



28 June 2019

THE ENVIRONMENTAL ASSESSMENT PROCESS PRECEDING PERMITTING CONTINUES TO MAKE GOOD PROGRESS ON THE TENAS METALLURGICAL COAL PROJECT

- The Environmental Assessment Office of the Provincial Government of British Columbia (**EAO**) has issued a section 11 order in relation to the Tenas Metallurgical Coal Project (**Tenas Project**) continuing to advance the environmental assessment process.
 - The section 11 order defines the environmental assessment process for Telkwa Coal Ltd (**TCL**) which ultimately leads to filing an application for an environmental assessment certificate (**EA Certificate**), and then permits to mine.
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Allegiance Coal Limited (**Allegiance**) is pleased to announce receipt of the section 11 order from the EAO. The section 11 order defines the environmental assessment process for TCL, which includes amongst other things:

- The level of consultation required in relation to First Nations and the local community;
- Preparation of the Valued Components document which identifies the key values that need to be considered in the application for an EA Certificate;
- Preparation of the Application Information Requirements document which provides the foundation for the EA Certificate application; and
- The EA Certificate pre-application process.

Given TCL has already commenced engagement with First Nations and the local community prior to the section 11 order (and prior to the section 10 order as previously announced on 14 November 2018), the EAO commenced the environmental assessment process with TCL in December 2018, notwithstanding the section 11 order had yet to be issued.

TCL has already completed three Technical Working Group meetings with the EAO, two sub-committee meetings of that Technical Working Group, and has submitted, received comments, and replied to comments, from the Technical Working Group, on the valued components document.

TCL has completed the first draft Application Information Requirements document and is awaiting advice from the EAO as to when this document can be lodged with the EAO.

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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 complex (**Telkwa Complex**) 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 July 2017 the Company completed a pre-feasibility study declaring 42.5Mt of saleable coal reserves (**Telkwa PFS**) across the entire Telkwa Complex. In March 2019 the Company completed a definitive feasibility study (**Tenas DFS**) of the Tenas Pit (**Tenas Project**) in relation to 16.5Mt of those saleable coal reserves, and is now 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 **June 2018 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 Telkwa PFS results on 3 July 2017 (**July 2017 Announcement**), updated in the Tenas DFS on 18 March 2019 (**March 2019 Announcement**). The Company confirms that it is not aware of any new information or data that materially affects the information included in the July 2017 Announcement, the June 2018 Announcement or the March 2019 Announcement and that all material assumptions and technical parameters underpinning the estimates in the July 2017 Announcement, the June 2018 Announcement or the March 2019 Announcement, continue to apply and have not materially changed.
