

ASX Release

Friday, 29th September 2017

ASX Codes

PAK, PAKO

About Us

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.

Board

Non-Executive Chairman – Geoff Hill
Non-Executive Director – Simon Bird
Non-Executive Director – Paul Chappell

Company Secretary

Ian Morgan

Management

Chief Executive Officer – Mark Sykes
Business Development – Dom Hill
Investor Relations – Simon Klimt

Project	Stage	Location
Elko	Exploration	Canada
Hazell	Exploration	Canada
Howe	Exploration	Oklahoma
Bokoshe	Exploration	Oklahoma

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Project and Corporate Update

Pacific American Coal Limited (**ASX: PAK**) provides the following update, including its exploration activity at the company's 100% owned Elko Coking Coal Project in B.C., Canada:

- **Wildfire activity in British Columbia causes disruption to activity at Elko**
 - Initial pre-drilling work undertaken
 - State of Emergency & Province wide industry shutdown limits site access
 - Drilling program suspended
- **Completion of studies and approval process to recommence as soon as site access re-established**
- **PAK remains well placed with sufficient cash reserves to continue the development of Elko whilst assessing additional accretive investments**

Wildfires delay exploration program:

The Company has been working closely with the Project Manager of the Elko Project to complete a number of pre-drilling tasks in preparation for our exploration program, as well as the required environmental work needed for permitting including:

- Archaeology survey,
- fish surveys, and
- road access and construction plans

However, due to the unprecedented wildfire season being experienced in B.C., which has included an extended state of emergency and industry shutdown across the Province, the Company has had sparse access to the property. This has hampered the team's ability to complete the necessary tasks required to obtain drilling permits.

From April 1 to Sept. 15, 2017, 1,256 wildfires have burned 1.19 million hectares. One hundred and fifty-three wildfires are still burning in B.C., with 11 evacuation orders affecting approximately 3,152 individuals, plus 23 evacuation alerts impacting approximately 5,762 people. During this wildfire season, approximately 65,000 people were evacuated from their homes. The provincial state of emergency, the longest in B.C.'s history, was declared on July 7, 2017, and was extended four times¹.

While the state of emergency officially expired on 15th Sept 2017, of particular concern, are the uncontrolled fires in the Lodgepole-Flathead area. At last report, one fire was within 2 kilometres of the Elko Project area.

Whilst there is no immediate danger to any Company personnel or equipment, the extended restrictions in accessing the site has meant that it is not clear whether all the activities planned during the summer season will be able to be resumed prior to the end of the weather window. As a result, the Company has taken the decision to suspend the planned 2017 drilling program.

Whilst the delay in finalising the required studies has contributed to the rescheduling of the planned drilling program, the Company recently renewed its exploration license covering the Elko and Hazell projects for a further twelve months.

Environmental Approvals & First Nations Consultation Process:

As soon as conditions permit, the Company intends returning its personnel to the ground to complete the required permitting field work. Whilst the drilling may not be possible this season, the Company is hoping the project team will be able to undertake several extra surveys and studies which will be able to be used as baselines for various environmental and heritage studies required for any future mining license. It is also intended that the initial ground surveys at Hazell will be carried out as part of these activities.

The Company remains committed to completing the approval process as soon as possible, whilst ensuring all its activities are in accordance with all environmental regulations and supported by both the local community and First Nation populations. The Company will continue to work closely with stakeholders and regulators to provide information regarding the proposed exploration program and drilling permits.

¹ source: BC Govt Press Release

Corporate and other opportunities:

As previously announced, the Board has undertaken a strategic review of the Company and reaffirmed the strategic objectives:

- Prioritising the development of high value coking and metallurgical coal assets,
- Maximising available cash to advance projects; and
- Review other accretive investment opportunities

Following the divestment of non-core assets, the Company is well placed with significant development and exploration assets in B.C., Canada and approximately \$4.0m in cash reserves. Immediate tasks being undertaken include:

- Completion of field studies and approval process at Elko;
- Advancing commercialisation aspects of Elko;
- Ground truthing a Hazell;
- Reviewing a number of potential investment opportunities in North America and Australia

Commenting on the suspension of the 2017 drilling program, Chairman Geoff Hill said:

“Whilst the Board is clearly disappointed that the planned drilling program at Elko could not proceed this year, working through any approval process can be complicated and time consuming. The additional intervention of wild fires into our planned activities was also unexpected. However, we are comforted by the fact that we have a significant 257MT Coking Coal Resource at Elko and a strong and dedicated team who are focussed on pushing the development forward, and finding other exciting opportunities for the Company”

FOR FURTHER INFORMATION CONTACT

Australia

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More details are available on PAK’s website www.pamcoal.com

COMPETENT PERSON’S STATEMENT

Previously Released Information

These ASX announcements refer to information extracted from reports available for viewing on the Company's website www.pamcoal.com

- 16.06.2014 TOCC Assets Independent Review
- 02.11.2015 Elko Coal Project Maiden JORC Resource 257.5 Million Tonnes

The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements, and, in the case of exploration targets, that all material assumptions and technical parameters underpinning the exploration targets in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings presented have not been materially modified from the original market announcements.