



27 April 2020

ALLEGIANCE EXTENDS EXCLUSIVE OPTION TO ACQUIRE THE NEW ELK HARD COKING COAL MINE FOR A FURTHER FIVE MONTHS TO 15 DECEMBER 2020

HIGHLIGHTS

- Allegiance and Cline Mining Corporation have agreed to extend Allegiance's exclusive option to acquire 100% of the equity in New Elk Coal Company LLC which company owns the permitted, and constructed New Elk hard coking coal mine located in southeast Colorado, US (**Mine**).
 - The only remaining condition to complete the acquisition of the Mine is for Allegiance to raise the start-up capital requirement of US\$40M to return the Mine to production.
-

Allegiance Coal Limited (**Allegiance**) is pleased to announce that Cline Mining Corporation, the owner of the Mine has agreed to extend Allegiance's exclusive option over the Mine from 15 July 2020 to 15 December 2020 on the same terms and conditions, which are, that Allegiance will continue to pay US\$150,000 per month to fund the Mine care and maintenance costs.

While Allegiance is in advanced discussions with several equity and debt investor groups, including a US\$25M terms sheet with Nebari Natural Resources Credit Fund I LP, as previously announced on 31 March 2020, and believes it will be in a position to complete the acquisition of the Mine prior to 14 July 2020, the Board believes it is prudent to extend the option for several months given the current market conditions.

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 based in Vancouver, BC Canada, and is focussed on developing and mining metallurgical coal projects in North America and Western Canada. The Company is developing the Tenas metallurgical coal project, located in northwest British Columbia, in partnership with Itochu Corporation. The Tenas Project has a completed definitive feasibility study and is now in the permitting process targeting H2 2022 for the commencement of production. On 22 January 2020, the Company announced the acquisition, subject to conditions, of the New Elk hard coking coal mine, a fully permitted and constructed mine located in southeast Colorado, US. The Company is targeting to return the New Elk mine to production in 2020.
