

**ASX Release**Tuesday, 12<sup>th</sup> January 2021**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, precious metals 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 &amp; CEO – Mark Sykes

Non-Executive Director – Simon Bird

**Company Secretary**

Wayne Kernaghan

**Management**

Business Development – Dom Hill

**Investment** GP Hydro Pte Ltd**Ownership** 50%**Project** Elko Project**Ownership** 100%**JORC 2012** 303MT Resource,  
117MT Measured**Stage** Exploration

Pacific American Holdings Limited  
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[www.pacificamerican.com.au](http://www.pacificamerican.com.au)**PAK Finalises Farm-In Agreement****Gold exploration program to commence in January****Highlights**

- **PAK has completed due diligence**
- **All Farm-In documentation has now been completed**
- **A Drilling program for the Porphyry North Gold Project will commence in January 2021**
- **Consultants and exploration drilling team have been engaged**

Pacific American Holdings Limited (ASX: PAK), ("Company") is pleased to advise shareholders that the Company's Farm-In Agreement with Salazar Gold Pty Ltd ("Salazar") has been finalised.

This marks an important milestone as the Company embarks on funding a drilling program over the highly prospective Porphyry North Gold Project.

As previously announced, the Company has been working with Salazar to secure a drill rig in Q1-2021. The Company can confirm that a drill rig and exploration crew have been secured with the current plan having drilling commence on or about the end of January 2021.

The exploration program includes 3,600 metres of drilling that should be completed by February 2021. The program will focus on the following Porphyry North Gold Project target areas, being:

- Rainbow Dam
- One Tree Well
- Nugget Patch
- SOG Anomaly

PAK has also completed a small Placement of 4,000,000 Shares at 2c per share to fund the support of the exploration program and any additional works.

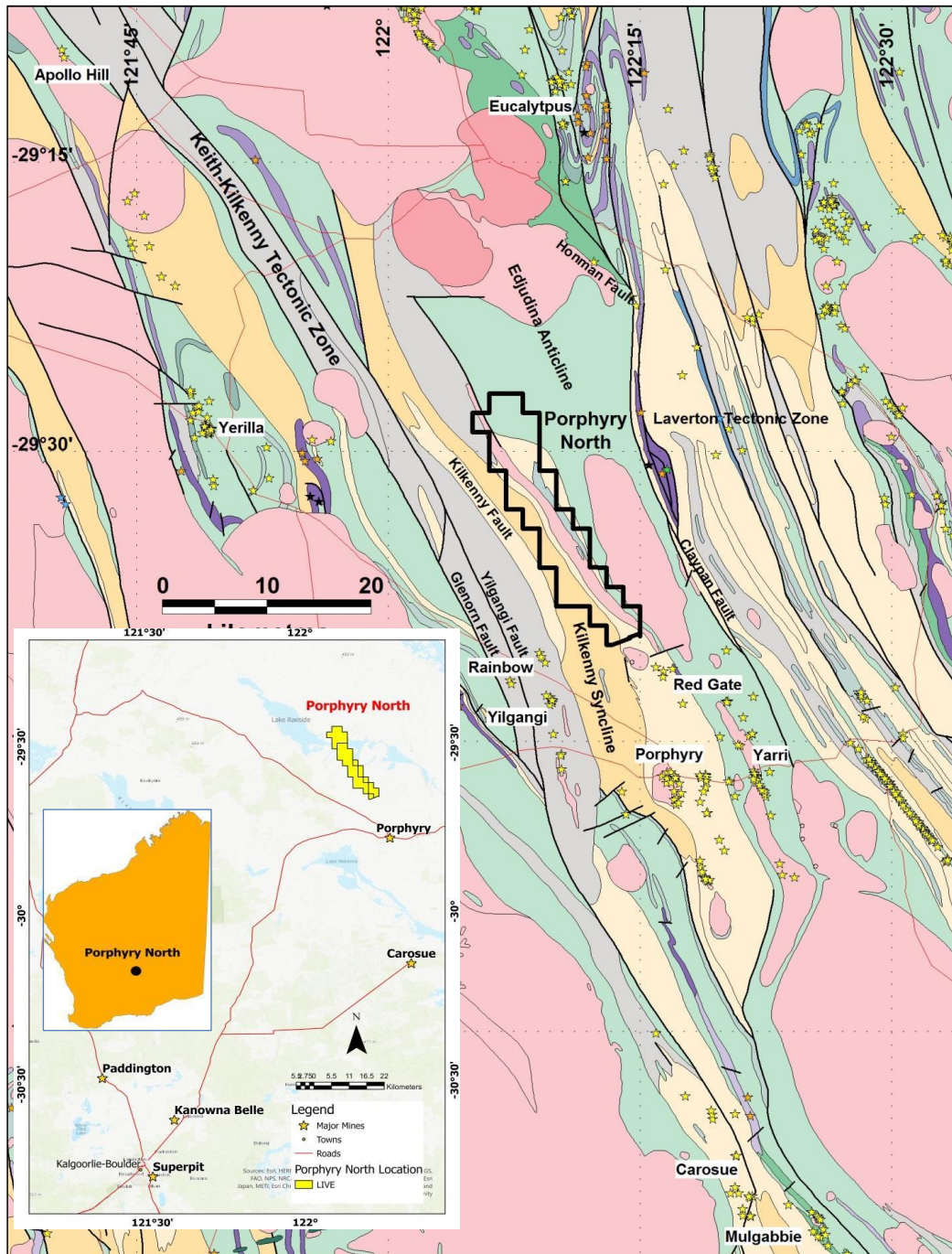
Commenting on these developments, the Company's Chairman, Mr Geoff Hill, said:

*"PAK is excited to provide shareholders with exposure to a Western Australian exploration gold opportunity. We committed to shareholders that our objective was to commence exploration drilling at the Porphyry North Gold Project in the New Year, and that is exactly what we are doing. Working with Salazar team we have engaged our own local industry professionals to maximise the success of this drill program. We look forward to updating shareholders on the outcome of the drilling program in this highly prospective region of Western Australia."*

## Porphyry North Gold Project

The Porphyry North Gold Project is a highly prospective Western Australian Gold project with recent and historic exploration. PAK with Salazar has developed an exploration program and budget for a targeted drill program starting later this month.

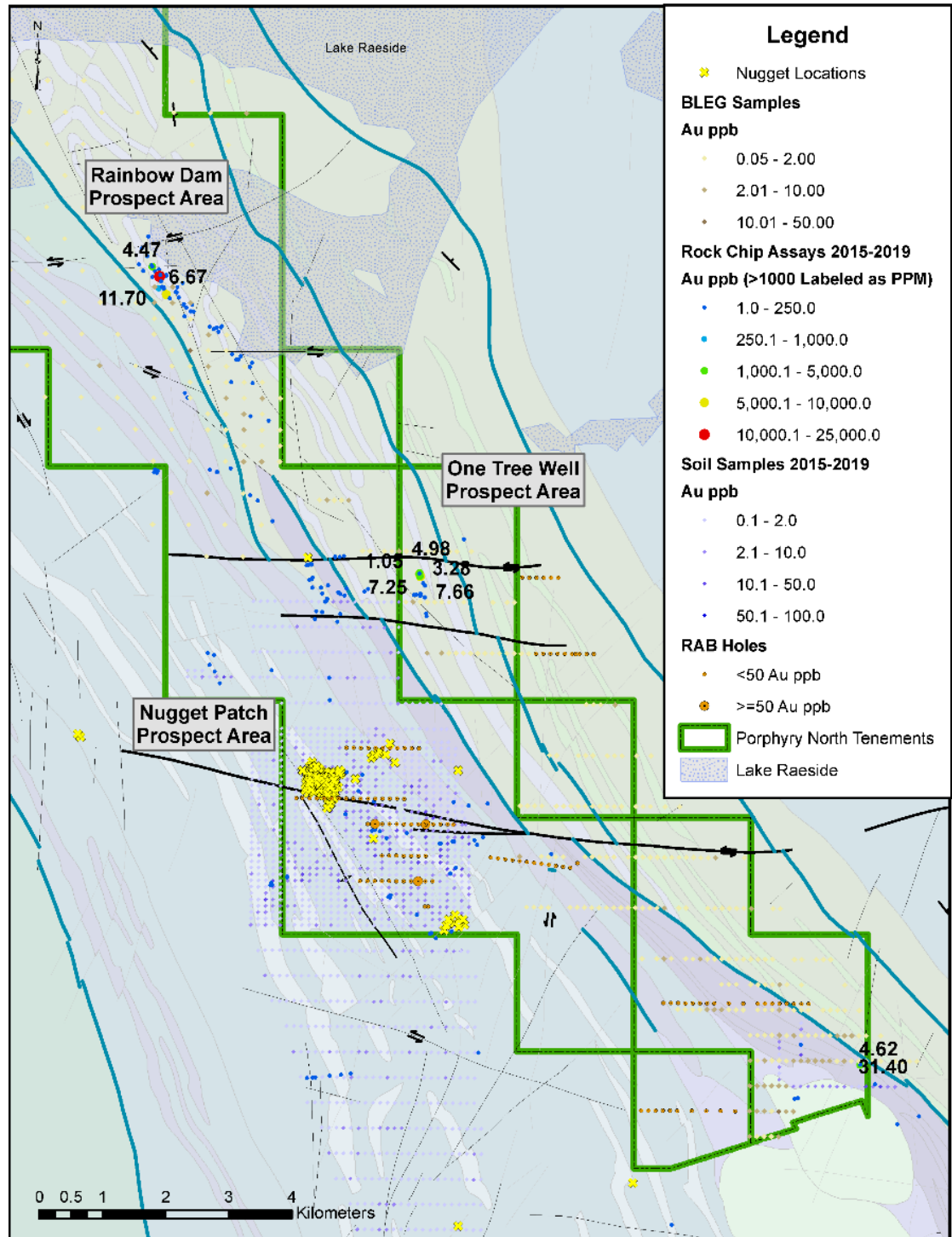
The drill program will consist of RC and AC drilling with a driller and exploration team already engaged. The company will update the market with a more detailed announcement on the exploration program and the objectives it wants to achieve.



**Figure 1:** Porphyry North Gold Project location within the Keith-Kilkenny Zone between the new Apollo Hill discovery and the Porphyry and Carosue gold mines. Gold stars responds to mines and prospects.

Exploration will build on previous soil sampling work that covers the prospective areas of the Porphyry North being:

- Rainbow Dam,
- One Tree Well,
- Nugget Patch, and
- the SOG Anomaly that is northerly continuation of the Nugget Patch target.



**Figure 2:** Porphyry North Gold Project location of previous soil sampling and areas where the 2021 exploration drilling program will focus.



### **A summary of the commercial terms of the Farm-In Agreement are as follows:**

The Farm-In Agreement focuses on the three (3) tenements covering 113km<sup>2</sup> that comprise the Porphyry North Gold Project (E31/910, E31/942 and E39/1978). Farm-In milestones include:

- Farm-in A:** Expenditure of \$750,000 before 30 November 2021 to earn **35%** with a minimum expenditure of \$250,000;
- Farm-in B:** Expenditure of \$500,000 (for an aggregate of A\$1,250,000) before 30 November 2022 to increase the equity to **50%**; and
- Farm-in C** Expenditure of \$750,000 (for an aggregate of A\$2,000,000) before 30 November 2023 to increase the interest in the tenements to **60%**.

Upon completion of Farm-in B, Salazar may elect that the Farm-in C expenditure is reduced by \$250,000 to A\$500,000 in consideration for the issue of 10,000,000 fully paid PAK shares to Salazar.

#### **Conditions Precedent**

All conditions precedent to the Farm-In Agreement between Salazar and PAK have been satisfied.

Upon execution of Farm-In Agreement and subject to shareholder approval, PAK shall issue 7 million unlisted options to Salazar exercisable at A\$0.02 ("Tranche 1 Options"). Each Tranche 1 option shall expire on the earlier of:

- a) 30 June 2022;
- b) 30 September 2021, where PAK does not comply with Farm-In Option A; and
- c) 1 month following the issue of an Exit Date Notice by PAK.

Upon PAK electing to commence Farm-In B, PAK shall issue 7 million unlisted options to Salazar exercisable at \$0.02 ("Tranche 2 Options") on or before 2 years from the date of issue.

The unlisted Tranche 1 Options and Tranche 2 Options will be issued following receiving shareholder approval, which the Company will seek at its next General Meeting.

During the Farm-In period, the Company will sole fund exploration activity with all works being jointly agreed between the Company and Salazar.

## Capital Raising – Placement

The Company is pleased to confirm it has successfully raised A\$80,000 for A\$0.02 cash for each share to Sophisticated Investors. A\$0.02 is equivalent to a 13% discount to the Company's shares' at the last trading day being the 11<sup>th</sup> January 2021. The funds are to be used to support of the exploration program and any additional activity that may be required to successfully complete the agreed scope of works.

## Capital Structure

Note the capital structure below does not include the shares or unlisted options considered to be issued to Salazar as part of the Farm-in consideration as these are subject to meeting of the milestones detailed in this announcement and shareholder approval.

	<b>Shares on Offer</b> Number	<b>Unquoted Options</b> Number	<b>Total Equity Securities</b> Number	<b>Diluted</b>	<b>Fully Diluted</b>
Existing Equity Securities	314,584,900	1,500,000	316,084,900	98.7%	98.8%
Placement	4,000,000	0	4,000,000	1.3%	1.2%
<b>New Equity Securities</b>	<b>318,584,900</b>	<b>1,500,000</b>	<b>327,084,900</b>	<b>100.00%</b>	<b>100.00%</b>
New Market Capitalisation at the Placement Offer Price	\$6,371,698				

The Placement will be completed pursuant to ASX Listing Rule 7.1 and the Corporations Act 2001 (Cth).

Placement shareholders who want to trade New Shares issued to them prior to receiving their holding statement should confirm their allocation before doing so.

## Summary

The Salazar Farm-In Agreement allows the Company to cost effectively diversify its portfolio into highly sort out commodities like gold. The three Farm-In milestones de-risk the Company's investment by enabling the Company to build a majority position in the Porphyry North Gold Project based on the success of the exploration program.

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

**FOR FURTHER INFORMATION CONTACT**

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

***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", and
- 01.10.2020 "Drill Ready Western Australian Gold Project"

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.

**Forward Looking Statements**

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices or potential growth of the Company, are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking.

The interpretations and conclusions reached in this announcement are based on current geological theory and the best evidence available to the authors at the time of writing.

It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty.

Any economic decisions which might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk.