

26 August 2021

## NEW ELK MINE RESUMES OPERATIONS

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### COVID Update

Allegiance Coal Limited (**Allegiance** or the **Company**) refers to its prior announcement on 16 August 2021 relating to three reported cases of COVID 19 at its New Elk Mine, southern Colorado.

Allegiance wishes to the inform the market that the New Elk Mine resumed full operation of its #1 production unit this week. As previously reported, the day shift crew of #1 production unit comprising 15 employees was required to isolate on 9 August following two positive COVID cases reported within that crew. The full day shift crew returned to the Mine this week, with no further COVID cases reported in that crew, and resumed full operation of the #1 production unit. The night shift crew was largely unaffected during the isolation period and continued mining operations.

On-site testing of COVID is now in place at the Mine for all workers.

### New Elk Operations Update

The second train unloaded at the Port of Guaymas this week and is returning to the Mine for loading early next week. Six trains are required to fill a 70,000mt cargo. Discussions are in place with the purchaser of the four 70,000mt cargoes to reset the laycan date for the first shipment as a consequence of the reduction in production arising from the loss of the #1 production unit day shift crew for 2 weeks.



Image: New Elk coal stockpiled at the Port of Guaymas, on the Pacific Coast, northeast Mexico

## Black Warrior Operations Update

Continued strength in seaborne coking coal prices has prompted Allegiance to accelerate the transformation of the BWM Mine, Alabama, from local thermal coal supply to exporting its premium CSR Marylee Blue Creek coal to the seaborne met coal market with a planned cargo availability date of mid Q4 this calendar year.

Discussions are in place with equipment manufacturers such as Caterpillar and Komatsu for the supply of immediately available larger excavators and haul trucks to double production (at the same cost of production).



Image: Marylee coal inventory at the BWM Mine displaying its high vitrinite content (the shine and sparkle in the coal)

Authorised for release by Chairman and CEO, Mark Gray.

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### About Allegiance Coal

Allegiance Coal is a publicly listed (ASX:AHQ) Australian company focused on the development, operation and supply of steel making coal to the seaborne market. With operating mines in southeast Colorado, central Alabama, as well as a development project in northwest British Columbia, Allegiance is well placed to supply steel making coal to both the Pacific and Atlantic markets.

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