

ASX Release

Tuesday 30th Apr 2019

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
Chief Executive Coal – Matthew Wall

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

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Quarterly Report for the quarter to 31st March 2019

Summary

Pacific American Coal Limited (**ASX: PAK**) is pleased to provide its Quarterly Activities Report for the three months ended 31st March 2019.

- **During the quarter the PAK announced the final results from the drilling program at the Company's 100% owned Elko Coking Coal Project in B.C. Canada including an updated JORC Resource of 303MT**

PAK Updated JORC 2012 Resource

JORC Resource (Million Tonnes)				
Lease Area	Measured	Indicated	Inferred	Total
West	106.4	70.1	18.6	195.1
Central	11.1	20.9	61.3	93.3
East	0.1	2.2	12.5	14.7
Total	117.6	93.2	92.3	303.1

- **Corporate**

- **Executive Appointment**

Mr Matthew Wall was appointed Chief Executive Coal and will lead the further development of the PAK's 100% owned Elko Coking Coal Project in B.C. Canada

- **Financial Position**

The Company had cash of \$1.437m at the end of the quarter

Elko Coking Coal Project Final Drilling Results

On 16th January 2019, PAK announced the final results from the 2018 drilling campaign at the Company's 100% owned Elko Coking Coal Project in B.C. Canada. The final assays and coal quality tests confirmed nine coal seams running through the Elko resource with thickness' ranging from 1.77m-12.70m. All upper coal seams confirmed as high-quality low ash coking coal with the coal seams correlate across the resource.

The results from the 2018 drill campaign delivered both additional high-quality coal discoveries as well as a significant increase in total resource to 303MT with 117MT contained in the desirable Measured Resource category.

Increase in JORC Resource

The total JORC Resource has increased to 303MT with the majority of the increase coming from the identification of three new high-quality coal seams. The majority (95%) of the JORC resource at Elko sits in the Western and Central blocks where the drilling campaign was focused. The drilling campaign and coal analysis has increased the confidence in the Elko Project with the updated JORC report identifying potential upside in the Central and Eastern Blocks with further drilling.

The Elko Coking Coal Project now has a Measured and Indicated Resources of 210.8MT with 117.6MT Measured, 93.2MT Indicated and 92.3MT Inferred Resources.

Lease Area	2018 In-Situ Resource Estimate (MT)				2015 In-Situ Resource Estimate (MT)			
	Measured	Indicated	Inferred	Total	Measured	Indicated	Inferred	Total
West	106.45	70.12	18.64	195.20	19.19	57.04	85.37	161.60
Central	11.11	20.93	61.20	93.25	0.00	0.00	48.14	48.14
East	0.09	2.14	12.48	14.70	0.00	0.00	47.81	47.81
Total	117.65	93.19	92.32	303.15	19.19	57.04	181.32	257.55
% of Total	39%	31%	30%	100%	8%	22%	70%	100%

Table 1 – Comparison against previous Resource Estimate by Coal Lease Area

PAK's geological consultant Highland GeoComputing LLC (HGC) confirmed the existence and continuity of the six coal seams in the Mist Mountain Formation previously identified. The seams have splits of some degree and are often interbedded with thin mudstone and carbonaceous shale bands. Thin leader and rider coal seams occur below and above the main seams, respectively. The additional three seams in the updated JORC report are identified as belonging to the Elk Formation. These new coal seams E0, E1, E2 have added an extra 35Mt to the total JORC Resource.

Table 2 provides a breakdown of the JORC Resource categories by coal seam:

Seam	Seam Thickness (metres)	In-Situ Resources (MT)			
		Measured	Indicated	Inferred	Total
E2	2.60	2.9	1.2	0.1	4.1
E1	2.71	15.5	11.1	4.0	30.6
E0	1.77	0.9	0.0	0.0	0.9
SM7	2.41	5.9	5.6	3.0	14.4
SM6	2.39	11.6	7.0	4.8	23.4
SM5	3.06	15.0	9.6	6.1	30.7
SM4	2.97	12.8	7.2	6.4	26.3
SM3	8.45	24.8	18.7	28.1	71.6
SM1	12.70	28.3	32.9	39.9	101.1
Grand Total	7.41	117.6	93.2	92.3	303.1

Table 2 – JORC Resource category by seam

The Elk Formation seams have a thickness ranging from 1.8m – 3.0m and have returned washed quality results supportive of producing a Mid Vol, low ash, high quality coking coal. The identification of an addition 35.7MT of high-quality coking coal, that is shallower than previously identified, is of significant importance to the development of the Elko Coking Coal Project.

Seam	Seam Thickness (m)	In-Situ Tonnes (MT)			
		Measured	Indicated	Inferred	Total
E2	2.60	2.9	1.2	0.1	4.1
E1	2.71	15.5	11.1	4.0	30.6
E0	1.77	0.9	0.0	0.0	0.9
Total	7.41	19.3	12.3	4.1	35.7

Table 3 – Elk Formation Coal Seam quantity

Seam	Yield	Washed Coal			
		Ash	VM	Sulphur	FSI
E2	54.9%	5.88	33.19	0.56	8.1
E1	37.5%	8.23	26.94	0.52	7.8
E0	45.7%	6.50	26.12	0.56	8.5
Total					

Table 4 – Elk Formation Coal Seam quality

The Elk Formation coal seams occur at the base of sandstones, the lateral extent of the Elk Formation coal seams might be limited or very lenticular due to erosion.

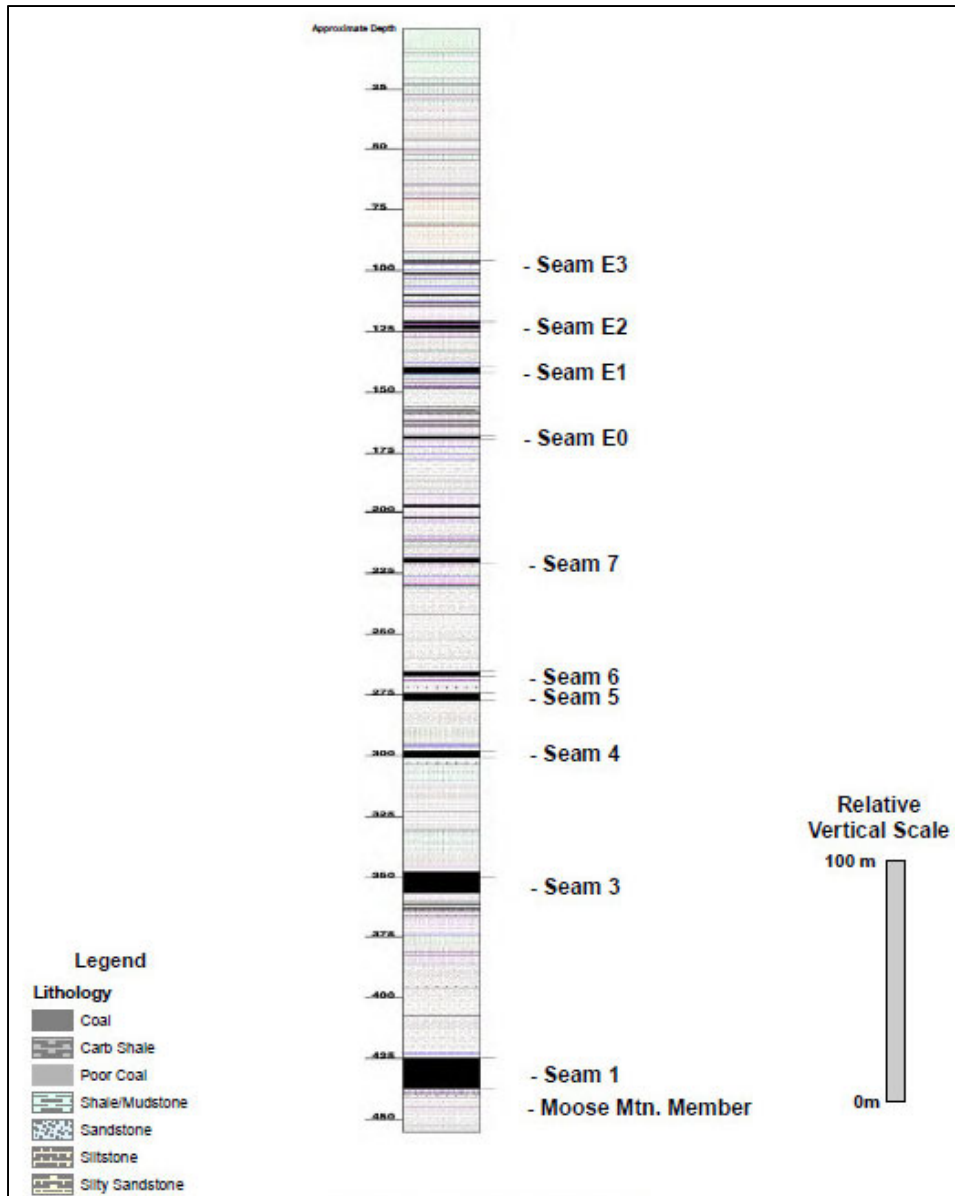


Figure 1 – Composite lithology from the 2018 Drill Hole Data

Coal Quality

The washed coal quality results confirm that seven of the nine seams are indicative of mid-vol, low ash, coking coal. The bottom two seams are in line with a mid vol, semi-soft coking coal to a PCI metallurgical coal. This new and updated information is supportive that the Elko Project contains a large coking coal resource with the potential ability to produce a range of coking and metallurgical coal products.

Coal Seam	Yield	Washed Coal				Specific Energy (Kcal/kg)
		Ash	VM	Sulfur	FSI	
E2	54.9%	5.88	33.19	0.56	8.1	8,100
E1	37.5%	8.23	26.94	0.52	7.8	7,870
E0	45.7%	6.50	26.12	0.56	8.5	8,201
SM7	47.5%	6.27	27.25	0.62	8.5	8,219
SM6	67.1%	6.04	22.91	0.45	6.2	8,001
SM5	70.2%	5.59	22.68	0.43	6.9	8,031
SM4	57.8%	6.55	21.14	0.50	6.2	7,995
SM3	58.6%	6.29	21.10	0.38	4.2	8,221
SM1	51.6%	9.43	21.30	0.39	3.2	7,789
Total	55.4%	7.33	22.32	0.43	5.1	7,995

Table 5 – Coal Quality Summary by seam

The yields detailed in this report are based on samples taken from the drilling program and may not represent the production yields from mining operations.

HGC modelled raw quality and washed quality for an initial estimate of coal quality at Elko. HGC modelled raw dry ash, dry heat (Kcal/kg), dry sulphur and FSI. HGC also modelled clean dry ash, dry heat (Kcal/kg), dry sulphur and FSI. The washed coal characteristics represent the float product using a 1.5 SG.

Executive Appointment

Mr Matthew Wall was appointed Chief Executive Coal and will lead the further development of the Elko Coking Coal Project. Mr Wall is an experienced metals and mining executive with a track record of success spanning three decades. His background is in the metals (Aluminium) and bulks (Steel Making Coal & Energy Coal) sectors specialising in sales, marketing, logistics and price risk management.

Mr Wall joins PAK after his most recent role as Senior Advisor to Allegiance Coal, where he introduced and helped guide the formation of the Joint Venture partnership with Itochu Corporation (a global top 500 company) for the Telkwa Coal Project in British Columbia, Canada.

Financial Position

The Company had a cash balance of \$1.437m at the end of the quarter, which included cash outlays during the quarter of \$231,000 related to the 2018 Elko Exploration Program.

Business Development Opportunities

During the March 2019 quarter, PAK continued to review and assess business development opportunities in energy and related areas - both in Australia and in North America. Discussions are ongoing with several parties.

Having completed its drilling program and analysis during the March 2019 quarter, PAK's financial position is relatively sound. PAK continues to look for opportunities for advancing and upgrading PAK's Elko Coking Coal Project, with the introduction of new partners and investors.

Tenement Management Updates

During the Quarter, there was no change to the ownership in PAK's tenements.

	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 during the quarter	Nil	Nil
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

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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 and announced on 16.01.2019 "Elko Coking Coal Project JORC Resource Increased to 303Mt"

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.