

## ASX Release

Tuesday 14 May 2019

## 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

Chief Executive Coal – Matthew Wall  
Business Development – Dom Hill

## Project Stage Location

Elko	Exploration	Canada
Howe	Exploration	
	Oklahoma	
Bokoshe	Exploration	
	Oklahoma	

Pacific American Coal Limited  
ABN 83 127 131 604  
GPO Box 1546  
SYDNEY, NSW, 2001

[www.pamcoal.com](http://www.pamcoal.com)

## CHAIRMAN'S ADDRESS FOR THE ANNUAL GENERAL MEETING OF MEMBERS OF PACIFIC AMERICAN COAL LIMITED

2.00 PM (SYDNEY TIME)

SUITE 706

LEVEL 7

89 YORK STREET

SYDNEY NSW 2000

Pacific American Coal Limited (ASX: PAK) is pleased to release the attached address for PAK's 2019 AGM by the Chairman, Mr Geoff Hill.

## **Chairman's Address**

On behalf of the Board and Management of Pacific American Coal, I would like welcome you all to the 2019 AGM and thank you for your ongoing support of the company.

In my remarks at last year's AGM, I referred to the exciting year we had ahead for our company, with preparations for the 2018 Elko drilling program well advanced and the search for other accretive investments progressing. I am most pleased to be able to report at this year's AGM, that those expectations have been achieved in full.

I will commence my remarks with a recap on what we have achieved at Elko, before making what I believe is a very exciting announcement regarding an investment we are making in the renewable energy sector.

## **ELKO**

Firstly, let me start with our flagship Elko Coking Coal project in B.C. Canada, where the results from our 2018 drilling program exceeded our expectation. Our exploration team successfully completed 9 rotary and core holes for 3,451m of drilling. All holes intersected multiple coal seams, with all works completed within budget and without any lost time injuries.

As we announced to the market in January this year, the final assay and coal quality results were incorporated into an updated JORC resource. The result was an 18% increase in our total Resource to 303MT, with Measured Resource increasing by 98MT to 117.6MT and Indicated Resource increasing by 36MT to 93.2MT.

The coal quality results also came in better than expected, with moderate to high FSI and low ash. The washed coal quality results confirm that seven of the nine seams are indicative of mid-vol, low ash, coking coal. The bottom two seams are in line with a mid vol, semi-soft coking coal to a PCI metallurgical coal. This new and updated information is supportive that the Elko Project contains a large coking coal resource with the potential ability to produce a range of coking and metallurgical coal products.

Now that we have demonstrated our ability to gain the necessary regulatory approvals, access the site, and through drilling identify substantial amounts of high-quality coking coal, our focus is now turning to the commercial development of the project. We have commenced discussions with a number of prospective partners in the project, and earlier this year we announced the appointment of Mr Matt Wall as Chief Executive Coal. Matt joins us from Allegiance Coal where he was instrumental in introducing Itochu Corporation as a joint venture partner into the Telkwa coal project in Canada. We are delighted to have attracted such a high calibre executive as Matt to PAK. Matt will lead the further development of the Elko Project in B.C. Canada. His familiarity with the Canadian coal industry will be invaluable for the next phase of our development.

The recent significant upgrade to our Elko Resource, the commencement of partner discussions along with the appointment of Matt, demonstrates the exciting phase we are entering. PAK is accelerating both the technical and commercial aspects of the Elko Project.

Matt will provide a more detailed update on Elko shortly, including an overview of our work program and upcoming activities.

## **HYDRO**

It now gives me great pleasure to announce a very exciting initiative for PAK and our shareholders. As we have been reporting, the board has been reviewing additional investment opportunities for some time and identified renewable energy as a priority due to its high growth potential. I can now announce that we have joined forces with a leading technology partner in Global Hydro Energy GmbH to form a new Singaporean based 50/50 joint venture company to be called Global Pacific Hydro. GP Hydro has a clear business

strategy to grow an alternative energy business focussed on hydro and hybrid projects in the pacific region and Australia.

Our business development team has been working with Global Hydro to develop a joint business plan which can take advantage of Global Hydro's world class micro hydro technology and PAK's project development and regional knowledge. GP Hydro has a well-defined regional and market strategy which will focus on hybrid and micro grid projects as well as pumped hydro opportunities in Australia, PNG and the Pacific Islands. Opportunities to deploy Global Hydros proven technology in the region exist in various sectors including farming, off-grid industrial uses as well as in isolated communities and government projects.

### **CLEAN ENERGY IN THE PACIFIC REGION**

There is a significant opportunity in clean energy in Australia and the Pacific. With the global focus on alternative energy, global investment in clean energy exceeded \$300B for the fifth year. The energy sector in Australia is also moving its focus to clean energy with \$9.5 billion invested in clean energy in 2018.

Across the region private and public funding of renewable energy has grown substantially over the last 5 years. Private companies have been mainly targeting solar and battery projects and large hydro projects are being targeted by multinationals and governments. This leaves the small and micro size projects as a primary opportunity for GP Hydro.

A number of pacific islands are pushing towards 100% renewables to combat global warming. Australia is at the forefront developing renewable projects and offering aid for pacific nations to switch from high cost and environmentally unfriendly diesel to renewable energy

We believe this expansion is a low risk, high impact entry strategy into hydro is an exciting new growth business for our company.

### **PACIFIC AMERICAN HOLDINGS**

In keeping with the strategy of developing additional business lines to complement the coal business, today we will be asking shareholders to approve a change to the name of the company to Pacific American Holdings Limited. The change of name will better reflect the Company's broadening focus into the Pacific region and expansion into alternative energy.

### **BOARD AND MANAGEMENT**

As you can see from my remarks, it has been a very busy twelve months for our company. Although our share price is not where we would like it to be, our team has worked tirelessly to accomplish the goals we set for ourselves twelve months ago. I would like to thank my fellow directors our small but dedicated management team for their efforts over the last year.

To ensure we continue to recognise the excellent work being done by the team, and as we broaden our business and introduce new skills, we believe it is appropriate to further align our staff and board with our shareholders' interests. As part of today's proceedings, we will also be asking for approval a new Employee Share Option Plan and the grant of Employee Options to Directors.

### **LOOKING FORWARD**

As I look forward to 2019 and beyond, I can say that our company whilst small, has big ambitions. The board has now done the hard work in establishing two separate but exciting subsidiaries in metallurgical coal and renewable energy. I hope to be in the position at next year's AGM to provide you an update on how both these businesses have developed and provided value to all our shareholders.

**For Further Information Contact**

Mark Sykes  
Executive Director & Chief Executive Officer  
Ian Morgan  
Company Secretary

Pacific American Coal Limited  
Tel: +61 (2) 8964 4373  
More details are available on PAK's website  
<http://www.pamcoal.com>

**Competent Person's 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.

**Previously Released Information**

This ASX announcements refer to information extracted from reports available for viewing on the Company's website [www.pamcoal.com](http://www.pamcoal.com) and announced on 16.01.2019 "Elko Coking Coal Project JORC Resource Increased to 303Mt"

The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcement, and, in the case of exploration targets, that all material assumptions and technical parameters underpinning the exploration targets in the relevant market announcement continues 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 announcement.