

ASX Release

Tuesday 24 April 2018

ASX Code

PAK

About Us

Pacific American Coal Limited (the Company) is focused on the production, development and exploration of metallurgical coal assets in North America. PAK's strategic focus is on the 100% owned Elko coking coal project in British Columbia. PAK has 100% ownership in 3 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. PAK is also actively reviewing other potential investments.

Board

Non-Executive Chairman – Geoff Hill
Executive Director & CEO – Mark Sykes
Non-Executive Director – Simon Bird

Company Secretary

Ian Morgan

Management

Business Development – Dom Hill
Investor Relations – Simon Klimt

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

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PAK receives drilling permit for Elko Coking coal project

Summary

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

- **Elko Notice of Work (drilling permit) granted**
- **Rapid implementation of Elko drilling program for summer 2018**
- **Elko shaping up as an exciting coking coal exploration asset**
- **Exploration program is fully funded with cash resources providing flexibility to pursue growth opportunities**

Notice of Works Approval (Drilling Permits)

Pacific American Coal has received approval from the Province of British Columbia to conduct drilling and other exploratory work at the company's flagship Elko Coking Coal project. The Notice of Work (NOW), which is a multi-year permit, will allow the Company to gather information for advancing the project towards mine permitting under the British Columbia Mines Act.

PAK has been working closely with the Province for an extended period to ensure the planned exploration program meets all the regulatory requirements. The team in North America has been working with key stakeholders to ensure all issues were fully understood and addressed. The Notice of Works approval is the critical permit required to drill in the province of British Columbia and enables the company to commence its planned exploration program this summer.

Rapid Implementation of Exploration Program:

The granting of the permit means PAK can now move rapidly to lock-in the key personnel and equipment necessary to ensure the most efficient use of the exploration period available in that part of British Columbia.

Planned Exploration Activities:

The focus of the 2018 Elko exploration program is on defining JORC resources and reserves while extracting valuable core data. The planned exploration activities include:

- 8,500m of drilling,
- Rotary and spot core drilling

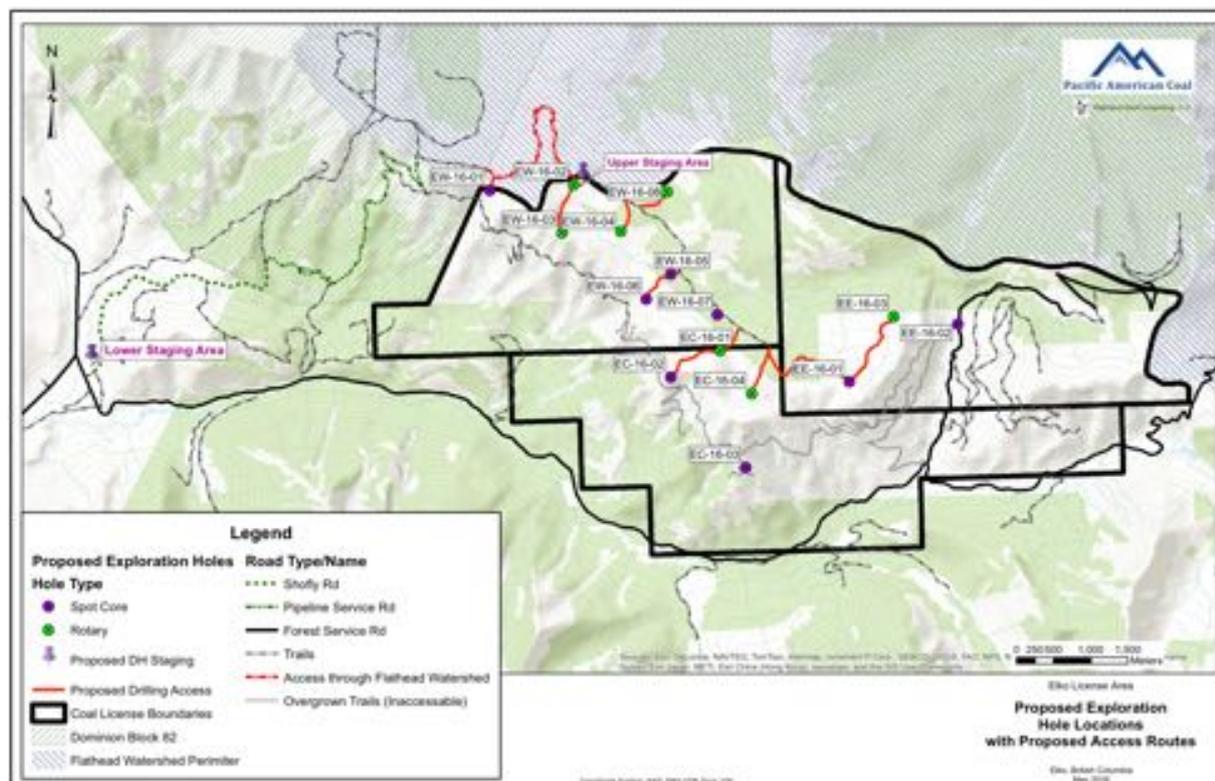
The exploration program will aid in:

- Improved coal quality information,
- Determining down-dip extent of the coal bearing strata,
- Identifying general structural trends, features and domains,
- Collecting coal core for the high value SM5/SM6 and SM7 seams

Additionally, the program will assist to provide:

- Detailed geological mapping, and preliminary environmental data,
- Sufficient physical core and data to enable the project team to commence commercial discussions with potential off-takers and financiers

Figure 1 – Proposed locations of planned exploration holes



Elko an Exciting Asset

The Elko project is shaping up as a company maker for PAK. Elko already has 257MT of JORC 2012 compliant Resources identified and aims to build on these from the results from the 2018 drilling program. The results from the drilling will enable the Company to progress the technical and commercial aspects of the project during 2018.

Elko JORC 2012 Resource (MT)	
Measured	19.2
Indicated	57.0
Inferred	181.3
Total Resource	257.5

At Elko, PAK is targeting high value coking coal, which Polaris Australia has already confirmed compares favourably to global benchmark coals. Three of the seven known coal seams at Elko have FSI ranging from 7-8, with coal from Seams 6 & 7 having been extensively tested by six Japanese steel mills.

BC Coal Adit Quality								
	Adit	Seam	Sample thickness	Clean				
				Ash	VM	FC	S	FSI
Target Seams	F-5	7 Seam	5.9 m	3.9	21.9	74.3	0.5	7.5
	F-6	6 Seam	3.0 m	6.3	21.3	72.4	0.6	8.0
	F-4	5 Seam	11.2 m	7.4	21.5	71.1	0.5	6.0
	F-3	4 Seam	6.7 m	8.4	19.6	72.0	0.4	5.0
	F-2	3 Seam	12.2 m	11.3	17.7	71.0	0.7	2.5
	F-1	1 Seam	14.0m	10.4	18.0	71.6	0.8	1.0

Fully Funded:

Following the recently announced sale of the South Hazell exploration property for C\$1 million, the Company has over \$4.7 million in cash resources. PAK's significant cash balance means that the planned exploration program is now fully funded with flexibility to also pursue growth opportunities.

Commenting on the granting of the Notice of Works approval, PAK Chairman Geoff Hill said:

"This is a substantial milestone achieved in the exploration and development of the Elko Project. Receiving the drilling permit means the company can undertake testing on a variety of fronts with respect to Elko. The board and management are very excited about reaching this goal and implementing our drilling program.

The project team has been working tirelessly with the Provincial Government and other stakeholders towards the granting of this important approval. I would like to thank all those involved, including our staff, advisors and key stakeholders to achieve this outcome.

We now look forward to moving quickly to finalise all the logistical elements of the exploration program, so we can be on the ground at Elko as soon as practicable. This is an exciting time for PAK as we move forward with an important phase of the development, which we hope will demonstrate the significant value inherent in the Elko Coking Coal Project"

FOR FURTHER INFORMATION CONTACT

Australia

Simon Klimt

General Manager Investor Relations

Pacific American Coal Ltd

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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 PAK'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

PAK 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. PAK confirms that the form and context in which the Competent Person's findings presented have not been materially modified from the original market announcements.