

ASX Release

Wednesday, 31st January 2018

ASX Code

PAK

About Us

Pacific American Coal Limited is focused on the production, development and exploration of metallurgical coal assets in North America. The Company's strategic focus is on the 100% owned Elko hard coking coal project in British Columbia. PAK has 100% ownership in a total of 6 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. The company is also actively reviewing other potential investments.

Board

Non-Executive Chairman – Geoff Hill
Non-Executive Director – Simon Bird
Non-Executive Director – Mark Sykes

Company Secretary

Ian Morgan

Management

Business Development – Dom Hill
Investor Relations – Simon Klimt

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

Pacific American Coal Limited
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SYDNEY, NSW, 2001

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**Quarterly Report
for the quarter to
31st December 2017**

Summary

Pacific American Coal Limited (**ASX: PAK**) is pleased to provide its Quarterly Activities Report for the three months ended 31st December 2017.

Key activities PAK engaged in during the Quarter include:

- **Elko Coking Coal Project**
 - Company regained access to Elko Project site following the extreme wildfire season
 - Pre-drilling environmental studies successfully completed
 - Permitting process progressed
- **Corporate**
 - Board Changes
 - Financial Position

Elko Coking Coal Project

During the quarter, the State of Emergency and Province wide industry shutdown was lifted, giving access to the Elko Project site in British Columbia.

Pre-drilling Environmental Studies:

The Company and its consultants have now completed the Grizzly Bear, White Bark Pine and Huckleberry studies. As a result, the Company has now completed studies for the key issues identified during the Notice of Work process

Study	Status
Fish Assessment Stage 1 Study	Completed
Archaeological Stage 1 Study	Completed
Grizzly Bear Study	Completed
Huckleberry Study	Completed
White Bark Pine Desktop Study	Completed
GAP Analysis	In Progress

The final piece of work required to be undertaken by the Company and its consultants, is the GAP Analysis which is being prepared by Nupqu and other experts on behalf of the Company.

The Gap Analysis identifies key issues that need to be addressed at the Elko Project in order to advance the project through the Environmental Assessment (EA) process. In addition, the Gap Analysis will map out the regulatory approvals process required for the project to progress through exploration phase and into development and operation. Through this process, the Gap Analysis will assess the current permitting status and the information available to the Company to achieve these objectives. An outcome of this study will be to identify the activities the Company needs to undertake in order to meet the standards required to submit an EA. The Gap Analysis will report on 6 subject areas being:

- Physical Environment
- Aquatic Environment
- Terrestrial Environment
- Socio-Economics
- Heritage
- Project permitting

The regulatory approvals review is aimed at identifying the most expedient path to development and operation in the shortest time possible. This is achieved by identifying approvals processes that can run concurrently, and those that need to be applied for in series.

The Company will update the market once the GAP analysis has been completed.

Permitting Process:

The Company continues to work closely with the Ministry of Energy, Mines and Petroleum Resources (MEM) and various other government departments, and has already received the majority of approvals required to commence the planned exploration program.

Corporate

Board and Management Changes

Mr Paul Chappell resigned as a Non-Executive Director effective 31 Dec 2017. Mr Chappell had been a director since the 2015 acquisition of Texas and Oklahoma Coal Co Limited. Mr Mark Sykes join the Board as an Executive Director, also effective 31 December 2017.

Mark has been PAK's Chief Executive Officer since 2013 and will continue to lead the management team as the Company moves forward with its Elko Coking Coal Project in B.C. Canada. Mark has a wealth of experience in the coal sector as well as broad exposure to other minerals from his previous roles at BHP and Mitsubishi Development. His experience is proving to be invaluable as the Company works closely with regulators and local stakeholders to finalise the planned exploration program at the Elko Project.

Financial Position

During the Quarter the company received US\$408,580 being an early and final payment from GCI. The Company had previously entered into an agreement to sell its 30% equity investment in GCI, with repayments scheduled over a 24- month period commencing 15 January 2017. The proceeds from the divestment means that the Company has now recovered 100% of its investment in GCI, with repayment occurring 15 months early than scheduled.

Company had a cash balance of \$4.2m as at 31 December 2017.

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
	South Hazel Coal Licences in British Columbia, Canada. Licences 418645, 418646 and 418647.	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

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 the Company'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

The Company 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. The Company 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 December 2017

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(112) ¹	(594)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(151)	(670)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	4	14
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	(259)	(1,250)

¹ Exploration & evaluation payments totalling \$A112,000 consists of consulting and employee costs (\$A 75,500) and other costs (\$A 36,500).

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	1,892
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	521 ²	855
2.6	Net cash from / (used in) investing activities	521	2,747

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	300
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	-	(5)
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	-	295

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,934	2,495
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(259)	(1,250)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	521	2,747
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	295
4.5	Effect of movement in exchange rates on cash held	7	(84)
4.6	Cash and cash equivalents at end of period	4,203	4,203

²Final payment of US\$408,591 received from sale of interest in GCI

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	4,203	3,934
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,203	3,934

6. Payments to directors of the entity and their associates

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

Current quarter \$A'000
99
-

Payment of fees to Directors and officers.

7. Payments to related entities of the entity and their associates

- 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

Current quarter \$A'000
-
-

Mining exploration entity and oil and gas exploration entity quarterly report

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.

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9. Estimated cash outflows for next quarter**\$A'000**

9.1 Exploration and evaluation

93

9.2 Development

-

9.3 Production

-

9.4 Staff costs

-

9.5 Administration and corporate costs

111

9.6 Other (provide details if material)

-

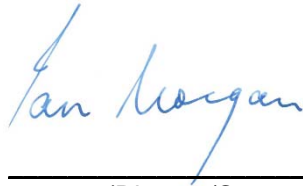
9.7 Total estimated cash outflows

204

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	-	-	-	-
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: 31 January 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.