



9 April 2020

ALLEGIANCE COMPLETES \$1.98M PRIVATE PLACEMENT

HIGHLIGHTS

- The Company has received binding commitments for \$1.98 million, before costs, pursuant to a private placement (**Placement**).
 - The Latimore Family Trust, associated with Mr Matthew Latimore, the Managing Director and founding shareholder of M Resources Trading Pty Ltd, which was granted the sales and marketing contract to the New Elk coking coal mine earlier in the week, subscribed for 25 percent of the Placement.
 - The proceeds are intended to be applied to working capital to:
 - Continue activities associated with the acquisition of the permitted and constructed New Elk coking coal mine located in southeast Colorado, US; and
 - Continue the environmental assessment and permitting process of the Tenas Metallurgical Coal Project, located in northwest British Columbia, Canada, pending Itochu Corporation's tranche 3 payment of C\$3.6 million, at which point Allegiance will be reimbursed its contribution to working capital.
 - The private placement was managed by Bell Potter Securities.
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Allegiance Coal Limited (**Company**) is pleased to announce the successful completion of a capital raising. The Company has accepted firm commitments raising \$1.98 million at \$0.06 per share. Funds are due to be received by Wednesday 15 April 2020, with new shares to be allotted on Thursday 16 April 2020.

The offering was made to both institutional investors pursuant to section 708(11) of the Corporations Act 2001 (**Act**), and sophisticated investors pursuant to section 708(8) of the Act.

On the basis of the commitments received, the maximum number of new securities that will be issued under the Placement is 33,050,693 new fully paid ordinary shares (**Placement Shares**) to raise \$1,983,042, before costs (**Placement**). The Placement will be issued under the Company's existing 15 percent capacity in accordance with ASX Listing Rule 7.1. The Placement price of \$0.06 per share represents an 18.9% discount to the last closing price of \$0.074 per share and an 11.6% discount to the ten-day volume weighted average market price of \$0.068 (source IRESS).

Subject to shareholder approval, Company directors Mark Gray and Jonathan Reynolds have subscribed for 1,166,666 and 183,000 of the Placement Shares, respectively.

Authorised for issue by Mark Gray, Chairman and Managing Director.

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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 15 July 2019, the Company announced the planned acquisition 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 mid-2020.
