



# ALLEGIANCE COAL LIMITED

19 October 2016

ASX Limited  
Level 40 Central Park  
152 - 158 St Georges Terrace  
Perth WA 6000

**RE: Allegiance Coal Limited (ASX: AHQ)  
Placement to raise \$2.5 million to fund development of the Telkwa Coal Project and to  
complete acquisition of Telkwa Coal Ltd**

Allegiance Coal Limited (Allegiance Coal or the Company) refers to its ASX announcement of 16 September 2016 and the notice of general meeting advised to ASX on 10 October 2016. The Company is pleased to advise that it has received irrevocable commitments for the issue of 333,333,334 ordinary shares at \$0.0075 per share (66,666,667 ordinary shares at \$0.0375 per share post proposed 1 for 5 consolidation) to raise approximately \$2.5 million (Placement) before costs.

The Placement was significantly oversubscribed and has introduced a number of new investors to the Company's share register. The Placement was made to professional, sophisticated investors and institutional investors from Australia and overseas, and was managed by Blue Ocean Equities Pty Limited, Sydney.

Funds raised by the Placement will position the Company to complete its acquisition of Telkwa Coal Ltd and to provide funds to enable the Company to further develop the Telkwa Coal Project including baseline and feasibility studies, related technical work and engagement and consultation with First Nations and other affected interests.

The Placement is subject to the approval of shareholders at a meeting called for 8 November 2016, which has been called to, inter alia, approve the acquisition of Telkwa Coal Ltd, the Placement and the consolidation of the Company's capital.

Yours faithfully  
Allegiance Coal Limited

David Deitz  
Company Secretary

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