

Pacific American Coal Ltd

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Pacific American prepares for drilling to boost coking coal resources

Pacific American Coal Ltd (ASX:PAK) is well advanced with preparations for 2018 drilling aimed at defining reserves and expanding resources at the Elko Coking Coal Project in Canada.

The company has completed pre-drilling environmental studies while most approvals for the program have been received.

Pacific American is planning circa 8,500 metres of drilling.

257.5 million tonnes resource

The Elko project contains a 257.5 million tonnes resource and is in the East Kootenay Coal Basin of British Columbia.

Pacific American intends to replicate an exploration program planned for 2017 but which was suspended due to significant wildfires in the province, which prevented access to the site.

Since then the company has completed all environmental studies it was been requested to complete as part of the approval process for its Notice of Work.

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The final piece of environmental work required is the GAP Analysis, which is being prepared.

During Canada's spring the company intends to complete stage II work of the fish and archaeological studies.

It will also carry out field work associated with desktop reviews and recommendations of the GAP Analysis.

The company continues to work closely with the Ministry of Energy, Mines and Petroleum Resources and various other government departments.

It sees no significant hurdles in achieving the Notice of Work approval before the 2018 exploration window during the warmer months.

Focus on commercial aspects

In addition to the environmental and permitting process, the company continues to focus on commercial aspects of the project.

Elko has projected low capital costs and infrastructure advantages over other coal projects in the region.

Price: A\$0.044

Market Cap: A\$7.27M

1 Year Share Price Graph



Share Information

Code: PAK

Listing: ASX

52 week High Low
A\$0.07 A\$0.03

Sector: General Mining

Website: www.pamcoal.com

Company Synopsis:

Pacific American Coal Ltd (ASX:PAK) is listed on the Australian Securities Exchange.

Author:

Proactive Investors Australia

+61 (0)2 9280 0700

action@proactiveinvestors.com.au

The project has the capacity of being a 1-2 million tonnes per annum operation during initial years of operation based on the resource containing an area suitable to a low strip ratio open cut mine.

There is then the ability to expand production capacity over time as an underground operation is established.

Elko is within 20 kilometres of coal rail infrastructure and is at the southern end of the East Kootenay Coal Basin.

Rail cost advantage

This makes it the closest coal project in the basin to coal ports in Vancouver with a circa \$2 per tonne rail cost advantage over projects at the northern end of the basin.

A project study report delivered by Palaris Australia in May 2017 identified that the project did not require significant capital expenditure to deliver initial shipments of coal to market.

Contract mining planned

As such, Pacific American plans a contract mining operation minimising the start-up capital to major cost items such as site access, coal handling and processing facilities and rail load-out.

The Palaris report indicates that Elko is expected to be at the lower end of capital intensity and would compare favourably with other Canadian projects.

There is a strong product mix at Elko, including in demand HCC and premium quality PCI.

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