



ALLEGIANCE COAL LIMITED

23 November 2016

ASX Limited
Level 40 Central Park
152 - 158 St Georges Terrace
Perth WA 6000

**RE: Allegiance Coal Limited (ASX: AHQ)
Completion of acquisition of Telkwa Coal Ltd**

Allegiance Coal Limited (Allegiance Coal or the Company) refers to its ASX announcements of 16 September 2016 and 19 October 2016 and the notice of general meeting advised to ASX on 10 October 2016.

The Company is pleased to advise that all conditions precedent to the acquisition of all the shares in Telkwa Coal Ltd (TCL) have been satisfied and the acquisition has been completed.

Furthermore, and in conjunction with the acquisition of TCL, the Company is pleased to advise that it has today allotted :

- 66,666,671 ordinary shares at \$0.0375 per share in connection with the placement to raise \$2.5 million before costs.
- 50,000,000 ordinary shares to the vendors of TCL, being the full acquisition consideration.
- 10,956,282 ordinary shares to Altius Resources Inc, being the nominee of Carbon Development Corporation (CDC), in connection with monies owing and due and payable from TCL to CDC up to 31 December 2016.
- 1,260,000 ordinary shares to Dan Farmer, being the nominee of CoalSense Consulting Inc (CSC), in connection with monies owing and due and payable from TCL to CSC.

An Appendix 3B in connection with the allotments will be lodged shortly.

Yours faithfully
Allegiance Coal Limited

David Deitz
Company Secretary

Allegiance Coal Limited
ABN: 47 149 490 353
Ph: (02) 9397 7555

Level 2, 49-51 York Street, Sydney NSW 2000