For personal use only

ALLEGIANCE COAL
LIMITED

4 August 2021

ALLEGIANCE COMPLETES THE ACQUISITION OF BLACK WARRIOR MINERALS INC

Allegiance Coal Limited (**Allegiance** or the **Company**) is pleased to announce completion of the acquisition of all the shares in Black Warrior Minerals Inc, as previously announced to the market last week, 30 July 2021.

The acquisition gives Allegiance immediate access to a premium CSR coking coal currently sold to the Alabama power market, which it intends to blend with the NPA coal it is contracted to buy from Yellowhammer Energy, and its own New Elk Blue seam coal, to present an on-spec high vol A coking coal for sale on the seaborne met coal market.

As noted in last week's announcement, BWM will continue to supply its coal run-of-mine (**ROM**) to the Alabama power market pending a decision in relation to coal washing. Options are:

- Truck the coal ROM for toll washing to an operating wash-plant which is located in the general direction of the BWM Mine to the intended barge loadout facility, from where the coal is then barged to a coal port in the Gulf of Mexico for export to the seaborne market;
- Build a wash-plant on the BWM Mine (for which an active wash-plant permit exists), and truck clean (washed) coal from the Mine to the barge loadout; or
- Both, utilising the operating wash-plant in the near term while a wash-plant is being built at the mine.

In addition, Marshall Miller has been engaged to assist in the development of a life-of-mine plan to optimise existing mining operations including, amongst other things, a material reduction in operating costs. Lastly, BWM Mine staff are in the process of collecting ROM coal samples of all three coal seams, which will be sent to a laboratory for coal washability and quality tests, as well as a CSR test following which, M Resources will commence marketing the blended product to steel mills for supply either Q4'21 or Q1'22.

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.
