



16 August 2021

NEW ELK MINE REPORTS THREE COVID CASES

Allegiance Coal Limited (**Allegiance** or the **Company**) wishes to inform the market that the New Elk Mine has recorded three COVID cases.

By way of background, the New Elk Mine currently operates two production units (each still in a start-up stage working towards target production):

- #1 unit comprising 30 crew spread evenly across a day and night shift five days per week; and
- #2 unit comprising 15 crew operating a day shift five days per week.

Two cases were from the #1 unit day shift resulting in the quarantine of all #1 unit day shift crew until either the earlier of a negative COVID test result or 21 August – several have already tested negative. One case was from #1 unit night shift resulting in some, not all, of the crew isolating for a similar period.

Production is continuing with a reduced workforce until the week of 23 August when the Mine should return to its prior level of production.

The lost production will impact on the Mine meeting the schedule for the first laycan period for the first vessel of steelmaking coal sold to Asia (as announced on 24 May 2021). The Asian buyer has been informed and M Resources (New Elk's Sales Agent) is in discussions with the buyer to reschedule the delivery date.

Allegiance is supporting its workforce through this time. Whilst COVID protocols were in place at the Mine, these are in the process of being reviewed with the assistance of the Colorado Health Board including on-site testing and vaccinations.

Authorised for release by Chairman and CEO, Mark Gray.

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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.
