

## ASX Release

Friday 31 July 2020

## ASX Code

PAK

## About Us

Pacific American Holdings Limited (the Company) is an ASX listed company with a diversified asset portfolio with a focus on renewable energy including hydro power generation and bulk commodities for steel making. PAK is advancing the development of its Primary Power subsidiary to expand its portfolio of renewable energy technologies. PAK holds a 50% interest in GP Hydro Pte Ltd and 100% ownership of the Elko Project with 303MT of JORC 2012 compliant resources in the highly productive East Kootenay region of British Columbia.

## Board

Non-Executive Chairman – Geoff Hill

Executive Director – Mark Sykes

Non-Executive Director – Simon Bird

## Company Secretary

Ian Morgan

## Management

Business Development – Dom Hill

<b>Investment</b>	GP Hydro Pte Ltd
<b>Ownership</b>	50%

<b>Project</b>	Elko Project
<b>Ownership</b>	100%
<b>JORC 2012</b>	303MT Resource, 117MT Measured
<b>Stage</b>	Exploration

## QUARTERLY REPORT FOR THE QUARTER TO JUNE 2020

## Summary

Pacific American Holdings Limited (**ASX: PAK**) is pleased to provide its Quarterly Activities Report for the three months ended 30<sup>th</sup> June 2020.

### Corporate

- Successful Rights Issue that was supported by eligible shareholders to raise \$0.972M
- Proactive measures to preserve cash at bank through minimising overhead expenditure while maintaining business activity.

### Renewable Energy

#### GP Hydro Joint Venture

- Appointment of the GP Hydro CEO
- Advancement of hydro project opportunities

#### Primary Power

- The Company's 100% owned subsidiary Primary Power has reviewed a number of potential investment opportunities that support our renewable energy initiative.

### Elko Coking Coal Project

- Project status and update

This market announcement has been authorised for release to the market by the Board of Pacific American Holdings Limited.

## Pacific American Holdings Limited

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## Corporate

### Successful Rights Issue

During the Quarter the Company issued and closed out a Rights Issue to Eligible Shareholders. Through the Rights Issue the Company raised \$0.972M with the funds raised being used to advance the Company's renewable energy strategy and to support the Elko Project. The Company issued an additional 97,163,716 fully paid ordinary shares at an issue price of 1.0c each.

The Company was extremely pleased with the support given by shareholders, especially in light of the capital raise being supported through the backdrop of COVID19. The level of support shown by our shareholders demonstrates a strong belief in the Company's strategies moving forward.

Specifically the Company will use funds raised through the Rights Issue towards:

- The GP Hydro Joint Venture with Global Hydro GmbH who will each commit \$125K towards the Joint Venture
- Continuing work on the Elko Project by way of advancing several desktop studies to add value and provide greater project definition.
- Developing the Company's renewables business Primary Power Pty Ltd with the objective of bringing other renewable technologies, products and services into the Australian and South Pacific regions.
- Provide the Company with working capital to pursue these important activities.

### Financial Management

The Company has rolled out several cost cutting measures that preserves the Company's cash flow. While these measures have impacted the way we work such as closing the Sydney Office, the result is more funds will be going towards advancing the Company's strategies.

The Company continues to only engage in business critical activity.

## GP Hydro Joint Venture

### Appointment of CEO

During the Quarter, the Company announced the appointment of Mr Nigel Turner as the Chief Executive Officer of the Company's renewable energy Joint Venture initiative GP Hydro. Mr Turner is an industry expert who specialises in developing businesses from the ground up.

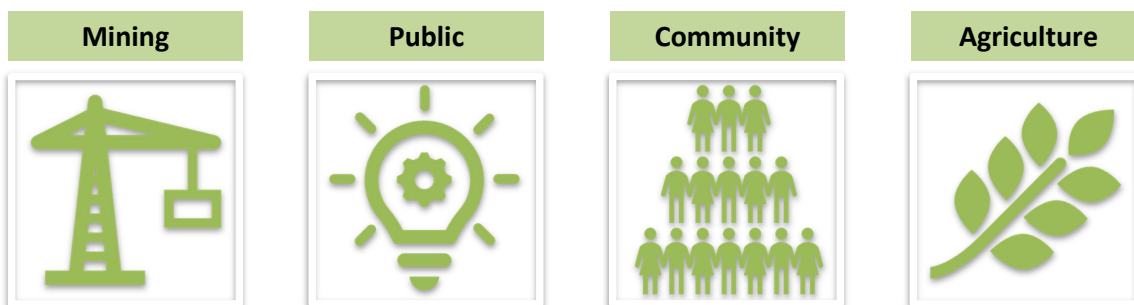
Mr Turner has a track record of building pipelines of renewable projects and establishing partner networks throughout the target region.

Having worked with Mr Turner on the branding of GP Hydro, GP Hydro will soon be going live with its online presence through the launch of its website. We will keep shareholders updated as branding and the website progress.

### **Advancing Business Development Opportunities**

Since commencing, Mr Turner has been active in defining GP Hydro's target objectives and accelerating business development opportunities by reaching out to potential customers and visiting sites where the GP Hydro can add value by reducing reliance of diesel fuel and maximising the opportunity to implement renewable hydro energy.

The target markets for GP Hydro are in the areas of:



## **Renewable Investment Opportunities**

Through the Company's wholly owned subsidiary Primary Power Pty Ltd, a number of complementary renewable technologies, products and services were reviewed as possible investment targets.

Power continues to actively consider investment opportunities that add value to our investment in GP Hydro and provide a more diversified product offering. The Company has undertaken a number of investigations into the complementary business with the view that bringing best in class products and opportunities to the region will be value accretive.

The Company is investigating a number of opportunities in the areas of wind, wave and solar energy generation. The Company is also reviewing a number of technology and project solution providers among the investment targets of interest.

## Elko Coking Coal Project

During the period the Company carried out regulatory site inspections with a focus on the western tenement where the Company has approval to conduct drilling. The inspections were to ensure the exploration trails and access roads are in good order and were able to confirm that the site complied with the conditions of permitting.

The Company will continue to actively seek potential investment partners for the Elko Project, as the project remains at a drill ready stage and the Company has the ability to draw on the expertise of a local a team to commence drilling when and as required.

The Elko Project highlights remain compelling and include the follow metrics:

Location:	East Kootenay Coal Basin - Crowsnest Coal Field
Ownership:	100%
Area	8,824 acres (3 adjoining tenements)
Product Coal Type:	Coking Coal
Resources (Million Tonnes) <sup>(1)</sup> :	
Measured	117.6
Indicated	93.2
Inferred	<u>92.3</u>
<b>Total Resource</b>	<b>303.1</b>
Coal Seams:	9 Mineable thick Seams
Mining Method	Underground (Bord and Pillar / Augur)
Logistics	Existing rail and port infrastructure
Approvals	Notice of Work valid until September 2024
Targeted Saleable Production <sup>(2)</sup>	1.25Mt - 1.75Mt per annum
Mine Life <sup>(2)</sup>	20+ years
Validation	Historical metallurgical testing was completed by Japanese trading houses

(1) Elko Coking Coal Project JORC Resource report

(2) PAK Estimates

**TENEMENT MANAGEMENT UPDATES**

During the Quarter, there was no change to the ownership in PAK's tenements.

	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 during the quarter	Nil	Nil
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**

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Executive Director

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Dom Hill

Business Development Manager

Pacific American Holdings - North America

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More details are available on PAK's website [www.pacificamerican.com.au](http://www.pacificamerican.com.au)

**COMPETENT PERSON'S STATEMENT**
***Previously Released Information***

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

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.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Pacific American Holdings Limited

ABN

83 127 131 604

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(11)	(70)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(255)	(404)
1.3	Dividends received (see note 3)		
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(266)</b>	<b>(474)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)	-	-
2.5	Other: Security deposit paid	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	971	1,006
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(21)	(43)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>950</b>	<b>963</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	202	407
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(266)	(474)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	950	963

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	5	(5)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>891</b>	<b>891</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	891	202
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>891</b>	<b>202</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

111<sup>1</sup>

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

<sup>1</sup>Payment of fees to Directors and officers.



7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (Item 1.9)	(266)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(266)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	891
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	891
8.7	<b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	3.35
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	

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## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2020

Authorised by: The Board

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.