



13 September 2018

ALLEGIANCE RECEIVES STRONG MARKET SUPPORT RAISING \$2.4 MILLION

HIGHLIGHTS

- The Company has received binding commitments for \$2.4 million, before costs, pursuant to a private placement to sophisticated and professional investors.
 - The proceeds will contribute to the delivery by the Company of its definitive feasibility study for a mine producing 750,000tpa of saleable metallurgical coal from its Tenas Metallurgical Coal Project (**Project**).
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Allegiance Coal Limited (**Allegiance** or the **Company**) is pleased to announce the successful completion of a capital raising. The Company received strong market support and has accepted all firm commitments raising \$2.4 million at \$0.052 per share.

The offering was made pursuant to section 708(8) of the Corporations Act 2001 with 'sophisticated investors', and pursuant to section 708(11) of the Corporations Act 2001 with 'professional investors'. Funds are due to be received by 18 September 2018, with new shares to be allotted on 20 September 2018.

The funds raised are intended to be applied by the Company towards delivery of the definitive feasibility study of the Tenas Project, due for completion in late 2018 or early Q1 2019, and for general working capital.

On the basis of the commitments received, the maximum number of new securities that will be issued under the Placement is 45,970,287 new fully paid ordinary shares (**Placement Shares**) to raise \$2,390,455, before costs (**Placement**).

The Placement will be issued under the Company's existing 15 percent capacity in accordance with ASX Listing Rule 7.1.

The Placement price of \$0.052 per share represents a 9% discount to the fifteen-day volume weighted average market price of \$0.0573 (source IRESS).

Subject to shareholder approval, the following Directors intend to support the Placement by subscribing for Placement Shares as follows:

- Non Executive Chairman, David Fawcett – 480,769 Placement Shares;
- Managing Director, Mark Gray – 480,769 Placement Shares; and
- Finance Director, Jonathan Reynolds – 200,000 Placement Shares.

An Appendix 3B in connection with the Placement will be lodged on or about 20 September 2018.



For more information, please contact:

Mr David Fawcett

Chairman, Allegiance Coal Limited

Mobile : +1 604 612 2376

Email: dfawcett@allegiancecoal.com.au

Mr Mark Gray

Managing Director, Allegiance Coal Limited

Mobile : +61 412 899979

Email: mgray@allegiancecoal.com.au

About Allegiance Coal

Allegiance Coal is a publicly listed (ASX:AHQ) Australian company advancing a metallurgical coal mine into production in British Columbia, Canada. The Telkwa metallurgical coal project (**Project**) includes three pit areas comprising 125.8Mt of JORC compliant coal resource of which 102.3Mt is in the Measured Category; 22.3Mt is in the Indicated Category; and 1.2Mt is in the Inferred Category. In 2017 the Company completed a pre-feasibility study declaring 42.5Mt of saleable coal reserves, and positioning the Project in the lowest five percentile of the global seaborne metallurgical coal cost curve. The Company is now undertaking a full feasibility study of the Tenas Pit (**Tenas Project**) which represents 21Mt of those saleable coal reserves and is advancing the Tenas Project towards permitting and production.

Coal Resources & Reserves

The coal resources referred to in this announcement (unless otherwise stated in this announcement) were first reported in the Company's release of its updated geological model on 18 June 2018, supplemented by its 26 June 2018 announcement (together the 18 June Announcement). The coal reserves referred to in this announcement (unless otherwise stated in this announcement) were first reported in the Company's release of its Staged Production PFS results on 3 July 2017 (3 July Announcement). The Company confirms that it is not aware of any new information or data that materially affects the information included in the 18 June Announcement or the 3 July Announcement and that all material assumptions and technical parameters underpinning the estimates in the 18 June Announcement and the 3 July Announcement continue to apply and have not materially changed.
