

12 December 2019

**Dear Shareholders,**

It's timely that as 2019 draws to a close we provide you a summary of our 2019 achievements and update you as to what 2020 has in store for us.

2019 has been a rewarding and exciting time at Pacific American Holdings (PAH) as we focused on further developing our wonderful coking coal project in British Columbia, and strengthened our interest in alternative energy with our exciting joint-venture with our partner Global Hydro.

Our highlights included:

- Starting 2019 with delivering a 303MT JORC compliant resource at our Elko Coking Coal Project
- Receiving all permits for our next stage of exploration at Elko
- Appointing two coal experts in Matthew Wall and Dave Thompson to the management team
- Finalising our Joint Venture with a world leading hydro company from Austria, and
- Entering 2020 with our strategic initiative to build capabilities in the renewable energy space.

### **Elko Coking Coal Project**

Coking coal is an essential ingredient in steel making and as such, the Elko Coking Coal Project continues to be a significant project for PAH. The project is strategically located in the world's second largest seaborne export coking coal market. Over the last 12 months the company has completed a number of tasks to increase its knowledge of the project.

- Completed ground surveys and mapping over the three coal blocks with no new major faulting observed
- Completed a coal marketing report and calculated coking coal spec sheets defining where the coal would sit in the market
- Established a local based Canadian project manager with expertise developing coal projects in the East Kootenays
- Enhanced and expanded our technical and industry expertise with the appointment of 2 additional executives

We are committed to realising the significant value of Elko and to keep this project moving forward. We continue to pursue investment options in Elko through our ongoing discussions with potential parties in the USA.

## **Renewables Business**

Having examined business opportunities in renewable energy, we are excited about our strategic investment into the hydro energy space with our world class partner Global Hydro who are headquartered in Austria - [www.global-hydro.eu/en](http://www.global-hydro.eu/en). Through this partnership we have founded our joint venture company 'GP Hydro' that has been established in Singapore and will be operational shortly. Activities in our renewable business initiative, includes:

- Finalising the appointment of the JV company's Chief Executive Officer
- Focusing on delivering micro-hydro and hybrid energy solutions to the regions of the South Pacific Islands and Australasia
- Accelerating our initiative as we see growing international support for the South Pacific Islands as they reposition their energy supply requirements to include increasing levels of renewable energy
- Continue to review opportunities in the renewables space and look for additional investment opportunities in projects that can add significant value to the business
- Adding expertise to PAH as we see renewables as an opportunity to grow a revenue focused business
- It is also pleasing to note Australian initiatives that demonstrate commitment and support for hydro energy projects both in Australia and the region.

## **Corporate**

We reaffirm our commitment to deliver shareholder value through a collection of initiatives. These initiatives will ensure the prosperity of the Company and bring to the forefront our new renewable energy business initiative. We have made a number of changes to cut costs for the business moving forward and are reviewing a number of strategies to increase shareholder value.

I thank you for your support over the past 12 months and look forward to enhancing our share value in 2020 through building a portfolio of high value renewable energy assets, as well as our progressing the Elko Coking Coal Project as a vital and potentially world class project supplying raw materials to steel making industry.

With kind regards

Geoff Hill  
Chairman

## **COMPETENT PERSON'S STATEMENT**

### Previously Released Information

This ASX announcement refers to information extracted from reports available for viewing on PAK's website [www.pamcoal.com](http://www.pamcoal.com) and announced on 16.01.2019 "Elko Coking Coal Project JORC Resource Increased to 303Mt". 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 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 announcement.

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