



31 March 2017

NON-RENOUNCEABLE ENTITLEMENTS OFFER

HIGHLIGHTS

- Allegiance to undertake a 1-for-3 non-renounceable pro rata entitlement offer at \$0.025 per new share to eligible shareholders to raise up to approximately \$1.4M (before costs).
 - Proceeds are intended to be used to further develop the Telkwa metallurgical coal project and provide the Company with general working capital.
 - Major shareholders indicate they will take up their entitlements under the rights issue amounting to approximately \$650,000.
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Allegiance Coal Limited (**Allegiance** or the **Company**) advises that it will undertake a 1-for-3 non-renounceable rights issue to eligible shareholders at an issue price of \$0.025 for each new share (**New Shares**) (**Offer**) to raise up to approximately \$1,412,000 (before costs) (**Offer**). The Offer is not underwritten.

Use of funds

Funds raised under the Offer are intended to be used to further develop the Telkwa metallurgical coal project (**Project**) and provide the Company with general working capital.

Indicative timetable

The key dates for the Offer are below. These dates are indicative only and the Company reserves the right to vary them subject to the requirements of the ASX Listing Rules.

Lodgement of Appendix 3B and Prospectus with ASX	31 March 2017
Notice of Entitlement Offer sent to Optionholders	
Notice of Entitlement Offer sent to Shareholders	4 April 2017
Shares quoted on an "EX" basis	5 April 2017
Record Date for determining Entitlements	6 April 2017
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	11 April 2017



Last day to extend the offer closing date	26 April 2017
Closing Date of Entitlement Offer (5pm AEST)*	1 May 2017
Shares quoted on a deferred settlement basis	2 May 2017
Notification of shortfall	4 May 2017
Anticipated date for issue of Securities Deferred settlement trading ends	8 May 2017
Anticipated date for commencement of Shares trading on a normal settlement basis	9 May 2017

* The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Shares issued under the Entitlement Offer are expected to commence trading on ASX may vary.

Additional information regarding the Offer

The directors are pleased to advise that following discussions with the Company's major shareholders, they have confirmed their ongoing support of the Company's progress in connection with the Project, and have indicated they will take up their entitlements under the rights issue amounting to approximately \$650,000.

The Offer will be available to all shareholders of the Company registered on the Record Date whose registered address is in Australia or New Zealand (**Eligible Shareholders**). The Offer is not being extended to shareholders of the Company whose registered address is outside the above jurisdictions or do not meet the offer restrictions. There is no minimum subscription for the Offer and it is not underwritten. No shortfall facility is provided under the prospectus, however the directors reserve the right to place any shortfall arising under the Offer at their discretion no later than three months after the Closing Date of the Offer.

Full details of the Offer are contained in the prospectus which is available from the ASX's website at www.asx.com.au and will be dispatched to Eligible Shareholders in accordance with the indicative timetable set out above. The prospectus will also be available on the Company's website at www.allegiancecoal.com.au.

For more information, please contact:

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About Allegiance Coal

Allegiance Coal is a publicly listed (ASX:AHQ) Australian company fast tracking a metallurgical coal mine into production in British Columbia, Canada. The Telkwa metallurgical coal project (**Project**) is the Company's flagship project comprising 165Mt of JORC compliant coal resource and has been the subject of extensive historical exploration. Located 1,000 km north of Vancouver, the Project sits uniquely on the western side of British Columbia, immediately adjacent to a major Canadian National Rail line, with a 360 km rail haul to the deep water port of Prince Rupert and Ridley Island Coal Terminal. British Columbia has one of Canada's and North America's most competitive, flexible and supportive business climates. Consistently receiving AAA credit ratings, its vast resources, low taxes, stable and well regulated financial system and Government, makes for a wonderful country in which to invest.
