



# There remains a strong demand for coking coal

Mines and Money interviewed Simon Klimt, Head of Investor Relations – Pacific American Coal

*Pacific American Coal will be one of many mining projects at this year's Mines and Money Asia. Their project is one of the most interesting new coal projects. Mines and Money caught up with their Head of Investor Relations, Simon Klimt, to find out more.*

## Many investors are often cautious about investing in coal – why should they look at investing in coal?

We understand that a number of investors are cautious of investing in coal. However, it's important to note that we are a coking coal company and have more correlation and relativity to iron ore than we have to thermal coal.

Like iron ore, investing in metcoal provides exposure to the continuing urbanisation and growth in the Asian middle class, as well as the broader uptick in global growth. As can be seen by the strong recovery in coking coal prices over the past 12 months, there remains a strong demand for bulk commodities such as iron ore and coking coal.

## Tell us a little about Pacific American Coal – what makes it stand out from other coal projects?

The Elko Coking Coal Project in the Kootenay Basin in British Columbia has a number of significant advantages over our peers including:

- A large 257MT JORC (2012) resource base
- Projected low capital entry
- Close proximity to key infrastructure - Elko is 20km from the existing rail line to the pacific ports and therefore excellent access to the key Asian markets
- Coking coal quality comparable to Canadian peers

## How have the last 12 months been for Pacific American Coal?

We have had a slightly frustrating time over the past 12 months due primarily to the unprecedented wildfire season in British Columbia last year and the delays in gaining our final regulatory approvals, which meant we were forced to delay our exploration program until this year. We have also spent that time refocussing the company by divesting non-core assets to redirect the company's resources towards the development of Elko.

## What opportunities do you see for the next 12 months?

The next twelve months (and in fact the next 6 months) are extremely exciting for PAK. We will have considerable news flow coming through for investors as we undertake our 2018 exploration program during the northern summer.

The exploration program is designed to delineate reserves and additional resources sufficient to underpin the rapid development of Elko. In addition, the company will continue to push forward with the commercial aspects of the project to underpin its strong economics.

## Why list on the ASX not the TSX (where most North American projects tend to list) or the NYSE/ASE?

The attraction of the ASX is the familiarity that many investors have with the mining sector in general, and coal in particular. There are a number of coal exploration companies with operations in Canada which are listed on the ASX, which probably demonstrates the role we play in providing Australian investors an avenue to gain exposure to the Canadian market.

## What are the biggest challenges Pacific American Coal are facing right now?

Probably the most significant challenge we face is demonstrating to the market the inherent value in our Elko project. We are currently demonstrably undervalued compared to our peers at a mere A\$0.02 per resource tonne.

However, we believe that our recent efforts to ensure that we are fully funded with over A\$4m in cash reserves, impending exploration program will help investors realise the value in our company