



Pacific American Coal



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AGM Presentation 9 May 2018

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Competent Person Statement

The information in this document that relates to JORC 2012 Resources based on information compiled by Mr. Dwight Kinnes, B.Sc Colorado State University, Geology, who is a Member of a Recognised Overseas Professional Organisation (ROPO) included in a list promulgated by the ASX from time to time, being the Society for Mining, Metallurgy, and Exploration and American Institute of Professional Geologists – Cert. No. 10244.

Mr Kinnes is Principal Consultant/President of Highland GeoComputing, LLC and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration by them and to the activity which they are undertaking to qualify as a 'Competent Person' as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). Mr Kinnes consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Company Overview



Capital Structure¹

ASX:	PAK
Shares Outstanding	165,305,889
Share Price ² :	\$0.052
Market Capitalisation:	\$8,595,906
Cash on Hand (17 April 2018) ³ :	\$4,700,000

Board

Non-Executive Chairman	Geoff Hill
Executive Director & CEO	Mark Sykes
Non-Executive Director	Simon Bird
Company Secretary	Ian Morgan

Top 20 Shareholders⁴

GREGORACH PTY LTD	17,628,769	10.664%
INTERNATIONAL PACIFIC SECURITIES LIMITED	12,416,666	7.511%
JOHN WARDMAN & ASSOCIATES PTY LTD <THE WARDMAN SUPER FUND A/C>	8,033,333	4.860%
DOVIDO PTY LIMITED	5,879,274	3.557%
MR ROBERT ASHLEY PEARCE	4,847,222	2.932%
IPS NOMINEES LIMITED	4,781,250	2.892%
HFT NOMINEES PTY LTD	4,724,499	2.858%
AYERS PTY LTD <HITA INVESTMENT NO 2 A/C>	3,820,826	2.311%
INT'L PACIFIC SECURITIES LTD	3,628,502	2.195%
AMERICAN COAL INVESTMENTS PTY LTD <RNAJ STAGG SUPER FUND A/C>	2,800,000	1.694%
DR PHILLIP BRETT AITCHISON	2,742,155	1.659%
MR ANTHONY JAMES HAGGARTY	2,583,334	1.563%
DEVIRU PTY LTD	2,562,500	1.550%
MRS ELISA ANTOSKA & MR MICHAEL ALAN ANTOSKA <ANTOSKA SUPER FUND A/C>	2,410,000	1.458%
PAVARAI PTY LTD <THE SAYERS SUPER FUND A/C>	2,400,000	1.452%
GINGA PTY LTD	2,000,000	1.210%
MR GREGORY JOHN KEIR	2,000,000	1.210%
CITICORP NOMINEES PTY LIMITED	1,897,942	1.148%
CORPORATE PROPERTY SERVICES PTY LTD <K W SHARE A/C>	1,800,000	1.089%
INVIA CUSTODIAN PTY LIMITED <PACAT SUPER A/C>	1,645,835	0.996%
Total Securities of Top 20 Holdings	90,602,107	54.8%

- 1,2 As 24 April 2018
 3. ASX Release 17 April 2018
 4. As at 30 April 2018

2017 Year in Review



- Polaris Project Study
 - Favourable Capex when compared to international peers
 - Favourable Opex when compared with Canadian coal peers
 - Flexible mine layout and operating conditions
 - Options for low cost entry
 - Coking coal quality that is comparable to Canadian peers
 - Favourable location to coal rail and port infrastructure

- Strategic Refocus
 - Focus on Elko
 - Unavoidable delays due to
 - Regulatory issues
 - Wildfire Season
 - Completed pre-drilling environmental studies
 - Sale of Non-Core Assets
 - Divestment Imagine Materials
 - Early repayment of GCI
 - Enhanced cash position of \$4.2m as at 31 Dec 2017

Set-up for long-term success

Focused Strategy



Elko – Significant Coking Coal Resource

- Total Resource 257.5MT (JORC 2012)
- Elko coals are high quality met coal
- Add value through targeted exploration program:
 - Drilling approvals received
 - Drilling program focused on defining JORC reserves and expanding JORC resources
 - Commercialisation activities

Strategic Priority



Strategically Positioned

- Tenements in highly prolific East Kootenay Coal Basin
- Excellent exploration potential
- Proximity to existing infrastructure

Exploration Upside



Ongoing review of investment opportunities:

- Sale of non-core assets allows PAK to focus on BC Coal Assets, and
- Reinvestment of cash reserves in new accretive investments

Growth

Strategic focus on Elko and other accretive investments

Drilling Approval Received



ASX Release 24 April – MEM Approval:

The screenshot shows an ASX release from Pacific American Coal dated Tuesday 24 April 2018. The main headline is "PAK receives drilling permit for Elko Coking coal project". The document includes a summary of the event, a list of board members, company secretary, and management. It also contains a table of projects and their stages/locations.

Project	Stage	Location
Elko	Exploration	Canada
Horse	Exploration	Oklahoma
BoKube	Exploration	Oklahoma

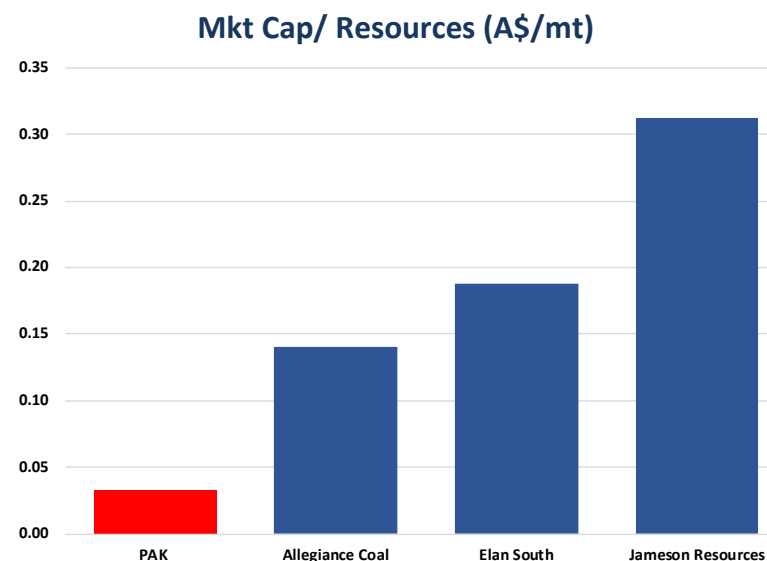
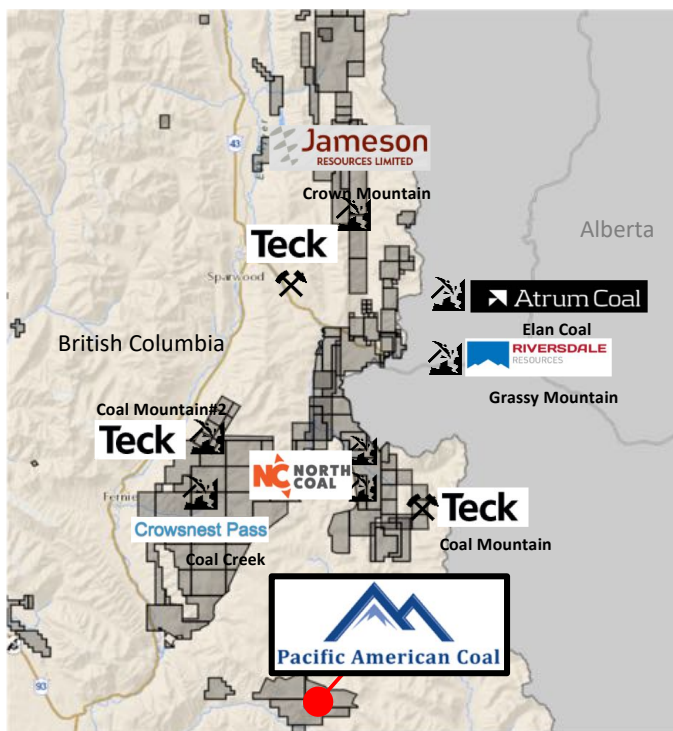
PAK Investment Highlights:

Market Cap: \$8.6m
 Cash: \$4.7m
 Ent. Value: \$3.9m

- JORC 2012 Resource: 257.5MT
- EV/Resources: 1.5c/mt
- **Drilling permits approved**
- **Fully Funded 2018 Exploration Program**
- Additional cash for other accretive investments

PAK has a simple and clear story

But still ...Significantly Undervalued



	Share Price ¹	Market Cap	Resources (MT)	Mkt Cap / Resources
Jameson Resources	0.120	30,794,884	98,600,000	0.31
Elan South ²		6,750,000	36,000,000	0.19
Allegiance Coal	0.054	20,833,479	148,100,000	0.14
PAK	0.052	8,595,906	257,000,000	0.03

1. As at 24/4/2018
 2. Based on acquisition price of 100% Elan South, ATU ASX announcements 23 Aug 2017 & 6 Dec 2017

PAK provides investors leverage into the Crowsnest coking coal play

Canada Project Overview



Strategic Location



Elko JORC 2012 Resources (MT)

Measured	19.2
Indicated	57.0
Inferred	181.3
Total Resource	257.5

PAK is focused on developing its 257MT Elko Coking Coal Project in BC, Canada

Targeting High Value Coal

- **Targeting 3 coking coal seams**
 - FSI ranging from 7-8
- **High quality coking coal product**
 - Low sulphur and ash
- **Bench mark coal qualities**
 - Coal compares favourably with benchmark coals
- **Coal tested and blended**
 - Coal seams 6 & 7 have been tested extensively by six Japanese steel mills
- **Coal Seams Outcropping**
 - Coal seams have been previously mapped



Target Seams

BC Coal Adit Quality							
Adit	Seam	Sample thickness	Clean				
			Ash	VM	FC	S	FSI
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

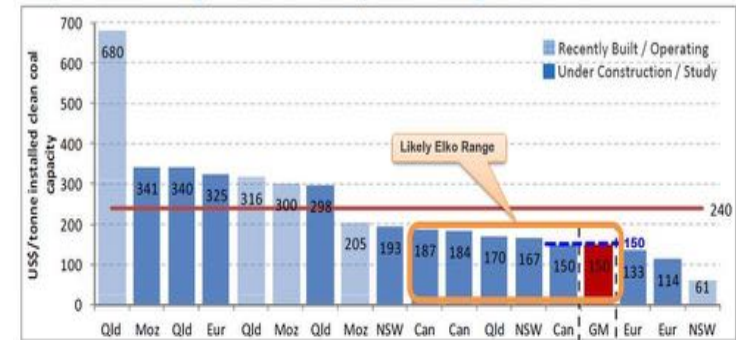
High quality coking coal

Compares Favorably to Peers

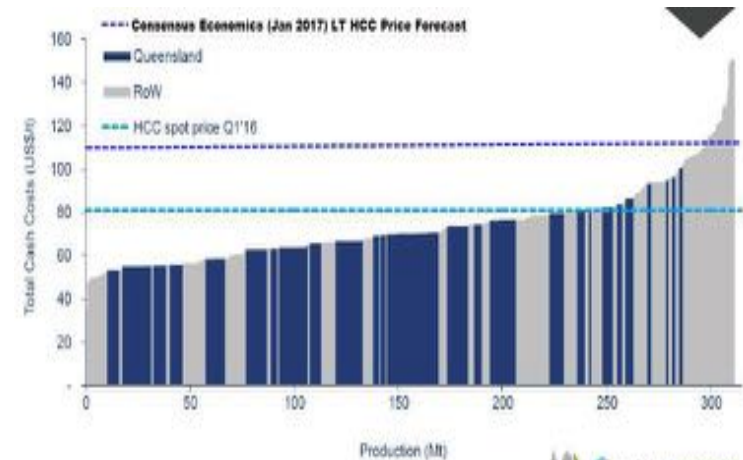
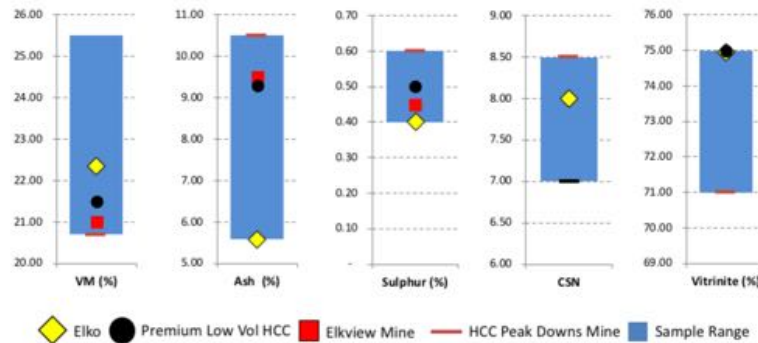


- Elko compares favorably with other Canadian projects in terms of coal quality and capital intensity
- Large coal resource with high quality metallurgical coal
- Open cut and underground mining available
- Favourable capital intensity vs global peers

Capital Intensity - Recent/Proposed Project Basis



High Value Coal



Source: Wood Mackenzie

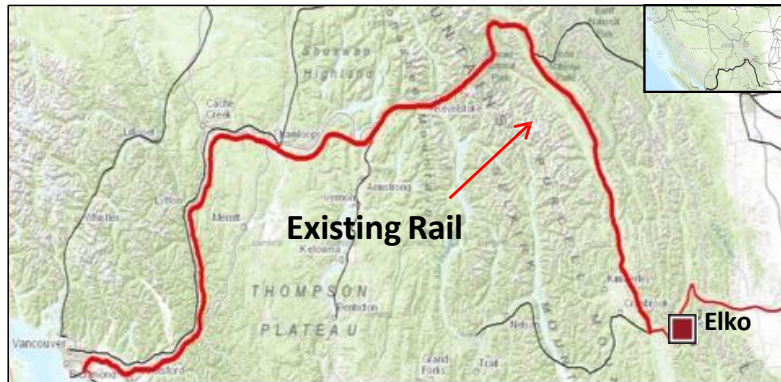


Source: 2016 Seaborne Metallurgical Coal FOB Cash Cost Curve adapted from QRC State of the Sector - December Quarter 2015⁴
 Figure 2.4 FOB Operating Cost Benchmarking

Elko has a large resource base in a competitive basin

Infrastructure Advantage

Rail Logistics



Road transport to rail head	20 km
Rail to Port of Vancouver	1,000 km
Alternative Route to Prince Rupert	2,000 km

Existing infrastructure with optionality

Ports & Shipping



Destination	Days Shipping	
	Vancouver	Hay Point
Kobe, Japan	13	11.4
Pusan, Korea	13	11.9
Shanghai, PRC	14	11.9

2018 Exploration Program

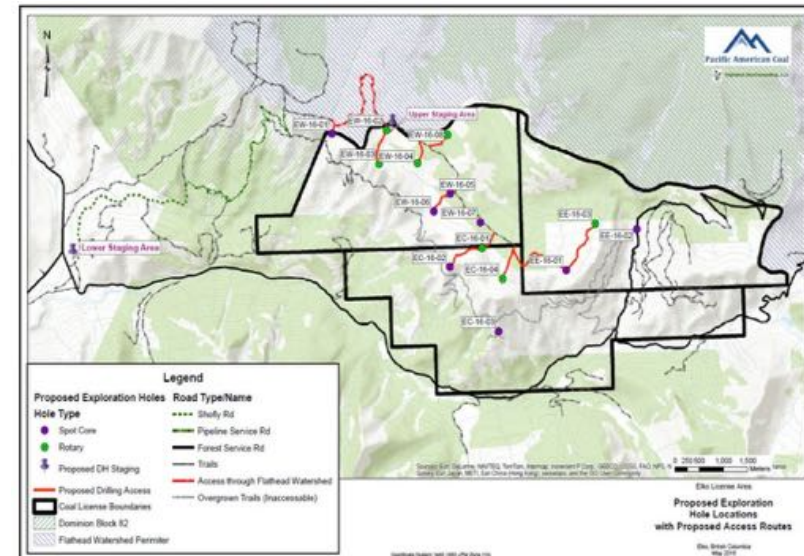
- Exploration program proposes 8,500m of drilling
- Rotary and spot core drilling

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.

The Program will assist to provide:

- Detailed geological mapping, and preliminary environmental data,
- Ongoing working relationships with local contractors & First Nations groups.



Focus on defining JORC reserves and expanding JORC resources

Summary



- Elko – High value coking coal project
- 257MT JORC 2012 Resource
- **Significantly undervalued compared to peers**
- Exploration program scheduled for mid-2018
- Fully funded for exploration and growth
- Significant news flow next 6 months



Approved and Preparing to Commence Drilling