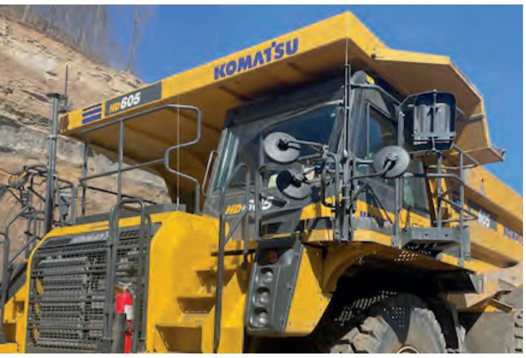
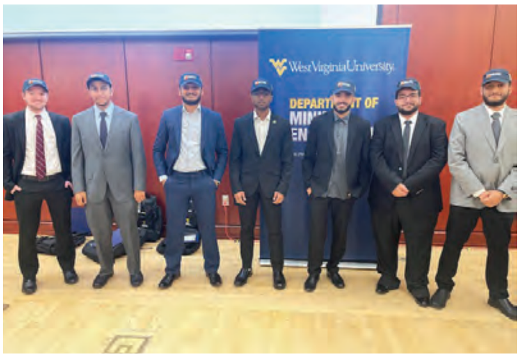
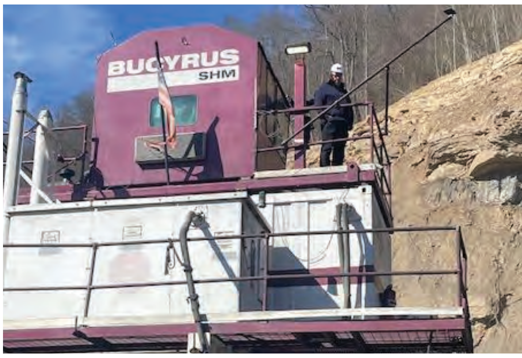
BENS CREEK GROUP







BENS CREEK GROUP PLC

Metallurgical coal for steel production

Annual Report and Financial Statements

For the Year Ended 31 March 2023

BENS CREEK GROUP

Key Events Timeline

14 April 2022	Signed new sub lease with Star Ridge to expand available resource by 2,640 acres.
14 April 2022	Completed the railroad remediation.
16 May 2022	Purchased, from MBU Capital Group Limited, the membership interests in Bens Creek Rail Land LLC. Terminated MBU administrative service and license agreement
26 May 2022	Commencement of underground mining.
1 June 2022	Commenced rail deliveries.
6 June 2022	Agreed variation to the MBU loan facility.
16 June 2022	Update on reserve base by Marshall Miller, confirming improved coal reserves following lease arrangements with MGC Inc and Star Ridge.
26 June 2022	Bens Creek exercised our right to 2nd High Wall Miner from Mega Highwall Mining LLC.
12 July 2022	Following the resignation of Raju Haldankar, we appointed Murat Erden as Chief Financial Officer.
2 August 2022	Severe storm causes widespread flooding. State of emergency declared.
18 August 2022	Successfully subscribed, placing to raise £6 million at 30p to fund the transition from contracted staff for earth moving equipment to employed.
22 September 2022	The Company announces new permit has been approved by the WVDEP.
26 October 2022	First round of benches completed to allow mining to commence on newly permitted area.
7 November 2022	Confirmation of seam width on newly permitted area of 50 inches, giving an improved coal recovery ratio.
22 December 2022	Sale of our owned High Wall Miner.
23 December 2022	Purchase of 26% of BC Rail Holdings, the owner of the rail track, for $169,000 with an option to acquire the balance.
27 February 2023	Commenced repayment of ACAM convertible loan note.
3 March 2023	MBU converts all its outstanding loan of £4.3 million into equity.
9 March 2023	Murat Erden resigns as CFO.
27 March 2023	Mark Cooper joined the board as MBU representative.
31 March 2023	Under the option held, exercised the right to acquire a further 26% of Ben's Creek Rail Holdings LLC for $169,000.

Bens Creek Group plc is an AIM listed holding company that owns and operates metallurgical coal mines in North America. The Company owns the Ben's Creek mining project in West Virginia, USA.

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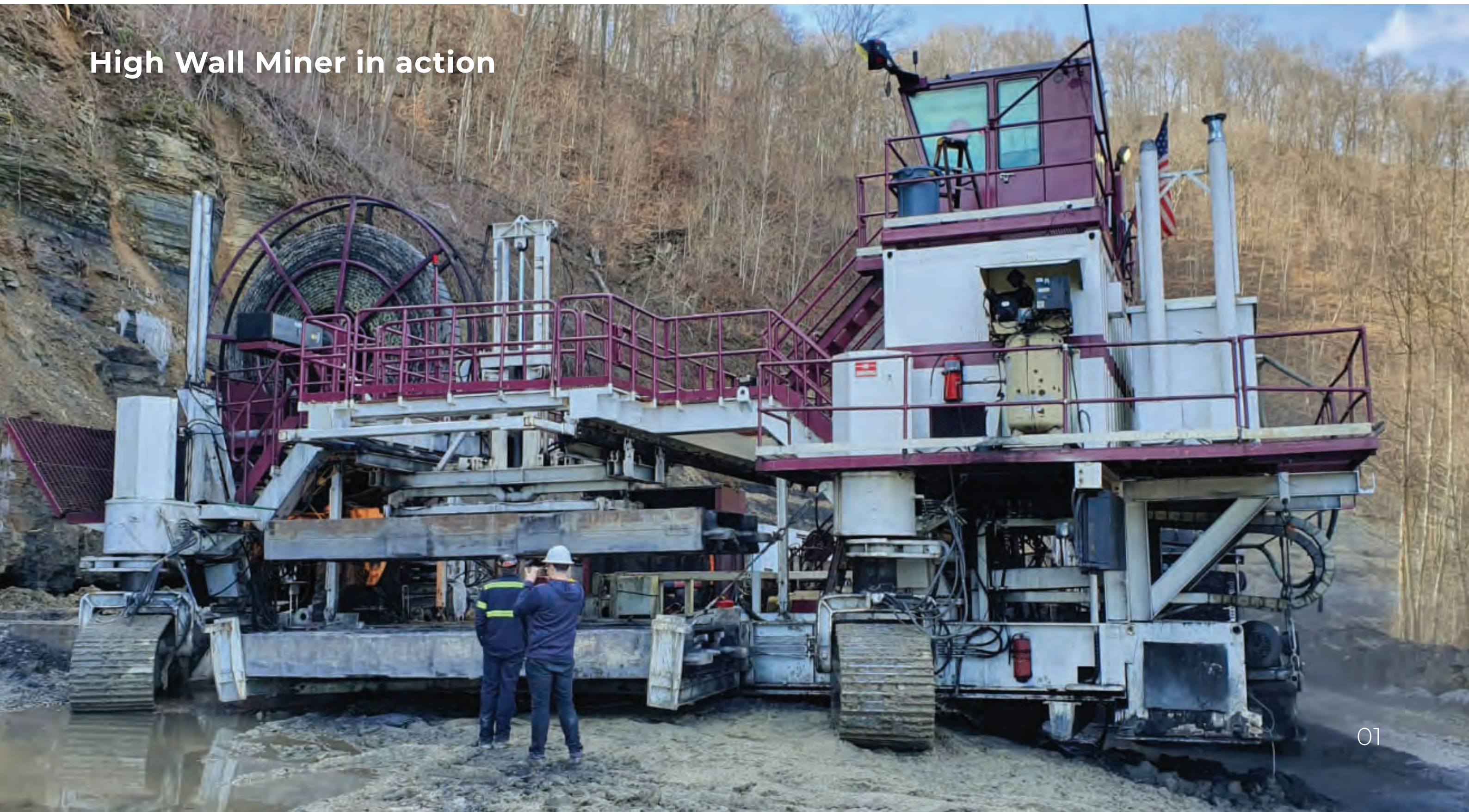

High Wall Miner in action

Chairman's Statement

> "We produce metallurgical coal using the most environmentally friendly technology. We are committed to ensuring we create the minimum environmental disruption.

I am pleased to present our second annual report for the year ended 31 March 2023. As mentioned in our interim report, we completed the remediation of the wash plant and railway line to the mine and delivered our first shipment of our High Vol. B metallurgical coal by rail in early June 2022. We produced 172,390 tons and delivered 152,022 tons during the second half of the year, which results in a total of 272,318 tons produced and 236,631 tons sold for the full year. We continue to upgrade the infrastructure of the mine, plant and load out facility to improve the efficiency of our operations. All this has only been possible thanks to the dedication and commitment of our staff.

We are committed to safe and sustainable mining practices. We mine utilising the least invasive and destructive techniques available to us to minimise our environmental impact. The safety of our employees is paramount. We maintain an unwavering commitment to fostering a culture of safety with vigorous safety protocols along with comprehensive training programmes. We are proud to have completed our first full year of operation without any of our personnel sustaining injuries.

In late June 2022 we exercised our right to have a second high wall miner provided by Mega High Wall Mining LLC, in anticipation of the arrival of our new mining permit. This long-awaited permit finally arrived in September 2022, and we were able to complete the necessary benching to support the first high wall miner in its new position to allow mining to recommence. The new location yielded an improvement in productivity with a wider seam of 50 inches as compared our original seam which was only 38 inches.

We took the decision in August 2022 to move from using a contractor for our earth moving to buying our own fleet and operating it ourselves, which was successfully implemented. To finance this, we placed £6m of new shares at 30p and we were pleased that this was fully subscribed.

Towards the end of 2022, we purchased 26% of BC Rail Holdings from MBU Capital with an option to acquire the balance. We acquired a further 26% in March 2023 giving us control of BC Rail Holdings, which owns the private railway to ship coal out of our plant. In addition, MBU agreed to convert all of their outstanding loans, amounting to £4.3 million, into equity.

In many respects the second half of our financial year to March 2023, and early months of the new financial year, have been challenging. The price for our product fell sharply in global markets and delays occurred with the delivery and commissioning of the second high wall miner. It did not arrive until March 2023 and then, despite the efforts of all concerned, the machine could not be brought into service and Mega agreed to replace it. They did so, with a functioning machine arriving in May 2023. Soon after its arrival and commissioning, however, we were forced to remove it from service following a mining incident where the cutterhead and some beams became stuck inside the coal seam requiring us to stop production completely for a short period while a recovery programme was implemented, fortunately successfully. Repairs to this second High Wall Miner are now complete, and the machine has been recommissioned and is back in production.

As previously reported, we appointed Murat Erden as Chief Financial Officer in July 2022. Murat is a Turkish citizen and his family home is in the area of the earthquake that occurred in February 2023. The Company granted Murat a leave of absence at that time and he subsequently resigned. We have recently started a search for a new CFO.

In May of this year, we were pleased to welcome Avani Resources as a new, and the Company's largest, shareholder. They bring vast knowledge and experience of the global coal market and we are sure they will contribute enormously to the business. In July we were pleased to welcome Rajesh Johar as Avani's nominee for the board of directors.

With prices continuing to be weak in the early part of the new financial year, we took the decision to seek additional finance from our new shareholder. They provided us with $13 million in new loans. This allowed us to pay down one of our existing convertible loan notes and provided the capital required to finance the purchase of the equipment required to support our second high wall miner.

Our dedication to the communities in which we operate remains resolute. We actively engage with local communities striving to create shared values and sustainable development. We collaborate with stakeholders where we can in the promotion of education and healthcare and try to ensure that we have a positive impact.

Whilst it has taken longer than we had hoped to ramp up to full production, and the market for our product is currently weak, we remain optimistic for your Company's future. We have a dedicated and hardworking team, the mine infrastructure and equipment in place to increase production over the next year, as well as the support of our major shareholders.

Robin Fryer
Non-Executive Director and Chairman
29 September 2023

CEO's Statement

> "We have seen the company, in a short period of time become a modern mining operation bringing employment and associated economic benefits to a depressed area.

To all shareholders,

I am delighted to report to all shareholders and stakeholders in this, our 2nd annual report and audited financial statements of Bens Creek Group Plc ("BC").

Since we last reported, we have successfully fully restarted mining operations at Glen Alum, WV and were in full production, although not yet quite at full capacity, for the nine months since June 2022 (when our first train left the property), with one High Wall Miner ("HWM").

Post the period end on, 11 September 2023, two HWM's started double shifts and we are confident that we will now reach our planned production targets.

We thank Integrity for coal sales, who have been marketing our coal and providing both logistics and financing support to great effect. Their positive approach has driven our revenue which has risen some 800% from the start-up in the previous year to, at the financial year ended 31 March 2023, $42m from the production of 272,318 clean tons.

Please see the Strategic Report for the financial results during the year ended 31 March 2023. Our adjusted earnings before Interest, tax, depreciation and amortisation ("EBITDA") (the loss per the financial statements after adjusting for depreciation, depletion and financing costs) was circa $8m loss, this equates to $30 a ton.

Loss before tax per financial statements	**(24,715,586)**
Depreciation	4,885,932
Depletion	440,915
Interest	3,435,252
Share option charge	2,397,585
Change in accounting estimates	575,580
Change in revaluation of deferred consideration	4,859,839
Adjusted EBITDA	**(8,120,483)**

As well as the increase in pricing post period end, we have reduced costs per ton.

This is best demonstrated in the Underground Mining ("UM"), which is illustrative of the cost cutting across the whole company, during the fall off in met coal pricing. In March 2023, we were paying a contractor $45 a Run Of Mine ("ROM") ton, but only recovering 35% coal per ton extracted. By August 2023, we had reduced the ROM ton amount to $35, and had increased recovery to 44.2%, this has led to a post balance cost reduction from $128 per clean ton to $111 per clean ton on the UM.

The biggest issue we have suffered in this calendar year has been the effect of the falling commodity price, HvB Met Coal, as measured on the S&P Platts pricing index.

From a high last year in 2022 of $450 a ton, we have seen a steady decline to $284 as at this time last year (March 2022) and a low of $193 (summer 2023). The drop in pricing has been the primary driver for the losses which would have been reversed had the coal price stayed where it was this time last year. More recently we have seen HvB rise from its lows of $191 to the current price of $238 per MT, this increase of $45 will drop straight to our bottom line.

During the period the Company moved from a contractor fleet to owner operator at the end of November 2022. This meant we ended the services of JMAC LLC, who had previously managed all our earth moving fleet ("Yellow iron"), and we thank them for their early help in successfully getting the project moving.

The Company started excavating in late November with its own fleet and raised $6m at 30p in the last quarter of the year to finance the deposit on further additions to our fleet of yellow goods. The fleet, broadly complete, is now valued at circa $14m which ensured that the Company was well prepared ahead of getting its new permit for High Wall Mining (HWM) which will last for the next 5 years.

Following the new Department of Environmental Protection permit granted in November 2022, Marshall Miller produced a positive resource update which demonstrated an increase to 4m defined tons on the property compared to the 2.3m previously reported.

The addition of Underground reserves identified by Marshall Miller, means that the depletion rate has halved from 2022 due to reserves doubling. This has resulted in an increase to the reserves in the Statement of Financial Position as it was recognised at fair value at the date of acquisition.

Further and in line with our policy to ensure minimum environmental damage we returned the first permit back to the state, fully reclaimed.

Post the year end, and sadly slightly behind schedule, Mega brought and assembled their HWM (81) on-site. Unfortunately, this had an almost immediate incident, which we were able to sort quickly so that now both miners are working, and we are approaching our targeted monthly production.

We have now completed all the remediation required and us and our contractors are in possession of a full set of mining equipment. So, the issues facing the Company now, are macro issues, such as the demand for steel, the price of met coal and the general state of the economy.

As the CEO I remain incredibly bullish for all the above, and with infrastructure and global rebuilding (particularly in Ukraine) I expect a positive rebound in HVB Met Coal pricing; this has already started to come through with the met coal price up some $45, a 23% increase in a relatively short period of time.

Post the period end we welcomed Avani Resources onto the BC shareholder list; as the largest importer of Met Coal into India this must be a positive sign both for BC and the Met Coal market. India is set to become the world's largest steel market and we couldn't have picked a better partner.

Integrity remains with us in the US, as a trusted partner in marketing/sales and logistics and, with Avani looking into the Indian market, the Company would seem well set to benefit from any upturn globally and domestically.

The safety strategy, mining efficiency and our concerns for the environment through reclamation are combined in a three-prong approach, we now have a full-time mining engineer at the site in charge of this, and it is at the core of mine planning for Bens Creek.

Bens Creek continues to use HWM which is the least invasive mining method available, and we continue to actively reseed and reclaim areas previously mined as soon as is possible.

Having restarted this project we have created over 100 new jobs in a previously economically disadvantaged area, and all that have helped with this should be very proud. The jobs generated have helped the region greatly, where other employment has been in decline over recent years.

The safety and security of all our employees is of the utmost importance to us and we are thankful therefore that we suffered no injuries in the period.

I want again to thank everyone involved at BC, both in the London and Charleston offices and at the site at Glen Alum, from the equipment operators, employees, plant workers, welders, electricians, operators, contractors as well as all shareholders.

We are optimistic for the future.

Adam Wilson
Chief Executive Officer
29 September 2023

Strategic Report

The Directors present their Strategic Report on the Group for the year ended 31 March 2023.

Strategic approach

Bens Creek Group plc is a holding company that owns and operates the Ben's Creek mining project in West Virginia, USA. The Group's key objective is to deliver sustainable shareholder value through the production, development and further acquisition of metallurgical coal assets, the underlying commodity of the Company. A key component of the Company's success will be the metallurgical coal price, which has through the period been highly volatile.

The Group may seek to make further acquisitions of metallurgical coal mines in North America.

Organisation overview

The Group's business is directed by the Board of Directors and is managed on a day-to-day basis by the Chief Executive Officer. The Board monitors compliance with objectives and policies of the Group through monthly performance reporting, budget updates and periodic operational reviews.

The Board comprises of one Executive Director and four Non-Executive Directors.

The Corporate Head Office of the Group is located in London and provides corporate support services to the overseas operations in West Virginia, United States of America ("USA").

Review of business

The strategic approach of the business has been to complete the necessary remediation and infrastructure works required to a dormant mine to enable it to become operational with the aim of commencing the production of metallurgical coal or met coal.

During the year under review and post 31 March 2023, the Group has completed several milestones, which chronologically include:

- We commenced the financial year selling and supplying raw coal by truck. In late April, with the wash plant fully remediated we were able to supply clean coal by truck. By the end of April, we completed and had approved by the Northern and Southern Railway Company, the rail remediation and we were able to commence delivery of clean coal by train from June 2022.
- The Group acquired on 14 April 2022, a new sub lease from Star Ridge. It has not yet commenced mining operations at this site.
- In May 2022 the Company completed all preparations for the commencement of underground mining which started on May 26.
- Utilising our contract agreement with Mega High Wall Mining on 26 June 2022, we exercised our right for the provision of a 2nd High Wall Miner.
- On 18 August 2022 the Company completed a £6m placing of new equity at a price of 30p per share. The placing funded the transition from contracted staff to employed for earth moving equipment.
- On 23 December 2022, the Company purchased 26% of Bens Creek Rail Holdings for $169k, with an option to acquire the balance.
- The Company exercised its option to acquire a further 26% on 31 March 2023, at the same price. The Company continues to have the option to acquire the balance of the Company.

- Lease acquisition agreements were entered into on 16 December 2021 and 14 April 2022 for sites adjacent to the Group's site in West Virginia, giving it rights to mine met coal reserves in situ. At the date of approval of this strategic report, the Company had not commenced mining operations on these sites.

The Group was also able to report during June 2022, the results of a reserve base evaluation undertaken by Marshall Miller & Associates, Inc. which summarised the Group's coal properties in West Virginia. This report stated the Group has 92.7 million tons of in-place dry reserves, prior to any recovery of washed coal, and 33.6 million tons that are recoverable reserves.

Outlook

The medium to long term demand for Met coal is improving from the depressed levels we have seen since the beginning of 2023 until now which has hurt all companies in the sector. The drop in the Met coal price from $485 per ton to below $200 has seen multiple local West Virginia companies slow production and issue WARN notices with respect to laying off large numbers of staff.

With India overtaking China as the most populous country in the world, and its inclusion into the BRIC's economic powerhouse, we see this as a major expansion area internationally for Bens Creek. As such we welcome Avani, one of the largest commodity players in Met coal in India onto our shareholder register. We see this as a huge step forward. We see infrastructure spending increasing as well as a burgeoning defense sector all supporting the rise in steel production over the next 24 months.

We had hoped to get two HWM in production earlier in the year, and in time for the Company's year-end in March 2023, but sadly delays and an incident with a geological anomaly meant that this wasn't able to happen as fast as we would have liked.

These issues have now all been successfully resolved and I can report that as of September 11 both High Wall Miners have commenced double shift production.

Against the backdrop of falling prices for most of the period we have proactively attacked our costs of mining and have been able to significantly reduce them in a number of areas and in particular:

The pricing with the High Wall Miner contractor was reduced from $28 per ton to $25 with a target for a further reduction to $23 as production increases.

The pricing with the Underground Mining contractor reduced from $45 per ROM ton to $35 per ton and recovery improved from 30-35% to 45% by August 2023.

Overtime at the mine site has been reduced significantly, reducing staffing costs.

We have also been shipping to new users of coal via Integrity, our long-term offtake partner and hopefully in the future with Avani. Even with the depressed pricing we have been selling all of our production to some of the largest steel producers in the world.

The Group is focused on producing met coal which span two quality grades, commonly referred to as High Vol A and High Vol B. The High Vol A product is extracted from the Group's underground property in West Virginia, whilst the High Vol B is extracted via highwall mining. The selling prices of the Group's met coal is correlated to the daily prices published by Standard & Poor's Global Platts Coal Trader.

The prices quoted are typically for metric tons. The weights used by the Group in its commercial arrangements are US short tons, equivalent to 2,000 lbs per metric ton.

The pricing of met coal has since the beginning of 2021 increased substantially, setting record all-time highs in March 2022, the price having increased from $120 to $465 per metric ton. However, this time last year the pricing was $285, sadly we have seen it drop to a low of $191, as of writing it is $235 per metric ton, delivered to the East Coast of the USA.

Strategic Report continued

Financial review

Income Statement

The net loss generated by the Group for the year ended 31 March 2023, before taxation was $24,715,586 (31 March 2022: net profit of $25,285,795). Basic loss per ordinary share was 6.563 cents (31 March 2022: basic earnings per share of 6.165 cents). The operating loss was $21,323,294 (31 March 2022: $7,460,142).

The Company commenced the sale of High Vol B clean met coal on a monthly basis in June 2022 to its offtake partner, Integrity. This generated revenue of $42,208,848 in 2023 (2022: $5,411,816 related to raw coal).

The direct costs incurred in connection with the sales made amounted to $38,091,159. This generated a gross margin of 8%.

The operating loss of $21,323,294 has been driven by administrative costs of $12,079,599, as set out in note 9 to the financial statements, which includes the costs of $1,712,746 associated with the operational and remediation costs, insurance costs of $2,318,757 and staff costs of $3,651,828.

Total share option charges were $2,397,585, for further details please see note 33 to the financial statements.

Other costs incurred include depletion expenses of $440,915, in connection with the amortisation of the stock of met coal reserves sold to Integrity during the year. Further details of the value of the Company's met coal reserves is contained in note 17 of these financial statements.

Balance Sheet

The Group's gross assets in its mining activities amounts to $72,238,170 (2022: $59,175,112), excluding the right of use of assets and deferred tax asset, and comprises of property, plant and equipment, coal rights to mine the known met coal reserves along with the remediation works for the underground mining operations and railway repairs and improvements recorded as construction in progress.

Cash and cash equivalents were $471,651 held at the end of the year (31 March 2022: $5,555,296).

The Group undertook a series of financing for excavating equipment to move away from the contractor model. Total debt related to the equipment financing at 31 March 2023 was $10,568,529. See note 24 for further details.

The Group's coal reserves are valued at $24,514,572, net of depletion during the year (31 March 2022: $24,955,487).

During the period the Company issued 44,731,978 ordinary shares. This included the placing of 20,000,000 ordinary shares of the Group at a price of 30p per ordinary share. Further details of the shares issued during the period are set out in note 31 to the financial statements.

On 3 March 2023, MBU agreed to vary the conversion price of the proportion of the Loan Facility that is convertible at 60p to now convert at 30p. They then exercised their right to convert in March 2023, following the Conversion MBU received 23,283,728 new Ordinary Shares.

As part of the Group's transition from a "start-up operation" to a fully operational mining business, the Board is in the process of developing an appropriate set of key performance indicators ("KPIs") against which to benchmark how it performs against operational, health and safety and ESG standards. The Board is fully committed to ensuring the Group operates to the highest standards of sustainability and responsibility whilst delivering shareholder value. The Board intends to communicate its proposed KPIs once the transition has been fully completed. However, in the meantime the Board is pleased to report the following KPIs for the year to 31 March 2023:

KPIs / Financial Information	2023	2022
Cash and cash equivalents	$471,651	$5,555,296
Net assets	$22,451,173	$31,744,285
Clean tons produced	272,318	666
ROM tons produced	494,861	63,562

Cash has been used to fund the Group's operations and facilitate its investment activities (refer to the Statements of Cash Flows on page 48).

The Board continues to monitor the activities and performance of the Group in delivering its key milestones.

Section 172 (1) Statement

Promotion of the Company for the benefit of the members as a whole

Section 172 (1) Statement re Duty to Promote the Success of the Company

The Directors believe that they have acted in the way most likely to promote the success of the Company for the benefit of its members, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the impact of the Groups operations on the community and the environment.

  The Company is conscious of the impact of its mining operations. Utilising modern mining techniques means the ecological impact is minimal. The Company additionally runs a full rehabilitation programme. The Company supports the community in providing employment and supports local education via a programme of grants made available to mining students through the University of West Virginia.

- Maintain a reputation for high standards of business conduct.

  The Company works closely with many of its suppliers, a number of whom are permanently represented on our site. Regular meetings are held to ensure that standards are maintained across all areas.

- Foster the Groups relationships with suppliers, customers and others.

  In line with a commitment to business conduct we support the relationships that we have with suppliers, customers and other stakeholders by regular contact creating a two-way dialogue to monitor and improve our interaction.

- Consider the interest of the Groups employees.

  The interests of our employees are always to the forefront of any of our decisions. We met regularly with them and provide a comprehensive support package of health and other benefits for their wellbeing. Safety is of the utmost importance and this issue is under constant review.

- Act fairly between the members of the Group.

  The interests of our employees are always to the forefront of any of our decisions. We meet regularly with them and provide a comprehensive support package of health and other benefits for their well-being. Safety is of the utmost importance and is under constant review.

- Consider the likely consequences of any decision in the long term.

  All decisions taken are done so in the light of the potential impact on all participants. The Company attempts to ensure that no decision is taken that would unfairly or adversely affect an individual member or group of members or create a long-term negative result.

The Group broadly completed the remediation of the plant and machinery and mine site to allow for continuous production. In arriving at this state, the company has made a number of key decisions during the year. In all cases the Company remained focused upon the requirements of s172.

During the year ending 31 March 2023, the Board took a number of decisions which impacted upon or were relevant to C172 (1).

- A new Chief Financial Officer, Murat Erden was appointed.
- The company completed a placing at 30p per share to raise £6 million. The money was deployed primarily as deposits for the purchase of earth moving equipment as the company transitioned from a contractor model to owner operator.
- Commenced operations in a newly permitted area of the site.
- Disposed of our owned High Wall Miner.
- Acquired a majority interest in Bens Creek Rail Holdings LLC.

- Commenced repayment of Convertible loan note obligations to ACAM LP.
- A new non-executive director was appointed.
- All outstanding obligations to MBU Capital Limited were converted into equity.
- We introduced a scholarship programme at the University of West Virginia to support mining engineering students.

The Company throughout the year was focused upon ensuring it was delivered to all stakeholders in a fair and reasonable fashion. As a mining group the Board takes seriously its responsibilities to the communities within which it operates. We follow all local and UK legislation on bribery and corruption. We engage where possible with local resources to provide such services as they are able to in both geological and support functions. This provides both employment and associated wider economic benefits to the community.

We follow international best practice on environmental issues relating to our operations with an intention to meet or exceed such standards. Our employees are of a primary consideration for the Board, and we continue to provide the highest level of healthcare programme and security support to them all.

We thank our Shareholders for their continued support and our wider family of Stakeholders all of whom have assisted us during this period of re-establishment of our business.

The Group Strategic Report was approved by the Board on 29 September 2023.

On behalf of the Board

Adam Wilson
Chief Executive Officer

Principal Risks and Uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks.

Risks are formally reviewed by the Board, and appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group. The key business risks affecting the Group are set out below:

Mining and processing risks

The Group's principal operation is the mining of met coal. Its operations are subject to all of the hazards and risks normally encountered in mining and processing coal. These include unusual and unexpected geological formations, rock falls, flooding and other conditions involved in the extraction of material, any of which could result in damage to the mine and infrastructure, including damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimise risk are taken, operations are subject to hazards, which may result in environmental pollution and consequent liability which could have a material adverse impact on the business, operations and financial performance of the Group.

As is common with all mining operations, there is uncertainty and therefore risk associated with the Group's operating parameters and costs. These can be difficult to predict particularly in a high inflationary environment and are often affected by factors outside the Group's control.

The Group may be required to undertake clean-up programmes resulting from any contamination from its operations or to participate in mine rehabilitation programmes which may vary from project to project. The Group follows all necessary laws and regulations and is not aware of any present material issues in this regard.

Dependence on key personnel

The Group is dependent upon its executive management team and various technical consultants. Whilst it has entered into contractual agreements with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. The development and success of the Group depends on its ability to recruit and retain high quality and experienced staff. The loss of the service of key personnel or the inability to attract additional qualified personnel as the Group grows could have an adverse effect on future business and financial conditions.

Uninsured risk

The Group, as a participant in mining and development programmes, may become subject to liability for hazards that cannot be insured against or third-party claims that exceed the insurance cover. The Group may also be disrupted by a variety of risks and hazards that are beyond control, including geological, geotechnical and seismic factors, environmental hazards, industrial accidents, occupational and health hazards and weather conditions or other acts of God.

Financial risks

The Group's operations expose it to a variety of financial risks that can include market risk (including foreign currency, price and interest rate risk), credit risk, and liquidity risk. The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs. The Group does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied. Further details on financial risks can be found in note 3 to the financial statements.

Financial Instruments

The Group's financial instruments comprise of financial assets; trade and other receivables and cash and cash equivalents, as set out in notes 18-20 to the financial statements. Financial liabilities comprise of short and long term borrowings and trade and other payables also set out in notes 22-25 to the financial statements.

Reserve and resource estimates

The Group's reported reserves and resources are only estimates. No assurance can be given that the estimated reserves and resources will be recovered or that they will be recovered at the rates estimated. Reserve and resource estimates are based on sampling and, consequently, are uncertain because the samples may not be representative. Reserve and resource estimates may require revision (either up or down) based on future actual production experience.

The ability to extract coal reserves is dependent on obtaining the necessary permits from the WVDEP.

Volatility of commodity prices

Historically, commodity prices have fluctuated and are affected by numerous factors beyond the Group's control, including global demand and supply, international economic trends, currency exchange fluctuations, expectations for inflation, speculative activity, consumption patterns and global or regional political events. The aggregate effect of these factors is impossible to predict. Fluctuations in commodity prices, over the short term to long term, may adversely impact the returns of the Group's investments.

A significant reduction in global demand for met coal, leading to a fall in coal prices, could lead to a significant fall in the cash flow of the Group, which may have a material adverse impact on the operating results and financial condition of the Group.

Remediation completed and production underway.

Directors and Officers

Directors

Robin Fryer

Non-Executive Chairman, appointed 19 October 2021

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.

David Harris

Non-Executive Director, appointed 19 October 2021

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.

Adam Wilson

Chief Executive Officer, appointed 13 September 2021

Adam qualified as a Barrister at Law prior to training in corporate finance at NM 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.

Raju Haldankar

Chief Financial Officer, appointed 11 August 2021 (resigned as CFO 27 September 2022)

Raju qualified as a member of the Association of Chartered Certified Accountants having qualified with Baker Tilly (now RSM) and is currently Group Finance Director at MBU Capital Group. Raju has over 20 years 'experience in the financial services sector – all with UK regulated institutions, including those domiciled in Jersey and Guernsey. He has held and continues to hold various Financial Conduct Authority ("FCA") Senior Management Function ("SMF") roles. He was an Assistant Director of Finance at the investment management business of Kaupthing Singer & Friedlander Plc, covering £8 billion of funds under management. Prior to joining MBU, Raju was partner at a boutique broking firm.

Mark Cooper

Non-Executive Director, appointed 27 February 2023

Mark is an innovative and strategically driven lawyer and operations executive with more than 25 years' experience in business leadership, legal and operational excellence, drawn from the investment banking and fund management sectors.

After being called to the Bar of England & Wales in 1997, Mark spent several years in private practice before moving in-house to take up senior legal and regulatory roles in the financial services sector. Currently he is the Group General Counsel for MBU. Prior to this Mark worked as a general counsel for a global financial services business covering the UK, Europe, Middle East and Asia.

Mark has extensive corporate and commercial experience in the UK and internationally. Throughout his career he has focused not only on legal and risk matters, but also regulatory commercial, governance and operational affairs. He has sat on the board of several FCA-regulated entities and overseas regulated entities, as well as numerous international operating businesses.

Senior Management Team

Murat Erden

Chief Financial Officer, appointed 12 July 2022 resigned 9 March 2023

Murat is a CFO with total industry experience of over 25 years and an extensive background in private equity, banking, technology and resources. Murat serves as an Independent Non-Executive Director and Chairman of ARCH EM Partners and has held this role since 2018, holding the SMF 9 role in the UK. ARCH EM Partners is authorised and regulated by the FCA and specialises in emerging markets advising on investment strategies focused on Resources, Logistics and Renewable Energy in global markets for rapid transition to low carbon, climate resilient and sustainable economies.

Murat served as Group CFO of NYSE-listed Turkcell ("TKC"), a leading communication and information technologies company, which had operations in nine countries with over 69 million subscribers. TKC achieved a market capitalisation of over $10 billion during his tenure of 15 years until 2016. During his time at TKC, he served as a member of the Audit and Risk Committee and the Executive Committee. He accomplished the transformation and digitalisation of the group finance function whilst orchestrating multiple multi-billion dollar debt and capital markets facilities by ensuring TKC achieved investment grade ratings from three global rating agencies.

Murat received his BA degree in Economics from Bogazici University. He graduated from San Diego State University with an MBA degree in Finance. Murat is an alumnus of the London Business School and the Wharton Executive Program. Murat is specialised in Responsible Investment with qualifications in Environmental & Social Sustainability Management of the European Investment Bank and in Sustainable Finance from Cambridge University.

Larkin Hoskins

General Manager

Larkin joined the Group in January 2021 and 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 up to 15 million tons.

Corporate Governance Report

The Group has adopted the Quoted Company Alliance's ("QCA") Corporate Governance Code for Small and Mid-Size Quoted Companies, as its code of corporate governance to meet the requirements of AIM Rule 26. The Code is published by the QCA and is available at **www.theqca.com**. The Group includes below the material disclosures required under these QCA guidelines. The Group also publishes a more detailed QCA statement on its website, which is updated annually and was last updated in October 2022. This statement includes more comprehensive disclosures considered to be more appropriate in that format.

Corporate Governance Report

The QCA Code sets out 10 principles that should be applied. These are listed below together with a short explanation of how the Group applies each of the principles:

Principle One

Business Model and Strategy

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

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

Principle Two

Understanding 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 Group 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 Group's business activities and performance. Members who have queries regarding the Group'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 responsible for shareholder liaison. The views of Shareholders 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 Group'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 Group will look to develop relationships with analysts as appropriate. The Board periodically reviews options for additional and more regular channels of communication with shareholders.

Principle Three

Considering Wider Stakeholder and Social Responsibilities

The Board recognises that the long-term success of the Group 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 Group 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 Group are valued members of the team, and the Board seeks to implement provisions to retain and incentivise all its employees. The Group offers equal opportunities regardless of race, gender, gender identity or reassignment, age, disability, religion or sexual orientation. The Group'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 Group. Equity incentives are offered to employees.

The Group 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 Group.

Principle Four

Risk Management

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 Group 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 Group's risk appetite including the identification, assessment and monitoring of the Group's principal risks. The Audit Committee has the primary responsibility of monitoring the quality of internal controls and ensuring that the financial performance of the Group 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 Group 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.

Principle Five

A Well-Functioning Board of Directors

The Board comprised Robin Fryer (Independent Non-Executive Director and Chairman), Adam Wilson (Chief Executive Officer), Raju Haldankar (Chief Financial Officer during the period under review), David Harris, Rajesh Johar and Mark Cooper (Independent Non-Executive Director). The Board is satisfied that all Directors 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 Group'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 four times a year. Board document authors are made aware of proposed deadlines prior to meetings.

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

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

Principle Six

Appropriate Skills and Experience of the Directors

The Board currently consists of five Directors and, in addition, the Group has employed the services of Shakespeare Martineau LLP to act as the Company Secretary. The Group is satisfied that given its size and stage of development, between the Directors, it has an effective and appropriate balance of skills and experience across technical, commercial and financial disciplines. The Director's experience and skills are listed on the company's website, **www.benscreek.com**.

Corporate Governance Report

continued

The Group 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 maintain ongoing communications with Executives between formal Board meetings.

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

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.

Principle Seven

Evaluation of Board Performance

The Directors consider that the Group 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 Group. As the Group grows, it has the ability to expand the Board and with the Board expansion, re-consider the need for Board evaluation. The Group's remuneration committee is responsible for setting the remuneration approach and arrangements for Executive and Non-Executive Directors. This is set out in part 1 of the Remuneration Committee Report included within this Corporate Governance Report.

Principle Eight

Corporate Culture

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Group as a whole and that this will impact the performance of the Group. The Board is aware that the tone and culture set by the Board will greatly impact all aspects of the Group as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Group delivers long-term value to its shareholders, and that shareholders have the opportunity to express their views and expectations for the Group in a manner that encourages open dialogue with the Board. Therefore, the importance of sound ethical values and behaviour is crucial to the ability of the Group 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 Group does.

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

Principle Nine

Maintenance of Governance Structures and Processes

The Board is committed to, and ultimately responsible for, high standards of corporate governance. The Board reviews the Group'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 Group 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 Group 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 Group's auditors. The Audit Committee will also monitor the controls which are in force for the Group and any perceived gaps in the control environment. The Board believes that the size of the Group will not justify the establishment of an independent internal audit department. The Audit Committee is chaired by David Harris, with its other members being Robin Fryer and Mark Cooper.

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

Corporate Governance Report

continued

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 Group's development and ensure that the elements of remuneration packages are competitive and help in underpinning the performance-driven culture of the Group. The Remuneration Committee is chaired by David Harris, with its other members being Robin Fryer and Mark Cooper.

The Remuneration Committee meets when necessary. No Director is permitted to participate in discussions or decisions concerning his own remuneration.

AIM Rules and MAR Compliance Committee

The AIM Rules and UK MAR Compliance Committee will monitor the Group's compliance with the AIM Rules and UK MAR and seek to ensure that the Group's Nominated Adviser is maintaining contact with the Group 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 Group's compliance with the AIM Rules and UK MAR including the Share Dealing Policy which the Company has adopted for the directors of the Group, 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 Group'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 is chaired by David Harris and its other member is 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 is chaired by David Harris, with its other member being Robin Fryer.

Principle Ten

Shareholder Communication

The Board is committed to providing shareholders with clear and transparent communication and having constructive dialogue with its stakeholders, which sets out the Group's activities, strategy and financial position. The Group has 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 Group. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. The Board intends to disclose 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. The Group 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.

In view of the size of the Company, general communication with shareholders is co-ordinated by the CEO, who is responsible for reviewing all communications received from shareholders and determining the most appropriate response. The CEO works in conjunction with the Company's advisers to facilitate engagement with its shareholders.

Shareholders with a specific enquiry can contact the Company on the website contact page; **www.benscreek.com**, with a dedicated email address (**info@benscreek.com**). The Company uses electronic communications with shareholders in order to maximise efficiency.

The Company's Annual General Meeting (AGM) will generally be held in London in October following the publication of its annual results of each year and all shareholders are ordinarily invited to attend.

Board Composition

As at 31 March 2023, the Board comprised One Executive Director, a Non-Executive Director Chairman and two other Non-Executive Directors. Details of the current Directors are set out within the Directors Report. The Board will continue to review its structure in order to provide what it considers to be an appropriate balance of executive and non-executive experience and skills.

The Board considers both Robin Fryer and David Harris to be independent and have not been employees, nor have they any business relationship or close family ties with related parties or represent significant shareholders.

The Board sets the Group's strategic aims and ensures that necessary resources are in place in order for the Group to meet its objectives. All members of the Board take collective responsibility for the performance of the Group and all decisions are taken in the interests of the Group. The role of the Board is to determine the strategic direction of the Group, regularly review the appropriateness of it and oversee its implementation. It is not the role of the Board to manage the Group itself but rather to monitor the management and performance of the business. It does this in the following areas:

- Board composition and organisation.
- Strategy, financial and operational matters.
- Financial expenditure.
- Shareholder engagement and communications.
- Governance and general sustainability (ESG) matters.
- Designated positions of responsibility.

The roles of management are covered in relation to their interaction with the Board rather than their day-to-day operational tasks. The Non-Executive Director has a particular responsibility to challenge constructively the strategy proposed by the Chairman and the Executive Directors; to scrutinise and challenge performance; to ensure appropriate remuneration and that succession planning arrangements are in place in relation to the Executive Directors and other senior members of the management team. The Executive Director enjoy open access to the Chairman being present.

Board as a Whole

The skills and experience of the Board are set out in their biographical details. The experience and knowledge of each of the Directors gives them the ability to constructively challenge strategy and to scrutinise performance. The Board believes it has a mix of technical skills, sector experience (exploration through to production with resources companies), public company experience and financial expertise to enable it to deliver on its strategy. Whilst there is not currently a balance of genders on the Board, the Company's directors look to appoint individuals with complementary skills and experience to fulfil the Company's strategy, regardless of gender.

The Board does not believe that any of the Directors have too many directorship roles at other listed companies and are hence at risk of "over-boarding" as defined by ISS voting guidelines but will continue to monitor this on an ongoing basis. The Board is satisfied that the Chairman and the Non-Executive Directors are able to devote sufficient time to the Group's business. The directors keep their skill sets up to date by attending industry and qualification relevant seminars and training sessions.

Board Meetings

The Board looks to meet in a formal manner on a quarterly basis, with additional meetings held as required to review the corporate and operational performance of the Group. Each Board Committee has compiled a schedule of work, to ensure that all areas for which the Board has responsibility are addressed and reviewed during the course of the year.

The Chairman, aided by the Company Secretary, is responsible for ensuring that the Directors receive accurate and timely information. The Company Secretary compiles the Board and Committee papers which are circulated to Directors well in advance of all meetings. The Company Secretary provides minutes of each meeting and every Director is aware of the right to have any concerns minuted.

Corporate Governance Report

continued

During the 12 month period ending 31 March 2023, there have been four formal Board meetings, held quarterly; June 2022, September 2022, December 2022 and March 2023, along with several additional ad-hoc board meetings. All the Non-Executive and Executive directors have attended all such meetings, including those after 31 March 2023 and to the date of approval of these audited financial statements.

Director	29 June 2022	27 September 2022	7 December 2022	22 March 2023
Adam Wilson	Attended	Attended	Attended	Attended
Raju Haldankar	Attended	Attended		
Robin Fryer	Attended	Attended	Attended	Attended
David Harris	Attended	Attended	Attended	Attended
Mark Cooper				Attended

Board Committees

The Board has delegated specific responsibilities to the Audit and Remuneration Committees, details of which are set out below. In due course, the Board will establish a new Sustainability Committee as part of formalising its approach and commitment to Sustainability and ESG matters. Each Committee has written terms of reference setting out its duties, authority and reporting responsibilities. It is intended that these will be kept under continuous review to ensure they remain appropriate and reflect any changes in legislation, regulation or best- practice. The Board considers that, at this stage in the Company's development, it is not necessary to establish a corporate governance committee and that this should be carried out by the Board. This decision will be kept under review by the Directors on an on-going basis.

Director Commitments

The Executive Directors are each employed under a contract of employment.

All Non-Executive Directors acknowledge in their letter of appointment that the nature of the role makes it impossible to be specific on maximum time commitment and that at certain times of increased activity, then preparation for and attendance at meetings will increase. All Directors are expected to attend all Board meetings (either in person or by phone), the AGM and committee meetings.

Board Advice during the year

During the year, the Board did not commission any external advice for its own matters.

Company Secretary

The role of Company Secretary has been outsourced to an independent organisation, Shakespear Martineau, who provide independent company secretarial services.

Annual Board Appraisal

In accordance with current best practice and the QCA Code, the Board conducts an annual formal evaluation of its performance and effectiveness and that of each Director and its Committees. The Board currently considers that the use of external consultants to assist the Board evaluation process is unlikely to be of significant benefit to the process and accordingly this is currently undertaken by the remuneration committee which uses benchmarking techniques to assess the performance of the Executive and Non-Executive Directors.

Ongoing Board Development

The Executive Directors are subject to the Company's annual review process through which their performance against predetermined objectives is reviewed, as part of the new incentive scheme review, as well as their personal and professional development needs considered.

The Non-executive Directors are encouraged to raise any personal development or training needs with the Chairman or through the Board evaluation process. The Company Secretary ensures that all Directors are kept abreast of changes in relevant legislation and regulations, with the assistance of the Company's advisers where appropriate.

Succession Planning

Board members maintain a watching brief to identify relevant internal and external candidates who may be suitable additions to, or backup for, current board members.

Environmental, Social, and Governance (ESG) Report

Executive Summary

In this Environmental, Social, and Governance (ESG) report, Bens Creek provides an overview of its performance and initiatives related to environmental responsibility, social engagement, and corporate governance. The report outlines the Company's commitment to sustainable practices and its contributions to a positive impact on society and the environment.

1. Environmental Responsibility

1.1 Climate Change and Energy Efficiency:

- Bens Creek Group plc acknowledges the global challenge of climate change and is committed to minimising its carbon footprint. The company has invested in energy-efficient technologies and continuously monitors its energy consumption and emissions.
- The company is exploring opportunities to transition towards cleaner energy sources.

1.2 Biodiversity and Land Stewardship:

- Bens Creek Group plc operates with a strong commitment to biodiversity conservation and land stewardship. The Company implements rigorous land reclamation and restoration programs after mining activities, including reseeding, reforestation and habitat restoration. The Company has recently completed the land reclamation of its first mining licence area.

1.3 Water Management:

- The Company prioritizes responsible water management practices to minimize water usage and prevent water pollution. It implements water recycling and treatment processes to ensure efficient and sustainable water use.

Environmental, Social, and Governance (ESG) Report continued

Hydroseeding is a highly effective way of restoring a landscape, where a slurry of seeds and mulch with biodegradable colouring is sprayed on the prepared ground.

2. Social Engagement

2.1 Health and Safety:

- Employee health and safety are paramount at Bens Creek. The Company adheres to stringent safety protocols and invests in employee training to prevent accidents and ensure a safe working environment.

2.2 Community Relations:

- The Company actively engages with local communities to address concerns, share information, and contribute to local development. Bens Creek supports community initiatives, education programs, and infrastructure improvements. We have introduced, in collaboration with West Virginia University, a number of scholarship awards and have actively sought to support students with Mine visits and employment opportunities.

2.3 Labor Practices:

- The Company upholds fair labour practices, ensuring its workforce is treated with respect and provided with equal opportunities. Bens Creek promotes diversity and inclusion across its operations.

3. Corporate Governance

3.1 Transparency and Accountability:

- Bens Creek maintains a high standard of transparency in its business operations. The Company regularly reports on its financial results, and compliance with regulations.

3.2 Board Composition and Structure:

- The Company's board of directors includes a diverse range of expertise to provide effective oversight and strategic guidance. The board is committed to upholding ethical standards and responsible decision-making.

3.3 Ethics and Anti-Corruption:

- Bens Creek has a robust anti-corruption policy in place, promoting ethical behaviour and integrity throughout the organisation. The Company conducts regular training to ensure all employees are aware of and adhere to these principles.

Conclusion

Bens Creek remains dedicated to balancing its business objectives with its commitment to environmental sustainability, social responsibility, and good governance practices. The company recognizes the importance of its role in contributing to a more sustainable future and is actively pursuing initiatives to drive positive change within the industry and the broader society.

Audit Committee Report

Part 1 – Background Statement from the Chairman of the Audit Committee

On behalf of the Board, I present this report of the Audit Committee (the "Committee"), covering the activities for the year ended 31 March 2023. During the year, the Committee's agenda has been built around its primary key recommendations to the Board being the Annual Budget, Review and Approval of the Audited Annual Financial Statements and the review of the half year results.

As well as the ongoing reporting requirements, the Committee has also paid close attention to the cash flow requirements of the Group to ensure that the Company maintains a tight control on expenditure.

The Committee is responsible for assuring accountability and effective corporate governance over the Company's financial reporting, including the adequacy of related disclosures, the internal financial control environment and the processes in place to monitor this. The Committee is also responsible for assessing the quality of the audit performed by and the independence of the auditor.

The Committee also considered the Group's Principal Risks and Uncertainties disclosures, and the Committee is satisfied that the statements made by the Executive Management is appropriate as at the date of this Report.

The Audit Committee meets at least twice a year and comprises independent non-executive Directors in the majority, with the Chief Financial Officer in attendance and as a non-member. The external auditors are invited to attend all meetings. The Audit Committee currently comprises David Harris as Chairman, Robin Fryer and Mark Cooper.

Part 2 – Matters for consideration during the year to 31 March 2023

Significant issues and judgements

In considering the financial results contained in the 2023 Annual Report and Financial Statements, the Audit Committee reviewed the significant issues and judgements made by management in determining those results. A summary of these issues is detailed below:

Accounting Issue	Summary	Key Action Points for Committee
Going concern impairment.	Undertake assessment of the Company as a going concern and related impairment issues.	Review of accounting treatment. The Directors have discussed key assumptions in relation to Going Concern and impairment with the executive team
Impairment review.	Review the Groups assets and investment for any inaccuracies or impairment.	As prepared by the Directors and agreed with the auditor. The Directors have discussed key assumptions in relation to Going Concern and impairment with the executive team
Accounting for convertible notes.	Review of accounting treatment under IFRS 9 and IAS 39 for the convertible loan notes issued by the Company when underlying instruments are denominated in a currency other than the currency of the share price.	Review of accounting treatment as prepared by the Directors and agreed with the auditors.
Share based payments.	Determine the valuation of share based payments under IFRS 2 during the year. We outsourced the valuation to 3rd party experts.	Review of accounting treatment as prepared by the Directors and agreed with the auditor.

External Auditor

The Group's external auditor, PKF Littlejohn LLP ("PKF") presented their detailed audit plan and final audit findings and recommendations for the year ended 31 March 2023. The Committee agreed with the audit approach at the planning stage and agreed with the materiality thresholds, identification of the key risk areas and significant judgements and estimates.

The Committee and the Board monitored the auditor's objectivity and independence. The Committee and the Board was satisfied that PKF and the Group have appropriate policies and procedures in place to ensure that these requirements are not compromised in the interim accounts and the year end audit.

The Committee considers the reappointment of the external auditor each year before making a recommendation to the Board. The Committee assesses the independence of the external auditor on an ongoing basis, taking account of the information and assurances provided by the external auditor and the level of non-audit fees. The external auditor is required to rotate the lead audit partner every five years and other senior audit staff every five to seven years.

There was material non-audit work undertaken by PKF during the year in relation to an interim review of the interim financial statements. Note 9 to the financial statements provide details of the fees paid to during the year.

Whistle Blower Process

One of the Committee's key delegated responsibilities is to oversee the Whistle Blower policy and process. The Group is committed to conducting its business with honesty and integrity and expect all staff to maintain high standards in accordance with its Code of Conduct. However, all organisations face the risk of things going wrong from time to time, or if unknowingly harbouring illegal or unethical conduct. A culture of openness and accountability is essential in order to prevent such situations from occurring and to address them when they do occur. To that end the Audit Committee and the Board approved a Whistle Blower process.

Internal Auditor

The requirement to appoint an internal auditor has been assessed prior by the Committee and the Board prior to list listing onto AIM; the level of expenditure required and the complexity of the Group's activities has been taken into account when considering this decision. To date, the Board has decided that an internal audit function is not required but will be subject to review on a regular basis.

Going Concern

The Directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements of the Group.

The going concern statement is detailed in Note 2.3 to the financial statements.

David Harris
Chairman of the Audit Committee
29 September 2023

Remuneration Committee Report

Part 1 – Background Statement from the Chairman of the Remuneration Committee

On behalf of the Board, I am pleased to present the Directors' Remuneration Report summarising the Group's remuneration policy and providing information on the Group's approach to remuneration and arrangements for Executive Directors and Non-Executive Directors (NEDs) for the year ended 31 March 2023.

In line with the authority delegated by the Board, the Committee sets the Group's Remuneration Policy and is responsible for determining remuneration terms and conditions of employment for the Chairman, and both the Non-Executive Directors and Executive Directors.

This report is prepared in accordance with the Quoted Companies Alliance (QCA) Remuneration Committee Guide for small and mid-sized quoted companies. A summary of the Remuneration Committee's role, membership and relevant qualifications can be found in the Corporate Governance section herein.

In undertaking its responsibilities, the Committee reviews and monitors the remuneration and related policies and culture applying to the wider workforce, taking these into account when considering developing and setting remuneration and related policies and packages for the Board and Executive Directors.

The Committee ensures that the Executive Directors are properly incentivised to improve the Group's performance and are rewarded for their contribution to the success of the business by designing, monitoring and assessing incentive arrangements, including setting targets and measuring performance against them.

The total remuneration package links corporate and individual performance with a balance between short- and long-term elements as well as fixed and variable components. A significant portion of total remuneration is performance-based and measured against appropriate external comparator groups.

Part 2 – Summary of basic remuneration structures in 2023

Remuneration for Non-Executive and Executive Directors

All Non-Executive and Executive Directors emoluments during the year along with details of share options for the Executive Directors are set out in note 31 of the financial statements.

Performance related bonuses are considered and awarded based on the overall performance of individuals and the Group and are awarded on the recommendation of the Remuneration Committee.

David Harris
Chairman of the Remuneration Committee
29 September 2023

Directors' Report

The Directors present their annual report on the affairs of Ben Creek Group plc together with the audited financial statements for the year ended 31 March 2023. The results of Bens Creek Group plc ("the Company"), reflect the period from 1 April 2022 to 31 March 2023.

Bens Creek Group Plc, is the ultimate parent of the Group whose registered office is 15 Stratton Street, London, W1J 8LQ, United Kingdom. The Group is a public limited Company and has its primary listing on the AIM market of the London Stock Exchange.

The Group's overseas subsidiaries are headquartered at 109 Capitol Street, Charleston, West Virginia, 25301, USA.

The Corporate Governance Report on pages 16 to 32 includes our report on Environment Social and Governance policy (ESG) on pages 23 to 25 are also incorporated into this annual report and audited financial statements.

Principal activities and future development

The principal activities of the Group is the extraction and production of washed metallurgical coal, known as met coal. The Group aims to supply, via its offtake partner and marketing partner, a high-quality product which is used by world renowned steel manufacturers, in the production of steel. Further details of the future developments of the Group are outlined in the Strategic Report.

Results and Dividends

The results for the year are set out in the Consolidated Statement of Profit and Loss on page 42 and the Consolidated Statement of Financial Position on page 44 of these financial statements.

No dividends were paid during the year. The Directors do not recommend the payment of a dividend for the year.

Share capital

The total issued share capital at the end of the year and the share options in issue are disclosed in note 33 to these financial statements.

Acquisitions (business combinations)

Details of the acquisitions made during the current period are given in note 18 to the financial statements.

Events after the Reporting Period

The material events after the reporting period included:

- On 11 May 2023 Avani Resources Pte Ltd acquired from MBU Capital Group Limited 119,218,394 shares in the Company representing 29.86 per cent of the existing Ordinary Shares in issue;
- On 26 June 2023 the Company raise $6.5m (£5.1m) via the issue of loan notes to Avani Resources Pte Ltd (Avani). This was a related party transaction;
- On July 7 2023 the Company issued a further loan not subscribed to by Avani in an amount of $6.5m. The majority of the proceeds were utilised in paying down the remaining balance of circa $5.6m of outstanding convertible loan notes to ACAM LP. This was a related party transaction;
- On 11 July 2023 the Company issued a further loan note in the amount of $7.57m, representing principal and interest accrued on a Convertible Loan Note (CLN) maturing 31 December 2023. Following the issue of the loan note the CLN was cancelled;
- On 25 July 2023 the Company entered into a non-exclusive marketing agreement with Avani. This was a related party transaction;
- On 26 July 2023 Rajesh Johar, a representative of Avani, was appointed to the Board.

Directors' Report continued

Directors and their interests

The Directors who served during the year ended 31 March 2023 are shown below and had, at that time, the following beneficial interests, including their close family, in the shares of the Group:

	31 March 2023		
	No of Ordinary Shares	**% of Issued Share Capital**	**Share Options**
Robin Fryer (Non-Executive Director and Chairman)	–	–	300,000
Raju Haldankar (Chief Financial Officer until 12 July 2022)	3,216,660	0.81%	1,750,000
David Harris (Non-Executive Director)	371,931	0.09%	–
Adam Wilson (Chief Executive Officer)	28,000,000	7.01%	10,500,000
Mark Cooper	3,133,330	0.78%	–

Robin Fryer was appointed on 19 October 2021.

Raju Haldankar was appointed on 11 August 2021 and resigned 27 September 2022.

David Harris was appointed on 19 October 2021.

Adam Wilson was appointed on 13 September 2021.

Mark Cooper was appointed on 27 February 2023

Information relating to Directors' emoluments can be found in note 31 to these financial statements.

Substantial shareholdings

The directors are aware of the following substantial interests or holdings in 3% or more of the Company's ordinary share capital as at 31 March 2023:

	31 March 2023	
	No of Ordinary Shares	**% of Issued Share Capital**
Avani Resources Pte Ltd	119,218,394	29.86%
MBU Capital Group Limited	88,278,149	22.1%
Adam Wilson – Chief Executive Officer	28,000,000	7.01%
Bluestar Global Capital Ltd	24,887,770	6.23%

Directors' insurance

The Group has a qualifying third party indemnity provision for the benefit of its directors, which were made during the period and remain in force at the reporting date.

AIM Rule 26

Under AIM Rule 26 the Company is required to maintain and disclose any substantial shareholders and to disclose the number of shares in issue. In line with its obligations the Company maintains and discloses this information on its website; **www.benscreek.com** which is freely available.

Financial Risk Management Objectives

The Directors acknowledge that the Company's activities expose it to a variety of financial risks, including interest rate risk, credit risk and liquidity risk. The overall risk management programme focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance. Risk management is carried out centrally as directed by the board.

Financial Instruments

The Group's financial instruments comprise of financial assets; trade and other receivables and cash and cash equivalents, as set out in note 28 to the financial statements. Financial liabilities comprise of short and long term borrowings and trade and other payables as also set out in note 28 to the financial statements.

Corporate responsibility

Environmental

The Company recognises that the Group's activities require it to have regard to the potential impact that it and its subsidiary may have on the environment. Wherever possible, the Company ensures that its subsidiary complies with the local regulatory requirements with regard to the environmental and climate risks.

Supplier payment policy

The Group's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the Group's contractual and other legal obligations.

Donations

No charitable or political donations were made during the year.

Going concern

The Directors have adopted the going concern basis in preparing these financial statements after careful assessment of identified principal risks on the financial performance.

After considering the current financial scenarios, adjusted for sensitivity and the facilities available to the Group, the Directors are satisfied that the Group has adequate resources for its operating needs (refer to note 2.3 in the financial statements for more detail). As a consequence and having reassessed the principal risks and uncertainties, the Directors believe it appropriate to adopt the going concern basis in preparing the Group's financial statements.

The Group's business activities together with the additional factors likely to affect its future development, performance and position are set out in the Chairman's Statement and the Strategic Report. In addition, the notes to the financial statements include policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to market, credit and liquidity risk.

For more detail on going concern please refer to note 2.3 to the financial statements.

Articles of Association

The Group's Articles of Association may only be amended by a Special Resolution at a general meeting of shareholders.

Annual General Meeting

The Directors intend the 2022 Annual General Meeting (the 'AGM') will take place at the Royal Overseas League, Hall of India and Pakistan, six Park Place, St James's, London, SW1A 1LR at 11 a.m. on 27 October 2023.

Provision of information to Auditor

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

The auditors, PKF Littlejohn LLP, have indicated their willingness to continue in office. In accordance with the recommendation of the audit committee, a resolution to reappoint PKF Littlejohn LLP as the external auditor will be proposed at the Annual General Meeting.

Streamlined Energy and Carbon Reporting

The Streamlined Energy and Carbon Reporting ("SECR") Regulations published in 2018 requires quoted companies, and large unquoted companies that have consumed more than 40,000 kilowatt-hours (kWh) of energy in the reporting period, to include energy and carbon information within their directors' report. The Group does not qualify as a quoted Company or a large unquoted Company and therefore the Group is presently exempt from the SECR reporting requirements. The Group intends to publish energy emissions data in line with the SECR regulations as operations develop.

This report was approved by the Board on 29 September 2023 and signed on its behalf.

Robin Fryer
Non-Executive Director and Chairman

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report, Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company Financial Statements in accordance with UK adopted international accounting standards in accordance with the requirements of the Companies Act 2006. Under Company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company, and of the profit or loss of the Group for that year. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK adopted international accounting standards in accordance with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, **www.benscreek.com**. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The Company is compliant with AIM Rule 26 regarding the Company's website.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

Financial Statements

Independent Auditor's Report

Opinion

We have audited the financial statements of Bens Creek Group Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Profit and Loss, the Consolidated Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which indicates that the group incurred a net loss of $23,461,038 during the year ended 31 March 2023. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the group's and company's ability to continue as a going concern. The group and company is reliant on a high level of production and resulting sales to maintain a positive cashflow for the twelve months from the date that the financial statements are approved. Our opinion is not modified in respect of this matter.

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. Our evaluation of the directors' assessment of the group's and company's ability to continue to adopt the going concern basis of accounting included:

- obtaining management's going concern cash flow forecasts which were prepared for a period to 30 June 2025;
- holding discussions with management to understand the key inputs and assumptions used in their cash flow forecasts. This included forecast production rates, sales price movements of coal, and recovery rates of coal extracted;
- challenging management on the appropriateness of key assumptions and judgements used including current cash position and long-term viability based on multiple scenarios with key consideration to the inputs used;
- discussions with management regarding the future plans of the group;
- considering the inherent risks to the group's business model and performing an analysis of how those risks might affect the group's financial resources or ability to continue operations over the going concern period; and
- verifying the integrity of the cash flow forecast.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. At the planning stage materiality is used to determine the financial statement areas that are included within the scope of our audit. Materiality applied to the group financial statements was $1,056,000 (2022: $659,000) with performance materiality set at $739,200 (2022: $461,300). This amount has been determined by using a blended rate of 5% net assets and 5% loss before tax and 2% total revenues. Our determination was considered appropriate given that the net assets represents the shareholder's equity and the loss before tax and total revenues is important to measure the operating cash flows on the areas of significant audit risk identified, including the revenue recognition.

We agreed with the audit committee that we would report to them all audit differences identified during the course of our audit in excess of $52,800 (2022: 32,950) for the group. We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Materiality applied to the parent company's financial statements was $900,000 (2022: $650,000), with performance materiality set at $630,000 (2022: $455,000). This amount has been determined by using 5% net assets, capped at 95% group materiality. Our determination was considered appropriate given that the net assets represents the shareholder's equity. We agreed with the audit committee that we would report all individual audit differences identified during the course of our audit in excess of $45,000 (2022: $32,500) together with any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

The audits of Ben's Creek Carbon LLC and Ben's Creek Operations LLC were set a materiality of $606,000 (2022: $338,500), and $606,000 respectively. In the prior year Ben's Creek Operations LLC was not a significant component and was audited to group materiality.

A benchmark of 70% for performance materiality during our audit of the group and parent company was applied as we believe that this would provide sufficient coverage of significant and residual risks.

Our approach to the audit

As part of designing our audit, we determined materiality and assessed risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimate and judgment by the directors and considered future events that are inherently uncertain such as the carrying value of inventory, valuation of coal reserves, revenue recognition, completeness of lease liabilities, carrying value of the reclamation provision and the fair value of plant, property and equipment. We also addressed the risk of management override of controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

An audit was performed on the financial information of the group's material operating components which, for the year ended 31 March 2023, were located in the United States. We carried out the audit work on these identified components for group reporting purposes.

Ben's Creek Carbon LLC and Ben's Creek Operations LLC have been assessed as significant components of the group and therefore we designed procedures focused on the valuation of coal reserves, valuation of inventory, revenue recognition, completeness of lease liabilities, carrying value of the reclamation provision and the fair value of plant, property and equipment. This work was significant in addressing our key audit matters in respect of the accounting and disclosure of the reclamation bond and provision, carrying value of the plant and equipment and the carrying value of the mining reserves.

Independent Auditor's Report continued

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
Valuation of reclamation provision (notes 4 and 26)	
During the year the Group has acquired a new mining licence and therefore posted an additional reclamation bond. During the year, the reclamation bond was released in full as the Group are considered to be up to date with their reclamation activities by the West Virginia Department of Environmental Protection ("WVDEP") **However, a reclamation provision is still required for the retirement obligation on shut down of the mine. Due to the new Competent Person Report obtained in the year, and the resulting increase in reserves and the life of the mine, management were required to update their estimate of the provision.** **Management, with the assistance of an external expert, use their judgement and experience to provide for and amortise the estimated costs for reclamation over the expected life of the mine. We determined that this area is a Key Audit Matter since significant judgement and estimation is required by management in calculating the value of the provision and therefore there is a risk of material misstatement.**	The procedures we performed in this area are summarised below: • Reviewed the reclamation liabilities against regulation, ensuring that the provision is made in accordance with requirements of relevant authorities and licences held and that all required costs are captured; • Agreed the movement in reclamation bonds to statements provided by the West Virginia Department of Environmental Protection; • Reviewed management's external expert report and calculation of the net present value of reclamation liabilities and verified the estimates to supporting documents and challenged the estimates made for reasonableness; • Assessed the appropriateness of inflation and discounting rates used in the reclamation provision calculation; • Assessed the expert's independence and experience so as to confirm that their experience is appropriate to be relied upon as a management expert; Ensured reclamation activities, such as seeding, are carried out in line with the timeline approved by the West Virginia Department of Environmental Protection ("WDEP") through review of the WDEP inspection reports; • Agreed the movement in reclamation bonds to statements provided by the West Virginia Department of Environmental Protection and cash receipts; • Recalculated the expected reclamation provision based on the underlying data; and • Ensured the disclosures are in line with requirements of IAS 37.

Valuation of the net investment in subsidiaries (notes 4 and 35)	
The parent company has a material net investment in subsidiaries in the parent company statement of financial position of $26,684,119. The subsidiaries are currently loss making and therefore there is a risk that the intragroup receivable may not be fully recoverable. There is also a risk that the investment in subsidiaries may be overstated. **We determined that the valuation of net investments is a key audit matter as the estimated recoverable amount of investments is subjective due to the inherent uncertainty involved in forecasting and discounting future cashflows.**	The procedures we performed in this area are summarised below: • Re-confirming ownership of the subsidiaries; • Considering the recoverability of intragroup receivables and investment in subsidiaries by reference to the underlying net asset values; • Obtaining and reviewing the Board's impairment papers in respect of investments, providing appropriate challenge and corroboration for any assumptions made; • Discussing the work of Management's expert, Marshall Miller, with regard to their reporting of coal reserves and understanding the estimated in situ minable coal tonnage within the license areas; • Assessing whether there are any indicators of impairment through a review of board minutes and RNS announcements, as well as the net present value of discounted future cash flows; • Performing a sensitivity analysis on management's impairment calculations to assess the impact of any downside scenarios; • Reviewing the latest production reports and analysing them against forecasts; • Ensuring that the measurement of the carrying amount is in accordance with UK-adopted IAS. We refer to note 2.13 and note that Management's assessment that no impairment is required is based on a number of key assumptions being met, notably: Forecast increases in monthly production volumes being attainable from the two high wall miners in place and new excavation equipment bought post year end, mining permits within the license areas continuing to be granted when required, and future pricing.

Independent Auditor's Report continued

Valuation of coal reserves (notes 4 and 17)	
Coal reserves comprise one of the most material assets on the Consolidated Statement of Financial Position of $24,514,572. Its recoverability is dependent on the continued commercial production and the net present value of discounted future cash flows. **There is judgements required by management in respect of the carrying value since a number of factors are used, including the level of commercial reserves, future economic performance and discount rates.** **There is a risk that the reserves are not fully recoverable.**	The procedures we performed in this area are summarised below: • Confirmation that Group has good title to the applicable licences; • A review of the latest Competent Person Report by Marshall Miller and challenging the inputs against the carrying value of coal reserves; • Reviewing management's calculation of the valuation of the coal reserves as at 31 March 2023, with reference to any depletion since the date of the CPR report; • Assessing the expert's independence and experience so as to confirm that their experience is appropriate to be relied upon as a management expert; • Assessing the appropriateness of discount rates used; • A review of management's impairment assessment, including challenging all key assumptions and sensitivity to reasonably possible changes; • Assessing whether there are any indicators of impairment through a review of board minutes and RNS announcements, as well as the net present value of discounted future cash flows; • Reviewing the latest production reports and analysing them against forecasts; and • Ensuring that the measurement of the carrying amount is in accordance with UK-adopted IAS. We refer to note xx and note that Management's assessment that no impairment is required is based on a number of key assumptions being met, notably: Forecast increases in monthly production volumes being attainable from the two high wall miners in place and new excavation equipment bought post year end, mining permits within the license areas continuing to be granted when required, and future pricing.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Independent Auditor's Report continued

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:
  - UK and US Health and safety law
  - Companies Act 2006
  - The Bribery Act 2010
  - AIM Rules
  - UK and US (West Virginia) tax legislation
  - Anti-Money Laundering Legislation
  - State mining laws and rules
  - US Environmental regulation
  - US Clean Water Act
  - QCA Corporate Governance Code
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
  - Making enquires of management
  - Reviewing the Board minutes throughout the year and post year end
  - Ensuring adherence to the terms within the permits, including environmental conditions
  - Reviewing the legal ledger account
  - Obtaining confirmations from legal advisors
  - Reviewing general ledger transactions and performing a detailed review of the group's consolidation entries, and investigating any that appear unusual with regards to nature or amount to corroborative evidence
  - Reviewing RNS announcements
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the significant accounting estimates described in the Key Audit Matters section above;
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- As part of the Group audit, we have made enquires with local management and legal counsel regarding compliance with laws and regulations. We have also ensured adherence to the terms within the mining permits, including local environmental conditions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: ***www.frc.org.uk/auditorsresponsibilities***. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alistair Roberts
(Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

29 September 2023

Consolidated Statement of Profit and Loss

For the year ended 31 March 2023

	Note	For the year ended 31 March 2023 $	For the year ended 31 March 2022 $
Revenue	7	**42,208,848**	**5,411,816**
Cost of goods sold	8	(31,036,252)	(3,051,937)
Cost of sales	8	(9,390,635	(826,628)
Gross profit before depreciation & depletion		**1,781,961**	**1,533,251**
Depreciation & depletion	8	(5,326,847)	(898,521)
Gross (loss)/ profit		**(3,544,886)**	**634,730**
Administrative expenses	9	(9,945,404)	(5,999,721)
Change in revaluation of deferred consideration	23	(4,859,839)	-
Change in estimates	26	(575,580)	-
Share based payment charge	32	(2,397,585)	(2,095,151)
Operating Loss		**(21,323,294)**	**(7,460,142)**
Finance income		42,960	1,235
Finance costs	11	(3,435,252)	(997,449)
Fair value (loss)/gain on Convertible Loan Note embedded derivative	25	-	53,462
Bargain Purchase gain		-	33,688,689
(Loss)/profit before taxation		**(24,715,586)**	**25,285,795**
Tax expense	13	548,835	(8,222,085)
(Loss)/profit for the year		**(24,166,751)**	**17,063,710**
(Loss)/profit) attributable to:			
Owners of the parent		(24,166,751)	**17,063,710**
		(24,166,751)	**17,063,710**

All results arise from continuing operations.

The Accounting Policies and Notes on pages 49 to 85 form part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2023

	Note	For the year ended 31 March 2023 $	For the year ended 31 March 2022 $
(Loss)/profit for the year		**(24,166,751)**	**17,063,710**
Other comprehensive income:			
Exchange differences on translation of foreign operations		705,713	(1,249,783)
Revaluation gain of Plant and equipment		-	5,411,476
Other comprehensive income before taxation		**(23,461,038)**	**21,225,403**
Taxation relating to other comprehensive income		-	(1,488,156)
Total comprehensive income		**(23,461,038)**	**19,737,247**
Basic earnings per share (cents)	14	(6.563)	6.165
Diluted earnings per share (cents)	14	(6.563)	5.922

The Accounting Policies and Notes on pages 49 to 85 form part of these financial statements.

Consolidated and Parent Statement of Financial Position

For the year ended 31 March 2023

	Note	Group		Company	
		31 March 2023 $	31 March 2022 Restated $	31 March 2023 $	31 March 2022 $
Non-current assets					
Property, plant and equipment	15	43,579,689	28,948,808	3,184	539
Coal reserves	17	24,514,572	24,955,487	-	-
Other assets	17	-	1,628,605	-	-
Right of use assets	18	175,868	61,708	-	-
Construction in progress	15	550,644	3,642,212	-	-
Restricted investments through OCI	16	695,120	-	-	-
Investment in subsidiaries	35	-	-	26,684,119	28,385,729
Deferred tax asset	13	576,151	576,151	-	-
Trade and other receivables	19	-	-	28,610,804	16,026,796
		70,092,044	**59,812,971**	**55,298,107**	**44,413,064**
Current assets					
Inventory	21	5,150,750	1,528,613	-	-
Trade and other receivables	19	1,530,513	570,328	218,560	315,465
Property, plant and equipment held for sale	16	2,898,145	-	-	-
Cash and cash equivalents	20	471,651	5,555,296	51,897	2,971,515-
		10,051,059	**7,654,237**	**270,457**	**3,286,980**
Total assets		**80,143,103**	**67,467,208**	**55,568,564**	**47,700,044**
Current liabilities					
Trade and other payables	22	9,678,100	3,451,346	1,424,153	291,263
Deferred consideration	23	1,254,206	816,000	-	-
Borrowings	24	3,462,778	-	-	-
Lease liability	18	110,706	63,367	-	-
Provisions	26	510,000	350,000	-	-
Convertible loans	25	11,619,734	6,397,769	11,619,734	6,397,769
Embedded derivatives	25	1,503,775	2,839,817	1,503,775	2,839,817
		28,139,299	**13,918,299**	**14,547,662**	**9,528,849**

	Note	Group 31 March 2023 $	Group 31 March 2022 Restated $	Company 31 March 2023 $	Company 31 March 2022 $
Non-current liabilities					
Borrowings	24	7,105,751	3,280,827	-	-
Convertible loans notes	25	-	3,037,819	-	3,037,819
Provisions	26	5,567,987	2,841,888	-	-
Deferred consideration	23	6,525,967	2,357,698	-	-
Deferred tax liability	13	9,737,557	10,286,392	-	-
Lease liability	18	66,534	-	-	-
		29,003,796	**21,804,624**	**-**	**3,037,819**
Total liabilities		**57,143,930**	**35,772,923**	**14,547,662**	**12,566,668**
Net assets		**23,000,008**	**31,744,285**	**41,020,902**	**35,133,376**
Equity attributable to owners of the parent					
Share capital	32	538,221	485,273	538,221	485,273
Share premium	32	50,989,150	38,712,008	50,989,150	38,712,008
Share based payments reserve	33	5,033,913	2,647,242	2,862,328	2,647,242
Translation reserve		(544,070)	(1,249,783)	(3,226,486)	(1,270,738)
Revaluation reserve		3,923,320	3,923,320	-	-
Merger reserve		(6,750,420)	(6,750,420)	-	-
Retained losses		(30,190,106)	(6,023,355)	(10,142,311)	(5,440,409)
Total equity		**23,000,008**	**31,744,285**	**41,020,902**	**35,133,376**

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company Income Statement and Statement of Comprehensive Income. The loss for the Company for the year ended 31 March 2023 was $6,873,487 (2022 $5,440,409).

The Financial Statements were approved and authorised for issue by the Board on 29 September and were signed on its behalf by:

Adam Wilson
Chief Executive Officer

The Accounting Policies and Notes on pages 49 to 85 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2023

Group

	Note	Share capital $	Share premium $	Share Based Payments $	Translation Reserve $	Revaluation Reserve $	Merger Reserve $	Retained losses $	Total $
Balance as at 1 April 2021		**-**	**-**	**-**	**-**	**-**	**-**	**(1,451,759)**	**(1,451,759)**
Profit for the year		-	-	-	-	-	-	17,063,710	**17,063,710**
Other comprehensive income		-	-	-	-	-	-	-	-
Gain on the revaluation of fixed assets		-	-	-	-	5,411,476	-	-	**5,411,476**
Taxation on revaluation		-	-	-	-	(1,488,156)	-	-	**(1,488,156)**
Currency translation differences		-	-	-	(1,249,783)	-	-	-	**(1,249,783)**
Total comprehensive income for the year		**-**	**-**	**-**	**(1,249,783)**	**3,923,320**	**-**	**17,063,710**	**19,737,247**
Proceeds from issue of shares	32	152,390	12,578,569	-	-	-	-	-	**12,730,959**
Share based payments	33	-	-	2,647,242	-	-	-	-	**2,647,242**
Issue of ordinary shares relating to business combination	32	332,883	26,133,439	-	-	-	(6,750,420)	(21,635,306)	**(1,919,404)**
Total transactions with owners, recognised directly in equity		**485,273**	**38,712,008**	**2,647,242**	**-**	**-**	**(6,750,420)**	**(21,635,306)**	**13,458,797**
Balance as at 31 March 2022		**485,273**	**38,712,008**	**2,647,242**	**(1,249,783)**	**3,923,320**	**(6,750,420)**	**(6,023,355)**	**31,744,285**

Group

	Note	Share capital $	Share premium $	Share Option Reserve $	Translation Reserve $	Revaluation Reserve $	Merger Reserve $	Retained losses $	Total $
Balance as at 1 April 2022		**485,273**	**38,712,008**	**2,647,242**	**(1,249,783)**	**3,923,320**	**(6,750,420)**	**(6,023,355)**	**31,744,285**
Loss for the year		-	-	-	-	-	-	(24,166,751)	**(24,166,751)**
Other comprehensive income		-	-	-	-	-	-	-	**-**
Currency translation differences		-	-	-	705,713	-	-	-	**705,713**
Total comprehensive income for the year		**-**	**-**	**-**	**705,713**	**-**	**-**	**(24,166,751)**	**(23,461,038)**
Proceeds from issue of shares net of issue costs	32	52,948	12,277,142	-	-	-	-	-	**12,330,090**
Share based payments	33	-	-	2,386,671	-	-	-	-	**2,386,671**
Total transactions with owners, recognised directly in equity		**52,948**	**12,277,142**	**2,387,671**	**-**	**-**	**-**	**-**	**12,545,176**
Balance as at 31 March 2023		**538,221**	**50,989,150**	**5,033,913**	**(544,070)**	**3,923,320**	**(6,750,420)**	**(30,190,106)**	**23,000,008**

Company Statement of Changes in Equity

For the period ended 31 March 2023

Company

	Note	Share capital $	Share premium $	Share Option Reserve $	Translation Reserve $	Retained losses $	Total $
Balance as at 11 August 2021		**-**	**-**	**-**	**-**	**-**	**-**
Loss for the period		-	-	-	-	(5,440,409)	**(5,440,409)**
Currency translation differences		-	-	-	(1,270,738)	-	**(1,270,738)**
Total other comprehensive income					**(1,270,738)**	**(5,440,409)**	**(6,711,147)**
Total comprehensive income for the period		**-**	**-**	**-**	**(1,270,738)**	**(5,440,409)**	**(6,711,147)**
Transactions with owners:							
Proceeds from issue of shares	32	152,390	12,578,569	-	-	-	**12,730,959**
Share based payments	33	-	-	2,647,242	-	-	**2,647,242**
Issue of ordinary shares relating to business combination	32	332,883	26,133,439	-	-	(5,440,409)	**21,025,913**
Total transactions with owner, recognised directly in equity		**485,273**	**38,712,008**	**2,647,242**	**-**	**(5,440,409)**	**36,404,114**
Balance as at 31 March 2022		**485,273**	**38,712,008**	**2,647,242**	**(1,270,738)**	**(5,440,409)**	**35,133,376**

Company

	Note	Share capital $	Share premium $	Share Option Reserve $	Translation Reserve $	Retained losses $	Total $
Balance as at 1 April 2022		**485,273**	**38,712,008**	**2,647,242**	**(1,270,738)**	**(5,440,409)**	**35,133,376**
Loss for the period		-	-	-	-	(6,873,487)	**(6,873,487)**
Currency translation differences		-	-	-	(1,955,748)	-	**(1,955,748)**
Other comprehensive income		**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the period		**-**	**-**	**-**	**(1,955,748)**	**(6,873,487)**	**(8,829,235)**
Transactions with owners:							
Proceeds from issue of shares net of issue costs	32	52,948	12,277,142	-	-	-	**12,330,090**
Share based payments	33	-	-	2,387,671	-	-	**2,386,671**
Total transactions with owner, recognised directly in equity		**52,948**	**12,277,142**	**2,386,671**	**-**	**-**	**14,716,761**
Balance as at 31 March 2023		**538,221**	**50,989,150**	**5,033,913**	**(3,226,486)**	**(12,313,896)**	**41,020,902**

The Accounting Policies and Notes on pages 49 to 85 form part of these financial statements.

Consolidated and Company Statement of Cash Flows

For the year ended 31 March 2023

	Note	Group		Company	
		Year ended 31 March 2023 $	Year ended 31 March 2022 $	Year ended 31 March 2023 $	Period ended 31 March 2022 $
Cash flows from operating activities					
(Loss)/profit		(24,715,586)	25,285,795	(6,873,487)	(5,440,409)
Adjustments for:					
Depreciation and amortisation		4,886,904	154,008	341	27
Interest expense		3,435,252	997,449	1,733,555	355,780
Change in revaluation of deferred consideration		4,859,839	-	-	-
Change in estimates		575,580	-	-	-
Interest income		(42,960)	(1,235)	(1,387,705)	(254,686)
Provision expense		5,435,419	-	-	-
Fair value gain on revaluation of embedded derivative		(168,691)	(53,462)	(168,691)	(53,462)
Foreign exchange translation		568,329	(1,629,735)	(167,588)	(588,596)
Share based payment charge		2,397,585	2,095,150	2,397,585	2,095,150
Depletion expense		440,915	744,513	-	-
Bargain purchase gain		-	(33,688,689)	-	-
Change in working capital					
(Decrease)/increase in trade and other receivables		(960,185)	(172,271)	96,905	(315,465)
Increase in trade and other payables		6,226,754	3,039,997	1,132,891	291,263
(Increase)/decrease in inventory		(3,622,137)	1,528,613	-	-
Net cash flows (used in)/ used from operating activities		**(6,118,401)**	**(1,699,687)**	**(3,236,194)**	**(3,910,399)**
Investing activities					
Purchase of property, plant and equipment		(17,024,823)	(13,225,108)	(2,986)	(565)
Disposal of property, plant and equipment		(172,149)	-	-	-
Investment in deposit account		(695,120)	-	-	-
Loans granted to subsidiary undertakings		-	-	(5,979,919)	(15,296,261)
Acquisition of subsidiary		-	(1,412,637)	-	-
Acquisition of reclamation assets		-	(1,493,242)	-	-
Net cash used in investing activities		**(17,892,092)**	**(16,130,987)**	**(5,982,905)**	**(15,296,826)**
Financing activities					
Proceeds from borrowings		18,419,042	1,439,252	-	-
Proceeds from surety bonding		1,628,605	-		-
Repayment of borrowings		(8,054,780)	(54,454)	(750,000)	-
Proceeds from issue of shares, net of issue costs		7,049,481	10,178,740	7,049,481	10,178,740
Proceeds from issuance of convertible loan notes		-	12,000,000	-	12,000,000
Repayment of lease liabilities principal		(115,500)	(122,934)	-	-
Net cash generated from financing activities		**18,926,848**	**23,440,604**	**6,299,481**	**22,178,740**
Net (decrease)/increase in cash and cash equivalents		**(5,083,645)**	**5,609,750**	**(2,919,618)**	**2,971,515**
Cash and cash equivalents at beginning of year		5,555,296	(54,454)	2,971,515	-
Cash and cash equivalents as at end of year		**471,651**	**5,555,296**	**51,897**	**2,961,515**

Major non-cash transactions:

Share based payments amounted to $2,397,585 (2022: $2,095,150) and are set out in note 32 of the financial statements.

Loan conversion into equity on 10 March 2023 amounted to $5,191,285 and is set out in note 31 of the financial statements.

Notes to the Financial Statements

For the year ended 31 March 2023

1. General information

The principal activity of Bens Creek Group Plc (the **Company**) is that of a holding company and through its subsidiaries, Ben's Creek Land WV LLC, Ben's Creek Operations WV LLC and Ben's Creek Rail Holdings 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 11 August 2021 in the United Kingdom. The address of the Company's registered office is 15 Stratton Street, London, United Kingdom, W1J 8LQ. The Company is listed on the AIM market of the London Stock Exchange.

The Group financial statements cover the period from 1 April 2022 to 31 March 2023.

2. Accounting policies

The principal accounting policies applied in the preparation of the Financial Statements 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 Group and Company Financial Statements has been prepared in accordance with UK-adopted international accounting standards and the requirements of the Companies Act 2006. The Group and Company Financial Statements has also been prepared under the historical cost convention, subsequent to any fair value adjustments required upon acquisition via a business combination. Additionally, convertible loan notes, embedded derivative, deferred consideration and Plant are held under the fair value through profit or loss "FVTPL" model. The prior year financial statements were prepared as noted above other than the Plant which was measured at fair value at acquisition and subsequently at cost.

The Group and Company Financial Statements are presented in United States Dollars rounded to the nearest dollar, which is the Group's functional currency.

The preparation of Group and Company Financial Statements 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 to these financial statements.

a) Changes in Accounting Policies

i) *New and amended standards adopted by the Group*

There were no new or amended accounting standards that required the Group to change its accounting policies for the year ended 31 March 2023 and no new standards, amendments or interpretations were adopted by the Group.

ii) *New IFRS Standards and Interpretations not adopted*

At the date on which the Group and Company Financial Statements was authorised, there were no Standards, Interpretations and Amendments which had been issued but were not effective for the period ended 31 March 2023 that are expected to materially impact the Group and Company Financial Statements.

Notes to the Financial Statements continued

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 17	Insurance contracts	1 January 2023
IAS 8	Accounting estimates	1 January 2023
IFRS Practice Statement 2		
IAS 1	Classification of Liabilities as Current or Non-Current	1 January 2023
IFRS 16	Lease liability in sale and leaseback	1 January 2024
IAS 12 Income Taxes	Deferred Tax Related to Assets and Liabilities	1 January 2023
IAS 1	Non-current liabilities with covenants	1 January 2024

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

Bens Creek Group Plc has adopted UK-adopted IAS since incorporation, The Subsidiaries were previously reported using 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 29 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 Group and Company Financial Statements 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 Group's and Company's business activities, together with the factors likely to affect their future development, performance and position are set out in the Strategic Report. The Directors' Report includes the Group's and Company's objectives, policies and processes for managing their capital, their financial risk management objectives and their exposure to credit risk and liquidity risk.

The Directors have reviewed the cashflow forecast and the future requirements of the Group for the period to 30 June 2025. They have considered current and future offtake agreements, changes in the economic climate and other contracts, such as vendors in place.

Key assumptions in the cashflow were production rates, pricing, and recovery rates. The Directors and executive team discussed these assumptions in detail to ensure future cashflow forecasts are accurate. Details of assumptions are as follows.

The Group is confident that it will be able to achieve its targeted increased production rates using two High Wall Miners on double shifts. Although there is a risk of not being able to achieve this due to repairs, maintenance and anomalies, the Group considers the risk of downtime is minimal. One of the biggest contributors to downtime was the risk of generators breaking down. The Group in September 2023 installed Line Power to one of the High Wall Miners, which will now result in far less downtime due to having two generators and Line Power to ensure both High Wall Miners are running.

There are an estimated 92m tons of reserve in situ, which was confirmed by Marshall Miller, an independent expert in the field. This indicates that there is significant coal both underground and overground in which the Group can explore and mine in the future. This gives management confidence that there are enough reserves to continue mining beyond 10 years.

The price of metallurgical coal has fluctuated in the year and post year-end, with a sharp fall in the price to a low of $191/metric ton, High Vol B. However, management is confident even at the current price ($235/ metric ton, High Vol B) that the Group will be able to generate positive cash flows in the future.

The Group is confident that it will be able to achieve its targeted increased production rates using two High Wall Miners on double shifts. Although there is a risk of not being able to achieve this due to repairs, maintenance and anomalies, the Group thinks the risk of downtime is minimal. There are 92m tons of reserve in situ which gives management confidence that there are enough reserves to continue mining beyond 10 years.

The Group undertook a cost-cutting exercise amid the fall in coal prices post year-end. Contractor costs have decreased significantly, as underground mining has been cut from $45/ton to $35/ton. In addition to the reduction in costs the recoverability of underground mining has significantly improved since August 2023. It was achieving lows of 32% to currently around 45%, which significantly improves the profitability.

Several events occurred post year-end which have given further reassurance that the Group is a going concern. The most immediate of which was the issuance of two loan notes to provide extra funding for both working capital and repayment of outstanding convertible loan notes. At 30 June 2023 the convertible loan note issued in February 2022 was due for repayment (post modification of repayment date). To ensure the Group was able to meet this repayment, some of the funds were used to repay this loan.

The Directors are also confident that the Group is able to raise funds elsewhere if required. This can be done through several methods including raising finance against property, plant and equipment currently on the balance sheet, re-negotiating with contractors and suppliers for lower rates or an equity raise.

Notes to the Financial Statements continued

The Directors have reviewed the cashflow forecast and the future requirements of the Group for the period to 31 December 2024. They have considered current and future offtake agreements, changes in the economic climate and other contracts in place.

The Directors are of the opinion that the Group has adequate resources to continue in operational existence 18 months from signing of the audited annual report. The financial statements have been prepared on a going concern basis, however there is a material uncertainty.

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**). Bens Creek Group Plc, the parent company, is based in the United Kingdom and has a functional currency in GBP Sterling. The Financial Statements are presented in US Dollars, rounded to the nearest dollar as this is where the entity primarily operates.

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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss. All other foreign exchange gains and losses are presented in the Consolidated Statement if Comprehensive Income.

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 Consolidated Statement of Profit and Loss.

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. Property, plant and equipment

Vehicles, office equipment, plant, underground equipment and leasehold improvements are stated at cost, plus any purchase price allocation uplift. Plant upon acquisition has been accounted for under the fair value 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 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:

Equipment	5 year straight-line
Plant and machinery	5 year straight-line
Vehicles	5 year straight-line
Plant	10 year straight-line

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.

2.7. Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the average costing method. Components of inventories consist of coal, parts and supplies, net of allowance for obsolescence. Coal inventories represent coal contained in stockpiles, coal that has been mined and hauled to the wash plant for processing raw coal and coal that has been processed (crushed, washed and sized) and stockpiled for shipment to customers.

The cost of raw and prepared coal comprises extraction costs, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.8. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represent amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. Under IFRS 15 there is a five-step approach to revenue recognition which is adopted across all revenue streams. The process is:

Step 1: Identify the contract(s) with a customer;

Step 2: Identify the performance obligations in the contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract; and

Step 5: Recognise revenue as and when the entity satisfies the performance obligation.

Notes to the Financial Statements continued

The Group has two revenue streams being the sale of coal and other aggregate bi-products produced by the Group through trucking and trains. During the year under review, such revenue was recognised at the point of contact at a pre-agreed fixed price on a per tonnage basis. For deliveries made via truck the revenue is recognised once the product leaves the Group's premises, which is the point at which the risk and rewards are transferred to the customer. For sales made via railway it is at the point at which the coal has arrived at the dock and is of satisfactory quality.

2.9. Construction in Progress

Assets under construction are accounted for at cost, based on the value of receipts and other direct costs incurred the relevant financial reporting date. They are not depreciated until the period in which they are brought into use, where the asset is transferred to the relevant category and depreciated the following month.

There were no costs committed at the year end.

2.10. Assets held of sale

Current assets held for sale at the end of the year are measured at cost.

2.11. 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 16 of these financial statements.

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 26 of these financial statements.

2.12. Restricted investments

The Group's placed funds in a Morgan Stanely investment account as a result of Surety bonding. The investment is treated as a non-current it is restricted until the liability has been cleared.

2.13. 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.

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 Statement of Profit and Loss. 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 effective interest rate. 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.

Notes to the Financial Statements continued

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.

2.14. 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. Trade receivables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.15. 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.

2.16. Reserves

Equity comprises the following:

- "Share capital" represents the nominal value of the Ordinary shares;
- "Share Premium" represents consideration less nominal value of issued shares and costs directly attributable to the issue of new shares;
- "Other reserves" represents the merger reserve, translation reserve, revaluation reserve and share based payments reserve where;
  - "Merger reserve" represents the difference between the fair value of an acquisition and the nominal value of the shares allotted in a share exchange;

  - "Revaluation reserve" represents the change in valuation of assets measured at fair value;
  - "Translation reserve" (foreign currency) represents the translation differences arising from translating the financial statement items from functional currency to presentational currency; and
  - "Share based payments reserve" represents share options awarded by the Group;
- "Retained earnings" represents retained profits and losses.

2.17. Share Capital

Ordinary shares are classified as equity. 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.

2.18. Share Based Payments

The Group operates a number of equity-settled, share-based schemes, under which it receives services from employees or third party suppliers as consideration for equity instruments (options and warrants) of the Group. The Group may also issue warrants to share subscribers as part of a share placing. The fair value of the equity-settled share based payments is recognised as an expense in the income statement or charged to equity depending on the nature of the service provided or instrument issued. The total amount to be expensed or charged is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

In the case of warrants the amount charged to the share premium account is determined by reference to the fair value of the services received if available. If the fair value of the services received is not determinable, the warrants are valued by reference to the fair value of the warrants granted as previously described.

Non-market vesting conditions are included in assumptions about the number of options or warrants that are expected to vest. The total expense or charge is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement or equity as appropriate, with a corresponding adjustment to a separate reserve in equity.

When the options are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

2.19. 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.

Notes to the Financial Statements continued

2.20. 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 Group also provides for minimum lease payments on land where they have leased and are obligated per agreements. The estimated cost of these leases over the shorter of the life of the mine or the lease terms is calculated at present value.

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. Any increase in provision due to reclamation obligations is capitalised as part of the mine asset and subsequently depreciated. This is through depletion or impairment if the provision is larger than the carrying value of the mine.

2.21. Convertible Loan Notes

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual agreement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised as the proceeds are received, net of direct issue costs.

Where warrants are granted in conjunction with other equity instruments, which themselves meet the definition of equity, they are recorded at their fair value, which is measured using an appropriate valuation model. Warrants which do not meet the definition of equity are classified as derivative financial instruments.

The component parts of compound instruments, such as Convertible Loan Notes, issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement.

If the conversion feature of a Convertible Loan Notes issued does not meet the definition of an equity instrument, that portion is classified as an embedded derivative and measured accordingly. The debt component of the instrument is determined by deducting the fair value of the conversion option at inception from the fair value of consideration received for the instrument as a whole. The debt component amount is recorded as a financial liability on an amortised cost basis using the effective interest rate method until extinguished upon conversion or at the instrument's maturity date.

Where debt instruments issued by the Group are repurchased for cancellation, the financial liability is derecognised at the point at which the cash consideration is settled. Upon derecognition, the difference between the liability's carrying amount that has been cancelled and the consideration paid is recognised as a gain in the Statement of Profit and Loss, net of any direct transaction costs.

In December 2021 and February 2022 the Group raised $6m and $6m respectively from the placement of two Convertible Loan Notes. They were both issued at par and carry a coupon of 15% and 12% payable quarterly in arrears. The Convertible Loan Notes are convertible into fully paid Ordinary Shares with the initial conversion prices set at £0.28 and £0.40 per ordinary share. The number of Ordinary shares at the year end that could be issued if all the Convertible Loan Notes were converted is 33,325,929 (assuming that the exchange rate at the year-end is $1.235/£1). Unless previously converted, redeemed or purchased and cancelled, the Convertible Loan Notes will be redeemed at par on 13 December 2023 and 28 February 2024 respectively. During the year, the Group negotiated a change in repayment date for the second Convertible Loan forward to 30 June 2023.

The conversion feature of the Convertible Loan Notes is classified as an embedded derivative as the number of shares issued to settle the liability is not fixed due to the variable nature of the US$ and £ exchange rate. Therefore, the Convertible Loan Note does not meet the 'fixed for fixed' criteria outlined in IAS 32 for recognition as an equity instrument. It has therefore been measured at fair value through profit and loss. The amount recognised at inception in respect of the host debt contract was determined by deducting the fair value of the conversion option at inception (the embedded derivative) from the fair value of the consideration received for the Convertible Loan Notes. The debt component is then recognised at amortised cost, using the effective interest method, until extinguished upon conversion or maturity. The effective interest rate applicable to the debt component is 15% and 12% respectively.

Embedded derivatives

Derivatives embedded in financial instruments or other host contracts that are not financial assets are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. Derivatives embedded in financial instruments or other host contracts that are financial assets are not separated; instead, the entire contract is accounted for either at amortised cost of fair value as appropriate.

An embedded derivative is presented as current due to the remaining maturity of the compound instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.

The table below analyses the derivatives, by valuation method. The different levels are defined as follows:

Financials instruments by valuation method	Level 1 $	Level 2 $	Level 3 $	Total $
Fair value at 31 March 2022	-	9,436,021	2,839,817	12,275,838
Repayments	-	(750,000)	-	(750,000)
Interest	-	1,766,362	-	1,766,362
Foreign exchange movement	-	-	(168,691)	(168,691)
Revaluation	-	1,167,351	(1,167,351)	-
Fair value at 31 March 2023	**-**	**11,619,734**	**1,503,775**	**13,123,509**

The embedded derivative component of the Convertible Loan Note is categorised within Level 3 of the fair value hierarchy, as the derivatives themselves are not traded on an active market and their fair values are determined using a valuation technique that uses one key input that is not based on observable market data, being share price volatility.

Borrowing costs

Borrowing costs directly relating to the construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time as the assets are substantially ready for their intended use, i.e. when they are capable of commercial production. The amount of borrowing costs eligible to be capitalized is reduced by an amount equivalent to any interest income received on temporary reinvestment of those borrowings.

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.

Notes to the Financial Statements continued

	Debt component $	Derivative component $	Total $
As at 1 April 2022	9,436,021	2,839,817	12,275,838
Repayments	(750,000)	-	(750,000)
Foreign exchange losses	-	(168,691)	(168,691)
Fair value gains	1,167,351	(1,167,351)	-
Interest charged	1,766,362	-	1,766,362
As at 31 March 2023	**11,619,734**	**1,503,775**	**13,123,509**

2.22. 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.

2.23. 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 under the *de-minimis* in value or cover a period of less than 12 months and are therefore exempt from IFRS 16.

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 amortised 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 18 to these financial statements.

2.24. Earnings per share

The calculation of the total basic earnings per share is based on the loss attributable to equity holders of the parent company and on the weighted average number of ordinary shares in issue during the year.

In accordance with IAS 33, basic and diluted earnings per share for the year ended 31 March 2023 are identical for the Group as the effect of the exercise of share options would be to decrease the earnings per share due to the Group making a loss.

2.25. Deferred consideration

The Deferred Consideration of ongoing royalty payments over the life of the mine which the Directors estimated to be 10 years. It is recognised at the present value over the life of the mine considering the tonnage of clean coal predicted to be produced and sold. This is split between current and non-current liabilities.

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 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 are immaterial and 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.

Notes to the Financial Statements continued

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. The Group regularly reviews ageing of receivables to ensure there is no risk of default.

No credit limits were exceeded during the year, 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 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 31 March 2023 is as follows:

	31 March 2023 $
Total borrowings (Notes 24 & 25)	22,188,263
Less: Cash and cash equivalents (Note 20)	(471,651)
Net debt	21,716,612
Total equity	22,674,442
Gearing ratio	96%

4. Critical accounting judgements and estimates

The preparation of the Financial Statements in conformity with UK-adopted IAS 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 (see note 26)

The Group's provision for reclamation costs has a carrying value at 31 March 2023 of $5,142,947 (2022: $1,949,888) 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 in 10 years (at the end of the mine life per management's forecasted mine plan). The cash outflows have been discounted at 15% and an inflation rate of 8.3% has been used. The discounted provision for reclamation costs is broadly equivalent to the reclamation bond assessments made by the WVDEP. The restoration provision is a commitment to restore the site to a safe and secure environment. The provisions are reviewed annually and res-estimated if there are significant changes in underlying assumptions.

b) Deferred Consideration (See note 23)

The Deferred Consideration was initially comprised of $4,485,428, payable to Ben's Creek Holding LLC. This comprised re-imbursement of reclamation bonds of $1,412,637 and ongoing royalty payments of $3,072,791 over the life of the mine based on initial assessment pre-production. In May 2021, $130,000 was paid to Ben's Creek Holding LLC (the seller) in respect of the re-imbursement of reclamation bonds with the outstanding balance having been paid from the listing proceeds. The ongoing royalties payable, has been accepted at a rate of $2 per tonne of clean coal mined and sold, over the expected life of the mines discounted at 15% in calculating the deferred consideration. The deferred consideration has been recalculated due to management's production and valuation based on forecasted production over 10 years.

The Group completed the re-imbursement of the reclamation bonds earlier than planned and on 23 July 2021, it paid $1,258,520 to the seller 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 accrued interest at 1% per month. This bridging loan was paid from the proceeds following the Group's IPO.

c) Share based payments (See note 33)

The Group has made awards of options and warrants over its unissued share capital to certain Directors and employees as part of their remuneration package which have market conditions attached. The valuation of these options and warrants involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in note 32 to these financial statements.

d) Embedded derivative (See note 25)

Valuation of the embedded derivative within the Convertible Loan Notes requires a number of estimates, the most significant of which is the estimated equivalent bond yield applied to the debt component. The fair value calculations and related sensitivities for the embedded derivative are disclosed in note 24 to these financial statements.

In December 2021 and February 2022, the Group raised $6m and $6m respectively from the placement of two Convertible Loan Notes. They were both issued at par and carry a coupon of 15% and 12% payable quarterly in arrears. The Convertible Loan Notes are convertible into fully paid Ordinary Shares with the initial conversion prices set at £0.28 and £0.40. The number of Ordinary shares at the year-end that could be issued if all the Convertible Loan Notes were converted is 33,325,929 (assuming that the exchange rate at the year-end is $1.235/£1). Unless previously converted, redeemed, or purchased and cancelled, the Convertible Loan Notes will be redeemed at par on 13 December 2023 and 28 February 2024 respectively. During the year, the Group negotiated a change in repayment date for the second Convertible Loan forward to 30 June 2023.

e) Impairment of Investment in subsidiaries (See note 35)

The Company's investment in its subsidiaries has a carrying value at 31 March 2023 of $26,684,119.

Notes to the Financial Statements continued

Management tests annually whether the investment in subsidiaries have future economic value in accordance with the accounting policies. The investment is subject to an annual impairment review by management. This calculates the net present value of future cash flows of the subsidiary's operations over managements estimated life of the mine which is 10 years. The review takes into consideration changing coal prices, anticipated resources confirmed by experts (92m in situ), increases in production and sales volumes and cost of production. The estimated future cash flows are discounted (15%) to their present value at the Company's cost of capital in order to determine the recoverable amount of the mine.

The Group currently has an intra group loan between Bens Creek Group Plc and Ben's Creek Carbon WV LLC. The terms of the loan are over 5 years, with a total facility of $20,000,000. Interest is accrued monthly at 6% which is considered a market rate. As the interest rate is deemed market value the loan has not been discounted over the term.

f) Minimum lease payments (See note 26)

The Group has a provision in place at a value of $2,734,218 in relation to minimum lease payments. This is based on minimum lease payments for leases with mining rights. The present value of the minimum lease payments has been calculated based on the life of the mine or if shorter, the lease term. The provision will be discounted over this period at 15%. During the year the Group acquired a new lease for mining rights which have been discounted over the estimated life of the mine of 10 years.

g) Valuation of coal reserves (See note 17)

The Group has coal reserves of $24,514,572 as at 31 March 2023.

Management tests annually whether the asset should be impaired through calculating the net present value of future cash flows of the subsidiary's operations over managements estimated life of the mine which is 10 years. The review takes into consideration changing coal prices, anticipated resources confirmed by experts (92m in situ), increases in production and sales volumes and cost of production. The estimated future cash flows are discounted (15%) to their present value at the Company's cost of capital in order to determine the recoverable amount of the mine.

5. Dividends

No dividend has been declared or paid by the Company during the period ended 31 March 2023 (31 March 2022: $Nil).

6. Segment information

Management has determined the operating segments based on reports reviewed by the Board of Directors that are used to make strategic decisions. During the year the Group had interests in two geographical segments, the United Kingdom and the United States of America ("USA"). Activities in the UK are mainly administrative in nature whilst the activities in the USA relate to coal production and sale of coal. The reportable operating segments derive their revenue from the sale of prepared coal to industrial and retail customers. All of the revenue and costs of Ben's Creek Carbon are US based, whereas all the costs of Ben's Creek Group Plc are from the UK.

2022	USA $	UK $	Total $
Revenue	5,411,816	-	**5,411,816**
Cost of sales	(3,878,565)	-	**(3,878,565)**
Administrative & other expense	(3,600,617)	(5,392,776)	**(8,993,393)**
Operating loss	**(2,067,366)**	**(5,392,776)**	**(7,460,142)**
Additions to plant and equipment	12,325,171	565	**12,325,736**
Reportable segment assets	64,179,689	3,287,519	**67,467,208**
Reportable segment liabilities	23,156,255	12,566,668	**35,772,923**

2023	USA $	UK $	Total $
Revenue	42,208,848	-	**42,208,848**
Cost of sales	(45,753,734)	-	**(45,753,734)**
Administrative & other expense	(11,250,771)	(6,527,637)	**(17,778,408)**
Operating loss	**(14,795,657)**	**(6,527,637)**	**(21,323,294)**
Reportable segment assets	79,869,462	273,641	**80,143,103**
Reportable segment liabilities	43,144,268	14,547,662	**57,691,930**

7. Revenue

	31 March 2023 $	31 March 2022 $
Coal sales	42,208,848	5,411,816
	42,208,848	**5,411,816**

Revenue was derived from one external customer. This revenue was all generated in the USA.

8. Cost of sales

	31 March 2023 $	31 March 2022 $
Production costs	31,036,252	3,051,937
Transportation costs	3,145,205	-
Coal & sale taxes	2,335,728	-
Royalty expense (See note 4)	3,909,702	826,628
Depreciation	4,885,932	154,008
Coal Depletion	440,915	744,513
	45,753,734	**4,777,086**

Production costs include staff costs directly attributable to production including subcontracted Underground and High Wall Mining costs.

Notes to the Financial Statements continued

9. Administrative expenses

	31 March 2023 $	31 March 2022 $
Expenses by nature:		
Operational and remediation costs	1,794,153	-
Staff costs	3,651,828	1,928,301
Legal, professional and brokerage	1,118,565	1,420,034
Travel and subsistence	353,958	139,920
Insurance	2,318,757	564,551
AIM related costs	66,824	1,299,484
Sale of scrap	-	(133,982)
Loss on disposal	115,333	-
Foreign exchange costs	32,455	(125,505)
Other administrative costs	493,531	906,918
Total administrative expenses	**9,945,404**	**5,999,721**

During the year the Group obtained the following services from the Company's auditors and its subsidiaries:

	31 March 2023 $	31 March 2022 $
Fees payable to the Group's auditor and its associates for the audit of the Company and Consolidated Financial Statements	172,913	152,456
Fees payable to the Company's auditor for other services:		
– Reporting accountant services	-	104,494
– Interim financial statements review	30,877	3,000
	203,790	**259,950**

10. Employee benefits expense

Staff costs	31 March 2023 Group $	31 March 2022 Group $	31 March 2023 Company $	31 March 2022 Company $
Salaries and wages	5,146,900	1,139,642	1,136,204	139,934
Bonuses	1,790,211	624,079	1,460,247	624,079
Social security contributions and similar taxes	440,061	89,449	94,735	13,568
Other benefits	409,072	75,131	-	-
	7,786,244	**1,928,301**	**2,691,186**	**777,581**

Direct mining salaries are capitalised as part of inventory costs in so far as they related to the year-end inventory balance held. Net salaries not related to this can be seen in note 9.

Share based payment expenses totalled $2,397,585 (2022: $2,095,151).

Average number of employees by function	31 March 2023 Group Numbers	31 March 2022 Group Numbers	31 March 2023 Company Numbers	31 March 2022 Company Numbers
Operations	31	10	-	-
Administration	8	2	2	-
Directors	-	-	4	4
	39	**12**	**6**	**4**

Details of the directors' emoluments are set out in note 30 to these financial statements.

11. Finance costs

	31 March 2023 $	31 March 2022 $
Interest expense	2,774,704	682,130
Unwinding of discount of reclamation liability	247,441	315,319
Unwinding of discount of minimum lease payments	113,195	-
Unwinding of discount of deferred consideration	299,192	-
Total finance costs	**3,435,252**	**997,449**

12. Taxation

Tax recognised in profit or loss	31 March 2023 $	31 March 2022 $
Current tax	-	-
Deferred tax (note 13)	(548,835)	8,222,085
Total tax charge in the Statement of Profit and Loss	**(548,835)**	**8,222,085**

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:

	31 March 2023 $	31 March 2022 $
(Loss)/profit on ordinary activities before tax	(24,715,586)	25,285,795
Tax on profit on ordinary activities at combined CT rate of 29.3% (2021: 27.5%)	**-**	**7,408,738**
Effects of:		
Disallowed Expenditure	3,289,011	767,687
Tax losses not recognised	(3,289,011)	726,846
Brought forward deferred tax asset on US losses not previously recognised	-	(143,017)
Other timing differences	-	(538,169)
Tax charge	**-**	**8,222,085**

The overseas tax rate used is a combination of 21% US federal tax rate and 6.5% West Virginia state tax rate, to give an applicable rate of 27.5%. The rate used for the UK tax is 19%, which with the overseas tax rate gives a blended rate of 29.3%.

Notes to the Financial Statements continued

The Group has tax losses of approximately $15,970,995 available to carry forward against future taxable profits. No deferred tax asset has been recognised in respect of Group tax losses due to the uncertainty on timing in which they may be offset against future expected profits.

13. Deferred tax

	Group	
	Deferred tax liability $	Deferred tax asset $
As at 1 April 2022	10,286,392	576,151
Movement	(548,835)	-
Total deferred tax	**9,737,557**	**576,151**
Current	**-**	**-**
Non-current	**9,737,557**	**576,151**

A deferred tax liability of $8,798,236 arose in the year ended 31 March 2022 as part of the acquisition of Ben's Creek Operations LLC and Ben's Creek Land LLC. Additionally, a deferred tax liability of $1,488,151 was recognised on the increase in fair value of the plant in relation to Other Comprehensive Income. The total deferred tax liability amounted to $10,286,392. The charge in the profit and loss of $8,222,085 consisted of the liability from the acquisition of $8,798,236 less a deferred tax asset of $576,151 recognised on the basis of future profits. Additionally, a deferred tax liability of $1,488,151 was recognised on the increase in fair value of the plant for the prior year. The total deferred tax liability amounted to $10,286,392.

The movement in the year ended 31 March 2023 relates to the depletion and depreciation on the plant and reserves recognised at fair value upon acquisition.

14. Earnings per share

The calculation of the total basic loss per share of 6.563 cents is based on the profit/loss attributable to equity holders of the Company of ($24,166,751) (2022: $17,063,710) and on the weighted average number of ordinary shares of 368,214,862 (2022: 276,774,515) in issue during the period. Diluted loss per share is 6.563 (2022: 5.922 cents) based on a weighted average of 388,838,846 shares (2022: 288,162,165 shares).

Details of share options that could potentially dilute earnings per share in future periods are set out in note 33 to these financial statements.

15. Property, Plant and Equipment

Group

	Vehicles $	Equipment $	Plant $	Underground equipment $	Leasehold Improvements $	Construction in progress $	Total $
Cost or valuation							
As at 1 April 2021	-	-	-	-	-	-	-
Acquired from business combination	-	-	-	-	-	13,692,000	13,692,000
Additions during the year	114,597	420,396	-	-	544,379	12,325,736	13,405,108
Transfers	-	-	18,588,524	3,787,000	-	(22,375,524)	-
Gain on revaluation	-	-	5,411,476	-	-	-	5,411,476
As at 31 March 2022	**124,397**	**531,821**	**24,000,000**	**3,787,000**	**544,379**	**3,642,212**	**32,629,809**
As at 1 April 2022	**124,397**	**531,821**	**24,000,000**	**3,787,000**	**544,379**	**3,642,212**	**32,629,809**
Additions during the year	7,500	1,304,649		394,635	891,320	14,426,719	17,024,823
Transfers	-	14,126,947	-	493,194	-	(14,620,142)	-
Assets held for sale	-	-	-	-	-	(2,898,145)	(2,898,145)
Acquisition of Rail Holdings	-	-	-	-	650,000	-	650,000
Change in accounting policy	-	-	1,949,883	-	-	-	1,949,883
Disposals	-	(420,000)	-	-	-	-	(420,000)
As at 31 March 2023	**131,897**	**15,543,418**	**25,949,883**	**4,674,829**	**2,085,699**	**550,644**	**46,280,205**
Depreciation							
As at 1 April 2021	**(653)**	**(1,169)**	**-**	**-**	**-**	**-**	**(1,822)**
Depreciation during the year	(4,367)	(14,454)	-	-	(18,146)	-	(36,967)
As at 31 March 2022	**(5,020)**	**(15,623)**	**-**	**-**	**(18,146)**	**-**	**(38,789)**
As at 1 April 2022	**(5,020)**	**(15,623)**	**-**	**-**	**(18,146)**	**-**	**(38,789)**
Depreciation during the year	(25,629)	(1,428,286)	(2,400,000)	(682,426)	(242,574)	-	(4,778,915)
Disposals	-	11,667	-	-	-	-	11,667
As at 31 March 2023	**(30,649)**	**(1,432,242)**	**(2,400,000)**	**(682,426)**	**(260,720)**	**-**	**(4,806,037)**
Net book value as at 31 March 2022	**119,377**	**516,198**	**24,000,000**	**3,787,000**	**526,233**	**3,642,212**	**32,591,020**
Net book value as at 31 March 2023	**101,248**	**14,111,176**	**23,549,883**	**3,992,403**	**1,824,979**	**550,644**	**44,130,333**

Assets held for sale relate to a Highwall Miner ($2,898,145).

Assets acquired through business combinations relate to the purchase of Bens Creek Rail Holdings LLC and its associated assets. This is the rail line on the Glen Alum site which link to the Norfolk Southern Railway.

The Group has not had an expert value the Plant in the year. Management have assessed the value and are confident there is no material change.

Notes to the Financial Statements continued

Company

	Office equipment $	Total $
Cost or valuation		
As at 1 April 2022	**565**	**565**
Acquired during period	2,986	2,986
As at 31 March 2023	**3,551**	**3,551**
Depreciation		
As at 1 April 2022	**(26)**	**(26)**
Depreciation charge during the period	(341)	(341)
As at 31 March 2023	**(367)**	**(367)**
Net book value as at 31 March 2023	**3,184**	**3,184**
Net book value as at 31 March 2022	**539**	**539**

16. Investments

	31 March 2023 $	31 March 2022 $
Investment	695,120	-
Investments total	**695,120**	**-**

During the year the Company released its reclamation bonding through a Surety. As part of the Surety requirements $695,120 is held in an investment account until the reclamation obligations have been fulfilled.

17. Coal reserves and reclamation assets

Group	Coal Reserves $
Cost or valuation	**25,700,000**
As at April 2021	**25,700,000**
Additions during the year	-
As at 31 March 2022	**25,700,000**
As at 1 April 2022	**25,700,000**
As at 31 March 2023	**25,700,000**
Depletion	
As at 1 April 2021	**-**
Additions during the year	(744,513)
As at 31 March 2022	**(744,513)**
As at 1 April 2022	**(744,513)**
Charge for the period	(440,915)
As at 31 March 2023	**(1,185,428)**
Net book value	
As at 1 April 2022	**24,955,487**
As at 31 March 2023	**24,514,572**

Movement in the year relates to the depletion of coal reserves from coal mined underground during the year.

The reclamation bond is based on a number of mining permits which is held with the West Virginia Department of Environmental Protection and is interest bearing.

The group has provided certificates of deposit as collateral to secure mine reclamation obligations as required by the West Virginia Department of Environmental Protection. The certificates were released during the year through a Surety. This enabled the Company to realise the cash element of the Deposits.

	Group		Company	
	31 March 2023 $	31 March 2022 $	31 March 2023 $	31 March 2022 $
Certificates of deposit	-	1,628,605	-	-

18. Leases

The following lease liabilities arose in respect of the recognition of right of use assets with a net book value of $177,240 (2022: $63,367). The Group holds two leases that it accounts for under IFRS 16.

	Office $	Housing $	Vehicle $	Total $
Balance at 1 April 2021	92,073	76,727	67,964	237,214
Disposal right of use assets	-	-	(59,804)	(59,804)
Principal reduction	(60,000)	(50,000)	(12,934)	(122,934)
Interest	2,490	2,077	4,324	8,891
Balance as 31 March 2022	**34,563**	**28,804**	**-**	**63,367**
Balance at 1 April 2022	34,563	28,804	-	63,367
Disposal right of use assets	-	-	-	-
Additions	121,172	100,977	-	222,149
Principal reduction	(63,000)	(52,500)	-	(115,500)
Interest	3,941	3,283	-	7,224
Balance at 31 March 2023	**96,676**	**80,564**	**-**	**177,240**
Less: Current portion	(60,385)	(50,321)	-	(110,706)
Non-current portion	36,291	30,243	-	66,534

The leases are split between current and non-current portions. The cash flows of the leases are as follows:

Current	31 March 2023 $	31 March 2022 $
Interest charge	4,794	801
Principal reduction	115,500	64,167
Depreciation	107,989	44,077
Non-current		
Interest charge	841	-
Principal reduction	67,375	-
Depreciation	64,793	-

Notes to the Financial Statements continued

The right of use assets are as follows:

	Office lease $	Apartment lease $	Vehicle lease $	Total $
Balance at 1 April 2021	91,360	76,133	77,689	**245,182**
Disposal	-	-	(68,156)	**(68,156)**
Additions	-	-	-	**-**
Depreciation	(57,701)	(48,084)	(9,533)	**(115,318)**
Balance at 31 March 2022	**33,659**	**28,049**	**-**	**61,708**
Balance at 1 April 2022	33,659	28,049	-	**61,708**
Disposal	-	-	-	**-**
Additions	121,172	100,977	-	**222,149**
Depreciation	(58,903)	(49,086)	-	**(107,989)**
Balance at 31 March 2023	**95,928**	**79,940**	**-**	**175,868**

During the period, the Group leased an office for $121,853. The operating lease was a short-term lease and therefore not recognised as a right of use asset.

19. Trade and other receivables

	Group		Company	
Current	31 March 2023 $	31 March 2022 $	31 March 2023 $	31 March 2022 $
Trade receivables	475,000	-	-	-
Prepayments	352,103	298,096	131,090	146,517
Other receivables	703,410	272,232	87,470	168,948
	1,530,513	**570,328**	**218,560**	**315,465**

	Group		Company	
Non-current	31 March 2023 $	31 March 2022 $	31 March 2023 $	31 March 2022 $
Amount due from Ben’s Creek Carbon LLC	-	-	28,610,804	16,026,796
	-	**-**	**28,610,804**	**16,026,796**

Amount due from Ben’s Creek Carbon LLC is funding provided by the parent company to Bens Creek Carbon LLC for working capital and other projects. Interest is accruing at 6% per annum and the loan is repayable immediately following the first business day of the fifth anniversary of Admission, or a later day as the parties may agree.

20. Cash and cash equivalents

	Group		Company	
	31 March 2023 $	31 March 2022 $	31 March 2023 $	31 March 2022 $
Cash at bank and on hand	471,651	5,555,296	51,897	2,971,515
	471,651	**5,555,296**	**51,897**	**2,971,515**

The carrying amounts of the majority of the Group's cash and cash equivalents are denominated in USD.

21. Inventory

	Group	
	As at 31 March 2023 $	As at 31 March 2022 $
Coal inventory	5,150,750	1,528,613

22. Trade and other payables

	Group		Company	
Current	31 March 2023 $	31 March 2022 $	31 March 2023 $	31 March 2022 $
Trade payables	1,442,491	2,367,290	77,452	91,111
Tax liabilities	447,507	-	-	-
Other payables	5,924,025	30,150	-	-
Payroll liabilities	402,725	27,971	95,052	24,123
Accruals	1,461,352	1,025,935	1,251,648	176,029
	9,678,100	**3,451,346**	**1,424,153**	**291,263**

Notes to the Financial Statements continued

23. Deferred consideration

	Total $
As at 1 April 2022	3,173,698
Payments in the year	(552,556)
Unwinding of discount	299,192
Change in estimate	4,859,839
As at 31 March 2023	**7,780,173**

	31 March 2023 Group $	31 March 2022 Group $
Current liabilities		
Deferred consideration	1,254,206	816,000
	1,254,206	**816,000**
Non-current liabilities		
Deferred consideration	6,525,967	2,357,698
	6,525,967	**2,357,698**

The deferred consideration relates to the purchase consideration for the acquisition of Ben's Creek Operations LLC and Ben's Creek Land LLC. For further information, see notes 4 and 29 of the prior year financial statements.

Increase in deferred consideration relates to the increase in the rate of extraction predicted over the next 10 years based on management's estimate and impairment reviews.

24. Borrowings

	MBU Capital Group $
As at 1 April 2021	1,646,768
Drawdowns	1,439,252
Interest charge	194,807
Payments	-
As at 31 March 2022	**3,280,827**
As at 1 April 2022	3,280,827
Drawdown	5,254,410
Interest charge	768,142
Repayment	(4,086,995)
Conversion	(5,216,384)
As at 31 March 2023	**-**

The Loan provided by MBU Capital Group Limited was a convertible facility up to £10,000,000 (GBP) draw down. The loan 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 annum, accruing monthly. On 3 March 2023 MBU exercised their conversion of the loan at 15p & 30p respectively. For further details of this transaction please see the related party note disclosed in note 34 of these financial statements.

	31 March 2023 $
Equipment financing	
Principal	13,164,632
Interest	672,646
Repayments	(3,268,749)
As at 31 March 2023	**10,568,529**
Current	3,462,778
Non-current	7,105,751

The primary reason for borrowings in the year were for equipment financing. During the period the Group moved away from a contractor model to an equipment owned model for excavation, therefore financing was undertaken to fund this change.

25. Convertible Loan Notes

	Debt component $	Derivative component $	Total $
As at 1 April 2022	**9,436,021**	**2,839,817**	**12,275,838**
Repayments	(750,000)	-	(750,000)
Foreign exchange losses	-	(168,691)	(168,691)
Fair value gains	1,167,351	(1,167,351)	-
Interest charged	1,766,362	-	1,766,362
As at 31 March 2023	**11,619,734**	**1,503,775**	**13,123,509**

	31 March 2023 Group $	31 March 2022 Group $
Current liabilities		
Convertible loan	11,619,734	6,397,769
Embedded derivative	1,503,775	2,839,817
	13,123,509	**9,237,586**
Non-current liabilities		
Convertible loan	-	3,037,819
Embedded derivative	-	-
	-	**3,037,819**

The fair value of the embedded derivative was determined using the Black Scholes valuation model. The parameters used are detailed below:

Notes to the Financial Statements continued

	Loan
Granted on:	17 Feb 2022
Life (years)	24 months
Exercise price (cents per share)	44 pence
Risk free rate	1.25%
Expected volatility	25.2%
Fair value per share	£0.0858

In December 2021 and February 2022, the Group raised $6m and $6m from the placement of two Convertible Loan Notes. They were both issued at par and carry a coupon of 15% and 12% respectively payable quarterly in arrears. The Convertible Loan Notes are convertible into fully paid Ordinary Shares with the initial conversion prices set at £0.28 and £0.40. The number of Ordinary shares at the year-end that could be issued if all the Convertible Loan Notes were converted is 33,325,929 (assuming that the exchange rate at the year-end is $1.235/£1). Unless previously converted, redeemed, or purchased and cancelled, the Convertible Loan Notes will be redeemed at par on 13 December 2023 and 28 February 2024 respectively. During the year, the Group negotiated a change in repayment date for the second Convertible Loan forward to 30 June 2023.Volatility is calculated by reviewing historic share price movements of comparable companies to the Group being newly listed, as well as historic foreign exchange volatility between USD and GBP (5%). The derivative is to be revalued at the year-end based on the year-end foreign exchange rate.

A prior year adjustment has been made in relation to the Convertible Loan Notes. The adjustment relates to the classification of current/non-current liabilities. This is purely a reclassification of liabilities and has no effect on the net assets as at 31 March 2022. For more information, please see note 37.

After the year-end the Convertible Loan Note raised in February 2022 was fully repaid. Please see note 38 for further information.

26. Provisions

	Reclamation provision $	Minimum lease payments $	Total $
As at 1 April 2022	**1,949,888**	**1,242,000**	**3,191,888**
Additions	1,949,883	302,146	302,147
Change in estimate	-	273,434	273,434
Unwinding of discount	247,441	113,195	360,636
As at 31 March 2023	**4,147,212**	**1,930,775**	**6,077,987**
Current provisions	**-**	**(510,000)**	**(510,000)**
Non-current provisions	**(4,147,212)**	**(1,420,775)**	**(5,567,987)**

The Group's provision for reclamation costs has a carrying value at 31 March 2023: $4,147,212 (31 March 2022 of $1,949,888) 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 are expected to be incurred in 10 years (at the end of the mine life per the management's mine plan). The cash outflows have been discounted at 15% and inflation assumed to be 8.6%. The discounted provision for reclamation costs is broadly equivalent to the reclamation bond assessments made by the WVDEP. The reclamation provision is a commitment to restore the site to a safe and secure environment. The provisions are reviewed annually.

The Group's provision for minimum lease payments amount to $1,930,775 relate to leases held with Pocahontas, MGC, Carbon Fuels and Star Ridge. In the agreements with each respectively there is a minimum monthly payment which has been calculated based on the life of the mine or if shorter the lease agreement. The lease payments have been discounted to present value and will be reviewed annually. The royalty agreements contain further clauses in which further royalties are payable when mining on the land. However, as there is no accurate method to estimate the level of production, no provision has been included.

27. Reconciliation of debt

Group

2022	As at 1 April 2021 $	Cash transactions $	Non-cash transactions $	As at 31 March 2022 $
Borrowings (note 24)	1,701,203	1,384,798	194,826	3,280,827
Convertible loan notes (note 24)	-	12,000,000	275,405	12,275,405
Lease liability (note 17)	237,214	(122,934)	(50,913)	63,367

2023	As at 1 April 2022 $	Cash transactions $	Non-cash transactions $	As at 31 March 2023 $
Borrowings (note 24)	3,280,827	(2,050,370)	9,338,072	10,568,529
Convertible loan notes (note 25)	12,275,838	(750,000)	1,597,671	13,123,509
Lease liability (note 18)	63,367	(115,500)	229,373	177,240

Company

2022	As at 1 April 2021 $	Cash transactions $	Non-cash transactions $	As at 31 March 2022 $
Convertible loan notes (note 25)	-	12,000,000	275,405	12,275,405

2023	As at 1 April 2022 $	Cash transactions $	Non-cash transactions $	As at 31 March 2023 $
Convertible loan notes (note 25)	12,275,838	(750,000)	1,597,671	13,123,509

Notes to the Financial Statements continued

28. Financial instruments by category

Consolidated

	31 March 2023		
Financial Assets	**At amortised cost $**	**FVTPL $**	**Total $**
Trade and other receivables (excluding prepayments)	1,178,410	-	1,178,410
Cash and cash equivalents	471,651	-	471,651
	1,650,061	**-**	**1,650,061**

Financial Liabilities	**At amortised cost $**	**FVTPL $**	**Total $**
Borrowings	22,188,263	1,503,775	23,692,038
Trade and other payables	9,678,100	-	10,210,812
Lease liability	110,706	-	110,706
	31,977,069	**1,503,775**	**34,013,556**

Consolidated

	31 March 2022		
Financial Assets	**At amortised cost $**	**FVTPL $**	**Total $**
Trade and other receivables (excluding prepayments)	272,231	-	272,231
Cash and cash equivalents	5,555,296	-	5,555,296
	5,827,527	**-**	**5,827,527**

Financial Liabilities	**At amortised cost $**	**FVTPL $**	**Total $**
Borrowings	12,716,415	2,839,817	15,556,232
Trade and other payables	2,425,411	-	2,425,411
Lease liability	63,367	-	63,367

	15,205,193	**2,839,817**	**18,045,010**

The periods where the financial liabilities are payable are as follows:

	31 March 2023			
	Less than 1 year $	**Between 1 and 2 years $**	**Between 2 and 5 years $**	**Over 5 years $**
Borrowings	15,082,512	7,105,751	-	-
Trade and other payables	9,678,100	-	-	-
Leases	110,706	-	-	-
	24,871,318	**7,105,751**	**-**	**-**

	31 March 2022			
	Less than 1 year $	**Between 1 and 2 years $**	**Between 2 and 5 years $**	**Over 5 years $**
Borrowings	-	15,556,232	-	-
Trade and other payables	2,425,411	-	-	-
Leases	63,367	-	-	-
	2,488,778	**15,556,232**	**-**	**-**

Company

	31 March 2023		
Financial Assets	**Loans & receivables $**	**FVTPL $**	**Total $**
Trade and other receivables (excluding prepayments)	87,470	-	87,470
Cash and cash equivalents	51,897	-	51,897
	139,367	**-**	**139,367**
Financial Liabilities	**At amortised cost $**	**FVTPL $**	**Total $**
Borrowings	11,619,734	-	13,123,509
Trade and other payables	1,424,153	-	1,424,153
	13,043,887	**-**	**13,043,887**

Notes to the Financial Statements continued

The periods where the financial liabilities are payable are as follows:

	31 March 2023			
	Less than 1 year $	**Between 1 and 2 years $**	**Between 2 and 5 years $**	**Over 5 years $**
Borrowings	11,619,734	-	-	-
Trade and other payables	1,424,153	-	-	-
	13,043,887	**-**	**-**	**-**

29. 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; and
- Trade and other payables.

The fair values of these items equate to their carrying values as at the reporting date.

30. Business combinations

On 22 December 2022, the Group acquired 26% of the membership interests in Ben's Creek Rail Holding LLC ("BCRH"), Delaware United States of America, which is registered and incorporated in Delaware, United States of America and operates from its office in West Virginia, United States of America. On 31 March 2023, the Group acquired a further 26% of the membership interest. This brought the Companies total shareholding to 52%, with a further option to purchase the remaining consideration of 48%. The purchase was made by Bens Creek Carbon LLC and therefore is not part of the investment value in Bens Creek Group Plc. On 22 December 2022 BCRH was considered to be controlled by the Group due to the Groups ability to obtain the rest of the shareholding.

The following table summarises the consideration paid for Ben's Creek Rail Holding LLC and the values of the net assets assumed at the acquisition date. Acquisition accounting has been completed using merger accounting, as the transaction was between entities under common control, and is not within the scope of IFRS 3 – Business Combinations:

	2023 $
Recognised amounts of assets and liabilities acquired	
Total assets	659,939
Total liabilities	(659,452)
Total identifiable net assets	477

Total consideration paid so far is $348,000. As the Group has the option to purchase the remaining 48%, the subsidiary is considered 100% controlled by the Group.

The identifiable net assets of Ben's Creek Rail Holding LLC have been consolidated into the results of the Group as at 31 March 2023. Liabilities owed to Bens Creek Carbon LLC in relation to intercompany loans have been eliminated on consolidation. Bens Creek Rail Holding LLC is immaterial to the group.

31. Directors' emoluments

	Year ended 31 March 2023				
	Notice period months	Short-term benefits salary $	Short-term Bonuses $	Total $	Share options No.
Executive Directors					
Adam Wilson	6	586,895	816,928	1,403,823	-
Raju Haldankar	6	164,586	123,777	288,363	2,000,000
Non-executive Directors					
Robin Fryer	-	108,489	123,777	232,266	-
David Harris	-	82,872	99,022	181,893	-
Mark Cooper	-	12,862	-	12,862	-
		955,704	**1,163,504**	**2,119,207**	**2,000,000**

	Year ended 31 March 2022				
	Notice period months	Short-term benefits salary $	Short-term Bonuses $	Total $	Share options No.
Executive Directors					
Adam Wilson	6	259,489	459,848	719,337	10,500,000
Raju Haldankar	6	43,759	98,539	142,298	-
Non-executive Directors					
Robin Fryer	-	21,428	26,277	47,705	-
David Harris	-	16,151	19,708	35,859	-
Mark Cooper	-	-	-	-	-
		340,827	**604,372**	**945,199**	**10,500,000**

On 6 May 2022, Raju Haldankar was granted 2,000,000 share options in the Company at an exercise price of 5p per ordinary share. The vesting conditions of the grant were related to performance criteria as set out in the Group's admission document. The performance criteria was such that three targets of 2,000,000 share options would vest on conditions that the ordinary share price of the Group's shares would increase by 100%, 200% and 300% of the admission price of the Group following its IPO on 19 October 2021. These conditions have been met.

Short term benefits paid to Adam Wilson include a discretionary bonus of $816,928 (£660,000) in connection with his employment contract with Bens Creek Operations WV LLC. Short term benefits paid to Raju Haldankar includes a discretionary bonus of $123,777 (£100,000). The discretionary bonuses paid to both Adam Wilson and Raju Haldankar were in recognition of their efforts in managing the affairs of the Group's subsidiaries including the rapid development of the business.

On 14 March 2023, Raju Haldankar exercised 250,000 share options in the Company at an exercise price of 5p per ordinary share. The market value of the ordinary shares at the time of exercise was 18.50p, which resulted in a profit of $40,925 (£33,750).

Notes to the Financial Statements continued

32. Share capital and share premium

	Shares issued	Ordinary shares $	Share premium $	Total $
As at 1 April 2022	353,991,751	485,273	38,712,008	39,197,281
Issue of shares – 12 April 2022	40,000	53	5,200	5,253
Issue of shares – 18 May 2022	250,000	312	30,904	31,216
Issue of shares – 18 May 2022	118,250	145	14,421	14,566
Issue of shares – 30 August 2022	20,000,000	23,383	6,991,397	7,014,780
Issue of shares – 4 October 2022	790,000	887	43,457	44,344
Issue of shares – 10 March 2023	23,283,728	27,869	5,163,416	5,191,285
Issue of shares – 17 March 2023	250,000	300	14,744	15,044
Exercise of options	-	-	89,326	89,326
Share issuance costs	-	-	(75,723)	(75,723)
	398,723,728	**538,221**	**50,989,150**	**51,527,371**

On 12 April 2022, warrants were exercised for 40,000 new ordinary shares in the capital of the Company at a price of 10p per share, with the proceeds of issue amounting to $5,253 (£4,000).

On 18 May 2022, warrants were exercised for 368,250 new ordinary shares in the capital of the Company at a price of 10p per share, with the proceeds of issue amounting to $45,783 (£36,825).

On 30 August 2022, 20,000,000 ordinary shares of the Group were issued by way of a placing at a price of 30p per ordinary share. The aggregate gross proceeds of this issue was $7,014,780 (£6,000,000).

On 14 October 2022, options were exercised for 790,000 new ordinary shares in the capital of the Company at a price of 5p per share.

On 3 March 2023, MBU agreed to vary the conversion price of the proportion of the Loan Facility that is convertible at 60p to now convert at 30p. Following the Conversion MBU received 23,283,728 new Ordinary Shares.

On 17 March 2023, options were exercised for 250,000 new ordinary shares in the capital of the Company at a price of 5p per share, with the proceeds of issue amounting to $14,925 (£12,500).

33. Share based payments reserve

Share options and warrants

Share options and warrants outstanding at the end of the year have the following expiry dates and exercise prices:

Share options

Grant Date	Expiry Date	Exercise price in £ per share	31 March 2023
Opening			16,300,000
Exercised			(1,165,000)
1 April 2022	31 March 2023	0.05	150,000
6 May 2022	5 May 2023	0.05	1,750,000
17 May 2022	16 May 2023	0.05	150,000
15 August 2022	14 August 2023	0.05	50,000
23 November 2022	22 November 2023	0.05	50,000
29 December 2022	N/a	0.05	1,000,000
1 January 2023	31 December 2023	0.05	300,000
			18,585,000

Warrants

Grant Date	Expiry Date	Exercise price in £ per share	31 March 2023
30 November 2022	29 November 2025	0.30	500,000
14 January 2022	13 January 2025	0.28	721,000
17 February 2022	16 February 2025	0.40	661,764
30 August 2022	29 August 2025	0.23	100,000
30 August 2022	29 August 2025	0.23	200,000
			2,182,764
Total			**20,767,764**

The Company and Group have no legal or constructive obligation to settle or repurchase the options or warrants in cash.

The fair value of the share options were determined using the Monte Carlo model and warrants were determined using the Black Scholes valuation model. The parameters used are detailed below using the weighted average:

	Options	Warrants	Warrants
Granted:	2022	April 2022	August 2022
Life (years)	10 years	3 years	3 years
Average price at grant	52 pence	93 pence	37 pence
Exercise price (pence per share)	5 pence	93 pence	30 pence
Risk free rate	1.63 – 3.67%	1.25%	1.25%
Expected volatility	50%	23.6%	23.6%
Average fair value per share	£0.0979	£0.1548	£0.0960

Volatility is calculated looking back at the historic exchange rate movement.

Notes to the Financial Statements continued

A reconciliation of share options and warrants granted and lapsed during the period ended 31 March 2023 are shown below:

	Number
Outstanding as at 1 April 2022	18,591,014
Granted	3,700,000
Exercised	(1,523,250)
Outstanding as at 31 March 2023	**20,767,764**
Exercisable at 31 March 2023	**20,767,764**

The total fair value of the options and warrants granted in the current year resulted in a charge of $2,386,671 (2022: $2,095,151) to the Consolidated Statement of Comprehensive Income. The total charge to share premium at 31 March 2023 was $13,603 (2022: $552,091) due to the broker warrants which had not been exercised at the year end and exercised share options during the year.

34. Related party transactions

MBU Capital Group Limited ("MBU"), at 31 March 2023 owned 60% of the voting issued share capital of the Company.

The Group is party to the following arrangements with MBU:

MBU loan facility

MBU, was a member of Ben's Creek Carbon LLC until 22 September 2021, had a GBP £10,000,000 draw down facility with the Group. This facility commenced on 1 November 2020 and was repayable in full by 30 June 2023 or such earlier date as may be agreed between lender and borrower. The facility also allowed MBU to convert any funding provided, along with accrued interest, into ordinary shares of the Group at a premium of 50% of the IPO price of 10p per share. Accordingly, the conversion price is 15p per share. The interest applicable on this facility is 7% per annum, which accrued monthly. During the year total interest accrued was $159,689.

On 7 April 2022, the Group renegotiated and agreed with MBU, the balance of the unused facility, if drawn down by the Group, can be converted at a price of 60p per ordinary share, if MBU exercises its option to convert into shares of the Group rather than seeking repayment of it loan and accrued interest. On 3 March 2023 the Group renegotiated the conversion price from 60p to 30p.

Subsequently MBU exercised their conversion right on all outstanding loans. Following the Conversion MBU received 23,283,728 new shares the value of which was $5,216,384.

On 3 March 2023 MBU converted its total loan balance of $3,184,596 (£2,647,917) into 17,652,770 ordinary shares. As at 31 March 2023 the outstanding balance was $Nil (2022: $3,180,826).

Executive Directors

The Board of Directors includes one Executive Director: Raju Haldankar (CFO resigned during the year) and one Non-Executive Director: Mark Cooper (appointed 27 February 2023), who were regarded as related parties by virtue of their employment with MBU GBR Limited, a 100% subsidiary of MBU Limited.

During the year Raju Haldankar received 2,000,000 share options, for full details of his emoluments please see note 31.

35. Investment in Subsidiaries

	Company 31 March 2023 $
Shares in Group	
At beginning of period	28,385,729
Consideration	-
Deferred consideration for subsidiaries	-
Foreign exchange	(1,701,610)
At end of period	**26,684,119**

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 Carbon LLC	United States	100% Direct	Mining
Ben's Creek WV Operations LLC	United States	100% Indirect	Mining
Ben's Creek Land WV LLC	United States	100% Indirect	Lease rights
Ben's Creek Rail Holdings LLC	United States	52% Indirect	Lease rights

The registered address of all three subsidiary companies is 109 Capitol St, Charleston, WV, 25301. The subsidiaries are exempt from individual audits.

36. Ultimate Controlling Party

As at 31 March 2023, MBU Capital Group Limited is the ultimate controlling party as a result of owning 60% (2022: 59.25%) of the Group.

37. Prior year adjustment

The Group has restated the year-ended 31 March 2022 balance sheet in relation to the Convertible Loan Notes. This is a reclassification restatement and has no effect on the net assets of the Group as of 31 March 2022.

The two Convertible Loan Notes entered into in December 2021 and February 2022 have a two-year Final Maturity Date. Both Notes also have an early redemption clause on the first anniversary of the date of the Notes, to the extent if demanded by the Noteholders by 20 Business Days' notice in writing to the Group prior to first anniversary of the Notes. This early redemption clause entitles the Noteholders to demand fifty per cent of the Notes together with the accrued and unpaid interest. To the extent the that the Noteholders have not made such demand, all outstanding Notes are due on the Final Maturity Dates, i.e December 2023 and February 2024.

Accordingly, the Group has reclassified fifty per cent of the Notes together with the accrued and unpaid interest of the Notes to current liabilities as of 31 March 2022.

Please refer to note 25 on details on the renegotiation of these loans.

Notes to the Financial Statements continued

38. Events After Reporting Date

On 23 June 2023 Bens Creek Operations entered into an unsecured loan note agreement with Avani Resources Pte Ltd (the Company's largest shareholder) for a total subscription of $6,500,000 in Loan Notes. The Loan Notes have a term of two years and interest will roll up and be repaid as a bullet on the second anniversary of the Loan Note.

Bens Creek Operations will repay to the Lender $2 per tonne of clean coal sold within 7 business days of production. The principal outstanding under the Loan Notes, less coal payments or other prepayments, will be repayable on the repayment date.

Simple interest shall be added to the principal amount of the outstanding Notes on each relevant repayment date. The interest shall be calculated at a rate of 15.1% per annum from and including the date of issue of each Note up to and including the date of the redemption or repurchase of the relevant Notes. The interest shall be payable in the same manner as in the case of the original principal amount of the Note and shall otherwise be treated as principal of the Note for all purposes.

In the event Bens Creek Operations redeems or fully repays any Note prior to the repayment date it shall, together with the payment of the principal amount outstanding, pay for the account of the Avani a prepayment calculated at a rate of 15% per annum from and including the date of issue of each Note up to and including the date of the redemption or repurchase of the relevant Notes.

On 7 July 2023 Bens Creek entered into a second unsecured loan note agreement with the Avani Resources Pte Ltd for a total subscription of $6.5 million of Loan Notes. The Loan Notes have a term of 18 months and interest will roll up and be repaid as a bullet at the maturity of the Loan Note. The terms of the loan note are the same as the note issued on 23 June 2023.

Proceeds from the Loan Note issuance were used to repay one of the Convertible Loan Notes held by ACAM LP which was due at 30 June 2023. Total repayment amounted to $5.7m.

On 7 July 2023 Bens Creek also issued c.$7.57 million of unsecured loan notes to ACAM LP.

The Loan Notes have been issued to ACAM in replacement for the now cancelled $6m of convertible loan notes issued to ACAM on 14 December 2021, full details of which were included in the Company's announcement of 15 December 2021. The CLNs were due for repayment on 31 December 2023.

Following negotiations with ACAM it has been agreed that they would cancel the CLNs and accept the Loan Notes by way of replacement. The Loan Notes have a term of 18 months. The Loan Notes are not convertible into new ordinary shares in the Company.

The terms of the Loan Notes are the same as the loan notes issued to Avani Resources Pte Ltd.

The Company has also issued ACAM with a total of 21,082,257 warrants to subscribe for new ordinary shares in Bens Creek exercisable at 28 pence per ordinary share. The warrants have a life of five years from the date of issue and can be exercised at any time by ACAM during the period ending 10 July 2028.

Company information

Directors:	Robin Fryer (Independent Non-Executive Director and Chairman) David Harris (Independent Non-Executive Director) Adam Wilson (Chief Executive Officer Mark Cooper (Non-Executive Director – Appointed 27 February 2023) Rajesh Johar (Non-Executive Director) – Appointed 26 July 2023) Raju Haldankar (Chief Financial Officer – Resigned 27 September 2022)
Company Secretary:	Ben Harber 60 Gracechurch Street London EC3V 0HR
Registered Office:	15 Stratton Street London United Kingdom W1J 8LQ
Company Number:	13559916
Nominated Adviser and Joint Broker:	Allenby Capital Limited 5 St Helen's Place London EC3A 3AB
Joint Broker:	WH Ireland 24 Martin Lane London EC4R 0DR
Independent Auditor:	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
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