



26 April 2017

## **ALLEGIANCE COMMENCES ITS BASELINE STUDIES IN RELATION TO THE TELKWA METALLURGICAL COAL PROJECT**

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### **HIGHLIGHTS**

- Allegiance commences its new Baseline Studies and environmental monitoring in relation to its Telkwa Metallurgical Coal Project (**Project**).
  - Commencing Baseline Studies in the British Columbia spring and summer of 2017 is critical to enabling Allegiance to prepare and file permit applications to operate a mine, planned to be filed in H2 2018.
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Allegiance Coal Limited (**Allegiance** or the **Company**) is pleased to provide this further progress update in relation to its Telkwa Metallurgical Coal Project (**Project**).

Baseline Studies, and environmental monitoring, form a critical part to the permitting and development of any mine, in almost any jurisdiction.

Studies cover a wide area of matters including:

- Hydrogeology
- Meteorology and Air Quality
- Surface Hydrology
- Surface Water Quality
- Fish and Fish Habitat
- Terrain and Soils
- Wetland Systems
- Terrestrial and Aquatic Life
- Rare and Invasive Plant Surveys
- Forestry Inventory
- Culture and Archeology

Typically for the development of the Project in the manner that Allegiance is proposing, Baseline Studies are undertaken for 12 and in some cases 24 months, commencing in British Columbia because of the weather, in spring and summer.

The reports generated from the Baseline Studies, along with an assessment of the Project on environmental effects, forms a critical component of the Company's applications for permits to operate a mine.



Allegiance has settled on its team of environmental consultants, who are now in the process of reviewing and undertaking a GAP analysis of the massive body of historical environmental data that the Project already has from work done by previous project owners.

The Company's strategy is to get the environmental consultants to develop their Baseline Studies by augmenting that historical data so that they can utilize the benefit of that information to make their own studies more robust.

The cost savings arising from this approach are expected to be significant.

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**About Allegiance Coal**

Allegiance Coal is a publicly listed (ASX:AHQ) Australian company fast tracking a metallurgical coal mine into production in British Columbia, Canada. The Telkwa metallurgical coal project (**Project**) is the Company's flagship project comprising 165Mt of JORC compliant coal resource and has been the subject of extensive historical exploration. Located 1,000 km north of Vancouver, the Project sits uniquely on the western side of British Columbia, immediately adjacent to a major Canadian National Rail line, with a 360 km rail haul to the deep water port of Prince Rupert and Ridley Island Coal Terminal. British Columbia has one of Canada's and North America's most competitive, flexible and supportive business climates. Consistently receiving AAA credit ratings, its vast resources, low taxes, stable and well regulated financial system and Government, makes for a wonderful country in which to invest.

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