

10 January 2022

BLACK WARRIOR MINE COKE TEST CONFIRMS HIGH VOL A HARD COKING COAL STATUS

Allegiance Coal Limited (**Allegiance or the Company**) is pleased to announce the first set of results from the carbonisation tests undertaken on the Black Warrior Mine's premium Mary Lee and Blue Creek coking coals.



Black Warrior carbonisation tests

The first test was a 50:50 blend of Mary Lee and Blue Creek (illustrated above) which we are selling as a blended product. These two coal seams share the same properties and variously throughout the Black Warrior Basin come together as a single coal seam. They are typically sold together under the world recognised and respected 'Blue Creek' brand.

The large scale semi-industrial carbonisation test undertaken in a moveable wall oven at DMT Germany, delivered a CSR result of 61% making it comparable with high vol A hard coking coals from the US.

Two additional carbonisation tests will be undertaken on each of the Mary Lee and Blue Creek seams individually purely for coal quality data purposes.

The two sold Black Warrior cargos of Mary Lee Blue Creek were priced at a discount to high-vol B indices at the time of each sale due to the lack of respected laboratory data to support coke strength.

Notwithstanding this, we were very pleased with the prices achieved in those sales but are now in a position to negotiate pricing linked to high vol A indices for future sales, which as of last week was trading at US\$340/tonne FOB US East Coast.

Update on Black Warrior sold cargos

The 55,000 tonne Black Warrior cargo sold (as announced on 15 December 2021) through a major international commodity trading house (who contributed 25,000 tonnes to the 80,000 tonne vessel) will load next week.

Black Warrior has moved the majority of its coal to McDuffie Terminal, Port of Mobile, with the last set of barges loaded onto the Black Warrior River for its four day journey to the Coal Terminal.

The second sale of 80,000 tonnes of Black Warrior coal (also as announced on 15 December 2021) has a laycan fixed for 20 February to 2 March 2022.

Discussions with market participants for future sales will commence this month, and these sales are expected to be negotiated against high vol A price indices.

Authorised for release by Chairman and CEO, Mark Gray.

For more information, please contact:

Mr Mark Gray

Chairman & Managing Director

Mobile : +61 412 899979

Email : mgray@allegiancecoal.com.au

Mr Jonathan Reynolds

Finance Director

Mobile : +61 408 229 953

Email: jreynolds@allegiancecoal.com.au

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.
