



8 March 2018

## THE BOARD REORGANISES TO FOCUS ITS RESOURCES ON BRITISH COLUMBIA, CANADA

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### HIGHLIGHTS

- Mr David Fawcett is appointed Chairman of the Board of Directors to lead the Company from the country of origin of the Telkwa Metallurgical Coal Project.
  - Mr Mark Gray, the Company's Managing Director, and previously resident in Sydney, Australia, has relocated to the town of Telkwa to assume, in addition to his chief executive duties, direct responsibility for First Nations and Community engagement.
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Allegiance Coal Limited (the **Company**) is pleased to update the market on important changes at the Board level designed to better manage its flagship Telkwa Metallurgical Coal Project located in British Columbia, Canada (the **Project**).

Mr Fawcett, who has been the British Columbia resident Non Executive Director since December 2016, has been appointed Non Executive Chairman taking over from Mr Malcolm Carson. Mr Carson guided the Company through the acquisition of the Project in November 2016 and the completion of two pre-feasibility studies in 2017, both of which delivered outstanding results. Malcolm will remain the Australian resident Non Executive Director.

Mr Fawcett is a mining engineer with over 40 years experience in the coal industry, primarily in Western Canada. He is a proven leader in the Canadian coal industry establishing a track record of success in developing projects and creating shareholder wealth including:

- Western Canadian Coal Corporation which developed and operated several operating metallurgical coal mines in the northeast of British Columbia and which was acquired by US based Walter Energy Inc. in 2010 for C\$3.5 billion; and
- NEMI Northern Energy & Mining Inc. which developed the Trend coking coal project, and which was merged into Peace River Coal Limited and acquired by Anglo American in October 2011, for approximately C\$630 million.

Managing Director, Mr Mark Gray, commented:

*"Malcolm has done a wonderful job injecting life into the Company and steering it through the process of assessing the technical and economic merits of the Project. He has led the Company to the point where it now has a strong foundation upon which to secure project funding, and to accelerate the Project towards permitting and production. It is appropriate therefore to hand over leadership to David who is located in British Columbia, and who has done this before, very successfully. Having myself relocated to the Town of Telkwa, I am very excited by the prospect of working more closely with David in developing the Project."*

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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 148Mt of JORC compliant coal resource of which 134Mt is in the Measured Category. The Project and has been the subject of extensive historical exploration and most recently of a pre-feasibility study declaring 43Mt of proven and probable reserves, and positioning the Project in the lowest five percentile of the global seaborne metallurgical coal cost curve.

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