

ASX Release

Monday 30 April 2018

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
Investor Relations – Simon Klimt

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

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**Quarterly Report
for the quarter to
31st March ~~2017~~2018**

Summary

Pacific American Coal Limited (ASX: PAK) is pleased to provide its Quarterly Activities Report for the three months ended 31st March 2018.

- **Elko Coking Coal Project**
 - Ongoing work with MEM towards finalising pre-drilling approvals
 - Community engagement activities
 - Commencement of pre-planning activities for the planned 2018 drilling program
- **Sale of South Hazell Exploration Property**
 - Sale of the South Hazell exploration project for C\$1m to North Coal Limited
- **Corporate**
 - Financial Position

Pacific American Coal Limited

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Elko Coking Coal Project

During the quarter the Elko project team remained focused on moving the project forward towards the planned exploration program scheduled for the northern summer drilling season. The key activities included:

- Interaction with the key regulatory body
- Engagement with the First Nations
- Progress towards finalisation of the GAP Analysis, and
- Pre-planning activities

The team remained actively engaged with the Ministry of Energy, Mines and Petroleum Resources (MEM) making progress towards receiving the final approvals for the Notice of Works at the Elko Coking Coal Project in B.C. Canada. Significant progress was made towards finalising all the outstanding matters. Post the end of the Quarter, the Company announced that the MEM had approved the Elko Notice of Works (see ASX announcement dated 24 April 2018).

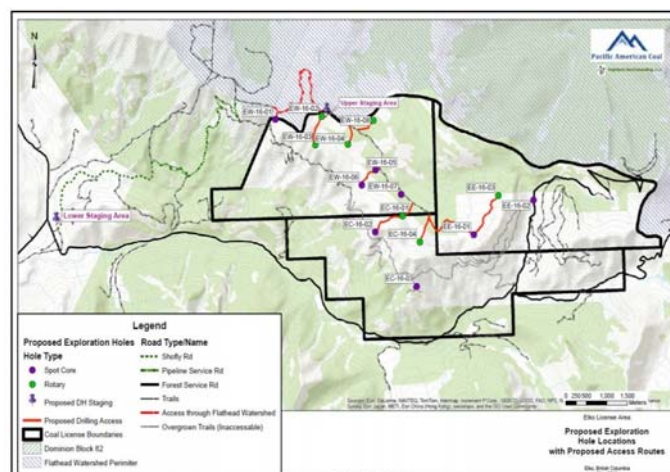
During the quarter, a delegation from the Company, including Non-Executive Director Mr Simon Bird and General Manager Business Development Mr Dom Hill, met with representatives from the Ktunaxa Nation. The purpose of the meeting was to update the local First Nations on PAK's plans for the exploration program, and to reaffirm the Company's core commitments of developing environmentally sustainable projects whilst working proactively with local communities.

In addition to the ongoing work with the MEM, the project team continued to work with the Company's advisor Nupqu Development Corporation on finalising the detailed GAP Analysis. Significant progress has also been made on the forward planning for the 2018 exploration program so that execution can commence immediately following the receipt of all final approvals.

The focus of the exploration program is on defining JORC reserves and potentially expanding JORC resources. The program proposes 8,500m of 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

Figure 1 – Proposed Exploration Holes:



Sale of South Hazell Exploration Property

On 28 March 2018 the Company announced the sale of the South Hazell Exploration property to North Coal Limited (North Coal) for C\$1m, after receiving an unsolicited offer for the project. The South Hazell property is located directly adjacent to tenements owned by North Coal. North Coal is a privately held coal development company focused on advancing the Michel Coal project in the Elk Valley, British Columbia.

The Board of PAK regarded the South Hazell Project as being highly prospective. However, given the Company's limited expenditure on the Project, acceptance of North Coal's offer was considered the best way for PAK to realise value from South Hazell without having to incur any additional expenditure. The sale enables PAK to focus the Company's attention on the exceptional Elko Project which provides significant leverage to PAK shareholders in the prolific East Kootenay Coal Basin.

Corporate

Funds from the transfer of the South Hazell licences were deposited into a trust account for the benefit of the Company prior to the end of the quarter. As a result, the Company retained a strong cash balance of \$4.85m of cash and cash equivalents as at 31 March 2018.

Tenement Management Updates

During the Quarter the Company agreed to sell the South Hazell property to North Coal Limited.

	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 / divested during the quarter	South Hazell Licences in British Columbia, Canada. Licences 418645, 418646, 418647	100%
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

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Pacific American Coal Ltd
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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

- 16.06.2014 TOCC Assets Independent Review
- 02.11.2015 Elko Coal Project Maiden JORC Resource 257.5 Million Tonnes

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.