

ASX Release

Wednesday 10th October 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 Drilling Successfully Completed

Summary

Pacific American Coal Limited (**ASX: PAK**) is pleased to announce the successful completion of the 2018 exploration drilling program at the Company's 100% owned Elko Coking Coal Project in the East Kootenay Coal Basin of British Columbia.

- Total of 9 holes for 3,451m of drilling
- All drill holes intersected multiple coal seams
- All works were completed without any lost time injuries
- The program was completed on time and in line with budget
- Drill core and cuttings have been sent to SGS Denver for independent laboratory analysis
- Initial results from the drilling will be available in Q4 2018 with an updated JORC compliant statement expected Q1 2019
- Remediation and restoration work has been completed along with the demobilisation of drilling and construction equipment
- With an exploration permit valid through May 2022, PAK is now planning for the next phase of exploration activities.

Elko Exploration Drilling Program

Pacific American Coal Limited (PAK) is pleased to announce the completion of the 2018 exploration drilling program at the Elko Coking Coal Project in British Columbia.

Significant Achievement

The successful completion of the 2018 drilling program is the first substantial exploration activity at Elko for over 30 years and demonstrates the Company's ability to safely execute a complex project on time and on budget. The PAK management team has demonstrated its skills and ability to deliver future phases of the development by completing:

- 3,451 metres of drilling and other exploration activities without any lost time injuries
- All regulatory approvals required to drill in B.C. (the current Notice of Works is a multi-year approval)
- Additional environmental studies including water sampling and Archaeological studies
- A second coal seam mapping program in the eastern and central coal blocks
- An exploration program designed to provides greater certainty to the 257MT, JORC 2012 Resource
- Construction of access roads and infrastructure necessary to operate at the project site
- Manage and implement appropriate drilling techniques to deliver the project objectives.



2018 Exploration Activity at the Elko Coking Coal Project

Objectives

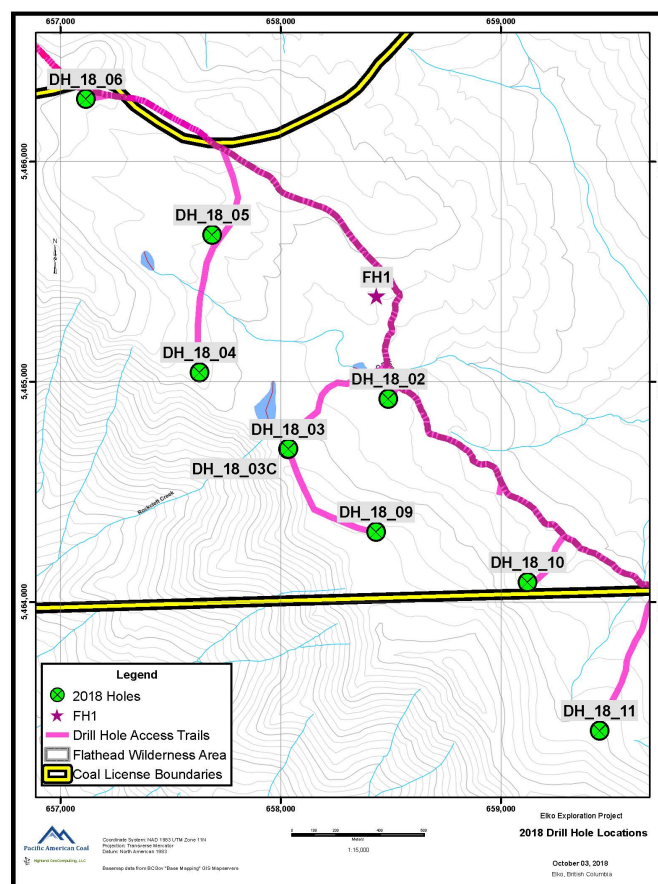
The drilling program was designed to confirm the geological continuity of the highest value coal seams across the Western Coal License (Number 418648) and into the Central Coal License (Number 418650). This program has also enabled the Company to recover numerous coal samples and will assist with the delineation of localised structural trends. Where practical, drilling also targeted the lower coal seams to confirm the contiguous nature of all six known coal seams at Elko.

Exploration Program Highlights

The drilling locations were designed to access the site along the top of the escarpment and intersect the high value coal seams previously mapped by PAK and identified by BC Coal Ltd that are contained within the Mist Mountain Member of the Kootenay Formation.

The drill rig performed as expected with the deepest of the holes at DH_18_09 reaching over 455m from the top of the escarpment. The depths required to reach the lower coal seams from the surface are not indicative of the required depths during the mining phase. Access to the coal is likely to be via traditional underground mining methods accessed from the outcropping seams along the escarpment.

A total of 3,451 metres of drilling was completed during the 2018 drilling program. Drilling focused on the targeting the high value coal seams, being Seams 4 – 7. This drilling program will support previous exploration activity so as to better define the Elko 257MT JORC 2012 compliant resource.



Completed Drill Hole Locations

Next Steps

In addition to completing activities relating to the 2018 Exploration program, the Company has taken numerous steps during the 2018 campaign to develop and define the next phase of activity at Elko. The key objectives of the Company over the next short and medium term are:

Short term (3-6 months)

The short terms objectives focus on the delivering the findings from the 2018 exploration program, this includes:

- Coal samples from the drilling having been sent from the site for analysis at SGS Denver
- Results from the laboratory testing including assay results are expected to be available during Q4 2018 in-line with the initial timetable
- Assay results and drill lithology will then be used to improve the geological model with the expectation of releasing an update resource statement during Q1 2019
- The updated geological model will be a significant input into the design of the next phase of the exploration program, and
- Will provide significant geological data to potential off-take and financing partners

Medium Term (6 – 24 months)

- Utilising the updated geological model, define the next drill campaign
- Leverage the existing Notice of Work for the Western Coal License that is valid through May 2022
- Applying for a more expansive multi-year Notice of Work over the entire project area
- Updating the geological model and Resource Statements

PAK has commenced the process for seeking interest from various parties to support the future development of the project.

Ground Truthing Program

During the 2018 drilling program the Company completed a second ground truthing program focused on:

- Coal seam mapping and measuring coal sections
- Recording dip and strike measurements
- Defining long term road access routes
- Identifying future potential drill locations
- Mapping areas for EA data collection



Exposing Coal seams in the central block



Coal measurement taken from the central block



Coal measurement taken from drill pad 4



Mapping coal seam in the central block

Coal samples were collected from the 2018 drilling program have been packaged and forwarded to SGS in Denver for assaying.



Government Site Audit

On the 11th of September representatives from British Columbia government visited the site for the yearly site inspection. The audit found no major issues with the drill program and the government was pleased that we had met all regulatory requirements.

Demobilisation

The company has now demobilised the drill rig from site and all restoration and remediation work has been completed.

Commenting on the completion of the 2018 drilling program, PAK Chairman Geoff Hill said:

“Completion of this phase of the exploration and evaluation process at Elko is a significant milestone for what is shaping up as potentially a world class coking coal asset. We have now proven we can successfully gain the necessary regulatory approvals, access the site, and through drilling identify substantial amounts of coal on the property. Once we have the results from the analysis of the coal extracted, we will be in an excellent position to continue the process we have commenced to attract off-take and funding partners.

We have now demonstrated our ability to deliver a successful drilling campaign, on time, in line with budget and most importantly without any lost time injuries. Along with the other initiatives we are undertaking at PAK, we believe we are creating significant value for shareholders”

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.