

ASX Release

Monday 30 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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www.pamcoal.com

Quarterly Report for the quarter to 31st March 2018

Summary

Pacific American Coal Limited (ASX: PAK) is pleased to provide its Quarterly Activities Report for the three months ended 31st March 2018.

- **Elko Coking Coal Project**
 - Ongoing work with MEM towards finalising pre-drilling approvals
 - Community engagement activities
 - Commencement of pre-planning activities for the planned 2018 drilling program
- **Sale of South Hazell Exploration Property**
 - Sale of the South Hazell exploration project for C\$1m to North Coal Limited
- **Corporate**
 - Financial Position

Elko Coking Coal Project

During the quarter the Elko project team remained focused on moving the project forward towards the planned exploration program scheduled for the northern summer drilling season. The key activities included:

- Interaction with the key regulatory body
- Engagement with the First Nations
- Progress towards finalisation of the GAP Analysis, and
- Pre-planning activities

The team remained actively engaged with the Ministry of Energy, Mines and Petroleum Resources (MEM) making progress towards receiving the final approvals for the Notice of Works at the Elko Coking Coal Project in B.C. Canada. Significant progress was made towards finalising all the outstanding matters. Post the end of the Quarter, the Company announced that the MEM had approved the Elko Notice of Works (see ASX announcement dated 24 April 2018).

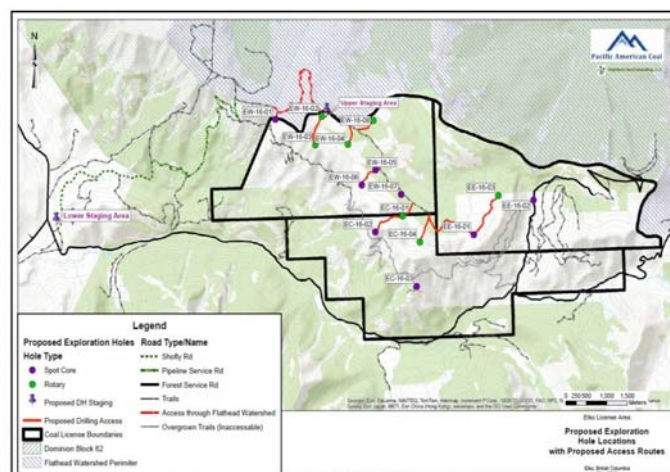
During the quarter, a delegation from the Company, including Non-Executive Director Mr Simon Bird and General Manager Business Development Mr Dom Hill, met with representatives from the Ktunaxa Nation. The purpose of the meeting was to update the local First Nations on PAK's plans for the exploration program, and to reaffirm the Company's core commitments of developing environmentally sustainable projects whilst working proactively with local communities.

In addition to the ongoing work with the MEM, the project team continued to work with the Company's advisor Nupqu Development Corporation on finalising the detailed GAP Analysis. Significant progress has also been made on the forward planning for the 2018 exploration program so that execution can commence immediately following the receipt of all final approvals.

The focus of the exploration program is on defining JORC reserves and potentially expanding JORC resources. The program proposes 8,500m of rotary and spot core drilling. The exploration program will aid in:

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

Figure 1 – Proposed Exploration Holes:



Sale of South Hazell Exploration Property

On 28 March 2018 the Company announced the sale of the South Hazell Exploration property to North Coal Limited (North Coal) for C\$1m, after receiving an unsolicited offer for the project. The South Hazell property is located directly adjacent to tenements owned by North Coal. North Coal is a privately held coal development company focused on advancing the Michel Coal project in the Elk Valley, British Columbia.

The Board of PAK regarded the South Hazell Project as being highly prospective. However, given the Company's limited expenditure on the Project, acceptance of North Coal's offer was considered the best way for PAK to realise value from South Hazell without having to incur any additional expenditure. The sale enables PAK to focus the Company's attention on the exceptional Elko Project which provides significant leverage to PAK shareholders in the prolific East Kootenay Coal Basin.

Corporate

Funds from the transfer of the South Hazell licences were deposited into a trust account for the benefit of the Company prior to the end of the quarter. As a result, the Company retained a strong cash balance of \$4.85m of cash and cash equivalents as at 31 March 2018.

Tenement Management Updates

During the Quarter the Company agreed to sell the South Hazell property to North Coal Limited.

	Tenement Reference	Nature of interest
Mining tenements held at the end of the quarter	Elko Coal Licences in British Columbia, Canada. Licences 418648, 418649 and 418650.	100% ownership
Mining tenements acquired during the quarter	Nil	Nil
Mining tenements relinquished / divested during the quarter	South Hazell Licences in British Columbia, Canada. Licences 418645, 418646, 418647	100%
Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter	Nil	Nil
Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed during the quarter	Nil	Nil

FOR FURTHER INFORMATION CONTACT

Australia

Simon Klimt
General Manager Investor Relations
Pacific American Coal Ltd
info@pamcoal.com

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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Pacific American Coal Limited

ABN

83 127 131 604

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(138) ¹	(138)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(157)	(157)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(291)	(291)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

¹ Exploration & evaluation payments totalling \$A138,000 consists of consulting and employee costs (\$A 104,800) and other costs (\$A 33,200).

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	1,004	1,004
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other : Security deposit paid	(77)	(77)
2.6 Net cash from / (used in) investing activities	927	927

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	4,203	4,203
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(291)	(291)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	927	927
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	13	13
4.6 Cash and cash equivalents at end of period	4,852	4,852

Mining exploration entity and oil and gas exploration entity quarterly report

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	3,848	4,203
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details) Funds held in trust	1,004	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,852	4,203

6. Payments to directors of the entity and their associates**Current quarter
\$A'000**

6.1 Aggregate amount of payments to these parties included in item 1.2

83

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Payment of fees to Directors and officers.

7. Payments to related entities of the entity and their associates**Current quarter
\$A'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

-

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8. Financing facilities available*Add notes as necessary for an understanding of the position***Total facility amount
at quarter end
\$A'000****Amount drawn at
quarter end
\$A'000**

8.1 Loan facilities

-

-

8.2 Credit standby arrangements

-

-

8.3 Other (please specify)

-

-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Mining exploration entity and oil and gas exploration entity quarterly report

9. Estimated cash outflows for next quarter		\$A'000
9.1	Exploration and evaluation	260
9.2	Development	-
9.3	Production	-
9.4	Staff costs	-
9.5	Administration and corporate costs	162
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	422

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	South Hazell, British Columbia	License Numbers: 418645, 418646, 418647	100%	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: 

 (Director/Company secretary)

Date: 30 April 2018

Print name: Ian Morgan

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.