



19 October 2020

UPDATE ON COMPLETION OF THE ACQUISITION OF NEW ELK

Allegiance Coal Limited (**Allegiance or the Company**) refers to its prior announcement on 12 October 2020 and advises closing of the acquisition of New Elk Coal Company LLC (**NECC**) did not take place on 16 October 2020 due to a delay in the public notification of the increase in the New Elk bonding requirements. Both the vendor of NECC and Allegiance are ready to complete pending the expiry of this notification period which we understand will be 26 October 2020.

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. On 22 January 2020, the Company announced the acquisition, subject to conditions, 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 in 2021.
