



Announcement Summary

Entity name

ALLEGIANCE COAL LIMITED

Announcement Type

New announcement

Date of this announcement

Friday July 31, 2020

The Proposed issue is:

A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
n/a	Convertible Note	1,561,228

Proposed +issue date

Wednesday September 16, 2020

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

ALLEGIANCE COAL LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

47149490353

1.3 ASX issuer code

AHQ

1.4 The announcement is

New announcement

1.5 Date of this announcement

Friday July 31, 2020

1.6 The Proposed issue is:

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

 Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	Wednesday September 9, 2020	<input checked="" type="checkbox"/> Estimated	

Comments

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

 New class

Will the proposed issue of this +security include an offer of attaching +securities?

 No

Details of +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

 Yes

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

 No**ASX +security code**

+Security description



+Security type

+Convertible debt securities

Number of +securities proposed to be issued

1,561,228

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

Yes

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.85710

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes

+Convertible debt securities details

These securities are:

Convertible

Type of security

Convertible Bond

+Security currency

AUD - Australian Dollar

Face value

AUD 1.0000

Interest rate type

Zero coupon/no interest

Frequency of coupon/interest payments per year

No coupon/interest payments

s128F of the Income Tax Assessment Act status applicable to the +security

Not applicable

Is the +security perpetual (ie. no maturity date)?

No

Maturity date

Thursday September 16, 2021

Select other features applicable to the +security

Redeemable

Subordinated

Secured



Is there a first trigger date on which a right of conversion, redemption, call or put can be exercised (whichever is first)?

No

Details of the type of +security that will be issued if the securities to be quoted are converted, transformed or exchanged

AHQ : ORDINARY FULLY PAID

Number of +securities that will be issued if the +securities to be quoted are converted, transformed or exchanged

Convertible into a maximum of 52,040,940 ASX:AHQ ordinary shares. See ASX Announcement dated 31 July 2020 for details

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

See ASX announcement dated 31 July 2020

Part 7C - Timetable

7C.1 Proposed +issue date

Wednesday September 16, 2020

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

Yes

7D.1a Date of meeting or proposed meeting to approve the issue under listing rule 7.1

Wednesday September 9, 2020

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

No

Part 7E - Fees and expenses



7E.1 Will there be a lead manager or broker to the proposed issue?

No

7E.2 Is the proposed issue to be underwritten?

No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Financial advisory fee of 5% of funds received

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

Raise funding to contribute to returning the New Elk mine to production, complete the environmental assessment work necessary to enable Telkwa Coal Limited to lodge its application for an environmental assessment certificate and for general working capital

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

No

7F.2 Any other information the entity wishes to provide about the proposed issue

None