lessee is now BC Land more details of which are contained in paragraph 11.10 of Part VIII of this document

"**Pre IPO Shares**"	the 14,450,000 Ordinary Shares issued by the Company to certain employees and connected persons of MBU at a price of 0.1 pence per Ordinary Share prior to Admission
"**Preparation Plant**"	the preparation facility and railroad loadout facility located on the Freehold Project Land
"**Prior Owner**"	Ben's Creek Holding LLC a Delaware (USA) limited liability company, a company owned by Investec Bank plc
"**Project**"	the Ben's Creek coal project located at the Project Property
"**Project Leases**"	Carbon Fuels Lease and Pocahontas Lease
"**Project Property**"	the Owned Real Property and the Project Leases
"**Proposed Directors**"	Robin Fryer and David Harris
"**Property(ies)**"	bituminous coal deposits located at Ben's Creek in Mingo County, West Virginia and a small portion of Pike County
"**Prospectus Regulation Rules**"	the prospectus regulation rules of the UK Listing Authority made in accordance with section 73A of FSMA as amended from time to time
"**QCA**"	the Quoted Companies Alliance
"**QCA Code**"	The Corporate Governance Code for Small and Mid-Size Quoted Companies 2018 published by the QCA in April 2018 and as amended from time to time
"**Railroad**"	Norfolk Southern Railway Company, a railroad in the US with headquarters in Atlanta, Georgia. The company operates 19,420 route miles in 22 eastern states
"**Rail Strip Agreement**"	an agreement entered into by the Railroad and BC Rail Land (a wholly owned subsidiary of MBU but not part of the Ben's Creek Companies) in connection with the lease of the Briar Mountain Rail Spur
"**Registrar**"	Neville Registrars Limited, of Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD
"**Relationship Agreement**"	the relationship agreement dated 13 October 2021 between (1) the Company (2) Allenby Capital (3) MBU (4) Adam Wilson and (5) Raju Haldankar, details of which are set out at paragraph 16 of Part I and paragraph 11.19 of Part VIII of this document
"**Remuneration Committee**"	the remuneration committee of the Company duly authorised by the Board
"**Restricted Jurisdiction**"	the United States of America, Canada, Australia, the Republic of South Africa and Japan
"**Second Lock-in Deed**"	the lock-in deed entered into by the Second Locked-in Persons, Allenby Capital, Optiva and the Company as described in paragraph 17.2 of Part I and paragraph 11.17.2 of Part VIII of this document
"**Second Locked-in Persons**"	Muzaffar Iqbal, Maria Yousuf, Mark Cooper, and Amina Shaheen who on Admission will hold, in aggregate, 8,669,430 Ordinary

	Shares and will be subject to lock-in arrangements as described in paragraph 17.2 of Part I and paragraph 11.17.2 of Part VIII of this document
"**Share Capital**"	the issued Ordinary Shares of the Company upon Admission comprising the Existing Ordinary Shares, the Deferred Consideration Shares and the Placing Shares
"**Share Dealing Policy**"	the policy on share dealings adopted by the Company as more particularly described in paragraph 13 of Part I of this document
"**Share Option Schemes**"	the employee incentive schemes, details of which can be found in paragraph 9 of Part VIII of this document
"**Shareholder**"	a holder of Ordinary Shares
"**Sterling**" or "**£**"	Pound sterling, the legal currency of the UK
"**Takeover Code**"	the City Code on Takeovers and Mergers issued by the Panel
"**Third Lock-in Deed**"	the lock-in deed entered into by the Second Locked-in Persons, Allenby Capital, Optiva and the Company as described in paragraph 17.3 of Part I and paragraph 11.17.3 of Part VIII of this document
"**Third Locked-in Persons**"	Abid Hussain, Samya Sadiq, and Zakyo Bano who on Admission will hold, in aggregate, 3,475,000 Ordinary Shares and will be subject to lock-in arrangements as described in paragraph 17.3 of Part I and paragraph 11.17.3 of Part VIII of this document
"**UK**"	the United Kingdom
"**Uncertificated**" or "**in uncertificated form**"	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred in CREST
"**United States**" or "**US**"	the United States of America
"**US$**"	United States dollar, the lawful currency of the United States of America
"**USACE**"	US Army Corp of Engineers
"**WVDEP**"	West Virginia Department of Environmental Protection or any successor body
"**WVNPDES**"	West Virginia National Pollution Discharge Elimination System

GLOSSARY OF TECHNICAL AND COMMERCIAL TERMS

"**ACPS**"	analysis of Coal Pillar Stability
"**ASP**"	means average selling price
"**Btu/lb**"	British Thermal Unit per pound
"**DDPM**"	Dial Divisions Per Minute (from Giesler Plastometer test measuring fluidity)
"**demonstrated reserves**"	demonstrated reserves are the sum of proven and probable reserves
"**Exploration Permit**"	a designated area of land upon which the permit holder may carry out exploration activities for given commodities
"**F.o.b**"	Free on Board
"**g/t**"	grams per ton
"**GWh**"	Gigawatt hours
"**ha**"	hectares
"**indicated resource**"	an 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve.
"**inferred resource**"	an 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Proved Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
"**IRR**"	internal rate of return
"**JORC**"	Joint Ore Reserves Committee- the Australian Code for Reporting of Identified Resources and Ore Reserves
"**km**"	kilometre
"**kt**"	kilotonnes

"**LOM**"	life of mine
"**m**"	metre
"**Measured Mineral Resource**"	that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.
"**Mineral Resource**"	a concentration or occurrence of material of economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are subdivided, in order of increasing geological confidence, into "Inferred", "Indicated" and "Measured" categories.
"**mm**"	millimetres
"**MPa**"	Megapascal Pressure Unit
"**Modifying Factors**"	"Modifying Factors" are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental compliance, plans, negotiations or agreements with local individuals or groups and governmental factors
"**Mt**"	Megatonnes (million tonnes/10^6t)
"**NPV**"	net present value, being the present value of all cashflows associated with a project or venture
"**OSD**"	out-of-seam dilution
"**ppm**"	parts per million
"**Probable Mineral Reserve**"	the economically mineable part of a measured and/or indicated resource for which at least a preliminary feasibility study demonstrates that, at the time of reporting, economic extraction could be reasonably justified with a degree of confidence lower than that applying to proven reserves
"**Probable Ore Reserve**"	a 'Probable Ore Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.
"**project**"	an exploration or mining property or collection of properties under investigation
"**Prospecting Licence**" or "**PL**"	a designated area of land upon which the licence holder may carry out exploration activities for given commodities

"**Proven Mineral Reserve**"	refers to the economically mineable part of a Measured Mineral Resource demonstrated by at least a preliminary feasibility study
"**Proved Ore Reserve**"	a 'Proved Ore Reserve' is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors.
"**QAQC**"	quality analysis and quality control, typically the appraisal of precision, accuracy and contamination in laboratory analytical procedures
"**ROM**"	run-of-mine
"**t**"	tons
"**tpa**"	tons per annum
"**VALMIN Code**"	Australasian Code for Public Reporting for Technical Assessments and Valuations of Mineral Assets

PART I

INFORMATION ON THE GROUP

1. Introduction

Ben's Creek Carbon LLC owns and operates the Ben's Creek metallurgical coal Project in West Virginia. The Project Property is set over 10,000 acres in the southern part of the state of West Virginia and eastern edge of the Commonwealth of Kentucky, in the central Appalachian Basin of the eastern United States. The Project's operations are located primarily in Mingo County, West Virginia. The Project Property is comprised of seven adjacent tracts which are controlled through the Project Leases and Freehold Project Land. The Project includes a wash plant and rail loading facility located on the Project's Freehold Project Land.

Historically Hi-Vol-A and Hi-Vol-B metallurgical coal has been produced from the Project Property. The Project Property comprises the Owned Real Property and the land subject to the Project Leases which is leased from Pocahontas Land Corporation and Carbon Fuels Properties Inc. The Project has estimated coal resources of 17.2 million in-place tons and proven and probable recoverable coal reserves of 2.34 million tons (comprising the coal reserves at the Lower Alma and Pond Creek mines). The Project has all the permits necessary to carry out mining operations for the current mining plan which runs until 2028. A permit modification will be necessary to establish a new portal location on one of the Lower Alma mine permits. This modification will be an addendum to an existing permit for an area to deep mine and the Company intends to begin this modification process in 2022.

The Directors anticipate, with the aid of further periodic drilling, that the estimated coal resources of 17.2 million in-place tons will, over time, be converted to coal reserves.

Metallurgical coal is a critical input in the steel production process. Steel is one of the most widely used building materials globally, and is used primarily in construction, transport, and household appliances. The majority of metallurgical coal in the United States is produced in the Appalachian Basin in the states of Alabama, Pennsylvania, West Virginia and Virginia. There are both US domestic and international key markets for high-quality US metallurgical coal and demand for metallurgical coal is currently high, driven by an increasing domestic and international demand. The Project has direct access to domestic markets through the Norfolk Southern Rail Company's rail network and to export markets through the Lamberts Point Export Terminal in Norfolk, Virginia.

The underground and surface mines owned by BCC, the Pond Creek Mine and the Lower Alma Lower Bench Mine, have been dormant since 2014 and 2009 respectively. However, since BCC's acquisition of BC Operations and BC Land work has been undertaken with the objective of mining production commencing in Q4 2021. BC Operations and BC Land were incorporated at the direction of the Prior Owner in September 2016 and in the state of Delaware, USA, with the aim that BC Operations would hold the operational assets for the Project and BC Land would hold the real estate assets including the leases from Pocahontas Land Corporation and Carbon Fuels Properties LLC.

On 13 October 2020, BCC was incorporated by MBU in the state of Delaware, USA, as a holding company for the purposes of acquiring and operating the BC Subs. On 11 November 2020, BCC entered into an agreement to, subject to regulatory approval, purchase 100 per cent. of the membership interests in BC Operations and BC Land from the Prior Owner, being a subsidiary of Investec Bank plc. The WVDEP approved BCC's purchase and the change of control on 29 April 2021. As part of this acquisition BCC agreed to pay the overriding royalty to the Prior Owner in respect of production on the Project. Further details on the Overriding Royalty Agreement can be found in paragraph 11.3 of Part VIII of this document.

With effect from 22 September 2021, the Company acquired all of the membership interests in BCC pursuant to the terms of the Acquisition Agreement and the Minority Acquisition Agreement.

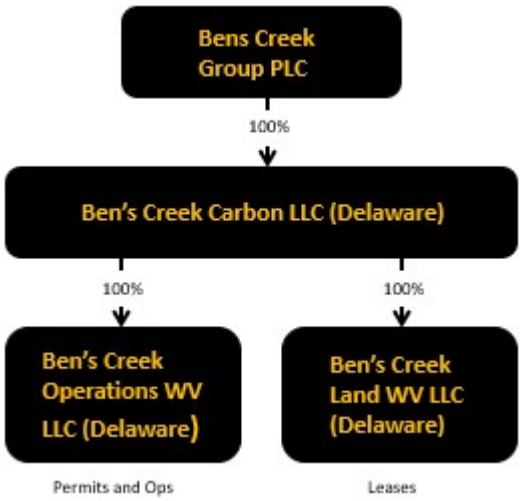
MBU, an investment group based in London with a focus on investments in real estate, education, natural resources and financial services, is Bens Creek's majority shareholder and on Admission will hold 59.8 per cent. of the Share Capital. Since the acquisition by BCC of BC Operations and BC Land, MBU has provided funding to BCC for ongoing capital expenditure and working capital under the MBU Loan Facility. As at the date of this document this loan facility totals £10.0 million and a total of £2.3 million has been drawn down

by BCC under the MBU Loan Facililty. In addition, MBU has put in place the MBU Bridging Facilities pursuant to which £2.05 million has been drawn down as at the date of this document and will be repaid from the net proceeds of the Placing shortly after Admission. Further information on MBU can be found in paragraph 18 of Part I of this document and further information on the MBU Loan Facility can be found in paragraph 11.6 of Part VIII of this document.

The Company is seeking Admission and to raise £7.0 million (before expenses) via the Placing to finance the Group's mining operations which includes the refurbishment of the coal preparation plant and railroad, infrastructure repair, acquisition of mining equipment and working capital. £2.05 million of the net proceeds of the Placing will be used to repay the principal and accrued but unpaid interest on the MBU Bridging Facilities.

2. Group structure

The corporate structure of the Group as at the date of this document and at Admission will be:



3. Strategy of the Company

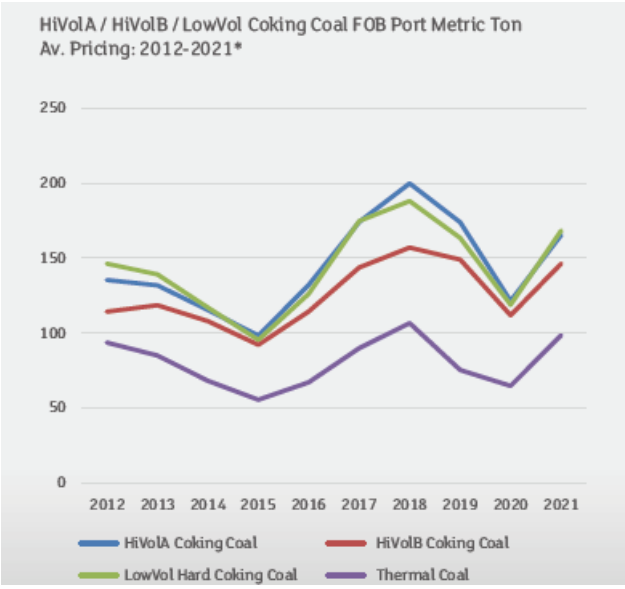
The Company is a holding company that owns and operates the Ben's Creek Companies. The Company is designed to provide its shareholders with exposure to the metallurgical coal market, the underlying commodity. A key component of the Company's success will be the metallurgical coal price. Following Admission, the Company's primary objective will be to move the first underground mine into production by the end of Q4 2021 and the Company's immediate priority will be to deploy part of the net proceeds from the Placing in pursuit of the work programme. The Company may also in the future seek to make further acquisitions of metallurgical coal mines in North America for which further funding may be required.

3.1 *Commodity "play", high quality metallurgical coal production*

Pricing for metallurgical coal has historically been significantly higher than for that of thermal coal. The Company's revenues will be derived mainly from the sale of metallurgical coal. A small proportion of the Company's revenue is expected to be derived from the washing of third party coal in BCC's preparation plant.

From Q3 2020 – Q2 2021, average Hi-Vol-A prices increased by 39 per cent. and average Hi-Vol-B increased by 36 per cent.* (see chart below).

Met-coal pricing as of 27 September 2021: HiVolA = $380; HiVolB = $295*



* Source: S&P Platts Coal Trader and Trading Economic data set.

3.2 *Leverage to metallurgical coal prices with expected strong operating cash flow generation*

The Project's operations are expected to have robust operating margins and are expected to generate significant operating cash flows in a range of metallurgical coal price environments. Upon Admission the Company will have low levels of debt (expected to be c.£2.3 million not including the MBU Bridging Facilities which will be repaid from the proceeds of the listing).

3.3 *Homogonous commodity*

Metallurgical coal is a daily priced, homogenous and easily tradable commodity.

3.4 *Logistical advantage and operational infrastructure in place*

The Project is located approximately 400 miles from an export terminal in Lamberts Point, Virginia which can be accessed directly through rail at the Project site. The railroad loadout area and a Norfolk Southern Railway Company rail line will serve as the primary transport means of the processed coal, providing a significant logistical advantage. The 3.2-mile rail spur connects to the Norfolk Southern mainline that runs from the Atlantic Ocean at Norfolk, Virginia to the Great Lakes at Sandusky, Ohio. This rail corridor has historically been involved in providing metallurgical coal shipments to domestic customers in the Cleveland, Pittsburgh and Chicago areas as well as global customers through the port facilities at Norfolk, Virginia. In addition, the Directors believe the Project has the necessary support infrastructure in place for resuming production. The preparation plant and associated areas are intact and require minimal rehabilitation to begin operating.

In the past coal has been transported from the Project Property to the Norfolk Southern railway mainline by Briar Mountain Rail Spur, a 3.2 mile rail spur. This serves as the primary means of transporting processed coal from the Project Property. BC Rail Land (a wholly owned subsidiary of MBU and not part of the Group) entered into the Rail Strip Agreement with the Railroad on 8 September 2021 in connection with a lease of the Briar Mountain Rail Spur and a further sublease agreement has been entered into between BC Rail Land and BC Operations. The Rail Strip Agreement is for a period of 1 year commencing on 8 September 2021 and allows for the agreement to be renewed for a second year but that the rental amount due for the second year will be based upon the fair market value of the land. It is the intention of the Company to seek to purchase the land that is subject to this agreement. However, there can be no guarantee that the Company will be able to purchase this property. Furthermore, BC Operations has entered into a rail lease agreement with BC Rail Holding (a wholly owned subsidiary of MBU and not part of the Group) for the lease of 25,580

tract feet of rail for the purposes of BC Operations flood loading coal into rail cars at the Group's preparation plant and transporting it using the track. The term of this lease is month to month commencing on 1 March 2021 and continues until terminated by either party on six months notice. The Briar Mountain Rail Spur is not currently operational and the Company plans to repair the line using proceeds from the listing and these repairs are anticipated to be completed by the end of Q4 2021.

The Company is in discussions with various minerals brokers with a view to entering into an offtake agreement for all of the Group's output from the Project. The Company expects to finalise an offtake agreement in Q4 2021, however there is no guarantee that the Company will be able to enter into such an agreement on terms acceptable to the Company or at all. Under this proposed arrangement it is anticipated that the minerals brokers will assume risk at the point of loading at the Project and will arrange delivery to market.

3.5 *Highly experienced leadership team with proven commitment to operational excellence*

The Project's Vice President and the Company's CEO, Adam Wilson, is the former CEO and Chairman of Atlantic Carbon Inc., one of the largest anthracite mining operations in the US. Several key personnel with extensive direct operational experience in metallurgical coal mining have been hired by the Group, including General Manager, Larkin Hoskins, and Director of Financial Planning and Office Administrator, Bob Warnick, who each have more than 40 years' mining operations experience in Central Appalachian coal projects.

3.6 *Low capital expenditure*

The Company intends to seek opportunities to utilise contract miners who will supply labour, equipment, and materials for the Project as well as using the Group's equipment. There are several active mining contractors in the state of West Virginia. The Company has already located a preferred West Virginia mining contractor with whom commercial terms are agreed. The Company expects to conclude a contract shortly following Admission but there can be no guarantee that this will occur.

3.7 *Rigorously evaluate growth pipeline*

The Company may analyse new opportunities to expand its business and would require any asset acquisitions or mine developments to be strategic and additive to the existing Project. The Company plans to continue exploration work on the Project Property to potentially identify additional target mining blocks to increase annual production and will continually assess the most appropriate mining methods for the Project Property.

4. Information on the Ben's Creek Companies

4.1 *Introduction*

BCC acquired BC Operations and BC Land on 11 November 2020 and regulatory approval for the purchase and change of ownership was received from WVDEP on 29 April 2021. Set over 10,000 acres in the Central Appalachian Basin, West Virginia, US, the Project holds approximately 17.2 million in-place tons of metallurgical coal resources, with a potential of a further 30.9 million tons. The Project has direct access to domestic markets through the Norfolk Southern Railway Company's rail network and to export markets through the Lambert's Point Export Terminal in Norfolk, Virginia.

Ben's Creek has a long history of supplying Hi-Vol-A and Hi-Vol-B metallurgical coal to US and international customers.

4.2 *History and ownership of Ben's Creek*

The property and assets of Ben's Creek have been controlled by several entities over the 100-year coal production at the site. The Project Property is controlled by Pocahontas Land Corporation and Carbon Fuels Properties LLC or through fee ownership by BC Land. BC Land has lease agreements with both Pocahontas Land Corporation and Carbon Fuels Properties LLC for surface and mineral control within the Project Property.

The Project Property involves a complex combination of previous ownerships. Coal mining in the area has occurred for over a century with mining documented during 1911 by the West Virginia Geologic Survey.

The earliest report of production came from the 1914 West Virginia Geologic Survey County Report for Logan and Mingo Counties. Within that report, the Glen Alum Coal Company reported shipping 273,522 tons for the twelve-month period ending 30 June 1912. This production would have come from hand loaded production from the Lower Cedar Grove Seam. The early mapping indicates two railroad tipples near the town of Glen Alum, the site of the current preparation plant.

Another operating company was the Ames Coal Company. This company was active from the 1950s to the 1960s performing underground mining and contour surface mining with auger mining. Archived mine maps have indicated that Ames was active in several seams during this period.

Some mining activity is documented by small underground operations during the early 1970's through the 1980's by several small unrelated enterprises. In 1992, coal entrepreneur Tracy Hylton of the Beckley WV area established a new coal preparation plant at the site above the former town of Glen Alum. Mine production was established from underground mines by a company named Patton Mining. This activity continued until 2004 when Appalachian Fuels LLC started operating the facility.

In 2011, Investec arranged a syndicate of investors to acquire Glen Alum Operations, LLC through Hendricks Resources Ltd. Investec purchased 33 per cent. equity interest in Hendricks which it held until 2015. In 2014, after a sustained period of weaker coal prices the BC Subs were placed on care and maintenance and underground mining ceased. Investec then supported the BC Subs through an insolvency process by continuing to provide loans and these loans were used to acquire the BC Subs in October 2016 following which Investec continued their care and maintenance initiative ensuring the operations were in a satisfactory condition for divestment. Surface mining ceased in 2017.

At the end of 2020, Investec, through the Prior Owner, entered into an agreement to divest their holding in the mining operations to MBU. This sale was completed on 29 April 2021. Historically the mine has encountered financial issues.

4.3 ***Key assets & infrastructure***

- 17.2 million in-place tons of metallurgical coal resources, with a potential of a further 30.9 million tons.
- Proven and probable recoverable coal reserves of 2.34 million tons (Lower Alma and Pond Creek mines).
- Coal preparation plant and rail loadout facilities in good condition, built in 1992 with a nominal throughput of 500tph raw coal.
- Froth flotation circuit allows recovery of ultra-fine material, improving plant recovery.
- Fast flood rail load out.
- Refuse disposal area adjacent to the preparation plant designed as a combined fill refuse structure (rather than a dam).
- Ancillary infrastructure includes coal bins, office and storage trailers, electrical substations, power lines and truck scales.
- A new decanter screen-bowl dryer installed in 2011/2012 to reduce moisture levels in flotation product.
- Direct access to domestic markets through the Norfolk Southern Railway Company's rail network and to export markets through the Lambert's Point Export Terminal in Norfolk, Virginia.

4.4 ***Exploration Status, Operations and Development***

The Property has been extensively explored, largely by drilling using continuous coring methods, rotary drilling but also by obtaining coal measurements at mine exposures, seam outcrop exposures, and by limited use of downhole geophysical logging methods. The majority of the data was acquired or generated by previous owners of the Property. These sources comprise the primary data used in the evaluation of the coal resources and coal reserves on the Property. MM&A examined the data available for the evaluation and incorporated all pertinent information into this CPR. Where data appeared to be anomalous or not representative, that data was excluded from the digital databases and subsequent processing by MM&A.

Further exploration has been carried out by the Ben's Creek Companies since acquiring the Property. The Directors intend to continue exploration work on the Project to bolster confidence associated with coal

resources and reserves, with the aim of elevating various resources to reserve status, and also potentially identifying additional target mining blocks.

As at the date of this document, underground and surface mine operations were idle at the Project. The Project has been mothballed for over three years and neither BC Land nor BC Operations has generated income during this period. The Project has historically produced metallurgical coal from the Project Property.

There are currently no auger, highwall miner, or underground mines operating on the Property as of the date of the document. The Company's current mine plans is to begin producing at one underground mine, Pond Creek, in Q4 2021 and at a second underground mine in Q1 2022. The Directors aim to reach peak annual production at 0.44 million tons in 2025 with reserves in these two underground mines being depleted in 2028.

The Project also includes the Preparation Plant in addition to the mines. The plant site includes raw coal storage, clean coal storage, a railroad loadout, and refuse disposal area. When fully operational the plant will have a feed rate capacity of 500 raw tons per hour.

The Preparation Plant has sufficient surplus capacity to enable the processing of third party coal from adjoining mines that do not have a preparation plant or direct access to the Railroad.

Coal quality

The most recently available data on the quality of Washed coal for the Project is from 2014. The following information has been extracted from the Ben's Creek Carbon CPR set out in Part IV of this document.

Table 16-2: 2014 Preparation Plant Washed Quality Samples (dry basis)

	Ash	*Sulfur*	*SO^2/ mm Btu*	*Btu*	*Vol.*	*FC*	*FSI*	*Ox.*	*Max. Fluidity (DDPM)*
Lower Alma Seam – Mine No. 6									
Average	5.73	0.83	14,438	1.15	34.53	59.74	–	93.64	30,000
Maximum	7.24	0.89	14,602	1.22	35.05	60.66	–	95.00	30,000
Minimum	4.78	0.78	14,242	1.09	33.90	58.73	–	91.30	30,000
No. of Samples	8	8	8	8	8	8	–	8	8
Pond Creek Seam – Mine No. 1									
Average	5.69	0.90	14,512	1.24	34.56	59.75	–	95.33	29,733
Maximum	7.19	0.98	14,685	1.35	35.25	60.77	–	96.90	30,000
Minimum	4.74	0.73	14,229	1.03	34.12	58.69	–	93.80	28,129
No. of Samples	8	8	8	8	8	8	–	7	7

Mineral rights and permitting

The Project's control maps (see Appendix C in the Ben's Creek Carbon CPR) relate to the Project Properties for which mineral and/or surface property are controlled by the Project. There have been no past property boundary disputes or other concerns that the Directors believe would signal concern over future mining operations or development potential (see Appendix C in the Ben's Creek Carbon CPR). Property control in Appalachia can be intricate. Coal mining properties are typically composed of numerous property tracts which are owned and/or leased from both land holding companies and private individuals or companies. It is common to encounter severed ownership, with different entities or individuals controlling the surface and mineral rights. Mineral control in the region is typically characterised by leases or ownership of larger tracts of land, with surface control generally comprised of smaller tracts, particularly in developed areas. Legal mining rights may reflect a combination of fee or mineral ownership and fee or mineral leases of coal lands through various surface and mineral lease agreements. Control of the surface property is necessary to conduct surface mining but is not necessary to conduct underground mining. Please refer to paragraphs entitled "Defects in title and permits" and "Adverse tract of land" in the Risk Factors set out in paragraphs 2.g and 2.h of Part II of this document.

Certain of the information detailed above has been extracted from the Ben's Creek Carbon CPR set out in Part IV of this document.

4.5 *West Virginia mining and reclamation permits*

Under W. VA. CODE § 22-3-8 (1994), coal mining is one of the most regulated and controlled activities in the state of West Virginia. Before commencement of mining activities, one must first obtain the following permits:

- WVDEP Article 3 Reclamation Permit: West Virginia has 'primacy' and enforces Federal SMCRA regulations under the State's Article 3 regulations; this permit essentially regulates the land disturbance and reclamation;
- WVDEP Article 11 National Pollution Discharge Elimination System Water Quality Permit: under West Virginia's 'primacy', the WVDEP enforces Section 402 of the Clean Water Act, essentially regulating the quality of water discharged from coal mining projects;
- WVDEP 401 Water Quality Certification: under West Virginia's 'primacy', the WVDEP enforces Section 401 of the Clean Water Act, essentially regulating the quality of water associated with physical stream impacts; and
- US Army Corp of Engineers – 404 Authorization: the USACE enforces Section 404 of the Clean Water Act, which regulates impacts to stream associated with dredging and filling.

BC Operations has all of these permits. Details of the existing permits held by BC Operations are further described in paragraph 4.11 of Part I of this document.

4.6 *West Virginia mining quality discharge permits (NPDES)*

Water quality permits are issued through the WVDEP under the federal NPDES program (Section 402 of the Clean Water Act). These permits assess the water quality conditions prior to mining and set the effluent limitations for certain water quality parameters for discharges from coal projects. Currently, BC Operations holds eight WVNPDES permits for their various mining operations.

The following information has been extracted from the Ben's Creek Carbon CPR set out in Part IV of this document.

The Directors believe that the Group has obtained all mining and discharge permits to operate its currently idle Pond Creek Mine and processing, loadout or related support facilities. A new permit is necessary to establish a new portal location on the site of the expired Lower Alma 2 mine permit. This new permit will be for an area to deep mine and the Company will begin this application process in 2022. Updated mining plans with the US Department of Labor, Mine Safety and Health Administration and the West Virginia Office of Miners' Health, Safety and Training will be required before operations resume at Lower Alma and Pond Creek. The Directors are unaware of any obvious or current Ben's Creek permitting issues that are expected to prevent the issuance of future permits. Ben's Creek, along with all coal producers, is subject to a level of uncertainty regarding future clean water permits due to United States Environmental Protection Agency (EPA) involvement with state programs.

4.7 *West Virginia officer of miner's health and safety*

The West Virginia Office of Miners' Health Safety & Training ("WVOMHST") is responsible for the supervision of the execution and enforcement of the safety and training provisions of the state's mining laws and rules. Prime consideration is given to the protection of the safety and health of persons employed within mines or at mine sites in the State. In addition, the agency inspects mining property and equipment used in connection with mining activities to assure safe operation conditions. This agency establishes and enforces the required standards for miners' certifications and monitors safety during coal production. The agency also tracks and maintains employment and production statistics. From an enforcement perspective, the agency's laws and regulations are often adopted directly from the Federal Mine Safety Health Administration ("MSHA") and at times, the agency's active are redundant to those of MSHA. Each permit or working area of BC Operations has permits or authorisations from WVOMHST for its activities. The WVOMHST may issue a notice of violation if unsafe working conditions are found or if training requirements are not met.

4.8 ***Mine safety and health administration (MSHA)***

MSHA is required to inspect each underground mine four times a year (once during each calendar quarter) and each surface mine twice each year (once during each calendar half) for health and safety compliance. Certain mines with high levels of explosive or toxic gasses are inspected more often. Inspections are also conducted in response to complaints of hazardous conditions.

On finding any violation of a health or safety standard, an inspector will write a citation that specifies the standard violated and evaluates the gravity of the violation by several factors, including likelihood of injury. An inspector may determine that the violation was "significant and substantial" – or reasonably likely to result in a serious injury or illness nature – or that it was caused by the operator's unwarrantable failure to comply with the standard. These carry additional penalties and could result in an order of withdrawal.

An inspector may also issue an order to withdraw due to imminent danger, failure to correct a violation within the appropriate time period, inadequate training of miners, or an unwarrantable failure to comply.

4.9 ***Refuse facility***

In the United States, coal refuse disposal facilities are subject to federal regulation. BC Operations' Glen Alum Refuse Facility is classed as a combined refuse disposal facility. This means the refuse fill contains both coarse and fine coal refuse. Coarse coal refuse is the larger rock material separated from the run-of-mine coal during the coal cleaning process. Fine coal refuse is the very small rock particles separated from the run-of-mine coal using special processes in the Preparation Plant. The coarse coal refuse is belted to the refuse facility for final placement. The fine coal refuse is pumped to the refuse facility as slurry and is placed in small cells constructed of coarse coal refuse where it is dries, hardens, and solidifies before being buried beneath layers of coarse refuse. The refuse facility employs the use of the small cells instead of constructing a large dam into which the fine coal refuse would be placed. This method increases the safety and stability of the structure. MSHA has classified this facility as "Low Hazard" meaning it has a low potential of causing a catastrophic event which could result in the loss of human lives or significant economic impact. The refuse facility is inspected regularly by appropriately qualified personnel.

4.10 ***Bonds***

In addition to the mining permits, the WVDEP requires the Project to post site specific bonds calculated by a predetermined matrix based on acreage. Presently the Project has the following cash bonds in place for the various permits with the WVDEP as at 31 July 2021:

- O502792 – Glen Alum Refuse – $340,375.66
- O503789 – Glen Alum Plant & Load Out – $215,383.72
- S400301 – UCG Highwall Miner Job – $49,625.34
- S501294 – Hernshaw Cut Through – $34,477.14
- S501592 – RH Fork Surface Mine – $37,868.70
- U500196 – RH Fork Deep Mine – $10,136.18
- U500298 – Pond Creek No. 1 – $27,371.54
- U500508 – Lower Alma No. 6 – $42,858.28
- U503988 – Upper Cedar Grove No. 5 – $389,264.96
- U504892 – Tunnel No. 2 Mine – $300,992.90

TOTAL – $1,448,344

The Directors are not aware of any material change in the value of the cash bonds between 31 July 2021 and the date of this document.

These bonds can be forfeited and called upon by WVDEP for the reclamation of property disturbed as part of the mining activities if the permittee fails to perform under the terms, conditions and obligations of the permits.

4.11 ***BC Operations' existing permits***

PERMIT NAME	*MINE NAME*	*WVDEP #*	*WVDEP Expiration date*	*NPDES #*	*MSHA #*	*WVMHST #*
Hernshaw Cut-Through	Hernshaw	S-5012-94	23/11/2014[1]	WV1007912	N/A[2]	N/A[2]
Preparation Plant/ Loadout	N/A	O-5037-89	10/11/2024	WV1008129	46-08122	L0000098
Pond Creek No. 7 (No.1 in MSHA)	Patton No. 7 mine	U-5002-98	11/05/2023	WV1008129	46-08715	U00500298C
RH Fk. No. 1 Surface & Deep Mine	Right Hand Fork Surface& Deep Mine	S-5015-92	24/11/2002[1]	WV1013106	N/A[2]	N/A[2]
Glen Alum Refuse Area	N/A	O-5027-92	21/01/2023	WV1013173	46-08122	L0000098
Patton Mine No. 2 (Tunnel Mine No. 2)	Upper Cedar Grove	U-5048-92	20/01/2023	WV1013211	N/A[3]	N/A[3]
Righthand Fork – UCG	Upper Cedar Grove	U-5001-96	23/09/2001[1]	WV1016784	N/A[2]	N/A[2]
Patton No. 10 Surface	Upper Cedar Grove HWM job	S-4003-01	07/01/2023	WV1019058	46-0906	S00400301A
Lower Alma No. 6	Lower Alma No. 6	U-5005-08	20/11/2023	WV1029801	46-09272	U00500508A
Patton No. 5 Deep Mine	Upper Cedar Grove No. 5	U-5039-88	09/09/2023	WV0095869	46-09215	U00503988EA
Patton No.8 Deep Mine	Alma mine No.2	U-5039-88	09/09/2023	WV0095869	46-09223	U00503988C

1 Hernshaw Cut-Through, Right Hand Fork Surface and Deep Mine is in Phase 2, vegetation regrowth phase. No further mining will take place in respect of this mine at this time.

2 A mine in Phase 2 does not require a MSHA and/or WVMHST number.

3 Patton Mine No. 2 (Tunnel Mine No. 2) has been abandoned: Permits that are abandoned are no longer required to have MSHA and or WVMHST numbers.

4 Permit U503988 covers two mines/areas (Upper Cedar Grove No 5 and Alma Mine No 2).

5. Industry background

Overview of the Metallurgical Coal Industry

Metallurgical coal is a critical input in the steel production process. When heated in the absence of air, metallurgical coal will melt vesiculate and harden to form almost pure carbon. It is then used as a fuel for the blast furnace and to produce metallurgical coke for reduction, or iron ore, or for the injection with the hot blast. Around 0.54 tons (544 kg) of coking coal is used in the production of 1 ton (907 kg) steel, which means that approximately 770 kg of metallurgical coal are used to produce 1 ton of steel through this production route (Ozbayoglu, G. (2018). 3.19 Energy Production From Coal.). Steel is one of the most widely used building materials globally and is used primarily in construction, transport, and household appliances.

Metallurgical coal is further grouped in to four categories: hard coking coal (HCC), pulverized coal for injection (PCI), High Vol A (HVA) and High Vol B (HVB) coals. These categories apply to the different quality grades of metallurgical coal, which are priced daily by Platts Daily Metallurgical Coal Assessments. Various specifications affect the price of each type of coal, including volatility, strength, fluidity, swell and ash content. Metallurgical coal is a form of hard bituminous coal, which is distinct from softer bituminous and non-bituminous forms of coal that are used to generate electricity (i.e. thermal coal). Pricing for metallurgical coal has historically been significantly higher than for that of thermal coal. Metallurgical coal produces less pollution than thermal coal.

High quality metallurgical coal is a scarce commodity with large scale mineable deposits limited to geographic regions in the Eastern United States, Western Canada, Eastern Australia, Russia, China, Mozambique and Mongolia.

The majority of metallurgical coal in the United States is produced in the Appalachian basin in the States of Alabama, Pennsylvania, West Virginia and Virginia. The United States exported a total of over 55 million short tons of metallurgical coal to more than 37 countries around the world in 2017 (U.S. Energy Information Administration, 2018) and was ranked sixth in the world (after Australia, Indonesia, Russia, Colombia, and South Africa) in metallurgical coal exports, and third in production (behind China and India) in 2016 (International Energy Agency, 2017).

Metallurgical coal demand and prices

There are both United States domestic and international key markets for high quality metallurgical coal produced in the United States. Current reports show that demand for metallurgical coal is outstripping supply, driven by an increasing international and domestic demand for steel. Q2 2021 average metallurgical coal pricing stood at $180/mt for Hi-Vol-A and $159/mt for Hi-Vol-B, which represents a 39 per cent. increase for Hi-Vol-A and 36 per cent. increase in Hi-Vol-B from Q3 2020 – Q2 2021. Metallurgical coal pricing as of 12 October 2021: Hi-Vol-A = $385; Hi-Vol-B = $300 (S&P Platts Coal Trader).

United States metallurgical coal exports increased by 13.2 per cent. in Q3 2020 from Q2 2020 totalling 10.2 million short tons. Whilst China remains a major importer of coal, demand has increased from countries outside of China, such as India, Brazil, Japan and from other countries in South-East Asia and Europe. Importers outside of China increased in Q4 2020 up by 51 per cent. from Q3 2020 to 48 million short tons. India's steel market recovery had a significant impact on high demand for metallurgical coal. Japan also influenced these numbers. Japan was previously a seller of coal but has now become a buyer due to higher blast furnace utilisation rates and is rising year-on-year.

Domestically, demand is also increasing. Total coal consumption in the United States is up 54 per cent. in Q4 2020 from the previous quarter to a total of 148.4 million short tons. A key driver of this, amongst others, is increased global demand for steel which has continued to rise since mid-August 2020 (S&P Platts Global, 2021). World crude steel production for the 64 countries reporting to the World Steel Association was 169.2 million tons in March 2021, a 15.2 per cent. increase compared to March 2020. Increased demand for steel may continue domestically with US Steel announcing on 8 December 2020 plans to restart their idled blast furnace in Indiana and Joe Biden's announcement of a $4 trillion Infrastructure Bill. Globally, countries have announced infrastructure spends in an effort to dampen the effect of Covid-19 pandemic and metallurgical coal is expected to be required to meet this demand (International Monetary Fund, 2021).

6. Mineral Resource, Mineral Reserve and AIM Recoverable Reserves and Resources

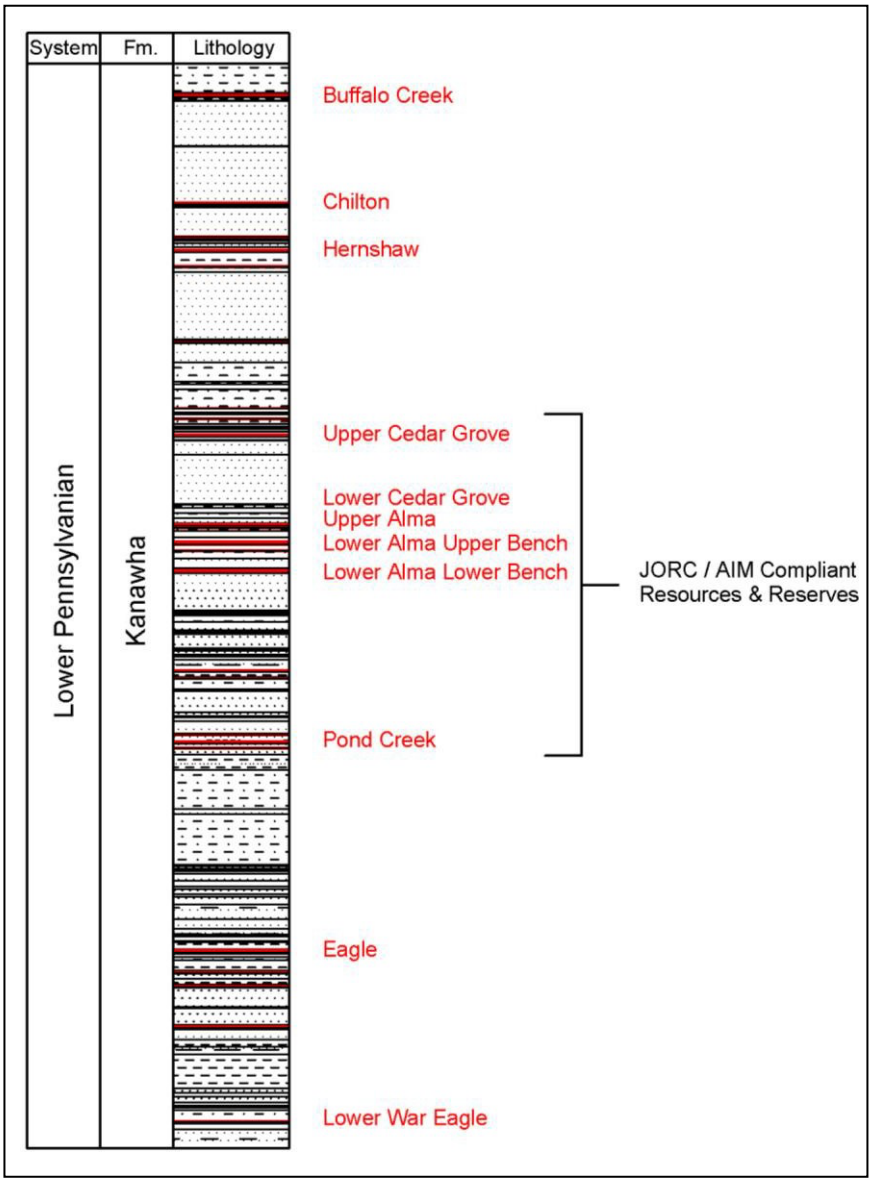
The following information has been extracted from the Ben's Creek Carbon CPR set out in Part IV of this document.

Mineral Resource

Mineral resources, representing in-situ coal in which a portion of reserves are derived, are presented below. A coal resource estimate, summarized in Table 1-1, was prepared as of April 30, 2021, for property controlled by Ben's Creek.

Seams previously mined or with remaining resource/reserve potential include, in descending stratigraphic order include: Upper Cedar Grove, Lower Cedar Grove, Lower Alma (Upper Bench), Lower Alma (Lower Bench), and Pond Creek. Those seams with JORC/AIM resources and reserves that are the subject of this report are identified on the stratigraphic column shown below.

Figure 1-2: Ben's Creek Generalized Stratigraphic Column



(not to scale)

Table 1-1: Coal Resources Summary as of April 30, 2021 (Mt)

	Coal Resource (Dry Tons, In Situ, MT)				*Resource Quality (Dry)*		
Area	*Measured*	*Indicated*	*Inferred*	*Total*	*Ash%*	*Sulfur%*	*VM%*
Included in Mine Plan	7.14	3.04	0.00	10.18			
Exclusive of Mine Plan	5.56	1.40	0.06	7.03			
Total 4/30/2021	12.70	4.44	0.06	17.20	16	1.3	31

Note 1: Resource tons are inclusive of reserve tons since they include the in-situ tons from which recoverable coal reserves are derived. Totals may not add due to rounding.

Note 2: Coal resources are reported on a dry basis. Surface moisture and inherent moisture are excluded.

Note 3: The Property has 6.97 Mt of dry, in-place measured and indicated resource tons exclusive of reserves as of April 30, 2021.

Note 4: Resource Quality for Seams Lacking Raw Coal Quality Data Calculated by Assuming Reject Material is 100 per cent. Ash, 0 per cent. Vola tile, and Equivalent Sulfur to Clean Coal Product.

Mineral Reserve

Reserve tonnage estimates provided herein report coal reserves derived from the in-situ resource tons presented in Table 1-1, and not in addition to coal resources. Proven and probable coal reserves were derived from the defined coal resource considering relevant mining, processing, infrastructure, economic (including estimates of capital, revenue, and cost), marketing, legal, environmental, socio-economic and regulatory factors. The Resource estimate has been used as the basis for this Reserve calculation, which utilizes a reasonable Preliminary Feasibility Study, a Life-of Mine (LOM) Mine Plan and practical recovery factors. Production modeling was completed with an effective start date of April 30, 2021.

Factors that would typically preclude conversion of a coal resource to coal reserve, which include the following: inferred resource classification; absence of coal quality; poor mine recovery; lack of access; geological encumbrances associated with overlying and underlying strata; seam thinning; structural complication; and insufficient exploration have all been considered. Reserve consideration excludes those portions of the resource area, which exhibit the aforementioned geological and operational encumbrances.

Coal reserves are presented on a ROM basis in Table 1-2. Proven and probable coal reserves were derived from the defined in-situ coal resource considering relevant processing, economic (including technical estimates of capital, revenue and cost), marketing, legal, environmental, socioeconomic, and regulatory factors.

Table 1-2: Coal ROM[1] (Moist) Summary as of April 30, 2021 (Mt)

	Demonstrated Coal Reserves (Mt, Moist ROM)									
	By Reliability Category			*By Mining Type*		*By Control Type*		*Quality (Dry)*		
Area/Mine	*Proved*	*Probable*	*Total*	*Surface*	*UG*	*Owned*	*Leased*	*Ash*	*Sulfur*	*Vol*
Ben's Creek Complex	3.68	1.52	5.20	0.00	5.20	0.28	4.92	58	0.9	16

Note 1: Includes dilution. Totals may not add due to rounding.

The proven and probable Marketable coal reserves on the Property are summarized below in Table 1- 3.

Table 1-3: Coal Reserves Summary (Marketable Sales Basis) as of April 30, 2021 (Mt)

	Demonstrated Coal Reserves (Wet Tons, Washed or Direct Shipped, MT)									
	By Reliability Category			*By Mining Type*		*By Control Type*		*Quality (Dry Basis)*		
Property	*Proven*	*Probable*	*Total*	*Surface*	*UG*	*Owned*	*Leased*	*Ash%*	*Sulfur%*	*VM%*
Ben's Creek Complex	1.68	0.65	2.34	0.00	2.34	0.12	2.21	6	0.9	35

Note 1: Marketable reserve tons are reported on a moist basis, including a combination of surface and inherent moisture. The combination of surface and inherent moisture is modeled at 6-percent. Actual product moisture is dependent upon multiple geological factors, operational factors, and product contract specifications and can exceed 8-percent. As such, the modeled moisture values provide a level of conservatism for reserve reporting. Totals may not add due to rounding.

Note 2: Clean Coal Volatiles for Seams Lacking Data Assumed to be 35.5 per cent.

In summary, Ben's Creek controls a total of 2.34 Mt (moist basis) of marketable coal reserves, as of 30 April 2021. Of that total, 72 percent are proven, and 28 percent are probable. Approximately 2.34 Mt of reserves are considered to be suitable for the metallurgical coal market.

AIM Recoverable Reserves and Resources

In contrast to the reporting requirements of the JORC Code, the AIM report format requires that recoverable reserves and resources be identified in a single summary table, hence the inclusion of Table 1-4 below. Since this CPR covers coal resources and reserves instead of metal ore, the table below was modified to eliminate grade and contained metal columns included in Appendix 3 of the June 2009 AIM Mining Guidance Note. Resources and reserves for the Lower Alma Lower Bench and Pond Creek seams are shown.

Table 1-4: AIM Coal Recoverable Reserves and Resources (Tons x 1,000)

	Lower Alma LB		*Pond Creek*		*Total*	
Category	*Gross*	*Net Attributable*	*Gross*	*Net Attributable*	*Gross*	*Net Attributable*
Reserves[1]						
Proven	1,139	1,139	546	546	1,685	1,685
Probable	350	350	302	302	651	651
Subtotal	1,489	1,489	847	847	2,336	2,336
Resources[2]						
Measured	0	0	0	0	0	0
Indicated	0	0	0	0	0	0
Inferred	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Grand Total	1,485	1,485	852	852	2,336	2,336

Note:

1 Reserves reported on Table 1-4 are in-ground, recoverable tons

2 No recoverable Resources estimated.

3 Estimates were prepared by Marshall Miller & Associates, Inc. under the direction of the aforementioned CPs.

4 Proven and probable coal reserves were derived from the defined coal resource considering relevant mining, processing, infrastructure, economic (including estimates of capital, revenue, and cost), marketing, legal, environmental, socio -economic and regulatory factors.

7. Competent Person's Report

Set out in Part IV of this document is the Ben's Creek Carbon CPR prepared by Marshall Miller & Associates, Inc. as required by the AIM Rules for Companies and prospective investors are advised to read this section in full for an independent assessment of the reserves and resources of BCC, a description of the property, geology, exploration, mining processes, taxation and other relevant matters.

8. Summary Financial Information

The following financial information has been derived from the financial information contained in Part V of this Document and should be read in conjunction with the full text of this Document. Investors should not rely solely on the summarised information.

Selected financial information for BCC:

Consolidated comprehensive income statement	*Period to 30 April 2021 $*
Revenue	–
Administrative expenses	(1,964,893)
Other net gains	33,664,572
Profit before tax	31,699,679
Taxation	(8,798,236)
Profit after tax	22,901,443

Consolidated statement of financial position	*As at 30 April 2021 $*
Property, plant and equipment	12,567,492
Coal rights and reclamation assets	27,156,019
Right of use assets	235,413
Trade and other receivables	396,012
Cash and cash equivalents	228,225
Total assets	40,583,161
Trade and other payables	287,715
Deferred consideration	1,718,456
Lease liability	115,525
Borrowings	2,426,974
Provisions	1,455,569
Deferred consideration	2,766,972
Deferred tax liability	8,798,236
Lease liability	112,271
Total liabilities	17,681,718
Net assets	22,901,443

Consolidated cash flow statement	*Period to 30 April 2021 $*
Net cash used in operating activities	(2,234,438)
Net cash used in investing activities	(192,107)
Net cash generated from financing activities	2,654,770
Net cash increase in cash and cash equivalents	228,225

An unaudited pro forma statement of net assets for the Group as at 25 August 2021, showing the impact of the MBU Bridging Facilities, the Acquisition and the Placing on the Company, is set out in Part VI of this Document.

Furthermore, a list of all expenses incurred by BC Land and BC Operations over the three year period to 31 December 2020 is set out in Part V, Section E of this document. This information represents an unaudited alternative performance measure. Shareholders should note that the Project was mothballed over this three year period and did not generate income during this period.

9. Directors, key senior management and employees of the Group

9.1 *Directors*

Details of the Company's board upon Admission are as follows:

Robin Fryer (aged 74) – *Independent Non-Executive Chairman*

Robin is a financial consultant by background and a former senior partner with Deloitte LLP, where he held roles including Global Mining and Metals Industry Leader and Global Audit Managing Director during his 40 year tenure. More recently, Mr Fryer acted as a Non-Executive Director for AIM-quoted Shanta Gold Limited for eight years, where he chaired the audit committee. Robin has extensive experience advising multinational companies in mining, manufacturing and construction sectors in Europe, Africa, North and South America and Australia. He has experience in IPOs, mergers and acquisitions, due diligence on acquisition targets, financial reporting, internal control, risk management and internal audit. Robin is a member Association of Chartered Certified Accountants, American Institute of Certified Public Accountants, and South African Institute of Chartered Accountants. Robin is Non-Executive Chairman of Central Copper Resources Limited, a company which is focused on delivering a high grade copper project into production and exploration of assets in the Democratic Republic of Congo and in the Republic of Zambia.

Adam Wilson (aged 51) – *Chief Executive Officer*

Adam qualified as a Barrister at Law prior to training in corporate finance at RM Rothschild & Sons and holds a BSc in Finance and Accounting and a postgraduate diploma in Mining Project Appraisal and Finance. He has over 30 years' experience in financial markets, specialising in corporate restructuring and special situation turnarounds, and has worked for over 20 years in natural resources. He was formerly CEO and Chairman of one of the largest anthracite mining operations in the US – Atlantic Carbon Inc. – where he now holds the position of Chairman Emeritus. He was also the CEO of Hitchens Harrison, London's oldest stockbroker, which was later sold to Religare of India in 2008 for £56 million. He is Senior Advisor to MBU and holds primary responsibility for the firm's natural resources portfolio. Adam is a member of the Concert Party.

Raju Haldankar (aged 57) – *Chief Financial Officer*

Raju qualified as an accountant with Baker Tilly (now RSM) and is currently Group Finance Director at MBU Capital. Raju has over 20 years 'experience in the financial services sector – all with UK regulated institutions, including those domiciled in Jersey and Guernsey. He was an Assistant Director of Finance at the investment management business of Singer & Friedlander Plc covering £8 billion of funds under management. Prior to joining MBU, Raju was partner at a boutique broking firm. Raju will continue with his responsibilities as Group Finance Director of MBU and will devote as much time as necessary to perform his duties as Finance Director of the Company. Raju is a member of the Concert Party.

David Harris (aged 71) – *Independent Non-Executive director*

David has over 35 years' experience in the financial services sector and is currently Chief Executive of InvaTrust Consultancy Ltd, a specialist investment and marketing consultancy group that undertakes projects within the investment fund management industry. David has undertaken a total of twelve quoted company non-executive director roles, on the main market of the LSE and AIM, in a variety of sectors including manufacturing, property, insurance and closed-end investment funds in the UK, Europe and the Far East.

The Company intends to appoint an additional independent Non-Executive Director within the first 12 months from Admission.

9.2 ***Senior management***

Set out below are the biographies of certain of the Group's key senior management team members.

Larkin Hoskins – *General Manager*

Larkin holds a BSc in Industrial Engineering and has 47 years of mining operations experience in Central Appalachian, Western PRB, thermal coal and metallurgical coal projects. Larkin's expertise lies in operations development, planning and execution of multiple seam mining projects. He has held numerous senior operational positions, managing coal mines from annual production rates of <300,000 to >15+ million tonnes.

Bob Warnick – *Director of Financial Planning and Office Administrator*

Bob has over 40 years' experience in mine management and consultancy covering all aspects of project and mining activities, including surface and underground mining in the Eastern US coalfields and in Russia. As a consultant he has specialised in helping small independent coal operators analyse and acquire high-quality metallurgical coal reserves found in the Central West Virginia coalfields.

9.3 ***Employees***

As at the date of this document the Group has seven employees and one consultant.

10. Use of proceeds

The net proceeds of the Placing are expected to total £5.8 million. The Directors intend to apply these funds to finance the Group's mining operations which includes the refurbishment of the coal preparation plant and railroad, infrastructure repair, acquisition of mining equipment and working capital (inventory).

Furthermore, £2.05 million of the net proceeds of the Placing will be used to repay the principal and accrued but unpaid interest on the MBU Bridging Facilities, further details of which can be found at paragraphs 11.5

and 11.7 of Part VIII of this document. None of the net proceeds from the Placing will be utilised to repay the MBU Loan Facility that will be in place with the Group on Admission.

The net proceeds of the Placing are intended to be largely deployed by Q4 2021 when coal production is expected to have commenced at Pond Creek with production at a second mine expected to commence in Q1 2022. Specific expenditure includes the refurbishment of the coal preparation plant and railroad to be used to transport output from the mine. The investment in mining equipment is expected to be relatively small as the Company plans to operate on a contract mining basis where the contract mining partners will provide the majority of the required mining equipment at their cost.

11. Dividend policy

The Directors believe that the Company should seek principally to generate capital growth for Shareholders, but may recommend dividends at some future date, depending upon the generation of sustainable profits, if and when it becomes commercially prudent to do so, subject to having distributable reserves available for the purpose. There can be no assurance that the Company will declare and pay, or have the ability to declare and pay, any dividends in the future.

12. Principal Terms of the Acquisition by the Company of the entire membership interests of BCC

With effect from 22 September 2021 the Company, BCC, MBU, Adam Wilson and Larkin Hoskins entered into the Acquisition Agreement and the Minority Acquisition Agreement pursuant to which the Company acquired the entire membership interests of BCC from MBU, Adam Wilson and Larkin Hoskins. The consideration was satisfied through the issue and allotment of the Initial Consideration Shares, the Deferred Consideration Shares and the release of MBU from its trust obligation in respect of £50,000 held on trust by the Company on behalf of MBU. The Deferred Consideration Shares will be issued to such person or persons as MBU directs immediately prior to Admission. The Acquisition is not conditional on Admission. The Acquisition Agreement and the Minority Acquisition Agreement each contains warranties given by MBU, Adam Wilson and Larkin Hoskins in respect of title and capacity.

The Minority Acquisition Agreement requires Larkin Hoskins to deliver an executed share charge on completion of the agreement. Pursuant to the share charge, Larkin Hoskins has granted a legal charge in favour of MBU over the Ordinary Shares in the capital of the Company that have been issued and allotted to him by the Company pursuant to the Minority Acquisition Agreement. The Larkin Share Charge provides that 50 per cent. of the Larkin Consideration Shares will be released from the share charge on the first anniversary of Admission and the remaining 50 per cent. of the Larkin Consideration Shares will be released on the second anniversary of Admission.

Further details of these agreements are set out at paragraphs 11.20 and 11.21 of Part VIII of this document.

13. Corporate governance

The Directors recognise the importance of sound corporate governance and have undertaken to take account of the requirements of the QCA Code to the extent that they consider it appropriate having regard to the Company's size, board structure, stage of development and resources. The Board notes that all AIM companies must provide details on their corporate websites of the recognised code that they have decided to apply, how they comply with such code and, where the company departs from such code, an explanation of the reasons for doing so. From Admission, the Company's website at www.benscreek.com will set out the extent of any non-compliance with the QCA Code by the Company on Admission.

The Board will, on Admission, comprise four Directors of which two are executive and two are non-executive, including the Chairman, who is deemed to be independent and will have the casting vote in the event of a tie in a Board vote. The Board has significant experience in the mining industry and of service on the boards of public companies. The Board considers Robin Fryer and David Harris to be independent non-executive directors.

The Board believes that the Board composition is appropriate in light of the balance of skills and experience of its members and the Company's size at Admission, however it will monitor this position on an ongoing basis as the Company grows and develops and seek to make appropriate changes or additions to the

composition of the Board as necessary. The Board is satisfied that all Directors will have adequate time to fulfil their roles.

The Company intends to appoint an additional independent Non-Executive Director within the first 12 months following Admission. In the meantime, the Chairman will have the casting vote in the event of a tie in a Board vote.

Board Committees

From Admission, the Company will have a Remuneration Committee, an Audit Committee, a Nominations Committee and an AIM Rules and UK MAR Compliance Committee. Details of the responsibilities of each such committee are detailed below.

Remuneration Committee

The Remuneration Committee will determine the scale and structure of the remuneration of the executive Directors and approve the granting of options to Directors, senior employees and consultants and the performance related conditions thereof. The Remuneration Committee will also recommend to the Board a framework for rewarding senior management, including executive directors, bearing in mind the need to attract and retain individuals of the highest calibre and with the appropriate experience to make a significant contribution to the Company's development and ensure that the elements of remuneration packages are competitive and help in underpinning the performance-driven culture of the Company. The Remuneration Committee will be chaired by David Harris, with its other member being Robin Fryer.

Audit Committee

The Audit Committee will receive reports from management and the external auditors relating to the interim report and the annual report and financial statements, review reporting requirements and ensure that the maintenance of accounting systems and controls is effective. The Audit Committee has and will continue to have unrestricted access to the Company's auditors. The Audit Committee will also monitor the controls which are in force for the Company and any perceived gaps in the control environment. The Board believes that the size of the Company will not justify the establishment of an independent internal audit department. The Audit Committee will be chaired by David Harris, with its other member being Robin Fryer.

Nominations Committee

The Nominations Committee will be responsible for reviewing and making proposals to the Board on the appointment of directors, reviewing succession plans and ensuring that the performance of directors is assessed on an ongoing basis. The Nominations Committee will be chaired by David Harris, with its other member being Robin Fryer.

AIM Rules and UK MAR Compliance Committee

The AIM Rules and UK MAR Compliance Committee will monitor the Company's compliance with the AIM Rules and UK MAR and seek to ensure that the Company's Nominated Adviser is maintaining contact with the Company on a regular basis and vice versa. The committee will ensure that procedures, resources and controls are in place with a view to ensuring the Company's compliance with the AIM Rules and UK MAR including the Share Dealing Policy which the Company has adopted for the directors of the Company, certain employees and their associates to comply with UK MAR. The committee will also ensure that each meeting of the Board includes a discussion of AIM matters and assesses (with the assistance of the Company's Nominated Adviser and other advisers, as appropriate) whether the Directors are aware of their AIM responsibilities from time to time and, if not, will ensure that they are appropriately updated on their AIM responsibilities and obligations. The AIM Rules and UK MAR Compliance Committee will be chaired by David Harris and its other member will be Robin Fryer.

Social Media Policy

The Company has adopted a social media policy which is designed to minimise the risks to the Group's business arising from, and to assist employees in making appropriate decisions about, the use of social media. In particular, the policy provides guidance that the disclosure on social media of commercially sensitive, private or confidential information relating to the Group is prohibited.

Anti-corruption and Bribery policy

The Company has adopted an anti-corruption and bribery policy which applies to the Board and employees of the Group; it also applies to suppliers, contractors and consultants to the Group. It generally sets out the responsibilities of the management and employees of, and suppliers, contractors and consultants to, the Company in observing and upholding a zero tolerance position on bribery and corruption in all the jurisdictions in which the Company operates as well as providing guidance to those working for the Company on how to recognise and deal with bribery and corruption issues and the potential consequences. The Company expects all employees, suppliers, contractors and consultants of the Group to conduct their day-to-day business activities in an honest and ethical manner, be aware of and refer to this policy in all of their business activities and to conduct business on the Company's behalf in compliance with it.

QCA Corporate Governance Code

All members of the Board believe strongly in the value and importance of good corporate governance and in its accountability to all of its stakeholders, including shareholders, advisers, regulators and other suppliers. Robust corporate governance improves performance and mitigates risk and therefore is an important factor in achieving the medium to long term success of the Company.

The AIM Rules require AIM companies to apply a recognised corporate governance code. The Company has chosen to adhere to the Quoted Company Alliance's ("QCA") Corporate Governance Code for Small and Mid-Size Quoted Companies (revised in April 2018) to meet the requirements of AIM Rule 26.

The QCA Code is constructed around ten broad principles and a set of disclosures. The Board publishes its annual QCA Statement on Corporate Governance on its website each year in September and will also include a Corporate Governance report in the Company's annual report and accounts.

The Board has considered how it applies each principle to the extent that it judges these to be appropriate in the circumstances. Set out below is an explanation of the approach taken by the Board in relation to each principle.

Like all aspects of the QCA Code, addressing the disclosure requirements is not approached as a compliance exercise; rather it is approached with the mindset of explaining and demonstrating the Company's good governance to external stakeholders.

The role of the Chairman is to lead the Board and to oversee its function and direction. The Chair has the overall responsibility for implementing an appropriate corporate governance regime at the Company.

1 ***Establish a strategy and business model which promote long-term value for Shareholders***

The Board has concluded that the highest medium- and long-term value can be delivered to Shareholders is by owning and operating high-carbon metallurgical coal mines in North America. The Company owns and operates the Project situated in the southern part of West Virginia.

The Company may seek to make further acquisitions of metallurgical coal mines in the future.

2 ***Seek to understand and meet Shareholder needs and expectations***

The Board recognises the importance of communication with its stakeholders and is committed to establishing constructive relationships with investors and potential investors in order to assist it in developing an understanding of the views of its shareholders. The Company also maintains a dialogue with shareholders through formal meetings such as the annual general meeting, which provides an opportunity to meet, listen and present to shareholders. Shareholders are encouraged to attend the annual general meeting in order to express their views on the Company's business activities and performance. Members who have queries regarding the Company's AGM can contact the Registrars' Shareholder helpline on 0121 585 1131 or +44 121 585 1131 if calling from outside the UK.

The Board welcomes feedback from key stakeholders and will take action where appropriate. The CEO is the shareholder liaison and meets with shareholders regularly. The views of the shareholders expressed during these meetings are reported to the Board, ensuring that all members of the Board are fully aware of the thoughts and opinions of shareholders.

Information on the Investor Relations section of the Company's website is kept updated and contains details of relevant developments, Annual and Interim Results, Regulatory News Service announcements, presentation and other key information.

The Company will look to develop relationships with analysts as appropriate. The Company has also appointed an external investor relations firm which will provide a further point of contact for investors. The Board is also reviewing options for additional and more regular channels of communication with shareholders.

3 *Take into account wider stakeholder and social responsibilities and their implications for long-term success*

The Board recognises that the long-term success of the Company is reliant upon the efforts of employees, regulators and many other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships. The Company prepares and updates its strategic plan regularly together with a detailed rolling budget and financial projections which consider a wide range of key resources including staffing, consultants and utility providers.

All employees within the Company are valued members of the team, and the Board seeks to implement provisions to retain and incentivise all its employees. The Company offers equal opportunities regardless of race, gender, gender identity or reassignment, age, disability, religion or sexual orientation. The Company's directors are in constant contact and seek to provide continual opportunities in which issues can be raised allowing for the provision of feedback. This feedback process helps to ensure that new issues and opportunities that arise may be used to further the success of the Company. Equity incentives are offered to employees.

The Company has close ongoing relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Company.

4 *Embed effective risk management, considering both opportunities and threats, throughout the organisation*

The Board recognises the need for an effective and well-defined risk management process and it oversees and regularly reviews the current risk management and internal control mechanisms.

The Board regularly reviews the risks facing the Company and seeks to exploit, avoid or mitigate those risks as appropriate. The Board is responsible for the monitoring of financial performance against budget and forecast and the formulation of the Company's risk appetite including the identification, assessment and monitoring of Ben's Creeks principal risks. The Audit Committee has the primary responsibility of monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported on. Risk management is regularly on the agenda of the Board, Audit Committee and other senior management meetings. Additionally, the Board reviews the mechanisms of internal control and risk management it has implemented on an annual basis and assesses both for effectiveness.

The Board considers that in light of the control environment described above, an internal audit function is not considered necessary or practical due to the size of the Company and the day-to-day control exercised by the Executive Directors. However, the Board will monitor the need for an internal audit function. The Board has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

5 *Maintain the board as a well-functioning, balanced team led by the chair*

From Admission the Board will comprise Robin Fryer (Independent Non-Executive Chairman), Adam Wilson (Chief Executive Officer), Raju Haldankar (Chief Financial Officer) and David Harris (Independent Non-Executive Director). The Board is satisfied that all Directors will have adequate time to fulfil their roles.

The Board recognises the QCA recommendation for a balance between Executive and Non-Executive Directors and the recommendation that there be at least two Independent Non-Executives. The Board will take this into account when considering future appointments. However, all Directors are encouraged to use their judgement and to challenge matters, whether strategic or operational, enabling the Board to discharge its duties and responsibilities effectively.

The Board meets regularly and is responsible for formulating, reviewing and approving the Company's strategy, budgets, performance, major capital expenditure and corporate actions. In order to be efficient, the Directors meet formally and informally both in person, by telephone and by video. The Board aims to meet at least 6 times in the year. Board document authors are made aware of proposed deadlines prior to meetings.

The Company has in place an Audit Committee, a Remuneration Committee, a Nominations Committee and an AIM Rules and UK MAR Compliance Committee with formally delegated rules and responsibilities. Only Independent Non-Executive Directors are members of these committees and Bens Creek follows the QCA guidance that the Non-Executive Chairman is not the Chair of the committees.

The Directors of the Company are committed to sound governance of the business and each devotes sufficient time to ensure this happens.

Directors' conflict of interests

The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.

6 ***Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities***

The Company believes that the current balance of skills in the Board as a whole reflects a very broad range of personal, commercial and professional skills, and notes the range of financial and managerial skills. The Non-Executive Directors maintains ongoing communications with Executives between formal Board meetings.

Further biographical details of the Directors can be found on the Company's website.

Ben Harber is the Company Secretary and helps the Company comply with all applicable rules, regulations and obligations governing its operation. The Company's nominated adviser assists with AIM matters and ensures that all Directors are aware of their responsibilities. The Company also acquires the services of Hill Dickinson, the Group's solicitors, as required.

In addition to their general Board responsibilities, Non-Executive Directors are encouraged to be involved in specific workshops or meetings, in line with their individual areas of expertise. The Board is kept abreast of developments of governance and AIM regulations. The Company's nominated adviser provides Board AIM Rules refresher training as well as the initial training as part of a new Director's on boarding. All Directors develop their skills and capabilities through their continuing experiences.

The Directors have access to the Company's nominated adviser, company secretary, lawyers and auditors as and when required and are able to obtain advice from other external bodies when necessary. If required, the Directors are entitled to take independent legal advice and if the Board is informed in advance, the cost of the advice will be reimbursed by the Company.

A Nominations Committee has been established as Board composition is always a factor for contemplation in relation to succession planning. The Board will seek to consider any Board imbalances for future nominations, with areas considered including board independence and gender balance.

7 ***Evaluate board performance based on clear and relevant objectives, seeking continuous improvement***

The Directors consider that the Company and Board are not yet of a sufficient size for a full Board evaluation to make commercial and practical sense. In the frequent Board meetings/calls, the Directors can discuss any areas where they feel a change would benefit the Company. As the Company grows, it expects to expand the Board and with the Board expansion, re-consider the need for Board evaluation.

8 ***Promote a corporate culture that is based on ethical values and behaviours***

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is aware that

the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders, and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives.

The Board places great importance on the responsibility of accurate financial statements and auditing standards comply with Auditing Practice Board's (APB's) and Ethical Standards for Auditors. The Board places great importance on accuracy and honesty and seeks to ensure that this aspect of corporate life flows through all that the Company does.

A large part of the Company's activities is centred upon an open and respectful dialogue with employees, clients and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Directors consider that the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. Whilst the Company has a small number of employees, the Board maintains that as the Company grows it intends to maintain and develop strong processes which promote ethical values and behaviours across all hierarchies.

The Board has adopted an anti-corruption and bribery policy. The bribery policy applies to all Directors and employees of the Group and sets out their responsibilities in observing and upholding a zero-tolerance position on bribery and corruption, as well as providing guidance to those working for the Company on how to recognise and deal with bribery and corruption issues and the potential consequences.

The Board complies with Rule 21 of the AIM Rules for Companies relating to dealings in the Company's securities by the Directors, PDMRs and other applicable employees. To this end, the Company has adopted a share dealing policy for Directors, PDMRs and other applicable employees appropriate for a company whose shares are admitted to trading on AIM and takes all reasonable steps to ensure compliance by the Directors and any relevant employees.

9 *Maintain governance structures and processes that are fit for purpose and support good decision-making by the board*

The Board is committed to, and ultimately responsible for, high standards of corporate governance. The Board reviews the Company's corporate governance arrangements regularly and expect to evolve this over time, in line with the Company's growth. The Board delegates responsibilities to Committees and individuals as it sees fit.

The Chairman's principal responsibilities are to ensure that the Company and its Board are acting in the best interests of shareholders. His leadership of the Board is undertaken in a manner which ensures that the Board retains integrity and effectiveness and includes creating the right Board dynamic and ensuring that all important matters, in particular strategic decisions, receive adequate time and attention at Board meetings. The CEO of the Company is the key contact for shareholder liaison and all other stakeholders. Executive Directors are responsible for the general day-to-day running of the business and developing corporate strategy.

The CEO has, through powers delegated by the Board, the responsibility for leadership of the management team in the execution of the Group's strategies and policies and for the day-to-day management of the business. He is responsible for the general day-to-day running of the Group and developing corporate strategy while the Independent Non-Executive Directors are tasked with constructively challenging the decisions of executive management and satisfying themselves that the systems of business risk management and internal financial controls are robust.

All Directors participate in the key areas of decision-making, including the following matters:

- Strategy
- Budgets
- Performance

- Major Capital Expenditure
- Corporate Actions

The Board delegates authority to four Committees to assist in meeting its business objectives, and the Committees meet independently of Board meetings. The membership of each Committee is listed below.

AUDIT COMMITTEE

The Audit Committee will receive reports from management and the external auditors relating to the interim report and the annual report and financial statements, review reporting requirements and ensure that the maintenance of accounting systems and controls is effective. The Audit Committee has and will continue to have unrestricted access to the Company's auditors. The Audit Committee will also monitor the controls which are in force for the Company and any perceived gaps in the control environment. The Board believes that the size of the Company will not justify the establishment of an independent internal audit department. The Audit Committee will be chaired by David Harris, with its other member being Robin Fryer.

REMUNERATION COMMITTEE

The Remuneration Committee will determine the scale and structure of the remuneration of the executive Directors and approve the granting of options to Directors, senior employees and consultants and the performance related conditions thereof. The Remuneration Committee will also recommend to the Board a framework for rewarding senior management, including executive directors, bearing in mind the need to attract and retain individuals of the highest calibre and with the appropriate experience to make a significant contribution to the Company's development and ensure that the elements of remuneration packages are competitive and help in underpinning the performance-driven culture of the Company. The Remuneration Committee will be chaired by David Harris, with its other member being Robin Fryer.

AIM RULES AND UK MAR COMPLIANCE COMMITTEE

The AIM Rules and UK MAR Compliance Committee will monitor the Company's compliance with the AIM Rules and UK MAR and seek to ensure that the Company's Nominated Adviser is maintaining contact with the Company on a regular basis and vice versa. The committee will ensure that procedures, resources and controls are in place with a view to ensuring the Company's compliance with the AIM Rules and UK MAR including the Share Dealing Policy which the Company has adopted for the directors of the Company, certain employees and their associates to comply with UK MAR. The committee will also ensure that each meeting of the Board includes a discussion of AIM matters and assesses (with the assistance of the Company's Nominated Adviser and other advisers, as appropriate) whether the Directors are aware of their AIM responsibilities from time to time and, if not, will ensure that they are appropriately updated on their AIM responsibilities and obligations. The AIM Rules and UK MAR Compliance Committee will be chaired by David Harris and its other member will be Robin Fryer.

NOMINATIONS COMMITTEE

The Nominations Committee will be responsible for reviewing and making proposals to the Board on the appointment of directors, reviewing succession plans and ensuring that the performance of directors is assessed on an ongoing basis. The Nominations Committee will be chaired by David Harris, with its other member being Robin Fryer.

10 ***Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders***

The Board is committed to maintaining effective communication and having constructive dialogue with its stakeholders. The Company intends to have ongoing relationships with both its private and institutional shareholders (through meetings and presentations), and for them to have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. The Board already discloses the result of General Meetings by way of announcement and discloses the proxy voting numbers to those attending the meetings. In order to improve transparency, the Board has committed to publishing proxy voting results on its website in the future. The Company maintains that, if there is a resolution passed at a general meeting with 20 per cent.

votes against, the Company will seek to understand the reason for the result and, where appropriate, take suitable action.

Information on the Investor Relations section of the Group's website is kept updated and contains details of relevant developments, regulatory announcements, financial reports and shareholder circulars.

Shareholders with a specific enquiry can contact the Company on the website contact page. The Company uses electronic communications with shareholders in order to maximise efficiency.

14. The Placing

The Company has conditionally raised £7.0 million (before expenses) by way of the proposed issue of the Placing Shares at the Placing Price.

The Company, the Directors, the Proposed Directors, MBU, Allenby Capital and Optiva have entered into the Placing Agreement pursuant to which each of Optiva and Allenby Capital has conditionally agreed, as agents for the Company, to use their reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. In addition, Clear Capital has been appointed as placing agent to the Company to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing Shares are being placed with institutional and other investors. The Placing Shares will represent 20.0 per cent. of the Company's Share Capital. The Placing has not been underwritten and is conditional, *inter alia*, on Admission occurring on or before 19 October 2021 and on the Placing Agreement not being terminated. The Placing Agreement contains certain warranties and indemnities from the Company, MBU, the Directors and the Proposed Directors in favour of Allenby Capital and Optiva, in relation, *inter alia*, to the accuracy of the information contained in this Admission Document and certain matters relating to the Group.

Further details of the Placing Agreement are set out in paragraph 11.16 of Part VIII of this document and further details of the engagement letter entered into between the Company and Clear Capital are set out in paragraph 11.23 of Part VIII of this document.

15. Admission, Settlement, Dealings and CREST

An application will be made for the Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Share Capital will commence on 19 October 2021. The Company's Ordinary Shares are eligible for CREST settlement and settlement of transactions in the Ordinary Shares may take place within the CREST system if a Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so. CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the CREST Regulations. For more information concerning CREST, Shareholders should contact their stockbroker.

The Ordinary Shares will have the ISIN code GB00BP814F22. The Ordinary Shares are not dealt on any other recognised investment exchange and no application has been or is being made for the Ordinary Shares to be admitted to any other exchange.

16. Relationship Agreement

MBU will hold 209,227,930 Ordinary Shares on Admission, representing approximately 59.8 per cent. of the Share Capital. MBU, Adam Wilson and Raju Haldankar have entered into the Relationship Agreement with Allenby Capital and the Company pursuant to which they undertake to the Company and Allenby Capital amongst other things to exercise their voting rights to procure that the Group's business shall be managed for the benefit of the Shareholders as a whole and independently from MBU. MBU has also provided further undertakings as to the composition of the Board, ensuring certain reserved matters are considered solely by the Directors independent of MBU. MBU shall be entitled to appoint two directors to the board of the Company as long as it holds more than 50 per cent. of the then existing share capital and one director for as long as it holds 20 per cent. of the then existing share capital. The Board shall at all times be comprised of at least two independent directors and not less than half of the board comprising directors that are independent of MBU.

Further details on the Relationship Agreement are set out in paragraph 11.19 of Part VIII of this Document.

17. Lock-In Agreements

17.1 ***First Lock-in Deed***

On Admission, the First Locked-in Persons, being MBU, the Directors, Sangeeta Haldankar and Rohan Haldankar will own, in aggregate, 240,583,470 Ordinary Shares representing 68.7 per cent. of the Share Capital. The First Locked-in Persons have undertaken to the Company, Allenby Capital, Optiva and Clear Capital that they will not sell or dispose of, except in certain limited circumstances, any of their respective interests in Ordinary Shares at any time before the first anniversary of Admission. The First Locked-In Persons have further undertaken that, except in certain limited circumstances, they will not sell or dispose of any of their respective interests in Ordinary Shares at any time between the first anniversary of Admission and second anniversary of Admission, other than via Optiva with a view to ensuring an orderly market.

Further details of the First Lock-in Deed are set out in paragraph 11.17.1 of Part VIII of this document.

17.2 ***Second Lock-in Deed***

On Admission, the Second Locked-in Persons, being Muzaffar Iqbal, Maria Yousuf, Mark Cooper, and Amina Shaheen will own, in aggregate, 8,669,430 Ordinary Shares representing 2.5 per cent. of the Share Capital. The Second Locked-in Persons have undertaken to the Company, Allenby Capital, and Optiva that they will not sell or dispose of, except in certain limited circumstances, any of their respective interests in Ordinary Shares at any time before the first anniversary of Admission.

Further details of the Second Lock-in Deed are set out in paragraph 11.17.2 of Part VIII of this document.

17.3 ***Third Lock-in Deed***

On Admission, the Third Locked-in Persons, being Abid Hussain, Samya Sadiq, and Zakyo Bano will own, in aggregate, 3,475,000 Ordinary Shares representing 1.0 per cent. of the Share Capital. The Third Locked-in Persons have undertaken to the Company, Allenby Capital, and Optiva that they will not sell or dispose of, except in certain limited circumstances, any of their respective interests in Ordinary Shares at any time before the first anniversary of Admission.

Further details of the Third Lock-in Deed are set out in paragraph 11.17.3 of Part VIII of this document.

17.4 ***Fourth Lock-in Deed***

In accordance with Rule 7 of the AIM Rules for Companies Larkin Hoskins has entered into lock-in deed dated 13 October 2021 representing in aggregate 5,600,000 Ordinary Shares representing 1.6 per cent. of the Share Capital, pursuant to which Larkin Hoskins has undertaken to Allenby Capital and Optiva that he shall not, except in certain specified circumstances and subject always to compliance with Rule 7 of the AIM Rules for Companies, sell, transfer, grant any option over or otherwise dispose of the legal, beneficial or any other interest in any Ordinary Shares (or rights arising from any such shares or other securities or attached to any such shares) prior to the first anniversary of Admission ("**First Lock-In Period**"). Larkin Hoskins has also agreed for a period of 12 months after the expiry of the First Lock-In Period ("**Second Lock-in Period**") to not dispose of 2,800,000 Ordinary Shares and in respect of the balance of 2,800,000 Ordinary Shares to abide by additional orderly market restrictions to ensure that any dealing in his Ordinary Shares during the Second Lock-in Period is effected, where possible to do so, via Optiva in order to maintain an orderly market.

Further details of the Fourth Lock-in Deed are set out in paragraph 11.17.4 of Part VIII of this document.

18. Information on MBU

MBU is an investment group based in London with a focus on investments in real estate, education, natural resources and financial services. It was founded by Mohammed Iqbal who is the CEO and sole shareholder of MBU. The natural resources division and portfolio is the newest addition to MBU's activities and their investment focus covers precious metals and compound materials to be used in industrial applications such as the steel making process.

BCC, at that time a wholly owned subsidiary of MBU, acquired BC Operations and BC Land on 11 November 2020 and regulatory approval for the purchase and change of ownership was received from WVDEP on the 29 April 2021. Prior to the acquisition of BCC by the Company, MBU was the majority shareholder of BCC. Since the acquisition of BC Operations and BC Land by MBU, MBU has also provided funding to BCC for ongoing capital expenditure and working capital under the MBU Loan Facility. As at the date of this document this loan facility totals £10.0 million which is repayable on 30 June 2023, of which, a total of £2.3 million has been drawn down by BCC under the MBU Loan Facility. The MBU Loan Facility will remain in place following Admission and the Company will not be using the net proceeds of the Placing to repay any of the outstanding amounts due under the MBU Loan Facility. At any time following Admission MBU may elect to have repaid any amount outstanding under the MBU Loan Facility plus accrued interest, in whole or in part, through the issue by the Company of new Ordinary Shares to MBU at a conversion price of 1.5 times the Placing Price. The Company, MBU and BCC have agreed under the terms of the MBU Loan Facility that any such election to have repayment settled through the issue of new Ordinary Shares can only occur such that MBU hold a maximum of 68.0 per cent. of the enlarged issued share capital following conversion. Further details on the MBU Loan Facility are set out in paragraph 11.6 of Part VIII of this document.

On 23 July 2021, MBU provided the MBU First Bridging Facility to BCC for the early reimbursement to the Prior Owner to repay sums the Prior Owner had lodged as bond collateral with WVDEP. This was part of the deferred consideration in connection with the original acquisition of BCC by MBU and amounted to approximately US$1.26 million (equivalent to approximately £0.93 million). Part of the net proceeds of the Placing will be utilised to repay the MBU First Bridging Facility.

On 27 August 2021, MBU provided the MBU Second Bridging Facility of up to £3.0 million to BCC for the working capital and capital expenditure to enable the Company to prepare to commence mining operations. So far approximately $1.5 million (equivalent to approximately £1.1 million) has been drawn down under the MBU Second Bridging Facility and these sums will be repaid from net proceeds of the Placing shortly after Admission.

Part of MBU's financing for the Project has been provided by external lenders. Under the terms of these arrangements MBU agreed to repay these loans through the issue of new Ordinary Shares in the Company in connection with the Acquisition. Accordingly, as part of the completion of the Acquisition, MBU has instructed the Company to issue the Deferred Consideration Shares to the MBU Lenders prior to Admission.

MBU will own 209,227,930 Ordinary Shares on Admission, representing 59.8 per cent. of the Share Capital and will be a member of the Concert Party.

19. Share options and warrants

Share Option Schemes

The Directors believe that the success of the Group will depend to a significant degree on the performance of the Group's senior management team. The Directors also recognise the importance of ensuring that directors and employees of the Group are appropriately and properly motivated and rewarded.

Accordingly, from Admission, the Company has established a share option scheme in which eligible persons will be invited to participate at the discretion of the Remuneration Committee. Such scheme(s) will be limited in total to 6 per cent. of the Company's issued share capital at Admission. The eligible persons include Adam Wilson (Chief Executive Officer), Raju Haldankar (Chief Financial Officer), Bob Warnick (Director of Financial Planning and Office Administrator of BC Operations) and other members of staff, as identified from time to time, details of which are noted below.

Under the terms of his service agreement, Adam Wilson (Chief Executive Officer of the Company) is entitled to participate in this option scheme up to a maximum of 3 per cent. of the Company's issued share capital on Admission and as such he has been granted, conditional on Admission, 10,500,000 options over Ordinary Shares. The options have an exercise price of 5 pence (being a 50 per cent. discount to the Placing Price).

Under the terms of an agreement between the Company and Bob Warnick (Director of Financial Planning and Office Administrator of BC Operations) he is entitled to participate in this option scheme up to a maximum of 1 per cent. of the Company's issued share capital on Admission and as such he has been

granted, conditional on Admission, 3,500,000 options over Ordinary Shares. The options have an exercise price of 5 pence (being a 50 per cent. discount to the Placing Price).

The options granted to Adam Wilson and Bob Warnick will vest on satisfaction of the following thresholds:

Percentage increase of share price above Placing Price	*% Adam Wilson's and Bob Warnick's options which vest*
100%	33%
200%	33%
300%	34%

The performance conditions are related to the volume-weighted average price of the Ordinary Shares on 10 consecutive trading days.

Under the terms of his service agreement, Raju Haldankar (Chief Financial Officer of the Company) will be eligible to participate in this option scheme up to a maximum of 1 per cent. of the Company's issued share capital on Admission. All other terms of Raju Haldankar's participation in the scheme, including exercise price, eligibility and performance criteria, will be determined by the Remuneration Committee following Admission.

Other than the specific commitments referred to above, the Remuneration Committee will determine all remaining aspects of the option scheme(s) including requirements as to continuity of appointment, exercise periods, and good leaver/bad leaver provisions which will apply to all participants.

On Admission there will be 14,000,000 options outstanding representing 4 per cent. of the issued share capital of the Company on Admission.

Share options equivalent to 2 per cent. of the Company's issued share capital on Admission, intend to be awarded to members of staff from time to time following approval by the Remuneration Committee. Any grants under the share option scheme will be subject to, *inter alia*, the approval of the Remuneration Committee.

Further details on the share option schemes are set out in paragraph 9 of Part VIII of this document.

Warrants

On Admission, the Company will issue Adviser Warrants exercisable at the Placing Price to Allenby Capital, Optiva and Clear Capital and the Broker Warrants to Novum Securities Limited and Orana Corporate LLP in respect of fees associated with the Placing as further detailed in paragraphs 11.24, 11.25, 11.26, 11.28 and 11.29 of Part VIII of this document. In addition, the Company will issue the Optiva Performance Warrants to Optiva as further detailed in paragraph 11.27 of Part VIII of this document.

On Admission, there will be a total of 4,450,000 warrants in issue.

20. Functional currency

The Company's functional and reporting currency from Admission will be US Dollars reflecting that the Company's earnings and costs will be primarily denominated in US Dollars.

21. Substantial Shareholder and the Takeover Code

The Takeover Code applies to a company whose shares are admitted to trading on AIM if that company's registered office is in the United Kingdom, the Channel Islands or the Isle of Man. The Company is incorporated in the United Kingdom and application will be made for the Share Capital to be admitted to trading on AIM. Accordingly, the Takeover Code applies to the Company.

The Takeover Code governs, *inter alia*, transactions which may result in a change of control of a public company to which the Takeover Code applies. Under Rule 9 of the Takeover Code any person who acquires, whether by a series of transactions over a period of time or not, an interest (as defined in the Takeover Code) in shares which, (taken together with shares in which that person is already interested or in which persons

acting with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, Rule 9 of the Takeover Code also provides that when any person, together with persons acting in concert with him, is interested in shares which, in aggregate, carry more than 30 per cent. of the voting rights of such company but not hold more than 50 per cent. of such voting rights, a general offer will normally be required if any further interest in shares is acquired which increases the percentage of shares carrying voting rights in which he together with persons acting in concert with him, are interested.

Rule 9 of the Takeover Code further provides, among other things, that where any person who, together with persons acting in concert with him, holds over 50 per cent. of the voting rights of a company, acquires any further shares carrying voting rights, then they will not generally be required to make a general offer to the other shareholders to acquire the balance of their shares, though Rule 9 of the Takeover Code would remain applicable to individual members of a concert party who would not be able to increase their percentage interests in the voting rights of such company through or between Rule 9 thresholds without complying with the requirements of Rule 9 or first obtaining a waiver from the Panel.

The Takeover Panel has confirmed that the following persons are acting in concert for the purposes of the Takeover Code: MBU Capital Group Limited, Adam Wilson, Larkin Hoskins, Mark Cooper, Raju Haldankar, Muzaffar Iqbal, Amina Shaheen, Samya Sadiq, Abid Hussain, Daniel Cohen, Zakya Bano, Preet Yousuf, Maria Yousuf, Sangeeta Haldankar and Rohan Haldankar.

The shareholdings of the members of the Concert Party on Admission will be as follows:

	Interest in Interest Ordinary Shares	
Concert Party member	*No.*	*%*
MBU Capital Group Limited	209,227,930	59.89%
Adam Wilson[1]	28,000,000	8.00%
Larkin Hoskins	5,600,000	1.60%
Mark Cooper[2]	3,133,330	0.90%
Raju Haldankar	2,966,660	0.85%
Muzaffar Iqbal[3]	2,855,550	0.82%
Amina Shaheen[4]	2,347,220	0.67%
Samya Sadiq[5]	1,700,000	0.49%
Abid Hussain[6]	1,275,000	0.36%
Daniel Cohen[7]	578,660	0.17%
Zakya Bano[8]	500,000	0.14%
Preet Yousuf[9]	333,330	0.10%
Maria Yousuf[10]	333,330	0.10%
Sangeeta Haldankar[11]	277,770	0.08%
Rohan Haldankar[12]	111,110	0.03%
TOTAL	**259,239,890**	**74.07%**

1 will also hold 10,500,000 options over Ordinary Shares on Admission as described in paragraph 19 of Part I of this document.

2 is the Group General Counsel of MBU.

3 is the Chief Operating Officer of MBU and is the son of Mohammed Iqbal, the Chief Executive Officer and sole shareholder of MBU.

4 is the sister-in-law of Mohammed Iqbal, the Chief Executive Officer and sole shareholder of MBU.

5 is the sister-in-law of Mohammed Iqbal, the Chief Executive Officer and sole shareholder of MBU.

6 brother of Mohammed Iqbal, the Chief Executive Officer and sole shareholder of MBU.

7 is a senior employee at MBU.

8 sister of Mohammed Iqbal, the Chief Executive Officer and sole shareholder of MBU.

9 sister-in-law of Muzaffar Iqbal, Chief Operating Officer of MBU.

10 wife of Muzaffar Iqbal, Chief Operating Officer of MBU.

11 wife of Raju Haldankar, Chief Financial Officer of the Group and Group Finance Director of MBU.

12 son of Raju Haldankar, Chief Financial Officer of the Group and Group Finance Director of MBU.

As the Concert Party will control in excess of 50 per cent. of the Share Capital on Admission, for so long as this remains the case, the Concert Party would be entitled to increase its aggregate interest in the voting rights of the Company without incurring the obligation under Rule 9 of the Takeover Code to make a general offer.

In addition, on Admission, MBU will individually hold 209,227,930 Ordinary Shares and will therefore be interested in approximately 59.8 per cent. of the Share Capital. As MBU will control in excess of 50 per cent. of the Share Capital on Admission, for so long as this remains the case, MBU would be entitled to increase its interest in the voting rights of the Company without incurring the obligation under Rule 9 of the Takeover Code to make a general offer.

22. Taxation

Your attention is drawn to Part VII of this document. These details are intended only as a general guide to the current tax position under UK law. If an investor is in any doubt as to their tax position should they consult their own independent financial adviser immediately.

Investors subject to tax in other jurisdictions are strongly urged to contact their tax advisers about the tax consequences of holding Ordinary Shares.

23. Risk factors

Shareholders and other prospective investors in the Company should be aware that an investment in the Company involves a high degree of risk. Your attention is drawn to the risk factors set out in Part II of this document.

24. Additional information

Shareholders should read the whole of this document which provides additional information on the Company, BCC and the Ben's Creek Project, and should not rely on summaries of, or individual parts only of, this document. Your attention is drawn, on particular to Part II of this document setting out the key risk factors.

PART II

RISK FACTORS

Investing in the Group is speculative and involves a high degree of risk. You should carefully consider the entire contents of this document, including, but not limited to, the risk factors described below, before you decide to invest in the Group. Ordinary Shares may not be a suitable investment for all recipients of this document. If you are in any doubt about the Ordinary Shares and their suitability for you as an investment, you should consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

As at the date of this document, the Directors consider the following risks to be the material risks of which they are aware and the most significant risks for potential investors. Such risks have not been set out in any order of priority. In addition, you should note that the risks described below are not the only risks faced by the Group. In particular, there may be additional risks that the Directors currently consider not to be material or of which they are not presently aware.

If any of the events described in the following risks actually occur, the Group's business, financial condition, results or future operations could be materially affected. In such circumstances, the price of the Ordinary Shares could decline and investors could lose all or part of their investment. The Group's performance may be affected by changes in legal, regulatory and tax requirements in any of the jurisdictions in which it operates as well as overall global financial conditions.

There can be no certainty that the Group will be able to implement successfully the strategy set out in this document. No representation is or can be made as to the future performance of the Group and there can be no assurance that the Group will achieve its objectives.

The risks listed below do not necessarily comprise all those faced by the Group and are not intended to be presented in any order of priority, but those risks specific to the Group are set out first, as required under the AIM Note for Mining and Oil & Gas Companies – June 2009.

1. EXPLORATION, DEVELOPMENT AND OPERATIONAL RISKS

(a) ***Resource estimates***

The Group's reported mineral resources are only estimates at this stage. Mineral resource estimates are uncertain and may not be representative. There are numerous uncertainties inherent in estimating mineral resources, including factors beyond the control of the Group. The estimation of mineral resources is a subjective process and the accuracy of any such estimate is a function of the quality of available data and of engineering and geological interpretation and judgement. Results of drilling, metallurgical testing, production, and exploration activities subsequent to the date of any estimate may justify revision (up or down) of such estimates. The Company and the directors cannot give any assurance that the estimated mineral resources will be recovered unless the Proven Mineral Reserves are verified by the Group's Competent Person.

(b) ***Transportation risk***

The Group plans to transport coal from the Project via rail. When the Project was previously operational a rail spur from the Norfolk and Southern railway was used. BC Operations has leased the spur from BC Rail Holding (a subsidiary of MBU but not part of the Group) but sections of the rail are missing and some others were previously damaged by flooding. The Group plans to repair this spur as part of the planned rail spur improvement project. However, these improvements will be required to meet the Railroad's standard construction requirements and certain environmental approvals and permits may be required which have not been obtained as at the date of this Document. The Directors expect to reinstate the spur and use it to transport coal but there can be no guarantee that this will occur during the expected timescales. In the event that the Group is not able to reinstate the railway by the time production at the Project has commenced it will use land transportation to transport the coal to the Norfolk and Southern rail network as an interim measure.

The Project Property historically was connected to the Norfolk Southern railway mainline by a 3.2 mile rail spur (Briar Mountain Rail Spur). This served as the primary means of transporting processed coal

from the Project Property. The Company plans to use the Briar Mountain Rail Spur pursuant to a lease agreement entered into between BC Rail Land (a wholly owned subsidiary of MBU and not part of the Group) and the Railroad (the Rail Strip Agreement) and a further sublease agreement entered into between BC Rail Land and BC Operations. The Rail Strip Agreement is for a period of 1 year (commencing on 8 September 2021) at an initial rental amount of US$10,000 for the first year. The Rail Strip Agreement allows for the agreement to be renewed for a second year but that the rental amount due for the second year will be based upon the fair market value of the land. The intention is for the Company to purchase the land that is subject to this agreement and underlies the Briar Mountain Rail Spur. However, there can be no guarantee that the Company will be able to purchase this property. If the property is unable to be purchased, there can be no guarantee that BC Rail Land will be able to renew the Rail Strip Agreement or will be able to renew the Rail Strip Agreement on acceptable terms. If BC Rail Land is unable to renew the sublease agreement or purchase the land underlying the Briar Mountain Rail Spur and/or the Company is unable to obtain a lease of the Briar Mountain Rail Spur at economic rates from BC Rail Land the Company will seek to transport coal from the Project Property to the railway mainline via road. Any loss of access by the Company to the Briar Mountain Rail Spur may have a material adverse effect on the Company's financial position or results of operations.

(c) ***Future exploration uncertainty***

The Group completed the initial exploration phase for its Lower Alma and Pond Creek mines in May 2021 and determined that there are economically recoverable mineral reserves, which were included in the Project's feasibility study. The recoverability of future mineral properties is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Group to obtain the financing necessary to complete future exploration and development, and the success of future operations.

The application of the Group's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that costs incurred will be recovered through successful exploration and development or sale of the asset under review when assessing impairment. Furthermore, the assessment as to whether economically recoverable reserves exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available and may therefore impact the Group's financial estimations and reported results.

(d) ***Successful development of the Group's Lower Alma and Pond Creek assets, and start of commercial operations***

Development of mineral properties involves a high degree of risk. The commercial viability of a mineral deposit is dependent upon a number of factors which are beyond the Group's control, including but not limited to the following:

I. obtain sufficient financing for the complete project;

II. a reduction in the market price of metallurgical coal;

III. delays in obtaining or an inability to obtain, or conditions imposed by, regulatory approvals;

IV. change in environmental compliance requirements;

V. delays in the grant of permit requirements;

VI. inability to attract sufficient numbers of qualified workers;

VII. non-performance by third party contractors;

VIII. lack of availability of infrastructure capacity;

IX. contractor or operator errors;

X. lack of availability of mining equipment and other exploration services;

XI. the breakdown or failure of equipment or processes (see below);

XII. construction, procurement and/or performance of the processing plant and ancillary operations falling below expected levels of output or efficiency;

XIII. the lack of progress with respect to the development of appropriate processing technologies;

XIV. access to and increased input costs including plant, material, energy and labour costs (see below);

XV. catastrophic events such as fires, storms or explosions (see below);

XVI. violation of permit requirements;

XVII. unfavourable weather conditions;

XVIII. taxes and imposed royalties; and

XVIV unscheduled down time could be required for the Project above the Group's current estimated downtime.

There are numerous activities that need to be completed in order to successfully commence production at the Lower Alma and Pond Creek mines and generate revenue including, without limitation: negotiating contracts for transportation, engaging contract miners' entering into contracts for the sale of the output and completing the required infrastructure repairs. There is no certainty that the Group will have available funds to finance its activities unless it raises the required funding. However, the Group has the ability to draw down further sums under the MBU Loan Facility. All of these activities have commenced, however, the longest lead time is the infrastructure repairs which is expected to be completed during Q4 2021. A failure or delay in the completion of any one of these activities may delay production, possibly indefinitely, and would have a material adverse effect on the Group's business, prospects, financial position, results of operations and cash flows.

As such, there can be no assurance that the Group will be able to commence the development of the Project, or in accordance with any timelines or budgets that may be established due to the factors described above.

(f) ***Dependence on key personnel***

The success of the Group, in common with other businesses of a similar size, will be highly dependent on the expertise and experience of its directors and senior management. The loss of any key personnel could harm the business or cause delay in the plans of the Group while management time is directed at finding suitable replacements. The future success of the Group is in part dependent upon its ability to identify, attract, motivate and retain staff with the requisite expertise and experience. Should key personnel leave, the Group's business, prospects, financial condition or results of operations may be materially adversely affected.

The Company does not currently have key man insurance in place in respect of its directors or officers. Subject to the availability and offer of a suitable policy, the Company intends to put in place key man insurance in respect of Adam Wilson (Chief Executive Officer) in the coming months following Admission.

(g) ***Reliance on third parties***

The Group will be reliant on third party service providers and suppliers to provide contract mining services, equipment and infrastructure required for the Group's business and operations and there can be no assurance that such parties will be able to provide such services in the time scale and at the cost anticipated by the Group.

i. A risk to the projections of the Company is the ability of the Company's preferred mining contractor, to produce its forecast tonnage. There is not expected to be recompense to the Company in the event of non-performance from the mining contractor. The Group is intending to use the expertise and equipment of a mining contractor and without that, would be unable to generate revenue.

ii. The mining equipment maintenance is to be the responsibility of the mining contractor. There is not expected to be indemnities or compensation to Group under the eventuality that the mining contractor cannot produce its forecast raw coal tonnage. This is a risk to the business model of the Company as the Company is reliant on the performance of the contractor to generate the majority of its revenue.

iii. The Group has not yet concluded any agreement with third parties, though BCC has been approached by third parties for these services and advanced discussions are underway.

(h) ***Contractors/quality control on construction***

The Group requires mining contractors to repair infrastructure and carry out mining operations once production commences. The Group will be relying on its contractors to find qualified personnel to complete the required works. Since many of these skillsets are highly specialised and the pool of available suppliers is limited, the market for and availability of individuals possessing these skills will be impacted by the overall health of the mining sector. The contractors may have increased difficulty in attracting the talent necessary to develop and operate the Project on the Group's current timetable and at the current expected cost. Moreover, if contractors with the required skills are not available, the Group may incur significantly higher costs and experience production delays .

The Group will need to establish a compliance framework and auditing procedures, and management of its own activities, including complying with the terms of the permits granted in connection with the Lower Alma and Pond Creek mines. This will require contractors with specific knowledge related to the United States and its authorities as well as a deep understanding of the overall project plan. Failure of a contractor to perform as expected, failure of a contractor to comply with the terms of any permit that the Group has obtained may delay production or may interfere with the Group's planned development of the Project, which could have a material adverse effect on the Group's business, financial condition or results of operations.

(i) ***Infrastructure and assets***

Apart from the rail repair project, a significant amount of infrastructure is already in place to commence mining operations. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure or any failure or unavailability in such infrastructure could materially adversely affect the Group's operations, financial condition and results of operations.

The working condition of the Project's infrastructure may be below the level needed for production, therefore requiring additional expenditure and, if this was the case, would will negatively affect the operations and financial performance of the Group. The plant and equipment have been subject to external valuer opinions however no support has been obtained to confirm the full working condition of the Project's assets and infrastructure, as they have been mothballed for a number of years. Furthermore it is estimated that the Preparation Plant has an economic life of between 15 to 20 years remaining.

(j) ***Access to and costs of materials, spares and machinery and equipment***

The operation of the mines will require the use of machinery and equipment. There is no assurance that these machinery and equipment, related spares and replacement parts will be made available at the time required and/or within expected costs. Electricity, water, chemicals, diesel and petrol are key materials that the Group and its contractors will purchase and use in operating the mines.

(k) ***Operations***

The Project involves a number of risks and hazards, including industrial accidents, labour disputes, unusual or unexpected geological conditions, equipment failure, changes in the regulatory environment, environmental hazards and weather and other natural phenomena such as earthquakes and floods. The Group's operations may experience a shutdown or periods of reduced production as a result of any of the above factors. Such occurrences could result in material damage to, or the destruction of, production facilities, human exposure to pollution, personal injury or death, environmental and natural resource damage, monetary losses and possible legal liability, any of which could materially adversely affect the Company's results of operations.

(l) ***Risks relating to production***

It is common for mines to experience unexpected costs, problems and delays during the commissioning stage, often resulting in significant upward revisions to expected costs and/or delays. The costs to commission and refine the production process, including working capital requirements, may increase significantly. The performance of the mines and ancillary operations may fall below expected levels of quality and quantitative output or efficiency. There can be no assurance that the operations of the mines will result in the production of commercially viable quantities such that the Group will be able to generate sufficient revenues to fund its continued operations, or generate or sustain profitability in any future period.

(m) ***Risks relating to project concentration and product concentration (ie majority of sales come from metallurgical coal and exposure to negative changes in demand for or prices of these products)***

Almost all of the Group's expected revenues are to be generated from the sale of metallurgical coal. However, the Group has no history of commercially producing metallurgical coal and there can be no assurance that it will successfully and profitably sell its end product. The Group has no assurance that the Project will be successfully developed. Consequently, the Group may fail to reach its anticipated level of commercial production or revenues, and as a result the Group may be unable to repay its indebtedness and risk becoming insolvent or otherwise ceasing operations, resulting in a significant or total loss of investment by holders of Ordinary Shares.

(n) ***Unknown environmental hazard***

Environmental hazards may also exist on the properties in which the Group holds interests, that are unknown to the Company at present and that have been caused by previous or existing concession holders or operators.

(o) ***Human and employment rights***

A Group business model or strategy, its business relationships, operating conditions, workforce characteristics or public policy decisions may result in risks to human rights. These factors are associated with the most salient human rights risks to people. There is a risk of unintentionally impinging upon the human rights of our stakeholders. There is also risk of acting in a discriminatory fashion. This could result in serious reputational damage as well as financial and legal implications.

(p) ***Labour relations***

The Group will operate in the United States that has large mining companies that have often employed unionized personnel. Employment is an area which has the capacity to give rise to significant legal risk, particularly because of the significant degree of legislation and other regulation. The Group will also employ a number of third-party contractors. Industrial action affecting the Group's projects may result in project delays or an increase in costs. Industrial action or threatened industrial action from the Group's employees or contractors may have a material adverse impact on the development of its projects and the financial position and prospects of the Company.

(q) ***Health and safety***

The Group's activities will be subject to health and safety standards and regulations. Failure to comply with such requirements may result in fines and or penalties being assessed against the Group.

(r) ***Community***

Mining requires the acceptance and support of a wide range of local community stakeholders. Failure to share the benefits of operations with local communities such as creation of jobs, local procurement or community investment activities, may cause delays or disruptions to our operations and may undermine our social licence to operate.

(s) ***Sale of only High-volume B coal***

The Group's current revenue generation strategy is based on the sale of a mixture of High-volume A and High-volume B coal. However, there is a risk the Group may only be able to sell High-volume B coal, thereby reducing the forecast average sales price per ton and thereby reducing projected revenues and cashflow.

2. RISKS RELATING TO THE MINING SECTOR

(a) ***Market forces of supply and demand/pricing fluctuations***

Numerous factors beyond the Group's control do and will continue to affect the marketability and price of metallurgical coal. Accordingly, metallurgical coal prices are the Group's most significant financial risk. The Group intends to sell most or all of its production of metallurgical coal to its offtake partners on fixed-term supply contracts. The market for these fixed-term supply contracts is opaque and not subject to any globally accepted or hedgeable spot market price. Most of the future production is expected to be directed to domestic and international metallurgical markets. Historically the metallurgical markets have been cyclical and highly volatile.

The price of these contracts will be largely dictated by the expected growth in demand for metallurgical coal in conjunction with increased supply from other mines. The Group competes on a supply basis with established competitors.

A material decline in prices could result in a reduction of the Group's net production revenue and cash flows from operations, which would in turn impact on profitability and borrowing capacity, and may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. The economics of producing metallurgical coal may change because of lower prices, which could result in reduced production of metallurgical coal.

Resource market prices are affected by numerous factors beyond the Group's control including inflation, global and regional consumption patterns, demand and supply, speculative activities, international political and economic trends, currency exchange fluctuations, interest rates, production costs and increased production due to new and improved extraction and production methods. The aggregate effect of these factors on resource prices is impossible for the Group to predict. The Group intends to monitor commodity prices in forecasting its cash flow requirements for the funding of its ongoing development and corporate activities and estimate development costs in bringing assets into production. The Group does not presently invest in commodity hedges to mitigate the risk. While the Group seeks to manage its capital and operating expenditures to maximise shareholder returns, the value of the Group's projects and its financial performance may be highly dependent on commodity prices.

Furthermore, reserve estimates and feasibility studies using different commodity prices than the prevailing market price could result in material write-downs of the Group's investment in its assets, increased amortisation, reclamation and closure charges or even a reassessment of the feasibility of the Group's metallurgical coal projects. Downside price cannot currently be mitigated as no derivatives are currently available on the market.

(b) ***Competition in the metallurgical coal industry***

The Group is expected to primarily compete for market share with existing producers of metallurgical coal. Ben's Creek is currently pre-production. Once it moves into production phase, the Group is expecting to compete based on quality of the end product, consistent and fast production and price per ton. The Group's competitors, some of which are large multinational corporations, may have substantial strategic advantages over the Group, including, greater financial resources, strategic relationships with customers and logistical advantages in certain markets and could enhance their competitive position through acquiring, or consolidating interests in, other producers of metallurgical coal. In addition, new competitors could obtain access to reserves of coal through new discoveries or to the extent existing or greenfield projects become more economically viable. Any of the foregoing advantages and potential advantages of the Group's competitors over the Group could materially impact its ability to successfully sell its coal, which could ultimately have a material adverse effect on the Group's business, results of operations and financial condition

(c) ***Exposure to economic cycle***

Market conditions may affect the value of the Company's share price regardless of operating performance. The Group could be affected by unforeseen events outside its control including economic and political events and trends, inflation and deflation, terrorist attacks or currency exchange fluctuation. The combined effect of these factors is difficult to predict and an investment in the Group could be affected adversely by changes in economic, political, administrative, taxation or other regulatory factors in any jurisdiction in which the Group may operate.

(d) ***Geopolitical climate***

The political climate in the United States is stable and generally held to offer a favourable outlook for foreign investments. There is no guarantee that it will remain so in the future. Changes in government, regulatory and legislative regimes cannot be ruled out.

(e) ***Government legislation and regulatory risk***

The mining industries in the United States are subject to extensive controls and regulations imposed by various levels of government. All current legislation is a matter of public record, but the Group is unable to predict what additional legislation or amendments may be enacted. Amendments to current

laws, regulations and permits governing operations and activities of mining companies, including tax and environmental laws and regulations which are evolving in these countries, or more stringent implementation thereof, could have a material adverse impact on the Group and its business.

(f) ***Environmental compliance and approvals***

All phases of the Group's operations in the United States are subject to environmental regulation in that jurisdiction. Environmental approvals and permits are currently, and may also in the future be, required in connection with the Group's operations. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Compliance with environmental laws requires ongoing expenditure and considerable capital commitments from the Group. Noncompliance may subject the Group to significant penalties, including the suspension or revocation of its rights in respect of its concessions or assets, causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Group may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil, administrative or criminal fines or penalties imposed for violations of applicable environmental laws or regulations if not adequately covered by the Group's insurance policy. There is no assurance that existing or future environmental regulation will not materially adversely affect the Group's business, financial condition and results of operations.

During construction and in operation, the mines will have an impact on the environment. These impacts include but are not limited to:

I. Dust emissions from the mine.

II. Disposal of mining overburden and solid waste.

III. Disposal of spent reagents, batteries, tyres and oils.

IV. Pit dewatering, water abstraction and discharge.

V. Relocation of vegetation.

VI. Disposal of general waste.

VII. Disposal of human waste from camp.

The Group currently has permits in place to commence mining operations. However, the Group may also need to obtain further permits prior to commencing commercial operations on any new sites. The Group will also be required to obtain further environmental and technical permits for the construction and development of any new commercial operations. There is a risk that any new permits and concessions may not be granted which may have a significant material adverse effect on the Group.

In addition, the granting of any future approvals and consents may be withheld for lengthy periods or granted subject to satisfaction of certain conditions which the Group cannot or may consider impractical or uneconomic to meet. As a result of any such delays or inability to exploit such discoveries, the Group may incur additional costs or losses.

The Directors are not aware of any reason why such permits and licences would not be renewed or forthcoming during the ordinary course of operations.

The land and permits may be impacted by undetected defects, litigation, revocation, non-renewal or alteration by regulatory authorities

(g) ***Defects in title and permits***

The land and permits may be subject to undetected defects. If a defect does exist, it is possible that the Group may lose all or part of its interests of its land or permits to which the defect relates and its exploration, appraisal and development programmes and prospects may accordingly be adversely affected.

While the Directors have no reason to believe that the existence and extent of any of its interests in land or permits are in doubt (other than as set out in paragraph (h) below), title to mineral properties is

subject to potential litigation by third parties claiming an interest in them. The failure to comply with all applicable laws and regulations, including failure to pay taxes, meet minimum expenditure requirements or carry out and report assessment work may invalidate title to or rights under all or portions of the concessions.

All of the interests in land or permits in which the Group has or may earn an interest will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the terms of each interest in land and permits are usually at the discretion of the relevant local government authority. If a concession is not renewed or granted, the Group may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that concession area.

(h) ***Adverse tract of land***

While the Company has diligently investigated its title to, and rights and interests in, the land and permits granted to the Group and, to the best of its knowledge, such title, rights and interests are in good standing the Company has identified that one tract of land under the Carbon Fuels Lease may be subject to a third party claim over the coal identified on that tract of land ("**Adverse Land**"). This area comprises approximately 122 acres and does not form part of the Group's current work programme. A 1988 title plan in the Company's possession indicates that the coal on the Adverse Land is owned by Carbon Fuels (and therefore forms part of the land under the Carbon Fuels Lease) but several other coal and title maps of the area indicates that another party may have a claim over coal on the Adverse Land. Although the Company believes that it has good title to land and coal on the Adverse Land there is a risk that a third party may institute an action claiming an interest in the coal on the Adverse Land. If this occurs the Company does not expect this will materially impact mining operations and the Company may seek to buyout any purported rights if an acceptable price can be agreed.

3. GENERAL RISKS

An investment in the Group is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result. A prospective investor should consider with care whether an investment in the Group is suitable for him in the light of his personal circumstances and the financial resources available to him. Investment in the Group should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Group's investments will occur or that the investment objectives of the Group will be achieved. Investors may not get back the full or any amount initially invested. The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future. Changes in economic conditions including, for example, interest rates, currency exchange rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax laws and other factors can substantially and adversely affect equity investments and the Group's prospects.

The coal mining industry is subject to numerous risks and uncertainties that can affect the Group's ability to explore and develop its mineral deposits and to ultimately generate cash flows from operations. While many of these risks are beyond the Company's control and it is impossible to ensure that the Company's exploration and development initiatives will result in commercial operations, the Group strives to minimise the aforementioned risks by:

a. Employing management and technical staff and consultants with extensive industry and/or area experience;

b. Maintaining an appropriate working capital position to cover the Company's capital and overhead requirements;

c. Maintaining a low-cost structure and a tight cost control system; and

d. Maintaining insurance in accordance with industry standards to address the risk of liability for property damage, personal injury, and other hazards.

4. RISKS RELATING TO THE GROUP'S BUSINESS AND FINANCIAL POSITION

There is no certainty that the expenditure to be made in development of the Group's Project will result in profitable commercial operations.

(a) ***Financing risk***

Additional funding may be required in order to complete the proposed future exploration and development plans on the Project. There is no assurance that any such funds will be available.

Failure to obtain financing (under current and future financing arrangements), on a timely basis, could cause the Group to reduce or delay its proposed operations. The majority of sources of funds that will be available to the Group from Admission for its Project will mainly be derived from the net proceeds of the Placing and the MBU Loan Facility of up to £10 million that is currently in place. As at the date of this document, £2.3 million has been drawn down under the MBU Loan Facility. Under the Company's current mining plan it does not anticipate to draw down further on the MBU Loan Facility, however there is a risk that the Company's mining plan does not proceed as expected and that the Group requires further funding which may or may not be provided by the MBU Loan Facility. Whilst there is a legally binding facility agreement in place between MBU, BCC and the Company, MBU's ability to draw down further on the MBU Loan Facility is partly reliant on MBU realising proceeds from the sale of certain of its existing investments. Whilst certain of MBU's such investment activities are at an advanced stage, there can be no guarantee that BCC will be in a position to fully draw down on the MBU Loan Facility should if be required to do so. Failure to do so could impact the Group's proposed operations and financial position and/or prospects. While MBU has been successful in the past in obtaining further financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on terms advantageous to the Company. The MBU Loan Facility is repayable on 30 June 2023 and there can be no guarantee that the Company will be able to, at that time, repay amounts outstanding under the MBU Loan Facility and if this situation was to arise it would have a detrimental impact on the Group's operations and financial position and/or prospects.

(b) ***History of losses and no immediate foreseeable earnings***

The Project has a history of losses and there can be no assurance that it will be profitable. The Company expects to continue to incur losses until such time as it develops and commences profitable mining operations on the Project. The development and renewal of the existing infrastructure will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors some of which are outside the Company's control, including the progress of ongoing discussions for selling the Enlarge Group's output and adopting a fixed term contract mining arrangement. There can be no assurance that the Group will achieve profitability.

(c) ***Credit risk***

Credit risk arises from the potential that a counter party will fail to perform its obligations. Financial instruments that potentially subject the Company to concentrations of credit risk are subject to regular reviews with cash collateral received to minimise credit failure. Any changes in management's estimate of the recoverability of the amount due will be recognised in the period of determination and any adjustment may be significant. The carrying amount of accounts and related party receivables represents the maximum credit exposure.

The Company's cash is held in major UK banks, and as such the Company is exposed to the risks of those financial institutions.

(d) ***Liquidity risk***

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses. Liquidity risk arises primarily from the non-collection of its financial instruments, primarily its sales income, accounts payable and accrued liabilities, all with maturities of one year or less.

(e) ***Tax considerations***

Changes in tax laws in the countries that are applicable to the Company, in particular the UK and The United States, or any other subordinate legislation or the practice of any relevant taxation authority could have a material adverse effect on the Company. An investment in the Company may involve complex tax considerations which may differ for each investor and each investor is advised to consult

their own tax advisers. Any tax legislation and its interpretation and the legal and regulatory regimes which apply in relation to an investment in the Company may change at any time.

(f) ***Internal controls***

The Group has established a system of internal controls for financial reporting. Effective internal controls are necessary for the Group to provide reliable financial reports and to help prevent fraud, but notwithstanding this, the Group cannot be certain that such measures will ensure that the Group will maintain adequate control over financial processes and reporting. Failure to implement required controls, or difficulties encountered in their implementation, could harm the Group's results of operations or cause it to fail to meet its reporting obligations. If the Group or its independent auditor discovers a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Group's financial statements and adversely affect the market price of the common shares.

(g) ***Bribery and Corruption***

Bribery and corruption are by their nature deceptive and each act or instance of bribery or corruption can taint not only the individuals involved but an entire organisation or process, sometimes long into the future.

Based on results from PwC's 2016 Global Economic Crime Survey (GECS), bribery and corruption continue to rate in the top four economic crimes experienced by organisations globally.

The Group is subject to stringent bribery and corruption regulation across all its operations. Taking all reasonable measures to prevent bribery and corruption being perpetrated on, or within, the business is critical to the business model. Reputational damage, legal liability and financial loss could result from breach of any of these regulations and guidelines.

The Group has adopted an anti-corruption and bribery policy and put in place (and will monitor) operational procedures to manage the potential issues that could arise under the UK Bribery Act 2010, but there can be no guarantee that the directors and employees of the Group or its other associates will abide by these procedures and as such the Group, its directors and employees could be exposed to criticism or prosecution under the UK Bribery Act 2010.

(h) ***Uninsured hazards***

The Group may be subject to substantial liability claims due to the inherently hazardous nature of its business or for acts and omissions of contractors, sub-contractors or operators. Any indemnities the Group may receive from such parties may be limited or may be difficult to enforce if such contractors, sub-contractors or operators lack adequate resources.

The Group can give no assurance that the proceeds of insurance applicable to covered risks will be adequate to cover expenses relating to losses or liabilities. Accordingly, the Group may suffer material losses from uninsurable or uninsured risks or insufficient insurance coverage. The Group is also subject to the risk of unavailability, increased premiums or deductibles, reduced cover and additional or expanded exclusions in connection with its insurance policies and those of operators of assets it does not itself operate.

(i) ***Foreign currency exchange rates***

The Group 's revenues will be derived outside the UK and the Company's operations and profitability may be adversely affected by movements in foreign currency exchange rates, particularly by movements in the US dollar relative to the British pound sterling, through both transaction and conversion risks. The Group's operational and functional currency is US Dollar. The Group's ongoing capital and operational expenditures are primarily in US Dollar.

(j) ***Insurance***

The Group's involvement in the exploration for and development of mining properties may result in the Group becoming subject to liability for pollution, property damage, personal injury or other hazards. In accordance with industry practice, the Group may not be fully insured against all of these risks, nor are all such risks insurable. Although the Group anticipates maintaining liability insurance in an amount that the Group considers consistent with industry practice, the nature of these risks is such that liabilities

could exceed policy limits, in which event the Group could incur significant costs that could have a material adverse effect upon the Group's financial condition. In addition, such risks may not in all circumstances be insurable or, in certain circumstances, the Group may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Group. The occurrence of a significant event that the Group is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Group's financial position, results of operations or prospects.

As at the date of this document the Company does not have directors and officers insurance cover in place. The Company has obtained a number of quotes and subject to the availability and offer of a suitable policy, the Company expects this to be put in place shortly following Admission.

(k) ***Litigation***

In the normal course of the Group's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, related to, but not limited to, personal injuries, property damage, property tax, land rights, the environment and contractual disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Group and, as a result, could have a material adverse effect on the Group's assets, liabilities, business, financial condition and results of operations.

(l) ***COVID-19***

The outbreak of COVID-19 (commonly referred to as Coronavirus) has negatively impacted economic conditions globally. There are risks and uncertainties that the Group may suffer loss including, but not limited to, loss of personnel, loss of access to resources, loss of contractors, loss of ability to attract and retain personnel, delays or increased costs in developing its projects and an adverse impact on the share price of the Group. The Coronavirus outbreak has seen a number of and changeable travel restrictions and quarantining requirements. These restrictions may have a detrimental impact on the operations of the Company in terms of access to its projects by key management personnel, disruption to operations and delays or increased costs in accessing resources and supplies. The outbreak of Coronavirus has demonstrated the need to have contingency plans in place in relation to the outbreak of pandemics, and has also resulted in a number of companies across the globe being essentially shut down for an extended period of time. The impact of this is that the Group will have to ensure that its future plans include an appropriate amount of contingency planning for the current Coronavirus and future pandemics, but are also likely to result in some prices from suppliers being higher than previously thought, as they too include contingencies into their pricing models and work to ensure they remain profitable despite periods of lock down or disruption. As such, costs could escalate from the level originally anticipated. While the Company will seek to manage the effect of Coronavirus on its personnel and operations, if and when necessary, there can be no assurance that Coronavirus will not have an adverse effect on the future operations of the Group's projects or an investment in the Company.

5. RISKS RELATING TO THE ORDINARY SHARES

(a) ***Suitability***

Investment in the Ordinary Shares may not be suitable for all readers of this document. Readers are accordingly advised to consult a person authorised under FSMA who specialises in investments of this nature before making any investment decisions.

(b) ***Investment in AIM-traded shares***

Investment in shares traded on AIM involves a higher degree of risk, and such shareholdings may be illiquid. The AIM Rules are different and may be less demanding than those rules that govern companies admitted to the Premium Segment of the Official List. It is emphasised that no application is being made for the admission of the Company's securities to the Official List. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

The Company cannot assure investors that the Ordinary Shares will always continue to be traded on AIM or on any other exchange. If such trading were to cease, certain investors may decide to sell their Ordinary Shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

(c) ***Share price volatility and liquidity***

The share price of quoted companies can be highly volatile and shareholdings can be illiquid. There can be no assurance that an active or liquid trading market for the Ordinary Shares will develop or, if developed, that it will be maintained. The Placing Price may not be indicative of prices that will prevail in the trading market, and investors may not be able to resell the new Ordinary Shares at or above the price they paid for them. The price of the Ordinary Shares may fall in response to market appraisal of the Group's business, financial condition, operating results and prospects, or in response to regulatory changes affecting its operations. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Group and its operations and others which may affect quoted companies generally. These factors could include the performance of the Group, large purchases or sales of the Ordinary Shares, currency fluctuations, legislative changes and general economic, political, regulatory or social conditions. Shareholders should therefore be aware that the value of the Ordinary Shares can go down as well as up. The market value of the Ordinary Shares can fluctuate and may not always reflect the underlying net asset value or the prospects of the Group.

(d) ***The market price of the Ordinary Shares could be negatively affected by sales of substantial amounts of such shares in the public markets, including following the expiry of the lock-in period in respect of the Locked-in Persons and Existing Shareholders, or the perception that these sales could occur***

Following Admission, the Locked-in Persons will own, in aggregate, approximately 73.8 per cent. of the Share Capital. The Locked-in Persons are subject to restrictions on the sale and/or transfer of their respective holdings in the Company's issued share capital as described in paragraph 11.17 of Part VIII. The sale of a substantial number of Ordinary Shares by the Locked-in Persons and Existing Shareholders in the public market after the lock-in restrictions expire (or are waived), or the perception that these sales may occur, may depress the market price of the Ordinary Shares and could impair the Company's ability to raise capital through the sale of additional equity securities.

(e) ***Dilution***

The Company will need to raise further capital in the future to be able to achieve its stated goals which could potentially be through public or private equity financings or by raising debt securities convertible into Ordinary Shares, or rights to acquire these securities. Any such issues may exclude pre-emption rights pertaining to the then outstanding shares. If the Company raises significant amounts of capital by these or other means, it will be likely to cause dilution for the Company's Existing Shareholders. Moreover, the further issue of Ordinary Shares could have a negative impact on the trading price and increase the volatility of the market price of the Ordinary Shares. The Company may also issue further Ordinary Shares, or issue share options under the Company's existing share option plan or any other scheme put in place by the Company, as part of its employee remuneration policy, or issue further Ordinary Shares or warrants over Ordinary Shares to third parties in respect of services provided to the Group, which could in aggregate create a substantial dilution in the value of the Ordinary Shares and the proportion of the Company's share capital in which investors are interested.

(f) ***Dividends***

There can be no assurance as to the level of future dividends, if any. In the near-medium term, the Directors do not intend to pay dividends as the focus will be on investing in the development of its assets. Subject to compliance with the Act and the Articles, the declaration, payment and amount of any future dividends are subject to the discretion of the Directors, and will depend on, *inter alia*, the Group's earnings, financial position, cash requirements, availability of profits and the Group's ability to access, and repatriate within the Group, cash flow and profits generated outside the UK. A dividend may never be paid and, at present, there is no intention to pay a dividend in the short to medium term. In forming their dividend policy, the Directors have taken into account, *inter alia*, the trading outlook for the foreseeable future, recent operating results, budgets for the following financial year and current

capital requirements of the Group. Any material change or combination of changes to these factors may require a revision of this policy.

(g) ***Shareholders outside the United Kingdom may not be able to participate in future equity offerings***

The Act provides for pre-emptive rights to be granted to shareholders in the Company, unless such rights are disapplied by a special resolution in accordance with the Articles. However, securities laws of certain jurisdictions may restrict the Company or the Company's ability to allow the participation of Shareholders in future offerings. In particular, Shareholders in the United States may not be entitled to exercise these rights unless either the rights and Ordinary Shares are registered under the US Securities Act, or the rights and Ordinary Shares are offered pursuant to an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act. Any Shareholder who is unable to participate in future equity offerings may suffer dilution.

(h) ***Overseas Shareholders may be subject to exchange rate risks***

The Ordinary Shares are, and any dividends to be paid on them will be, denominated in pounds sterling. An investment in Ordinary Shares by an investor whose principal currency is not pounds sterling exposes the investor to foreign currency exchange rate risk. Any depreciation in the value of pounds sterling in relation to such foreign currency will reduce the value of the investment in the Ordinary Shares or any dividends in relation to such foreign currency.

(i) ***Accounting adjustments***

The presentation of financial information in accordance with IFRS requires that management apply certain accounting policies and make certain estimates and assumptions which affect reported amounts in the Company's consolidated financial statements. The accounting policies may result in non-cash charges to net earnings and write-downs of net assets in the consolidated financial statements. Such non-cash charges and write-downs may be viewed unfavourably by the market and may result in an inability to borrow funds and/or may result in a decline in the Ordinary Share price.

(j) ***Impact of research on share price***

If securities or industry analysts do not publish research or publish unfavourable or inaccurate research about the business, the Company's share price and trading volume of the Ordinary Shares could decline.

The trading market for the Ordinary Shares will depend, in part, on the research and reports that securities or industry analysts publish about the Company or its business. The Directors may be unable to sustain coverage by well-regarded securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of the Company, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for the Ordinary Shares could be negatively impacted. In the event that the Company obtains securities or industry analyst coverage, if one or more of the analysts who cover the Company downgrade the Ordinary Shares or publish inaccurate or unfavourable research about the Group's business, the share price would be likely to decline.

If one or more of these analysts cease coverage of the Company or fail to publish reports regularly, demand for the Ordinary Shares could decrease, which might cause the share price and trading volume to decline.

(k) ***Concert Party influence***

On Admission, the Concert Party will hold 74.07 per cent. of the Share Capital. Investors may negatively perceive this level and concentration of share ownership due to the influence that the Concert Party may resultantly exert, which may adversely affect the market value of the Ordinary Shares. The Concert Party may have the ability to determine the outcome of matters requiring Shareholder approval, including appointments to the Board and significant corporate transactions. In addition, the interests of the Concert Party may be different from the interests of the Group or other Shareholders as a whole. This control could also have the effect of delaying or preventing an acquisition or other change of control of the Group.

Certain members of the Concert Party have agreed pursuant to the Relationship Agreement to certain undertakings to ensure that the Group is managed and governed independently of it. Further details of the Relationship Agreement are set out in paragraph 11.19 of Part VIII of this document.

(l) ***Alternative Performance Measures***

Part V, Section E of this Document contains a list of expenses incurred by BC Land and BC Operations over the three year period to 31 December 2020 which is as an unaudited alternative performance measure. Information regarding these measures are sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company. These measures, by themselves, do not provide a sufficient basis to compare the performance of the Company or its subsidiaries with that of other companies and should not be considered in isolation or as a substitute for operating profit or any other IFRS measures as indicators of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity. In order to make a proper assessment of the financial performance of the Group's business, prospective investors should read this Document as a whole and not rely solely on these measures. Certain of these measures relate to past performance. Past performance is not an indication of future results.

6. FORWARD LOOKING STATEMENTS

Historical facts, information gained from historical performance, present facts, circumstances and information and assumptions from all or any of these are not a guide to the future. Statements as to the Group's aims, targets, plans and intentions and any other forward looking statement referred to or contained herein are no more than that and do not comprise forecasts. Any such forward looking statements are based on assumptions and estimates and involve risks, uncertainties and other factors which may cause the actual results, outcome, financial condition, performance, achievements or findings of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward looking statements. It should be noted that the factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Group is or may be exposed or all those associated with an investment in the Group. In particular, the Group's performance is likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect upon the Group. If any of the risks referred to in this Part II crystallise, the Group's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its Ordinary Shares could decline and investors may lose all or part of their investment.

Although the Directors will seek to minimise the impact of the Risk Factors, investment in the Group should only be made by investors able to sustain a total loss of their investment.

Potential investors are strongly recommended to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of this nature before making any decision to invest.

PART III

OVERVIEW OF REGULATIONS IN WEST VIRGINIA RELATIVE TO THE EXPLORATION AND MINING OF COAL

The following information comprises a brief summary, as at the date of this document, of the pertinent laws and regulations in West Virginia relating to the exploration and mining of coal.

Background

The mining operations (the "Projects") of Ben's Creek Operations WV, LLC, in conjunction with the leasehold and fee interests held by Ben's Creek Land WV, LLC (collectively, the "Ben's Creek") are situated in the State of West Virginia in the United States of America ("U.S."), and are subject to various federal, State and local laws and regulations. This summary focuses on the laws and regulations of West Virginia that cover the exploration and mining activities of coal currently planned by the Group for the first two years following Admission, which planned activities include underground, surface and highwall mining, and permitting considerations for further large-scale exploration and mining activities. These laws and regulations, and the permits, authorizations and approvals issued pursuant to such laws and regulations, are intended to protect, among other things: air quality; ground water and surface water resources, including drinking water supplies; wetlands; waterways; endangered plants and wildlife; natural resources and the health and safety of the Group's employees, consultants and contractors and the communities in which the Group will operate.

Sources of Law

The U.S. legal system comprises of both codified and uncodified federal, State and local laws, and judicially created common law. West Virginia has its own State laws and regulations in relation to the exploration and mining activities of coal, in addition to federal laws and regulations. The Projects are on private land, such that ownership and the granting of mineral rights is a matter of State contract law, whereas operations and environmental compliance are regulated by applicable federal and State laws.

Title

In the United States, land generally can be severed into surface and subsurface estates, creating a split estate whereby the surface and minerals and mineral rights can be held by different parties. The specifics of the severance of private land estates are governed by State law, but generally private citizens are free to split their surface and mineral estates by contract. The Group holds a legal right to access the coal and mining right in respect of the Projects through the Project Leases and Owned Real Property.

Typical Exploration and Mining Permits

Paragraphs A and B below set out the typical permits, certifications, approvals and authorizations that are likely to be required in relation to the Projects (but are not intended to be an exhaustive list of all the requirements.

A. *West Virginia Mining Permit*. As an initial consideration, West Virginia coal exploration and mining is subject to the West Virginia Surface Coal Mining and Reclamation Act ("WVSCMRA"), first enacted in 1971 and subsequently amended. The State of West Virginia has primacy over its mining program through the WVSCMRA. The WVSCMRA is the instrument that the State of West Virginia uses to implement the federal Surface Mining Control and Reclamation Act of 1977 ("SMCRA"), as amended. These regulations and rules provide for exploration of coal, for all phases of the mining of coal, and for reclamation of the land after mining.

B. *Clean Water Act.* Regardless of the acreage of the "permitted land", if the exploration and/or coal mining activity impacts streams or wetlands, then those activities generally must be authorized under the Section 401, 402 and/or 404 of the federal Clean Water Act ("CWA"). Under authority of the United States Environmental Protection Agency ("EPA"), the State of West Virginia implements Section 401 and 402 of the CWA. CWA Section 401 is a Water Quality Certification. CWA Section 402 is for discharges of water from the exploration and/or mining activities. Both CWA 401 and CWA 402 are implemented by the State of West Virginia by its West Virginia National Pollution Discharge Elimination

System ("WVNPDES") program. Sections 404 of the CWA addresses the filling or dredging of waters of the U.S. and is implemented by the US Army Corps of Engineers. If the planned exploration and/or mining activities will impact less than 300 linear feet of intermittent or perennial stream bed, or less than half an acre of wetlands or open water, and includes no valley fills, then the activity may usually be authorized to proceed under the USACE Nationwide Permit ("NWP") 21 for surface mining activity and NWP 50 for underground mining activity. These permits simply require notice and minimal processing and a general 401 Water Quality Certification from the State that also involves serving notice and minimal processing. Larger projects require authorization from the USACE under an Individual Permit.

Additional permitting considerations

Additional permitting considerations for larger scale exploration and mining activities include, but are not limited to, those set out in paragraphs C to F below:

C. *Floodplain Impacts.* If there are potential impacts to floodplains (generally a larger expanse of land than waters of the U.S. or State) from certain periodic rainfall events such as 10-year, 100-year and 500-year rainfall events, federal, State or local authorization may be required.

D. *State Wastewater Discharge Permit.* A WVNPDES permit is required to discharge mine dewatering effluent and mine process water to any surface waterbody, and a separate stormwater permit will be required to handle non-contact stormwater flowing from a project site. In West Virginia, this authorization is issued by the State, which has delegated authority under the federal Clean Water Act and requires, among other things, a Certification by the State that the permit will "reasonably ensure compliance with water quality standards."

E. *Air Quality Permit.* Implementation of the federal Clean Air Act is also delegated to the State of West Virginia and its Department of Environmental Protection ("WVDEP"). An air permit is unlikely to be required for exploratory and/or mining activities, but is required for the crushing, cleaning, preparation and loading of coal unto trains at the preparation site and loadout. The limitations and conditions of such an air permit are dependent upon the air emissions generated. However, if an air permit is required, an Authorization to Construct must be obtained before construction at a project site can begin, or before changes to existing facilities for which air quality permits have been issued can take place.

F. *State Dam Safety Permit.* If a future mine development and operation involves the impoundment or diversion of large bodies of water, including a tailings storage facility, a dam safety approval may be required by the State of West Virginia and the federal Mine Safety and Health Administration ("MSHA"). Such permit will require engineering approval of the dam design. but should not be problematic to obtain.

PART IV

COMPETENT PERSON'S REPORT

Statement of Coal Resources and Reserves for the Ben's Creek Complex in Accordance with the JORC Code and AIM Guidance Note as of April 30, 2021
Central Appalachian Coal Basin
West Virginia and Kentucky, USA

September 28, 2021

Prepared for:
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Statement of Use and Preparation

This Competent Person Report (*CPR*) was prepared for the sole use by **Bens Creek Group plc** (the "**Company**") and **Allenby Capital Limited ("Allenby Capital")**, the Company's nominated adviser**.** Copies or references to information in this report may not be used without the written permission of Allenby Capital.

MM&A's CPR provides a statement of coal resources and coal reserves for Ben's Creek Carbon LLC and its subsidiaries Ben's Creek Operations WV LLC and Ben's Creek Land WV LLC (together, Ben's Creek) which are to be acquired by the Company, and conform to the standards under the ***Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves*** (***JORC Code***) as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia. Subject to the comments below, this report was also prepared in accordance with the ***Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets*** (***VALMIN Code***). This report also satisfies the requirements of a **Competent Person's Report (*CPR*)** under the **London Stock Exchange**'s **AIM Rules for Companies** and Guidance Note for Mining, Oil and Gas Companies issued by the London Stock Exchange in June 2009 (including its appendices) and which forms part of the AIM Rules for Companies ("**AIM Guidance Note**").

As noted above, this report is a "Public Report" for the purposes of the VALMIN Code. However, in accordance with paragraph 12.1 of the VALMIN Code, it is noted that the report is **not** a "Valuation of Mineral Assets" and it also does not comply with the following requirements that apply to "Technical Assessments" (as defined in the VALMIN Code):

> The report does not include a determination of the status of tenure (as required by paragraph 7.2 of the VALMIN Code) on the basis that tenure was separately reviewed by Ben's Creek's legal advisors.

The report does not include separate commentary on the reasonableness and quality of the Resources and Reserves estimates and the basis on which they have been reported (as required by paragraph 7.3 of the VALMIN Code). MM&A did not consider that this was appropriate in circumstances where MM&A was engaged for the specific purpose of preparing those estimates and the Resource estimates were prepared by Michael McClure and the Reserve estimates were prepared by Justin Douthat and Steve Keim, all of whom are authors of this report. However, MM&A notes that, in accordance with its usual practice, a separate team of MM&A employees led by Mr. Scott Peterson, CPG undertook a peer review of this report and confirmed that both the process followed by the authors of the report and the estimates prepared by Michael McClure, Steve Keim and Justin Douthat were reasonable, and the estimates comply with the requirements of the JORC Code.

As at the date of this report, MM&A confirms that nothing has come to its attention to indicate any material changes to what is reported in the CPR. As at date the admission document is published

Adam Wilson, Chief Executive Officer of Bens Creek Group plc, has a total beneficial interest in 10.9% of Ben's Creek. As at date the admission document is published Raju Haldankar, Chief Financial Officer of Bens Creek Group plc, has, including the inet a total beneficial interest in 1.1% of Ben's Creek.

Marshall Miller & Associates, Inc. (*MM&A*) hereby consents to the use of the information contained in this report dated April 30, 2021, relating to estimates of coal resources and coal reserves controlled by Allenby Capital. MM&A's consents and confirmations, required by Schedule 2 (a) of the AIM Rules for Companies, Annex I of the Prospectus Rules of the Financial Conduct Authority and the requirements for CPRs under the AIM Guidance Note, are given for the purpose of complying with those provisions and for no other purpose.

Furthermore:

1. MM&A has a number of professionally qualified personnel (including Steven Keim, Justin Douthat and Michael McClure) who are members in good standing of a recognized self-regulatory organization of engineers and/or geoscientists. Steven Keim and Justin Douthat are both licensed Professional Engineers and Registered Members of the **Society of Mining Engineers (*SME*)**, Golden, Colorado, USA. Michael McClure is a Registered Member of the **American Institute of Professional Geologists (*AIPG*)**. SME and AIPG are **Recognized Professional Organizations (*RPO*)**. All three are members in good standing within their recognized professional organizations, are full-time employees of Marshall Miller & Associates, Inc., and are recognized as *Competent Persons* (*CPs*). Biographical information for the CPs and peer review leader is included in *Appendix A*. The CPR was prepared under the overall direction of Steven Keim;
2. Steven Keim, Justin Douthat and Michael McClure have at least five years' relevant experience in the estimation, assessment and evaluation of the type of mineral and mining deposits under consideration in the CPR;
3. MM&A and Steven Keim, Justin Douthat and Michael McClure are independent of the Company, MBU, Ben's Creek, and their respective directors, senior management and advisers and do not and have not had any shareholding or other interest or employment in the Company, MBU or Ben's Creek (or their respective subsidiaries);
4. MM&A and Steven Keim, Justin Douthat and Michael McClure will not be remunerated by way of a fee that is linked to the value of the Company;
5. MM&A is not a sole practitioner;
6. MM&A and Steven Keim, Justin Douthat and Michael McClure have the relevant and appropriate qualifications, experience and technical knowledge to professionally and independently evaluate the assets, being all assets, licences, permits, joint ventures or other arrangements owned by Ben's Creek or proposed to be exploited or utilized by them ("**Assets**")

and liabilities, being all liabilities, royalty payments, contractual agreements and minimum funding requirements relating to Ben's Creek's work programme and Assets, ("**Liabilities**") in each of the jurisdictions on which we have reported;

7. MM&A considers that the scope of the CPR is appropriate, given Ben's Creek's Assets and Liabilities, and the CPR includes and discloses all information required to be included therein in accordance with the AIM Guidance Note, and in the format required by the AIM Guidance Note;
8. the CPR has been subject to MM&A's own internal review;
9. the CPR has been prepared, in accordance with JORC standards, on all material Assets and Liabilities;
10. the CPR reports on any existing reserves and resources statements in respect of the Assets, and in our view states clearly what work was undertaken or include a derivation of any reserve or resource estimates;
11. Site visits were made to the Ben's Creek Complex principally located in Mingo County, West Virginia, USA by our personnel and the CPR relies upon those site visits, information provided by MBU, on discussions with the management of the MBU, and a review of technical information provided by MBU as well as published technical and various other reports; and
12. MM&A received a fee for the preparation of this CPR in accordance with normal professional consulting practice. This fee was not contingent on the outcome of any transaction and MM&A will receive no other benefit for the preparation of this report. MM&A does not have, at the date of this report, and has not ever had any beneficial interest or shareholding in or other relationship with Ben's Creek and consequently considers itself to be independent.

This report was prepared by:

Marshall Miller & Associates, Inc.

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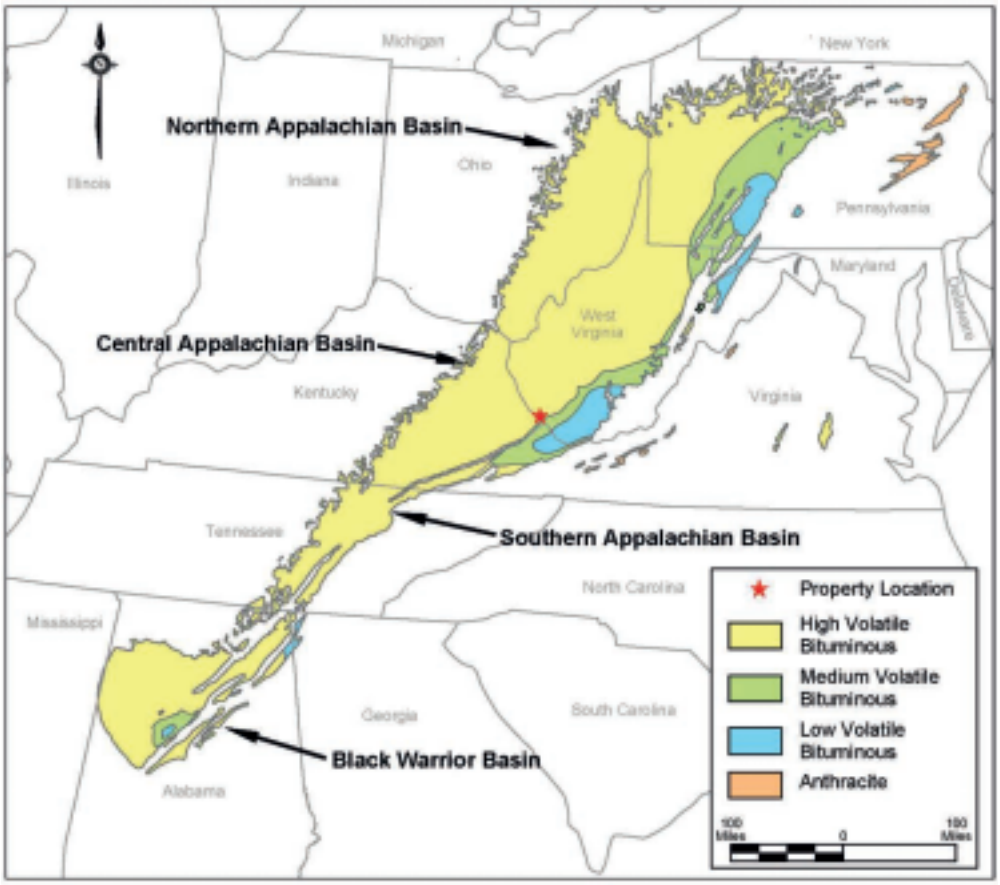
Listing of Appendix C:

1 Executive Summary

1.1 Property Description

Marshall Miller & Associates, Inc. (*MM&A*) prepared this Competent Person Report (*CPR*) for **Allenby Capital** and **MBU Capital Group Limited**'s **(*MBU*)** controlled coal resources and coal reserves located at Ben's Creek (the *Property*) in Mingo County, West Virginia and a small portion of Pike County, Kentucky (see *Figure 1-1*).

Figure 1-1: Property Index Map with Regional Coal Rank Trends

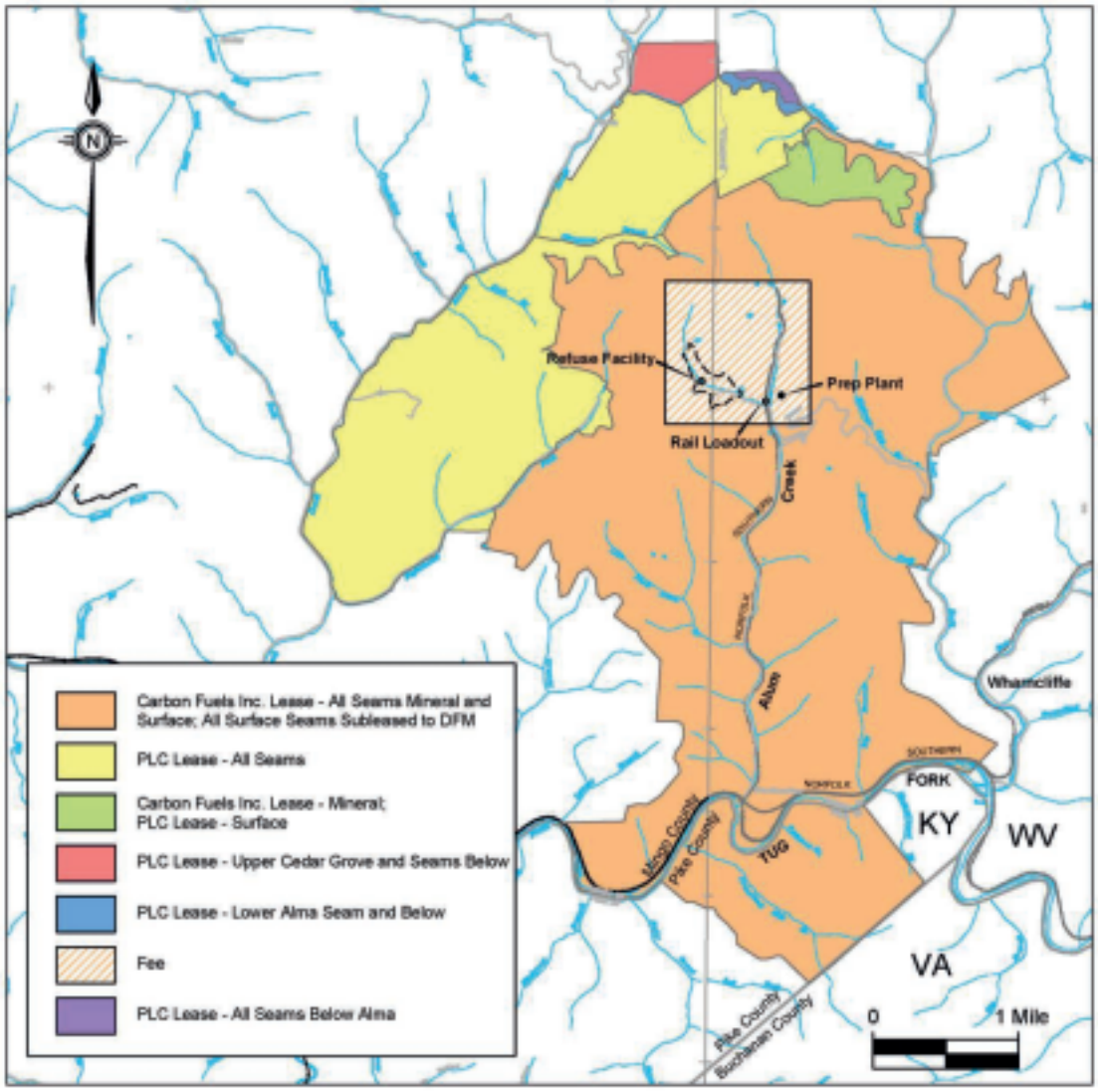


The report provides a statement of coal resources and coal reserves for Ben's Creek, as defined under the ***Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves*** (***JORC Code***). This report was also prepared in accordance with the ***Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets*** (***VALMIN Code***). This report also satisfies the requirements of a Competent Person's Report (*CPR*) under the **London Stock Exchange's AIM Market's (*AIM*)** Rules for Companies and June 2009 Note for Mining, Oil and Gas Companies

(*Mining Guidance Note*). Coal resources and coal reserves are herein reported in US customary units of measurement.

Surface facilities for the operation are located along Alum Creek, tributary of the Tug Fork River near the community of Wharncliffe, West Virginia, approximately 6.8 miles southwest of Gilbert, West Virginia (see *Figure 1-2*). The Property is composed of 10,696 total acres, of which 629 acres are held in fee, and the remaining 10,067 acres are leased from various lessors.

Figure 1-2: Ben's Creek Property Location Map



1.2 Ownership

The Ben's Creek Operations Complex and property control was acquired by MBU on April 29, 2021 from **Investec Bank plc**. The property and assets have been controlled by several entities over the 100-year coal production at the site. Property is controlled by Pocahontas Land Corporation and Carbon Fuels Inc. or through fee ownership by Ben's Creek Operations. Ben's Creek Operations has lease agreements with both entities for surface and mineral control within the project.

1.3 Geology

Historical operations at the Ben's Creek Complex extracted multiple coal seams by both underground and surface mining methods. Strata on the Property are of the Lower Pennsylvanian Kanawha Formation. Seams mined or with remaining resource/reserve potential include, in descending stratigraphic order include the: Upper Cedar Grove, Lower Cedar Grove, Lower Alma (Upper Bench), Lower Alma (Lower Bench), and Pond Creek. This report includes resource and reserve delineation in the Cedar Grove series, Alma series, and Pond Creek coal seams. Resources were not considered in the higher (Buffalo Creek, Chilton and Hernshaw) coal seams or the Eagle and Lower War Eagle coal seams due to a either a lack of coal quality definition and/or minimal supporting exploration information.

Due to the competitive value of many of these seams primarily as coking coals, most of the seams have been extensively mined in the past. The strata between the coal seams are characterized by large proportions of sandstone interspersed with shale units. The coal seams reach the highest structural elevations along the southeastern margin of the Property, generally dipping toward the northwest. The seams of interest which have been categorized as resource or reserve are situated above drainage throughout the Property.

1.4 Exploration Status

The Property has been extensively explored, largely by drilling using continuous coring methods, rotary drilling but also by obtaining coal measurements at mine exposures, seam outcrop exposures, and by limited use of downhole geophysical logging methods. The majority of the data was acquired or generated by previous owners of the Property. These sources comprise the primary data used in the evaluation of the coal resources and coal reserves on the Property. MM&A examined the data available for the evaluation and incorporated all pertinent information into this CPR. Where data appeared to be anomalous or not representative, that data was excluded from the digital databases and subsequent processing by MM&A.

Ongoing exploration has been carried out by Ben's Creek since acquiring the Property. Ben's Creek acquired exploration data has been consistent with past drilling activities. As MM&A understands, the current controllers of the property plan to continue exploration work on the property to bolster confidence associated with coal resources and reserves, possibly elevate various resources to reserve status, and potentially identify additional target mining blocks which have not been considered by MM&A in this study.

1.5 Operations and Development

As of April 30, 2021, underground and surface mine operations were idle at Ben's Creek Complex. The facility has historically produced metallurgical coal from leased mineral property.

There are currently no auger, highwall miner, or underground mines operating on the Property as of April 30, 2021. Based on the mine plans developed by MM&A for this CPR, mine production is projected to begin at one underground mine in October 2021, a second underground mine in January 2022, and peak at 0.44 million tons in 2025. The two underground reserves will be depleted in 2028.

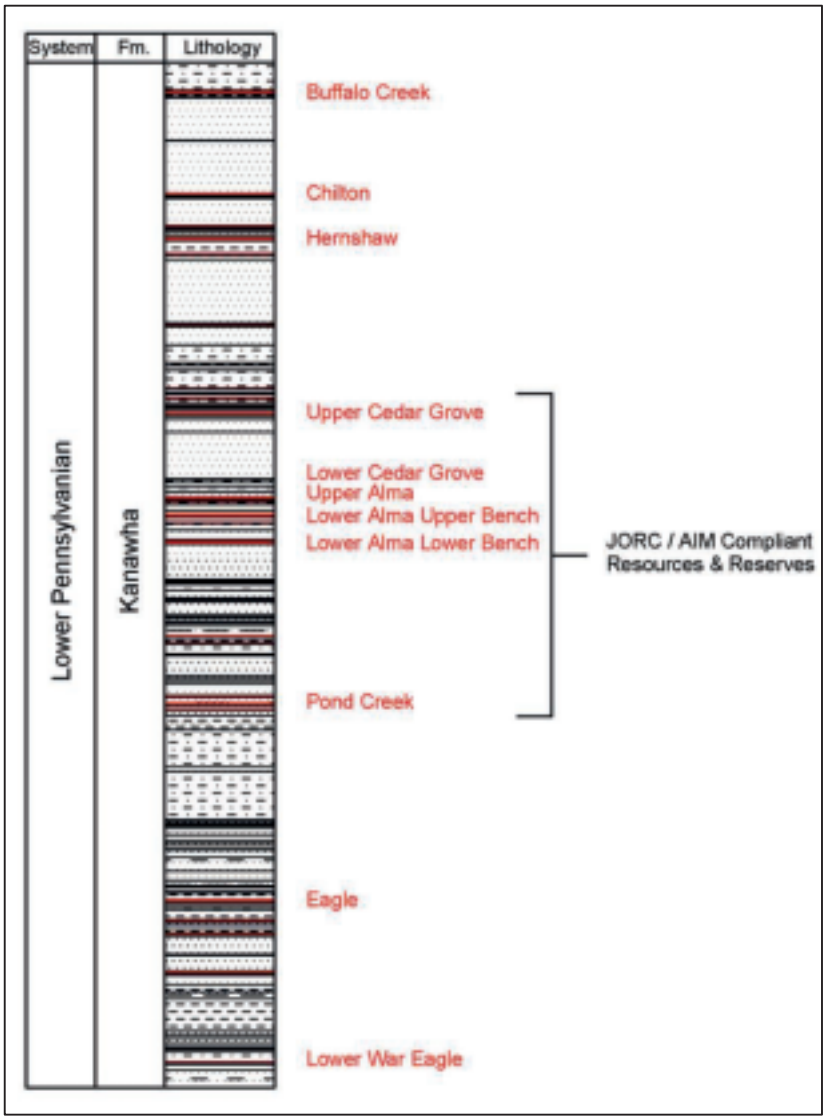
The Ben's Creek Complex also includes the Preparation Plant in addition to the mines. The plant site includes raw coal storage, clean coal storage, a railroad loadout, and refuse disposal area. The plant has a feed rate capacity of 500 raw tons per hour.

1.6 Mineral Resource

Mineral resources, representing in-situ coal in which a portion of reserves are derived, are presented below. A coal resource estimate, summarized in *Table 1-1*, was prepared as of April 30, 2021, for property controlled by Ben's Creek.

Seams previously mined or with remaining resource/reserve potential include, in descending stratigraphic order include: Upper Cedar Grove, Lower Cedar Grove, Lower Alma (Upper Bench), Lower Alma (Lower Bench), and Pond Creek. Those seams with JORC / AIM resources and reserves that are the subject of this report are identified on the stratigraphic column shown below.

Figure 1-2: Ben's Creek Generalized Stratigraphic Column



(not to scale)

Table 1-1: Coal Resources Summary as of April 30, 2021 (Mt)

Area	Coal Resource (Dry Tons, In Situ, MT)				Resource Quality (Dry)		
	Measured	Indicated	Inferred	Total	Ash%	Sulfur%	VM%
Included in Mine Plan	7.14	3.04	0.00	10.18			
Exclusive of Mine Plan	5.56	1.40	0.06	7.03			
Total 4/30/2021	**12.70**	**4.44**	**0.06**	**17.20**	**16**	**1.3**	**31**

Note 1: Resource tons are inclusive of reserve tons since they include the in-situ tons from which recoverable coal reserves are derived. Totals may not add due to rounding.
Note 2: Coal resources are reported on a dry basis. Surface moisture and inherent moisture are excluded.
Note 3: The Property has 6.97 Mt of dry, in-place measured and indicated resource tons exclusive of reserves as of April 30, 2021.
Note 4: Resource Quality for Seams Lacking Raw Coal Quality Data Calculated by Assuming Reject Material is 100% Ash, 0% Volatile, and Equivalent Sulfur to Clean Coal Product

1.7 Mineral Reserve

Reserve tonnage estimates provided herein report coal reserves derived from the in-situ resource tons presented in *Table 1-1*, and not in addition to coal resources. Proven and probable coal reserves were derived from the defined coal resource considering relevant mining, processing, infrastructure, economic (including estimates of capital, revenue, and cost), marketing, legal, environmental, socio-economic and regulatory factors. The Resource estimate has been used as the basis for this Reserve calculation, which utilizes a reasonable Preliminary Feasibility Study, a Life-of Mine (*LOM*) Mine Plan and practical recovery factors. Production modeling was completed with an effective start date of April 30, 2021.

Factors that would typically preclude conversion of a coal resource to coal reserve, which include the following: inferred resource classification; absence of coal quality; poor mine recovery; lack of access; geological encumbrances associated with overlying and underlying strata; seam thinning; structural complication; and insufficient exploration have all been considered. Reserve consideration excludes those portions of the resource area, which exhibit the aforementioned geological and operational encumbrances.

Coal reserves are presented on a ROM basis in *Table 1-2*. Proven and probable coal reserves were derived from the defined in-situ coal resource considering relevant processing, economic (including technical estimates of capital, revenue and cost), marketing, legal, environmental, socioeconomic, and regulatory factors.

Table 1-2: Coal ROM[1] (Moist) Summary as of April 30, 2021 (Mt)

	Demonstrated Coal Reserves (Mt, Moist ROM)									
	By Reliability Category			By Mining Type		By Control Type		Quality (Dry)		
Area / Mine	Proved	Probable	Total	Surface	UG	Owned	Leased	Ash	Sulfur	Vol
Ben's Creek Complex	3.68	1.52	5.20	0.00	5.20	0.28	4.92	58	0.9	16

Note 1: Includes dilution. Totals may not add due to rounding.

The proven and probable Marketable coal reserves on the Property are summarized below in *Table 1-3*.

Table 1-3: Coal Reserves Summary (Marketable Sales Basis) as of April 30, 2021 (Mt)

	Demonstrated Coal Reserves (Wet Tons, Washed or Direct Shipped, MT)									
	By Reliability Category			By Mining Type		By Control Type		Quality (Dry Basis)		
Property	Proven	Probable	Total	Surface	UG	Owned	Leased	Ash%	Sulfur%	VM%
Ben's Creek Complex	1.68	0.65	2.34	0.00	2.34	0.12	2.21	6	0.9	35

Note 1: Marketable reserve tons are reported on a moist basis, including a combination of surface and inherent moisture. The combination of surface and inherent moisture is modeled at 6-percent. Actual product moisture is dependent upon multiple geological factors, operational factors, and product contract specifications and can exceed 8-percent. As such, the modeled moisture values provide a level of conservatism for reserve reporting. Totals may not add due to rounding.

Note 2: Clean Coal Volatiles for Seams Lacking Data Assumed to be 35.5%

In summary, Ben's Creek controls a total of 2.34 Mt (moist basis) of marketable coal reserves, as of April 30, 2021. Of that total, 72 percent are proven, and 28 percent are probable. Approximately 2.34 Mt of reserves are considered to be suitable for the metallurgical coal market.

1.8 AIM Recoverable Reserves and Resources

In contrast to the reporting requirements of the *JORC Code*, the AIM report format requires that recoverable reserves and resources be identified in a single summary table, hence the inclusion of *Table 1-4* below. Since this CPR covers coal resources and reserves instead of metal ore, the table below was modified to eliminate grade and contained metal columns included in *Appendix 3* of the June 2009 AIM Mining Guidance Note. Resources and reserves for the Lower Alma Lower Bench and Pond Creek seams are shown.

Table 1-4: AIM Coal Recoverable Reserves and Resources (Tons x 1,000)

	Lower Alma LB		Pond Creek		Total	
Category	Gross	Net Attributable	Gross	Net Attributable	Gross	Net Attributable
Reserves[1]						
Proven	1,139	1,139	546	546	1,685	1,685
Probable	350	350	302	302	651	651
Subtotal	1,489	1,489	847	847	2,336	2,336
Resources[2]						
Measured	0	0	0	0	0	0
Indicated	0	0	0	0	0	0
Inferred	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Grand Total						
	1,485	**1,485**	**852**	**852**	**2,336**	**2,336**

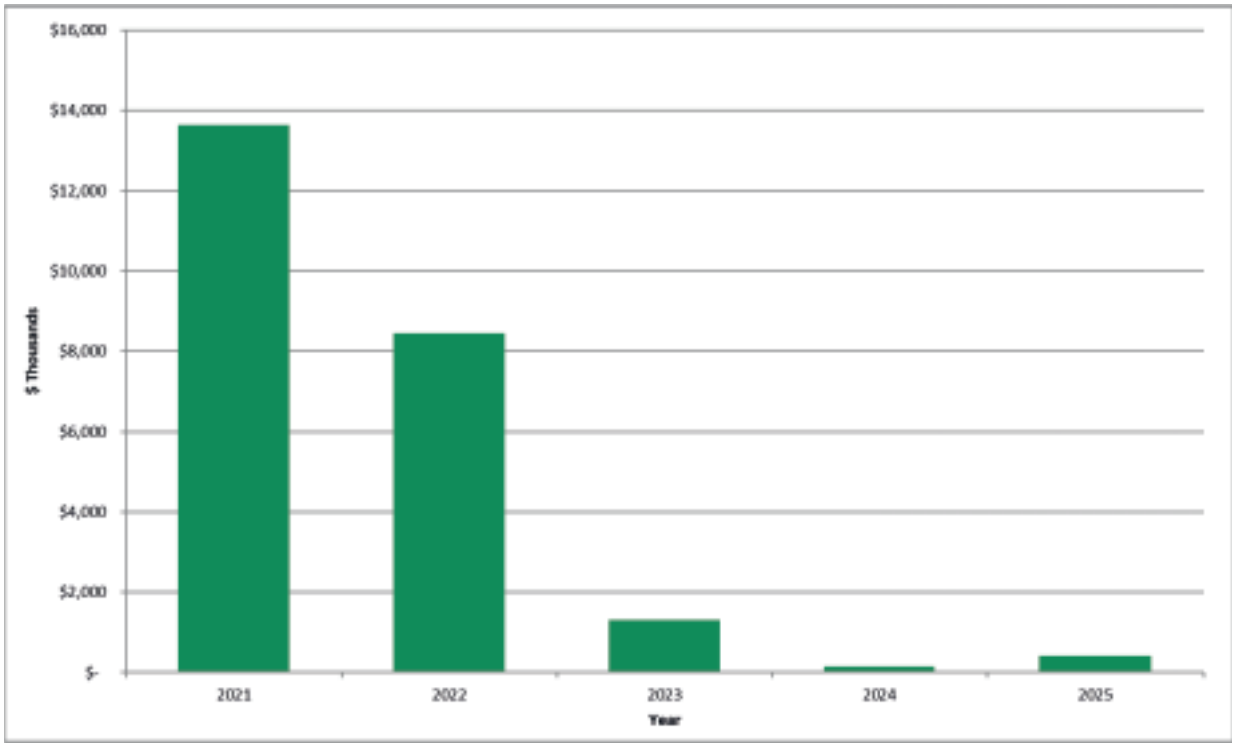
Note:

1 Reserves reported on *Table 1-4* are in-ground, recoverable tons
2 No recoverable Resources estimated.
3 Estimates were prepared by Marshall Miller & Associates, Inc. under the direction of the aforementioned CPs.
4 Proven and probable coal reserves were derived from the defined coal resource considering relevant mining, processing, infrastructure, economic (including estimates of capital, revenue, and cost), marketing, legal, environmental, socio-economic and regulatory factors.

1.9 Capital Summary

Ben's Creek personnel provided MM&A with an inventory of operating equipment available at the Ben's Creek Operation. MM&A's capital schedules assume that major equipment rebuilds occur over the course of each machine's remaining assumed operating life. Replacement equipment was scheduled based on MM&A's experience and knowledge of mining equipment and industry standards with respect to the useful life of such equipment. A summary of the estimated capital for the Property is provided in *Figure 1-3* below.

Figure 1-3: CAPEX



1.10 Operating Costs

Ben's Creek provided preliminary 3-year projections of operating costs for its projected mines for MM&A's review. MM&A used the budget cost information as a reference and developed personnel schedules for each mine. Hourly labor rates and salaries were based upon similar operations in the Central Appalachian Basin. Fringe benefit costs were developed for vacation and holidays, federal and state unemployment insurance, retirement, workers' compensation and pneumoconiosis, casualty and life insurance, healthcare and bonuses.

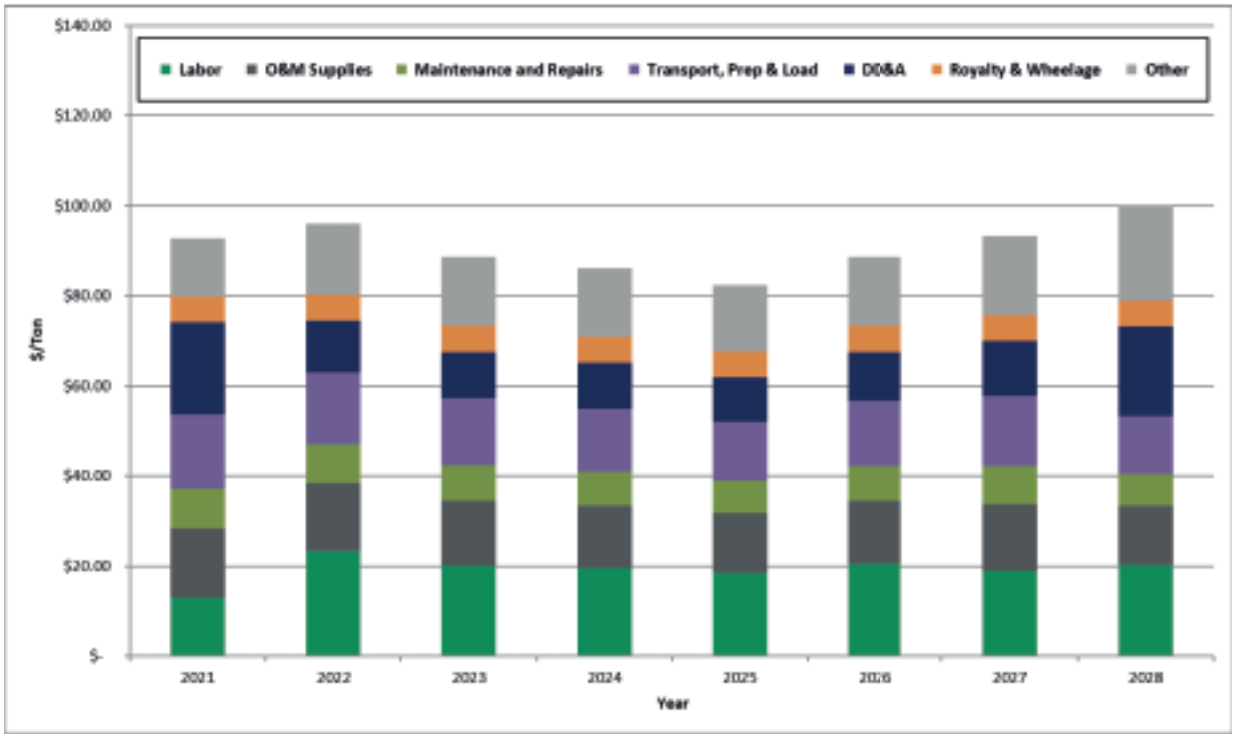
For the underground operations, a cost factor for mine supplies was developed that relates expenditures to mine advance rates for roof control costs and other mine supply costs at underground mines. Other factors were developed for maintenance and repair costs, rentals, mine power, outside services and other direct mining costs.

Operating costs factors were also developed for the coal preparation plant processing, refuse handling, coal loading, property taxes, and insurance and bonding.

Appropriate royalty rates were assigned for production from leased coal lands and sales taxes were calculated for state severance taxes, the federal black lung excise tax, and federal and state reclamation fees.

A summary of the projected operating costs for the Property is provided in *Figure 1-4*.

Figure 1-4: OPEX



1.11 Economic Evaluation

The pre-feasibility financial model prepared for this CPR was developed to test the economic viability of the coal resource area. The results of this financial model are not intended to represent a bankable feasibility study, required for financing of any current or future mining operations contemplated for the Ben's Creek properties, but are intended to establish the economic viability of the estimated coal reserves. Cash flows are simulated on an annual basis based on projected production from the coal reserves. The discounted cash flow analysis presented herein is based on an effective date of January 1, 2021.

On an un-levered basis, the NPV of the project cash flow after taxes represents the Enterprise Value of the project. The project cash flow, excluding debt service, is calculated by subtracting direct and indirect operating expenses and capital expenditures from revenue. Direct costs include labor, operating supplies, maintenance and repairs, facilities costs for materials handling, coal preparation, refuse disposal, coal loading, reclamation and general and administrative costs. Indirect costs include statutory and legally agreed upon fees related to direct extraction of the mineral. The indirect costs are the Federal black lung tax, Federal and State reclamation taxes, property taxes, coal production royalties, and income taxes.

Table 1-5 shows LOM tonnage, P&L, and EBITDA for Ben's Creek.

Table 1-5: Life-of-Mine Tonnage, P&L before Tax, and EBITDA (000)

	LOM Tons	LOM Pre-Tax P&L	P&L Per Ton	LOM EBITDA	EBITDA Per Ton
Pond Creek	847	$16,780	$19.81	$26,070	$30.77
Lower Alma	1,489	$42,730	$28.70	$60,067	$40.35
Grand Total	**2,336**	**$59,510**	**$25.47**	**$86,137**	**$36.87**

As shown in *Table 1-4,* the Ben's Creek operations show positive EBITDA over the LOM. Overall, the Ben's Creek consolidated operations show positive LOM P&L and EBITDA of $59.5 million and $86.1 million, respectively.

Ben's Creek's consolidated cash flow summary in constant dollars, excluding debt service, is shown in *Table 1-6* below.

Table 1-6: Project Cash Flow Summary (000)

	Total	YE 12/31 2021	YE 12/31 2022	YE 12/31 2023	YE 12/31 2024	YE 12/31 2025	YE 12/31 2026
Production & Sales tons	2,336	20	349	404	414	438	396
Total Revenue	$268,645	$2,252	$40,096	$46,509	$47,611	$50,324	$45,568
EBITDA	$86,137	$836	$10,630	$14,858	$16,226	$18,572	$14,761
Net Income	$46,776	$435	$5,667	$8,726	$9,427	$10,879	$7,845
Net Cash Provided by Operating Activities	$73,403	$734	$8,289	$13,007	$14,300	$15,662	$13,754
Purchases of Property, Plant, and Equipment	($23,960)	($13,639)	($8,451)	($1,309)	($143)	($418)	$0
Net Cash Flow	$49,443	($12,906)	($161)	$11,698	$14,157	$15,244	$13,754
	YE 12/31 2027	**YE 12/31 2028**	**YE 12/31 2029**	**YE 12/31 2030**	**YE 12/31 2031**	**YE 12/31 2032**	**YE 12/31 2033**
Production & Sales tons	215	100	0	0	0	0	0
Total Revenue	$24,746	$11,539	$0	$0	$0	$0	$0
EBITDA	$7,297	$3,503	($311)	($125)	($63)	($30)	($16)
Net Income	$3,773	$1,113	($622)	($249)	($126)	($61)	($31)
Net Cash Provided by Operating Activities	$8,139	$5,276	($3,435)	($1,162)	($606)	($278)	($278)
Purchases of Property, Plant, and Equipment	$0	$0	$0	$0	$0	$0	$0
Net Cash Flow	$8,139	$5,276	($3,435)	($1,162)	($606)	($278)	($278)

Consolidated cash flows are driven by annual sales tonnage, which at steady-state level ranges from a peak of 0.44 million tons in 2025 to a low of 0.22 million in 2027. Projected consolidated revenue ranges from $24.8 million to $50.3 million at steady state. Revenue totals $268.6 million for the project's life.

Consolidated cash flow from operations is positive throughout the projected operating period, with the exception of post-production years, due to end-of-mine reclamation spending. Consolidated cash flow from operations peaks at $15.7 million in 2025 and totals $73.4 million over the project life. Capital expenditures total $24.0 million over the project's life.

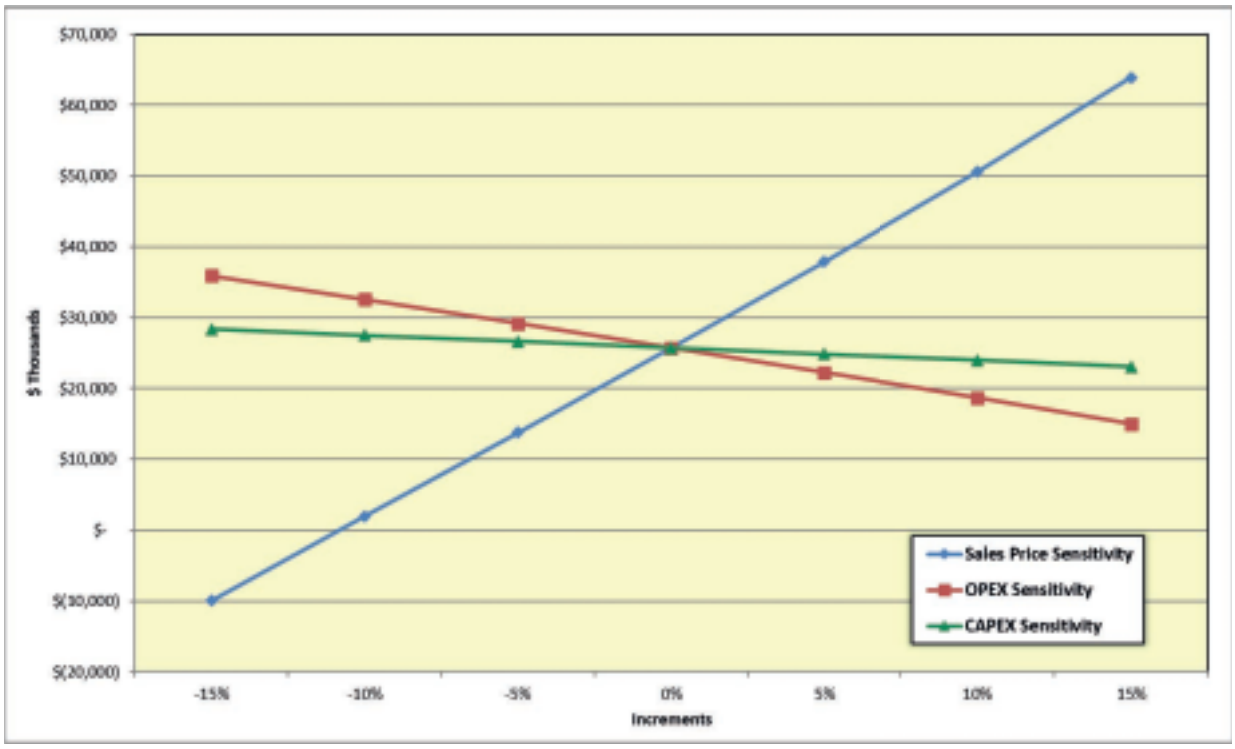
1.11.1 Discounted Cash Flow Analysis

Cash flow after tax, but before debt service, generated over the life of the project was discounted to NPV at a 12.69% discount rate, which represents MM&A's estimate of the constant dollar, risk adjusted WACC for likely market participants if the subject reserves were offered for sale. On an un-levered basis, the NPV of the project cash flows represents the Enterprise Value of the project and amounts to $25.7 million. The pre-feasibility financial model prepared for the CPR was developed to test the economic viability of each coal resource area. The NPV estimate was made for purposes of confirming the economics for classification of coal reserves and not for purposes of valuing Ben's Creek or its assets. No other real estimate, equipment or fixture-related assets which may be owned by Ben's Creek are included in this CPR. Mine plans were not optimized, and actual results of the operations may be different, but in all cases, the mine production plan assumes the properties are under competent management.

1.11.2 Sensitivity Analysis

Sensitivity of the NPV results to changes in the key drivers is presented in the chart below. The sensitivity study shows the NPV at the 12.69% discount rate when Base Case sales prices, operating costs, and capital costs are increased and decreased in increments of 5% within a +/- 15% range.

Figure 1-5: Sensitivity of NPV



As shown, NPV is quite sensitive to change in sales price and operating cost estimates, and slightly sensitive to changes in capital cost estimates.

1.12 Permitting

Ben's Creek reports that it has obtained all mining and discharge permits to operate its currently idle Pond Creek Mine and processing, loadout or related support facilities. A permit modification is necessary to establish a new portal location on the Lower Alma 2 mine permit. Updated mining plans with the US Department of Labor, Mine Safety and Health Administration and the West Virginia Office of Miners' Health, Safety and Training will be required before operations resume. MM&A is unaware of any obvious or current Ben's Creek permitting issues that are expected to prevent the issuance of future permits. Ben's Creek, along with all coal producers, is subject to a level of uncertainty regarding future clean water permits due to **United States Environmental Protection Agency (*EPA*)** involvement with state programs.

1.13 Conclusion and Recommendations

Sufficient data has been obtained through various exploration and sampling programs and mining operations to support the geological interpretations of seam structure and thickness for coal horizons situated on the Ben's Creek Property. The data is of sufficient quantity and reliability to reasonably support the coal resource and coal reserve estimates in this CPR.

The geological data and preliminary feasibility study, which consider mining plans, revenue, and operating and capital cost estimates are sufficient to support the classification of coal reserves provided herein.

This geologic evaluation conducted in conjunction with the preliminary feasibility study concludes that the 2.3 Mt of marketable coal reserves identified on the Property are economically mineable under reasonable expectations of market prices for metallurgical coal products, estimated operation costs, and capital expenditures. Given that this is the first CPR for Ben's Creek, a statement describing material change is not applicable.

2 Introduction

2.1 Addressees and Terms of Reference

This report was prepared for and is addressed to **Allenby Capital** and may be relied on by them, MBU and Ben's Creek. The report provides a statement of coal resources and coal reserves for Ben's Creek, as defined under the ***Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves*** (***JORC Code***). This report was also prepared in accordance with the ***Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets*** (***VALMIN Code***). This report also satisfies the requirements of a **Competent Person's Report (*CPR*)** under the **London Stock Exchange's AIM Market's (*AIM*)** Rules for Companies and June 2009 Note for Mining, Oil and Gas Companies (*Mining Guidance Note*).

The report provides a statement of coal reserves for Ben's Creek. Exploration results and Resource calculations were used as the basis for the mine planning and the preliminary feasibility study completed to determine the extent and viability of the reserve.

Coal resources and coal reserves are herein reported in US customary units of measurement.

2.2 Information Sources

The Competent Person Report is based on information provided by Ben's Creek and reviewed by Michael G. McClure, CPG; Timothy J. Myers, PE; Justin S. Douthat, PE, MBA; and Steven A. Keim, PhD, PE.

MBU engaged MM&A to conduct a coal reserve evaluation of the Ben's Creek coal properties as of April 30, 2021. For the evaluation, the following tasks were to be completed:

> Conduct site visits of the property and mine infrastructure facilities, the most recent being on 13 April 2021;

> Incorporate publicly-available geologic and mining data including, but not limited to: mine depletion, seam outcrops, permit boundaries, digital topography, and scanned mine maps;

> Utilize information from current and previous geologic investigations on the Property including drilling records, coal quality data, geophysical logging, mine maps, and interviews with operations staff at the mine site and at MM&A's offices; process information supporting the estimation of coal resources and reserves into geological models;

> Develop life-of-reserve mine (*LOM*) plans and financial models;

> Hold discussions with Ben's Creek company management; and

> Prepare and issue a Competent Person Report Summary providing a statement of coal reserves which would include:

- A description of the mines and facilities.
- A description of the evaluation process.
- An estimation of coal reserves with compliance elements as stated under the JORC Code and the AIM standards.

2.3 Personal Inspections

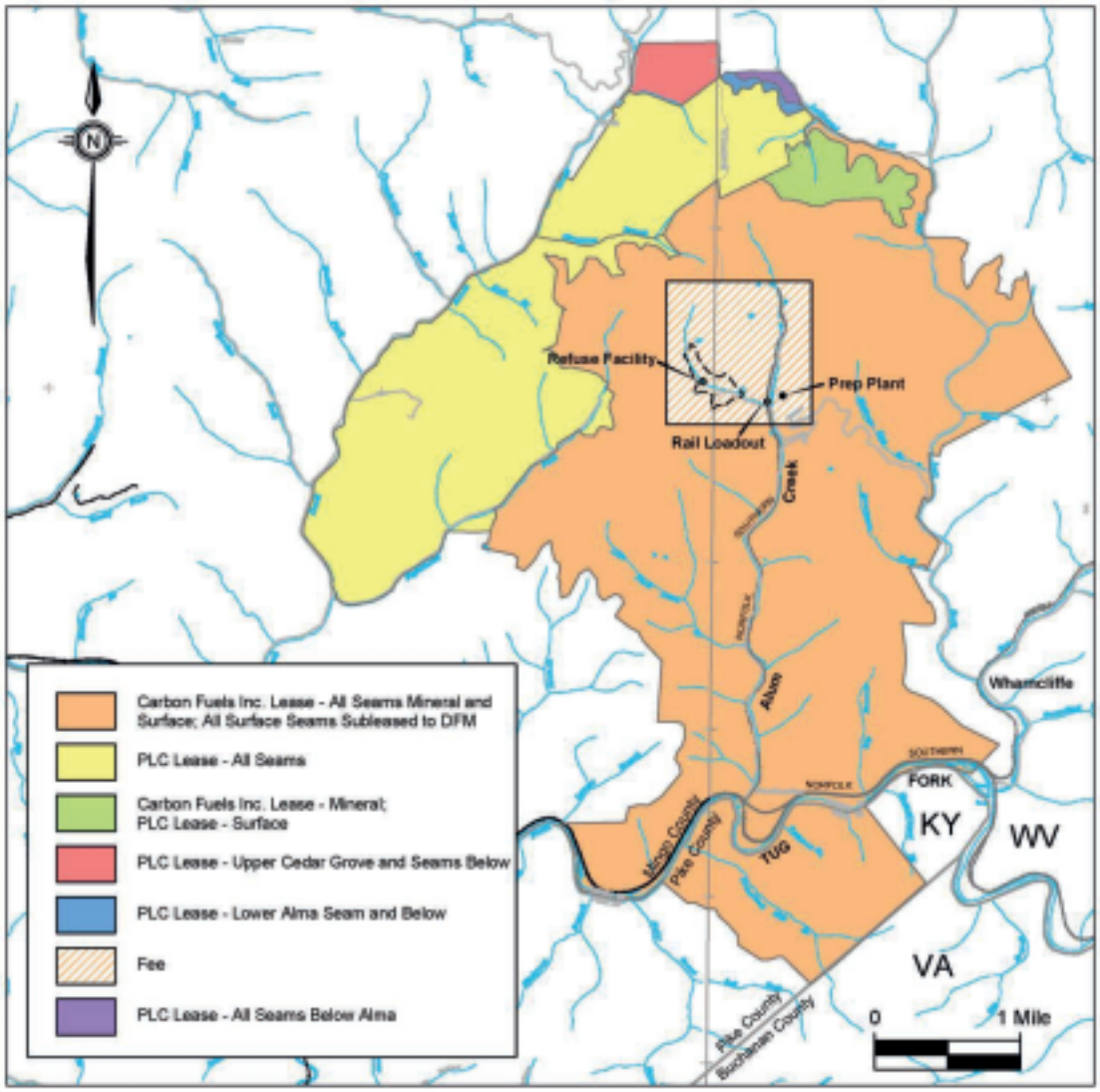
MM&A is very familiar with the Ben's Creek Complex, having provided a variety of services in recent years and CP's involved in this CPR have conducted multiple site visits. A Site Visit of the facility including the preparation plant and an active exploration drilling project was made on April 13, 2021 by Myers and McClure, both of whom are authors of the report.

3 Property Description

3.1 Location

The Ben's Creek properties are located in the southern part of the state of West Virginia and eastern edge of the Commonwealth of Kentucky, in the central Appalachian Basin of the eastern United States. The Ben's Creek Operations property is located primarily in Mingo County, West Virginia with a small portion of the property being located in Pike County, Kentucky. The subject property lies between the Tug Fork and Guyandotte Rivers immediately northwest of Wharncliffe on the Tug Fork River and west of Gilbert on the Guyandotte River.

Figure 3-1: Ben's Creek Property Location Map



As shown on *Figure 3-1*, the subject property is comprised of seven adjacent tracts which are controlled through a series of lease agreements, along with a lesser amount of surface, mineral, and fee ownership, as described below:

1. Ben's Creek (Carbon Fuels Inc. Lease) – All seams – Mineral and Surface seams subleased to DFM
2. Ben's Creek (PLC Lease) – All Seams
3. Ben's Creek (Carbon Fuels Inc. Lease – Mineral; and PLC Lease – Surface)
4. Ben's Creek (PLC Lease) – Upper Cedar Grove and Seams Below
5. Ben's Creek (PLC Lease) – Lower Alma Seam and Below
6. Ben's Creek – Fee (which includes the Refuse Facility, Rail Loadout, and Preparation Plant)
7. Ben's Creek (PLC Lease) – All Seams Below Alma

This property is bifurcated by a spur of the **Norfolk Southern (*NS*)** railroad. The partially constructed King Coal Highway is located along the northern edge of the property (see *Map* 1.)

Table 3-1: AIM Summary Table of Assets

Asset	Holder	Interest (%)	Status	License Expiry Date*	License Area*	Comments
Various PLC Leases (USA)	Ben's Creek Carbon, LLC (wholly owned by MBU)	100%	Development	March 3, 2028	10,696 acres	Multiple leases
Various Carbon Fuels Leases (USA)				May 13, 2024		Multiple leases
Various Fee Ownership Tracts (USA)				n/a		Tracts contain infrastructure for production
Coal Preparation Plant, Refuse Facility & Rail Loadout (USA)				n/a	n/a	Requires rehabilitation for execution of business plan

3.2 Titles, Claims or Leases

The Property is composed of 10,696 total acres, of which 629 acres are held in fee, and the remaining 10,067 acres are leased from various lessors. MM&A has not carried out a separate title verification for the coal properties and has not verified leases, deeds, surveys, or other property control instruments pertinent to the subject resources. Tenure was separately reviewed by Ben's Creek's legal advisors. Ben's Creek has represented to MM&A that it controls the mining rights to the reserves as

shown on its property maps, and MM&A has accepted these as being a true and accurate depiction of the mineral rights controlled by Ben's Creek. The CPR assumes the Property is developed under responsible and experienced management.

3.3 Mineral Rights

Ben's Creek supplied property control maps to MM&A related to properties for which mineral and/or surface property are controlled by Ben's Creek. While MM&A accepted these representations as being true and accurate, MM&A has no knowledge of past property boundary disputes or other concerns, through past knowledge of the Property, that would signal concern over future mining operations or development potential (see *Appendix C*, *Map 1*).

Property control in Appalachia can be intricate. Coal mining properties are typically composed of numerous property tracts which are owned and/or leased from both land holding companies and private individuals or companies. It is common to encounter severed ownership, with different entities or individuals controlling the surface and mineral rights. Mineral control in the region is typically characterized by leases or ownership of larger tracts of land, with surface control generally comprised of smaller tracts, particularly in developed areas.

Legal mining rights may reflect a combination of fee or mineral ownership and fee or mineral leases of coal lands through various surface and mineral lease agreements. Control of the surface property is necessary to conduct surface mining but is not necessary to conduct underground mining.

3.4 Encumbrances

No Title Encumbrances are known. By assignment, MM&A did not complete a query related to Title Encumbrances.

3.5 Other Risks

There is always risk involved in property control. As is common practice, Ben's Creek, and its predecessors, have had their legal teams examine the deeds and title control in order to minimize this risk. Historically, property control has not posed any significant challenges related to Ben's Creek's operations.

4 Accessibility, Climate, Local Resources, Infrastructure and Physiography

4.1 Topography, Elevation and Vegetation

Topography of the area surrounding the Ben's Creek Operations complex is typical of the Central Appalachian Plateau's physiographic province, being rugged and deeply dissected by V-shaped river

valleys and flanked by steep-sided upland regions. Slopes in the area are mostly steep to very steep with some gently sloping with relatively narrow ridges. Surface elevations near the mine complex range from approximately 1,136 feet above sea level at the railroad loadout to approximately 2,200 feet at ridge tops. The area is heavily vegetated and has a significant amount of hardwood forests. The property is not situated near any major urban centers.

4.2 Access and Transport

There is general access to the Ben's Creek property via a network of primary, secondary, and unimproved roads. The nearest major highway is US Highway 52. This is a historic 2-lane highway that travels through mountainous terrain with limited speed restrictions due to travelling through small towns. US Highway 52 connects to Interstate 77 at Bluefield, WV to the east and to Interstate 64 to the northwest at Huntington, WV. US Highway 52 meets US Highway 119 at Nolan. US Highway 119 is a modern 4-lane divided highway that runs to Charleston, WV where Interstate Highways 64 , 77 and 79 converge.

Numerous secondary and unimproved roads provide direct access to the mine property, some being federal-, state-, and county-maintained. These include County Route 8/1 which follows the Left Fork of Ben's Creek and County Route 10/1, a gravel road running over the ridge from Ben's Creek to Alum Creek at the facility location. These roads typically stay open throughout the year. Within the property, unimproved roads are utilized to access gas wells and surface based deep mine infrastructure.

The railroad loadout area and a Norfolk Southern rail line serve as the primary transport means of processed coal. The 3.2-mile rail spur connects to the Norfolk Southern mainline that runs from the Atlantic Ocean at Norfolk, Virginia to the Great Lakes at Sandusky, Ohio. This rail corridor has historically been involved in the providing metallurgical coal shipments to domestic customers in the Cleveland, Pittsburgh and Chicago areas as well as global customers through the port facilities at Norfolk, Virginia.

4.3 Proximity to Population Centers

The Ben's Creek Operation is located near the towns of Gilbert (population 387) and Matewan (population 424) in Mingo County, West Virginia. There are no large population centers within close proximity. The nearest major population centers are Charleston, West Virginia (80 miles north) and Huntington, West Virginia (102 miles northwest). As of the 2010 census, Mingo County had 26,839 residents. Williamson serves as the County Seat and has an estimated population of 2,676 as of 2019.

4.4 Climate and Length of Operating Season

The climate of the region is classified as humid continental with four distinct seasons: warm summers, cold winters, and moderate fall and spring seasons. Precipitation in the region is consistent throughout the year, approximately 3 to 5 inches per month, with the most rain falling in spring and the early months of summer. Average yearly precipitation is 42.9 inches. Summer months typically begin in late

May and end in early September and range in average temperature from 50 to 83 degrees Fahrenheit. Winters typically begin in mid to late November and run until mid to late March with average temperatures ranging from 23 to 54 degrees Fahrenheit. Precipitation in the winter typically comes in the form of snowfall or as a wintery mix (sleet and snow) with severe snowfall events occurring occasionally. Seasonal variations in climate typically do not affect underground mining in West Virginia. However, weather events could potentially negatively impact efficiency of surface and preparation plant operations on a very limited basis and lasting less than a few days.

4.5 Infrastructure

The Ben's Creek Operations has sources of water, power, personnel, and supplies readily available for use. Personnel have historically been sourced from the surrounding communities in Logan, Mingo Counties in West Virginia and Pike County, Kentucky, and have proven to be adequate in numbers conduct mining operations. As mining is common in the surrounding areas, the workforce is generally familiar with mining practices, and many are experienced miners. Water is sourced locally from public water sources or rivers, and electricity is sourced from **Appalachian Power**, a subsidiary of **American Electric Power (*AEP*)**. The service industry in the areas surrounding the mine complex has historically provided supplies, equipment repairs and fabrication, etc. The Preparation Plant has historically served metallurgical coal consumers globally, which is transported via the adjacent Norfolk Southern rail line at the Ben's Creek loadout. Haul roads, primary roads, and conveyor belt systems account for transport from the various mine sites to the preparation plant.

5 History

5.1 Previous Operations

The Ben's Creek property involves a complex combination of previous ownerships. Coal mining in the area has occurred for over a century with mining documented during 1911 by the West Virginia Geologic Survey.

The earliest report of production came from the 1914 West Virginia Geologic Survey County Report for Logan and Mingo Counties. Within that report, the Glen Alum Coal Company reported shipping 273,522 tons for the twelve-month period ending June 30, 1912. This production would have come from hand loaded production from the Lower Cedar Grove Seam. The early mapping indicates two railroad tipples near the town of Glen Alum, the site of the current preparation plant.

Another operating company was the Ames Coal Company. This company was active from the 1950's to the 1960's performing underground mining and contour surface mining with auger mining. Archived mine maps have indicated that Ames was active in several seams during this period.

Some mining activity is documented by small underground operations during the early 1970's thru the 1980's by several small unrelated enterprises.

In 1992, coal entrepreneur Tracy Hylton of the Beckley WV area established a new coal preparation plant at the site above the former town of Glen Alum. Mine production was established from underground mines by a company named Patton Mining. This activity continued until 2004 when Appalachian Fuels LLC started operating the facility.

Appalachian Fuels LLC was followed by KWV Operations LLC in 2007. In 2011, Glen Alum Operations began management of the complex. Underground mining ceased in 2014 and surface mining ceased in 2017.

5.2 Previous Exploration

Exploration in the form of subsurface drilling efforts has been carried out on the Property, most of which was completed prior to the acquisition by Ben's Creek. Diamond core drilling has historically been the primary type of exploration on the Property. Data for correlation and mining conditions are derived from core descriptions and, to a lesser extent, geophysical logging (e-logging). Lithologic records for a total of approximately 85 core holes have been preserved, with an additional 30 outcrop or underground mine measurements. Coal quality testing was also conducted during the exploration process.

Drill records indicate that independent contract drilling operators have typically been engaged to carry out drilling on the Property. MM&A, via its Geophysical Logging Systems subsidiary, has recently logged several core holes on the Property.

6 Geological Setting, Mineralization and Deposit

6.1 Regional, Local and Property Geology

The Property lies in the Central Appalachian Coal basin in the Appalachian Plateau physiographic province.

The coal deposits in the eastern US are the oldest and most extensively developed coal deposits in the country. The coal deposits on the Property are Carboniferous in age, within the strata belonging to Pennsylvanian system. Overall, these Carboniferous coals contain two-fifths of the US's bituminous coal deposits and extend over 900 miles from northern Alabama to Pennsylvania and are part of the *Appalachian Basin*. The Appalachian Basin is more than 250 miles wide and, in some portions, contains over 60 coal seams of varying economic significance. The Property is located within the Central Appalachian Basin.

Seams of economic significance typically range between 1.0 and 6.0 feet in thickness and averaging 2.5 to 3.5 feet thick, with relatively little structural deformation. Regional structure is typically characterized by gently dipping strata to the northwest at less than one percent.

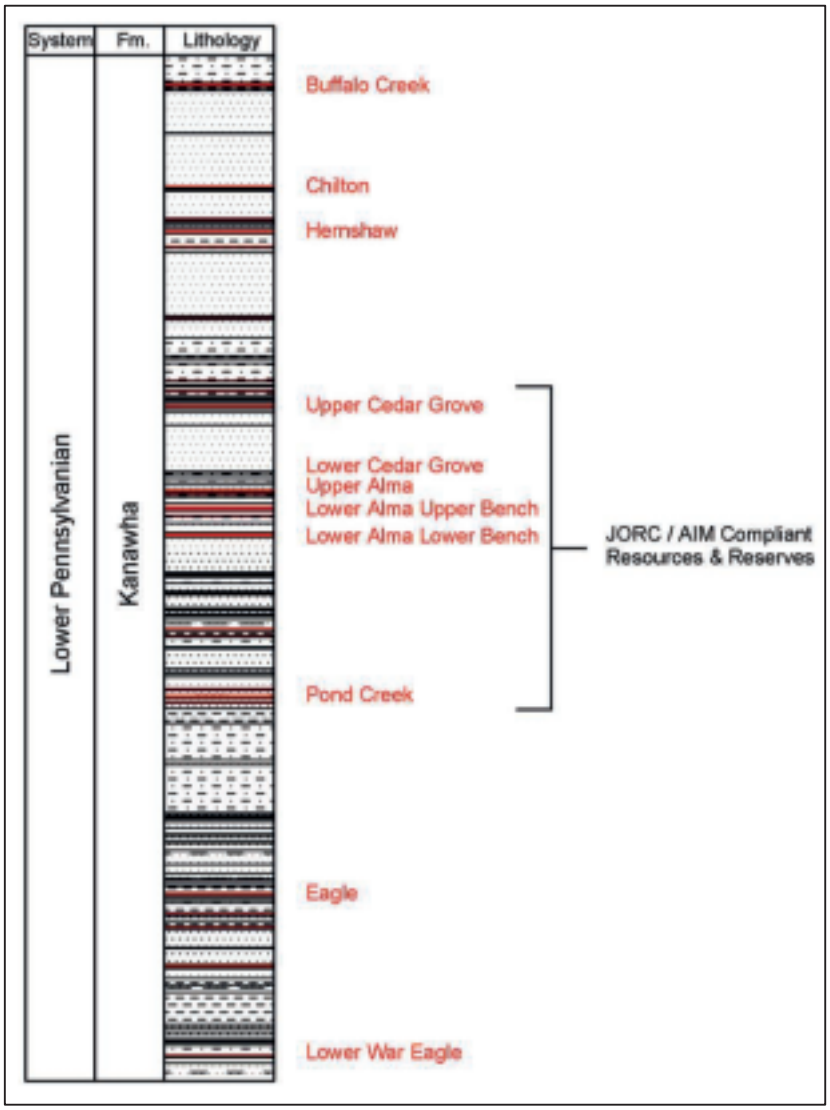
Strata on the Property belong to the Lower Pennsylvanian Kanawha Formation. The rock formations between the coal seams are characterized by large proportions of sandstone interspersed with shale units.

6.2 Mineralization

The generalized stratigraphic columnar section in *Figure 6-1* demonstrates the vertical relationship of the principal coal seams and rock formations on the Property.

Seams previously mined or with remaining resource/reserve potential include, in descending stratigraphic order include: Upper Cedar Grove, Lower Cedar Grove, Lower Alma (Upper Bench), Lower Alma (Lower Bench), and Pond Creek. Those seams with JORC / AIM resources and reserves that are the subject of this report are identified on this exhibit.

Figure 6-1: Ben's Creek Generalized Stratigraphic Column

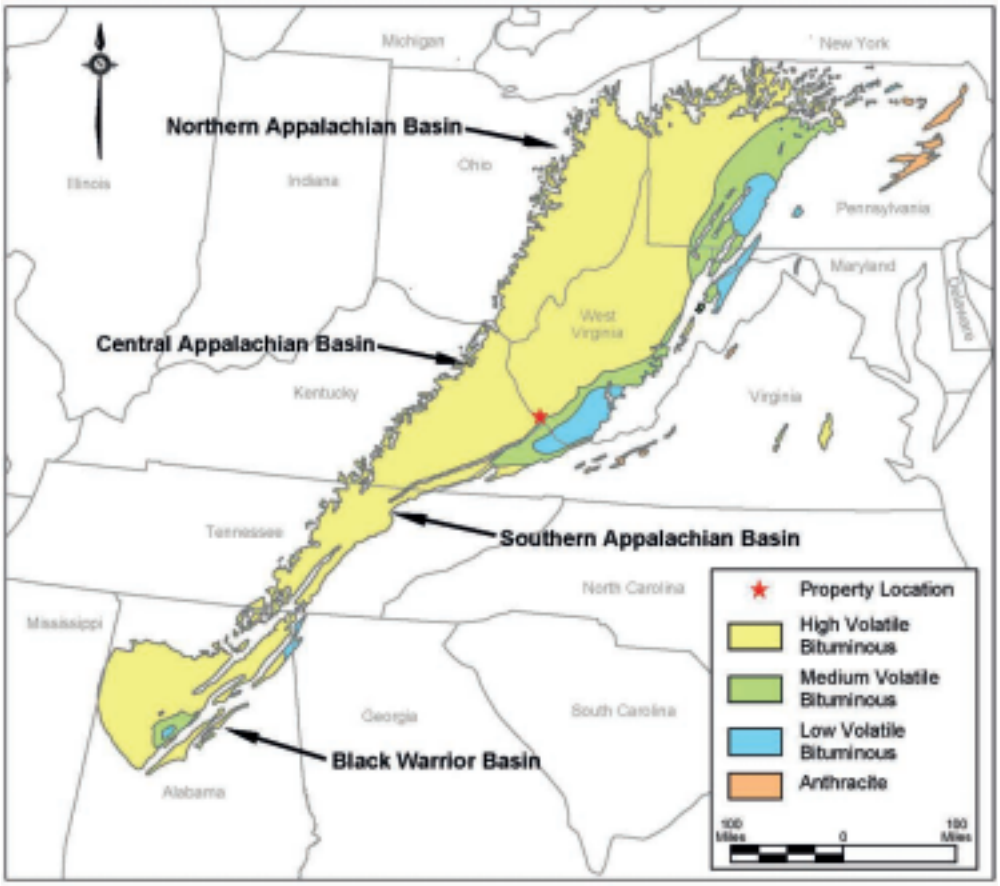


(not to scale)

6.3 Deposits

As illustrated on the regional coal rank map below, coals produced at the Ben's Creek complex are mainly High-Volatile A bituminous rank.

Figure 6-2: Property Index Map with Regional Coal Rank Trends



Due to the competitive value of many of these seams primarily as coking coals, most of the seams have been extensively mined in the past. The strata between the coal seams are characterized by large proportions of sandstone interspersed with shale units. The coal seams reach the highest structural elevations along the southeastern margin of the Property, generally dipping toward the northwest. The seams of interest are situated above drainage throughout the Property.

7 Exploration

7.1 Nature and Extent of Exploration

The Property has been explored by subsurface drilling efforts carried out by numerous entities, most of which were completed prior to acquisition by Ben's Creek.

Exploration in the form of subsurface drilling efforts has been carried out on the Property, most of which was completed prior to the acquisition by Ben's Creek. Diamond core drilling has historically been the primary type of exploration on the Property. Data for correlation and mining conditions are

derived from core descriptions and, to a lesser extent, geophysical logging (e-logging). Lithologic records for total of approximately 85 core holes have been preserved, with an additional 30 outcrop or underground mine measurements. Coal quality testing was also conducted during the exploration process.

Drill records indicate that independent contract drilling operators have typically been engaged to carry out drilling on the Property. MM&A, via its Geophysical Logging Systems subsidiary, has recently logged several core holes on the Property.

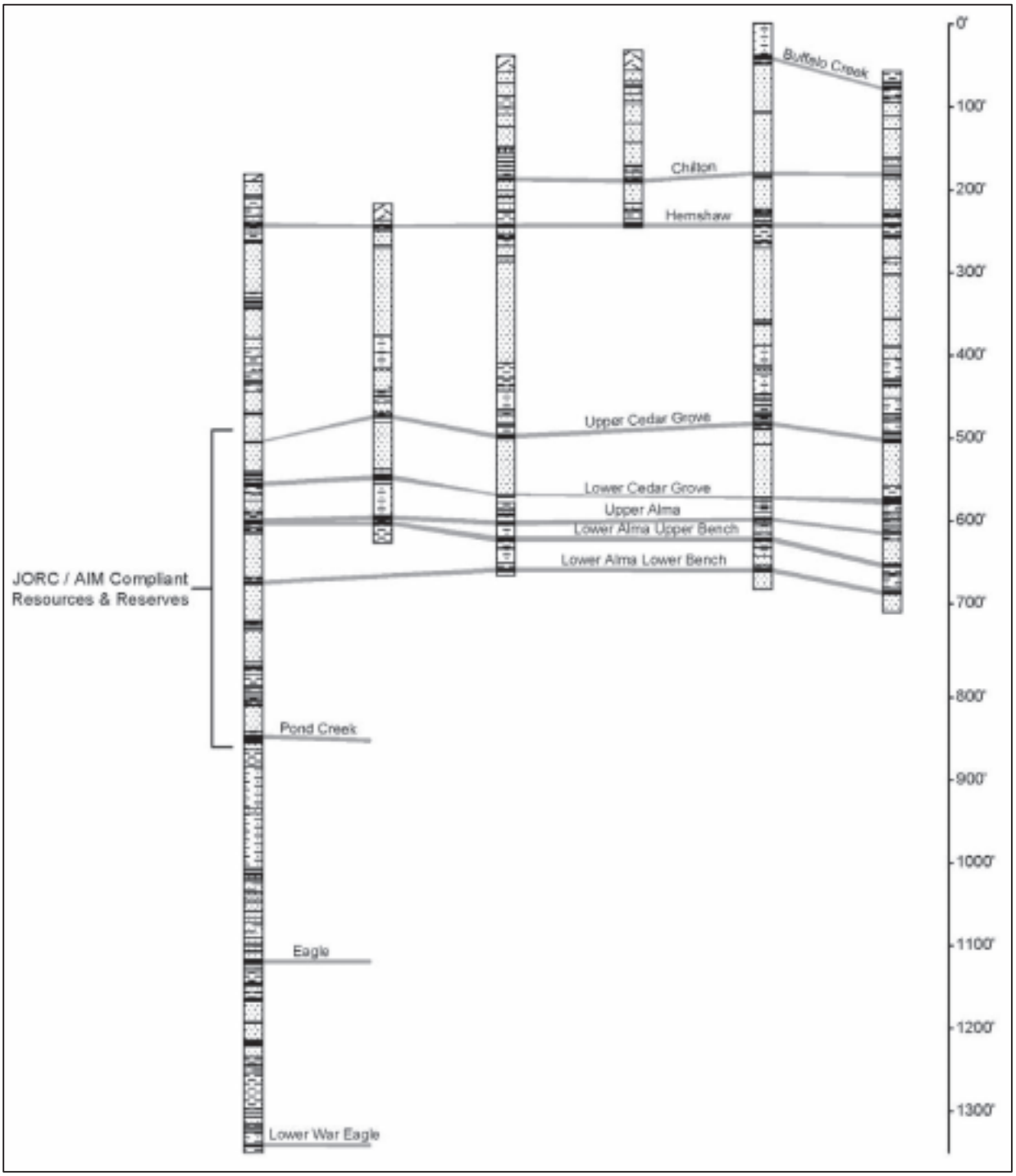
The location of the bore holes and mine measurements is shown on the maps included in *Appendix C.*

The concentration of exploration varies across the Property. In some areas, drilling on the Property has been deemed sufficient for delineation of potential for some deep-mineable resources. In other areas, historical production and associated quality information has been used as a justification for reserve delineation. Additional exploration (including coal quality testing) will be required to adequately identify future surface, highwall miner, as well as other deep-mineable reserves which are not included in this report.

Core logging is typically carried out by experienced drillers; however, most drill hole data come from simplified driller's logs, which often lack specific details regarding geotechnical conditions and specific geology, making floor and roof conditions difficult to determine. Geophysical logging (e-logging) techniques, by contrast, documents specific details useful for geologic interpretation and mining conditions. Given the variability of data-gathering methods, definitive mapping of future mining conditions may not be possible, however, projections and assumptions can be made within a reasonable degree of certainty. A significant effort was put into verifying the integrity of the database. Once this was established, stratigraphic columnar sections were generated using cross-sectional analysis to establish or confirm coal seam correlations.

A typical cross-section is presented in *Figure 7-1.* The coal beds of economic interest occur within a vertical sequence of approximately 400 feet, from the uppermost Upper Cedar Grove seam extending down through the Pond Creek seam. Those seams with JORC / AIM resources and reserves that are the subject of this report are identified on this exhibit.

Figure 7-1: Ben's Creek Geologic Cross-Section



Due to the long history of exploration by various parties on the Property, a wide variety of survey techniques exist for documentation of data point locations. Many of the older exploration drill holes appear to have been located by survey and more recently completed drill holes are often located by

high-resolution Global Positioning System (*GPS*) units. However, some holes appear to have been approximately located using USGS topography maps or other methods which are less accurate. Therefore, discretion had to be used regarding the accuracy for the location and ground surface elevation of some of these older drill holes. In instances where a drill hole location (or associated coal seam elevations) appeared to be inconsistent with the overall structural trend (or surface topography for surface-mineable areas), the data point was not honored for geological modeling. Others with apparently minor variances were adjusted or then used by MM&A.

Surveying of the underground and surface mined areas has been performed by the mine operators and/or their consulting surveyors. By assignment, MM&A did not verify the accuracy or completeness of supplied mine maps but accepted this information as being the work of responsible engineers and surveyors, as required by both State and Federal Law. MM&A has incorporated publicly-available geologic and mining data including, but not limited to: mine depletion, seam outcrops, scanned mine maps (including seam elevation, thickness measurements, and/or other information).

MM&A utilized digital USGS topographic mapping topographic in conjunction with LIDAR mapping provided by Ben's Creek personnel.

7.2 Non-Drilling Procedures and Parameters

Some analyses, specifically various metallurgical quality parameters are not analyzed as often as others in the testing performed on samples recovered by drilling. To supplement the coal quality database, sample records from preparation plant or train shipments have been incorporated. As noted, the favorable metallurgical characteristics of washed coals from the Ben's Creek preparation plant are attested by historical coal shipments exported to various steel-producing clients during the 2012 to 2014 time period, including:

> ArcelorMittal – France

> Essar Steel – Canada

> JFE Steel – Japan

> Liuzhou Iron and Steel – China

> SSI (formerly Tata Steel) – United Kingdom

7.3 Drilling Procedures

Core drilling methods utilize NX-size (nominally 2-inch diameter) or similar-sized core barrels to recover core samples, which can be used to delineate geologic characteristics, and for coal quality testing and geotechnical logging. For core holes, geophysical logs are especially useful in verifying the core recovery of both the coal samples (for assurance that sample is representative of the full seam) and of the roof and floor rock samples (for evaluating ground control characteristics of deep mineable coal seams). In addition to the core holes, rotary drilled holes also exist on most of the Property.

A variety of core logging techniques exist for the Property. For many of the core holes, the primary data source is a generalized lithology description by the driller, occasionally supplemented by a more detailed core log completed by a geologist. These drilling logs were provided to MM&A as a geological database. MM&A geologists were not involved in the production of original core logs but did perform a basic check of information within the provided database.

7.4 Hydrology

Hydrologic testing and forecasting are necessary parts of the permitting process and as such are routinely considered in the mine planning process.

Ben's Creek has a lengthy history of operation with no significant hydrologic concerns or material issues experienced in its history. Future mining is projected to occur in areas exhibiting similar hydrogeological conditions as past mining, the majority of which is above drainage. Based upon the successful history of the operation with regards to hydrogeological features, MM&A assumes that the operation will not be hindered by such issues in the future.

7.5 Geotechnical Data

Mining plans for potential underground mines were developed by Ben's Creek and modified by MM&A to fit current property constraints. Pillar stability was tested by MM&A using the *Analysis of Coal Pillar Stability (ACPS*) program that was developed by the **National Institute for Occupational Safety and Health (*NIOSH*)**. Input analysis included overmining and undermining activity and distance between workings. MM&A reviewed the results from the ACPS analysis and considered it in the development of the LOM plan.

8 Sample Preparation Analyses and Security

8.1 Prior to Sending to the Lab

Most of the coal analytical data has been obtained from the Property by subsurface exploration using core drilling techniques, although as noted, analyses of samples from the Preparation Plant have also been provided. The protocol for preparing and testing the samples has varied over time and is not well documented for the older holes drilled on the Property. Typical US core drilling sampling technique is for the coal core sample, once recovered from the core barrel, to be described then wrapped in a sealed plastic sleeve and placed into a covered core box, which is the length of the sample so that the core can be delivered to a laboratory in relatively intact condition and with original moisture content. The core identification number and the depth are scribed on the sample box lid to identify the sample. This process has been the norm for both historical and ongoing exploration activities at Ben's Creek.

This work is typically performed by the supervising driller, geologist or company personnel. Samples are most often delivered to the company by the driller after each shift or acquired by company

personnel or representatives. Most of the coal core samples were obtained by previous or current operators on the Property. MM&A did not participate in the collection, sampling and analysis of the core samples. However, it is reasonable to assume, given the sophistication level of the previous operators, that these samples were generally collected and processed under industry best-practices. This assumption is based on MM&A's familiarity with the operating companies and the companies used to perform the analysis.

8.2 Lab Procedures

Coal quality testing has been performed over a large number of years by operating companies using different laboratories and testing regimens. Some of the samples have raw analyses and washabilities on the full seam (with coal and rock parting layers co-mingled) and are mainly useful for characterizing the coal quality for projected production from underground and highwall mining. Other samples have coal and rock analyzed separately, the results of which can be manipulated to forecast either surface or underground mining quality. Care has been taken to use only those analyses that are representative of the coal quality parameters for the appropriate mining type for each sample.

Standard procedure upon receipt of core samples by the testing laboratory is to log the depth and thickness of the sample, then perform testing as specified by a representative of the operating company. Each sample is then analyzed in accordance with procedures defined under **American Society for Testing and Materials (*ASTM*)** standards including, but not limited to; washability (ASTM D4371); ash (ASTM D3174); sulfur (ASTM D4239); Btu/lb. (ASTM D5865); volatile matter (ASTM D3175); Free Swell Index (*FSI*) (ASTM D720).

9 Data Verification

9.1 Procedures of Competent Person

MM&A reviewed the Ben's Creek-supplied geologic database. The database consists of data records, which include drill hole information for holes that lie within and adjacent to the Property and records for supplemental coal seam thickness measurements. Upon completion of the database verification, copies of each entry were printed, and cross referenced to the original document for verification. Once the initial integrity of the database was established, stratigraphic columnar sections were generated using cross-sectional analysis to establish or confirm coal seam correlations. Geophysical logs were used wherever available to assist in confirming the seam correlation and to verify proper seam thickness measurements and recovery of coal samples.

After establishing and/or verifying proper seam correlation, seam data control maps and geological cross-sections were generated and again used to verify seam correlations and data integrity. Once the database was fully vetted, seam thickness, base-of-seam elevation, roof and floor lithology, and overburden maps were independently generated for use in the mine planning process.

9.2 Limitations

As with any exploration program, localized anomalies cannot always be discovered. The greater the density of the samples taken, the less the risk. Once an area is identified as being of interest for inclusion in the mine plan, additional samples are taken to help reduce the risk in those specific areas. In general, provision is made in the mine planning portion of the study to allow for localized anomalies that are typically classed more as a nuisance than a hinderance.

9.3 Opinion of Competent Person

Sufficient data has been obtained through various exploration and sampling programs and mining operations to support the geological interpretations of seam structure and thickness for coal horizons situated on the Ben's Creek Property. The data is of sufficient quantity and reliability to reasonably support the coal resource and coal reserve estimates in this CPR.

10 Mineral Processing and Metallurgical Testing

10.1 Testing Procedures

Separate tabulations have been compiled for basic chemical analyses (both raw and washed quality), petrographic data, rheological data and chlorine, ash, ultimate and sulfur analysis. Some of the data categories form the analyses are not as prevalent and have been supplemented by samples collected from preparation plant shipments.

Available coal quality data was tabulated by resource area in a Microsoft® EXCEL workbook and the details of that work are maintained on file at the offices of MM&A. These tables also provide basic statistical analyses of the coal quality data sets, including average value; maximum and minimum values; and the number of samples available to represent each quality parameter of the seam. Coal samples that were deemed by MM&A geologists to be unrepresentative were not used for statistical analysis of coal quality, as documented in the tabulations. A representative group of drill hole samples from the Property were then checked against the original drill laboratory reports to verify accuracy and correctness.

The amount and areal extent of coal sampling for geological data is generally sufficient to represent the quality characteristics of the coal horizons and allow for proper market placement of the subject coal seams. For some of the coal deposits there are considerable laboratory data from core samples that are representative of the full extent of the resource area; and for others there are more limited data to represent the resource area. For example, in the recently active operations with considerable previous mining, there may be limited quality data within some of the remaining resource areas; however, in those cases the core sampling data can be supplemented with operational data from mining and shipped quality samples representative of the resource area.

10.2 Relationship of Tests to the Whole

The sampling and testing procedures typically followed in the Coal Industry result in an excellent correlation between samples and Marketable product. As- shipped analyses of the coal from Ben's Creek were reviewed to verify that the coal quality and characteristics were as expected. The Ben's Creek Property has a long history of saleable production, under various owners, in the high-volatile metallurgical and thermal markets, confirming exploration results.

10.3 Lab Information

Each sample is analyzed at area Laboratories that operate in accordance with procedures defined under ASTM standards including, but not limited to; washability (ASTM D4371); ash (ASTM D3174); sulfur (ASTM D4239); Btu/lb. (ASTM D5865); volatile matter (ASTM D3175); Free Swell Index (*FSI*) (ASTM D720).

10.4 Relevant Results

No critical factors have been found that would adversely affect the recovery of the Reserve. Any quality issues that occur, either localized or generally are accounted for in the Marketing Study done for this CPR.

11 Mineral Resource Estimates

MM&A independently created a geologic model to define the coal resources at Ben's Creek. Coal resources were estimated as of April 30, 2021.

11.1 Assumptions, Parameters and Methodology

Geological data was imported into Carlson Mining® (formerly SurvCADD®) geological modelling software in the form of Microsoft® Excel files incorporating, drill hole collars, seam and thickness picks, bottom seam elevations and raw and washed coal quality. These data files were validated prior to importing into the software. Once imported, a geologic model was created, reviewed, and verified with a key element being a gridded model of coal seam thickness. Resource tons were estimated by using the seam thickness grid based on each valid point of observation and by defining resource confidence arcs around the points of observation. Points of observation for Measured and Indicated confidence arcs were defined for all valid drill holes that intersected the seam using standards deemed acceptable by MM&A based on a detailed geologic evaluation. The geological evaluation incorporated an analysis of seam thickness related to regionally-inferred depositional environments, adjacent roof and floor lithologies, and structural influences (including photolineaments).

After validating coal seam data and establishing correlations, the thickness for seams of economic interest was used to generate a geologic model. Due to the relative structural simplicity of the deposits

and the reasonable continuity of the tabular coal beds, the principal geological interpretation necessary to define the geometry of the coal deposits is the proper modeling of their thickness. Both coal thickness and quality data are deemed by MM&A to be reasonably sufficient within the resource areas. Therefore, there is a reasonable level of confidence in the geologic interpretations required for coal resource determination based on the available data and the techniques applied to the data.

Table 11-1 below provides the geological mapping and coal tonnage estimation criteria used for the coal resource and reserve evaluation. These cut-off parameters have been developed by MM&A based on its experience with the Ben's Creek Property and are typical of mining operations in the Central Appalachian coal basin. This experience includes technical and economic evaluations of numerous properties in the region for the purposes of determining the economic viability of the subject coal reserves.

Table 11-1: General Reserve & Resource Criteria

Item	Parameter	Technical Notes & Exceptions*
• **General Reserve Criteria**		
Reserve Classification	Reserve and Resource	Coal resources as reported are inclusive of coal reserves.
Reliability Categories	Reserve (Proven and Probable) Resource (Measured, Indicated & Inferred)	To better reflect geological conditions of the coal deposits, distance between points of observation in conformance with USGS Circular 891 standards for measured, indicated, and inferred.
Effective Date of Resource Estimate	April 30, 2021	Coal resources were updated for depletion based on information from Ben's Creek. Effective date for coal resources is as of April 30, 2021.
Effective Date of Reserve Estimate	April 30, 2021	Coal reserves were updated for depletion based on information from Ben's Creek. Effective date for coal reserves is as of April 30, 2021.
Seam Density	Variable, dependent upon seam characteristics (based on available drill hole quality). In the absence of laboratory data, estimated by (1) assuming specific gravity of 1.30 for coal and 2.25 to 2.5 for rock parting.	
• **Underground-Mineable Criteria**		
Map Thickness	Total seam thickness	
Minimum Seam Thickness	2.50 feet (for reserves)	Typically, 2.00 to <2.50 feet for Resources
Minimum Mining Thickness	4.50 feet	
Minimum Total Coal Thickness	Typically, 2.50 feet	
Minimum In-Seam Wash Recovery	Not a prohibitive factor for reserve delineation	
Wash Recovery Applied to Coal Reserves	Based on average yield for drill holes within reserve area, or in the absence of laboratory washability data, based on estimated visual recovery using specific gravities noted above and 95 percent yield on "clean" coal	
Out-of-Seam Dilution Thickness for Run-of-Mine Tons Applied to Coal Reserves	Based on delta between minimum mining height (54") and seam height	
Mine Barrier	200-foot distance from abandoned mines and sealed or pillared areas.	
Minimum Reserve Tonnage	250,000 recoverable tons for individual area (logical mining unit)	
Minimum Overburden Depth	100 feet	
Minimum Interval to Rider Coal	Considered on a case-by-case basis, depending on interval lithology, etc.	<5.0 feet is resource
Minimum Interval to Overlying or Underlying Reserves	Considered on a case-by-case basis, depending on interval lithology, extent and type of extraction, etc.	Typically, 40 feet

Item	Parameter	Technical Notes & Exceptions*
Minimum Interval to Overlying or Underlying Mined Areas	Considered on a case-by-case basis, depending on interval lithology, extent and type of extraction, etc.	Typically, 30 feet
Adjustments Applied to Coal Reserves	6 percent moisture increase; 5 percent preparation plant inefficiency	

Note: Exceptions for application of these criteria to reserve estimation are made as warranted and demonstrated by either actual mining experience or detailed data that allows for empirical evaluation of mining conditions. Final classification of coal reserve is made based on the pre-feasibility evaluation.

11.2 Competent Person's Estimates

Mineral resources, representing in-situ coal in which a portion of reserves are derived, are presented below. Based on the work described and detailed modelling of the areas considering all the parameters defined, a coal resource estimate, summarized in *Table 11-2*, was prepared as of April 30, 2021, for property controlled by Ben's Creek.

Table 11-2: Coal Resources Summary as of April 30, 2021 (Mt)

Area	Coal Resource (Dry Tons, In Situ, MT)				Resource Quality (Dry)		
	Measured	Indicated	Inferred	Total	Ash%	Sulfur%	VM%
Included in Mine Plan	7.14	3.04	0.00	10.18			
Exclusive of Mine Plan	5.56	1.40	0.06	7.03			
Total 4/30/2021	**12.70**	**4.44**	**0.06**	**17.20**	**16**	**1.3**	**31**

Note 1: Resource tons are inclusive of reserve tons since they include the in-situ tons from which recoverable coal reserves are derived. Totals may not add due to rounding.
Note 2: Coal resources are reported on a dry basis. Surface moisture and inherent moisture are excluded.
Note 3: The Property has 6.97 Mt of dry, in-place measured and indicated resource tons exclusive of reserves as of April 30, 2021.
Note 4: Resource Quality for Seams Lacking Raw Coal Quality Data Calculated by Assuming Reject Material is 100% Ash, 0% Volatile, and Equivalent Sulfur to Clean Coal Product

11.3 Resources Exclusive of Reserves

The Ben's Creek property contains multiple resource blocks which were not deemed to exhibit reserve potential at the time of the study. These underground and/or surface-mineable resources, formally identified as resources exclusive of reserves, are located in the: Upper Cedar Grove, Lower Cedar Grove, Lower Alma (Upper Bench), Lower Alma (Lower Bench), and Pond Creek.

Reasons which may preclude elevation of resources to reserves include, but are not limited to:

1. Insufficient coal quality to characterize market potential.
2. Unfavorable economics at the PFS level, yet economics could become attractive in the future under different market conditions.
3. Exclusion from LOM planning due to remaining resource blocks which are not currently attractive from an operational perspective.

11.4 Competent Person's Opinion

While there is some stratigraphically controlled seam-thickness variability due to seam splitting, sand channels, etc., MM&A geologists and engineers modeled the deposit and reserve/resource areas to reflect realistic mining scenarios, giving special consideration to seam thickness, floor and roof

conditions, mining equipment, etc. The USGS classification system of **measured** (0 to ¼ mile), **indicated** (¼ mile to ¾ mile), and **inferred** (¾ mile to 3.0 miles) is reasonably adequate to model seam thickness for mining purposes.

Based on the data review, the attendant work done to verify the data integrity and the creation of an independent Geologic Model, MM&A believes this is a fair and accurate representation of the Ben's Creek coal resources.

12 Mineral Reserve Estimates

12.1 Assumptions, Parameters and Methodology

Coal Reserves are classified as *proven* or *probable* considering "modifying factors" including mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors.

> **Proven Coal Reserves** are the economically mineable part of a measured coal resource, adjusted for diluting materials and allowances for losses when the material is mined. It is based on appropriate assessment and studies in consideration of and adjusted for reasonably assumed modifying factors. These assessments demonstrate that extraction could be reasonably justified at the time of reporting.

> **Probable Coal Reserves** are the economically mineable part of an indicated coal resource, and in some circumstances a measured coal resource, adjusted for diluting materials and allowances for losses when the material is mined. It is based on appropriate assessment and studies in consideration of and adjusted for reasonably assumed modifying factors. These assessments demonstrate that extraction could be reasonably justified at the time of reporting.

Upon completion of delineation and calculation of coal resources, MM&A generated a LOM plan for Ben's Creek. The footprint of the LOM plan is shown on the resource maps in *Appendix C*. The Mine plan was generated based on the forecast mine plan and permit plan provided by Ben's Creek with modifications by MM&A where necessary due to current property control limits, modifications to geologic mapping, or other factors determined during the evaluation.

Carlson Mining software was used to generate the LOM plan for Ben's Creek. The mine plan was sequenced based on productivity schedules provided by Ben's Creek. MM&A judged the productivity estimates and plans to be reasonable based on experience and current industry practice.

Raw, ROM production data outputs from LOM plan sequencing were processed into Microsoft® EXCEL spreadsheets and summarized on an annual basis for processing into the economic model. Average seam densities were estimated to determine raw coal tons produced from the LOM plan. Average mine recovery and wash recovery factors were applied to determine coal reserve tons.

Coal reserve tons in this evaluation are reported at a 6.0-percent moisture and represent the saleable product from the Property.

Ben's Creek provided MM&A with forward looking pricing data. Data provided by Ben's Creek assumes a flatlined $115 per ton (FOB-Railcar) realization for the duration of the project.

The coal resource mapping and estimation process, described in the report, was used as a basis for the coal reserve estimate. Proven and probable coal reserves were derived from the defined coal resource considering relevant processing, economic (including technical estimates of capital, revenue, and cost), marketing, legal, environmental, socio-economic, and regulatory factors and are presented on a moist, recoverable basis.

As is customary in the US, the categories for proven and probable coal reserves are based on the distances from valid points of measurement as determined by the CP for the area under consideration. For this evaluation, measured resource, which may convert to a proven reserve, is based on a ¼-mile radius from a valid point of observation.

Points of observation include exploration drill holes and mine measurements which have been fully vetted and processed into a geologic model. The geologic model is based on seam depositional modeling, the interrelationship of overlying and underlying strata on seam mineability, seam thickness trends, the impact of seam structure (i.e., faulting), intra-seam characteristics, etc.

Likewise, the distance between ¼ mile and ¾ mile radius was selected to define Indicated Resources. Indicated Resources may convert to Probable Reserves.

Inferred Resources (greater than a ¾ mile radius from a valid point of observation) have been excluded from Reserve consideration.

12.2 Competent Person's Estimates

Reserve tonnage estimates provided herein report coal reserves derived from the in-situ resource tons presented in *Table 11-2*, and not in addition to coal resources. Coal reserves are presented on a ROM basis in *Table 12-1*. Proven and probable coal reserves were derived from the defined coal resource considering relevant mining, processing, infrastructure, economic (including estimates of capital, revenue, and cost), marketing, legal, environmental, socio-economic and regulatory factors. The coal reserves, as shown in *Table 12-2*, are based on a technical evaluation of the geology and a preliminary feasibility study of the coal deposits. The extent to which the coal reserves may be affected by any known environmental, permitting, legal, title, socio-economic, marketing, political, or other relevant issues has been reviewed rigorously. Similarly, the extent to which the estimates of coal reserves may be materially affected by mining, metallurgical, infrastructure and other relevant factors has also been considered.

Table 12-1: Coal ROM (Moist) Summary as of April 30, 2021 (Mt)

Area / Mine	Demonstrated Coal Reserves (Mt, Moist ROM)							Quality (Dry)		
	By Reliability Category			By Mining Type		By Control Type				
	Proved	Probable	Total	Surface	UG	Owned	Leased	Ash	Sulfur	Vol
Ben's Creek Complex	3.68	1.52	5.20	0.00	5.20	0.28	4.92	58	0.9	16

Note 1: Includes dilution. Totals may not add due to rounding.

Table 12-2: Coal Reserves Summary (Marketable Sales Basis) as of April 30, 2021 (Mt)

Property	Demonstrated Coal Reserves (Wet Tons, Washed or Direct Shipped, MT)							Quality (Dry Basis)		
	By Reliability Category			By Mining Type		By Control Type				
	Proven	Probable	Total	Surface	UG	Owned	Leased	Ash%	Sulfur%	VM%
Ben's Creek Complex	1.68	0.65	2.34	0.00	2.34	0.12	2.21	6	0.9	35

Note 1: Marketable reserve tons are reported on a moist basis, including a combination of surface and inherent moisture. The combination of surface and inherent moisture is modeled at 6-percent. Actual product moisture is dependent upon multiple geological factors, operational factors, and product contract specifications and can exceed 8-percent. As such, the modeled moisture values provide a level of conservatism for reserve reporting. Totals may not add due to rounding.

Note 2: Clean Coal Volatiles for Seams Lacking Data Assumed to be 35.5%

The results of this CPR define an estimated 2.34 Mt of proven and probable marketable coal reserves. Of that total, 72 percent are proven, and 28 percent are probable. Approximately 2.34 Mt of reserves are considered to be suitable for the metallurgical coal market.

12.3 Competent Person's Opinion

The estimate of coal reserves was determined in accordance with the JORC Code along with AIM standards.

The LOM mining plan for Ben's Creek was prepared to the level of preliminary feasibility. Mine projections were prepared, and timing scheduled to match production with coal seam characteristics. Production timing was carried out from current locations to depletion of the coal reserve area. Coal reserve estimates could be materially affected by the risk factors described in *Section 22.2*.

Based on the Preliminary Feasibility Study and the attendant Economic Review, MM&A believes this is a fair and accurate calculation of the Ben's Creek coal reserves.

13 Mining Methods

Two underground mining areas were modeled and tested economically. Once the resources boundaries were delineated, mine plans were created to project mining each resource area to depletion, with crews and equipment scheduled to move to subsequent mining areas as depletion occurs. Underground mine operations are projected to be exhausted within 7 years.

Geotech and Hydrology

Mining plans for potential underground mines were developed by MM&A. Pillar stability was tested by MM&A using the *Analysis of Coal Pillar Stability (ACPS)* program that was developed by the **National**

Institute for Occupational Safety and Health (*NIOSH*). MM&A reviewed the results from the ACMPS analysis and considered it in the development of the LOM plan.

Hydrology has not been an issue of concern at the Ben's Creek Operations. Based on a site visit to the surface portions of the Property by the CP's, it has been determined that this is not a significant concern. Mining of future reserves is projected to occur in areas which exhibit similar hydrogeological characteristics as those formerly mined areas.

Production Rates

Operations at Ben's Creek have been conducted by various entities for many years. The mine plan and productivity expectations reflect an improvement over the historical performance which correlates to a different approach from the lower profile equipment that had historically been utilized with mining the reserves. Mining height will be maintained at a minimum of 54-inches so that larger haulage equipment can be used to improve productivity. This approach has been successfully used in the Appalachian coalfields within the past two decades. Overlying workings have been considered within the Mine Plan. MM&A is confident that the mine plan is reasonably representative to provide an accurate estimation of coal reserves. Mine development and operation have not been optimized within the CPR.

Carlson Mining software was used by MM&A to generate mine plans for the mineable coal seams. Mine plans were sequenced based on productivity schedules developed by MM&A based on equipment sizing, pillar block sizing and expected mine conditions. All production forecasting ties assumed production rates to geological models as constructed by MM&A's team of geologists and mining engineers.

The projected underground mines are set up similarly. Each mine is scheduled to operate one production section. The sections are configured with a single continuous miner. The production schedule is based on two production shifts working Monday through Friday each week. The third shift will be used for backup and maintenance.

As shown in *Table 13-1*, mine production is projected to begin at the Pond Creek underground mine in October 2021, and at the Lower Alma underground mine in January 2022. Underground production is projected to continue until 2028. Clean coal production varies directly with coal thickness in the case of the underground mines.

Table 13-1: Underground Summary of Production by Year (000)

Mine Name	2021	2022	2023	2024	2025	2026	2027	2028
Pond Creek	20	158	155	159	187	168	0	0
Lower Alma	0	190	249	255	251	228	215	100
Total	**20**	**349**	**404**	**414**	**438**	**396**	**215**	**100**

13.1 Mining Related Requirements

13.1.1 Underground

A mine plan with sequenced mining projections was prepared for each logical mining unit (see maps included in *Appendix C*). For each mine plan, the appropriate number of production units is selected for the resource area, and a productivity level assigned, expressed in feet of advance per unit-shift of production. The productivity is based on the equipment and personnel configuration, mining height and expected physical conditions.

13.2 Required Equipment and Personnel

13.2.1 Underground Mines

13.2.1.1 Pond Creek Mine #1

The Pond Creek Mine #1 is currently idle but last operated in 2014. The mine operated a single continuous mining section operating in the Pond Creek Seam using the room and pillar method. The seam is accessed by a bench on the outcrop and has an average thickness of 3.0 feet within the reserve area. Historically, this mine has produced metallurgical coal from leased mineral property.

The Mine Plan involves utilizing the existing infrastructure and underground workings to access the reserve. Mine seals would be installed within 800 feet of the portals and a new section would begin production in an eastward direction. Roof and roadway rehabilitation will be performed during the process.

Production is scheduled for approximately 250 days each year, which represents production on Monday through Friday. On each day, one production section is scheduled to produce coal on two shifts. The section is configured with a single continuous miner available for production. Productivity is planned at the rate of 160 feet of advance per shift of operation. A total of 35 employees are assigned to the mine.

Principal production equipment per section includes one continuous miner, one roof bolter, two shuttle cars, and one scoop. Coal is extracted from the production face with the continuous miner and hauled to the mine conveyor in shuttle cars. At the conveyor belt, the coal is discharged from the shuttle cars onto a feeder breaker for transfer onto the conveyor. The conveyors carry the coal to the outside, where it is transported directly to the preparation plant's run of mine Stockpile.

Existing underground mine equipment has been stored on the site since the mine was idled. This equipment consists of low-profile equipment including a Joy 14CM10AA continuous miner and Joy 21SC shuttle cars. The mine maps indicate that the mine had a mining height of 3.0 to 3.5 feet. This equipment has been sitting in the weather for the past 7 years and would need refurbished before entering production. With the historic record encountered at the facility, the Mine Plan involves replacing the equipment with the higher profile Joy 14CM15 machine loading into the Joy 10SC32AB

shuttle cars. The mine would enjoy a faster loading rate with the larger continuous miner and the shuttle car payload would increase from 9 tons to 15 tons.

The Pond Creek Mine No. 1 is an idle facility; all necessary infrastructure and utilities are in place; all necessary permits have been obtained. Estimated expenditures for underground rehabilitation, site closure and reclamation are included in the financial model for this site.

Expected annual production averages approximately 174,000 marketable tons at steady state levels.

The Mine is scheduled to deplete in 2028.

13.2.1.2 Lower Alma Lower Bench Mine

The proposed Lower Alma Lower Bench Mine (herein referred to as the *Lower Alma mine*) is projected as a new portal facility on an existing mine permit. Access to the Lower Bench of the Alma Seam will be by drift entry along the outcrop. This mine will produce metallurgical coal from leased mineral property.

Production is scheduled for approximately 250 days each year, which represents production on Monday through Friday. On each day, one production section is scheduled to produce coal on two shifts. The section is configured with a single continuous miner available for production. Productivity is planned at the rate of 160 feet of advance per shift of operation. A total of 35 employees are assigned to the mine.

Principal production equipment per section includes one continuous miner, one roof bolter, two shuttle cars, and one scoop. Coal is extracted from the production face with the continuous miner and hauled to the mine conveyor in shuttle cars. At the conveyor belt, the coal is discharged from the shuttle cars onto a feeder breaker for transfer onto the conveyor. The conveyors carry the coal to the outside, where it is stored in a stockpile. Off road trucks will be used to transport the mine product to the Run-of-Mine Stockpile approximately 1.6 miles away.

The Reserve is located within the approved permit area for the Lower Alma 2 Mine. The Lower Alma 2 Mine has been idle since 2009. A review of the mine maps indicate that a substantial amount of rehabilitation would be required to access the reserve from a mine that has been idle over 10 years. In as much, a new portal area has been projected on outcrop of the Lower Bench of the Lower Alma Seam within the refuse area. Note that the portal area will be located above the refuse work level and would not interfere with refuse disposal. Additional permitting will be necessary to revise the existing reclamation permit to show the new portal location.

Expected annual production averages approximately 240,000 marketable tons at steady state levels.

The Mine is scheduled to deplete in 2028.

14 Processing and Recovery Methods

14.1 Description or Flowsheet

The Ben's Creek Operation's Preparation Plant was constructed in 1992. The plant site includes raw coal storage, clean coal storage, a railroad loadout, and refuse disposal area. The plant has a feed rate capacity of 500 raw tons per hour. Primary separation equipment includes heavy media vessel, heavy media cyclones, classifying cyclones, spirals and froth flotation cells, supported by the requisite screens, centrifuges, sumps, pumps, and distribution systems. Coarse refuse will be belted to the refuse area, and fine refuse slurry will be pumped to slurry cells created with the coarse refuse.

Processes and equipment are typical of those used in the coal industry and are in use in nearly all plants in the Central Appalachian Basin.

The run-of-mine product is stored in a stockpile located 2,840 feet upstream of the preparation plant. A Wheel Loader is used to load coal into a hopper that feeds the preparation plant.

Clean coal is deposited into the clean coal stockpile by means of an elevated stacker conveyor. The stacker conveyor can be positioned to stockpile the coal in an arc or to drop the product directly onto the reclaim belt in the event that coal is shipped directly to the rail loadout. A separate truck dump is provided that allowed direct ship coal from surface mines to load through the facility. The direct ship coal could be segregated from the washed product and blending appears to be available.

The railroad loadout is serviced by a reclaim tunnel positioned beneath the clean coal stockpile. The rail service requires that the 100 car trains be loaded in two sections due to the length of the tail track. Additionally, approximately 3,600 feet of rail had been taken up prior to the activity being halted. The rail appears to remain on the railroad right-of-way, but work would be necessary to make the railway operational again.

The railroad spur servicing the facility is 3.25 miles long and connects to the Norfolk Southern main line that runs from Cincinnati, Ohio to Norfolk, Virginia.

A photograph for this plant is in shown below.

Figure 14-1: Ben's Creek Coal Preparation Plant

14.2 Requirements for Energy, Water, Material and Personnel

Personnel have historically been sourced from the surrounding communities in Mingo and Logan Counties in West Virginia as well as Pike County, Kentucky. The area has proven to be adequate in numbers to operate the mine. As mining is common in the surrounding areas, the workforce is generally familiar with mining practices and many are experienced miners.

Water is sourced locally from public water sources or rivers, and electricity is sourced from American Electric Power (AEP). The service industry in the areas surrounding the mine complex has historically provided supplies, equipment repairs and fabrication, etc.

15 Infrastructure

Ben's Creek Operation's preparation plant services the area with washed coal, which is transported via the Norfolk Southern rail line at the loadout. Haul roads, primary roads, and overland conveyor belt systems account for transport from the mine site to the preparation plant.

Idle since 2017, the facility has the necessary support infrastructure for resuming production in place.

The Preparation Plant and associated areas are intact and need only minimal rehabilitation to begin operating.

The Electrical Power System includes a main substation that reduces the delivered 46,000 VAC to 12,470 VAC distribution voltage. There are three single phase transformers each rated at 1667 KVA to provide 5000 KVA capacity for the operation. There are two breakers contained within the compound. One breaker services the underground mines, and the second breaker services the preparation plant. Company owned power lines are used to distribute the power within the property boundary.

The Preparation Plant transformer is located on a roof location at the facility. The location provides direct access to the Plant's Power Distribution system.

The existing Pond Creek Mine has a 12,470 VAC to 4160 VAC electrical substation located above the faceup.

As new areas are developed, the infrastructure requirements will change. These changes have been considered in the LOM plans and financial model.

The underground mining resource areas which are located above-drainage have existing access roads and mine access development along the outcrop.

A mine power substation and water tank are located at the Pond Creek Mine No. 1 face-up, along with the mine fan, stacker conveyor, supply facilities, shop, office, and change house.

The idled Lower Alma 6 Mine has a mine power substation, water tank, mine fan, stacker conveyor, supply facilities, office and a change house that could be relocated for use at the proposed Lower Alma Mine after some rehabilitation.

A Photo of the existing facilities is *Figure 15-1 and Figure 15-2*.

Figure 15-1: Ben's Creek Surface Facilities (as of 2016)

Figure 15-2: Ben's Creek Surface and Refuse Facilities (as of 2016)

16 Market Studies

16.1 Market Description

The quality characteristics for the subject coal resources and coal reserves have been reviewed in detail by MM&A. The drill hole data were utilized to develop average coal quality characteristics for the mining site. These average coal quality characteristics were then utilized as the basis for determining the various markets into which the saleable coal will likely be placed.

The projected quality Specifications for the Ben's Creek products are as shown in *Table 16-1*. The mine production will serve domestic and international high-volatile metallurgical markets.

Table 16-1: Quality Specifications by Product

	Met
Moisture (%)	6% - 8%
Ash (%) (dry basis)	5% - 7%
Sulfur (%) (dry basis)	+/- 1%
Volatile Matter (%) (dry basis)	34% - 35%
Btu/lb.	N/A
Fluidity (ddpm)	25,000 – 30,000

Table 16-2: 2014 Preparation Plant Washed Quality Samples (dry basis) - Summary

	Ash	Sulfur	Btu	SO_2/ mm Btu	Vol.	FC	FSI	Ox.	Max. Fluidity (DDPM)
Lower Alma Seam - Mine No. 6									
Average	**5.73**	**0.83**	**14,438**	**1.15**	**34.53**	**59.74**	**-**	**93.64**	**30,000**
Maximum	7.24	0.89	14,602	1.22	35.05	60.66	-	95.00	30,000
Minimum	4.78	0.78	14,242	1.09	33.90	58.73	-	91.30	30,000
No. of Samples	8	8	8	8	8	8	-	8	8
Pond Creek Seam - Mine No. 1									
Average	**5.69**	**0.90**	**14,512**	**1.24**	**34.56**	**59.75**	**-**	**95.33**	**29,733**
Maximum	7.19	0.98	14,685	1.35	35.25	60.77	-	96.90	30,000
Minimum	4.74	0.73	14,229	1.03	34.12	58.69	-	93.80	28,129
No. of Samples	8	8	8	8	8	8	-	7	7

16.2 Price Forecasts

MBU Capital provided MM&A with price forecasts based on data from **Platts Coal Trader** for its proposed operations. MM&A utilized this data for price forecasting in financial modeling. The Ben's Creek Complex has historically produced metallurgical coal; however, no site-specific market study was undertaken by MM&A as part of our scope for the CPR. Concurrent with aforementioned quality parameters in the preceding section, production from the proposed operations is assumed to be sold in metallurgical markets.

16.3 Contract Requirements

Some contracts are necessary for successful marketing of the coal. For Ben's Creek, since all mining, preparation and marketing is done in-house, the remaining contracts required are:

> **Transportation** – The Mine contracts with the Norfolk Southern Railroad to transport the coal to either the domestic customers or to the Lamberts Point terminal in Norfolk, Virginia for overseas shipment. Truck business is also conducted periodically.

> **Sales** – Sales contracts are a mix of spot and contract sales. With the volatility of the market, long-term contracts are not typically written.

17 Environmental Studies, Permitting and Plans, Negotiations or Agreements with Local Individuals

17.1 Requirements and Plans for Waste Disposal

Based on the site visit as well as historical satellite images, it is assumed that the waste disposal site consists of using coarse refuse to construct small slurry cells to hold the fine refuse. This process results in a low-risk refuse disposal area which requires review by the US Department of Labor, Mine Safety and Health Administration (MSHA) and the West Virginia Department of Environmental Protection. The design plans typically include a material strength determination along with a slope failure study.

The conditions on the refuse area appear stable and there are slurry cells constructed and prepared for the resumption of activity. No areas of weakness, water seeps or depressions were identified in the site visit.

The waste disposal site is located in a small valley. The current refuse elevation is at 1,367 feet and the toe of the refuse slope is at elevation 1,175 feet. Current permitting allows for the refuse area to reach the 1,560 feet elevation. The current plan would hold approximately 26,700,000 tons refuse. Total refuse estimated from the two proposed underground mining operations would be 2,860,000 tons. Refuse storage capacity exceeds the estimated refuse production during the study period.

17.2 Permit Requirements and Status

All mining operations are subject to federal and state laws and must obtain permits to operate mines, coal preparation and related facilities, haul roads, and other incidental surface disturbances necessary for mining to occur. Permits generally require that the permittee post a performance bond in an amount established by the regulatory program to provide assurance that any disturbance or liability created during mining operations is properly restored to an approved post-mining land use and that all regulations and requirements of the permits are fully satisfied before the bond is returned to the permittee. Significant penalties exist for any permittee who fails to meet the obligations of the permits including cessation of mining operations, which can lead to potential forfeiture of the bond. Any company, and its directors, owners and officers, which are subject to bond forfeiture can be denied future permits under the program.[1]

New permits or permit revisions will occasionally be necessary to facilitate the expansion or addition of new mining areas on the Property, such as amendments to existing permits and new permits for mining of reserve areas. Exploration permits also are required. Property under lease includes provisions for exploration among the terms of the lease. New or modified mining permits are subject to a public advertisement process and comment period, and the public is provided an opportunity to

[1] Monitored under the Applicant Violator System (AVS) by the Federal Office of Surface Mining.

raise objections to any proposed mining operation. MM&A is not aware of any specific prohibition of mining on the subject property and given sufficient time and planning, Ben's Creek Operations should be able to secure new permits to maintain its planned mining operations within the context of current regulations. Necessary permits are in place to support current production on the Property, but future permits are required to maintain and expand production. Portions of the Property are located near local communities. Regulations prohibit mining activities within 300 feet of a residential dwelling, school, church, or similar structure unless written consent is first obtained from the owner of the structure.

Ben's Creek Operations has obtained all mining and discharge permits to operate its mines and processing, loadout or related facilities. MM&A is unaware of any obvious or current Ben's Creek Operations permitting issues that are expected to prevent the issuance of future permits. Ben's Creek Operations, along with all coal producers, is subject to a level of uncertainty regarding future clean water permits due to **United States Environmental Protection Agency (*EPA*)** involvement with state programs.

The mining permits currently held by Ben's Creek Operations are shown in *Table 17-1.*

Table 17-1: Ben's Creek Mining Permits

Type	Permit ID	Permit Name	Bond Amount	Current Status	Issued Date	Expiration Date	Acres	NPDES No.
Loading Facility - Other	O-5037-89	Preparation Plant/ Loadout	$215,280	Inactive Status	9/11/1989	11/10/2024	81.70	WV1008129
Other - Refuse Disposal	O-5027-92	Glen Alum Refuse	$340,200	Inactive Status	1/21/1993	1/21/2023	104.35	WV1013173
Coal Underground	U-5002-98	Patton No. 7	$27,360	Inactive Status	5/11/1998	5/11/2023	11.69	WV1008129
Coal Underground	U-5048-92	Tunnel Mine No. 2	$300,840	Active, Reclamation only	1/20/1993	1/20/2023	108.15	WV1013211
Coal Underground	U-5039-88	Patton No. 5/No. 8	$389,080	Active, No coal removed	9/9/1988	9/9/2023	136.60	WV0095869
Coal Surface Mine	S-4003-01	Patton No. 10	$49,600	Active, No coal removed	6/26/2001	1/7/2023	31.00	WV1019058
Coal Underground	U-5005-08	Lower Alma Deep Mine No. 6	$42,840	Active, Moving Coal Possible	10/20/2008	10/20/2023	16.63	WV1029801
Surface Coal Mine	S-5012-94	Hernshaw Cut Through	$34,459	Phase 2 release, revegetated	11/23/1994	11/23/2014	59.00	WV1007912
Surface Coal Mine	S-5015-92	Righthand Fork	$37,839	Phase 2 release, revegetated	11/24/1992	11/24/2002	562.59	WV1013106
Underground Coal Mine	U-5001-96	Righthand Fork Deep Mine	$10,131	Phase 2 release, revegetated	09/23/1996	09/23/2001	28.88	WV1016784

17.3 Local Plans, Negotiations or Agreements

MM&A found no indication of agreements beyond the scope of Federal or State Regulations.

17.4 Mine Closure Plans

Applicable regulations require that mines be properly closed, and reclamation commenced immediately upon abandonment. In general, site reclamation includes removal of structures, backfilling, regrading, and revegetation of disturbed areas. Sediment control is required during the establishment of vegetation, and bond release generally requires a minimum five-year period of site maintenance, water sampling, and sediment control following mine completion. This requirement is reduced to two years for certain operations involving re-mining. Reclamation of underground mines includes closure and sealing of mine openings such as portals and shafts in addition to the items listed above.

Estimated costs for mine closure, including water quality monitoring during site reclamation, are included in the financial models. As with all mining companies, an accretion calculation is performed annually so the necessary Asset Retirement Obligations (*ARO*) can be shown as a Liability on the Balance Sheet.

17.5 Competent Person's Opinion

The Ben's Creek complex is an idle facility with permits in place. To start the Lower Alma Mine, a permit revision would be necessary to relocate portals to another location within the approved mining area. Updated MSHA and West Virginia Office of Miners' Health, Safety and Training plans will be required before activity begins. MM&A knows of no reason that any permits revisions that may be required cannot be obtained.

Estimated expenditures for site closure and reclamation are included in the financial model for this site.

18 Capital and Operating Costs

18.1 Capital Cost Estimate

The production sequence selected for a property must consider the proximity of each reserve area to coal preparation plants, river docks and railroad loading points, along with suitability of production equipment to coal seam conditions. The in-place infrastructure was evaluated, and any future needs were planned to a level suitable for a Preliminary Feasibility Study and included in the Capital Forecast.

Ben's Creek provided MM&A with an inventory of operating equipment available at Ben's Creek. MM&A's capital schedules assume that major equipment rebuilds occur over the course of each machine's remaining assumed operating life. Replacement equipment was scheduled based on MM&A's experience and knowledge of mining equipment and industry standards with respect to the useful life of such equipment. As one mine is depleted, the equipment is moved to its replacement.

18.2 Operating Cost Estimate

MBU Capital provided a preliminary 3-year projection of operating costs for MM&A's review. MM&A used the budget cost information as a reference and developed a personnel schedule for the mine. Hourly labor rates and salaries were based upon similar operations in the Central Appalachian Basin. Fringe benefit costs were developed for vacation and holidays, federal and state unemployment insurance, retirement, workers' compensation and pneumoconiosis, casualty and life insurance, healthcare and bonuses. A cost factor for mine supplies was developed that relates expenditures to mine advance rates for roof control costs and other mine supply costs experienced at underground mines. Other factors were developed for maintenance and repair costs, rentals, mine power, outside services and other direct mining costs.

Other cost factors were developed for coal preparation plant processing, refuse handling, coal loading, property taxes, and insurance and bonding. Appropriate royalty rates were assigned for production from leased coal lands and sales taxes were calculated for state severance taxes, the federal black lung excise tax, and federal and state reclamation fees, along with an override to Investec, the former owner of the property.

Mandated Sales Related Costs are summarized in *Table 18-1*.

Table 18-1: Estimated Coal Production Taxes and Sales Costs

Description of Tax or Sales Cost	Basis of Assessment	Cost
Federal Black Lung Excise Tax - Underground	Per Ton	$1.10
Federal Reclamation Fees – Underground	Per Ton	$0.12
West Virginia Reclamation Tax - Underground	Per Ton	$0.279
West Virginia Severance Tax	Percentage of Revenue	1 to 5%
West Virginia Special Tax	Per Ton	$0.02
Investec Override	Per Ton	$2.00
Royalties – Underground	Percentage of Revenue	5.0%

Notes: 1. Federal black lung excise tax is paid only on coal sold domestically. MM&A assumed 50% of total coal sales to be domestic in the economic analysis discussed below.

19 Economic Analysis

19.1 Assumptions, Parameters and Methods

A pre-feasibility LOM plan was prepared by MM&A for the Ben's Creek operations. MM&A prepared mine projections and production timing forecasts based on coal seam characteristics. Production timing was carried out from October 2021 to depletion (exhaustion) of the coal reserve areas, which is projected for the year 2028. All costs and prices are based on 2021 constant United States dollars.

The Mine plan, productivity expectations and cost estimates generally reflect historical performance by Ben's Creek and efforts have been made to adjust plans and costs to reflect future conditions.

MM&A is confident that the mine plan and financial model are reasonably representative to provide an accurate estimation of coal reserves.

Capital schedules were developed by MM&A for mine development, infrastructure, and on-going capital requirements for the life of the mine. Staffing levels were prepared, and operating costs estimated by MM&A. MM&A utilized budgetary cost data provided by Ben's Creek and its own knowledge and experience to estimate direct and indirect operating costs.

The preliminary feasibility financial model, prepared for this CPR, was developed to test the economic viability of the coal reserve area. The results of this financial model are not intended to represent a bankable feasibility study, required for financing of any current or future mining operations, but are intended to prove the economic viability of the estimated coal reserves. All costs and prices are based on 2021 constant United States dollars.

On an unlevered basis, the NPV of the project cash flows after taxes was estimated for the purpose of classifying coal reserves. The project cash flows, excluding debt service, are calculated by subtracting direct and indirect operating expenses and capital expenditures from revenue. Direct costs include labor, operating supplies, maintenance and repairs, facilities costs for materials handling, coal preparation, refuse disposal, coal loading, sampling and analysis services, reclamation and general and administrative costs. Indirect costs include statutory and legally agreed upon fees related to direct extraction of the mineral. The indirect costs are the Federal black lung tax, Federal and State reclamation taxes, property taxes, local transportation prior to delivery at rail or barge loading sites, coal production royalties, sales and use taxes, income taxes and State severance taxes. Ben's Creek's budgetary costs provided a useful reference for MM&A's cost estimates.

Sales revenue is based on the metallurgical coal price information provided to MM&A by Ben's Creek.

Projected debt service is excluded from the P&L and cash flow model in order to determine Enterprise Value.

The financial model expresses coal sales prices, operating costs, and capital expenditures in current day dollars without adjustment for inflation. Capital expenditures and reclamation costs are included based on engineering estimates for each mine by year. The Ben's Creek division's existing allocations of administrative costs are continued in the future projections.

Ben's Creek will pay royalties for the various current and projected operations. The royalty rates vary by mining method and location. The royalty rates for Ben's Creek are 5.0% of the sales revenue, plus an additional $2.00 per ton override to Investec. This production royalty rate is reasonable and is in line with typical royalty rates in Central Appalachia.

The projection model also includes consolidated income tax calculations at the Ben's Creek level, incorporating statutory depletion calculations, as well as state income taxes at a 6.5% rate, and a

federal tax rate of 21%. To the extent the mine generates net operating losses for tax purposes, the losses are carried over to offset future taxable income. The terms "cash flows" and "project cash flows" used in this report refer to after tax cash flows.

Consolidated cash flows are driven by annual sales tonnage, which at steady-state level ranges from a peak of 0.44 million tons in 2025 to a low of 0.22 million in 2027. Projected consolidated revenue ranges from $24.8 million to $50.3 million at steady state. Revenue totals $268.6 million for the project's life.

Consolidated cash flow from operations is positive throughout the projected operating period, with the exception of post-production years, due to end-of-mine reclamation spending. Consolidated cash flow from operations peaks at $15.7 million in 2025 and totals $73.4 million over the project life. Capital expenditures total $24.0 million over the project's life.

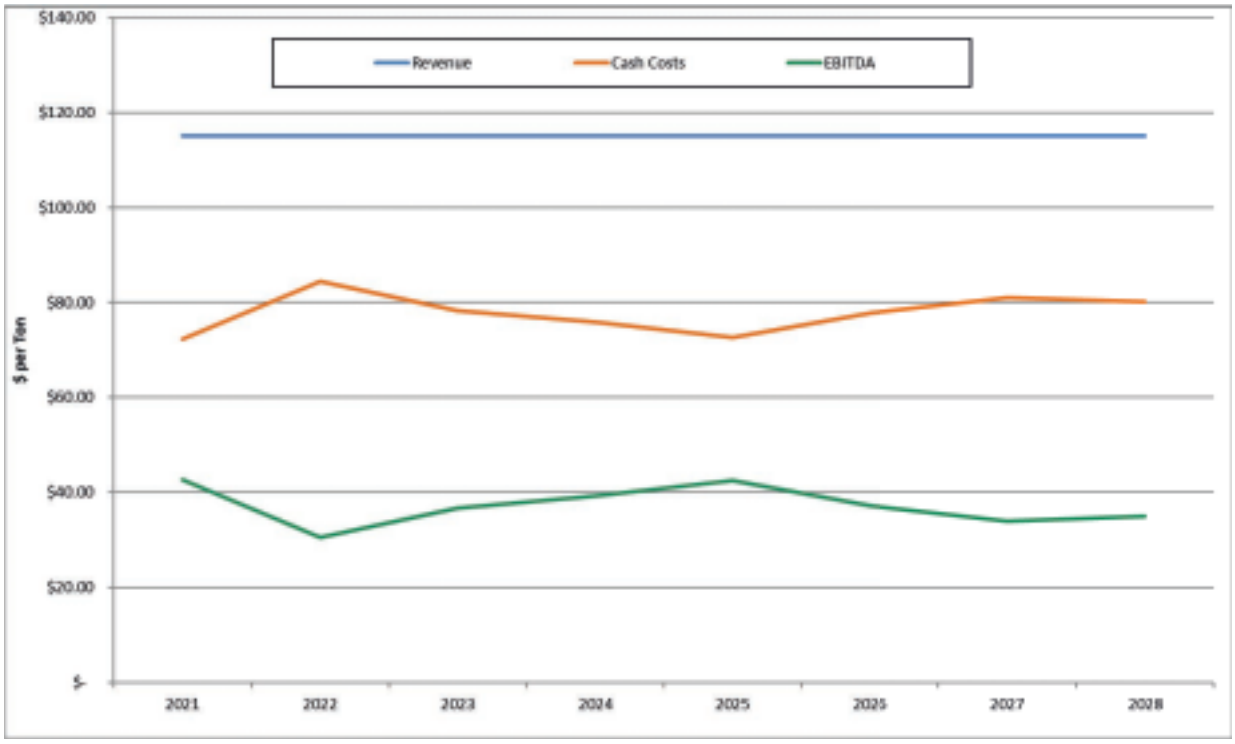
Coal price forecasts for coal products were prepared by Ben's Creek for its proposed operations. Such prices were used for the revenue input into the financial model. Sales variable costs such as production royalties and severance taxes were based upon the revenue input.

19.2 Results

The pre-feasibility financial model, prepared by MM&A for this CPR, was developed to test the economic viability of each coal resource area. The results of this financial model are not intended to represent a bankable feasibility study, as may be required for financing of any current or future mining operations contemplated but are intended to prove the economic viability of the estimated coal reserves. Optimization of the LOM plan was outside the scope of the engagement.

Figure 19-1 shows the annual variance of cash costs per ton. *Table 19-1* shows LOM tonnage and EBITDA for Ben's Creek.

Figure 19-1: Cash Costs per Ton



As shown above, the Ben's Creek average cash cost ranges between approximately $72 and $85 per ton for most of the operating period.

Table 19-1: Life-of-Mine Tonnage, P&L before Tax, and EBITDA (000)

	LOM Tons	LOM Pre-Tax P&L	P&L Per Ton	LOM EBITDA	EBITDA Per Ton
Pond Creek	847	$16,780	$19.81	$26,070	$30.77
Lower Alma	1,489	$42,730	$28.70	$60,067	$40.35
Grand Total	**2,336**	**$59,510**	**$25.47**	**$86,137**	**$36.87**

As shown in *Table 19-1,* the Ben's Creek consolidated operations show positive LOM P&L and EBITDA of $59.5 million and $86.1 million, respectively.

After Tax Cash Flows were developed in order to calculate the NPV for this Property. The NPV is estimated to be $25.7 million at a discount rate of 12.69%. The pre-feasibility financial model prepared for the CPR was developed to test the economic viability of each coal resource area. The NPV estimate was made for purposes of confirming the economics for classification of coal reserves and not for purposes of valuing Ben's Creek or its assets. No other real estate, equipment or fixture-related assets which may be owned by Ben's Creek are included in this CPR. Mine plans were not optimized, and actual results of the operations may be different, but in all cases, the mine production plan assumes

the properties are under competent management. A summary of the Ben's Creek after-tax cash flow is shown in *Table 19-2*.

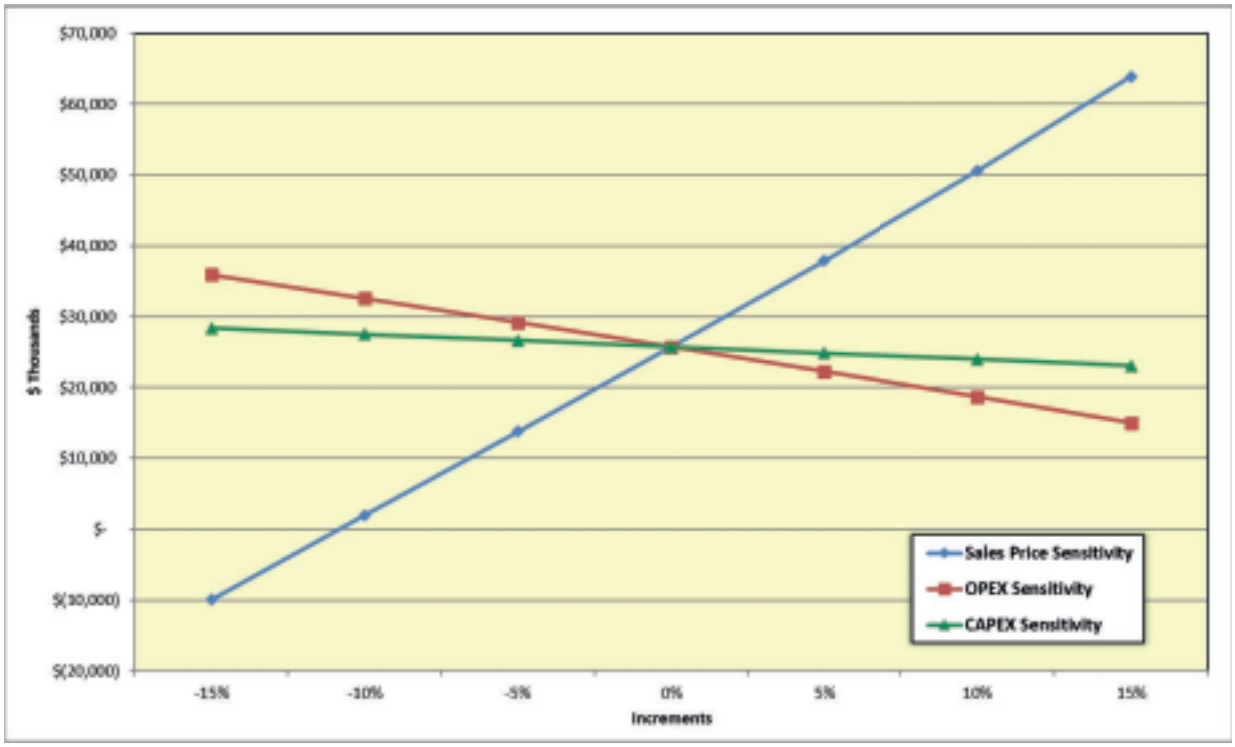
Table 19-2: Ben's Creek After-tax Cash Flow Summary (000)

	Total	YE 12/31 2021	YE 12/31 2022	YE 12/31 2023	YE 12/31 2024	YE 12/31 2025	YE 12/31 2026
Production & Sales tons	2,336	20	349	404	414	438	396
Total Revenue	$268,645	$2,252	$40,096	$46,509	$47,611	$50,324	$45,568
EBITDA	$86,137	$836	$10,630	$14,858	$16,226	$18,572	$14,761
Net Income	$46,776	$435	$5,667	$8,726	$9,427	$10,879	$7,845
Net Cash Provided by Operating Activities	$73,403	$734	$8,289	$13,007	$14,300	$15,662	$13,754
Purchases of Property, Plant, and Equipment	($23,960)	($13,639)	($8,451)	($1,309)	($143)	($418)	$0
Net Cash Flow	$49,443	($12,906)	($161)	$11,698	$14,157	$15,244	$13,754
	YE 12/31 2027	**YE 12/31 2028**	**YE 12/31 2029**	**YE 12/31 2030**	**YE 12/31 2031**	**YE 12/31 2032**	**YE 12/31 2033**
Production & Sales tons	215	100	0	0	0	0	0
Total Revenue	$24,746	$11,539	$0	$0	$0	$0	$0
EBITDA	$7,297	$3,503	($311)	($125)	($63)	($30)	($16)
Net Income	$3,773	$1,113	($622)	($249)	($126)	($61)	($31)
Net Cash Provided by Operating Activities	$8,139	$5,276	($3,435)	($1,162)	($606)	($278)	($278)
Purchases of Property, Plant, and Equipment	$0	$0	$0	$0	$0	$0	$0
Net Cash Flow	$8,139	$5,276	($3,435)	($1,162)	($606)	($278)	($278)

19.3 Sensitivity

Sensitivity of the NPV results to changes in the key drivers is presented in the chart below. The sensitivity study shows the NPV at the 12.69% discount rate when Base Case sales prices, operating costs, and capital costs are increased and decreased in increments of 5% within a +/- 15% range.

Figure 19-2: Sensitivity of NPV



As shown, NPV is quite sensitive to change in sales price and operating cost estimates, and slightly sensitive to changes in capital cost estimates.

19.4 Opportunities – Contract Mining

MM&A understands that the Ben's Creek operations are anticipated to be mined using a contractor. While MM&A prepared the economic analysis above under the assumption that the contractor will supply labor, equipment and materials for the Ben's Creek operations, the contractor option may present a potential upside scenario in order to reduce the upfront capital needed for the operations.

Under the economic analysis prepared by MM&A, capital expenditures total $24.0 million over the project's life. However, approximately $16.5 million of capital reduction may be possible under a scenario where a contract mining company supplies labor, capital and supplies in exchange for a mining contract whereby compensation is on a per-ROM ton basis. Therefore, the initial capital estimate under this scenario would be approximately $7.5 million as opposed to the $24.0 million estimate included in the CPR financial model. *Table 19-3* below provides a summary of the likely capital reduction under a contract mining scenario.

Table 19-3: CAPEX Reduction when using a Contract Underground Mining Company

	CAPEX Reduction	Total Reduction at Each Mine	Total CAPEX Reduction
Pond Creek Rehab	$728,638		
Pond Creek Machinery	$7,281,517	$8,010,155	
Lower Alma Faceup	$1,110,638		
Lower Alma Machinery	$7,413,535	$8,524,173	
			$16,534,328

This capital reduction assumes that a contract mining company will be used to mine at the Pond Creek Mine and at the Lower Alma Mine. The contractor will provide all equipment except for the surface equipment. The surface equipment for the new Lower Alma Mine will be moved from the Lower Alma 6 Mine including the mine fan, the belt drive, the stacker belt and the substation.

20 Adjacent Properties

20.1 Information Used

No Proprietary information associated with neighboring properties was used as part of this study.

21 Other Relevant Data and Information

MM&A conducted what is typically referred to as a "Reserve Base" evaluation of the Property, most recently in 2017. That investigation was an analysis of those parts of the identified resources that met specified criteria, but by assignment, did not include an assessment to determine the economic viability of the estimated coal tons. As such, the 2017 report conformed to the **United States Geological Service (*U.S.G.S.*)** Circular 891 definition of "Reserve Base," meaning coal not yet differentiated into reserve and resource components. Additional investigations of the Property were conducted by MM&A as identified in the *References* section of this report.

22 Interpretation and Conclusions

22.1 Conclusion

Sufficient data has been obtained through various exploration and sampling programs and mining operations to support the geological interpretations of seam structure and thickness for coal horizons situated on the Ben's Creek Property. The data is of sufficient quantity and reliability to reasonably support the coal resource and coal reserve estimates in this CPR.

The geological data and preliminary feasibility study, which consider mining plans, revenue, and operating and capital cost estimates are sufficient to support the classification of coal reserves provided herein.

This geologic evaluation conducted in conjunction with the preliminary feasibility study is sufficient to conclude that the 2.3 Mt of marketable coal reserves identified on the Property are economically mineable under reasonable expectations of market prices for metallurgical coal products, estimated operation costs, and capital expenditures. Given that this is the first CPR for Ben's Creek, a statement describing material change is not applicable.

22.2 Risk Factors

Risks have been identified for operational, technical and administrative subjects addressed in the estimation of reserves and the business plan which provides financial justification for reserve classification. A risk matrix has been constructed to present the risk levels for all the risk factors identified and quantified in the risk assessment process. The risk matrix and risk assessment process are modelled to that presented in the Australian and New Zealand Standard on Risk Management (AS/NZS 4360).

The purpose of the characterization of the project risk components is to inform the project stakeholders of key aspects of the Ben's Creek projects that can be impacted by events whose consequences can affect the success of the venture. The significance of an impacted aspect of the operation is directly related to both the probability of occurrence and the severity of the consequences. The initial risk for a risk factor is herein defined as the risk level after the potential impact of the risk factor is addressed by competent and prudent management utilizing control measures readily available. Residual risk for a risk factor is herein defined as the risk level following application of special mitigation measures if management determines that the initial risk level is unacceptable. Initial risk and residual risk can be quantified numerically, derived by the product of values assigned to probability and consequence ranging from very low risk to very high risk.

The probability and consequence parameters are subjective numerical estimates made by practiced mine engineers and managers. Both are assigned values from 1 to 5 for which the value 1 represents the lowest probability and least consequence, and the value 5 represents the highest probability and greatest consequence. The products, which define the Risk Level, are classified from very low to very high.

Risk Level Table (R = P x C)

Risk Level (R)
Very Low (1 to 2)
Low (3 to 5)
Moderate (6 to 11)
High (12 to 19)
Very High (20 to 25)

Risk aspects identified and evaluated during this assignment total 13. No residual risks are rated Very High. Three (3) residual risks are rated High. Two (2) of the risk aspects could be associated with Moderate residual risk. Eight (8) of the risk aspects were attributed Low or Very Low residual risks.

22.2.1 Governing Assumptions

The listing of the aspects is not presumed to be exhaustive. Instead that listing is presented based on the experiences of the contributors to the CPR.

1. The probability and consequence ratings are subjectively assigned, and it is assumed that this subjectivity reasonably reflects the condition of the active and projected mine operations.
2. The Control Measures shown in the matrices presented in this chapter are not exhaustive. They represent a condensed collection of activities that the author of the risk assessment section has observed to be effective in coal mining scenarios.
3. Mitigation Measures listed for each risk factor of the operation are not exhaustive. The measures listed, however, have been observed by the author to be effective.
4. The monetary values used in ranking the consequences are generally-accepted quantities for the coal mining industry.

22.2.2 Limitations

The risk assessment proposed in this report is subject to the limitations of the information currently collected, tested, and interpreted at the time of the writing of the report.

22.2.3 Methodology

The numerical quantities (i.e., risk levels) attributable to either "initial" or "residual" risks are derived by the product of values assigned to probability and consequence ranging from very low risk to very high risk.

$$R = P \times C$$

Where: R = Risk Level
P = Probability of Occurrence
C = Consequence of Occurrence

The Probability (P) and Consequence (C) parameters recited in the formula are subjective numerical estimates made by practiced mine engineers and managers. Both P and C are assigned integer values ranging from 1 to 5 for which the value 1 represents the lowest probability and least consequence, and the value 5 represents the highest probability and greatest consequence. The products (R = P x C) which define the Risk Level, are thereafter classified from very low to very high.

Risk Level Table

Risk Level (R)
Very Low (1 to 2)
Low (3 to 5)
Moderate (6 to 11)
High (12 to 19)
Very High (20 to 25)

Very high initial risks are considered to be unacceptable and require corrective action well in advance of project development. In short, measures must be applied to reduce very high initial risks to a tolerable level.

As shown and discussed above, after taking into account the operational, technical, and administrative actions that have been applied or are available for action when required, the residual risk can be determined. The residual risk provides a basis for the management team to determine if the residual risk level is acceptable or tolerable. If the risk level is determined to be unacceptable, further actions should be considered to reduce the residual risk to acceptable or tolerable levels to provide justification for continuation of the proposed operation.

22.2.4 Development of the Risk Matrix

Risks have been identified for the technical, operational, and administrative subjects addressed in the CPR. The risk matrix and risk assessment process is modelled to that presented in the Australian and New Zealand Standard on Risk Management (AS/NZS 4360).

22.2.4.1 Probability Level Table

Table 22-1: Probability Level Table

Category	Probability Level (P)		
1	Remote	Not likely to occur except in exceptional circumstances.	<10%
2	Unlikely	Not likely to occur; small in degree.	10 - 30%
3	Possible	Capable of occurring.	30 - 60%
4	Likely	High chance of occurring in most circumstances.	60 - 90%
5	Almost Certain	Event is expected under most circumstances; impossible to avoid.	>90%

The lowest rated probability of occurrence is assigned the value of 1 and described as remote, with a likelihood of occurrence of less than 2 percent. Increasing values are assigned to each higher probability of occurrence, culminating with the value of 5 assigned to incidents considered to be almost certain to occur.

22.2.4.2 Consequence Level Table

Table 22-2 lists the consequence levels.

Table 22-2: Consequence Level Table

Correlation of Events in Key Elements of the Project Program to Event Severity Category							
Category	**Severity of the Event**	**Financial Impact of the Event**	**Unplanned Loss of Production (Impact on Commercial Operations)**	**Events Impacting on the Environment**	**Events Affecting the Program's Social and Community Relations**	**Resultant Regulatory / Sovereign Risk**	**Events Affecting Occupational Health & Safety**
1	**Insignificant**	< USD $0.5 million	≤ 12 hours	Insignificant loss of habitat; no irreversible effects on water, soil and the environment.	Occasional nuisance impact on travel.	-	Event recurrence avoided by corrective action through established procedures (Engineering, guarding, training).
2	**Minor**	USD $0.5 million to $2.0 million	≤ 1 day	No significant change to species populations; short-term reversible perturbation to ecosystem function.	Persistent nuisance impact on travel. Transient adverse media coverage.	-	**First aid – lost time.** Event recurrence avoided by corrective action thought established procedures.
3	**Moderate**	USD $2.0 million to $10.0 million	≤ 1 week	Appreciable change to species population; medium-term (≤10 years) detriment to ecosystem function.	Measurable impact on travel and water/air quality. Significant adverse media coverage / transient public outrage.	Uncertainty securing or retaining essential approval / license. Change to regulations (tax; bonds; standards).	**Medical Treatment –** permanent incapacitation Avoiding event recurrence requires modification to established corrective action procedures**.**
4	**Major**	USD $10.0 million to $50.0 million	1 to 2 weeks	Change to species population threatening viability; long-term (>10 years) detriment to ecosystem function.	Long-term, serious impact on travel and use of water resources; degradation of air quality; sustained and effective public opposition.	Suspension / long-delay in securing essential approval / license. Change to laws (tax; bonds; standards).	**Fatality.** Avoiding event recurrence requires modification to established corrective action procedures and staff retraining.
5	**Critical**	>USD $50.0 million	>1 month	Species extinction; irreversible damage to ecosystem function.	Loss of social license.	Withdraw / failure to secure essential approval / license.	**Multiple fatalities.** Avoiding event recurrence requires major overhaul of policies and procedures.

The lowest rated consequence is assigned the value of 1 and is described as Insignificant Consequence parameters include non-reportable safety incidents with zero days lost accidents, no environmental damage, loss of production or systems for less than one week and cost of less than USD $0.5 million. Increasing values are assigned to each higher consequence, culminating with the value of 5 assigned to critical consequences, the parameters of which include multiple-fatality accidents, major environmental damage, and loss of production or systems for longer than six months and cost of greater than USD $50.0 million.

Composite Risk Matrix R = P x C and Color-Code Convention

The risk level, defined as the product of probability of occurrence and consequence, ranges in value from 1 (lowest possible risk) to 25 (maximum risk level). The values are color-coded to facilitate identification of the highest risk aspects.

Table 22-3: Risk Matrix

P x C = R			Consequence (C)				
			Insignificant	Minor	Moderate	Major	Critical
			1	2	3	4	5
Probability Level (P)	Remote	1	1	2	3	4	5
	Unlikely	2	2	4	6	8	10
	Possible	3	3	6	9	**12**	**15**
	Likely	4	4	8	**12**	**16**	**20**
	Almost Certain	5	5	10	**15**	**20**	**25**

22.2.5 Categorization of Risk Levels and Color Code Convention

Very high risks are considered to be unacceptable and require corrective action. Risk reduction measures must be applied to reduce very high risks to a tolerable level.

22.2.6 Description of the Coal Property

The Ben's Creek properties are located in the southern part of the state of West Virginia and eastern edge of the Commonwealth of Kentucky, in the central Appalachian Basin of the eastern United States. The Ben's Creek Operations property is located primarily in Mingo County, West Virginia with a small portion of the property being located in Pike County, Kentucky. The subject property lies between the Tug Fork and Guyandotte Rivers immediately northwest of Wharncliffe on the Tug Fork River and west of Gilbert on the Guyandotte River.

As of April 30, 2021, underground and surface mine operations were idle at Ben's Creek Complex. The facility has historically produced metallurgical coal from leased mineral property.

There are currently no auger, highwall miner, or underground mines operating on the Property as of April 30, 2021. Based on the mine plans developed by MM&A for this CPR, mine production is projected to begin at one underground mine in October 2021, a second underground mine in January 2022 and peak at 0.44 million tons in 2025. The two underground reserves will be depleted in 2028.

The Ben's Creek Complex also includes the Preparation Plant in addition to the mines. The plant site includes raw coal storage, clean coal storage, a railroad loadout, and refuse disposal area. The plant has a feed rate capacity of 500 raw tons per hour.

22.2.7 Summary of Residual Risk Ratings

Each risk factor is numbered, and a risk level for each is determined by multiplying the assigned probability by the assigned consequence. The risk levels are plotted on a risk matrix to provide a composite view of the Ben's Creek risk profile. The average risk level is 6.4, which is defined as Moderate.

Table 22-4: Risk Assessment Matrix

Consequence		<10% Remote	10-30% Unlikely	30-60% Possible	60-90% Likely	>90% Almost Certain
Critical	>$50 MM					
Major	$10-50MM	3		2	6	
Moderate	$2-10 MM	4,9,10,11,12			1	
Minor	$0.5-$2 MM	8	13		5	7
Low	<$0.5 MM					

22.2.8 Risk Factors

A high-level approach is utilized to characterize risk factors that are generally similar across a number of the proposed mining operations. Risk factors that are unique to a specific operation or are particularly noteworthy are addressed individually.

22.2.8.1 Geological and Coal Resource

Coal mining is accompanied by risk that, despite exploration efforts, mining areas will be encountered where geological conditions render extraction of the resource to be uneconomic, or that coal quality characteristics disqualify the product for sale into target markets.

Table 22-5: Geological and Coal Resource Risk Assessment (Risks 1 and 2)

Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
			P	C	R		P	C	R
Recoverable coal tons as stated in the business plan recognized to be significantly less than previously estimated.	Local adverse conditions may increase frequency and cost of production unit relocations. Sterilized, inaccessible tonnages may result in from such scenarios.	Previous and ongoing exploration and extensive regional mining history provide a high level of confidence of coal seam correlation, continuity of the coal seams, and coal resource tons.	4	4	16	Optimize mine plan to increase resource recovery; develop mine plan to provide readily available alternate mining locations to sustain expected production level. Conduct continual exploration program to bolster confidence in factors that define reserves (thickness, wash recovery, etc.)	4	3	12
Coal quality and wash recovery locally proves to be lower than initially projected.	If uncontrolled, production and sale of coal that is out of specification can result in rejection of deliveries, cancellation of coal sales agreements and damage to reputation. Lower wash recoveries than anticipated provide direct impact to per ton costs and direct impact to reserve tonnages.	Exploration and vast experience and history in local coal seams provide confidence in coal quality, although wash recovery information is largely limited; limited excursions can be managed with careful product segregation and blending.	3	5	15	Develop mine plan to provide readily available alternate mining locations to sustain expected production level; modify coal sales agreements to reflect coal quality; conduct ongoing exploration to identify potential poor quality and wash recovery zones	3	4	12

22.2.8.2 Environmental

Water quality and other permit requirements are subject to modification and such changes could have a material impact on the capability of the operator to meet modified standards or to receive new permits and modifications to existing permits. Permit protests may result in delays or denials to permit applications.

Environmental standards and permit requirements have evolved significantly over the past 50 years and to-date, mining operators and regulatory bodies have been able to adapt successfully to evolving environmental requirements.

Table 22-6: Environmental (Risks 3 and 4)

Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
			P	C	R		P	C	R
Environmental performance standards are modified in the future.	Delays in receiving new permits and modifications to existing permits; cost of testing and treatment of water and soils	Work with regulatory agencies to understand and influence final standards; implement testing, treatment and other actions to comply with new standards.	2	4	8	Modify mining and reclamation plans to improve compliance with new standards while reducing cost of compliance.	1	4	4
New permits and permit modifications are increasingly delayed or denied.	Interruption of production and delayed implementation of replacement production from new mines.	Comply quickly with testing, treatment and other actions required; continue excellent compliance performance within existing permits.	2	4	8	Establish and maintain close and constructive working relationships with regulatory agencies, local communities and community action groups. Submit permit revision promptly for Lower Alma mine to help reduce risk associated with changes in regulations.	1	3	3

22.2.8.3 Regulatory Requirements

Federal and state health and safety regulatory agencies occasionally amend mine laws and regulations. The impact is industry-wide. Mining operators and regulatory agencies have been able to adapt successfully to evolving health and safety requirements.

Table 22-7: Regulatory Requirements (Risk 5)

Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
			P	C	R		P	C	R
Federal and state mine safety and health regulatory agencies amend mine laws and regulations.	Cost of training, materials, supplies and equipment; modification of mine examination and production procedures; modification of mining plans.	Participate in hearings and workshops when possible, to facilitate understanding and implementation; work cooperatively with agencies and employees to facilitate implementation of new laws and regulations.	4	3	12	Familiarity and experience with new laws and regulations results in reduced impact to operations and productivity and improved supplies and equipment options.	4	2	8

22.2.8.4 Market and Transportation

Most of the current and future production is expected to be directed to domestic and international metallurgical markets. Historically, the metallurgical markets have been cyclical and highly volatile.

Table 22-8: Market and Transportation (Risk 6)

Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
			P	C	R		P	C	R
Volatile coal prices drop precipitously.	Loss of revenue adversely affects profitability; reduced cash flow may disrupt capital expenditures plan.	Cost control measures implemented; capital spending deferred.	4	5	20	High-cost operations closed, and employees temporarily furloughed.	4	4	16

Occasional delay or interruption of rail, river and terminals service may be expected. The operator can possibly minimize the impact of delays by being a preferred customer by fulfilling shipment obligations promptly and maintaining close working relationships.

Table 22-9: Market and Transportation (Risk 7)

Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
			P	C	R		P	C	R
Rail or river transport is delayed; storage and shipping access at river and ocean terminals is not available.	Fulfillment of coal sales agreements delayed; limited coal storage at mines may increase cost of rehandling; production may be temporarily idled.	Provide adequate storage capacity at mines; coordinate continuously with railroad and shipping companies to respond quickly and effectively to changing circumstances.	5	3	15	Provide back-up storage facility along with personnel, equipment and rehandle plan to sustain production and fulfill sales obligations timely.	5	2	10

22.2.8.5 Mining Plan

Occupational health and safety risks are inherent in mining operations. Comprehensive training and retraining programs, internal safety audits and examinations, regular mine inspections, safety meetings, along with support of trained fire brigades and mine rescue teams are among activities that greatly reduce accident risks. Employee health monitoring programs coupled with dust and noise monitoring and abatement reduce health risks to miners.

As underground and surface mines are developed and extended, observation of geological, hydrogeological and geotechnical conditions lead to modification of mine plans and procedures to enable safe work within the mine environments.

Highlighted below are selected examples of safety and external factors relevant to Ben's Creek operations.

22.2.8.5.1 Water Management

Within the subject property, overmining poses the possible risk of water inundation to active works via pools of water in overlying old works. Being above drainage, the location of pools of water will be dictated by the structure of the overlying coal beds and extent of overlying works. The potential volume

of water which could migrate to active works varies from nuisance volumes to possible inundations which could pose a threat to the health of the underground work force.

Table 22-10: Water Management (Risk 8)

Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
			P	C	R		P	C	R
Water hazard is present when mining below old works present in overlying seams.	Injury or loss of life; possible requirement of water treatment; potential loss of mine and equipment temporarily or permanently; additional costs to monitor and treat water.	Availability of pumps on operating and outby sections to remove water from mine; readily available treatment methods; identification of potential pools of water ahead of undermining.	3	3	9	Conduct structure mapping and analysis to determine potential zones of water pools; minimize/modify pillar removal strategies as needed.	2	1	2

22.2.8.5.2 Mine Fires

Mine fires, once common at mine operations, are rare today. Most active coal miners have not encountered a mine fire. Vastly improved mine power and equipment electrical systems, along with safe mine practices reduce mine fire risks. Crew training and fire brigade support and training improve response for containment and control if a fire occurs. Spontaneous combustion within coal mines, which is the source of most fires that occur today, is not expected to commonly occur at the Ben's Creek property. When spontaneous combustion conditions are present, monitoring systems are employed for early detection and mine plans are designed to facilitate isolation, containment and rapid extinguishment.

Table 22-11: Mine Fires (Risk 9)

Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
			P	C	R		P	C	R
Mine fire at underground or surface mine operation.	Injury or loss of life; potential loss of mine temporarily or permanently; damage to equipment and mine infrastructure.	Inspection and maintenance of mine power, equipment and mine infrastructure; good housekeeping; frequent examination of conveyor belt entries; prompt removal of accumulations of combustible materials.	1	5	5	Maintain a program of housekeeping measures including the management of combustible trash and adequate rock dusting measures. Maintain conveyor terminals.	1	3	3

22.2.8.5.3 Availability of Supplies and Equipment

The industry has periodically experienced difficulty receiving timely delivery of mine supplies and equipment. Availability issues often accompanied boom periods for coal demand. Any future delivery of supplies and equipment delays are expected to be temporary with limited impact on production.

Table 22-12: Availability of Supplies and Equipment (Risk 10)

Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
			P	C	R		P	C	R
Disruption of availability for supplies and equipment.	Temporary interruption of production.	Force majeure provision in coal sales agreements to limit liability for delayed or lost sales.	3	2	6	Work closely with customers to assure delayed coal delivery rather than cancelled sales; monitory external conditions and increase inventory of critical supplies; accelerate delivery of equipment when possible.	3	1	3

22.2.8.5.4 Labor

Work stoppage due to labor protests are considered to be unlikely and accompanied by limited impact should it occur. Excellent employee relations and communications limit the exposure to outside protesters. Loss of supervisors and skilled employees to retirement is inevitable; the impact can be lessened with succession planning and training and training and mentorship of new employees.

Table 22-13: Labor – Work Stoppage (Risk 11)

Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
			P	C	R		P	C	R
Work stoppage due to strikes, slowdowns or secondary boycott activity.	Loss of production and coal sales; damaged customer and employee relations; reputation loss.	Maintain excellent employee relations and communications; maintain frequent customer communications.	2	3	6	Develop plan for employee communications and legal support to minimize impact of secondary boycott activities.	1	3	3

Table 22-14: Labor – Retirement (Risk 12)

Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
			P	C	R		P	C	R
Retirement of supervisors and skilled employees.	Loss of leadership and critical skills to sustain high levels of safety, maintenance and productivity.	Monitor demographics closely and maintain communications with employees who are approaching retirement age; maintain employee selection and training programs.	2	3	6	Maintain selection of candidates and implementation of in-house or third-party training for electricians and mechanics; develop employee mentoring program.	1	3	3

22.2.8.5.5 Project Execution

The re-starting of the Ben's Creek complex will require a minor rehabilitation to the processing and loadout infrastructure and the rehabilitation of a portion of the rail spur which services the operation. Additional ancillary infrastructure upgrades and retrofits will be needed to support the business plan.

Table 22-15: Project Execution (Risk 13)

Aspect	Impact	Control Measures	Initial Risk Level			Mitigation Measures	Residual Risk Level		
			P	C	R		P	C	R
Delays and increases in costs associated with infrastructure upgrades, retrofits and installations to support the business plan.	Delays in coal production and coal sales; increased capital requirements.	Maintain detailed project tracking metrics to track costs and timeframes; hire experienced management team to oversee project startup.	3	3	9	Secure competitive bids; ensure contractual terms include detailed project delivery schedule.	2	2	4

23 Recommendations

Ben's Creek is continuing to work both internally and with outside assistance to continue to further define their Resource Base and to Optimize the LOM Plan.

24 References

Publicly available information from various State and Federal agencies was used where relevant.

Prior studies completed by Marshall Miller on the subject property include:

> *"Geological Study and Coal Reserve Base Evaluation of the Ben's Creek Operations WV LLC Properties • Mingo County, West Virginia • and Pike County, Kentucky• May 2017."*

> *"Coal Reserve Base Evaluation • Mineral Property in • Mingo County, West Virginia and Pike County, Kentucky • April 2011"*

> *"Addendum to Coal Reserve Base Evaluation • Mineral Property in • Mingo County, West Virginia and Pike County, Kentucky • June 2011"*

> *"Geological Study and Coal Reserve Base Evaluation for the Glen Alum and Peach Creek Properties Controlled by KWV Operations LLC • Mingo and Logan Counties, West Virginia and Pike County, Kentucky • October 2010"*

> *"Reserve Maps for Min Inc. Property • Mingo County, West Virginia and Pike County Kentucky• September 2001"*

> *"Reserve Summary of the Hickory Gap Partnership Properties Leased to Min Inc. • September 2000"*

> *"Report on Phase II of the Coal Reserve Base Evaluation for Min, Inc. and Adjacent Properties • Mingo and Logan Counties, West Virginia • September 2000"*

> *"Report on Phase I of the Coal Reserve Base Evaluation for Min, Inc. and Adjacent Properties • Mingo and Logan Counties, West Virginia • August 2000"*

> *"AIM Note for Mining and Oil & Gas Companies • June 2009"*

25 Reliance on Information Provided by MBU

For the purpose of this CPR, MM&A utilized the Geological data provided by Ben's Creek. This information was subjected to verification of its integrity and completeness.

Historical productivity and operating costs were also supplied by Ben's Creek. This information was combined with the experience and knowledge of the CP's to forecast the LOM plan.

MBU Capital provided MM&A with price forecasts based on data from **Platts Coal Trader** for its proposed operations. MM&A utilized this data for price forecasting in financial modeling. The Ben's Creek Complex has historically produced metallurgical coal; however, no site-specific market study was undertaken by MM&A as part of our scope for the CPR.

APPENDIX

A

BIOGRAPHIES OF CPS

Michael G. McClure

Current Position
Principal Geologist

Profession
Geology

Years' Experience
42

Education
MS - Geology,
University of Kentucky,
Lexington, KY (1990)

BS - Geology, Brigham
Young University,
Provo, UT (1977)

Professional Registrations
CPG – AIPG (No. 8196)

PG - KY, VA

MSHA Annual
Retraining
(surface & underground
coal mining)

Affiliations
American Association of
Petroleum Geologists
(AAPG)

American Institute of
Professional Geologists
(AIPG)

www.mma1.com

Summary of Experience

Mr. McClure conducts geologic evaluations for the mining and coalbed methane (CBM) industries where he incorporates borehole and rock mechanics data, underground mapping, and geophysical data into the reporting process. He also directs the company's CBM laboratory for mining-related and exploration projects conducted in Alabama, Tennessee, Virginia, West Virginia, Kentucky, Ohio, Oklahoma, Pennsylvania, Illinois, and Wyoming.

Significant Projects

> Analyzed surface and underground mining and coalbed methane resources in major basins of the USA, and internationally within selected areas of Australia, Mexico, Venezuela, Canada, Chile, Czech Republic, China, Colombia, Great Britain, and Turkey.

> Provided geologic support for mining safety and accident investigations in Kentucky and West Virginia

Specific Projects

> **Virginia, USA:** Coordination of geological operations for 100 coalbed methane wells that included quality control, geophysical log interpretation, coalbed methane desorption testing, mapping, and analysis of coalbed methane potential for coal beds in the Central Appalachian Basin of Virginia.

> **Tennessee and Virginia, USA:** Coordination of the geologic component of small-scale pilot program for injection of CO2 into Shale gas and CBM wells in order to enhance gas recovery and sequester CO2.

> **Pennsylvania, USA:** Coordination of drilling, geologic mapping, coal quality testing, and reserve report preparation for multiple geologically complex properties in the Anthracite coal fields.

> **Shanxi Province, China:** Coordination of geologic evaluation of deep-mineable coal reserves and development of coalbed methane resources within a coal mining leasehold which has was subsequently opened as a large longwall mining operation.

> **Northern Colombia**: Conduct an evaluation of geologic conditions for an underground coal property, designed to supply a proposed coal-fired power plant.

> **Southern Chile:** Conduct evaluation of geologic conditions for a financial institution on an undeveloped coal reserve property, which was subsequently opened as a surface mining operation.

> **West Virginia, USA:** Participation in research to collect, identify and quantify Rare Earth Elements (REE) from an active underground coal mine.

> **Turkey:** Conduct audit of geologic conditions for limestone and metallic ore deposits.

Recognitions

> Graduate Fellowship Award, Federal Office of Surface Mining and the University of Kentucky, 1985–1986.

> Sigma Gamma Epsilon, while pursuing undergraduate studies at Brigham Young University.

Memberships

> Tazewell County Virginia Economic Development Commission, Member of ad hoc committee to study feasibility of making natural gas available for industrial usage, 1992.

> West Virginia Coalbed Methane Group – Member of ad hoc committee representing Coal and Oil & Gas Industry to draft legislation governing the development of coalbed methane within the state, 1993.

> Energy and Mineral Law Foundation, Lexington, Kentucky.

Steven A. Keim

Current Position
President

Profession
Mining Engineering

Years' Experience
10+

Education
PhD – Mining & Minerals Engineering, Virginia Polytechnic Institute & State University,
Blacksburg, VA

BS – Mining & Minerals Engineering, Virginia Polytechnic Institute & State University,
Blacksburg, VA

Professional Registrations
PE - WV

Society for Mining, Metallurgy and Exploration (SME) – Registered Member (04151568)

Summary of Experience

Dr. Keim provides engineering services for energy & mineral resource projects including geologic modelling, reserve estimation, mine planning, and financial modelling.

Significant Projects & Experience

> College-level teaching in Rock Mechanics, Ground Control and Mine Surveying
> Geological modelling and subsequent reserve estimation and financial modelling for Securities and Exchange Commission (*SEC*) and Joint Ore Reserve Committee (*JORC*) compliant reporting for domestic and international projects.
> Preparation plant based experience, including daily plant logistic management, development of protocols for preparation plant efficiency studies to maximize plant yield and quality and analysis of potential upgrades/enhancements
> Risk assessment experience, including risk matrix and RISKGATE methods
> Participation in expert witness teams for various litigation cases
> Management & participation in projects pertaining to independent, third-party verification of production tonnage to ensure correct allocation of royalty payments
> Participation and management of due diligence teams for large scale deep mine and surface mine acquisitions, including operational assessments as related to attainable production enhancements and operational improvements

Specific Projects

> **China:** Evaluation of low permeable reservoirs for coalbed methane recovery as related to environmental, financial and safety factors, including development of best practices for coalbed methane recovery and modelling reservoir characteristics
> **Turkey:** Development of degasification plan ahead of mining and predictive modeling for gassy coal seams for *Methane to Markets* partnership
> **United States.** Management of United States Department of Energy (*DOE*) funded carbon sequestration project for injection of carbon dioxide in depleted coalbed methane wells
> **Mozambique.** Estimation of plant yield for large scale surface mine through analysis of exploration based washability data, flotation release curves and coal sizing data, including the development of predictive model for plant yield & quality based upon slimcore data, thus eliminating the need for large diameter exploration drill holes
> **Australia.** *JORC* compliant reserve reporting pertaining to greenfield coal deposit, including multiple iterations of potential mine plans and mining methods and estimation of preparation plant yield and product quality

Awards

> 2014 SME J.W. Woomer Award (formerly the Young Engineers Award) - given to one recipient annually for distinguished contributions to the advancement of coal mining.
> Old Timers Award, which is presented to the outstanding undergraduate mining engineering student at Virginia Tech
> Outstanding Ph.D. student award in Mining and Minerals Engineering at Virginia Tech.

Justin S. Douthat

Current Position
Executive Vice President

Profession
Engineer

Years' Experience
24+

Education
MBA - The Pennsylvania State University, University Park, PA

BS - Mining & Minerals Engineering, Virginia Tech, Blacksburg, VA

AA&S - Engineering, SVCC, Richlands, VA

Professional Registrations
PE - AR, CO, IL, KS, KY, LA, MS, NC, VA, WV

SME - Registered Member (4028345)

OSHA 40-Hour Health and Safety Training

OSHA 8-Hour Supervisory Health and Safety Training

MSHA Qualified Impoundment Inspector

40-Hour Radiation Safety Officer Training

www.mma1.com

Summary of Experience

Mr. Douthat coordinates engineering services for the company's energy and mineral resources clients, including those in coal as well as the aggregates and industrial mineral industries. His experience includes financial modeling and management of multiple scoping, pre-feasibility and bankable feasibility studies, as well as geologic modeling, reserve calculations, mineral valuations, mine planning and production timing using Carlson Mining® computer software. In addition, he performs end-of-mine reclamation and closure cost assessments that meets the requirements of Accounting Standard Codification Topic 410 (*ASC 410*) Accounting for Asset Retirement Obligations. He administers training for the use of Carlson Mining® computer software for geologic modeling and mine planning both in the United States and abroad. Mr. Douthat also coordinates and supervises a company-wide radiation safety program that includes the safety training of geophysical logging personnel in order to maintain compliance with federal and state nuclear regulatory authorities.

Specific Projects

> Prepared and/or served as a Qualified Person (QP) or Competent Person (CP) on multiple technical reports for the public filing of coal resources and coal reserves including those for the U.S. Securities and Exchange Commission, Canadian National Instrument 43-101 Standards for Disclosure of Mineral Projects (NI 43-101) and the Joint Ore Reserves Committee (JORC) code

> Conducted reserve estimations for both aggregates and industrial minerals clientele that included reviews of potential acquisition properties or expansion areas as well as definition of maximum reserve potential for as-configured operating properties

> Designed pits for quarries that maximized reserves with a focus on erosion and sediment control

> Completed amendments to mining permits for submittal to state agencies

> Worked closely with quarry operations personnel to produce overburden removal and disposal plans along with the associated cut and fill volume estimates for future quarry expansion areas

> Prepared multiple construction bid packages for aggregate industry clientele to include overburden removal and disposal area designs, haul road design and relocation, and all associated erosion and sediment control design construction details

> Coordinated aerial surveys for topographic mapping and stockpile inventory purposes, and prepared stockpile inventory volume calculations

> Provided detailed mine planning that included reserve/resource assessment and mine production timing for surface and underground operations utilizing Carlson Mining® computer software

Timothy J. Myers

Current Position
Principal Engineer

Profession
Mining Engineering

Years' Experience
40+

Education
BS - Mining Engineering, West Virginia University

Professional Registrations
PE – WV, IL, Nova Scotia, Canada, Alberta, Canada

Professional Surveyor - WV

Certifications
Experienced Underground Miner – West Virginia

Underground Mine Foremen – West Virginia

www.mma1.com

Summary of Experience

Mr. Myers is responsible for mine planning, design engineering, and feasibility studies of mine properties both domestically and abroad. He conducts geotechnical evaluations of mining conditions and evaluates mine subsidence associated with mine sites. In addition, he conducts environmental site assessments and evaluates post-closure obligations for mining properties. As a Consulting Engineer, Mr. Myers is experienced with working on Bankable Feasibility Studies providing the Mine Design which includes mine timing, roof control, ventilation, transportation, electrical distribution, firefighting distribution, mine dewatering, capital budget and staffing requirements. In addition, he develops material handling plans including the site layout, preparation plant layout and facilities design. He also develops capital budgets for existing and proposed mining operations. Mr. Myers also works on reserve estimates and proforma financial models.

Following is a summary of his experience.

> He has experience in surface and underground coal mining, open pit surface mining for iron ore, oil well projects, natural gas projects.

> He has designed multiple mining projects starting from exploration and environmental permitting, through facility design and construction, transportation projects involving rail, barge and shiploading, extraction design for surface and underground mining and market development.

> He has been the corporate engineering liaison for reserve studies in working with various consulting firms.

> In Geologic Reserves, his geologic experience is in researching properties for acquisition opportunities. Interacted with third-party consulting companies on reserve studies.

> He has provided management of several exploration campaigns in coal and iron ore.

> His mine site experience includes various duties ranging from general mine labor, surveying, production foreman, mine examiner and belt examiner.

> As an Underground Mine Site Engineer, he worked on site as the technical person involved in health and safety plans, ventilation, pumping, roof control, pillar design, conveyor design, fan design, transportation. Completed computer modeling of mine ventilation systems for room-and-pillar as well as longwall mines.

> As Environmental Engineer, his environmental experience ranged from permitting under SMCRA reclamation regulations, water discharge NPDES permits, US Army Corps of Engineers permitting, and compliance monitoring. Understanding of groundwater hydrology, wetlands, streams, archaeology, flora and fauna issues, surface drainage and revegetation. Responsible for the environmental data collection efforts for a greenfield iron surface mine project.

> As Construction Engineer, he designed air shafts and slopes; produced contractor bid documents and then managed the bidding process; and provided the onsite Construction Engineer duties for the process through commissioning the facility.

> As Surface Mine Engineer, he worked on surface mine projects that included area mining, contour mining, highwall mining and auger mining. Chief Engineer for the Gogebic Taconite project which included a large open pit design for an iron ore deposit.

> In Refuse Disposal, his experience is on refuse disposal included slurry impoundments, combined refuse, slurry cells, and underground injection disposal.

> In Transportation, his experience is in railroad and river dock layouts for transportation issues. Designs have included unit train loadouts with multiple railroads to single track spurs in confined locales to river docks on the US Inland River System.

Scott B. Peterson

Current Position

Senior Principal Geologist

Profession

Geologist

Years' Experience

35+

Education

BS – Geology, University of Minnesota, Duluth

SME Short Course, Safe and Cost Efficient Blasting in Surface Mines

Colorado School of Mines Continuing Education, Economic Evaluation and Decision Making Methods by Sturmal and Sturma

Professional Registrations

CPG – AIPG

PG - WY

Certified underground, surface and mine rescue MSHA training instructor.

Certified Wyoming and Utah underground coal mine foreman.

Past member ASTM and active in D05 committees and subcommittees.

www.mma1.com

Summary of Experience

Mr. Peterson provides geologic services for energy and mineral resource projects including geologic modelling, reserve estimation, and exploration. He has a longstanding history of industrial experience pertaining to geological and engineering functions of major mining companies. Mr. Peterson's career has included all geological aspects of the mining cycle, including field exploration, characterization and resource modelling, reserve assessments, and operational assistance regarding the delineation and geological hazards and predictive modelling.

Significant Experience

> Managed engineering, geology, environmental and water treatment groups for major coal producer; providing the planning, organization and collaboration between groups to have permits, plans and services well-ahead of mine operations to assure no mine delays as operations develop and advance and to prepare for the future. Operations in WV, PA, VA, KY, IL and the PRB.

> Insured procedures and methods in-place for environmental compliance of active and inactive operations.

> Directed and assisted mine engineering with Federal and State plans, underground mine and system design.

> Environmental group provides al state and federal permits, NPDES outfall compliance, subsidencerestoration and site compliance.

> Provided mine geology and geotechnical analysis for coal operations located in PA, WV and VA, with emphasis on research of geologic conditions to develop depositional models for geologic risks and hazards assessments for mining operations.

> Directed and provided technical assistance for research of mine rock stability to design roof support system in a variety of geologic and in-situ stress environments.

> Directed and provided site geologic risk assessments and evaluations of mine operations through underground mapping and geologic research into depositional environments.

> Assisted in geologic modeling and longwall hazard predictions for mine planning optimization.

> Installed surface gob vent boreholes and in-seam horizontal de-gas holes.

> Research on limestone and dolomite physical and chemical properties and studied their characteristic and application methods as rock dust.

APPENDIX

B

GLOSSARY OF ABBREVIATIONS AND DEFINITIONS

Abbreviation	Definition
ACPS	Analysis of Coal Pillar Stability
AEP	American Electric Power
AIM	London Stock Exchange's Alternative Investment Market
AIPG	American Institute of Professional Geologists
ARO	Asset Retirement Obligations for end-of-mine reclamation
AS/NZS 4360	the Australian and New Zealand Standard on Risk Management
ASTM	American Society for Testing and Materials
AVS	Applicant Violator System
Btu/lb.	British Thermal Unit per pound
CPG	Certified Professional Geologist
Carlson	Carlson Mining – formerly SurvCADD® – a prevalent software package used for modeling in the Appalachian region
Competent Person	"…a person who is a mineral industry professional who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists or of a 'Recognized Professional Organization (RPO), as included in a list available of the JORC and ASX websites. These organizations have enforceable disciplinary processes including the powers to suspend or expel a member. A Competent Person must have a minimum of five years of relevant experience in the type of mineralization and type of deposit under consideration and in the specific type of activity that person is undertaking on behalf of the registrant."
CP	Competent Person
CPR	Competent Persons' Report
DDPM	Dial Divisions Per Minute (from Giesler Plastometer test measuring fluidity)
Demonstrated reserves	Demonstrated reserves are the sum of proven and probable reserves.
EBITDA	Earnings before Interest, Taxes, Depreciation, and Amortization
EPA	United States Environmental Protection Agency
Feasibility Study	"…comprehensive technical and economic study of the selected development option for a mineral project, which includes detailed assessments of all applicable modifying factors together with any other relevant operational factors, and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is economically viable. According to the proposed definition, the results of the study may serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. Thus, a feasibility study is more comprehensive, with a higher degree of accuracy, and yielding results with a higher level of confidence, than a pre-feasibility study."
GPS	Global Positioning System
In situ	Its natural position; said specific of a rock, soil, or fossil when in the situation in which was originally formed or deposited

Abbreviation	Definition
Indicated Resources	Indicated resources are those lying between 1/4-mile and 3/4-mile radius from such an observation point and reported herein as in-situ mineral resources.
Inferred Resources	Inferred resources lie more than a 3/4-mile radius from a valid point of measurement but less than 3 miles from one and reported herein as in-situ mineral resources.
Investec Bank plc	Former owner of the Ben's Creek properties
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
KVA	Kilo-Volt-Ampere
LOM	Life-of-mine
M&R	Maintenance and repair
M.B.A.	Master of Business Administration
MBU Capital	MBU Capital Group
Measured Resources	Measured resources are those lying within 1/4-mile radius from a valid point of measurement and reported herein as in-situ mineral resources.
MINER Act	Mine Improvement and New Emergency Response Act of 2006
Mineral Reserve	"…the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes dilution materials and allowances for losses, which occur when the material is mined or extracted and is defined by studies at Preliminary Feasibility or Feasibility level as appropriate that include Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction of the mineral reserve is economically viable under reasonable investment and marketing assumptions."
Mineral Resource	"…a concentration or occurrence of solid material of economic interest or on the Earth's crust in such form, grade or quality that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling."
MM&A	Marshall Miller & Associates, Inc.
Modifying Factors	"…considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental compliance, plans, negotiations, or agreements with local individuals or groups and governmental factors."
MSHA	United States Department of Labor Mine Safety and Health Administration
Mt	Million short tons
NIOSH	National Institute for Occupational Safety and Health
NS	Norfolk Southern Corporation, a rail-based freight transportation company
O&M	Operating and maintenance
OSD	Out-of-seam dilution

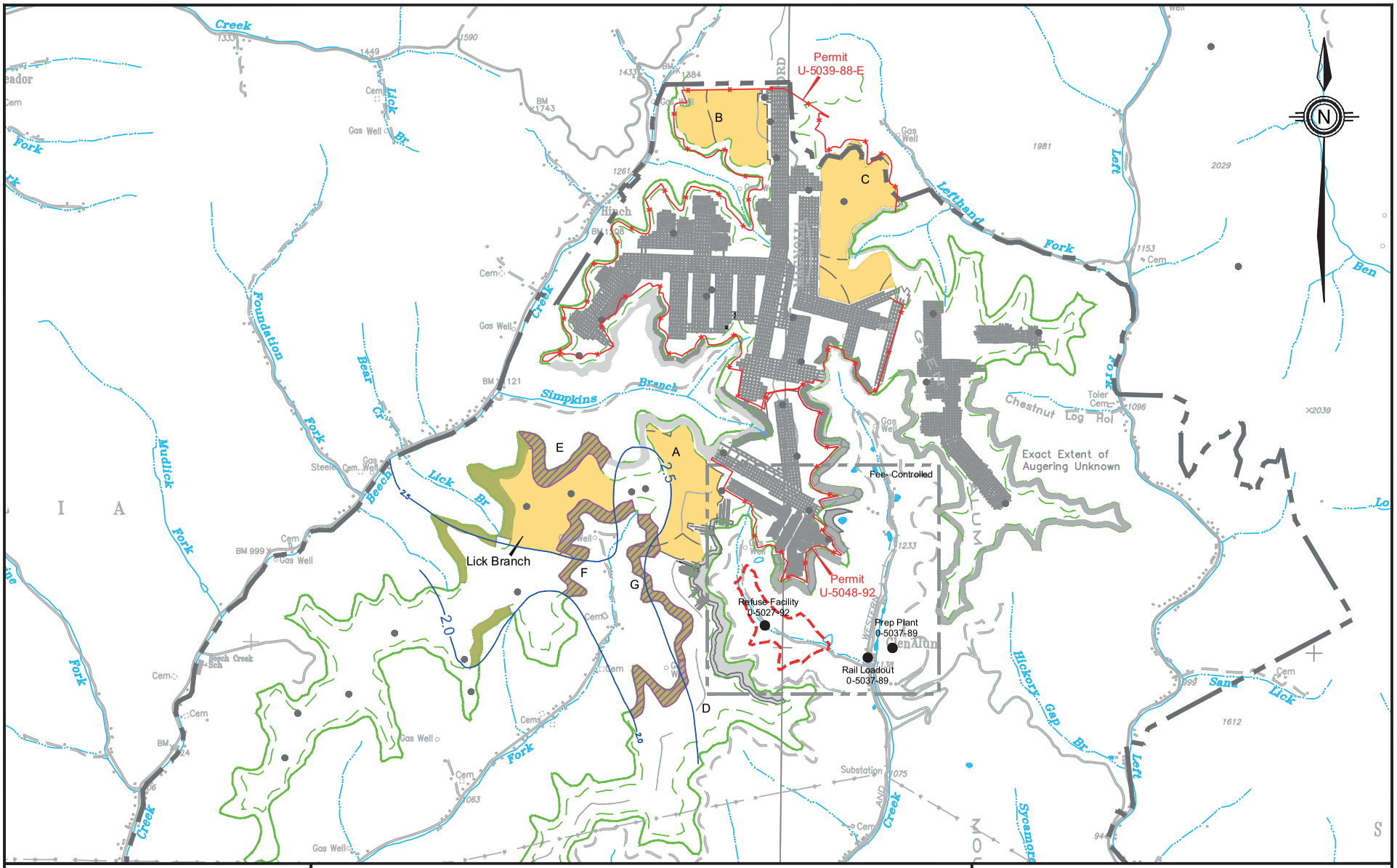
Abbreviation	Definition
P&L	Profit and loss before tax
PE	Professional Engineer
PhD	Doctor of Philosophy
Platts Coal Trader	Source of coal market price data supplied to MM&A by MBU Capital
PLC	Pocahontas Land Company
Preliminary Feasibility Study	"…as a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a qualified person has determined (in the case of underground mining) a preferred mining method, or in the case of surface mining) a pit configuration, and in all cases has determined an effective method of mineral processing and an effective plan to sell the product. The study's financial analysis must have the level of detail necessary to demonstrate, at the time of reporting, that extraction is economically viable. In addition, as noted in the proposed definition of a pre-feasibility study, while a pre-feasibility study is less comprehensive and results in a lower confidence level than a feasibility study, a pre- feasibility study is more comprehensive and results in a higher confidence level than an initial assessment."
Property(ies)	Bituminous coal deposits located at Ben's Creek in Mingo County, West Virginia and a small portion of Pike County, Kentucky.
Rec.	Recovery
Resource Database	The Resource Database is established by the collection, validation, recording, storing and processing of data and forms the foundation necessary for the estimation of Mineral Resource and Mineral Reserve. A quality assurance and quality control program is essential and must be established to govern the collection of all data. In reporting, a Mineral Resource must meet the minimum requirement of "reasonable prospects for economic extraction". This will require the concurrent collection and storage of preliminary economic, mining, metallurgical, environmental, legal and social data and other information for use in the estimation of MRMR. The Resource Database will include both "primary" (observation and measurement) and "interpreted" data. It is recommended that data be stored digitally, using a documented, standard format and a reliable storage medium that allows for easy and complete retrieval of the data.
ROM	Run-of-mine
RPO	Recognized Professional Organizations
SME	Society for Mining Engineers
USA	United States of America
USGS	United States Geologic Survey
VAC	Volts of Alternating Current

Abbreviation	Definition
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets

APPENDIX

C

MAPS



MARSHALL MILLER & ASSOCIATES

MBU100 Bluefield, VA 5/21
UCG mh

Underground Permit Boundary

Data Point Location

Total Seam Thickness Isoline In Feet

Previous Underground Mining with 200' Barrier

0 3000
Scale In Feet

Controlled Underground Resources as of 4/30/21

Resource

Controlled Surface Resources as of 4/30/21

Resource

Tonnage Subleased to DFM

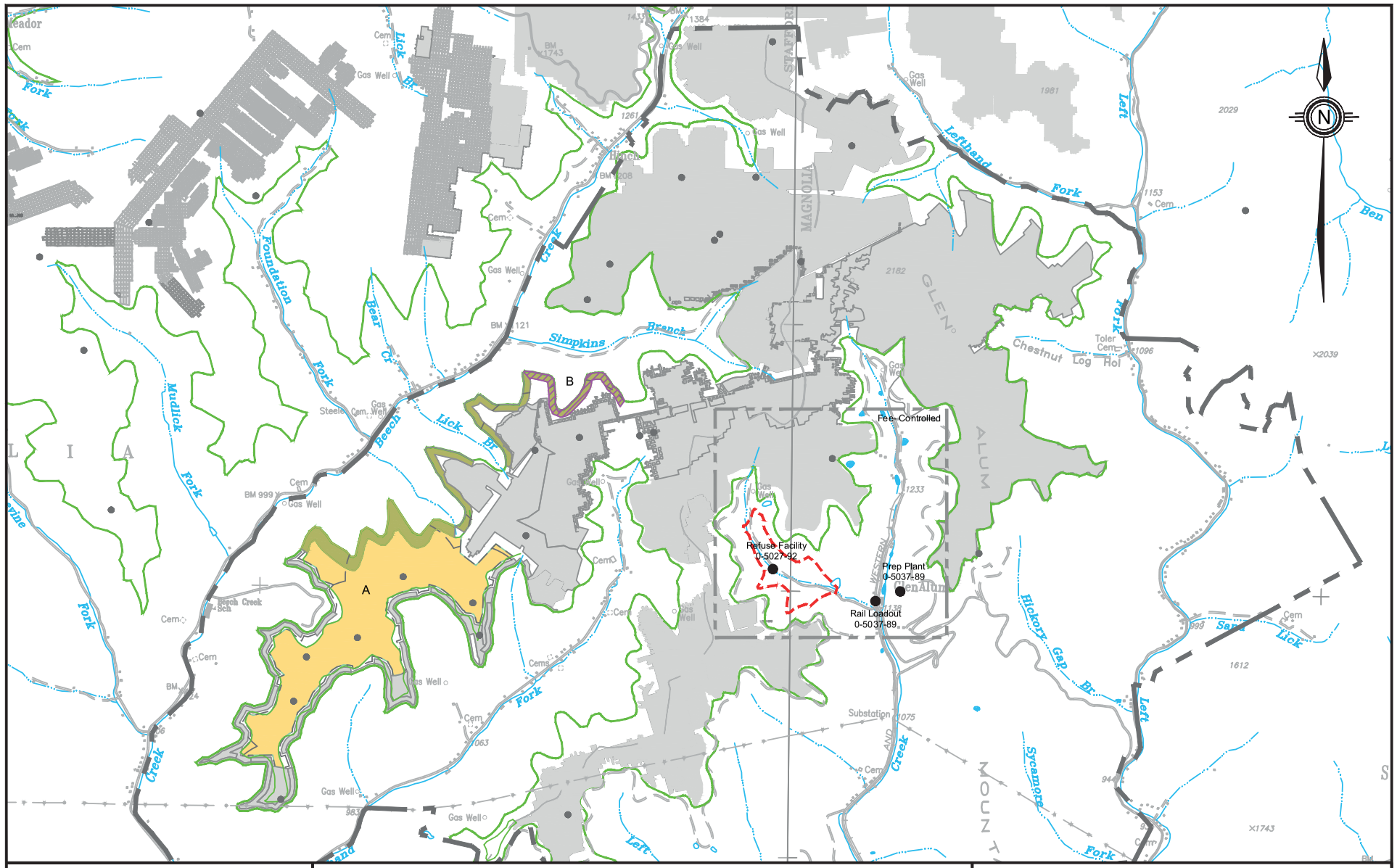
Map 1

Upper Cedar Grove Seam
Ben's Creek Operations WV, LLC

MBU Capital Group

Mingo County, West Virginia & Pike County, Kentucky

Coordinate System: West Virginia South State Plane NAD 83



MARSHALL MILLER & ASSOCIATES

MBU100 Bluefield, VA 5/21
LCG mh

Data Point Location

Previous Underground Mining with 200' Barrier

0 3000
Scale In Feet

Controlled Underground Resources as of 4/30/21

Resource

Controlled Surface Resources as of 4/30/21

Resource

Tonnage Subleased to DFM

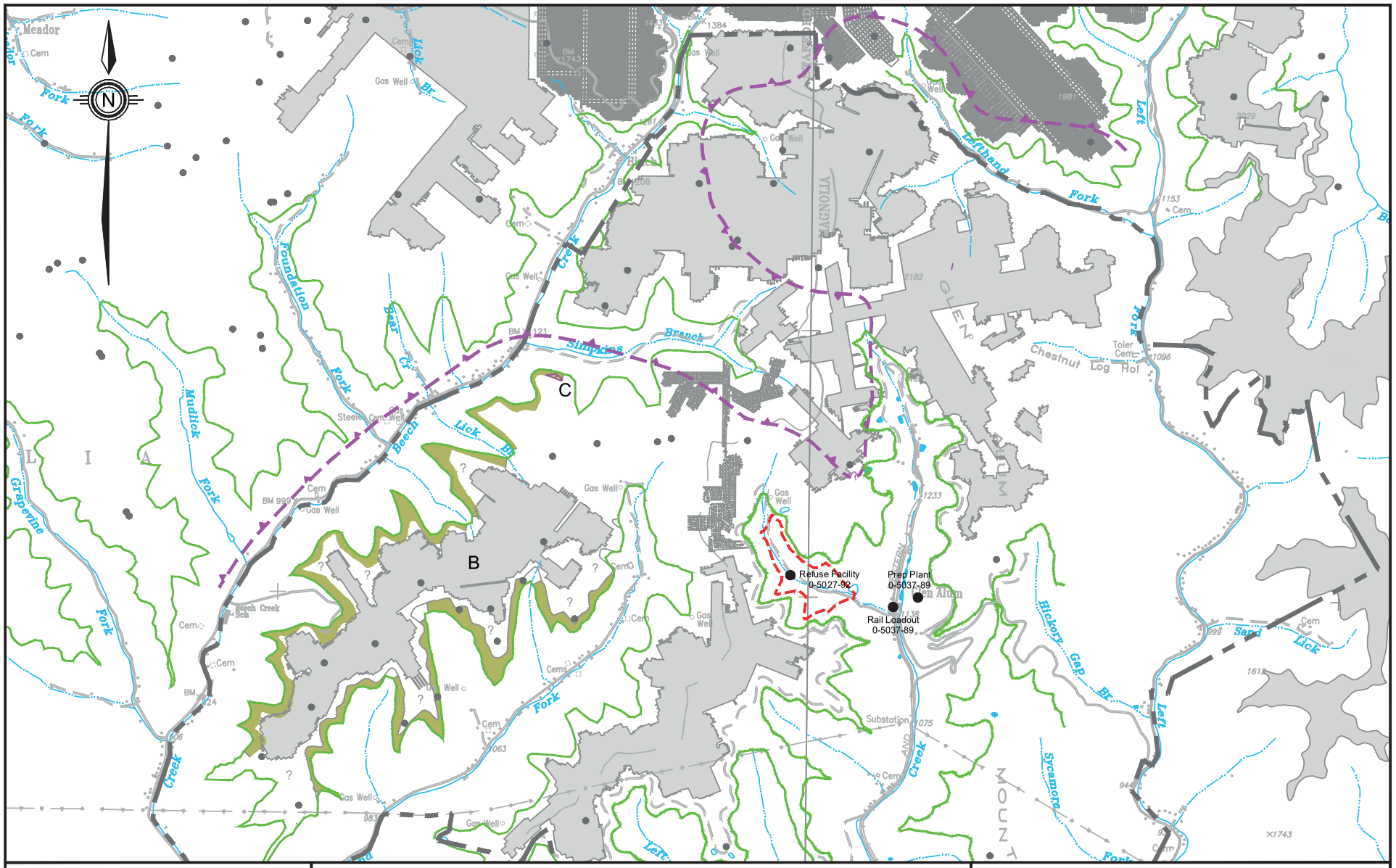
Map 2

Lower Cedar Grove Seam
Ben's Creek Operations WV, LLC

MBU Capital Group

Mingo County, West Virginia & Pike County, Kentucky

Coordinate System: West Virginia South State Plane NAD 83



MARSHALL MILLER & ASSOCIATES

MBU100 Bluefield, VA 5/21
LA UB mh

Data Point Location

30' Interval Isoline Between Upper and Lower Benches of Lower Alma Seam

Previous Underground Mining

Controlled Surface Resources as of 4/30/21

Resource

Tonnage Subleased to DFM

0 3000
Scale In Feet

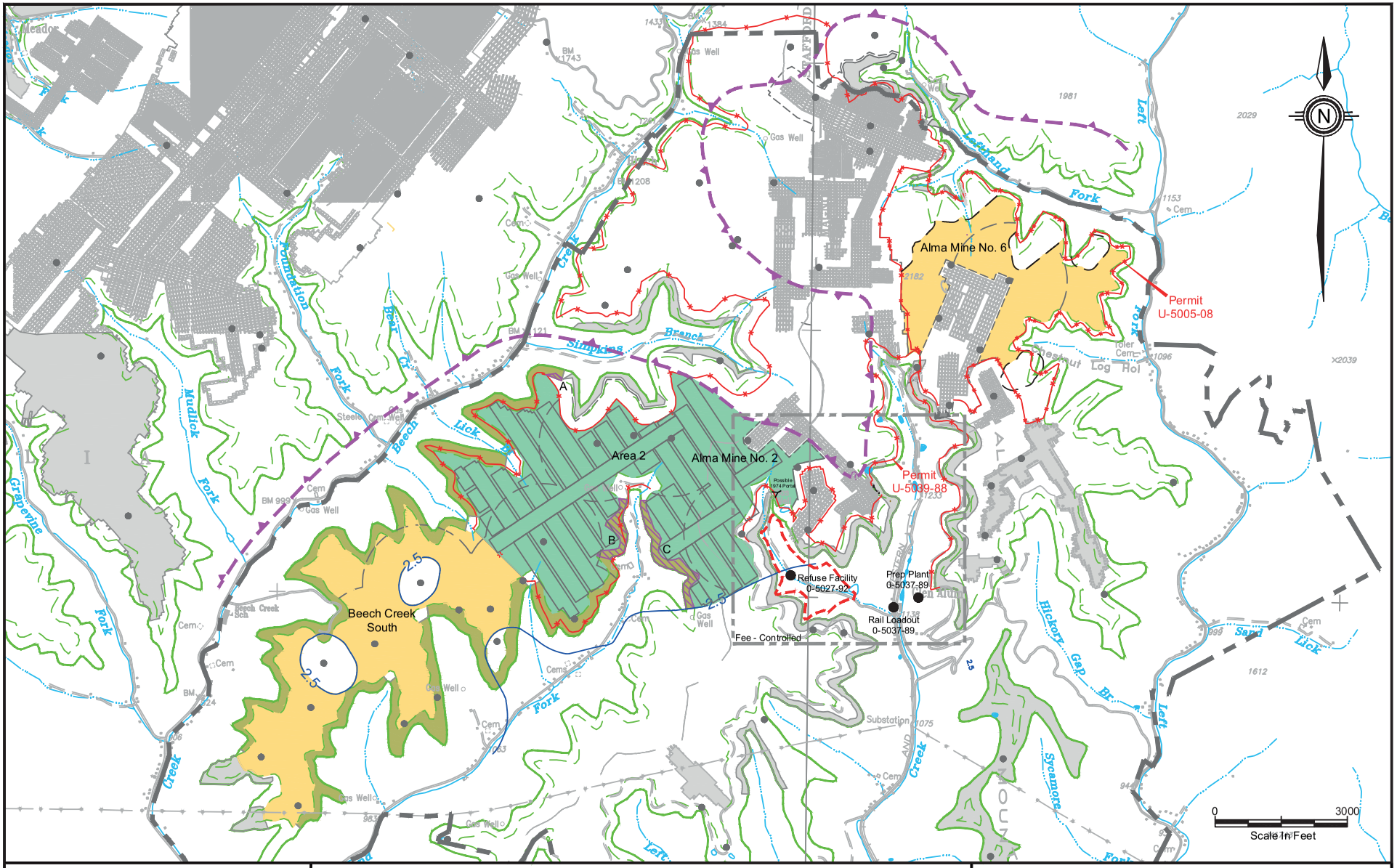
Map 3

Lower Alma - Upper Bench Seam
Ben's Creek Operations WV, LLC

MBU Capital Group

Mingo County, West Virginia & Pike County, Kentucky

Coordinate System: West Virginia South State Plane NAD 83



MARSHALL MILLER & ASSOCIATES

MBU100 Bluefield, VA 5/21
LA LB mh

Underground Permit Boundary
Data Point Location
2.5 Total Seam Thickness Isoline In Feet
30' Interval Isoline Between Upper and Lower Benches of Lower Alma Seam
Previous Underground Mining with 200' Barrier
Mine Projections

Controlled Underground Resources as of 4/30/21
Reserve
Resource

Controlled Surface Resources as of 4/30/21
Resource
Tonnage Subleased to DFM

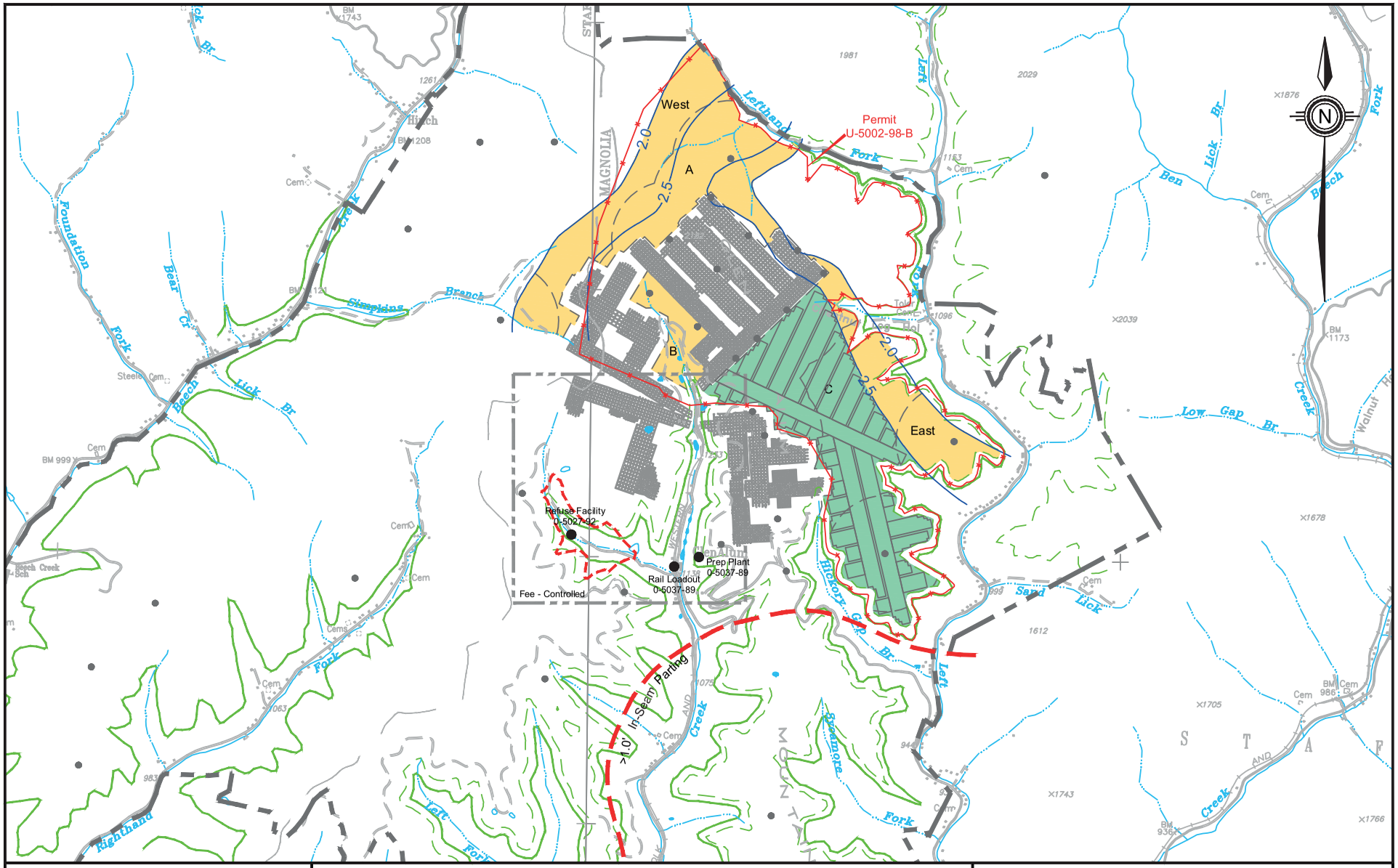
Map 4

Lower Alma - Lower Bench Seam
Ben's Creek Operations WV, LLC

MBU Capital Group

Mingo County, West Virginia & Pike County, Kentucky

Coordinate System: West Virginia South State Plane NAD 83



MARSHALL MILLER & ASSOCIATES

MBU100 Bluefield, VA 5/21
PondCreek mh

Underground Permit Boundary
Data Point Location
2.5 Total Seam Thickness Isoline In Feet
Previous Underground Mining with 200' Barrier
Mine Projections

Controlled Underground Resources as of 4/30/21
Reserve
Resource

0 3000
Scale In Feet

Map 5

Pond Creek Seam
Ben's Creek Operations WV, LLC

MBU Capital Group
Mingo County, West Virginia & Pike County, Kentucky
Coordinate System: West Virginia South State Plane NAD 83

PART V

FINANCIAL INFORMATION AND ACCOUNTANTS' REPORT ON THE COMPANY

SECTION A – ACCOUNTANTS' REPORT ON THE COMPANY

The Directors and Proposed Directors
Bens Creek Group plc
Nightingale House
65 Curzon Street
London, W1J 8PE

The Directors
Allenby Capital Limited
5 St Helen's Place
London, EC3A 6AB

13 October 2021

Dear Sirs

Accountants report on the Historic Financial Information of Bens Creek Group plc ("the Company")

Introduction

We report on the financial information of Bens Creek Group plc ("the Company") for the period from incorporation to 25 August 2021 which comprises the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cashflows, and the related notes. This financial information has been prepared for inclusion in the AIM Admission Document of the Company dated 13 October 2021 in connection with the Placing and Acquisition, and on the basis of the accounting policies set out in note 2 to the financial information. This report is given for the purpose of complying with paragraph (a) of Schedule Two of the AIM Rules for Companies and for no other purpose.

Responsibility

The Directors of the Company are responsible for preparing the Financial Information on the basis of preparation set out in the notes to the Financial Information and in accordance with UK adopted International Financial Reporting Standards ("IFRS").

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of,

or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

Our work included an assessment of evidence relevant to the amounts and disclosures in the Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

Conclusions relating to going concern

In auditing the Financial Information, we have concluded that the director's use of the going concern basis of accounting in the preparation of the Financial Information is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Opinion

In our opinion, the Financial Information in Part V gives, for the purpose of the Admission Document dated 13 October 2021, a true and fair view of the state of affairs of the Company as at 25 August 2021 and of its results, cash flows and changes in equity for the period then ended in accordance with IFRS.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and declare we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

PKF Littlejohn LLP
Reporting Accountant

STATEMENT OF COMPREHENSIVE INCOME

The audited statement of comprehensive income of the Company from incorporation on 11 August 2021 to 25 August 2021 is stated below. The Company was dormant during the period and had not commenced trading.

	Note	*Audited Period ended 25 August 2021* £
Revenue		–
Administrative expenses		–
Operating result		–
Finance income/(expense)		–
Profit before taxation		–
Income tax	6	–
Profit for the period and total comprehensive income for the period		–
Basic and diluted earnings per Ordinary Share (pence)	7	–

The notes form an integral part of this Historic Financial Information.

STATEMENT OF FINANCIAL POSITION

The audited statement of financial position of the Company as at 25 August 2021 is stated below:

	Note	*Audited As at 25 August 2021* £
ASSETS		
Current assets		
Trade and other receivables	8	1
Total assets		1
EQUITY AND LIABILITIES		
Equity attributable to owners		
Ordinary Share capital	9	1
Retained earnings		–
Total equity attributable to Shareholders		1
Total equity and liabilities		1

The notes form an integral part of this Historic Financial Information.

STATEMENT OF CASH FLOWS

The audited statement of cash flows of the Company from the date of incorporation on 11 August 2021 to 25 August 2021 is stated below:

	Audited Period ended 25 August 2021 £
Cash flows from operating activities	
Profit before income tax	–
Net cash from operating activities	–
Cash flows from financing activities	
Cash received from issue of Ordinary Shares	–
Net cash inflow from financing activities	–
Net increase in cash and cash equivalents	–
Cash and cash equivalents at beginning of period	–
Cash and cash equivalents at end of period	–

The notes form an integral part of this Historic Financial Information.

Significant non-cash transactions

On incorporation, the Company issued 1 Ordinary Shares of £1 at their nominal value of £1. This balance remains unpaid as at 25 August 2021.

STATEMENT OF CHANGES IN EQUITY

The audited statement of statement of changes in equity of the Company from the date of incorporation on 11 August 2021 to 25 August 2021 is stated below:

	Ordinary Share capital £	*Retained earnings* £	*Total equity* £
Comprehensive income for the period			
Profit for the period	–	–	–
Total comprehensive income for the period	–	–	–
Transactions with owners			
Ordinary Shares issued on incorporation	1	–	1
As at 25 August 2021	1	–	1

The notes form an integral part of this Historic Financial Information.

NOTES TO THE COMPANY FINANCIAL INFORMATION

1. General information

The Company was incorporated on 11 August 2021 in England and Wales with Registered Number 13559916 under the Companies Act 2006, under the name Bens Creek Group Plc.

The address of its registered office is Nightingale House, 65 Curzon Street, London, W1J 8PE.

The principal activity of the Company is that of a holding company, incorporated for the purpose of acquiring mining assets in the United States of America. The Company did not trade during the period under review.

2. Basis of preparation

The principal accounting policies applied in the preparation of the Historic Financial Information are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

The Historic Financial Information has been prepared for the sole purpose of publication within this Admission Document. It has been prepared in accordance with the requirements of the AIM Rules for Companies and in accordance with UK adopted International Accounting Standards ('IFRS'). The Historic Financial Information has been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense.

The Historic Financial Information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Historic Financial Information is presented in pounds sterling (£) unless otherwise stated, which is the Company's functional and presentational currency during the period.

Comparative figures

No comparative figures have been presented as the Historic Financial Information covers the period from incorporation on 11 August 2021.

Going concern

The Historic Financial Information has been prepared on a going concern basis. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Company Financial Information.

Standards and interpretations issued and not yet effective

At the date of the Historic Financial Information, the Directors have reviewed the standards in issue by the International Accounting Standards Board and IFRIC, which are effective for periods beginning on or after the stated effective date but have not yet been applied. In their view, these standards would not have a material impact on the financial reporting of the Company.

3. Significant accounting policies

The Historic Financial Information is based on the following policies which have been consistently applied.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks and other financial institutions, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are offset if there is a legally enforceable right to set off the recognised amounts and interests and it is intended to settle on a net basis.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Share capital

Ordinary shares are classified as equity in share capital. 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 provided there is sufficient premium available. Should sufficient premium not be available placing costs are recognised in the Statement of Comprehensive Income.

Dividends

No dividend has been declared or paid by the Company during the period ended 25 August 2021.

Earnings per Ordinary Share

The Company presents basic and diluted earnings per share data for its Ordinary Shares. Basic earnings per Ordinary Share is calculated by dividing the profit or loss attributable to Shareholders by the weighted average number of Ordinary Shares outstanding during the period. Diluted earnings per Ordinary Share is calculated by adjusting the earnings and number of Ordinary Shares for the effects of dilutive potential Ordinary Shares.

4. Critical accounting estimates and judgments

In preparing the Company Financial Information, the Directors are required to make judgments on how to apply the Company's accounting policies and make estimates about the future. The Directors do not consider there to be any critical judgments that have been made in arriving at the amounts recognised in the Company Financial Information.

5. Employees and directors' remuneration

There were no employees of the Company in the period under review, other than the two executive directors. Total directors' remuneration was £Nil.

6. Income tax

	25 August 2021 £
Current tax	–
Deferred tax	–
Income tax expense	–

There has been no activity in the year and as a result, no reconciliation of the effective tax rate for the period has been included.

7. Earnings per Ordinary Share

There were no potentially dilutive instruments in issue at the period end.

	As at 25 August 2021		
	Earnings £	*Weighted average number of Ordinary Shares*	*Per-share amount (pence)*
Basic earnings per Ordinary Share			
Earnings attributable to Shareholders	–	1	–
Diluted earnings per Ordinary Share			
Effect of dilutive securities	–	1	–

8. Trade and other receivables

	25 August 2021 £
Amount due from issue of ordinary shares	1
	1

9. Share capital

	Number of Ordinary Shares	*Share capital £*	*Total £*
On incorporation (of £1 each)	1	1	1
At 25 August 2021	1	1	1

On incorporation, the Company issued 1 Ordinary Shares at their nominal value of £1.

10. Capital management policy

The Directors' objectives when managing the Company's capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued share capital and reserves.

11. Financial instruments

The Company's accounting policies and methods adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial asset and equity instrument are set out in Note 3 "Accounting policies" to the Company Financial Information. The Company does not use financial instruments for speculative purposes.

Financial risk management

The Directors use a limited number of financial instruments, comprising cash and other receivables, which arise directly from the Company's initial operations. The Company does not trade in financial instruments.

Financial risk factors

The Company as a non-trading entity has had limited financial risks during the period. The Directors' overall risk management programme focuses on the maintenance of adequate cash to fulfil the working capital requirements of the Company. The Directors considerations of other financial risk factors are as follows:

Currency risk

The Company does not operate internationally and its exposure to foreign exchange risk is limited to transactions and balances that are denominated in currencies other than pounds sterling.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company does not hold any material amounts receivable at the period end.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and available funding to discharge all its liabilities. The Directors have considered the liquidity risk as part of their going concern assessment.

Cash flow interest rate risk

The Company has no interest-bearing liabilities and assets.

Fair values

The Directors assessed that the fair values of the other receivables approximate their carrying amounts.

12. Related party transactions

On incorporation, the Company issued 1 Ordinary Share of £1 at £1 per Ordinary Share for cash consideration of £1 to MBU Capital Group Limited, a company of which Mohammed Iqbal is a director. The 1 Ordinary Share is unpaid as at 25 August 2021.

13. Ultimate controlling party

As at 25 August 2021, MBU Capital Group Limited is considered the controlling party of the Company.

14. Post balance sheet events

On 31 August 2021, the existing 1 share of £1 was sub-divided into 1,000 shares of £0.001 each.

On 10 September 2021, 49,999,000 shares of £0.001 were issued to increase the allotted and issued capital to £50,000.

With effect from 22 September 2021, the Company entered into a sale and purchase agreement with MBU Capital Group Limited pursuant to which it acquired the entire issued share capital of Ben's Creek Carbon LLC and its subsidiaries, with the consideration to be satisfied by the issue and allotment of shares in the Company at the same price per share as the initial public offering, credited as fully paid.

15. Nature of the Historic Financial Information

The Historic Financial Information presented above does not constitute statutory accounts for the period under review.

PKF

Accountants & business advisers

The Directors and Proposed Directors
Bens Creek Group plc
Nightingale House
65 Curzon Street
London, W1J 8PE

The Directors
Allenby Capital Limited
5 St Helen's Place
London, EC3A 6AB

Dear Sirs

Ben's Creek Carbon LLC and its subsidiaries ("the Group")

Introduction

We report on the financial information of Ben's Creek Carbon LLC ("the Group") for the period from incorporation to 30 April 2021 which comprises the consolidated statement of profit and loss and comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cashflows, and the related notes. This financial information has been prepared for inclusion in the AIM Admission Document of Bens Creek Group plc dated 13 October 2021 in connection with the Placing and Acquisition, and on the basis of the accounting policies set out in note 2 to the financial information. This report is given for the purpose of complying with paragraph (a) of Schedule Two of the AIM Rules for Companies and for no other purpose.

Responsibilities

The Directors of the Group are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards ("IFRS").

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under Schedule Two of the AIM Rules for Companies to any person as and to the extent provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Opinion

In our opinion the financial information set out below gives, for the purposes of the Admission Document dated 13 October 2021, a true and fair view of the state of affairs of the Group as at 30 April 2021 and of its results, cash flows and changes in equity for the period then ended in accordance with the basis of preparation in note 2 and has been prepared in a form that is consistent with the accounting policies adopted by the Group.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Admission Document and we declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

PKF Littlejohn LLP
Reporting Accountant

15 Westferry Circus
Canary Wharf
London E14 4HD

13 October 2021

BEN'S CREEK CARBON LLC

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 APRIL 2021

Registered number: 3881063
Registered address: Corporation Trust Centre, 1209 Orange Street, Wilmington, Delaware 19801, USA

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD ENDED 30 APRIL 2021

	Note	*For the period ended 30 April 2021 $*
Revenue		–
Cost of sales		–
Profit/(loss) from operations		–
Administrative expenses	7	(1,964,893)
Other net gains/(losses)	9	33,664,572
Profit before tax		31,699,679
Tax expense	10	(8,798,236)
Profit		22,901,443
Profit attributable to:		
Owners of the parent		22,901,443
		22,901,443

Ben's Creek Carbon LLC is a Limited Liability Company formed in Delaware, United States with no shareholders and membership interests only. As such there is no Earnings Per Share to report.

The accompanying notes form an integral part of the Historic Financial Information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 APRIL 2021

	Note	*For the period ended 30 April 2021 $*
Profit for the period		22,901,443
Other comprehensive income:		
Items that will or may be reclassified to profit or loss:		
		22,901,443
Total comprehensive income		22,901,443

The accompanying notes form an integral part of the Historic Financial Information.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2021

	Note	*30 April 2021 $*
Non-current assets		
Property, plant and equipment	11	12,567,492
Coal rights and reclamation assets	12	27,156,019
Right of use assets	13	235,413
		39,958,924
Current assets		
Trade and other receivables	14	396,012
Cash and cash equivalents	15	228,225
		624,237
Total assets		40,583,161
Current liabilities		
Trade and other payables	16	287,715
Deferred consideration	17	1,718,456
Lease liability	13	115,525
		2,121,696
Non-current liabilities		
Borrowings	18	2,426,974
Provisions	19	1,455,569
Deferred consideration	17	2,766,972
Deferred tax liability	10	8,798,236
Lease liability	13	112,271
		15,560,022
Total liabilities		17,681,718
Net assets		22,901,443
Equity attributable to owners of the parent		
Retained earnings		22,901,443
Total equity		22,901,443

The accompanying notes form an integral part of the Historic Financial Information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 APRIL 2021

	Note	*Retained earnings* *$*	*Total* *$*
Balance as at Incorporation		–	–
Profit for the period		22,901,443	22,901,443
Total comprehensive income for the period		22,901,443	22,901,443
Total contributions by and distributions to owners		22,901,443	22,901,443
Balance as at 30 April 2021		22,901,443	22,901,443

The accompanying notes form an integral part of the Historic Financial Information.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 APRIL 2021

	Note	*Period ended 30 April 2021 $*
Cash flows from operating activities		
Profit/(loss)		22,901,443
Adjustments for:		
Depreciation and amortisation	11, 13	61,393
Accrued interest on reclamation assets		(450)
Bargain purchase price gain	9, 22	(33,664,572)
Deferred tax	10	8,798,236
Addition to right of use assets		(222,191)
(Increase)/decrease in trade and other receivables	14	(396,012)
(Decrease)/increase in trade and other payables	16	287,715
Net cash flows from operating activities		(2,234,438)
Investing activities		
Acquisition of property, plant and equipment	11	(121,225)
Addition to right of use assets		(70,882)
Net cash used in investing activities		(192,107)
Financing activities		
Proceeds from borrowings	18	2,426,974
Lease liabilities		227,796
Net cash generated from financing activities		2,654,770
Net increase/(decrease) in cash and cash equivalents		228,225
Cash and cash equivalents at beginning of period		–
Cash and cash equivalents as at end of period		228,225

The accompanying notes form an integral part of the Historic Financial Information.

Non-cash transactions

As disclosed in Note 22, on 29 April 2021, the Company acquired 100 per cent. interest in BCO and Ben's Creek Land LLC. Part of the consideration was the agreement to acquire the environmental bonds held by the subsidiaries This was agreed to be settled by way of a promissory note, as outlined in Note 17.

NOTES TO THE HISTORIC FINANCIAL INFORMATION

1. General information

The principal activity of Ben's Creek Carbon LLC (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 13 October 2020 in Delaware, USA. The address of the Company's registered office is Corporation Trust Centre, 1209 Orange Street, Wilmington, Delaware 19801, USA.

The Company acquired the Subsidiaries on 29 April 2021, when conditions precedent to a Membership Interest Purchase Agreement, dated 11 November 2020, were met. See note 22 for further details on the acquisition.

This Historic Financial Information covers the period from 13 October 2020 to 30 April 2021.

2. Accounting policies

The principal accounting policies applied in the preparation of the Historic Financial Information 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 Historic Financial Information has been prepared for the sole purpose of publication within this Admission Document. The Historic Financial Information has been prepared in accordance with International Financial Reporting Standards (**IFRS**) and IFRIC Interpretations Committee (**IFRIC IC**). The Historic Financial Information has also been prepared under the historical cost convention, with the exception of the coal reserves and land and buildings which are held under the revaluation model.

The Historic Financial Information is presented in United States Dollars rounded to the nearest dollar, which is the Group's functional currency.

The preparation of Historic Financial Information in conformity with IFRS 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.

(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 13 October 2020. The adoption of these standards has not had a material impact on the Historic Financial Information.

(ii) *New IFRS Standards and Interpretations not adopted*

At the date on which the Historic Financial Information was authorised, there were no Standards, Interpretations and Amendments which had been issued but were not effective for the period ended 30 April 2021 that are expected to materially impact the Group's Historic Financial Information.

(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**

Ben's Creek Carbon LLC has reported under IFRS since incorporation, The Subsidiaries previously reported under 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 22 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 Historic Financial Information 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 Financial Information has been prepared on a going concern basis. The Members have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

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**). The Financial Statements are presented in US Dollars, rounded to the nearest dollar, which is the Group's functional currency.

(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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement. All other foreign exchange gains and losses are presented in the Statement of Profit or Loss within 'Other net gains/(losses)'.

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 other comprehensive income.

(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 ***Intangible assets***

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquire. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured

at fair value is less than the fair value of the net assets of the subsidiary acquired, a bargain purchase, the difference is recognised directly in the Statement of Profit of Loss.

Goodwill is not amortised however impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use, discounted to present value using a pre-tax discount rate reflective of the time value of money and risks specific to the business unit. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.7 ***Property, plant and equipment***

Property, plant and equipment is stated at cost, plus any purchase price allocation uplift, if applicable upon acquisitions accounted for under the acquisition 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 on all property, plant and equipment 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	20%
Plant and machinery	10-20%
Vehicles	20%

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 Mountain State Company 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. See Note 4 for further details on the assumptions used in the valuations.

2.8 ***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 12.

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 19.

2.9 ***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 Income Statement. 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 EIR. 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.

2.10 ***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.

2.11 ***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.

2.12 ***Reserves***

Retained Earnings – the retained earnings reserve includes all current retained profit and losses.

2.13 ***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.

2.14 ***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 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.

2.15 ***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.

2.16 ***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.

2.17 ***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 amortized 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 13.

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 US based 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 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.

No credit limits were exceeded during the period, 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 construction material investment 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 30 April 2021 is as follows:

	30 April 2021 $
Total borrowings (Note 18)	2,426,974
Less: Cash and cash equivalents (Note 15)	228,225
Net debt	2,198,749
Total equity	22,901,443
Total capital	20,702,694
Gearing ratio	10%

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***

The Group's provision for reclamation costs has a carrying value at 30 April 2021 of $1,455,569 and 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 per cent. The discounted provision for reclamation costs is broadly equivalent to the reclamation bond assessments made by the West Virginia Department of Environmental Protection. 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 and Ben's Creek Land LLC***

The fair value of the plant and equipment of $12,450,000 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. 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 $12,000,000,
4. the existing material handling system and loadout is 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 has assumed a lower and conservative valuation of $10,000,000. Management have used the Mountain State Company 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 ton) to $14,700,000 (assuming a $30 margin per ton). Under this approach, valuing the plant and associated facilities as a whole rather than by component parts, the plant is 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 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. 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 per cent. (Federal tax of 21 per cent. and State tax of 6.5 per cent.) 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 per cent. (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 per cent. was calculated to be $25,700,000.

(c) ***Deferred Consideration***

The Deferred Consideration of $4,485,428, payable to Ben's Creek Holding LLC, is comprised of re-imbursement of reclamation bonds ($1,412,637) and ongoing 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 balance due on 31 October 2021.The balance outstanding accrues interest at 7.5 per cent. per annum. Accrued interest has been included in calculating the deferred consideration. The royalties payable, at a rate of $2 per ton of coal mined and sold, over the life of the mines were discounted at 12.69 per cent. 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 July 23rd, 2021, it paid $1,258,520 to Ben's Creek Holding LLC 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 accrues interest at 1 per cent. per month.

5. Dividends

No dividend has been declared or paid by the Company during the period ended 30 April 2021.

6. Segment information

Management has determined there is only one reportable operating geographical segment being the United States of America (USA), and operating segment for the business operations which during the period under review was the development and preparation of the sites for mining.

7. Expenses by nature

	30 April 2021 $
Administrative expenses	
Operational expenses	1,051,085
Staff	347,309
Legal and professional	248,789
Travel and subsistence	45,573
Depreciation	61,393
Other administrative	210,744
Total administrative expenses	1,964,893

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

	30 April 2021 $
Fees payable to the Company's auditor and its associates for the audit of the Company and Consolidated Financial Statements	28,000
	28,000

8. Employee benefits expense

	30 April 2021 $
Staff costs	
Salaries and wages	251,551
Social security contributions and similar taxes	22,709
Other benefits	73,049
	347,309

	30 April 2021 Numbers
Average number of employees by function	
Operations	4
Administration	2
	6

The were no directors who were employed during the period.

9. Other net gains/(losses)

	30 April 2021 $
Gain on bargain purchase	33,664,572
	33,664,572

A bargain price purchase relates to the negative goodwill upon acquisition. Refer to Note 22.

10. Taxation

	30 April 2021 $
Tax recognised in profit or loss	
Current tax	–
Deferred tax	8,798,236
Total tax charge in the Statement of Profit and Loss	8,798,236

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:

	30 April 2021 $
Profit/(loss) on ordinary activities before tax	22,901,443
Tax on profit on ordinary activities at combined CT rate of 27.5%	6,297,896
Effects of:	
Add back of gain on bargain purchase	(6,838,241)
Losses carried forward on which no deferred tax asset is recognised	540,345
Tax charge	–

The tax rate used is a combination of 21 per cent. US federal tax rate and 6.5 per cent. West Virginia state tax rate, to give an applicable rate of 27.5 per cent.

The Group has tax losses of approximately $540,345 available to carry forward against future taxable profits. No deferred tax asset has been recognised in view of the uncertainty over the timing of future taxable profits against which the losses may be offset.

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. Refer to Note 22.

	$
At 13 October 2020	–
Deferred tax liability after more than 12 months	8,798,236
As at 30 April 2021	8,798,236

11. Property, Plant and Equipment

	Vehicles $	*Office equipment $*	*Plant and machinery $*	*Total $*
Cost or valuation				
As at 13 October 2020	–	–	–	–
Acquired during period	9,800	5,605	105,820	121,225
Acquired through acquisition	–	–	12,450,000	12,450,000
As at 30 April 2021	9,800	5,605	12,555,820	12,571,225
Depreciation				
As at 13 October 2020	–	–	–	–
Acquired during the period	(817)	(544)	(2,372)	(3,733)
As at 30 April 2021	(817)	(544)	(2,372)	(3,733)
Net book value	8,983	5,061	12,553,448	12,567,492
As at 13 October 2020	–	–	–	–
As at 30 April 2021	8,983	5,061	12,553,448	12,567,492

The items acquired through acquisition are detailed in Note 22.

12. Coal rights and reclamation assets

	Coal Reserves *$*	*Reclamation Assets* *$*	*Total* *$*
Cost or valuation			
As at 13 October 2020	–	–	–
Fair value uplift at acquisition	25,700,000	–	25,700,000
Additions	–	1,456,019	1,456,019
As at 30 April 2021	25,700,000	1,456,019	27,156,019
Depreciation			
As at 13 October 2020	–	–	–
As at 30 April 2021	–	–	–
Net book value	–	–	–
As at 13 October 2020	–	–	–
As at 30 April 2021	25,700,000	1,456,019	27,156,019

The coal reserves acquired through acquisition are detailed in Note 22. 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.

13. Leases

The following lease liabilities arose in respect of the recognition of right of use assets with a net book value of $235,413. The Group holds three leases that it accounts for under IFRS 16.

	30 April 2021 *$*
Balance at 13 October 2020	–
Acquired right of use assets	293,073
Principal reduction	(65,277)
Balance at 30 April 2021	227,796
Less: Current portion	(115,525)
Non-current portion	112,271

The right of use assets are as follows:

	Vehicle lease *$*	*Office lease* *$*	*Apartment lease* *$*	*Total* *$*
Balance at 13 October 2020	–	–	–	–
Additions	81,503	115,402	96,168	293,073
Depreciation	(4,767)	(28,851)	(24,042)	(57,660)
Balance at 30 April 2021	76,736	86,551	72,126	235,413

The cash flows of the leases are as follows:

	30 April 2021 $
Capital acquired	293,073
Cash outflow for interest and principal	(15,882)
Prepayments for interest and principal	(55,000)
Interest charge	5,605
Principal reduction	65,277
Depreciation	(57,660)

14. Trade and other receivables

	30 April 2021 $
Current	
Prepayments	141,012
Royalties	125,000
Escrow	130,000
	396,012

15. Cash and cash equivalents

	30 April 2021 $
Cash at bank and on hand	228,225
	228,225

All of the Group's cash at bank is held with institutions with a credit rating of AA.

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

16. Trade and other payables

	30 April 2021 $
Current liabilities	
Trade payables	12,607
Other payables	62,078
Wages payable	4,384
Accruals	208,646
	287,715

17. Deferred Consideration

	30 April 2021 $
Current liabilities	
Deferred consideration	1,718,456
	1,718,456
Non-current liabilities	
Deferred consideration – including promissory note payable	2,766,972
	2,766,972

The deferred consideration relates to the purchase consideration for the acquisition of Ben's Creek Operations LLC and Ben's Creek Land LLC. Refer to Note 4 and Note 22.

The Deferred Consideration of $4,485,428, payable to Ben's Creek Holding LLC, is comprised of reimbursement of reclamation bonds ($1,412,637) and ongoing royalty payments (being $3,072,791) over the life of the mines. The reimbursement of the reclamation bonds is under a promissory note and has been classified as part of deferred consideration as the amount is payable to the Seller to acquire the bonding assets.

18. Borrowings

	30 April 2021 $
Non-current liabilities	
MBU Capital Group Limited Loan	2,426,974
	2,426,974

The carrying amounts and fair value of the non-current borrowings relate to a loan from:

MBU Capital Group Limited. The loan consists of a £4,000,000 (GBP) draw down facility commencing on 1 November 2020 and repayable in full by 30 June 2023 or such earlier date as may be agreed between lender and borrower. The interest rate is 7 per cent. per annum, accruing monthly. As at 30 April 2021, $2,426,974 had been drawn down by Ben's Creek Carbon LLC from the loan facility. MBU Capital Group Limited is a member of Bens Creek Carbon LLC and therefore is considered a related party as disclosed in Note 23.

On 20 July 2021, an Amended and Restated Facility Agreement was agreed, increasing the facility from £4,000,000 (GBP) to £10,000,000 (GBP). The repayment date remains 30th June 2023.

19. Provision

	Reclamation provision $
As at 13 October 2020	–
Additions during the period	1,455,569
As at 30 April 2021	1,455,569

The Group's provision for reclamation costs has a carrying value at 30 April 2021 of $1,455,569 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 per cent. The discounted provision for reclamation costs is broadly equivalent to the reclamation bond assessments made by the West Virginia Department of Environmental Protection. The reclamation provision is a commitment to restore the site to a safe and secure environment. The provisions are reviewed annually.

20. Financial instruments by category

Consolidated

	30 April 2021	
	Loans & receivables	*Total*
	$	*$*
Financial Assets		
Trade and other receivables (excluding prepayments)	130,000	130,000
Cash and cash equivalents	228,225	228,225
	358,225	358,225

	At amortised cost	*Total*
	$	*$*
Financial Liabilities		
Borrowings	2,426,974	2,426,974
Trade and other payables	287,715	287,715
	2,714,689	2,714,689

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

	30 April 2021			
	Less than 1 year	*Between 1 and 2 years*	*Between 2 and 5 years*	*Over 5 years*
	$	*$*	*$*	*$*
Borrowings	–	–	2,426,974	–
Trade and other payables	287,715	–	–	–
Leases	115,525	112,271	–	–
	403,240	112,271	2,426,974	–

21. 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
- Trade and other payables

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

22. Business combinations

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

On 29 April 2021, the Company acquired 100 per cent. interest in Ben's Creek Operations LLC ("**BCO**") and Ben's Creek Land LLC ("**BCL**"). BCO and BCL are registered and incorporated in the USA. BCO and BCL are based and operate in West Virginia, United States of America.

The following table summarises the consideration paid for BCO and BCL and the values of the assets and equity assumed at the acquisition date.

	$
Total deferred consideration	
Reimbursement of reclamation bonds	1,412,637
Production royalties	3,072,791
	4,485,428

	$
Recognised amounts of assets and liabilities acquired	
Property, plant & equipment	12,450,000
Coal rights and reclamation assets	25,700,000
Total identifiable net assets	38,150,000
Gain on bargain purchase	33,664,572
Total consideration	4,485,428

The fair value of the plant and equipment of $12,450,000 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 (see Note 4.b)

The fair value of the coal rights was evaluated by Marshall Miller & Associates in their Competent Person Report. 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 per cent. (Federal tax of 21 per cent. and State tax of 6.5 per cent.) 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 per cent. (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 per cent. was calculated to be $25,700,000.

The Deferred Consideration of $4,485,428, payable to Ben's Creek Holding LLC, is comprised of re-imbursement of reclamation bonds ($1,412,637) ongoing 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 balance due on 31 October 2021. The balance outstanding accrues interest at 7.5 per cent. per annum. Accrued interest has been included in calculating the deferred consideration. The royalties payable, at a rate of $2 per ton of coal mined and sold, over the life of the mines were discounted at 12.69 per cent. in calculating the deferred consideration. The life of the mines is projected to be from October 2021 until May 2028. The production tonnage 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

23. Related party transactions

MBU Capital Group Limited, which is a member of Ben's Creek Carbon LLC, has agreed to a £10,000,000 (GBP) draw down facility with the Group. This facility 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 cent. accruing monthly. As at 30 April 2021, $2,426,974 has been drawn down by Ben's Creek Carbon LLC from the loan facility. During the period $54,672 was charged as interest on the loan and $112,911 was charged as a foreign currency revaluation loss.

As at 30 April 2021, a total amount of $62,078 was owed to MBU Capital Group Limited in respect of recharged operating costs during the period. The balance is included in other payables in note 16.

MBU Capital Group Limited, was paid a fee of $25,000 for consulting services to Ben's Creek Carbon LLC during the period.

24. Investment in Subsidiary

	Company 2020 £
Shares in Group	
At beginning of period	–
Deferred consideration for subsidiaries	4,485,428
At end of period	4,485,428

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 Operations LLC	United States	100%	Mining
Ben's Creek Land LLC	United States	100%	Lease

25. Ultimate Controlling Party

As at 30 April 2021, Mohammed Iqbal, the sole shareholder of MBU Capital Group Limited, is the ultimate controlling party.

26. Events After the Reporting Date

On 20 July 2021, the existing draw down facility with MBU Capital Group Limited, for £4,000,000 (GBP) was increased to £10,000,000 (GBP) with all other terms remaining the same.

On 23 July 2021, there was an early reimbursement to Investec for the promissory note for payment of the environmental bonding (part of the deferred consideration), amounting to $1,258,520. MBU Capital Group Limited provided a bridging facility to the Company to facilitate the early reimbursement of the promissory note. This facility will be repaid from the proceeds of the Company's planned listing on the AIM market.

On 27 August 2021, MBU Capital Group Limited agreed a further bridging facility with the Company of up to £3,000,000 to accelerate pre-production repairs and enhancements to the plant and related facilities. $1,000,000 was drawn down on 27 August 2021 and a further $500,000 on 6 October 2021.

SECTION E: LIST OF ALL EXPENSES INCURRED BY BC LAND AND BC OPERATIONS OVER THE 3-YEAR PERIOD TO 31 DECEMBER 2020

Unaudited alternative performance measures – Schedule of BCO and BCL expenses

BCO

The following sets out the summary statement of profit or loss for BCO for the periods to 31 December 2020.

	FY20	*FY19*	*FY18*
	$	*$*	*$*
*Revenue	–	–	–
Admin expenses	(709,825)	(995,774)	(1,193,613)
Operating loss	(709,825)	(995,774)	(1,193,613)
Other income	4,124,500	26,739	205,111
Other expense	(61,433)	–	–
Profit/(loss) before tax	3,353,241	(969,034)	(988,502)
Tax	–	–	–
Profit/(loss) after tax	3,353,241	(969,034)	(988,502)

*The Project has been mothballed for over 3 years and neither BC Land nor BC Operations has had any income during this period.

BCO did not generate revenue in the period since the mines were idle for the entire 3 year period. BCO recognised a loss in FY18 and FY19 of $989k and $969k respectively attributable to ongoing corporate and maintenance costs.

BCO generated a profit in FY20 due to the $4m loan forgiveness by lender, Investec. The amounts payable to Investec were written off as agreed by both parties, resulting in a credit to the income statement.

The bulk of the expenses in each year is made up of contract labour, professional fees, repairs and maintenance as well as security expense. Further details of these is as follows:

	FY20	*FY19*	*FY18*
	$	*$*	*$*
Contract Labor	178,908	175,709	118,833
Electricity	41,025	47,817	59,052
Engineering Expense	26,636	38,797	54,912
Inspection Expense	13,814	13,908	14,611
Insurance	20,025	97,096	117,037
Lab & Testing Expense	45,359	53,206	73,175
Legal & Accounting Fees	30,500	76,550	34,851
Penalties & Fees	2,137	1,966	25,264
Permit Expense	8,197	8,868	22,056
Professional Fees	105,947	120,745	360,259
Repairs & Maintenance	130,047	240,594	170,437
Security Expense	91,501	105,017	107,024
Utilities	9,841	9,359	13,379
Other	5,889	5,905	22,299
Total	709,825	995,536	1,193,189

BCL

The following sets out the summary statement of profit or loss for BCL for the periods to 31 December 2020.

	FY20	*FY19*	*FY18*
	$	*$*	*$*
Revenue	–	–	–
Admin expenses	(175,874)	(248,631)	(210,821)
Operating loss	(175,874)	(248,631)	(210,821)
Other income	900,627	–	25,000
Other expenses	(68,400)	–	–
Profit/(loss) before tax	656,353	(248,631)	(185,821)
Tax	–	–	–
Profit/(loss) after tax	656,353	(248,631)	(185,821)

Expenses incurred over the last 3 years mainly relate to property taxes and royalty expenses paid for the Pocahontas Land Corporation lease and Carbon Fuels lease.

Further detail of the expenses is as follows:

	FY20	*FY19*	*FY18*
	$	*$*	*$*
Lease costs	–	–	50,000
Property tax	69,206	86,091	60,796
Royalty	112,500	162,500	100,000
Other	(5,832)	40	25
Total admin expenses	175,874	248,631	210,821

The results of BCO and BCL above are not included in the consolidated income statement for BCC set out in Part V, Section D since BCC acquired BCO and BCL on 29 April 2021.

PART VI

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP

Set out below is an unaudited pro forma statement of net assets of Bens Creek Group plc ("**the Company**"), Ben's Creek Carbon LLC and its subsidiaries ("**BCC**") (together "**the Enlarged Group**") as at 25 August 2021 ("**Unaudited Pro Forma Information**"). The Unaudited Pro Forma Information of net assets of the Enlarged Group has been prepared on the basis set out in the notes below to illustrate the impact of the MBU Bridging Facilities, the Placing and the Acquisition as if it had taken place on 25 August 2021.

The Unaudited Pro Forma Information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and does not, therefore, represent the Enlarged Group's actual financial position or results. Such information may not, therefore, give a true picture of the Enlarged Group's financial position or results nor is it indicative of the results that may or may not be expected to be achieved in the future.

The Unaudited Pro Forma Information is based on the audited net assets of the Company and BCC as at 25 August 2021 and 30 April 2021 respectively, as shown in Part V (*Historical Financial Information*). No adjustments have been made to take account of trading, expenditure or other movements subsequent to 25 August 2021 or 30 April 2021, being the dates of the last published balance sheets of the Company and BCC respectively.

The Unaudited Pro Forma Information does not constitute financial statements within the meaning of section 434 of the Companies Act. Investors should read the whole of this Admission Document and not rely solely on the summarised financial information contained in this Part.

Unaudited pro forma statement of net assets as at 25 August 2021

	The Company	*BCC*				*Unaudited pro forma adjusted aggregated net assets of the Enlarged Group on Admission*
	Audited net assets as at 25 August 2021 (Note 1) $'000s	*Audited net assets as at 30 April 2021 (Note 2) $'000s*	*Additional loan facility (Note 3) $'000s*	*Issue of Placing Shares net of costs and MBU Facility (Note 4) $'000s*	*Acquisition adjustments (Note 5) $'000s*	*$'000s*
Assets						
Non-current assets						
Goodwill	–	–	–	–	–	–
Property, plant and equipment	–	12,567	–	–	–	12,567
Coal rights and reclamation assets	–	27,156	–			27,156
Right of use assets	–	235	–	–	–	235
Non-current assets	–	39,958	–	–	–	39,958
Current assets						
Trade and other receivables	–	396	–	–	–	396
Cash and cash equivalents	–	228	1,500	5,104	–	6,832
Current assets	–	624	1,500	5,104	–	7,228
Total assets	–	40,582	1,500	5,104	–	47,186
Liabilities						
Current liabilities						
Trade and other payables	–	(288)	–	–	–	(288)
Borrowings	–	–	(1,500)	1,500	–	–
Deferred consideration	–	(1,718)	–	1,259	–	(459)
Lease liabilities	–	(115)	–	–	–	(115)
Current liabilities	–	(2,121)	(1,500)	2,759	–	(862)
Non-current liabilities						
Borrowings	–	(2,427)	–	–	–	(2,427)
Provisions	–	(1,456)	–	–	–	(1,456)
Deferred consideration	–	(2,767)	–	–	–	(2,767)
Deferred tax liability	–	(8,798)	–	–	–	(8,798)
Lease liabilities	–	(112)	–	–	–	(112)
	–	(15,560)	–	–	–	(15,560)
Total liabilities	–	(17,681)	(1,500)	2,759	–	(16,422)
Total assets less total liabilities	–	22,901	–	7,863	–	30,764

Notes

The pro forma statement of net assets has been prepared on the following basis:

1. The audited net assets of the Company as at 25 August 2021 have been extracted without adjustment from the Historic Financial Information to which is set out in Part V of this document converted to US$ at the closing rate on 30 April 2021 of US$1.3845 to £1.

2. The audited net assets of BCC as at 30 April 2021 have been extracted without adjustment from the audited Historic Financial Statements included in Part V Section D of this document.

3. On 23 July 2021, there was an early reimbursement to Investec for the bonds (part of the deferred consideration), amounting to $1,258,520. MBU Capital Group Limited provided a bridging facility to BCC to facilitate the early reimbursement. Further, on 27 August 2021, MBU Capital Group Limited agreed a further bridging facility with the Company of up to £3,000,000 to accelerate pre-production repairs and enhancements to the plant and related facilities. $1,500,000 was drawn down as of 6 October 2021. An adjustment has been made to reflect the impact of the additional draw downs since 30 April 2021.

4. An adjustment has been made to reflect the proceeds of a placing of 70,000,000 Ordinary Shares of the Company at an issue price of £0.10 per Ordinary Share net of an adjustment to reflect the payment in cash of admission costs estimated at approximately £1,168,000 inclusive of any non-recoverable sales taxes, converted to US$ at US$1.348 to £1. The adjustment includes the repayment of loans with MBU totalling $1,258,520 and $1,500,000 described in note 3, utilising the net proceeds from the Placing.

5. No pro forma adjustment has been made to reflect the initial accounting for the Acquisition of BCC by the Company. It is anticipated that the Acquisition will fall outside the scope of IFRS 3, due to the fact both entities were under common control. As a result, merger accounting has been applied and no goodwill recognised.

6. No adjustments have been made to reflect the trading or other transactions, other than described above of the Company or BCC since 25 August 2021 and 30 April 2021 respectively.

7. As at 12 October 2021 (the latest practical date prior to the publication of this admission document) the exchange rate between the US$ and £ was US$1.357 to £1.

8. The pro forma statement of net assets does not constitute financial statements.

PART VII

TAXATION

UNITED KINGDOM TAXATION

1.1 General

The following paragraphs are intended as a general guide only and summarise advice received by the Directors about the UK tax position of Shareholders who are resident and domiciled in the UK and are holding shares as an investment. They do not address the implications for Shareholders who acquire any shares or rights over shares in connection with any office or employment. Further, the position of certain Shareholders who are subject to special rules, such as dealers in securities, broker-dealers, insurance companies and collective investment schemes is not considered in this section. The paragraphs below are based on current UK legislation and HMRC practice (which may be subject to change). It should be noted that although a number of UK tax treatments referred to below refer to unquoted shares, shares traded on AIM are generally treated as unquoted for these purposes.

Shareholders should note that tax law and interpretation can change and that, in particular, the levels and basis of, and reliefs from, taxation may change and may alter the benefits of investment in the Company.

Any person who is in any doubt about their tax position or who is subject to taxation in a jurisdiction other than the UK should consult their own professional adviser.

The information in these paragraphs is intended as a general summary of the UK tax position (without aiming for completeness) and should not be construed as constituting advice.

1.2 Taxation of dividends

No tax is required to be withheld from dividend payments made by the Company.

Individuals

An individual Shareholder receiving a dividend from the Company whose total income from dividends in the relevant financial year does not exceed £2,000 (the "Tax Free Dividend Allowance") will not pay any income tax on such dividend.

Based on current law at the date of this Admission Document, an individual Shareholder receiving a dividend from the Company will be taxed as follows:

(a) the individual Shareholders will not pay income tax on the first £2,000 of dividend income in any tax year;

(b) to the extent that the individual's Total Income (as defined below) exceeds the personal allowance but does not exceed the basic rate tax band for that tax year, the individual will be liable to income tax on the Excess Dividend (as defined below) at the rate of 7.5 per cent.;

(c) to the extent that the individual's Total Income (as defined below) exceeds the basic rate band but does not exceed the higher rate tax band for that tax year, the individual will be liable to income tax on the Excess Dividend (as defined below) at the rate of 32.5 per cent.;

(d) to the extent that the individual's Total Income (as defined below) falls within the additional rate band for that tax year, the individual will be liable to income tax on the Excess Dividend (as defined below) at the rate of 38.1 per cent.;

(e) "**Total Income**" means the total of the individual's dividend income and other taxable income for a tax year; and

(f) "**Excess Dividend**" means the total of that individual's dividend income in that tax year less £2,000.

For the year 2021/2022 in England and Wales, the basic rate band is the first £37,700 of income in excess of any personal allowance, the higher rate band is income between £37,501 and £150,000 in

excess of any available personal allowance and the additional rate band applies to income in excess of £150,000 (these bands differ slightly in Scotland).

Where an individual's taxable income exceeds £100,000, their personal allowance is abated by £1 for every £2 of income such that individuals with income in excess of £125,140 will have no personal allowance.

Trustees of interest in possession trusts and representatives of deceased persons receiving dividends from shares are also liable to account for income tax at a rate of 38.1 per cent., unless the dividends are mandated directly to beneficiaries, in which case only the beneficiaries need to account for the income. In either case, the beneficiaries will be taxable at the rates detailed above. Trustees and personal representatives do not qualify for the dividend allowance available to individuals.

From 6 April 2022 dividend rates applicable to individuals will increase by 1.25 per cent., dividends falling within the basic rate band, higher rate band and additional rate band will be taxed at 8.75 per cent., 33.75 per cent. and 39.35 per cent. respectively.

Companies

Shareholders within the charge to UK corporation tax which are "small companies" (for the purposes of UK taxation of dividends) will not generally expect to be subject to tax on dividends from the Company.

Other Shareholders within the charge to UK corporation tax will not be subject to tax on dividends (including dividends from the Company) so long as the dividends fall within an exempt class and certain conditions are met. In general, dividends paid on shares that are "ordinary share capital" for UK tax purposes and are not redeemable, and dividends paid to a person holding less than 10 per cent. of the issued share capital of the payer (or any class of that share capital) are examples of dividends that generally fall within an exempt class.

Persons who are not resident in the UK should consult their own tax advisers on what tax may be payable in respect of a dividend received from the Company, in the jurisdiction in which they are resident.

1.3 Taxation of chargeable gains

For the purpose of UK tax on chargeable gains, the acquisition of Ordinary Shares pursuant to the Placing will be regarded as an acquisition of a new holding in the share capital of the Company. The amount paid for the Ordinary Shares will usually constitute the allowable cost of a Shareholder's holding.

If a Shareholder disposes of all or some of his or her Ordinary Shares, a liability to tax on chargeable gains may arise, depending on the Shareholder's circumstances and subject to any available exemptions and reliefs.

A UK tax resident individual Shareholder who disposes (or is deemed to dispose) of all or any of their Ordinary Shares may be liable to capital gains tax in relation to the disposal proceeds (or deemed disposal proceeds) at rates up to 20 per cent., subject to the deduction from the disposal proceeds (or deemed disposal proceeds) of the relevant Ordinary Shares' allowable cost and incidental costs of acquisition and disposal, and subject to any available exemptions and reliefs. In addition, an individual UK Shareholder who ceases to be tax resident in the UK for a period of less than five complete years and who during that period of temporary non-residence disposes of the Ordinary Shares held prior to such period may, under anti avoidance legislation, be liable to capital gains tax on his or her return to the UK.

Shareholders who are not resident in the UK (or are temporarily non-resident – see above) and do not carry on a trade, profession or vocation through a branch or agency in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

A UK tax resident corporate Shareholder disposing of its Ordinary Shares may be liable to corporation tax on chargeable gains arising on the disposal at the corporation tax rate applicable to its taxable profits (the main rate currently being 19 per cent.).

In computing the chargeable gain liable to corporation tax, the corporate Shareholder is entitled to deduct from the disposal proceeds the cost to it of the Ordinary Shares as increased by an indexation allowance to adjust for inflation, together with incidental costs of acquisition and disposal costs. In the Autumn 2017 budget it was announced that Indexation Allowance will no longer arise to UK Corporate Shareholders. As a result, indexation allowance will no longer accrue from 1 January 2018.

The UK operates a substantial shareholding exemption regime which may apply to the disposal of Ordinary Shares by corporate Shareholders subject to certain conditions being met.

1.4 Inheritance tax

Ordinary Shares are assets situated in the UK for the purposes of UK inheritance tax.

Investors who are concerned with the potential UK inheritance tax implications of their Ordinary Shares should consult their own tax adviser.

1.5 Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

No stamp duty or SDRT will generally be payable on the issue of the Placing Shares.

SDRT should not arise on transfers of Ordinary Shares on AIM (including instruments transferring Shares and agreements to transfer Ordinary Shares) based on the following assumptions:

(1) the Shares are admitted to trading on AIM, but are not listed on any market (with the term "listed" being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and

(2) AIM continues to be accepted as a "recognised growth market" as construed in accordance with section 99A of the Finance Act 1986).

In the event that either of the above assumptions does not apply, SDRT may apply to transfers of Ordinary Shares in certain circumstances.

The above comments are intended as a guide to the general stamp duty and SDRT position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

PART VIII

ADDITIONAL INFORMATION

1. RESPONSIBILITY

1.1 The Directors whose names appear on page 7, and the Company accept individual and collective responsibility for the information contained in this document, including expressions of opinion. To the best of the knowledge of the Directors, the Proposed Directors and the Company (who have each taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information or which would make misleading any statement in this Document, whether facts or opinion.

1.2 PKF Littlejohn LLP, whose registered office is at 15 Westferry Circus, London, E14 4HD, United Kingdom accepts responsibility for its reports set out in Part V of this Document. To the best of the knowledge and belief of PKF Littlejohn LLP (which has taken all reasonable care to ensure that such is the case), the information contained in its report is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.3 Marshall Miller & Associates, Inc whose principal place of business is at 582 Industrial Park Road, Bluefield, Virginia, VA24605, United States, accepts responsibility for its report set out in Part IV of this Document and has reviewed and approved the technical information contained in this document. To the best of the knowledge and belief of Marshall Miller & Associates, Inc. (which has taken all reasonable care to ensure that such is the case), the information contained in its report is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. THE COMPANY

2.1 The Company was incorporated in England as a public limited company on 11 August 2021.

2.2 On 22 September 2021 the Company obtained a certificate pursuant to section 762 of the Companies Act 2006 entitling it to trade and do business. The liability of the members of the Company is limited.

2.3 The Company is domiciled in the UK.

2.4 The registered office of the Company is Nightingale House, 65 Curzon Street, London, United Kingdom, W1J 8PE and the Company's telephone number is +44 204 558 2300. The Company's head office is at 109 Capitol Street, Charleston, West Virginia 25301, United States.

2.5 The Company's accounting reference date is 31 March.

2.6 The Company's auditors are PKF Littlejohn LLP of 15 Westferry Circus, Canary Wharf, London, E14 4HD and are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

2.7 The principal legislation under which the Company now operates and under which the Ordinary Shares have been created, is the Acts and regulations made thereunder. The Company operates in conformity with its constitution.

2.8 The Company's website address, at which the information required by the AIM Rules can be found, is www.benscreek.com.

3. GROUP STRUCTURE

As at the date of Admission the Company owns the issued share capital of the following directly and indirectly owned subsidiaries forming the Group:

Subsidiary	*Jurisdiction*	*% of issued share capital held*
Ben's Creek Carbon LLC	Delaware, United States	100
Ben's Creek Land WV LLC	Delaware, United States	100
Ben's Creek Operations WV LLC	Delaware, United States	100

4. SHARE CAPITAL OF THE COMPANY

4.1 On incorporation, the issued share capital of the Company was one Ordinary Share of £1, the legal and beneficial title of which was owned by MBU.

4.2 By an ordinary resolution by the members of the Company dated 31 August 2021 the Company's issued share capital of 1 ordinary share of £1 was subdivided into 1000 Ordinary Shares of £0.001 each.

4.3 On 31 August 2021, 49,999,000 Ordinary Shares were issued and allotted at a price of £0.001 per Ordinary Share.

4.4 On 31 August 2021 the Company adopted the current Articles that included authority for the Directors to allot equity securities, and disapply pre-emption rights, up to the maximum aggregate nominal amount of £500,000 which authority shall lapse at the end of the next annual general meeting of the Company, unless renewed, varied or revoked by the Company prior to or on that date. This authority allows the Company to issue and allot, at Admission, the Placing Shares.

4.5 On 22 September 2021, the Company issued 192,850,150 pursuant to the Acquisition Agreement and the Minority Acquisition Agreement. Under the terms of these agreements (further details of which are set out at paragraphs 11.20 and 11.21 of this Part VIII) MBU, Adam Wilson and Larkin Hoskins were issued shares in the capital of the Company in consideration for the acquisition by the Company of their respective membership interests in BCC with effect from 22 September 2021. Under the terms of the Acquisition Agreement, the Company agreed at the direction of MBU to issue a further 22,722,070 Ordinary Shares, being the Deferred Consideration Shares, to the MBU Lenders.

4.6 On 22 September 2021, the Company issued 14,450,000 Ordinary Shares, being the Pre IPO Shares, to certain employees and connected persons of MBU at a price of £0.001 per Ordinary Share.

4.7 On 13 October 2021 the Company authorised the allotment and issue at Admission of the Placing Shares and the Deferred Consideration Shares.

4.8 The following table shows the issued and credited as fully paid Ordinary Shares of the Company as at the date of this document:

Number	*Aggregate nominal value*
280,277,930	£257,277.93

4.9 Assuming that the Placing is fully subscribed and the Deferred Consideration Shares are issued, the issued and fully paid Ordinary Shares of the Company immediately following Admission is expected to be as shown in the following table and Existing Shareholders of the Company will suffer a dilution of 20 per cent. as a result of the Placing:

Number	*Amount paid up*
350,000,000	£350,000

4.10 Save as disclosed in this document, as at the date of this document, the Company will have no short, medium or long term indebtedness.

4.11 Save as disclosed in paragraphs 4.11.1 and 9 of this Part VIII and elsewhere in this document, as at the date of this document and immediately following Admission, no person will hold options over any Ordinary Shares or other securities in the capital of the Company.

4.11.1 Pursuant to the MBU Loan Facility (details of which are set out at paragraph 11.6 of this Part VIII) MBU has the right to elect that amounts outstanding under the loan is satisfied by the issue and allotment of new Ordinary Shares in the capital of the Company.

4.12 Save for the Adviser Warrants and Broker Warrants disclosed in paragraphs 11.24, 11.25, 11.26, 11.27, 11.28 and 11.29 of this Part VIII and elsewhere in this document, as at the date of this document and immediately following Admission, no person will hold any warrants over any Ordinary Shares or other securities in the capital of the Company.

4.13 Save as disclosed in this document:

4.13.1 no share or loan capital of the Company has been issued or is proposed to be issued; and

4.13.2 no person has any preferential subscription rights for any shares of the Company.

4.14 Save as set out in this document and in the ordinary course of business, no commissions, discounts, brokerages or other special terms have been granted by the Company since its incorporation in connection with the issue or sale of any share or loan capital of the Company.

4.15 All Ordinary Shares in issue at the date of this document are in registered form and, subject to the provisions of the CREST Regulations, the Directors may permit the holding of shares in any class in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where Ordinary Shares are to be held in certificated form, share certificates will be sent to the respective Shareholders by first-class post.

4.16 Pursuant to section 630 of the Act and the provisions of the Articles, the rights attaching to the Ordinary Shares may be amended or varied following the passing of a special resolution of the shareholders. The provisions of the Articles governing the conditions under which the Company may alter its share capital are no more stringent than the Act.

4.17 The provisions of section 561(1) of the Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash otherwise by way of allotment to employees under an employees' share scheme as defined in section 1166 of the Act) apply to the issue of Ordinary Shares except to the extent that such provisions have been disapplied.

4.18 The Placing Shares, will on Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions declared thereafter, made or paid on the ordinary share capital of the Company. The Placing Shares and all other Ordinary Shares in issue have the right to receive notice of and to attend and vote at all general meetings of the Company.

4.19 Whilst disclosure of shareholdings is not a requirement of the Articles, Rule 17 of the AIM Rules for Companies makes provisions regarding notification of certain shareholders and holdings of financial instruments. In accordance with the provisions of chapter 5 of the Disclosure Guidance and Transparency Rules, where a person holds three per cent. or more of the voting rights in any class of AIM security, then the person has an obligation to make a notification to the FCA and the Company of the percentage of voting rights held where that percentage reaches, exceeds or falls below three per cent. or any whole percentage figure above three per cent. The requirement to notify also applies where a person is an indirect Shareholder and can acquire, dispose of or exercise voting rights in certain cases.

4.20 The currency of the issue is pounds sterling.

4.21 As at 13 October 2021, being the last practicable date prior to the date of this document, the Company held no treasury shares and nor have any Ordinary Shares been issued other than fully paid.

5. SUMMARY OF THE ARTICLES

The Articles were adopted by a special resolution passed on 31 August 2021. The following is a summary of the rights attached to the Ordinary Shares based on the Articles contain amongst others, provisions to the following effect. This is a high level summary only which is not exhaustive and is qualified in its entirety by the full terms of the Articles:

Share Rights

5.1 Subject to the Act, the Company can issue new shares with such rights or restrictions attached to them pursuant to the Articles. The rights attached to any shares as a class cannot be varied without the consent of the holders of that class of shares. These rights or restrictions can be decided either by an ordinary resolution passed by the Shareholders or by the Directors as long as the Company can issue shares which can be redeemed. This can include shares which can be redeemed if the holders want to do so, as well as shares which the Company can insist on redeeming. The Directors can decide on the terms and conditions and the manner of redemption of any redeemable share.

Allotment of Shares and Pre-Emption

5.2 Subject to the Act, the Company may offer, allot, grant options over or otherwise deal of shares or grant rights to subscribe for or convert any security into shares to such persons, at such times and upon such terms as the Directors of the Company may decide. The Directors of the Company are generally and unconditionally authorised to exercise all powers of the Company to allot equity securities up to a maximum aggregate nominal amount of £500,000 on a non-pre-emptive basis, as if section 561(1) of the Act did not apply. This authority shall lapse at the end of the next annual general meeting of the Company, unless renewed, varied or revoked by the Company prior to or on that date.

Variation of Class Rights

5.3 Subject to the Act, if the rights attached to any class of shares are divided into a different class of shares, all or any rights or privileges attached to that class of shares can be changed if (i) provided by such rights or (ii) this is approved either in writing by Shareholders holding at least three quarters in nominal value of the issued shares of that class by amount or by a special resolution passed at a separate meeting of the holders of the relevant class of shares but not otherwise.

Uncertificated Shares

5.4 In accordance with the Uncertificated Securities Regulations 2001 (the "**CREST Regulations**"), the Company will not issue a certificate in respect of any share for as long as the ownership or issue of shares and other securities to can evidenced without share certificates and these shares may be transferred without an instrument of transfer. The Company shall enter on the register of members the number of shares held by each member in uncertified from and certified from and shall maintain the register as required by the CREST Regulations.

5.5 Uncertificated shares can be converted into certificated shares and vice versa in accordance with the regulations and the relevant systems as the Board think fit from time to time.

Right to Share Certificates

5.6 Pursuant to the Articles, when a Shareholder is first registered as the holder of any class of certificated shares, he is entitled (unless he is a recognised person and therefore is not required by law), free of charge, to one certificate for all of the shares of that class which he holds. If a Shareholder holds shares of more than one class, he is entitled to a separate share certificate for each class. If a Shareholder receives more shares of any class, he is entitled, without charge, to a certificate for the

extra shares. If a Shareholder transfers some of the shares represented by a share certificate, he is entitled, free of charge, to a new certificate for the balance to the extent the balance is to be held. Where a share is held jointly, the Company does not have to issue more than one certificate for that share. When the Company delivers a share certificate to one joint Shareholder, this is treated as delivery to all of the joint Shareholders. Every certificate shall state the number, class and distinguishing numbers (if any) of these shares and the amount paid up in respect of those shares.

Transfer

5.7 A transfer of certificated shares must be made in writing and either in the usual standard form or in any other form approved by the Directors. A transfer of uncertificated shares must be made through a relevant system (as defined in the Regulations). The person making a transfer will continue to be treated as a Shareholder until the name of the person to whom the share is being transferred is put on the register for that share.

5.8 The Board may in its absolute discretion refuse to register a transfer of shares held (subject to the rules and regulations of the London Stock Exchange and the rules published by the Financial Conduct Authority) unless:

(a) it is in respect of a fully paid share;

(b) it is in respect of a share on which the Company does not have a lien;

(c) it is in respect of only one class of share;

(d) it is in favour of a single transferee or renounce or not more than four joint holders as transferees or renouncees; and

(e) it is duly stamped or duly certified or otherwise shown to the satisfaction of the Board to be exempt from stamp duty.

5.9 No fee shall be chargeable by the Company renunciation of a renounceable letter of allotment probate letters of administration certificate of marriage or death power of attorney or other document relating to or affecting the title to any shares or the right to transfer the same or otherwise for making any entry in the Register.

Disclosure of Interests in Shares

5.10 In accordance with section 793 of the Act, the Company may serve notice (a "**disclosure notice**") on anyone who knows, or has reasonable cause to believe, is interested in it shares or has been interested in the previous three years. If the Company does not, within 14 days of serving a disclosure notice, receive the information it has requested then the Board may serve a further notice (a "**restriction notice**") designating the shares the subject of the restriction notice as "restricted shares". The restrictions which may be imposed on restricted shares include preventing the Shareholder from attending and voting at general meetings' from transferring restricted shares (subject to the exceptions set out above); and from receiving dividends. Any such restrictions shall cease to apply seven days after receipt by the Company of the information requested in the disclosure notice.

General Meetings

Quorum

5.11 A quorum for a general meeting is two people who are entitled to vote. They can be Shareholders who are personally present by a duly authorised corporate representative or by proxy and entitled to vote. No business shall be transacted at any general meeting unless the requisite quorum shall be present when the meeting proceeds to business. If a quorum is not present within thirty minutes of the time fixed for a general meeting to start the meeting if convened by or upon the requisition of members shall be dissolved. In any other case it shall stand adjourned to such day and to such time and place as the chairman (or in default the Board) shall appoint.

5.12 The chairman of a general meeting at which a quorum is present may, with the consent of the meeting adjourn any meeting from time to time and from place to place. No business will be transacted at

any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Voting

5.13 Subject to the Act and to any rights or restrictions attached to any shares, on a show of hands every Shareholder (who is an individual) who is present in person or every Shareholder (who is a corporation) is present by a duly authorised representative and every proxy (regardless of the number of Shareholders for whom he is proxy) has one vote and on a poll each Shareholder present in person, by proxy or by representative has one vote for every share he holds.

5.14 A resolution put to the vote at any general meeting will be decided on a show of hands unless a poll is demanded when, or before, the chairman of the meeting declares the result of the show of hands. A poll can be demanded by the chairman of the meeting; at least five persons at the meeting who are entitled to vote; one or more Shareholders at the meeting who are entitled to vote (or their proxies) and who have between them at least one-tenth of the total voting rights of all Shareholders who have the right to vote at the meeting; one or more Shareholders at the meeting who have shares which allow them to vote at the meeting (or their proxies) holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid equal to not less than one tenth of the total sum paid up on all the shares conferring that right.

Directors

Directors' meetings

5.15 Directors' meetings are called by giving notice to all the Directors. Notice is treated as properly given if it is given personally, by word of mouth or in writing to the Director's last known address or any other address given by him to the Company for this purpose. Any Director can waive his entitlement to notice of any Directors' meeting, including one which has already taken place.

5.16 If no other quorum is fixed by the Directors, three Directors are a quorum. Alternate Directors (as provided below at paragraphs 5.22 to 5.26) will count towards the quorum if their appointers are not present.

5.17 Matters to be decided at a Directors' meeting will be decided by a majority vote. If votes are equal, the chairman of the meeting has a second, casting vote.

Appointment

5.18 The Company must have a minimum of two Directors (unless otherwise determined by an ordinary resolution).

Retirement

5.19 At every annual general meeting any Director who has been appointed by the Directors since the last annual general meeting; and any Director who held office at the time of the two preceding annual general meetings and who did not retire at either of them shall retire. If the Company does not fill the vacancy at the meeting then the Director will be deemed to be reappointed unless it is resolved to reduce the number of Directors pursuant to the Articles or if shareholders vote against the reappointment.

5.20 Only a retiring Director or some other eligible person if such person is recommended by the board or a Shareholder qualified to vote at the meeting has given not more than 42 and not less than 7 days' notice of his intention to propose that person for appointment. In addition to any power to remove Directors conferred by the Act, the Company can pass an ordinary resolution to remove a Director from office even though his time in office has not ended.

5.21 Any Director automatically stops being a Director if he gives the Company notice of resignation; all of the other Directors pass a resolution requiring the Director to resign; he is suffering from mental or physical ill health rendering him incapable of acting as a Director for a period of more than three months; he has missed Directors' meetings for a continuous period of six months without permission

from the Directors and the Directors pass a resolution removing the Director from office; a bankruptcy order is made against him or a composition is made with his creditors generally; or he is prohibited from being a Director under applicable law (including the Act).

Alternate Directors

5.22 Any Director can appoint any person that is either (i) approved by a resolution of the Board or (ii) another Director, to act in his place as an appointed alternate director in relation to the taking of decisions by the directors in the absence of that appointor (called an "**alternate Director"**).

5.23 The appointment of an alternate Director ends on:

(a) the happening of any event which, if he were a Director, would cause him to vacate that office;

(b) if the alternate Director resigns his office by written notice to the Company;

(c) if his appointer stops being a Director, unless that Director retires at a general meeting at which he is re-appointed; or

(d) if he is not a Director, if the appointer revokes its approval of him by resolution.

5.24 An alternate Director is entitled to receive notices of meetings of the Directors. He is entitled to attend and vote as a Director at any meeting at which the Director appointing him is not personally present and generally at that meeting is entitled to perform all of the functions of his appointer as a Director. If he is himself a Director, or he attends any meeting as an alternate Director for more than one Director, he can vote cumulatively for himself and for each other Director he represents but he cannot be counted more than once for the purposes of the quorum.

5.25 An alternate Director is entitled to be repaid expenses and to be indemnified by the Company to the same extent as if he were a Director. The alternate Director shall not be entitled to be paid remuneration by the Company, however, such remuneration may be agreed and out of the remuneration payable to the appointing Director.

Executive Directors

5.26 The Directors can appoint one or more Directors to any executive position, on such terms and for such period as they think fit. The Directors will decide how much remuneration a Director appointed to an executive office will receive (whether as salary, percentage of profit or otherwise) and whether they should receive any further benefits of any description.

Remuneration

5.27 Directors may undertake any services for the Company (including additional outside the service scope of their executive duties) that the Directors decide. Directors are entitled to such remuneration for services outside their terms of employment and/or appointment as the directors determine for their additional services which they undertake for the Company (as approved by any remuneration committee in place from time to time). Fees payable shall be distinct from any salary, remuneration, expenses or other amounts payable to a director. Any new Directors appointed from time to time will have such remuneration as the board determine (as approved by any remuneration committee in place from time to time). Subject to the Articles, a director's remuneration may take any form and include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

Expenses

5.28 The Director may be paid all travel, hotel and other expenses incurred in attending and returning from general meetings, meetings of the Directors or committees of the Directors or any other meetings which as a Director he is entitled to attend or otherwise in connection with the discharge of their duties.

Pensions and Gratuities for Directors

5.29 The Directors can decide to provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any former Director of the Company who held an executive office or

employment with the Company or any of its subsidiary undertakings or former subsidiary undertakings or any predecessor in business of the Company, or any relation or dependant of such a person.

Directors' Interests

5.30 A Director who is in any way, directly or indirectly, interested in a proposed or existing transaction or arrangement with the Company must declare, either in writing or at a meeting of the Directors, the nature and extent of his interest to the other Directors in accordance with the Act. An interest of a person who is connected with a Director shall be treated as an interest of the Director.

5.31 Subject to certain exceptions, the relevant Director and any other Director with a similar interest will not count in the quorum and will not vote on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material.

5.32 If a question comes up at a meeting of the Directors about whether a Director (other than the chairman of the meeting) can vote or be counted in the quorum and the Director does not agree to abstain from voting on the issue or not to be counted in the quorum, the question must be referred to the chairman of the meeting. The chairman of the meeting's ruling about any other Director is final and conclusive unless the nature or extent of the Director's interest (so far as it is known to him) has not been fairly disclosed to the Directors in which case the question shall be decided by a resolution of the majority of the directors. If the question comes up about the chairman of the meeting, the chairman must withdraw from the meeting and the Directors will elect a vice chairman to consider the question instead of the chairman.

Borrowing Powers

5.33 There is no limit on the amount that the Company can borrow. Borrowing by the Company is at the discretion and determination of the Board.

Dividends and Distributions to Shareholders

5.34 Subject to the Act, the Company can declare dividends in accordance with the rights of the Shareholders by passing an ordinary resolution. No such dividend can exceed the amount recommended by the Directors.

5.35 If the Directors consider that the financial position of the Company justifies such payments and subject to the Act, they can pay the fixed or other dividends on any class of shares on the dates prescribed for the payment of those dividends; and pay interim dividends on shares of any class of any amounts and on any dates and for any periods which they decide.

5.36 If the Directors act in good faith, they will not be liable for any loss that any Shareholders may suffer because a lawful dividend has been paid on other shares which rank equally with or behind their shares.

5.37 All dividends will be declared and paid in proportions based on the amounts paid up on the shares during any period for which the dividend is paid. Sums which have been paid up in advance of calls will not count as paid up for this purpose. If the terms of any share say that it will be entitled to a dividend as if it were a fully paid up, or partly paid up, share from a particular date (in the past or future), it will be entitled to a dividend on this basis.

5.38 If a Shareholder owes the Company any money for calls on shares or money in any other way relating to his shares, the Directors can deduct any of this money from any dividend or other money payable to the Shareholder on or in respect of any share held by him. Money deducted in this way can be used to pay amounts owed to the Company.

5.39 Unless the rights attached to any shares, or the terms of any shares, say otherwise, no dividend or other sum payable by the Company on or in respect of its shares carries a right to interest from the Company.

5.40 Where any dividends or other amounts payable on a share have not been claimed, the Directors can invest them or use them in any other way for the Company's benefit until they are claimed. The

Company will not be a trustee of the money and will not be liable to pay interest on it. If a dividend or other money has not been claimed for 12 years after being declared or becoming due for payment, it will be forfeited and go back to the Company unless the Directors decide otherwise.

Scrip Dividends

5.41 The Directors can offer Shareholders the right to choose to receive extra shares, which are credited as fully paid up, instead of some or all of their cash dividend. Before they can do this, Shareholders must have passed an ordinary resolution authorising the Directors to make this offer.

5.42 A Shareholder will be entitled to ordinary shares whose total "relevant value" is as near as possible to the cash dividend he would have received, but not more than it. The relevant value of a share is the average value of the Company's ordinary shares for five consecutive dealing days selected by the Directors starting on or after the day when the shares are first quoted "ex dividend."

5.43 The new shares will rank equally in all respects with the existing fully paid up ordinary shares of that class at the time when the new shares are allotted. But, they will not be entitled to share in the dividend from which they arose, or to have new shares instead of that dividend.

Distributions on a Winding Up

5.44 If the Company is wound up, a liquidator may, with the approval of a special resolution and any other sanction required by applicable law, divide among the members the whole or any part of the assets of the Company for distribution in kind. For that purpose, the liquidator may value any assets and determine how the division shall be carried out.

5.45 Subject to the restrictions of the Act, the Company can indemnify any Director or officer or former Director or former officer of the Company or of any associated company against any liability; and can purchase and maintain insurance against any liability for any Director or former Director of the Company or of any associated company.

6. MANDATORY BIDS AND COMPULSORY ACQUISITION RULES RELATING TO THE ORDINARY SHARES

Other than as provided by the Takeover Code and Chapter 28 of the Act, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules that apply to the Ordinary Shares or the Company.

Mandatory bids

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if an acquisition of interests in shares were to increase the aggregate holding of the acquirer and its concert parties to interests in shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties would be required (except with the consent of the Takeover Panel) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for interests in shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of interests in shares by a person holding (together with its concert parties) interests in shares carrying not less than 30 per cent. but who does not hold more than 50 per cent. of such voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the total voting rights in the Company.

"Interests in shares" is defined broadly in the Takeover Code. A person who has long economic exposure, whether absolute or conditional, to changes in the price of shares will be treated as interested in those shares. A person who only has a short position in shares will not be treated as interested in those shares.

"Voting rights" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting.

Persons acting in concert (and concert parties) comprise persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company. Certain categories of people are presumed under the Takeover Code to be acting in concert with each other unless the contrary is established.

As the Concert Party will control in excess of 50 per cent. of the Share Capital on Admission, for so long as this remains the case, the Concert Party would be entitled to increase its aggregate interest in the voting rights of the Company without incurring the obligation under Rule 9 of the Takeover Code to make a general offer.

In addition, on Admission, MBU will individually hold 209,227,930 Ordinary Shares and will therefore be interested in approximately 59.78 per cent. of the Share Capital. As MBU will control in excess of 50 per cent. of the Share Capital on Admission, for so long as this remains the case, MBU would be entitled to increase its interest in the voting rights of the Company without incurring the obligation under Rule 9 of the Takeover Code to make a general offer.

Please refer to paragraph 21 of Part I of this document for more information about the Concert Party.

Squeeze-out rules

Under the Act, if a "takeover offer" (as defined in section 974 of the Act) is made by an offeror to acquire all of the shares in the Company not already owned by it and the offeror were to acquire, or unconditionally contract to acquire, not less than 90 per cent. in value of the shares to which such offer relates, the offeror could then compulsorily acquire the remaining shares. The offeror would do so by sending a notice to the outstanding members informing them that it will compulsorily acquire their shares and, six weeks later, it would deliver a transfer of the outstanding shares in its favour to the Company which would execute the transfers on behalf of the relevant members, and pay the consideration for the outstanding shares to the Company which would hold the consideration on trust for the relevant members. The consideration offered to the members whose shares are compulsorily acquired under this procedure must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

Sell-out rules

The Act also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the shares in the Company and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. in value of the shares and not less than 90 per cent. of the voting rights carried by the shares in the Company, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any member notice of his or her right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three-months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises his or her rights, the offeror is entitled and bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

The Company has not received, at any point since incorporation until 13 October 2021 (inclusive) being the last practicable date prior to the date of this document, a "takeover offer" (as defined in section 974 of the Act) from any party, whether a third party or otherwise.

7. INTERESTS OF SIGNIFICANT SHAREHOLDERS

7.1 Significant shareholders

Insofar as was known to the Company as at 13 October 2021 (being the latest practicable date prior to the publication of this document), each of the persons set out in the table below will, on Admission, be directly or indirectly interested in 3 per cent. or more of the issued Ordinary Share capital of the Company save for the details of Directors' interests in the capital of the Company that are set out in paragraph 8.4.

	As at the date of this document		*On Admission*	
Name	*Number of Ordinary Shares*	*Percentage of Existing Ordinary Share Capital*	*Number of Ordinary Shares*	*Percentage of Existing Ordinary Share Capital*
MBU Capital Group Limited	209,227,930	81.32%	209,227,930*	59.78

* In addition to the Ordinary Shares set out in the table above, MBU Capital Group Limited will on Admission hold a share charge over the 5,600,000 new Ordinary Shares held by Larkin Hoskins. Further details on the Larkin Share Charge can be found in paragraph 11.21 of this Part VIII of the document.

From Admission, any person who is directly or indirectly interested in 3 per cent. or more of the Company's issued share capital is required to notify such interest to the Company in accordance with the provisions of chapter 5 of the Disclosure Guidance and Transparency Rules and any such interest will be notified by the Company to the public.

7.2 Other disclosures relating to Shareholders

7.2.1 Other than as described in this document, the Company is not aware of any persons who, following Admission, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company.

7.2.2 As of Admission the Ordinary Shares will be the only class of share capital of the Company, all Shareholders will have equal voting rights and none of the Shareholders will have different voting rights.

8. DIRECTORS

8.1 Directorships and partnerships of the Directors outside the Group

Details of those companies and partnerships outside the Group of which the Directors are currently directors or partners, or have been directors or partners at any time during the five years prior to the date of this document, are as follows:

	Current Directorships/Partnerships	*Past Directorships/Partnerships*
Robin Fryer	Rotary Club of New Canaan Charitable Foundation Inc. Central Copper Resources Limited	New Canaan Community Foundation Inc. New Canaan Land Conservation Trust Inc Shanta Gold Limited
Raju Haldankar	Benvita Services Ltd Hybird Ltd	Hobart Capital Markets LLP
David Harris	Character Group plc Manchester and London Investment Trust plc BMO Managed Portfolio Trust plc InvaTrust Ltd	Aseana Properties Ltd Chelverton Small Companies Investment Trust plc Chelverton Small Companies ZDP Plc Chelverton UK Dividend Trust Plc Chalfont Productions Ltd Core V VCT Grosvenor Park 2003 Film Partnership No.1 LLP SDF Productions Limited SDV 2025 ZDP Plc

	Current Directorships/Partnerships	*Past Directorships/Partnerships*
Adam Wilson	Mount Charles (Mayfair) Limited	Atlantic Carbon Group Plc BDL International Holdings BDL international Limited Pub Fresh Limited The Phoenix Inn (Hartley Wintney) Limited

8.2 Confirmations by the Directors

8.2.1 Subject to the qualifications set out in paragraph 8.3 of this Part VIII, no Director:

8.2.1.1 has any unspent convictions in relation to indictable offences; or

8.2.1.2 has been bankrupt or entered into an individual voluntary arrangement;

8.2.1.3 was a director of any company at the time of or within 12 months preceding any receivership, compulsory liquidation, creditors voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors;

8.2.1.4 has been a partner in a partnership at the time of or within 12 months preceding any compulsory liquidation, administration or partnership voluntary arrangement of such partnership;

8.2.1.5 has had his assets the subject of any receivership or has been a partner of a partnership at the time of or within 12 months preceding any assets thereof being the subject of a receivership; and

8.2.1.6 has been subject to any public criticism by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.

8.2.2 There are no family relationships between any of the Directors.

8.2.3 There are no outstanding loans or guarantees granted or provided by the Company for the benefit of any of the Directors.

8.3 Qualification to the Directors' confirmations

8.3.1 David Harris resigned as a director of Phoros Client Services Limited on 31 December 2012. The company entered into a voluntary creditors liquidation on 14 March 2013. The approximate loss to creditors was approximately £123,070.

8.3.2 Adam Wilson was a director of Atlantic Carbon Group plc until 15 April 2019, which was dissolved on 29 October 2020. At the time of the dissolution there was a deficiency of £1.1 million to unsecured creditors. Atlantic Carbon Group plc opted to go into administration on 22 July 2019 in order to protect its assets and continue as a going concern. ACG Holdco, LLC, an affiliate of White Oak Global Advisors, LLC, purchased all of Atlantic Carbon Group plc's equity interests.

8.4 Interests in the share capital of the Company of the Directors following Admission

The Directors at Admission will hold the following interests in the capital of the Company as at the date of this document and at Admission:

	As at the date of this Document			*On Admission*		
Name	*Number of Ordinary Shares*	*Percentage of existing Ordinary Share Capital*	*Options over Ordinary Shares*	*Number of Ordinary Shares*	*Percentage of existing Ordinary Share Capital*	*Options over Ordinary Shares*
Adam Wilson	28,000,000	10.88%	Nil	28,000,000	8.00%	10,500,000
Raju Haldankar	2,800,000	1.09%	Nil	3,244,430*	0.93%	Nil
Robin Fryer	Nil	Nil	Nil	Nil	Nil	Nil
David Harris	Nil	Nil	Nil	Nil	Nil	Nil

** The interest of Raju Haldankar on Admission includes the Ordinary Shares held by his wife, Sangeeta Haldankar.*

8.5 Transactions with Directors

8.5.1 Save as set out in this Part VIII, none of the Directors has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business which was effected by any member of the Company or any of its subsidiary undertakings during the current or immediately preceding financial year, or which was effected during an earlier financial year and remains in any respect outstanding or unperformed.

8.5.2 Save as set out in this Part VIII, none of the Directors has or had a beneficial interest in any contract to which any member of the Company or any of its subsidiary undertakings was a party during the current or immediately preceding financial year.

8.6 Directors' titles and dates of appointment

The dates of appointment of the Directors are set out below together with their proposed titles with effect from Admission:

Director	*Date of appointment*	*Title/Function*
Robin Fryer	Admission	Non-Executive Chairman
Adam Wilson	13 September 2021	Chief Executive Officer
Raju Haldankar	11 August 2021	Chief Financial Officer
David Harris	Admission	Non-Executive Director

8.7 Executive Directors' service contracts, remuneration and emoluments

8.7.1 Adam Wilson has entered into a letter of appointment dated 13 October 2021 to act as Chief Executive Officer of the Company with effect from Admission. Mr Wilson performs the services under this agreement in consideration for the remuneration received under the agreement summarised in paragraph 8.7.2 of this Part VIII. It is expected that he will devote such time as is necessary for the proper performance of his duties. Subject to certain conditions being met, he will be entitled to participate in an equity incentive scheme under which he will be eligible to receive options of over up to 3 per cent. of the issued share capital in the Company on Admission. The appointment can be terminated by either party giving not less than six months' prior written notice.

8.7.2 On 18 June 2021 Adam Wilson and BC Operations entered into an employment agreement effective as of 1 November 2020. Pursuant to the agreement Adam Wilson is employed as vice president of BC Operations with day to day management responsibilities of Ben's Creek Land WV LLC and Ben's Creek Operations WV LLC. Adam Wilson will be paid an annual salary

of US$240,000. The agreement shall continue unless terminated by either party giving at least 6 months' written notice to the other.

8.7.3 Raju Haldankar has entered into a letter of appointment dated 13 October 2021 to act as Chief Financial Officer of the Company with effect from Admission. Pursuant to his letter of appointment he is entitled to receive a fee of £50,000 per annum for his services to the Company. It is expected that he will devote such time as is necessary for the proper performance of his duties. Subject to certain conditions being met, he will be entitled to participate in an equity incentive scheme under which he will be eligible to receive options over up to 1 per cent. of the issued share capital in the Company on Admission. The appointment can be terminated by either party giving not less than six months' prior written notice.

8.8 Non-Executive Directors' letters of appointment and fees

8.8.1 David Harris has entered into a letter of appointment dated 13 October 2021 to act as a non-executive director of the Company with effect from Admission. Pursuant to his letter of appointment he is entitled to receive a fee of £20,000 per annum for his services to the Company. This fee is scheduled to be reviewed before the end of January 2022. It is expected that he will devote such time as is necessary for the proper performance of his duties to the Company. The non-executive director's engagement is for an initial period of 3 years and thereafter may be terminated by either party by giving 1 month's written notice. On or about the date of the letter, the Company, MBU and David Harris entered into a deed of indemnity pursuant to which MBU agreed to indemnify David Harris against any liabilities incurred by David Harris in relation to the proper performance by David Harris of services to the Company prior to and following Admission pending the adoption by the Company of appropriate director and officer's insurance.

8.8.2 Robin Fryer has entered into a letter of appointment dated 13 October 2021 to act as a non-executive director and Chairman of the Company with effect from Admission. Pursuant to his letter of appointment he is entitled to receive a fee of £25,000 per annum for his services to the Company. This fee is scheduled to be reviewed before the end of January 2022. It is expected that he will devote such time as is necessary for the proper performance of his duties to the Company. The non-executive director's engagement is for an initial period of 3 years and thereafter may be terminated by either party by giving 1 months' written notice. On or about the date of the letter, the Company, MBU and Robin Fryer entered into a deed of indemnity pursuant to which MBU agreed to indemnify Robin Fryer against any liabilities incurred by Robin Fryer in relation to the proper performance by Robin Fryer of services to the Company prior to and following Admission pending the adoption by the Company of appropriate director and officer's insurance.

9. EMPLOYEE INCENTIVE SCHEMES

9.1 Under the terms of his service agreement, Adam Wilson (Chief Executive Officer of the Company) is entitled to participate in this option scheme up to a maximum of 3 per cent. of the Company's issued share capital on Admission and as such he has been granted, conditional on Admission, 10,500,000 options over Ordinary Shares. The options have an exercise price of 5 pence (being a 50 per cent. discount to the Placing Price).

Under the terms of an agreement with Bob Warnick (Director of Financial Planning and Office Administrator of BC Operations) he is entitled to participate in this option scheme up to a maximum of 1 per cent. of the Company's issued share capital on Admission and as such he has been granted, conditional on Admission, 3,500,000 options over Ordinary Shares. The options have an exercise price of 5 pence (being a 50 per cent. discount to the Placing Price).

The options granted to Adam Wilson and Bob Warnick will vest on satisfaction of the following thresholds:

Percentage increase of share price above Placing Price	*% Adam Wilson's and Bob Warnick's options which vest*
100%	33%
200%	33%
300%	34%

The performance conditions are related to the volume-weighted average price of the Ordinary Shares on 10 consecutive trading days.

Under the terms of his service agreement, Raju Haldankar (Chief Financial Officer of the Company) will be eligible to participate in this option scheme up to a maximum of 1 per cent. of the Company's issued share capital on Admission. All other terms of Raju Haldankar's participation in the scheme, including exercise price, eligibility and performance criteria, will be determined by the Remuneration Committee following Admission.

Other than the specific commitments referred to above the Remuneration Committee will determine all remaining aspects of the option scheme(s) including requirements as to continuity of appointment, exercise periods, and good leaver/bad leaver provisions which will apply to all participants.

9.2 The Company has adopted an incentive plan under which it may award Options over Ordinary Shares to directors, employees and consultants pursuant to a standard unapproved share incentive scheme. Grant of options under the scheme will be subject to approval by the Remuneration Committee or, if such committee is not in place at the time, the Board. Any individual awards under the scheme will be subject to vesting and performance conditions. Options granted under this plan (including the Options being granted conditional on Admission as set out in paragraph 9.1 of this Part VIII) will not exceed 6 per cent. of the Company's issued Ordinary Shares from time to time without the prior approval of the Shareholders. Eligible individuals must be providing services (as employee or otherwise) to the Company or one of its subsidiaries at the time of vesting and exercise and must not have been given or received notice of termination prior to the exercise of any options granted. Eligible individuals must have provided 12 months continuous service before options can be exercised (this can include periods before options are awarded). All unvested options expire if the individual ceases to be employed by the Group and/or provide services to the Group.

10. RELATED PARTY TRANSACTIONS

The following transactions are the only related party transactions which, as a single transaction or in their entirety, are or may be material (within the meaning of the AIM Rules for Companies) to the Group and have been entered into by a member of the Group during the periods for which historical financial information appears in this document and for the subsequent period up to the date of this document:

10.1 On 13 October 2021 the Company and MBU entered into an administrative services and licence agreement. Pursuant to this agreement MBU will provide certain administrative services to the Group and grant to the Group a licence to use the MBU logo. The agreement shall continue unless terminated by either party giving 6 months' notice to the other. The license granted under the agreement will commence on the date of the agreement and shall continue unless terminated by either the Company or MBU giving 1 month's notice to the other or if a default occurs. The Company will pay to MBU a fee of £10,833 per month for provision of the services.

10.2 The loans from MBU to BCC, details of which are set out at paragraphs 11.5 to 11.7 of this Part VIII.

10.3 The rail lease agreement entered into by BC Operations with BC Rail Holding, details of which are set out in paragraph 11.12 of this Part VIII.

10.4 The Placing Agreement, the First Lock-in Deed, the Relationship Agreement, the Acquisition Agreement and the Minority Acquisition Agreement, details of which are set out in paragraphs 11.16, 11.17.1, 11.19, 11.20 and 11.21 of this Part VIII.

10.5 As disclosed in note 23 of Part V, Section D of this document, MBU was paid a fee of $25,000 for consulting services to Ben's Creek Carbon LLC in the period covered by the historical financial information set out in Part V, Section D of this document.

11. MATERIAL CONTRACTS AND ARRANGEMENTS

The following contracts include (i) all material subsisting agreements that are included within, or relate to the Group's mining assets and liabilities, and (ii) not being contracts entered into in the ordinary course of business, have been entered into by the Group within the two years immediately preceding the date of this document and are, or may be, material:

11.1 Membership Interest Purchase Agreement

BCC entered a Membership Interest Purchase Agreement, dated 11 November 2020, with the Prior Owner, pursuant to which BCC purchased the 100 per cent. of the membership interests of BC Land and BC Operations in consideration for which BCC:

- assumed certain liabilities of the BC Subs;
- agreed to enter into the Overriding Royalty Agreement described in paragraph 11.3 below; and
- replace the bond collateral posted by the Prior Owner by paying to Prior Owner (or its designee) pursuant to the Promissory Note, in the principal amount of $1,319,995.79.

11.2 Assignment of Membership Interests

By Assignment of Membership Interests dated 11 November 2020 and pursuant to the consideration set forth in the MIPA, Prior Owner assigned, sold, conveyed and transferred to BCC all right, title and interest of Prior Owner in and to the Membership Interests of BC Land and BC Operations.

11.3 Overriding Royalty Agreement

BCC entered into an overriding royalty agreement dated 11 November 2020 with the Prior Owner pursuant to which BCC agreed to pay, and to cause BC Land to pay, jointly and severally, an overriding royalty to Prior Owner, or its designee, in an amount equal to Two Dollars ($2.00) per ton of 2,000 lbs. of coal for each ton of coal mined, produced and sold (or shipped without sale) from the Project Property. The term of the agreement is until all of the coal situate in, on or under the Project Property, that is mineable and merchantable, has been mined and Prior Owner, or its designee, is full paid. Payments are due on or before the 30th day of the calendar month following the month in which the coal is sold or otherwise shipped.

11.4 Promissory Note

On 11 November 2020 BCC, BC Land and BC Operations entered into a secured promissory note, in the amount of $1,319,995.79, bearing interest at the rate of seven and one-half percent (7.50 per cent.) per annum (subject to increase in the event of default thereunder), compounded annually. The interest and principal are payable to the Prior Owner on the earlier of (a) 31 October 2021 or (b) such earlier date as payment of the outstanding principal and interest shall be due (whether by acceleration or otherwise). The Ben's Creek Companies liabilities under the promissory note are secured by the Prior Owner being granted security over the assets of the Ben's Creek Companies and through the MBU Guarantee. The note contains a number of covenants and negative pledges normal for a transaction of this type. The note also requires the Ben's Creek Companies to collectively obtain the sum of $5 Million to fund the working capital for the Project. These sums have been obtained through the MBU Loan. The promissory note was repaid in full on 23 July 2021 and the holder of the note has released all collateral and returned the original note as cancelled. In order to enable BCC to repay the promissory note MBU advanced under the MBU First Bridging Facility an amount of US$1,258,519.57 to BCC. Further details of the loan arrangement are set out below at paragraph 11.5.

11.5 First bridging loan agreement between MBU and BCC

On 23 July 2021 MBU and BCC entered into a loan agreement. Pursuant to the agreement MBU agreed to advance an amount of US$1,258,519.57 to BCC as an unsecured loan. The loan amount was used by BCC to fulfil its payment obligations under the secured promissory note dated 11 November 2020 entered into between BCC and Ben's Creek Holding LLC. Interest on the loan amount shall accrue daily at the rate of 1 per cent. per month. The loan amount (together with accrued but unpaid interest) is repayable on the later of 15 business days from the date of Admission or the 1st of November 2021 or such later date as the parties may agree.

11.6 MBU Loan Facility

On 27 August 2021 the Company, MBU, BCC and the Company entered into an amended and restated facility agreement (amending and restating a facility agreement dated 1 November 2020, as amended on 5 May 2021 and 16 June 2021). Pursuant to the agreement MBU made available to BCC an unsecured loan of up to £10,000,000. The facility is available from the date of the amended and restated facility agreement and continues until 30 June 2023. As at the date of this document a total of £2.3 million has been drawn down under the facility. The repayment date is 30 June 2023 or such earlier date as may be agreed between MBU and BCC. Interest accrues at a rate of 7 per cent. per annum on amounts outstanding under the facility. At any time following Admission MBU may elect to have repaid any amount outstanding under the facility plus accrued interest, in whole or in part, through the issue by the Company of new Ordinary Shares to MBU at a conversion price of 1.5 times the Placing Price. MBU and BCC have agreed under the terms of the facility agreement that any such election to have repayment settled through the issue of new Ordinary Shares can only occur such that MBU hold a maximum of 68.0 per cent. of the Share Capital following conversion.

11.7 Second bridging loan agreement between MBU and BCC

On 27 August 2021 MBU and BCC entered into a facility agreement. Pursuant to the agreement MBU agreed to provide a facility of up to GBP £3,000,000 to BCC on an unsecured basis. To date, $1,500,000 of this loan has been drawn down. The loan amount was used by BCC for working capital and capital expenditure. Interest on the loan amount shall accrue daily at the rate of 1 per cent. per month. The loan amount (together with accrued but unpaid interest) is repayable on the later of 10 business days from the date of Admission or the 1st of November 2021 or such later date as the parties may agree.

11.8 Special Warranty Deed

Pursuant to Special Warranty Deed dated 6 October 2016 BC Land acquired the Freehold Project Land and the Project Leases for $1,322,000 from Robert L. Johns in his capacity as Chapter 7 Trustee of the Bankruptcy Estates of Glen Alum Operations LLC.

11.9 Asset Purchase Agreement

Pursuant to an asset purchase agreement dated 16 August 2016 Investec Bank PLC acquired the Pocahontas Lease and the Carbons Fuel Lease (plus other assets), from Robert L. Johns, in his capacity as Chapter 7 Trustee of the Bankruptcy Estates of Glen Alum Operations, LLC. On 6 October 2016 the Pocahontas Lease and the Carbons Fuel Lease were assigned to BC Land with the consent of relevant landlords.

11.10 Pocahontas Lease

BC Land is party to a lease with Pocahontas Land LLC, which was originally dated 4 March 1988 and was between Pocahontas Land Corporation and MIN, Inc., over an area covering approximately 2,624.24 acres. The lease is for a 10 year term until all the mineable and merchantable coal is mined and removed and currently expires on 3 March 2028. The production royalty is 4 per cent. based on an ASP of $100.00 or less, 5 per cent. on an ASP of $100.01 to $125.00 and 6 per cent. on an ASP of $125.01 and above. In the original Lease, "ASP" is defined as the actual price paid for coal sold

to a *bona fide* purchaser, f.o.b loading point after preparation, if any, and loading for final destination, less any sales tax imposed thereon, but without deduction for selling commissions, advertising, credit losses or other expenses, but with deductions for discounts or allowances actually allowed to arms-length wholesales. Pursuant to an agreement dated 4 August 2020 BCC paid a minimum advanced payment to Pocahontas Land Corporation in the amount of $150,000, representing a minimum royalty for three (3) years. This amount is recoupable for a period of three (3) years against royalty payments. On 1 January 2023 being the beginning of the third year after the lease assignment to BC Land, the minimum royalty shall increase to $200,000 per year, and shall apply to each year thereafter. The $200,000 minimum royalty payments shall be recoupable only in the year for which it is paid.

11.11 Carbon Fuels Lease

BC Land currently leases certain land in Mingo County from Carbon Fuels Properties LLC (the "**Carbon Fuels Lease**"). BC Land acquired the Carbon Fuels Lease pursuant to the asset purchase agreement, details of which is set out at paragraph 11.9 above. The current expiration date of the Carbon Fuels Lease is 13 May 2024. Pursuant to an agreement dated 17 August 2020, the production royalty for the first three years from the 11 November 2020 is 4 per cent. based on an average selling price of $100.00 or less, 5 per cent. on an ASP of $100.01 to $120.00 and 6 per cent. on an ASP of $120.01 and above. At the end of the third year, the production royalty shall review to 6 per cent. of the ASP. The minimum royalty is $100,000 per year, payable in four instalments of $25,000 each on March 15, June 15, September 15 and December 15 of each year during the term of the Carbon Fuels Lease. The Carbon Fuels Lease requires, in addition to the production royalties and minimum royalties, a $0.25 per ton royalty payment for each ton of coal, other than coal mined from the property under the Carbon Fuels Lease, that is delivered to the preparation plant and loadout on the Freehold Project Land and subsequently shipped by unit train.

11.12 Rail Lease Agreement

On 1 March 2021 BC Operations entered a Rail Lease Agreement with BC Rail Holding for the lease of 25,580 tract feet (TF) of rail, including the siding, associated OTM (plates, spikes and anchors) and joint bars situate in Wharncliffe, West Virginia, and known as the Briar Mountain Branch Line Track, for the purpose of BC Operations flood loading coal into rail cars at the Preparation Plant and transporting it using the track. The term of the lease is month to month commencing on 1 March 2021, and continuing until terminated by either party on six months' written notice. The monthly rent is $4,583. BC Land is solely responsible for contracting with the Norfolk Southern Rail Holding Company for the transportation of the coal loaded at the Preparation Plant. The agreement was conditional on the Railroad Siding Agreement, described at paragraph 11.14, being entered into.

11.13 Railroad Spur Land sublease

On 8 September 2021 BC Rail Land, which is a wholly owned subsidiary of MBU, and the Railroad entered into a lease relating to the land beneath the rail and track owned by BC Rail Holding, specifically the land underlying the Briar Mountain Branch Line (**Rail Strip Agreement**). The lease agreement has an initial rent of $10,000 for the first year. A renewal of the lease for a second year is provided but stipulates that the rent will be based upon the fair market value of the land.

On 15 September 2021 BC Rail Land and BC Operations entered into a sublease agreement in respect of the land beneath the rail and track owned by BC Rail Holdings, specifically the land underlying the Briar Mountain Branch Line. The consideration for the sublease agreement is reimbursement of the rent paid by BC Rail Land to the Norfolk Southern Railway Company (currently $10,000), plus 10 per cent. at the option of BC Rail Land. BC Rail Land is a wholly owned subsidiary of MBU. The lease is for one year and renews for a second year however, the rent is likely to increase as BC Rail Land's rent will be based upon the fair market value of the land.

11.14 Railroad Siding Agreement

On 3 September 2021 BC Rail Land entered into an siding agreement with the Railroad pursuant to which BC Rail Land guarantees to Railroad the right and authority to operate over any portion of the track to provide rail service to BC Rail Land (and BC Operations, once approval is given to an

assignment or sublease of the siding agreement), and Railroad licenses to BC Rail Land, and consents to BC Rail Land's use of, so much of the Railroad's right of way or property as may be necessary for the maintenance of the portions of the track owned by BC Rail Land. The siding agreement provides various rights and obligations of the parties, including, but not limited to, use of the track, maintenance, Railroad's right to suspend operations, clearances, and loading and unloading. Either party has the right to terminate the siding agreement upon sixty (60) days' prior written notice. It is the intention of BC Rail Land and BC Operations to enter into a deed of assignment pursuant to which BC Rail Land will assign all of its rights in the sidings agreement to BC Operations.

11.15 Consultancy agreement with Peter Shea

On 1 December 2020 BCC and Peter Shea (the "**Consultant**") entered into a consultancy agreement. Pursuant to the agreement the Consultant would provide the following services to BCC in relation to Admission: (a) provide strategic and tactical advice; (b) provide advice in relation to making applications to AIM; (c) assist in undertaking any procedure as may be required to consummate Admission; (d) introduction of investors; (e) provide such further services as may be necessary in relation to Admission. In consideration for the services the Consultant would be paid a fee of US$5,000 per month and a commission of 5 per cent. on any funds introduced by him in relation to Admission.

11.16 Placing Agreement

On 13 October 2021, the Company entered into the Placing Agreement with MBU, the Directors,the Proposed Directors, Allenby Capital and Optiva.

Allenby Capital and Optiva have agreed to act as agents for the Company to use all reasonable endeavours to procure placees for the Placing Shares at the Placing Price. The Placing Agreement is conditional, *inter alia*, on Admission taking place not later than 19 October 2021 (or such later date as Allenby Capital, Optiva and the Company may agree, but in any event no later than 12 November 2021).

Under the Placing Agreement:

i. the Company has agreed to pay each of Optiva and Allenby Capital a commission of 6 per cent. of gross proceeds of the Placing Shares issued to Placees procured by it (save for in respect of Placees administered but not introduced by Allenby Capital, where the cash commission is 1 per cent. of gross proceeds of the Placing Shares issued to such Placees), and to grant Optiva and Allenby Capital the Adviser Warrants;

ii. the Company has agreed to pay Allenby Capital a corporate finance fee of £170,000 (plus any applicable value added tax);

iii. the Company has agreed to pay all other costs and expenses of the Placing and the related arrangements together with value added tax on such costs; and

iv. the Company, MBU and the Directors have given certain warranties to Allenby Capital and Optiva as to the accuracy of the information in this document and as to other matters relating to the Group and its business, the terms of the Acquisition and the Company has granted an indemnity to Allenby Capital and Optiva in respect of certain liabilities arising out of or in connection with the Placing.

The Placing Agreement is conditional, *inter alia*, on:

i. the Company having complied with its obligations under clause 3, 5 and 6 of the Placing Agreement (to the extent that such obligations fall to be performed prior to Admission);

ii. no supplementary admission document being required in accordance with the guidance notes to Rule 3 of the AIM Rules, save where a supplementary admission document is published with the prior written consent of Allenby Capital and Optiva; and

iii. Admission having occurred not later than 8.00 a.m. on 19 October 2021 or such later date as the Company, Allenby Capital and Optiva may agree, but in any event not later than 8.00 a.m. on 12 November 2021.

The Placing Agreement may be terminated by Allenby Capital or Optiva if certain customary circumstances occur prior to Admission such as, *inter alia*, a material breach of the warranties referred to above and, in addition, if there is a force majeure prior to Admission (including, without limitation a material worsening or deterioration of the ongoing global COVID-19 pandemic).

11.17 Lock-In Deeds

11.17.1 ***– First Lock-in Deed***

In accordance with Rule 7 of the AIM Rules the First Locked-in Persons have entered into lock-in deed dated 13 October October 2021 representing in aggregate 240,583,470 Ordinary Shares constituting 68.7 per cent. of the Share Capital, pursuant to which each of those First Locked-in Persons have undertaken to Allenby Capital and Optiva that they shall not, except in certain specified circumstances set out below and subject always to compliance with AIM Rule 7, sell, transfer, grant any option over or otherwise dispose of the legal, beneficial or any other interest in any Ordinary Shares ("Interest") (or rights arising from any such shares or other securities or attached to any such shares) (together "Restricted Shares") prior to the first anniversary of Admission ("Lock-In Period"). The First Locked-in Persons have also agreed to abide by additional orderly market restrictions for a period of 12 months after the expiry of the First Lock-In Period pursuant to which the Locked-In Persons agree to ensure that any dealing in their Ordinary Shares during the period between the first anniversary and second anniversary of Admission is effected, where possible to do so, via Optiva in order to maintain an orderly market.

11.17.2 ***– Second Lock-in Deed***

In accordance with Rule 7 of the AIM Rules the Second Locked-in Persons have entered into lock-in deed dated 13 October 2021 representing in aggregate 8,669,430 Ordinary Shares constituting 2.5 per cent. of the Share Capital, pursuant to which each of those Second Locked-in Persons have undertaken to Allenby Capital and Optiva that they shall not, except in certain specified circumstances and subject always to compliance with AIM Rule 7, sell, transfer, grant any option over or otherwise dispose of the legal, beneficial or any other interest in any Ordinary Shares held by them at the date of Admission (or rights arising from any such shares or other securities or attached to any such shares) prior to the first anniversary of Admission.

11.17.3 ***– Third Lock-in Deed***

The Third Locked-in Persons have entered into lock-in deed dated 13 October 2021 representing in aggregate 3,475,000 Ordinary Shares constituting 1.0 per cent. of the Share Capital, pursuant to which each of those Third Locked-in Persons have undertaken to Allenby Capital and Optiva that they shall not, except in certain specified circumstances sell, transfer, grant any option over or otherwise dispose of the legal, beneficial or any other interest in any Ordinary Shares held by them at the date of Admission (or rights arising from any such shares or other securities or attached to any such shares) prior to the first anniversary of Admission.

11.17.4 ***– Fourth Lock-in Deed***

In accordance with Rule 7 of the AIM Rules for Companies Larkin Hoskins has entered into lock-in deed dated 13 October 2021 representing in aggregate 5,600,000 Ordinary Shares constituting 1.6 per cent. of the Share Capital, pursuant to which Larkin Hoskins has undertaken to Allenby Capital and Optiva that he shall not, except in certain specified circumstances and subject always to compliance with Rule 7 of the AIM Rules for Companies, sell, transfer, grant any option over or otherwise dispose of the legal, beneficial or any other interest in any Ordinary Shares ("**Interest**") (or rights arising from any such shares or other securities or attached to any such shares) (together "**Restricted Shares**") prior to the first anniversary of Admission ("**First Lock-In Period**"). Larkin Hoskins has also agreed for a period of 12 months after the expiry of the First Lock-In Period ("**Second Lock-in Period**") to not dispose of 2,800,000 Ordinary Shares and in respect of the balance of 2,800,000 Ordinary Shares to abide by additional orderly market restrictions to ensure that any dealing in his Ordinary Shares during Second Lock-in Period is effected, where possible to do so, via Optiva in order to maintain an orderly market.

11.18 Nominated Adviser and Joint Broker Agreement

A nominated adviser agreement dated 13 October 2021 and made between (1) the Company, (2) Allenby Capital, (3) the Directors and (4) the Proposed Directors, pursuant to which the Company has appointed Allenby Capital to act as nominated adviser and joint broker to the Company for the purposes of the AIM Rules for the Companies and the AIM Rules for Nominated Advisers. The Company has agreed to pay Allenby Capital a fee of £80,000 plus VAT per annum for its services as nominated adviser under such agreement with such fee reducing to £60,000 plus VAT per annum from the first anniversary of Admission. Both fees are payable quarterly in advance from the date of Admission. The agreement contains certain undertakings and indemnities given by the Company and the Directors to Allenby Capital. The agreement is for an initial period of 12 months from the date of Admission and is terminable upon not less than 10 business days' prior written notice by the Company if Allenby Capital fails to carry out any material obligation as nominated adviser under the agreement or pursuant to the AIM Rules. Thereafter, either party may terminate the appointment by giving not less than three months' written notice, not take effect prior to the first anniversary of Admission.

11.19 Relationship Agreement

On 13 October 2021, MBU, Adam Wilson and Raju Haldankar entered into the Relationship Agreement with the Company and Allenby Capital. The principal purpose of the Relationship Agreement is to ensure that the Company is capable at all times of carrying on its business independently of MBU. The Relationship Agreement takes effect from Admission and continues for so long as (1) the Ordinary Shares are admitted to trading on AIM and (2) MBU and its connected persons and group companies are interested in voting rights representing, in aggregate, 20 per cent. or more of total voting rights attaching to the Ordinary Shares. For as long as MBU individually or together with Adam Wilson and Raju Haldankar is interested in voting rights representing: (a) rights to vote more than 50% of the rights to vote at a general meeting of the Company attaching to Ordinary Shares, it shall, subject to this clause 5, be entitled to nominate two directors to the board of the Company; or (b) representing more than 20% of the rights to vote at a general meeting of the Company attaching to Ordinary Shares, it shall be entitled to nominate one director to the board of the Company.

Under the Relationship Agreement, MBU shall, and has agreed to procure that his associates shall, *inter alia*:

(a) ensure that the Company shall be managed for the benefit of the Shareholders as a whole and independently of MBU;

(b) conduct all transactions, and arrangements with the Company on an arm's length basis and on normal commercial terms;

(c) not take any action that would have the effect of preventing the Company from complying with its obligations under the AIM Rules for Companies or other applicable law; and

(d) not exercise any of its voting or other rights and powers: (i) to propose or vote in favour of any resolution to remove any independent director or to appoint any new director who would not be considered by the Company to be independent of MBU (subject to MBU's right to appoint two directors so long as it holds 50 per cent. of the voting rights and one director for so long as it holds 20 per cent. of the voting rights); or (ii) to procure or propose, or vote in favour of, any resolution for any amendment to the Articles which would be inconsistent with or undermine any of the provisions of the Relationship Agreement or undermine the effect the Relationship Agreement to the detriment of the Company.

11.20 Acquisition Agreement

With effect from 22 September 2021 the Company, BCC, Adam Wilson, Larkin Hoskins and MBU entered into the Acquisition Agreement pursuant to which the Company acquired membership interests of MBU in BCC representing 86.498 per cent. of the issued membership interest in BCC. The consideration was satisfied through the issue to MBU of 159,227,930 new Ordinary Shares in the capital of the Company and release on the date of the agreement of MBU from its trust obligation

in respect of £50,000 held on trust by the Company on behalf of MBU and the issue of 22,722,070 (being the Deferred Consideration Shares) immediately prior to Admission.

The Acquisition Agreement contains warranties given by MBU to the Company in respect of title and capacity.

11.21 Minority Acquisition Agreement and Share Charge

With effect from 22 September 2021 the Company entered into a minority interest acquisition agreement with the Minority BCC Sellers pursuant to which the Company acquired the membership interests they hold in BCC representing 13.502 per cent. of the issued membership interest in BCC. The consideration for the sale by each of the Minority BCC Sellers was the issue and allotment of 28,000,000 new Ordinary Shares to Adam Wilson and 5,600,000 new Ordinary Shares to Larkin Hoskins. Larkin Hoskins was also required to deliver an executed share charge over the consideration shares to be issued to Larkin Hoskins in favour of MBU, further details of the share charge is set out below. The agreement contains warranties given by the Minority BCC Sellers to the Company in respect of title and capacity.

The Minority Acquisition Agreement requires Larkin Hoskins to deliver an executed share charge on completion of the agreement ("**Larkin Share Charge**"). Pursuant to the Larkin Share Charge, Larkin Hoskins granted a legal charge in favour MBU over the Ordinary Shares in the capital of the Company that have been issued and allotted to him by the Company pursuant to the Minority Acquisition Agreement (the "**Larkin Consideration Shares**"). The Larkin Share Charge provides that 50 per cent. of the Larkin Consideration Shares will be released from the Share Charge on the first anniversary of Admission and the remaining 50 per cent. of the Larkin Consideration Shares will be released on the second anniversary of Admission.

11.22 Optiva Engagement Letter

On 31 August 2021 the Company entered into an engagement letter with Optiva pursuant to which Optiva agreed to act as joint broker to the Company for a fee of £30,000 (plus applicable VAT) per annum and a placing commission equal to 6 per cent. of funds raised by Optiva as part of the Placing and the grant of warrants over shares equal to 6 per cent. of funds raised by Optiva as part of the Placing. Optiva has also been granted £25,000 of performance warrants pursuant to the Optiva Performance Warrant agreement, details of which are set out in paragraph 11.27 below. There is a 3 month notice period for termination of the engagement letter by either party which cannot expire before the first anniversary of the appointment. The engagement letter contains certain undertakings and indemnities given by the Company to Optiva.

11.23 Clear Capital Engagement Letter

On 20 September 2021, the Company entered into an engagement letter with Clear Capital pursuant to which Clear Capital agreed to act as Placing Agent in respect of the Placing for a placing commission equal to 6 per cent. of funds raised by Clear Capital as part of the Placing and a fee of 2.5 per cent. of the gross proceeds of amounts raised from certain funds raised through MBU. The Company and Clear Capital have since agreed that 6 per cent. commission will be payable on the gross proceeds of amounts raised from certain funds raised through MBU. In addition the Company shall grant to Clear Capital such number of warrants over new ordinary shares in the Company exercisable at the Placing Price as equals 6% of the gross aggregate value of monies raised by Clear Capital divided by the Placing Price exercisable at any time in the 3 years following Admission. There is a 60 day notice period for termination by either party and the engagement letter automatically terminates when Clear Capital has received all of the fees to which it is entitled pursuant to the engagement letter. The engagement letter contains certain undertakings and indemnities given by the Company to Clear Capital.

11.24 Allenby Capital Warrant agreement

A warrant agreement dated 13 October 2021 and made between (1) the Company and (2) Allenby Capital, pursuant to which the Company has granted Allenby Capital the right to subscribe for

118,250 new Ordinary Shares, exercisable at the Placing Price during the period beginning on the date of Admission for a period of 3 years from the date of Admission.

11.25 Clear Capital Warrant agreement

A warrant agreement dated 13 October 2021 and made between (1) the Company and (2) Clear Capital, pursuant to which the Company has granted Clear Capital the right to subscribe for 2,040,000 new Ordinary Shares, exercisable at the Placing Price during the period beginning on the date of Admission for a period of 3 years from the date of Admission.

11.26 Optiva Warrant agreement

A warrant agreement dated 13 October 2021 and made between (1) the Company and (2) Optiva, pursuant to which the Company has granted Optiva the right to subscribe for 1,500,000 new Ordinary Shares, exercisable at the Placing Price during the period beginning on the date of Admission for a period of 3 years from the date of Admission.

11.27 Optiva Performance Warrant agreement

A warrant agreement dated 13 October 2021 and made between (1) the Company and (2) Optiva, pursuant to which the Company has granted Optiva the right to subscribe for, in aggregate, 250,000 Ordinary Shares with a value up to £25,000, exercisable at the Placing Price 50 per cent. of which vest if the 5 day VWAP exceeds 100 per cent. premium to the Placing Place and the remaining 50 per cent. vests if the 5 day VWAP exceeds 200 per cent. premium to the Placing Place. The warrants may be exercised, to the extent they have vested, for a period of 3 years from the date of Admission.

11.28 Orana Warrant Agreement

A warrant agreement dated 13 October 2021 pursuant to which the Company has granted Orana Corporate LLP the right to subscribe for 370,880 new Ordinary Shares, exercisable at the Placing Price during the period beginning on the date of Admission for a period of 3 years from the date of Admission.

11.29 Novum Warrant Agreement

A warrant agreements dated 13 October 2021 pursuant to which the Company has granted Novum Securities Limited the right to subscribe for 170,870 new Ordinary Shares, exercisable at the Placing Price during the period beginning on the date of Admission for a period of 3 years from the date of Admission.

12. SIGNIFICANT CHANGE

12.1 There has been no significant change in the trading or financial position of the Company since 25 August 2021, being the date as at which the financial information contained in "*Part V, Section B – Historical Financial Information on the Company*" has been prepared, with the exception of the Acquisition of BCC.

12.2 There has been no significant change in the trading or financial position of BCC since 30 April 2021, being the date as at which the financial information contained in "*Part V, Section D – Historical Financial Information on Ben's Creek Carbon LLC*" has been prepared, with the exception of the drawdowns of the MBU Loan facilities as described in the Historic Financial Information included in Part V Section D.

13. WORKING CAPITAL STATEMENT

In the opinion of the Directors, having made due and careful enquiry, and in the opinion of the Company, taking into account the net proceeds of the Placing, the working capital is sufficient for the Group's present requirements that is for at least the 12 months from the date of this document.

14. LITIGATION AND DISPUTES

Other than as set out below there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had during the 12 months preceding the date of this document, a significant effect on the financial position or profitability of the Group.

15. EMPLOYEES

15.1 As at 30 April 2021 BCC and the BC Subs had six employees in total as follows:

	30 April 2021 Numbers
Average number of employees by function	
Operations	4
Administration	2
TOTAL	6

15.2 As at the date of this document BCC and the BC Subs had seven employees and one consultant.

15.3 As at the date of this document the Company had no employees. On Admission, the Company will have two employees including the executive directors.

16. COMPETENT PERSON

16.1 The Competent Person has confirmed to the Company, Allenby Capital, Optiva and Clear Capital that: (i) it has reviewed the information that relates to the information contained in the Competent Person Report in this document, set out in Part IV, which is contained in a portion of this Document other than such report; and (ii) such information contained in a portion of this Document other than such report is, to the best of the Competent Person's knowledge, correct on its facts, accurate, balanced, complete, not inconsistent with such report and contains no material omissions likely to affect its import.

16.2 The Competent Person has no material interests in the Company.

17. CONSENTS

17.1 Allenby Capital has given and has not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear.

17.2 Optiva Securities has given and has not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear.

17.3 Clear Capital Markets has given and has not withdrawn its written consent to the inclusion in this Document of its name and the references thereto in the form and context in which they appear.

17.4 PKF Littlejohn LLP has given and has not withdrawn its written consent to the inclusion in this document of its accountant's report and the references thereto in the form and context in which they appear.

17.5 Marshall Miller & Associates, Inc has given and not withdrawn its consent to the issue of this document with inclusion in it of their reports as set out in Part IV of this document and the references thereto and to their name in the form and context in which they appear and have accepted responsibility for the content of such reports. Marshall Miller & Associates, Inc has also confirmed to the Company, Allenby Capital, Optiva and Clear Capital that, to the best of its knowledge and belief, there has been no material change in circumstances to those stated in the Competent Person's Report since the effective date of such report.

18. EXPENSES OF THE PLACING AND ADMISSION

18.1 The total costs and expenses of, and incidental to, the Placing and Admission (including placing commissions, the application fees, printer's fees, advisers' fees, professional fees and expenses, the costs of printing and distribution of documents) to be borne by the Company are estimated to be approximately £1.2 million.

18.2 The net proceeds of the Placing, after deducting the fees and expenses referred to in paragraph 18.1 above, are approximately £5.8 million.

19. GENERAL

19.1 PKF Littlejohn LLP has been appointed as the auditors of the Company and are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

19.2 The financial information contained in this document which relates to the Company does not constitute full statutory accounts as referred to in section 434(3) of the Act.

19.3 The accounting reference date of the Company is 31 March. The Company will publish its interim report for the period from incorporation on 11 August 2021 to 30 September 2021 by 31 December 2021. The Company will publish its audited annual accounts for the year ended 31 March 2022 by 30 September 2022.

19.4 There are no arrangements under which future dividends are waived or agreed to be waived.

19.5 The Ordinary Shares will only be traded on AIM.

19.6 This document has not been approved by the FCA.

19.7 The following persons have received fees totalling £10,000 or more from the Group within the 12 months immediately preceding the date on the document, or have entered into a contract to receive £10,000 or more from the Group on or after Admission:

- Grovewood Capital Consultancy Ltd
- Novum Securities Limited
- Orana Corporate LLP

19.8 Save as disclosed in paragraph 19.7 of this Part VIII, no person (except for fees payable to the professional advisers whose names are set out in this document and payments to trade suppliers), has received any fees, securities or other benefit to a value of £10,000 or more, whether directly or indirectly, from the Company within the 12 months preceding the application for Admission, or has entered into any contractual arrangement to receive from the Company, directly or indirectly, any such fees, securities or other benefit on or after Admission.

19.9 The Directors are unaware of any exceptional factors which have influenced the Company's activities.

19.10 No dividends have been declared by the Company in respect of the financial years covered by the reports in Part V of this document.

19.11 Where information has been sourced from a third party, this information has been accurately reproduced so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

19.12 Save as disclosed in this document, there are no patents or other intellectual property rights, licences or particular industrial, commercial or financial contracts which are or may be of fundamental importance to the Group's business.

19.13 Save as disclosed in this document, as at the date of this document, the Company has not made any investments, nor are there any investments by the Group in progress or anticipated which are significant.

19.14 Save as disclosed in this document, the Directors are not aware of any environmental issues that may affect the Group's utilisation of its tangible fixed assets.

19.15 The Directors estimate that immediately following Admission 73.8 per cent. of the Share Capital will not be in public hands, namely those holdings of Ordinary Shares in excess of 10 per cent. of the Share Capital described in paragraph 7.1 of this Part VIII, Ordinary Shares held by those parties, who are subject to lock-in arrangements as described in paragraphs 11.17.1 to 11.17.4 of this Part VIII and those Ordinary Shares in which the Directors and their connected parties are interested as described in paragraph 8.4 of this Part VIII.

19.16 The Placing Shares shall represent 20.0 per cent. of the enlarged share capital of the Company and voting rights of the Company immediately following Admission. Following Admission, the issued share capital and voting rights of the existing Shareholders shall (assuming that they do not participate in the Placing) represent 80.0 per cent. of the enlarged share capital of the Company.

19.17 No public takeover bids have been made by third parties in respect of the Company's issued share capital since its incorporation up to the date of this document. The Company is not aware of any arrangement, the operation of which may at a subsequent date result in a change in control of the Company.

20 AVAILABILITY OF THIS DOCUMENT

Copies of this document will be published in electronic form and will be available on the Company's website at www.benscreek.com subject to certain access restrictions applicable.

Dated: 13 October 2021