

## **BENS CREEK GROUP PLC**

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Bens Creek Group PLC  
09 February 2024

The following amendment has been made to the 'Trading update and Directorate change' announcement released on 9 February 2024 at 7.00 a.m. under RNS No 5658C.

The announcement incorrectly described the \$13 million of loan notes issued to Avani and announced on 26 June 2023 and 7 July 2023 as convertible. The loan notes are not convertible.

All other details remain unchanged.

*The full amended text is shown below.*

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

9 February 2024

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

**Trading and operational update**  
**Proposed Directorate change**

Bens Creek Group plc (AIM:BEN), the owner of a metallurgical coal mine in North America supplying the steel industry, provides the following trading update and announces the intention for Adam Wilson to stand down from the board of Bens Creek and his position as Chief Executive Officer ("**CEO**") of the Company.

### **Trading and operational update**

Following a period of falling metallurgical coal prices and certain operational challenges, the Company announced on 26 June 2023 and 7 July 2023 that it had issued \$13 million of loan notes to Avani Resources Pte Ltd ("**Avani**"), the Company's largest shareholder owning 29.9% of the issued share capital of the Company. This financing, taken with the Company's budgeted cashflows, was expected by the Board to be sufficient to meet the Company's working capital requirements through to 31 December 2024.

Whilst metallurgical coal prices recovered near the end of 2023 the Company's cash flows since the start of the year have been further negatively affected by a combination of factors. These include West Virginia experiencing severe weather conditions at the start of the year and a short period of unexpected interruption to production at the Ben's Creek mine due to an issue with waste disposal and refuse cells at the mine. These issues have now been resolved and the mine is back in production. In addition, as detailed in previous announcements, the shipment of coal from the Ben's Creek mine is reliant on Norfolk Southern Railroad providing a reliable train service to transport the coal that is produced. Unfortunately, as highlighted in the Company's announcement of 8 January 2024, a number of trains that were scheduled to collect contracted coal sales have been delayed, resulting in a substantial backlog of coal delivery since the start of the year. The Company can confirm that it has fulfilled the previously announced coal order of 33,000 tonnes with Avani.

These factors have put an additional strain on the Company's working capital position and as such Avani have, contingent on an off take agreement between Avani and the Company being entered into, agreed to provide an additional working capital facility of up to \$5 million, the commercial terms of which are acceptable to the Board. This additional working capital facility is in the process of being documented and, once an agreement is executed, a further announcement will be made. The broad terms of the working capital facility have been agreed between Avani and the Company.

Pending execution of any working capital facility agreement, Avani has advanced \$1.25 million to support the Company's operating requirements. It is also anticipated that as part of agreeing the new working capital facility that there will be amendments made to certain terms of the \$6.5 million loan facility put in place in July 2023 between Avani and the Company.

The Company is also in advanced discussions to enter into a 12 month offtake agreement with Avani which it is anticipated would be a non-exclusive offtake arrangement for the delivery of a total of circa 400,000 short tons of coal commencing in the next couple of months. Discussions on the proposed offtake agreement are advanced in nature and the commercial terms of the proposed offtake agreement are acceptable to the Company. The offtake agreement is in the process of being documented and once it is executed a further announcement will be made.

The entering into by Avani and the Company of agreements relating to: (i) the new working capital facility of up to \$5m; (ii) the proposed amendments to the existing loan facility put in place in July 2023 by the parties; and (iii) the new proposed offtake agreement, would all constitute related party transactions pursuant to Rule 13 of the AIM Rules for Companies.

#### **Directorate change**

Adam Wilson has informed the Board of his intention to stand down from the board of Bens Creek and his position as CEO of the Company once a replacement CEO has been appointed. A process to appoint a successor has commenced.

The Board would like to thank Adam for the unstinting efforts he has made in his role as CEO since the Company floated in 2021.

#### **Related party transaction**

The advancement of the \$1.25 million by Avani to the Company is deemed to be a transaction with a related party pursuant to rule 13 of the AIM Rules for Companies by virtue of Avani being a 29.86% shareholder of the Company. The directors of the Company (except for Rajesh Johar who represents Avani on the Company's board) consider, having consulted with the Company's nominated adviser, Allenby Capital Limited, that the terms of the \$1.25 million advancement from Avani are fair and reasonable insofar as the Company's shareholders are concerned.

Further announcements will be made by Bens Creek in due course.

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