

ASX Release

Monday 13th August 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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Elko Exploration Program Commences

Summary

Pacific American Coal Limited (**ASX: PAK**) is pleased to provide the following update regarding activity at the Company's 100% owned Elko Coking Coal Project in B.C., Canada:

- Initial construction activities of access roads and bridges have now been completed
- The drill rig has now been mobilised to site and has commenced drilling operations
- The drill program is scheduled to be completed during Q4 2018 with an updated Resource Statement due for release in early 2019

Pacific American Coal Limited

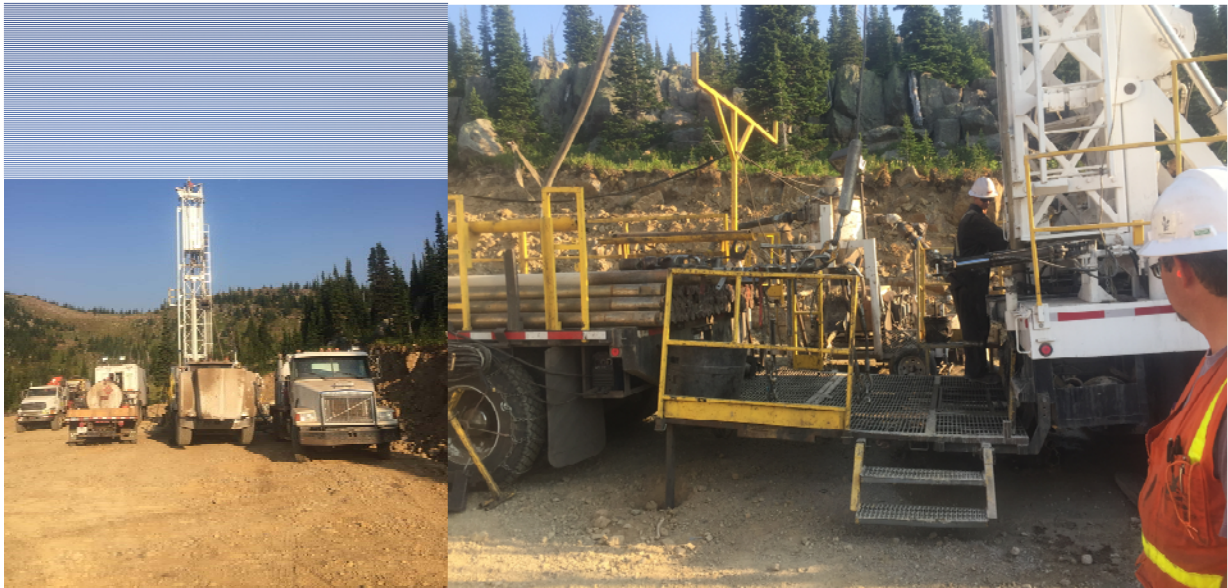
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Elko Drilling Program:

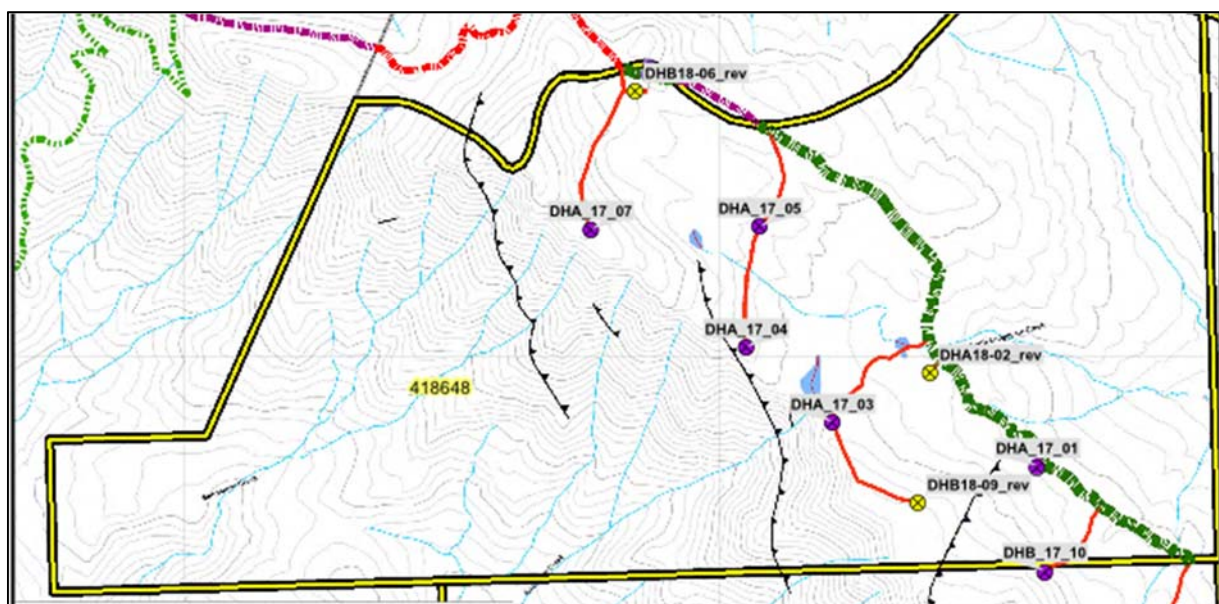
Pacific American Coal Limited is pleased announce that drilling has commenced at the Company's 100% owned Elko Coking Coal Project in British Columbia, Canada.

Construction of access roads, bridges and initial drill pads has been completed, with the drill rig arriving on site to commence the planned RC drilling and 3-inch coring. PAK's program of up to 11 rotary and spot core holes will focus on improving coal quality information; identifying general structural trends, features and domains; and importantly collecting coal core from the high value SM7 and SM5/SM6 seams.



Drilling commenced at hole DHB_18_06 in our north western license area 418648 (see Figure 1 below). The drilling activities for the full program are being conducted using two 12 hour shifts on a seven days/week basis.

Figure 1: 2018 Exploration Drilling Plan



The Company is pleased to report that the pre-drilling activities are completed on schedule and without any safety incidents or lost time injuries. On-site weather conditions remain favourable. However, wild fires are reported in the area. PAK's on the ground management team is closely monitoring the situation and keeping in constant contact. Wild fires have not impacted PAK's activity. The program remains on schedule, with drilling and remediation activities expected to be completed by Q1 2019.

Assayed drilling results, followed by a resource update, are due for market release in early in 2019.

Table 1: Indicative Schedule

July 2018

- **Pre-construction Activities**

- Required environmental surveys □

- **Construction Activities**

- Install bridges/culverts □
- Access roads □
- Drill-rig mobilization □

August - September

- **Drill Pad construction** □

- **Drilling**

- 11 rotary holes □
- Spot core on selected holes

October

- **Completion of Drilling**

- **Site reclamation activities**

- **Lab assaying and analysis**

Q1 2019

- **Assay and analytical results, including an updated geological model**

Commencement of drilling is a very exciting milestone for the Elko project. PAK will continue to update the market on progress throughout the exploration program of activities at Elko.

Commenting on the commencement of drilling, PAK Chairman Geoff Hill said:

"We are extremely pleased with activities at site. So far, pre-drilling construction works have been carried with no lost time injuries and minimal impact on the environment. Commencement of drilling is another important milestone for the project and our Company. We remain focused on completing this important phase of Elko's development, which if successful will further enhance the value of the Elko project for our shareholders. At the same time, we take our responsibility to all stakeholders seriously. We will continue to strive to deliver the exploration program, on time and within budget, whilst ensuring a safe working environment and minimising our impact on the environment."

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 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.