



RNS

Issue of Debt

Issue of Convertible Loan Notes raising \$6 million

BENS CREEK GROUP PLC

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Prior to publication, the 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.

15 December 2021

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

Issue of Convertible Loan Notes to raise \$6.0 million

Bens Creek Group plc (AIM:BEN), the owner of a metallurgical coal mine in North America supplying the steel industry, announces that it has raised \$6,000,000 (equivalent to c. £4,545,000) through the issue of unsecured convertible loan notes (the "Convertible Loan Notes" or the "Notes") to ACAM GP Limited (the "Lender" or "ACAM"). ACAM is owned by a UK hedge fund manager and a US based macro investor with over fifty years of combined experience.

The net proceeds of the Convertible Loan Notes will be used to predominately finance future acquisition opportunities and for general working capital purposes. As outlined in the admission document published by the Company on 13 October 2021, the Company has previously stated its strategy of seeking acquisitions of metallurgical coal mines in North America. The Company may also seek acquisitions of coal mines which are not metallurgical but are considered complementary to its business strategy. Furthermore, the Company's existing strategy includes evaluating prospective lease and royalty arrangements on neighbouring properties to the existing Bens Creek property where the Board of Bens Creek believe there could be potential future value.

Terms of the Convertible Loan Notes

On 14 December 2021 the Company entered into an unsecured convertible loan note agreement with the Lender for a total subscription of \$6,000,000 Convertible Loan Notes. The Convertible Loan Notes have a term of two years and attract interest at a rate of 15% per annum, which is payable monthly in arrears commencing on 31 January 2022. Interest will be payable via the issuance of additional Convertible Loan Notes as payment in kind. The Convertible Loan Notes are unsecured. The Notes shall be issued by the Company in multiples of \$500,000.

The Notes shall be convertible into new ordinary shares of the Company ("Ordinary Shares") at the price of 28 pence per new Ordinary Share (the "Conversion Price"), a discount of 11.1% to the closing middle-market price of an Ordinary Share on 6 December 2021, when a non-binding term sheet for the Convertible Loan Notes was agreed. The discount based on the closing middle-market share price of an Ordinary Share on 14 December 2021 was 13.8%. The Notes shall be convertible, in part or in full, at the option of the Lender from the date of issuance until five business days prior to the final repayment date, being 31 December 2023. Until conversion, the Notes do not give the Lender voting rights over the ordinary shares or dividend rights.

From 1 July 2022 the Company may offer to redeem any Notes not converted at 125% of par in cash. The Lender will have a period of five business days to respond to an offer to redeem with a conversion notice which would render the offer to redeem null and void and such Notes would convert into new Ordinary Shares at the Conversion Price.

To the extent the Convertible Loan Notes are not repaid, redeemed or converted, on 31 December 2022, 50% of the balance of the Notes shall be redeemed at the principal amounts plus accrued interest in cash. The remainder shall be redeemed on 31 December 2023.

No application has been or will be made to any stock exchange for the listing of, or for permission to deal in, all or any of the Convertible Loan Notes.

Should the Convertible Loan Notes be converted in full the new Ordinary Shares would represent 5.2 per cent. of the issued share capital of the Company as enlarged by the issuance of the Convertible Loan Notes (this excludes the impact of any additional Notes created through the payment in kind of interest payments and assumes no other new Ordinary Shares are issued by the Company in the period until conversion).

It is anticipated the funds will be available to be drawn down by the Company five business days following the date of the signing of the convertible loan note agreement.

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

"We are delighted to put in place this unsecured convertible loan facility with a reputable institutional lender, which provides Bens Creek with the ability to access additional financial resources to take advantage of potential acquisition opportunities, that are relevant to the existing Bens Creek mine. The conversion price of the Convertible Loan Notes is at a significant premium to the IPO issue price of 10p in October 2021. We welcome the support and confidence that has been placed by ACAM in the Bens Creek team and our business model."

"Having moved into initial production at the existing Bens Creek site in West Virginia at the beginning of December, the focus of the Bens Creek management team and operational staff remains to progress with production and move into shipping coal by the end of Q1 2022 in accordance with our recently signed offtake agreement with Integrity Coal."

"This new convertible loan facility will enable us to access funding to implement synergistic acquisitions in the coal sector in the US as and when they arise. Should the metallurgical coal price remain at current levels we believe there are attractive, earnings accretive opportunities to acquire coal properties which can be secured for the benefit of shareholders. Whilst no discussions on any acquisitions are, as yet, at an advanced stage we are confident of being able to execute on our stated acquisition strategy in 2022."

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