



ALLEGIANCE COAL

LIMITED

ALLEGIANCE COAL LIMITED
ACN 149 490 353

NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

The General Meeting of the Company will be held at the offices of the Company, Suite 107, 109 Pitt Street, Sydney, NSW on Tuesday, 6 February 2018 at 10.30am (AEDT).

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

ALLEGIANCE COAL LIMITED

ACN 149 490 353

NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of Shareholders of Allegiance Coal Limited (**Company**) will be held at the offices of the Company, Suite 107, 109 Pitt Street, Sydney, NSW, on Tuesday, 6 February 2018 at 10.30am (AEDT) (**Meeting**).

The Explanatory Statement to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form comprise part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 5 February 2018 at 10.30am (AEDT).

Terms and abbreviations used in this Notice and the Explanatory Statement are defined in Schedule 1.

AGENDA

1. Resolution 1 - Ratification of issue of Consideration Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 40,600,000 Shares to Altius Minerals Corporation, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Altius Minerals Corporation and any of its associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

BY ORDER OF THE BOARD



Jonathan Reynolds
Company Secretary

Dated: 8 January 2018

ALLEGIANCE COAL LIMITED

ACN 149 490 353

EXPLANATORY STATEMENT

1. Introduction

The Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of the Company, Suite 107, 109 Pitt Street, Sydney, NSW on Tuesday, 6 February 2018 at 10.30am (AEDT).

The Explanatory Statement forms part of the Notice which should be read in its entirety. The Explanatory Statement contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Statement includes the following information to assist Shareholders in deciding how to vote on the Resolution:

Section 2	Action to be taken by Shareholders
Section 3	Resolution 1 - Ratification of issue of Consideration Shares
Schedule 1	Definitions

A Proxy Form is located at the end of the Explanatory Statement.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Statement carefully before deciding how to vote on the Resolution.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

3. Resolution 1 - Ratification of issue of Consideration Shares

3.1 Background

On 5 December 2017, the Company announced that through its wholly owned subsidiary Telkwa Coal Limited, it had entered into an agreement to acquire from Carbon Development Corporation, a wholly owned subsidiary of Altius Minerals Corporation (**Altius**), 100% ownership of all of the rights to coal licences that make up the Telkwa Metallurgical Coal Project, located in northwest British Columbia, Canada (**Acquisition**).

Up until the Acquisition, the Company had earned 20% Project ownership, and had the right to earn up to 90% percent Project ownership upon satisfaction of several milestones (as previously announced by the Company on 16 September 2016). The remaining 10% Project ownership would be retained by Altius, which had a free carry on its Project equity in relation to a small mine.

In consideration for the issue to Altius of 40,600,000 Shares (**Consideration Shares**), and the continued performance of the milestone obligations, Altius has agreed to transfer full ownership of the Project to the Company.

The Consideration Shares were issued on 21 December 2017, within the Company's 15% placement capacity under Listing Rule 7.1.

3.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

3.3 Listing Rule 7.4

Listing Rule 7.4 provides an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The effect of Resolution 1 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity provided in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.4 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Consideration Shares:

- (a) a total of 40,600,000 Shares were issued as Consideration Shares;
- (b) the Consideration Shares had an issue price of nil, as they were issued as consideration for the Acquisition;

- (c) the Consideration Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Consideration Shares were issued to Altius;
- (e) no funds were raised from the issue of the Consideration Shares, as they were issued as consideration for the Acquisition; and
- (f) a voting exclusion statement is included in the Notice.

3.5 Additional information

The Board recommends that Shareholders vote in favour of Resolution 1.

Resolution 1 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

Acquisition has the meaning give in Section 3.1.

AEDT means Australian Eastern Daylight Time, being the time in Sydney, New South Wales.

Altius means Altius Minerals Corporation.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors of the Company.

Chairman means the person appointed to chair the Meeting of the Company convened by the Notice.

Company means Allegiance Coal Limited (ACN 149 490 353).

Consideration Shares has the meaning given in Section 3.1.

Equity Security has the same meaning as in the Listing Rules.

Explanatory Statement means the explanatory memorandum which forms part of the Notice.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this notice of General Meeting.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.



ABN 47 149 490 353

Lodge your vote:

By Mail:

GPO Box 2703
Sydney NSW 2001 Australia

Alternatively you can fax your form to:
+61 2 9233 1349

For all enquiries call:

+61 2 9233 5575

Proxy Form

For your vote to be effective it must be received by 10.30am (AEDT) on Monday, 5 February 2018.

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form



ALLEGIANCE COAL
LIMITED

ABN 47 149 490 353

Proxy Form

I/We _____

of _____

being the holder of _____ ordinary shares of Allegiance Coal Limited hereby appoint

the Chairman OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Allegiance Coal Limited to be held at Suite 107, 109 Pitt Street, Sydney, NSW 2000 on Tuesday, 6 February 2018 at 10.30am (AEDT) and at any adjournment of that meeting.

Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Ordinary Resolution

	For	Against	Abstain
1. Ratification of issue of Consideration Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Contact Name _____

SRN/HIN _____

Securityholder 2

Director

Contact Daytime Telephone _____

Securityholder 3

Director/Company Secretary

Date ____/____/____