



8 March 2021

NEW ELK FULLY FUNDED - EUROPEAN INSTITUTIONAL DEMAND DRIVEN \$10 MILLION PLACEMENT

HIGHLIGHTS

- \$10 million placement to sophisticated or professional investors (**Placement**).
 - Placement driven by significant European institutional investor demand, including Deutsche Balaton AG.
 - Placement completed at \$0.08 per share, a 2.6% premium to the last close price.
 - New Elk now fully funded for development, with production scheduled to commence June quarter 2021.
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Allegiance Coal Limited (**Allegiance** or the **Company**) is pleased to announce the successful completion of a \$10 million placement at \$0.08 per share, to be applied to New Elk development. The Placement is an extension of the \$15 million placement completed in February 2021, at \$0.08 per share.

Following completion of the Placement, New Elk will be fully funded to commence production in the June 2021 quarter, without the need for additional project debt, currently under term sheet with Nebari Natural Resources Credit Fund 1 LP (**Nebari**).

The Placement is subject to shareholder approval at a general meeting of the Company, to be held on or around 16 April 2021.

Eligible shareholders on the record date, 19 February 2021, are reminded of the opportunity to participate in the Company's share purchase plan at \$0.08 per share, the same price as the Placement. The share purchase plan, announced on 22 February 2021, is capped at \$2 million and scheduled to close on 17 March 2021.

Mark Gray, Chairman and Managing Director commented:

"We are delighted to have received such strong European institutional investor interest and welcome our new investors, including Deutsche Balaton, to the register. Although we have advanced the US\$15 million debt facility, the Placement allows us to restart the New Elk Mine without the need for this additional leverage. The Board thanks Nebari for its involvement in the Company and the New Elk project to date.

With this exciting news, I remind existing shareholders of their opportunity to participate in the Share Purchase Plan, at the same price of the Placement."

Petra Capital Pty Limited acted as sole lead manager and sole bookrunner to the Placement, Jett Capital Advisors, LLC acted as a co-lead manager.

The Placement price of \$0.08 per share represents a premium of 2.6% premium to the last close price.

The offering was made to institutional investors pursuant to section 708(11) of the Corporations Act 2001.

Placement shares are intended to be issued shortly following a general meeting of the Company to be held on or around 16 April 2021.

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

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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. In October 2020, the Company completed the acquisition of the New Elk hard coking coal mine, a fully permitted and constructed mine located in southeast Colorado, US. The Company is scheduling to return the New Elk mine to production in mid-2021.
