

21 September 2016

ASX Market Announcements

PAK's ELKO UPDATE AND WORK PROGRAMS

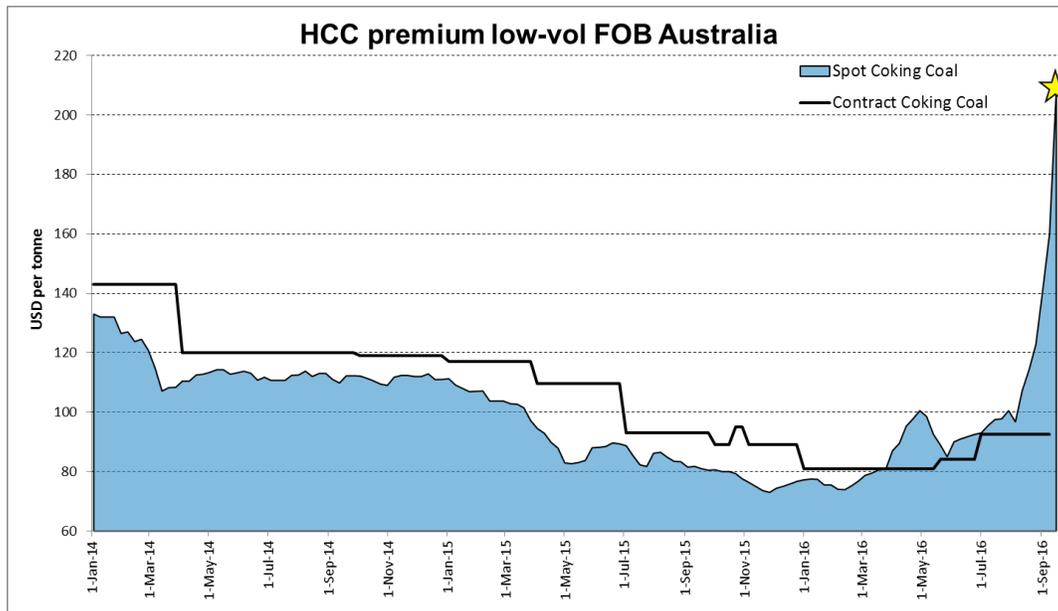
- **PAK's 100% owned Elko Coking Coal and South Hazell Coal License renewed in full**
- **Coking coal spot pricing rebounds to over US\$200/tonne**
- **Next Steps and Work Programs**

Pacific American Coal limited (**ASX:PAK**) is pleased to announce that the Company has received notification from the Mineral Titles Branch in British Columbia, Canada that the Company's Canadian Coal Licenses have been renewed in full.

The Elko and South Hazell coal projects in British Columbia have been granted renewal of the Company's 6 Coal Licenses in the East Kootenay Coal Basin. The Company's retains 100% ownership over the Elko Coking Coal Project and the South Hazell Project. The renewal of the Coal Licenses by the BC Government is valid for another 12 months.

Coking coal prices lift Elko to the fore

Coking coal prices have now passed US\$200 per tonne, an increase of 270% from their low of US\$73 per tonne in Nov 2015. The Elko Coking Coal Project is in a strong position to capitalise on the positive market outlook based on its high quality coking coal quality characteristics.

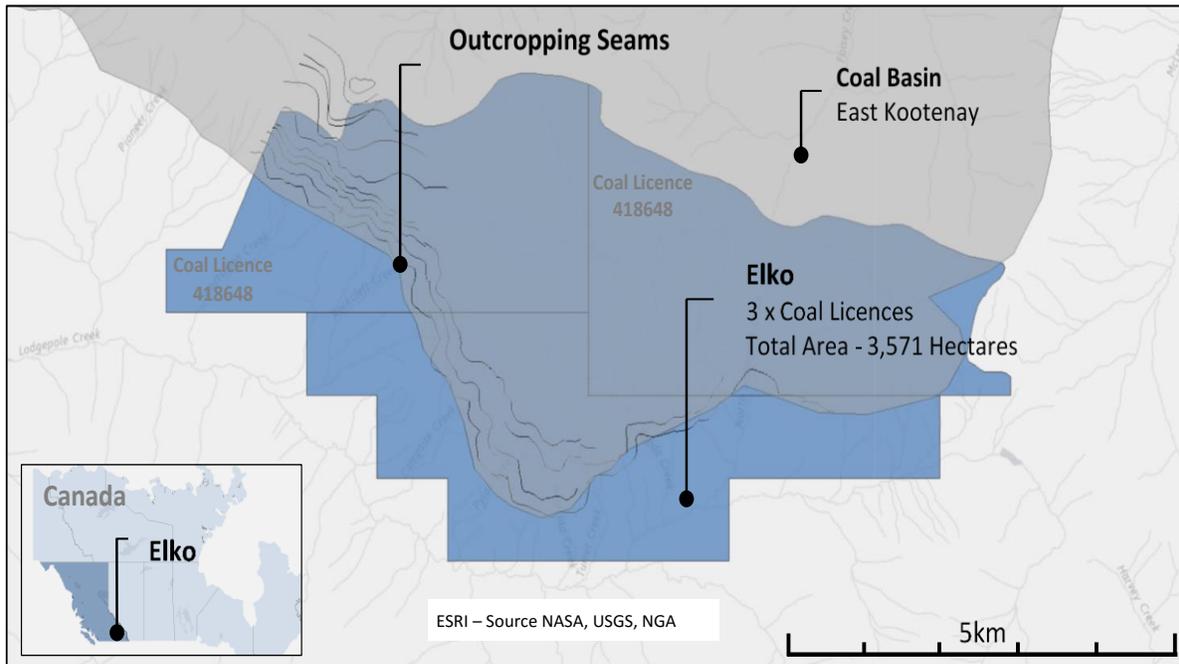


Source: UBS, Company data

The company is encouraged by the year to date trend of spot price for low-volatile premium hard coking coal. The recent recovery in coking coal prices supports the company’s decision to progress a project expenditure strategy that target high value activity during the cyclical downturn in the coking coal market.

Elko Coking Coal Project

The Elko Coking Coal Project is PAK’s flagship coal asset. It contains a 257.5 million tonne, JORC Code (2012), resource and is located in the East Kootenay Coal Basin of British Columbia, Canada. PAK holds a 100% interest in the Elko Coal Licenses, which cover a combined area of 3,571 Hectares.



Title Number	Ownership Percentage	Good To Date	Standing	Area In Hectares
418648	100%	19 Sept 2017	GOOD	1,094
418649	100%	19 Sept 2017	GOOD	1,128
418650	100%	19 Sept 2017	GOOD	1,349
Total				3,571

The Elko Coking Coal Project is positioned within 20km of coal rail infrastructure at the southern base of the Basin. This makes it the closest project in the area to the coal ports of Vancouver.

The upper coal seams of the Elko Coking Coal Project, broadly have FSI ranging from 7-9 with low sulphur and ash. The Elko coal compares favourably with benchmark coals from around the world including Peak Downs

Coal seams 6 & 7 have been tested extensively by six Japanese steel mills, including

- Nippon Steel & Sumitomo
- JFE Holdings
- Kobelco

BC Coal Adit Quality								
Adit	Seam	Sample thickness	Clean					
			Ash	VM	FC	S	FSI	
Target Seams	F-5	7 Seam	5.9 m	3.9	21.9	74.3	0.5	7.5
	F-6	6 Seam	3.0 m	6.3	21.3	72.4	0.6	8.0
	F-4	5 Seam	11.2 m	7.4	21.5	71.1	0.5	6.0
	F-3	4 Seam	6.7 m	8.4	19.6	72.0	0.4	5.0
	F-2	3 Seam	12.2 m	11.3	17.7	71.0	0.7	2.5
	F-1	1 Seam	14.0m	10.4	18.0	71.6	0.8	1.0

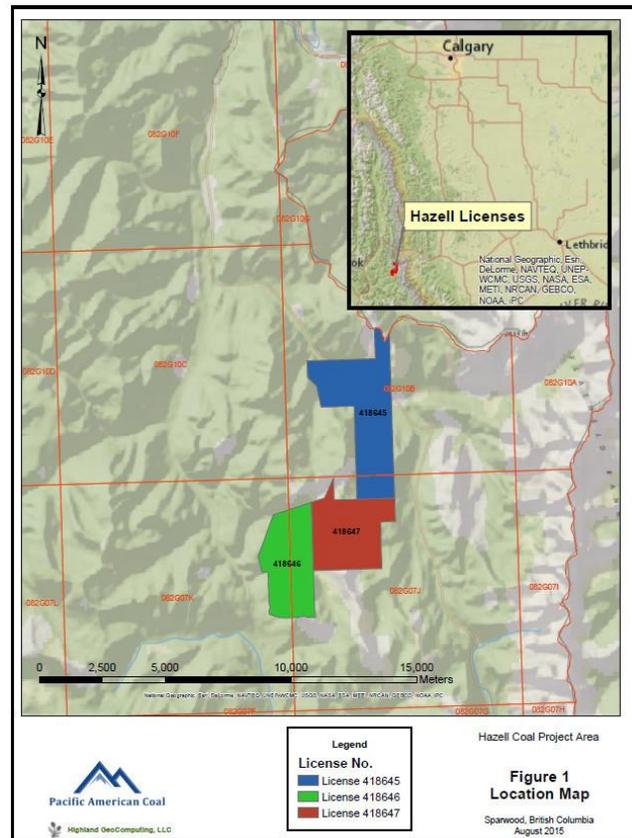
PAK is focusing on marketing Elko coking coal into the Asian region due to the suitability and favourable shipping location.

South Hazell Coking Coal Project

The South Hazell Coal Project contains a JORC Exploration Target of 57Mt-85Mt, and is located in the East Kootenay Coal Basin of British Columbia, Canada. All references to Exploration Targets in this document are in accordance with the guidelines of the JORC Code. As such, targets are conceptual in nature and there has been insufficient exploration drilling to define a coal resource on the licence, it is uncertain if further exploration will result in discovery of a coal resource on the licence.

PAK holds a 100% interest in the Hazell Coal licenses, which cover a combined area of 2,814 Hectares. The Company has recently completed exploration plans for the South Hazell Coal Project which focuses on the southern coal licenses areas.

PAK will look to undertake ground surveys and coal seam mapping in the next 12 months once the Notice of Works has been completed.



Title Number	Ownership Percentage	Good To Date	Standing	Area In Hectares
418645	100%	19 Sept 2017	GOOD	1,183
418646	100%	19 Sept 2017	GOOD	801
418647	100%	19 Sept 2017	GOOD	830
Total				2,814

South Hazell Exploration Plans

PAK has developed exploration plans for the South Hazell Coal Project aimed at increasing the Company's knowledge of the coal seams, coal quality and geological setting. The Company is developing a Notice of Works for the project in the coming months and anticipates submitting these before the end of Q4 2016.

As part of the Notice of Works, the Company has established a proposed exploration plan to achieve the objectives of increasing the JORC classification of the South Hazell Coal Project. The exploration plan identifies 4 drill holes on the Coal License 418646, being the southern Coal License. These exploration holes are identified in the table below and in map contained in Appendix A – South Hazell Coal Project Exploration Plan.

Resource Area	DHD	Easting	Northing	Collar Elevation	Estimated Coal Thk	Estimated Core Thk	Total Depth
South Ridge	HZ-17-01	663,485.15	5,480,057.57	2,183.91	5.23	5.75	91.50
South Ridge	HZ-17-02	663,083.21	5,480,719.17	2,053.36	2.60	2.86	148.06
Central Valley	HZ-17-03	662,166.90	5,481,871.20	1,689.12	1.70	1.87	27.00
North Ridge	HZ-17-04	662,786.08	5,482,856.08	2,060.00	5.79	6.37	228.86

Hatch Engineering Study

PAK is pleased to announce that Hatch Ltd have started work on the Conceptual study for the CAPEX of the Elko Coking Coal Project. The Company will have these studies completed in the next 4-6 weeks and will release further information to the market once they have been completed.

Elko and South Hazell Next Steps and Work Program

The Company is currently working with its consultants to submit a Notice of Works in the coming months for the Elko Coking Coal and South Hazell Coal Projects. The aim of the exploration will be to increase the Company's knowledge on the coal seams structure, quality and increase JORC resource categories.

Competent Person's Statement

This announcement refers to information extracted from the report released 2 November 2015 and titled "Elko Project Maiden JORC Resource 257.5 Million Tonnes", which is available for viewing on PAK's website www.pamcoal.com.

PAK 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 estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates 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 announcement.

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More details are available on PAK's website: www.pamcoal.com

Appendix A – South Hazell Coal Project Exploration Plan

