

# Pacific American Holdings Ltd

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## Pacific American Coal sets up resource definition in Canada

Pacific American Coal (ASX:PAK) has achieved a major milestone in proving up a tier-1 Canadian coking coal asset with successful completion of exploration work at the Elko project in British Columbia.

Pacific American has mapped about 8 kilometres of coal outcrops, validated adits and identified five coal seams along strike of existing licences on the 3,571-hectare property.

Along with work locating minesite infrastructure, defining access routes and engaging with indigenous First Nations representatives, this effort has set the stage for more advanced developments such as geological modelling and the declaration of an inferred resource later this year.

Establishment of the resource is on track for Q4 2015.

This is scheduled to be followed in Q1 2016 by a coal quality report and development of exploration plans for the next stage of drilling.

### High potential

Elko has the largest exploration target in Pacific American's portfolio at 224 to 336 million tonnes of coking coal.

A comparison of competitor resource statements holding coal licenses in the Kootenay

Basin indicates that Elko would be the second largest resource in the basin even if the project confirms a resource tonnage at the lower end of expectations.

A Japanese-lead feasibility study has demonstrated the potential of a 1-million-tonnes-per-annum underground operation within 5 kilometres of Elko.

The site is within 20 kilometres by public road to the rail network servicing the export bulk port at Vancouver.

### Historical exploration

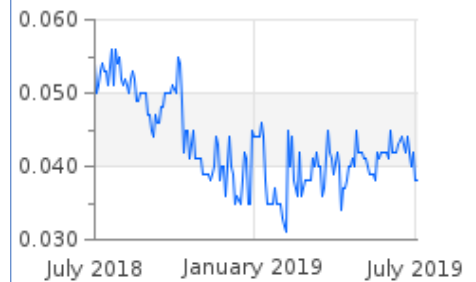
Exploration in the Elko area has been regularly performed over the past 50 years. Activity has been carried out by a number of companies, including the Japanese trading company Mitsui in the 1960s and Cline Mining Corporation (TSE:CMK) in 2005.

In 1973, BC Coal dug seven adits in coal outcrops along the western face of the region's Flathead Ridge area. The company identified at least seven coal

**Price:** A\$0.038

**Market Cap:** A\$6.28M

### 1 Year Share Price Graph



### Share Information

**Code:** PAK

**Listing:** ASX

**52 week High Low**  
A\$0.06 A\$0.03

**Sector:** Mining

**Website:** [www.pamcoal.com](http://www.pamcoal.com)

### Company Synopsis:

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

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seams with mineable thickness and quality within the Elko boundary.

Elko is the only granted coal licence containing multiple outcropping coal seams along the southern boundary of the East Kootenay Coal Basin.

## Analysis

Completion of initial exploration work at Elko is an important step in adding value to the project as it paves the way for the rapid definition of a major resource and more advanced mine planning.

This scenario sets up Pacific American for increased newsflow in the medium term, which could result in significant price catalysts for the company if Elko confirms the potential of its encouraging historical exploration work.

The identification of geological structures, adits and exploration holes has set the stage for additional drilling and expansion after the maiden resource is established later this year.

The latest exploration achievements also helped set up critical long-term relationships with the indigenous First Nations peoples.

The significant amount of historical exploration at Elko over 50 years is a strong indicator of the widely regarded prospectivity of this ground. Pacifica American's staged and deliberate approach to collating information on the site represents a proven strategy for making a large discovery.

Pacific American is implementing a structured plan that will efficiently and effectively manage the company while providing an annual cost saving of A\$250,000 per year.

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