

ASX Release

Wednesday 28 March 2018

ASX Codes

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 – Mark Sykes
Non-Executive Director – Simon Bird

Company Secretary

Ian Morgan

Management

Business Development – Dom Hill
Investor Relations – Simon Klimt

Project	Stage	Location
Elko	Exploration	Canada
Howe	Exploration	Oklahoma
Bokoshe	Exploration	Oklahoma

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PAK Sells South Hazell exploration property for C\$1 million

Summary

Pacific American Coal Limited (**ASX: PAK**) is pleased to make the following announcement:

- **PAK has agreed to sell its South Hazell Exploration Project after receiving an unsolicited offer to buy the licences:**
 - **PAK and North Coal have signed a binding Purchase Agreement for the C\$ 1 million cash sale of the South Hazell Coal Licences;**
- **The sale of the South Hazell Coal Licences increases PAK's cash, with the Company's focus firmly on the development of the 257MT resources flagship Elko Coking Coal project.**

South Hazell Sale

The board of Pacific American Coal Limited (ASX: PAK) is pleased to announce that, after receiving an unsolicited offer from North Coal Limited (North Coal), the Company's wholly owned subsidiary Texas and Oklahoma Coal Company (Canada) Limited (TOCC) has signed a binding Purchase Agreement to sell its South Hazell exploration project in British Columbia, Canada to North Coal.

The South Hazell property is located next to Teck Resources' Coal Mountain Mine, directly adjacent to tenements owned by North Coal who are looking to develop the Michel Coal Project.

PAK's board regards the South Hazell Project as being highly prospective. However, given the Company's limited expenditure spent to date on the Project, acceptance of North Coal's offer is considered the best way for PAK to realise value from South Hazell.

The sale further demonstrates the PAK Board and Management's ability to identify and deliver opportunities that realise value for shareholders.

Focus on Elko Coking Coal project

The sale of the South Hazell Project enables PAK to dedicate resources to the further development of the Elko Coking Coal Project.

Elko is a highly attractive project, with 257Mt of JORC 2012 Resource already identified. PAK has an exploration program scheduled for the 2018 northern summer window. Pre-drilling environmental studies have been successfully completed and the majority of approvals required to commence the planned exploration program have been received. The Company continues to work closely with the Ministry of Energy, Mines and Petroleum Resources (MEM) towards receiving final approval for its Notice of Works.

In May 2017 Palaris Australia Pty Ltd delivered a favourable Elko Project Study Report which highlighted why Elko is such a highly attractive opportunity for PAK including:

- Projected Low Capital Entry
- Competitive Infrastructure Advantage
- Coking coal quality comparable to Canadian peers

Commenting on the sale of the South Hazell Project, PAK's Chairman Geoff Hill said:

"While the PAK board identifies value in the South Hazell Project, the current offer for the property is an ideal opportunity for PAK to realise this value without additional expenditure. The sale enables PAK to focus our attention on the exceptional Elko Project which provides significant leverage to PAK shareholders in the prolific East Kootenay Coal Basin."

About North Coal

North Coal is a privately held coal development company focused on advancing the Michel Coal project in the Elk Valley, British Colombia.

FOR FURTHER INFORMATION CONTACT

Australia

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

COMPETENT PERSON'S STATEMENT

Previously Released Information

These ASX announcements refer to information extracted from reports available for viewing on PAK's website www.pamcoal.com

- 16.06.2014 TOCC Assets Independent Review
- 02.11.2015 Elko Coal Project Maiden JORC Resource 257.5 Million Tonnes

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.