



29 March 2018

RECEIVES STRONG MARKET SUPPORT RAISING \$3.97 MILLION

HIGHLIGHTS

- The Company seeking to raise \$3 million, receives binding commitments for \$3,974,500, before costs, pursuant to a private placement to sophisticated and professional investors.
 - The proceeds are intended to be applied to complete all major studies and assessments to enable the Company to commence the permitting of a mine producing 240,000tpa of saleable metallurgical coal from its Tenas Metallurgical Coal Project (**Project**).
 - The private placement, lead managed by Bell Potter Securities, received strong market support.
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Allegiance Coal Limited (**Allegiance** or the **Company**) is pleased to announce the successful completion of a capital raising. Initially the Company was seeking to raise \$3,000,000. Due to strong market demand the raise has been increased, accepting firm commitments of \$3,974,500 at \$0.05 per share.

The Placement price of \$0.05 per share represents a 7.4% discount to the last trading price of \$0.054 and a 18.8% discount to the fifteen-day volume weighted average market price of \$0.062. Funds are due to be received by 5 April 2018, with new shares to be allotted on 6 April 2018.

The funds raised are intended to be applied by the Company towards the development of the Tenas coal deposit within the larger Telkwa metallurgical coal project and in particular, as follows:

- Completion of Project environmental baseline studies;
- Completion of the Project feasibility study;
- Undertaking a Project effects assessment in preparation of permitting; and
- General working capital.

On the basis of the commitments received, the maximum number of new securities that will be issued under the Placement is 79,490,000 new fully paid ordinary shares to raise \$3,974,500 before costs.

The Placement will be issued under the Company's existing 15 percent capacity in accordance with ASX Listing Rule 7.1 and the Company's existing 10 percent capacity in accordance with ASX Listing Rule 7.1A, on the following basis:

- Up to 57,870,773 shares to be issued pursuant to ASX Listing Rule 7.1; and
- Up to 21,619,227 shares to be issued pursuant to ASX Listing Rule 7.1A.



Subject to shareholder approval, the Company's Managing Director and a substantial shareholder Mr Mark Gray, via his interest in Telkwa Holdings Limited, intends to support the Placement by subscribing for 1 million Placement Shares.

Mr. David Fawcett, Non-Executive Chairman, commented:

"As with the Company's capital raising in October 2017, the Company sought to raise a further three million dollars and again, was overwhelmed by the support of both existing and new shareholders. Given the level of market support, the Board decided to not scale back the offering and accept all commitments. The Company is now very well positioned to complete all the work necessary to prepare the Company for the permitting process of its Tenas Metallurgical Coal Project, which is one of three significant coal deposits within the larger Telkwa Metallurgical Coal Project. The Board again thanks both existing and new shareholders for their support shown".

An Appendix 3B in connection with the Placement will be lodged on or before 5 April 2018.

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 148Mt of JORC compliant coal resource of which 131Mt is in the Measured Category. The Project 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.
