



10 August 2017

ASX Market Announcements

PAK Completes Strategic Focus

- ***Board sets strategic direction of Company***
- ***Exploration focus on high value potential coking and metallurgical coal assets***
- ***Maximise Free Cash available to advance exploration activities***
- ***Divestment of non-coal asset***

Pacific American Coal limited (**ASX: PAK**) is pleased to announce the Company has completed a strategic review to set a clear path forward for the Company. This review focused on

- Setting the strategic direction of the company,
- Prioritising the development of high value coking and metallurgical coal assets,
- Maximising available cash to advance projects, and
- Divesting non-coal assets.

Exploration Focused Company

The Company has undergone an internal review of its asset base and confirms the strategic direction of the Company is to focus on the exploration and development of its 100% owned assets. The Elko Coking Coal Project remains the focus of activities and is the most significant asset within the portfolio.

The Company will also commence preliminary activities on other assets, including the South Hazell Project located in the East Kootenay Coal Basin. The Company aims to increase knowledge of its broader portfolio so as to develop a pipeline of projects at varying stages of development.

With a strategy focused on the exploration of coking and metallurgical coal opportunities, the Board has considered ways to secure the necessary cash reserves to support these activities. The Board has considered the merits of each of its assets and investments and where necessary, has decided to divest certain assets to achieve the Company's strategy.

The Company remains very positive about the Elko Coking Coal Project and look forwards to updating shareholders on developments at Elko.

As previously mentioned, the Company has submitted the necessary documentation to support a Notice of Works (NOW) required to commence drilling at the Elko Coking Coal Project. The Company has undertaken the logistics required to undertake drilling once the NOW is approved.

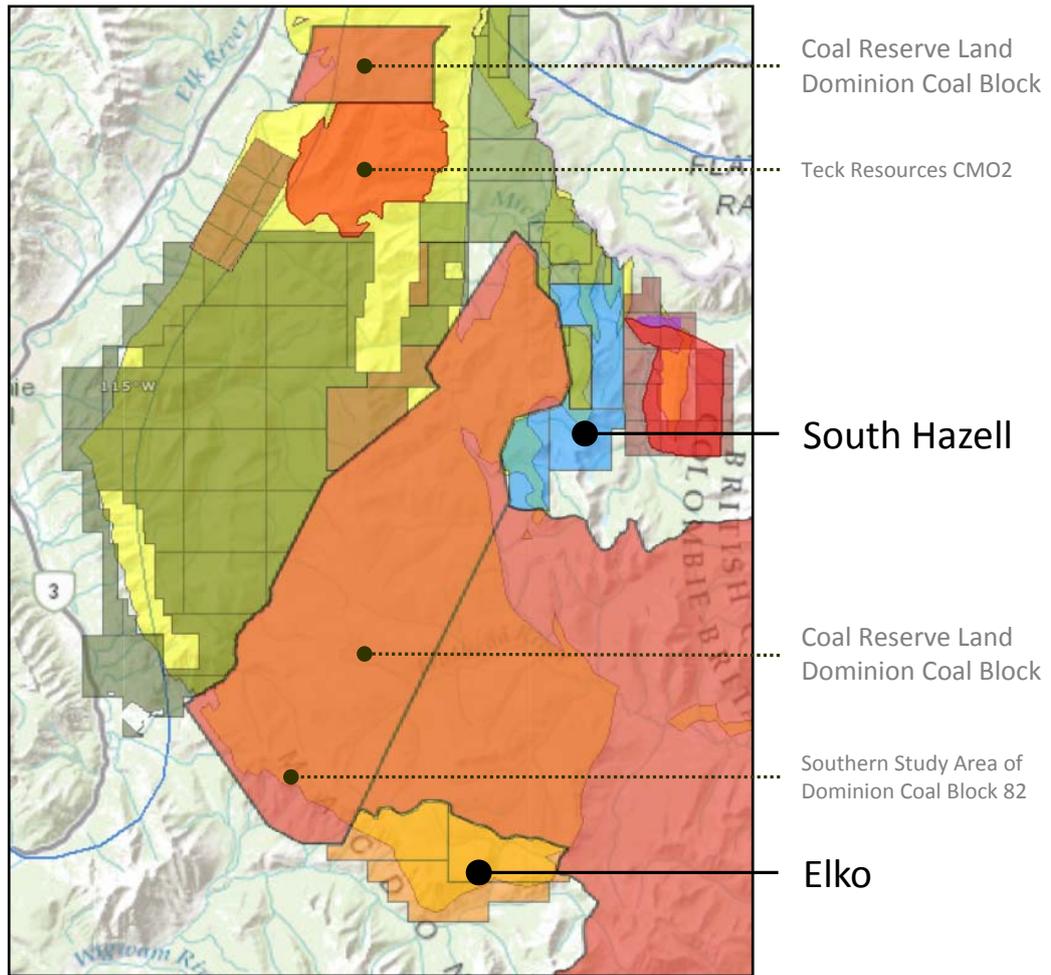


Figure 1 – Canadian Asset Portfolio

Divestment of Non-Coal Assets

During the strategic review, PAK considered its ongoing investment in Imagine Intelligent Materials (Imagine). Based on the Company’s focus to develop its 100% owned Canadian assets, the Company has decided to divest its 30% position in Imagine. Similar to the divestment of GCI last year, the proceeds from the sale of Imagine will strengthen free cash available to develop the Elko Coking Coal Project. The Company has finalised a Sales and Purchase Agreement with an unrelated third party to acquire PAK’s holding in Imagine.



About PAK

Pacific American Coal Limited is focused on the production, development and exploration of metallurgical coal assets in North America. The Company's strategic focus is on the 100% owned Elko hard coking coal project in British Columbia and its investments in technological advanced opportunities. PAK has 100% ownership in a total of 6 Coal Leases in the East Kootenay Coal Field in British Columbia - Canada and tenements in application in low volatile bituminous region of the Arkoma coal basin in Oklahoma and the Raton coal basin in Colorado.

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