

PACIFIC AMERICAN COAL (ASX:PAK)

Vancouver Resource Investment Conference

JAN 2019



Pacific American Coal

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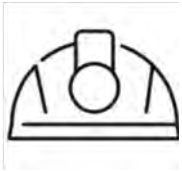
Competent Person Statement

The information in this document that relates to JORC 2012 Resources based on information compiled by Mr. Dwight Kinnes, B.Sc Colorado State University, Geology, who is a Member of a Recognised Overseas Professional Organisation (ROPO) included in a list promulgated by the ASX from time to time, being the Society for Mining, Metallurgy, and Exploration (Registered Member No. 4063295), and American Institute of Professional Geologists (Cert. No. 10244).

Mr Kinnes is Principal Consultant/President of Highland GeoComputing, LLC and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration by them and to the activity which they are undertaking to qualify as a 'Competent Person' as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). Mr Kinnes consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

PAK: SIMPLE & CLEAR STORY

High Value Coking Coal – East Kootenay B.C



PROJECT

Elko Coking Coal Project (100%)

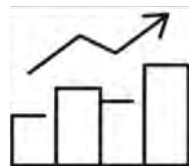


Significant Resource

Total: 303 MT

M&I: 211MT

- Drilling Program Completed
- Updated JORC



ASX Listed (PAK)

- Focus on high value HCC seams
- Additional cash for other accretive investments



CORPORATE OVERVIEW

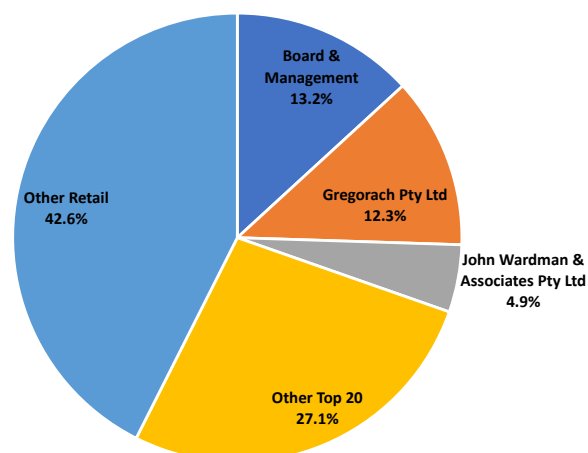
Capital Structure

ASX:	PAK
Shares Outstanding	165,305,889
Share Price ¹ :	\$0.045
Market Capitalisation:	\$7,438,765
Cash on Hand (as at 31 Dec 2018):	\$1,772,000
Debt:	\$0

Board

Non-Executive Chairman	Geoff Hill
Executive Director & CEO	Mark Sykes
Non-Executive Director	Simon Bird
Company Secretary	Ian Morgan

Major Shareholders

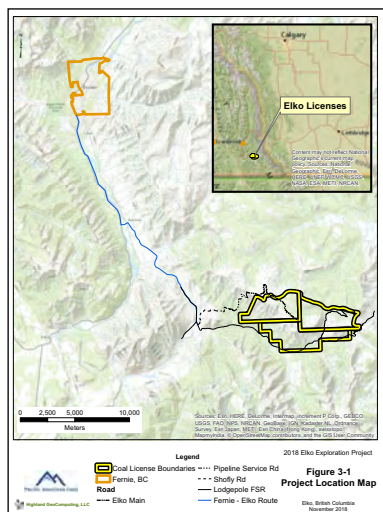


Share Price Performance

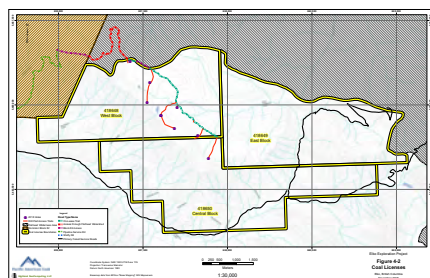


1. As at 16 Jan 2019

Location



Leases



JORC Resource

Elko In-situ Resource (MT)

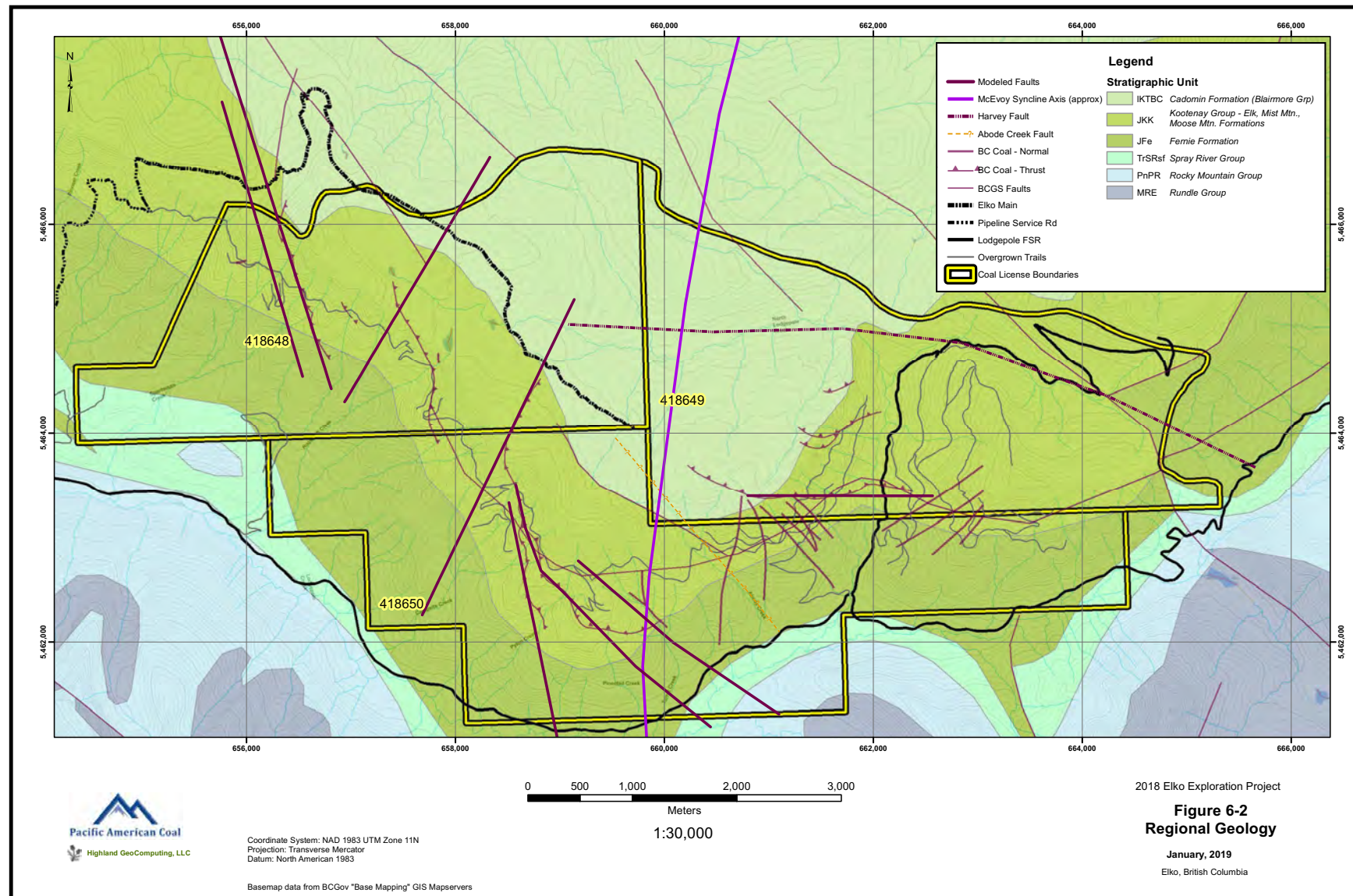
Measured	117.6
Indicated	93.2
Inferred	92.3
Total Resource	303.1

ELKO COKING COAL PROJECT OVERVIEW

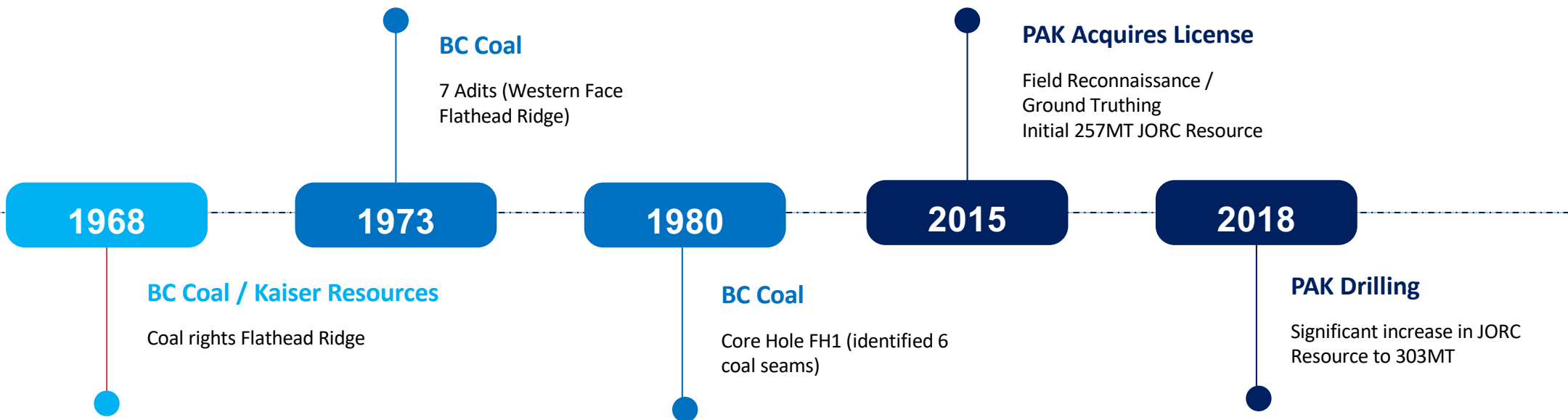
Location:	East Kootenay Coal Basin Crowsnest Coal Field
Ownership:	100%
Area:	3,571 Ha (3 adjoining tenements)
Environmental Status:	Highly disturbed land (logging)
Coal Seams:	9 Seams
Mining Method:	Underground
Approvals:	Notice of Work for the Western Coal License valid until May 2022

REGIONAL GEOLOGY

Kootenay Group (Elk, Mist Mtn., Moose Mtn. Formations) cross all three Elko leases



HISTORY OF EXPLORATION ACTIVITY AT ELKO

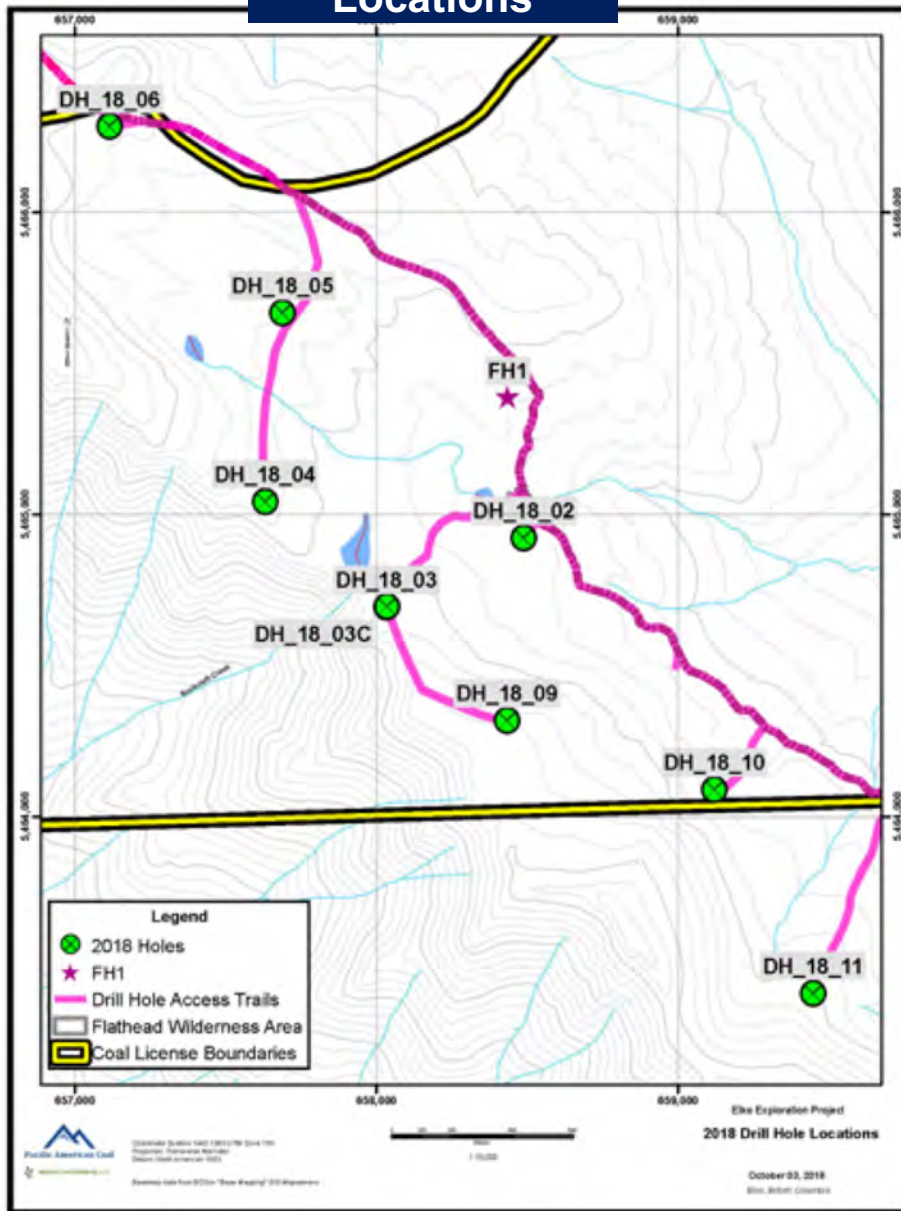


2018 DRILLING CAMPAIGN

Highlights

- Aug – Sep 2018
- Total of 9 holes (3,451m) of drilling
- **All drill holes intersected multiple coal seams**
- 3 newly identified coal seams have been included in the Resource update
- Top seams (previously identified as high value Hard Coking Coal target seams) extended into the central block

Drill Hole Locations



The drilling focused on the West Block with DH_18_11 being the first hole drilled in the Central Block

2018 DRILL HOLE DETAILS

Drill Hole	Drill Type	Date Drilled	Collar	Total Depth	Coal Seams
DH_18_02	RC	8-Sep-18	1963	400m	SM4,SM5,SM6,SM7, E2,E1,E0
DH_18_03	RC	11-Sep-18	2007	364m	SM1,SM3,SM4,SM5, SM6,SM7,E,E1,E0
DH_18_03C	Core	1-Sep-18	2007	220m	SM4, SM5, SM6, E1,E0
DH_18_04	RC	17-Aug-18	2025	318m	SM1, SM3, SM4, SM5, SM6, SM7
DH_18_05	RC	25-Aug-18	2038	421m	SM3,SM4,SM5,SM6, SM7, E2,E1,E0
DH_18_06	RC	13-Aug-18	2082	402m	SM3,SM4,SM5,SM6, SM7, E2, E1
DH_18_09	RC	15-Sep-18	2054	455m	SM3,SM4,SM5,SM6 SM7, E2,E1,E0
DH_18_10	RC	2-Sep-18	1947	438m	SM4,SM5,SM6,SM7 E3,E1,E0
DH_18_11	RC	23-Sep-18	2001	435m	SM7, E2,E1,E0
				3,451m	



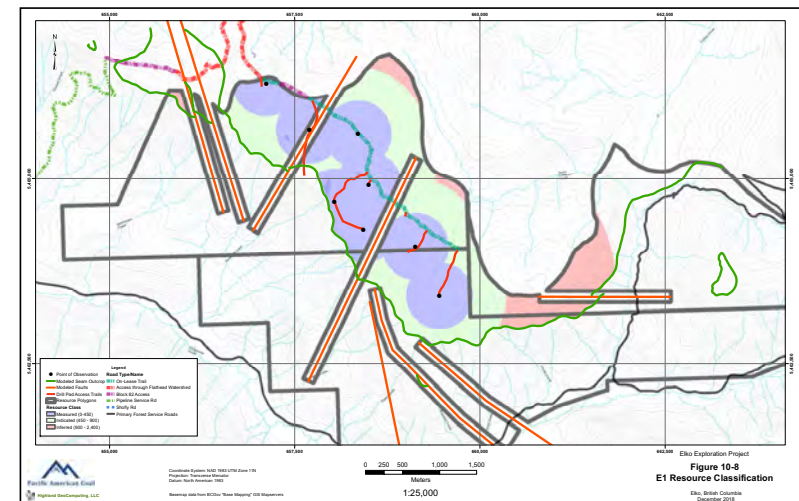
ELK FORMATION SEAMS

Significant for the development of the Elko Project

- First discoveries in the shallower Elk Formation
- 3 new high-quality coal seams included in the resource base
- Adds an additional 35.7 million tonne high quality coking coal to the Elko Project
- Mid Vol, low ash, high quality coking coal

Period	Formation	Lithology	
Lower Cretaceous	Cadomin Fm (Blairmore Group)	non-marine sandstone, conglomerate and shale	
Lower Cretaceous and Jurassic	Kootenay Group	Elk Formation	non-marine Interbedded medium for coarse grained sandstone, chert-pebble conglomerate with minor shale and coal
		Mist Mountain Formation (Elko Coal Bearing Member)	non-marine and brackish interbedded coal, siltstone, shale and sandstone
		Moose Mountain Member	non-marine massive cliff-forming sandstone
Jurassic	Fernie Formation	marine shale, siltstone, sandstone and limestone	

Western Zone			Central Zone			East Zone			Total	
Seam	Tonnes (000's)	Avg Seam Thickness (m)	Seam	Tonnes (000's)	Avg Seam Thickness (m)	Seam	Tonnes (000's)	Avg Seam Thickness (m)	Seam	Tonnes (000's)
E2	4,128	2.6							E2	4,128
E1	22,184	2.96	E1	5,006	1.97	E1	3,391	2.16	E1	30,581
E0	946	1.77							E0	946



2018 JORC RESOURCE TABLES

In-Situ Resource by Lease & Resource Class

Lease Area	Measured	Indicated	Inferred	Total
West	106,447	70,116	18,637	195,199
Central	11,113	20,935	61,205	93,253
East	88	2,137	12,477	14,701
Grand Total	117,648	93,187	92,318	303,153

In-situ Coal Seam Resource by Lease Area

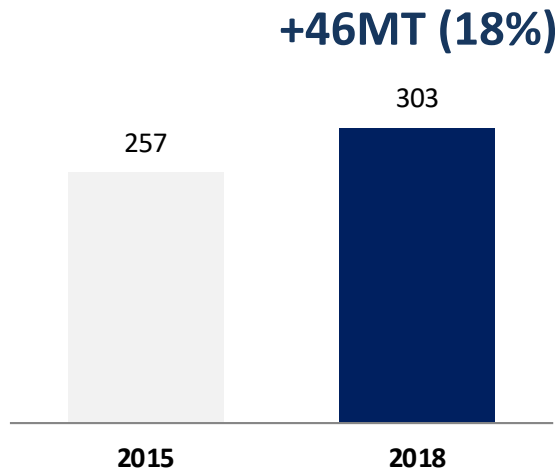
Western Zone			Central Zone			East Zone			Total	
Seam	Tonnes (000's)	Avg Seam Thickness (m)	Seam	Tonnes (000's)	Avg Seam Thickness (m)	Seam	Tonnes (000's)	Avg Seam Thickness (m)	Seam	Tonnes (000's)
E2	4,128	2.6	E1	5,006	1.97	E1	3,391	2.16	E2	4,128
E1	22,184	2.96							E1	30,581
E0	946	1.77							E0	946
SM7	4,339	2.11	SM7	7,018	2.55	SM7	3,054	2.51	SM7	14,411
SM6	14,851	2.38	SM6	7,022	2.43	SM6	1,557	2.28	SM6	23,430
SM5	19,388	2.98	SM5	9,285	3.22	SM5	1,990	3.05	SM5	30,663
SM4	15,258	2.99	SM4	9,254	2.97	SM4	1,805	2.87	SM4	26,317
SM3	43,346	8.47	SM3	26,022	8.42	SM3	2,226	8.33	SM3	71,594
SM1	70,760	12.7	SM1	29,647	12.69	SM1	677	13	SM1	101,084
Total	195,199	7.64	Total	93,253	7.48	Total	14,701	7.41	Total	303,153

Target
Coking
Coal
Seams

2018 JORC RESOURCE UPDATE

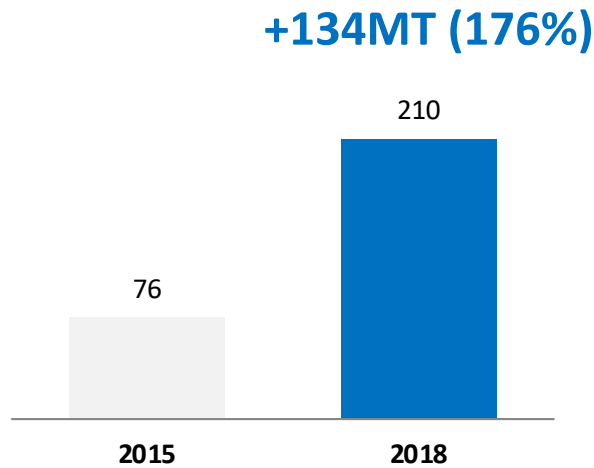


Drilling results exceeded expectation



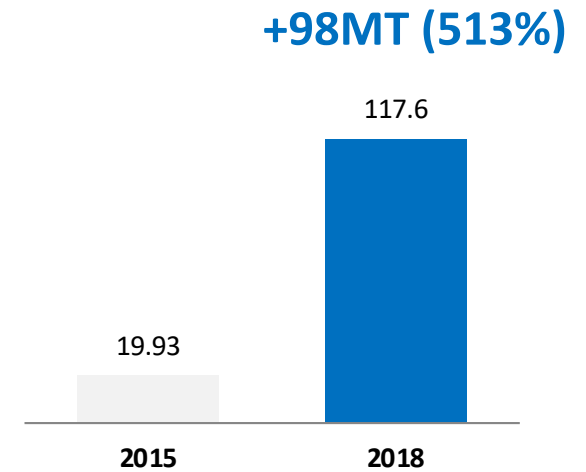
Total Resource

303 MT



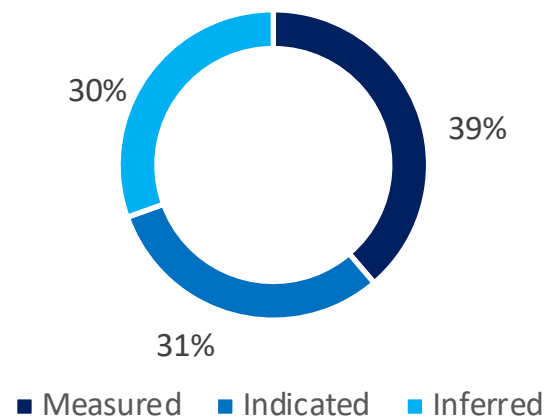
M&I Resource

210 MT



Measured Resource

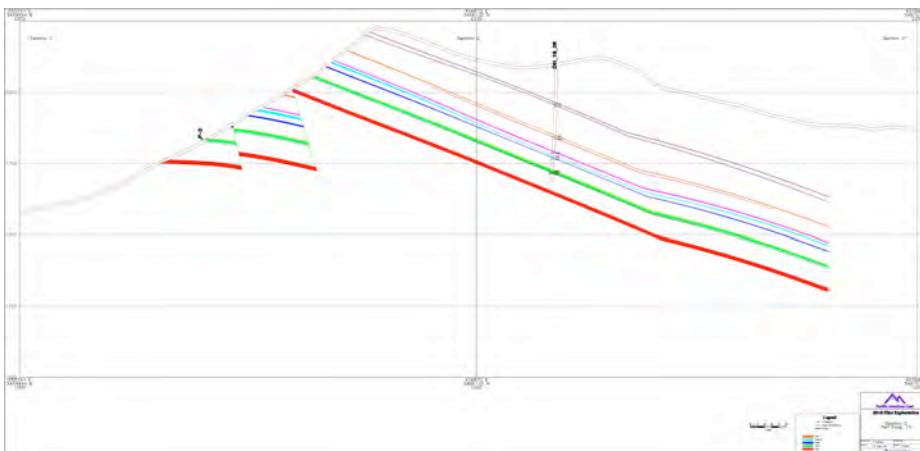
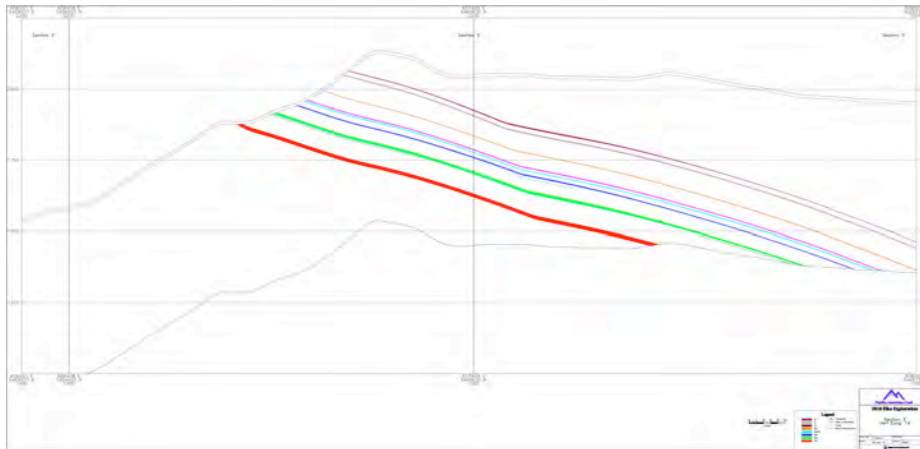
117 MT



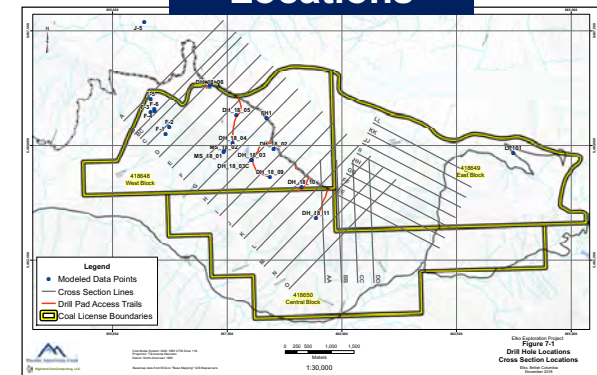
CROSS SECTION

Moderate geology as defined by strikes and dips generally less than 30 degrees

Cross Sections

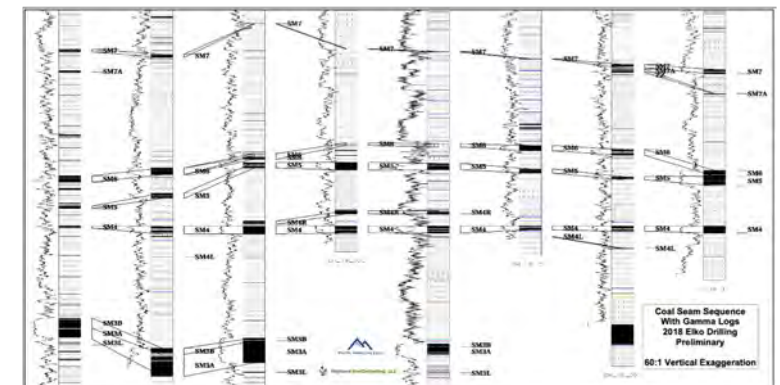


Cross Section Locations



Seam Correlations

DH_18_06 DH_18_05 DH_18_04 DH_18_03C DH_18_03 DH_18_02 DH_18_09 DH_18_10



HIGH VALUE COAL

7 of the 9 seams are indicative of mid-vol, low ash, coking coal

- Targeting 7 coking coal seams

Washed FSI up to 8.5

- High quality coking coal product

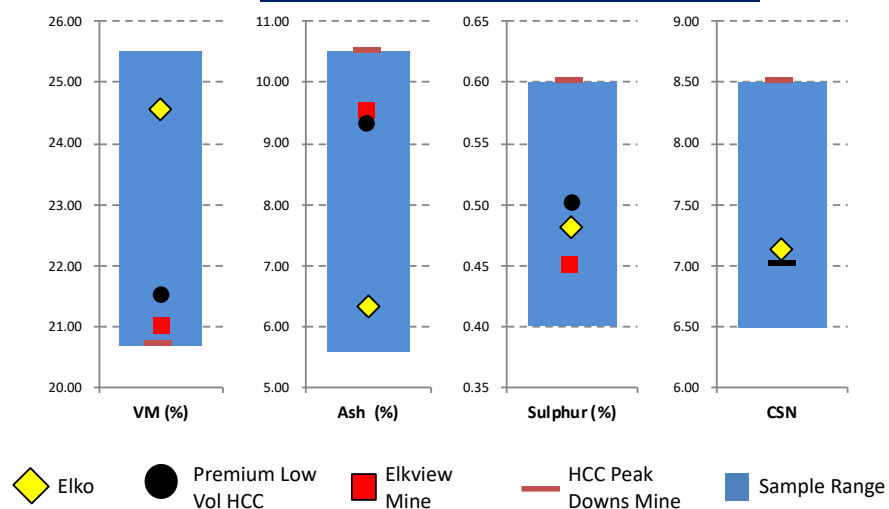
Low sulphur and ash

- Bench mark coal qualities

Coal compares favourably with benchmark coals



Benchmarked Coal Quality



PAK analysis comparing Elko seams E2, E1, E0, 5/6 & 7 with benchmark coals from around the world including Peak Downs

LOGISTICS ADVANTAGE

Route to market through the local town of Elko

Rail



Road transport to rail head
 Rail to Port of Vancouver
 Alternative Route to Prince Rupert

20 km
 1,000 km
 2,000 km

Shipping



Vancouver Ports	Capacity
Westshore	33MT
Fraser Surry Docks	Planned Capacity 4Mt

Destination	Days Shipping	
	Vancouver	Hay Point
Kobe, Japan	13	11.4
Pusan, Korea	13	11.9
Shanghai, PRC	14	11.9

ELKO PERMITTED FOR NEXT PHASE

Current	Progress
Coal samples from the drilling having been sent from the site for analysis at SGS Denver	✓
Initial drill hole lithology and preliminary review Q4 2018	✓
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 JORC 2012 Resource statement during Q1 2019	✓

Next Steps	
Leverage the existing Notice of Work for the Western Coal License that is valid through May 2022	Commenced
Applying for a more expansive multi-year Notice of Work over the entire project area	Commenced
Commence the process for seeking interest from various parties to support the future development of the project	Commenced

ENVIRONMENTAL & SOCIAL RESPONSIBILITY

PAK is committed to working collaboratively with key stakeholders



Environment

PAK is committed to developing environmentally sustainable projects that have minimal impact on the environment and the community as a whole. PAK sees its environmental stewardship as paramount to the viability of its projects.



Shareholders

Focus on delivering shareholder value through minerals exploration and investment. The company will continue to review opportunities and invest in assets that add value to shareholders.



Community

PAK is committed to working with the communities in which it works. The company is actively engaged with First Nations companies (e.g. Nupqu) and is using local personnel to complete tasks and will continue to work with communities in a transparent way.

Summary

- Elko – High value coking coal project
- 303MT In-Situ JORC 2012 Resource
- 2018 drilling program exceeded expectations
 - Total In-Situ Resource +18% to 303MT
 - Measured In-Situ Resource +513% to 117MT
 - New coal intercepts in Elk Formation
 - Coal Continuity & Quality confirmed
- Permits and access in place for next drilling phase
- Process seeking development partners commenced
- Significant news flow still to come



CONTACT

Please come and visit us in our booth No. 738

Email: info@pamcoal.com

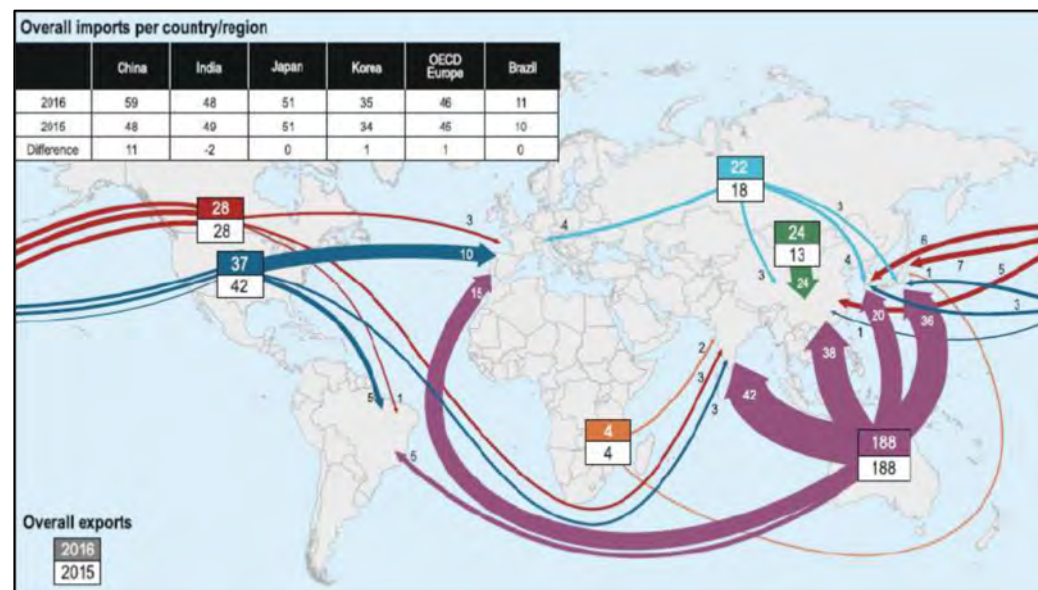
Website: www.pamcoal.com

COKING COAL MARKET

North Asia's primary source of seaborne coking coal is Queensland & British Columbia

- Over 97% of seaborne exports originate in Australia, Canada, the US and Russia
- The largest importers are China, Japan, Europe, India and South Korea, major steel-producing countries, which account for a combined 85% of seaborne demand

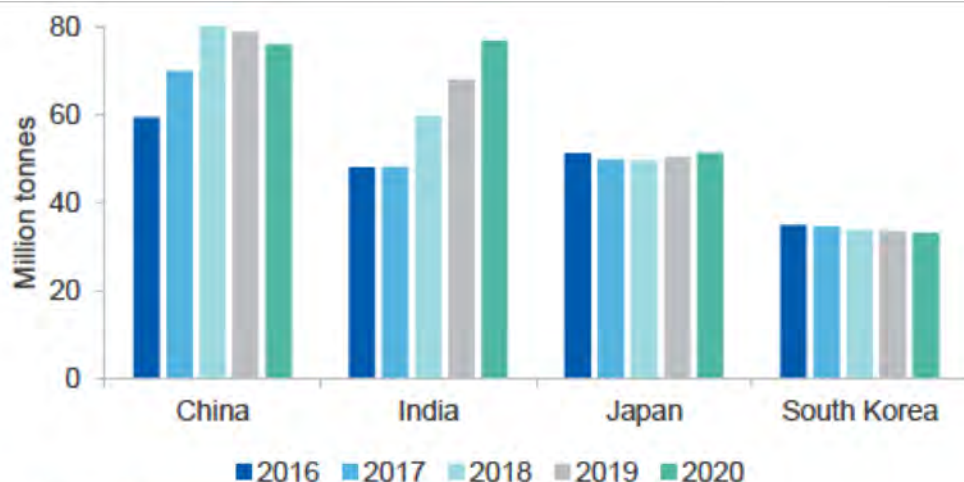
Main coking coal trade flows (Mt)



Source:

- Minerals Council of Australia Presentation to the Energy Mines and Money Australia conference 20 June 2018
- RFC Ambrian: Coking Coal Showing its Mettle April 2018

Metallurgical coal imports in Asia



Notes: 2018 and onwards are forecasts.

Source: IEA (2018); Department of Industry, Innovation and Science (2018)

COKING COAL MARKET OUTLOOK

Coking coal price remains robust despite persistent forecasts of price declines

- The significant period of price decline from 2011-2016, had a severe impact on many coking coal companies resulting in rationalisation and closure of coking coal mines.
- Fears that cutbacks in Chinese steel capacity would be negative for coking coal demand in 2018 were offset by short-term supply disruption – particularly hard coking coal from Queensland
- Coking Coal prices ended 2018 strongly, with National Australia Bank noting that the dispute between rail operator Aurizon and the Queensland Competition Authority regarding its regulated maximum allowable revenue between 2017 and 2021 could limit the state's exports in coming years and add upside risk to price forecasts.
- Long-term outlook for price remains robust with AME projecting global demand for steelmaking coal to rise from 321Mt in 2017 to 457Mt in 2030

Quarterly premium HCC spot price



Source: IHS (2018); Department of Industry, Innovation and Science (2018)