

ASX Release

Friday 30 April 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 & 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

QUARTERLY REPORT FOR THE QUARTER TO MARCH 2021

Summary

Pacific American Holdings Limited (**ASX: PAK**) is pleased to provide its Quarterly Activities Report for the three months ended 31st March 2021.

Porphyry North Gold Project

- Completion of maiden drilling program in Q1 2021 over three (3) previously unexplored gold target areas, at:
 - One Tree Well,
 - Rainbow Dam, and
 - Nugget Patch
- Met minimum exploration expenditure of \$250,000 as part of initial \$750,000 investment to achieve 35% interest
- Total of 62 exploration drill holes for 3,748 metres, including;
 - Aircore drilling – 39 holes for 2,892 metres
 - Reverse Circulation drilling – 23 holes for 856 metres
- Samples submitted to ALS for gold assay,
 - Results due Q2 2021

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.

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Porphyry North Gold Project

During the Quarter the Company completed a maiden drilling program at the Porphyry North Gold Project. Exploration activity focused on three (3) high priority gold target areas. Drilling included a mix of Reverse Circulation (RC) drilling and Aircore (AC) drilling. The target gold areas and drilling methods used were:

- One Tree Well – 5 RC holes
RC drilling to intersect magnetic data that suggests an extension of this zone
- Rainbow Dam – 18 RC holes and 2 AC holes
RC drilling to test for the existence of shear-related gold mineralisation
- Nugget Patch – 37 AC holes

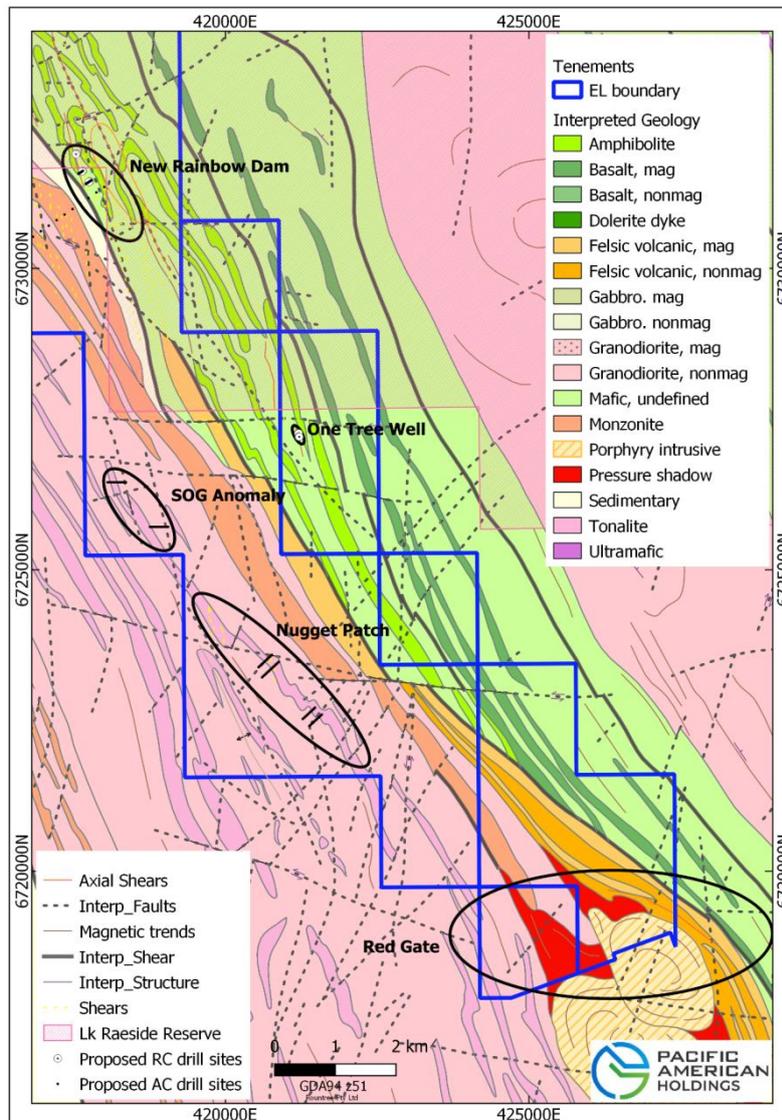


Figure 2: Target areas for activities planned for 2021 showing approximate locations of proposed drill holes. Note that hole locations are notional and may be moved. Not all holes will necessarily be drilled.

The maiden drilling program at the Porphyry North Gold Project was conducted over 3 weeks and focused on high priority gold targets being the **Rainbow Dam, Nugget Patch, and One Tree Well**.



Figure 1 – Porphyry North Gold Project RC drilling - Image courtesy of Salazar



Figure 2 - Regional View over Porphyry North Gold Project - Image courtesy of Salazar

The sequence of drilling activities commenced with RC drilling at One Tree Well the Rainbow Dam. AC drilling was only used over the Nugget Patch area, with the final stage of drilling seeing a return to Rainbow Dam to complete 2 additional AC holes.

- The **One Tree Well** target area was identified as a drill target with activity focused on testing the depth and strike extensions of the One Tree Well mineralisation proximal to historic gold workings. This area was tested with five (5) RC holes. The holes were designed to specifically test late stage quartz-vein related gold with sheared mafics and gabbros.

A total of five (5) RC holes were drilled at One Tree Well.

- **Rainbow Dam** was identified as a target area due to surface sampling outlining gold anomalism extending for over one kilometre and attaining spot highs of 11.7g/t, 6.67g/t and 4.47g/t gold. RC drilling of this prospect is targeting an area where two closely spaced inferred NW-trending late shears appear to splay off at a flexure in a major regional structure.

A Total of 18 RC holes and 2 AC holes were drilled at Rainbow Dam

- The **Nugget Patch** area is renowned for hosting nuggets won by metal detectorists and while it has been surface sampled by previous explorers, it has never been systematically drilled. Following up on a methodical soil geochemistry survey conducted earlier by Salazar, Nugget Patch is expected to be a shear-related gold mineralisation in a tonalite host.

A total of 37 AC holes were drilled at Nugget Patch.

Completion of Minimum Expenditure

During the period, the Company confirmed that the costs associated with the maiden drilling program at the Porphyry North Gold Project had resulted in the Company meeting its minimum expenditure obligations of \$250,000, being the first obligation in the Farm-In Agreement with Salazar. The minimum expenditure obligation is part of an initial \$750,000 investment required to earn a 35% equity position in the Porphyry North Gold Project.

The Company's ongoing investment in the Porphyry North Gold Project is linked to the outcome of the maiden drilling program with a total of 1,526 samples currently being assayed. Once this data set has been received and the appropriate geological interpretations completed, the Company will then be in a position to provide an update.

The Company does note that the duration to receive assay results back from the laboratory to then undertake the geological modelling has taken longer than our initial expectations.

Elko Coking Coal Project

The Company maintains the view that Elko Coking Coal Project is a high value mid to long term project that will support the growth of the steel industry as a source of raw material used in the steel making process.

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) ⁽¹⁾ :	
Measured	117.6
Indicated	93.2
Inferred	<u>92.3</u>
Total Resource	303.1
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 ⁽²⁾	1.25Mt - 1.75Mt per annum
Mine Life ⁽²⁾	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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More details are available on PAK's website 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 and announced on:

- 16.01.2019 "Elko Coking Coal Project JORC Resource Increased to 303Mt", and
- 02.03.2021 "Maiden Drilling Program Completed Over Three Gold Targets"

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.