

## Sept 2018

Pacific American Coal (PAK) is the 100% owner of the Elko Coking Coal Project located in the Crowsnest Coalfield of the East Kootenay Coal Basin in British Columbia. The project currently has 257MT of JORC 2012 certified Resources with six coal seams, three of which have been identified as having the potential to produce a hard coking coal product. As at 30 June 2018 the Company had \$4.4m of cash reserves.

Exploration activities at the Elko Coking Coal Project in BC Canada have been progressing well. The drill rig was successfully mobilised to site in early August and has been continually active since.

The exploration program is an important step in enabling the company to further define and develop Elko's 257MT JORC resource.



The construction activities were successfully completed on schedule which has enabled the project to take full advantage of the exploration and weather window available in 2018 exploration season.



We are now over halfway through the drilling activities with all holes intersecting significant amounts of coal. Those holes already completed have been logged and material prepared and sent for lab analysis and testing. The results from the laboratory assay will be included in the updated resources model due to be released in early 2019.

The exploration team has dealt well with the varied rock formations which we are targeting. The project team and consultants have been working well together to determine the best drill set-up for the conditions. Given the lack of drilling activity in that area for over 20 years, the team has done a terrific job establishing benchmark practices for this program and future operations.



The Company's management team has been actively involved in all aspects of the drilling program. Company representatives have been on site extensively, working with our consultants at the exploration drill sites, surveying the area and managing site logistics.





Pacific American Coal

Recent rains have been helpful in reducing the risk of wildfires in the area. Weather conditions have not caused any significant disruption to operations, with only two shifts being impacted to date. We continue to monitor the weather outlook, as conditions at this time of year can change from wildfire threat to early snowfall fairly quickly.



In addition to the exploration activities, Management have been focused on progressing commercial aspects of the project including visiting potential sites for various activities including for the rail loading facility and coal exporting facilities in the region.

Completion of the exploration activities is an important achievement which will enable PAK to pursue financing options to deliver a world class coking coal project at Elko.



Above: Canadian Pacific Railway as it passes through the township of Elko

Below: View of the Neptune Coal Loading Facility in Vancouver



Please continue to follow our progress on our website [www.pamcoal.com](http://www.pamcoal.com)



#### COMPETENT PERSON'S STATEMENT

##### *Previously Released Information*

ASX announcements on 16 June 2014 and 2 November 2015 refer to information extracted from reports available for viewing on PAK's website [www.pamcoal.com](http://www.pamcoal.com). 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.