

2020 Annual Report



Pacific American Holdings Limited

ABN 83 127 131 604
and its Controlled Entities

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DIRECTORY

1. Registered Office

Suite 706, Level 7
89 York Street
Sydney NSW 2000
Telephone: +61 2 8964 4373
Website: www.pacificamerican.com.au

2. Directors

Geoff Hill (Non-Executive Chairman)
Mark Sykes (Executive Director/Chief Executive Officer)
Simon Bird (Non-Executive Director)

3. Company Secretary

Wayne Kernaghan

4. Share Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Telephone: +61 2 9290 9600
Facsimile: +61 2 9279 0664
Website: www.boardroomlimited.com.au

5. Bankers

Westpac Banking Corporation
National Australia Bank

6. Auditor

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

7. Investor enquiries

Mark Sykes
Suite 706, Level 7
89 York Street
Sydney NSW 2000
Telephone: +61 2 8964 4373
Email: info@pamcoal.com

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CHAIRMAN'S LETTER

Dear Shareholder,

I have pleasure in enclosing the annual report for Pacific American Holdings for the year ended 31 December 2020.

2020 was a year where we continued to push forward with our strategy to invest in attractive and potentially valuable activities. It was also a year that was dominated by coronavirus and its impact on the financial markets and investor sentiment. Despite these challenges we were able to attract fresh capital to advance our asset portfolio and invest in new opportunities.

Over the past 12 months, we have advanced;

- Our renewable energy venture with Global Hydro GmbH of Austria. We secured a full time CEO dedicated to unlocking the potential we identified through our renewable energy strategy. We continue to be encouraged with the developments that have been made to date despite the fact that travel into the areas where we were seeking to grow the business were closed off to us for the entire year due to travel restrictions,
- A Farm-In Agreement with Salazar Gold Pty Ltd. This gives the Company exposure to a highly prospective gold region in Western Australia at a modest cost with staged investment. Through the Farm-In Agreement we have the opportunity to earn up to a 60% equity interest in the Porphyry North Gold Project. In the first quarter of 2021 we had already completed our minimum expenditure requirements of \$250,000. We are awaiting assay results,
- The Elko Coking Coal Project where we have maintained our 100% ownership over the project. The licences remain in good standing as we have met our obligations by carrying out the necessary activity over the licence area during the year. The Elko Project remains a high value asset for the Company as coking coal will continue to be an essential commodity required for the production of steel. We are seeking suitable partners to further develop this valuable asset.

During the year, the support we received from Shareholders and new investors that came into our share registry was fundamental to our success. This support has enabled us to act quickly when we identified quality assets like the Porphyry North Gold Project. We now wait with some excitement, to receive the assay results from the exploration program and look forward to sharing these with you once the geological modelling and interpretation work is finalised.

We are ever mindful of our cash position and responded to the coronavirus situation by reducing our costs and ensuring that your assets received the appropriate funding to advance them. As such we are currently reviewing complementary assets that will add value to your portfolio and is consistent with the theme of seeking low entry costs assets with high value potential.

I look forward to updating you with more positive news on our progress throughout 2021.

The notice of annual meeting will be forwarded to you separately.

Yours faithfully,



Geoff Hill
Chairman
Date 30 March 2021

CHIEF EXECUTIVE OFFICER'S REPORT

Like many others, 2020 was an extraordinary year due to the impacts a global pandemic had on the ways of doing business and a heightened awareness that renewable energy is going to be a key component to energy supply mix in the future. With travel restrictions in place and markets facing an uncertain future, this provided Pacific American Holdings Limited (PAK, the Company) the opportunity to consider alternative investments and leverage the assets we had within our portfolio.

2020 Focus

Renewable Energy

- Established Primary Power
- Appointment of CEO to JV vehicle ' GP Hydro'
- Engagement in the Australian and South Pacific regions
- Project reviews and opportunity studies

Elko Project

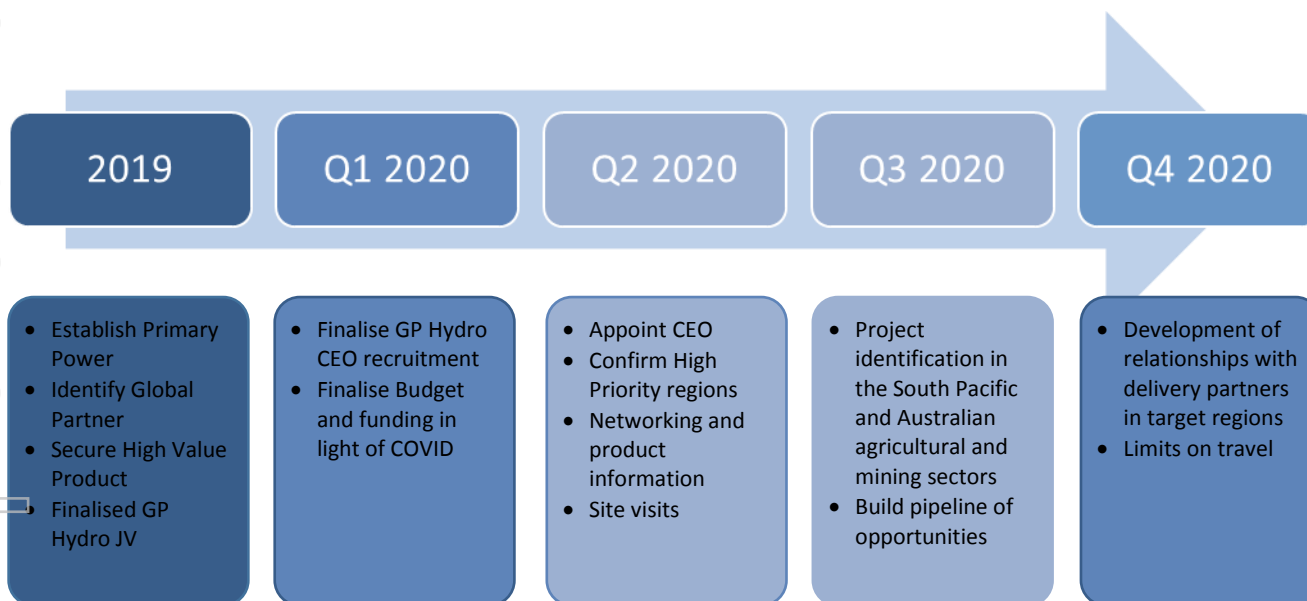
- Retained 100% ownership
- Maintained licences in good standing
- Conducted ground work to meet project requirements

Gold Investment

- Entered into a Farm-In Agreement with Salazar Gold Pty Ltd
- Project located in highly prospective gold region within Western Australia
- Secure local geological experts to oversee drilling program planning and delivery

Renewable Energy

PAK has continued to meet the milestone set out in its renewable energy business strategy as it progresses towards supplying and delivery renewable projects in the Australian and South Pacific Regions.



Through Primary Power, the Company has the objective of identifying and bringing world class renewable technology to the region. The Company philosophy remains the same as we continue to seek out investment that brings value to our shareholders and offers them exposure via :

- Low cost entry into a growth market
- An industry with strong government support
- Exposure to established best-in-class technology
- Robust product that has an established market acceptance
- Innovative product that can form part of an off-grid renewable energy project

Elko Project – B.C. Canada

Consistent with our message throughout the year, the Company has undertaken the necessary work to retain 100% ownership over the Elko Project tenements while maintaining them in good standing. As such only essential expenditure has been allocated to Elko during 2020.

The Elko project remains a high value asset as coking coal is a key commodity required in the steel making process. The Company is still of the view that the Elko Project offers investor upside when compared to other projects in the region.

Elko is located in the East Kootenay Coal Basin of British Columbia, Canada and covers 8,824 acres over 3 adjacent tenements. The Company has developed an underground mining concept to recover the coking coal resource that is contained within 9 seams. Concept level project plans are based on production of 1.75 million tonnes per year of saleable coal with a mine life of 20 years.

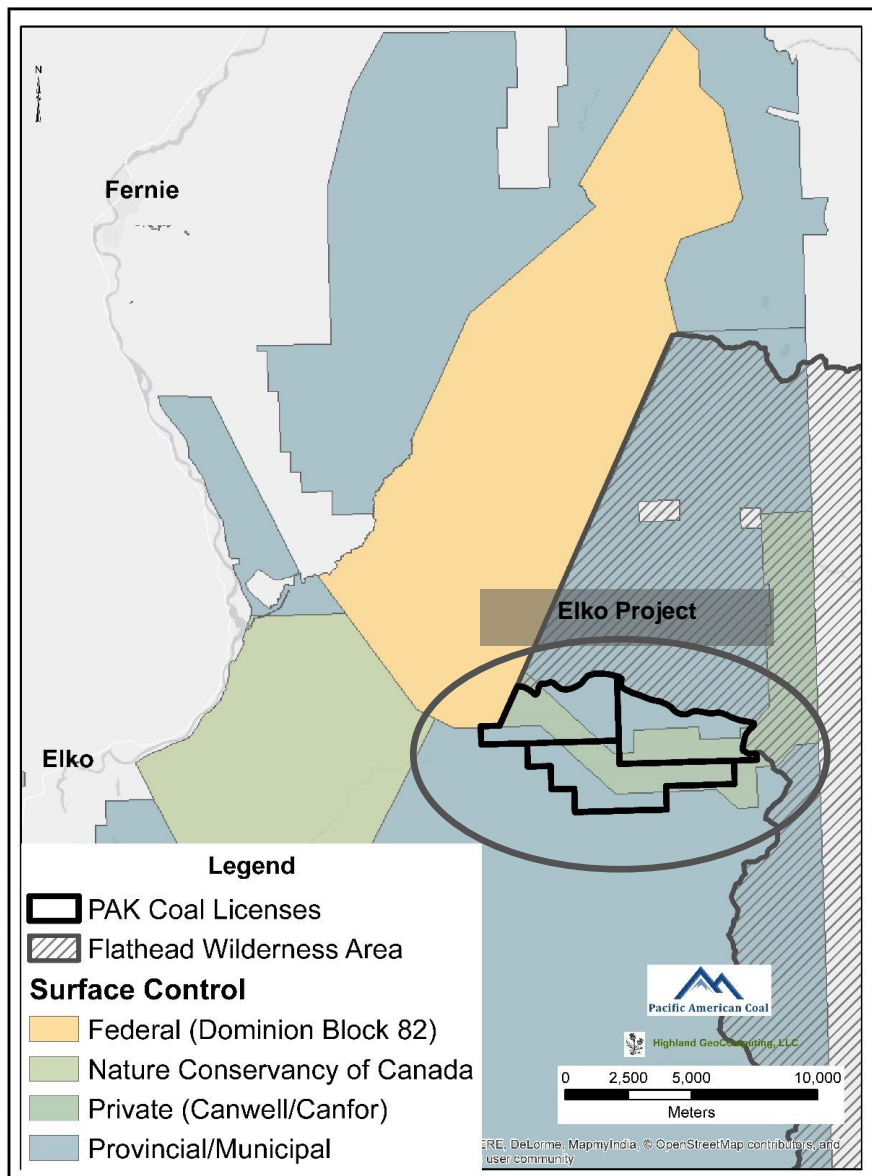


Figure 1 - Location of the Elko Project in B.C. Canada

PAK has received approval for a Notice of Work which enables the Company to conduct exploration for a period of 5 years. The Notice of Works allows the Company to:

- Construct access routes into the property, that is aimed at expanding the Project's coal resource base
- Permit the Company to complete these works through to September 2024.

The Elko Project has a Measured and Indicated Resources of 210.8MT with 117.6MT Measured, 93.2MT Indicated and 92.3MT Inferred Resources.

Lease Area	2019 In-Situ Resource Estimate (MT)			
	Measured	Indicated	Inferred	Total
West	106.45	70.12	18.64	195.20
Central	11.11	20.93	61.20	93.25
East	0.09	2.14	12.48	14.70
Total	117.65	93.19	92.32	303.15
% of Total	39%	31%	30%	100%

Table 1: Resource Estimate by Coal Lease Area

Gold Investment

During the year the Company entered into an exclusive and binding Term Sheet with Salazar Gold Pty Ltd (“Salazar”). The agreement with Salazar is to farm-in and acquire up to 60% ownership of Salazar’s Porphyry North Gold Project in Western Australia (WA) located in the Yilgarn area. The ownership interest is to be acquired through a staged farm-in, with total expenditure of up to \$2 million. The Terms of the agreement are detailed under Section 22 – Subsequent Events.

This investment provides shareholders with exposure to the gold sector through a highly prospective project that contains multiple drill targets that will test mineralisation across the tenement.

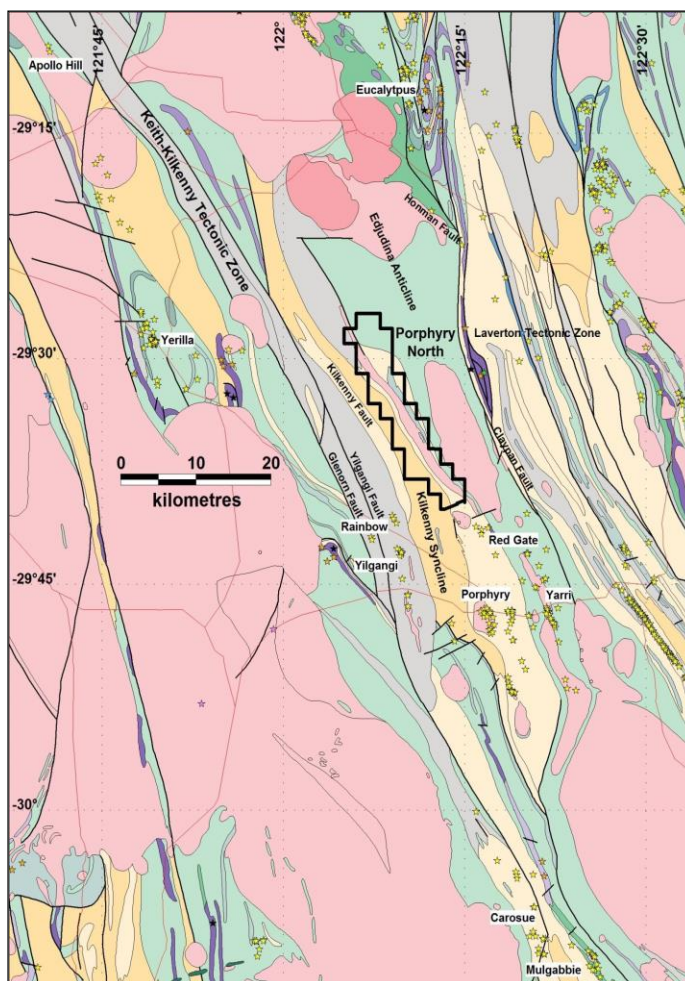
Porphyry North Project

The Porphyry North gold project lies 15km north of the Porphyry gold mining centre (1.2Moz)¹ and approximately 150km north east of Kalgoorlie in the world class Eastern Goldfields region of the Archaean Yilgarn craton in Western Australia.

It is located in the Keith-Kilkenny Tectonic Zone which extends from north of Leonora to south of Carosue, a distance of over 200km. A large section of this zone is under cover by Lake Raeside Cainozoic sediments including the northern part of the Porphyry North Gold Project.

Since the 1970s, several mining companies have explored for nickel and gold within and around the Porphyry North project area. However, most historical exploration, which comprised limited soil sampling and shallow RAB drilling, focused on areas of outcrop and shallow soil-covered terrain with little effective exploration undertaken in areas of deeper overburden.

The only drilling completed on the Porphyry North project prior to the exploration program finalised in Q1 2021 by PAK, was by Rotary Air Blast (RAB) programmes (drilled to blade refusal) completed in the Nugget Patch area and to the south just north of the Red Gate granite.



¹ Saracen Mineral Holdings Ltd Presentation 4 August 2019, compilation from Resource Table

There are several gold targets over the Porphyry North Gold Project that includes:

- Rainbow Dam,
- One Tree Well,
- Nugget Patch, and
- the Red Gate Shear .

Rainbow Dam and One Tree Well

Rainbow Dam is identified as a geophysical target forming a NNW-trending elongated refolded antiform of prospective lithologies bounded by shears and dissected with late stage faults. This area has some outcrop and anomalous historical gold-in-soil BLEG and reconnaissance rock chip grab samples, but no previous drilling. The best gold results in the rock chip grab samples are associated with quartz veined and sericite altered schist and a white quartz vein outcrop with spot values of up to **16g/t** gold.

RC drilling of this prospect targeted an area where two closely spaced inferred NW-trending late shears appear to splay off at a flexure in a major regional structure. RC drill holes interrogated this target at depth.

The One Tree Well historical gold working occurs to the south east of the Rainbow Dam target and may represent a continuation of this auriferous zone. One Tree Well comprises three shafts and a small pit over a distance of 60m. Mullock heap sampling returned assays up to **7.66g/t** gold. Drill holes were designed to test the depth extent of the previously worked quartz veins in this mine area.

The Nugget Patch and SOG Anomaly

The Nugget Patch prospect comprises a NNW-trending sequence of sheared, folded, faulted and altered intermediate-felsic volcanics and sediments intruded by magnetic, linear monzonite and tonalite porphyry dykes. The area has numerous NNW trending white quartz vein outcrops. Whilst the Nugget Patch, renown for hosting nuggets won by metal detectorists, has been surface sampled by previous explorers, it has never been systematically drilled. Salazar had undertaken a methodical soil geochemistry survey over the main zone.

The SOG Anomaly is a 1 x 1.7km area defined by previous explorer, Sons of Gwalia north west of the Nugget Patch. Sons of Gwalia went into administration and no follow-up work was undertaken.

Red Gate

The Red Gate area of the Porphyry North Gold Project remains a prospective region, however will not be drilled during this campaign. Previous explorer's work, including more recent work by Salazar, returned surface samples up to **32g/t** gold. Quartz veining appears to be the source of this gold. The area is located to the north east and north of the Red gate Granite. Compilation of previous results, backed up by geological mapping, will be undertaken prior to testing by drilling.

The above information on the drill targets has been previously reported in our ASX announcement dated 1 October 2020 – "Drill Ready Western Australian Gold Project".

We look forward to updating shareholders on these projects as they develop throughout the year.



Mark Sykes
Chief Executive Officer
Date 30 March 2021

DIRECTORS' REPORT

Your directors present their report, together with the financial statements, of the group consisting of Pacific American Holdings Limited (**Company** or **PAK**) and the entities it controlled at the end of, or during, the year ended 31 December 2020 (**Group**).

1. DIRECTORS

The Directors of the Company during the year and until the date of this report are:

NAME AND POSITION	QUALIFICATIONS, EXPERIENCE, SPECIAL RESPONSIBILITIES AND OTHER DIRECTORSHIPS
<p>Geoffrey Hill Non-Executive Chairman Appointed 18 October 2007</p>	<p>Geoff Hill BEcon (Syd), MBA (NSW), FFIN, FCPA, FAICD is a merchant banker with experience in mergers and capital raising and has acted for a wide range of corporate clients in Australia and overseas, particularly in the resources sector. He is Chairman of the International Pacific Securities Group and Asian Property Investments Limited. He is also a non-executive director of ASX listed company American Rare Earths Limited (ASX: ARR) (appointed 27 August 2015).</p>
<p>Mark Sykes Executive Director/Chief Executive Officer Appointed 31 December 2017</p>	<p>Mark Sykes B.Eng (Mining) (WASM), Masters Minerals and Energy Economics (Macquarie University)</p> <p>Mark is an experienced Mining Engineer with a wealth of operations and business development experience, during a career of some 25 years. Mark's career includes time with BHP in an operational capacity and with Mitsubishi Development in a senior corporate investment role. Mark has exposure to a broad range of commodities including coal, uranium, iron ore, platinum group metals and other minerals. Mark brings exceptional experience in areas of corporate and strategic development, transactional due diligence, operations, technical engineering and project management.</p> <p>Mark served as Chief Executive Officer before being appointed to the Board on 31 December 2017.</p>
<p>Simon Bird Independent Non-Executive Director Appointed 13 July 2010</p>	<p>Simon Bird B.Compt (University of South Africa), B.Compt (Hons) (University of South Africa), CA, FCPA, FAICD is a Non-Executive Director and Chairman of the Audit Committee</p> <p>Simon's 30-year professional career in Australia, Africa and Europe includes six years with PricewaterhouseCoopers and senior roles in the resources, financial services, property, infrastructure and agricultural sectors. His time in Australia includes terms as Chief Financial Officer with Stockland Limited, GrainCorp Limited and Wizard Mortgage Corporation.</p> <p>He is currently Non-Executive Director and Chairman of the Audit Committee of ASX listed Mount Gibson Iron Limited [ASX: MGX] (appointed 23 February 2012) and Non-Executive Chairman of Tubi Limited (ASX: 2BE) (appointed 6 December 2019).</p> <p>His former public company directorships include King Island Scheelite Limited [ASX: KIS], Rawson Resources Limited [ASX: RAW], CPA Australia Limited, Kosciusko Alpine Club Limited and Sovereign Gold Company Limited [ASX: SOC].</p>

All Directors shown were in office from the beginning of the period until the date of this report, unless otherwise stated.

2. COMPANY SECRETARY

Wayne Kernaghan BBus, ACA, FAICD, ACIS Company Secretary Appointed 16 December 2020

Wayne is a member of the Institute of Chartered Accountants in Australia with a number of years' experience in various areas of the mining industry. He is also a Fellow of the Australian Institute of Company Directors and a Chartered Secretary.

Ian Morgan B Bus (UTS), MComLaw (Macquarie University), Grad Dip App Fin (FINSIA), CA, ACIS, ACSA, MAICD, F Fin, was appointed Company Secretary on 11 March 2010. Ian retired on 31 December 2020.

Ian is a qualified Company Secretary and Chartered Accountant with over 30 years of experience in businesses operating in Australia and overseas. Mr Morgan's experience includes many years in the resource sector. He provides secretarial and advisory services to a range of companies and is company secretary of other public listed companies.

3. MEETINGS OF DIRECTORS AND COMMITTEES OF BOARD

The number of meetings held (including meetings of Directors) and the number of meetings attended during the financial year are:

Directors	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
G Hill	7	7	2	2	-	-
S Bird	7	7	2	2	-	-
M Sykes	7	7	-	-	-	-

4. PRINCIPAL ACTIVITIES

Through its controlled entity Pacific American Coal Canada Limited, the Company holds coal licences for exploration in the coking coal regions of Kootenay in British Columbia and applications for exploration licences in the metallurgical coal region of the Arkoma Basin in Oklahoma.

5. REVIEW OF OPERATIONS

The consolidated loss after income tax for the Group was \$925,981 (2019: \$1,344,944).

The 2020 financial year marks a year of growth and diversity for the Company, where strategic initiatives were resourced and new high value opportunities were identified and secured.

Renewable Energy Investment

During the year the Company announced the appointment of its Chief Executive Officer, Mr Nigel Turner to lead the development of the Company's renewable energy initiative. GP Hydro is the special purpose vehicle that was created between the Company and our Joint Venture Partner Global Energy Hydro GmbH. Mr Turner has been active in the pursuit of supporting and delivering projects within Australia and the South Pacific Region.

Areas where off-grid and micro hydro opportunities have been identified and advanced include the agricultural sector within Australia and regions of the South Pacific.

Exploration Gold Projects

Consistent with the Company's objective to seek investment opportunities in high value assets, the Company entered into an Agreement with Salazar Gold Pty Ltd to Farm-In to the Porphyry North Gold Project. Through a series of milestones the Company has the opportunity to earn up to 60% equity in the Porphyry North Gold Project by incurring expenditure of up to \$2,000,000 and issuing of up to 14 million options to Salazar.

At the time of this Annual Report, the Company had finalised the Farm-In Agreement and completed the minimum exploration expenditure of \$250,000. Samples had been submitted for assay with the results pending. Subject to the assay results and geological modelling, the Company would then be in a position to consider the first Farm-In milestone being the ability to earn 35% equity in the Porphyry North Gold Project for an aggregated exploration expenditure of \$750,000.

Elko Project – B.C. Canada

The Company maintains the view that the Elko Project is a high value asset containing a JORC Resource of 303MT. The Company has maintained its 100% ownership of the Elko Project located in B.C. Canada. During the year the Company conducted activity in site to ensure the exploration licences are kept in good standing

For further details, refer to the Chief Executive Officer's Report attached to the Directors' Report.

6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year other than as stated in this report.

7. DIVIDENDS

There were no dividends paid or declared by the Group (2019: \$Nil).

8. ENVIRONMENTAL REGULATION

The Group's operations are subject to environmental regulations under relevant local laws, council policies and state and federal government legislation in relation to operating activities.

Operations are closely monitored in accordance with operating procedures to ensure that potential for environmental contamination is minimised.

Directors are not aware of any significant breaches in environmental regulations during the period covered by this report.

9. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

In January 2021 the Company finalised a Farm-In Agreement with Salazar Gold Pty Ltd ("Salazar") to start a drilling program over the highly prospective Porphyry North Gold Project. The Company also completed a small placement of 4,000,000 shares at 2c each to fund the support of the exploration program and any additional works.

The Farm-In Agreement focuses on the three tenements covering 113 km² that comprise the Porphyry North Gold Project (E31/910, E31/942 and E39/1975). Farm-In milestone include:

Farm-In A: Expenditure of \$750,000 before 30 November 2021 to earn 35% with a minimum expenditure of \$250,000

Farm-In B: Expenditure of \$500,000 (for an aggregate of \$1,250,000) before 30 November 2022 to increase the equity to 50% and

Farm-In C: Expenditure of \$750,000 (for an aggregate of \$2,000,000) before 30 November 2023 to increase the interest in the tenements to 60%.

Upon completion of Farm-In B, Salazar may elect that the Farm-In C expenditure is reduced to \$500,000 in consideration for the issue of 10,000,000 fully paid ordinary share of the Company to Salazar.

Conditions Precedent

All conditions precedent to the Farm-In Agreement between Salazar and the Company have been satisfied.

Upon execution of Farm-In-Agreement and subject to shareholders approval, the Company shall issue 7 million unlisted options to Salazar exercisable at 2 cents each ("Tranche 1 Options"). Each Tranche 1 option shall expire on the earlier of:

- a) 30 June 2022;
- b) 30 September 2021 where the Company does not comply with Farm-In A and
- c) 1 month following the issue of an Exit Date Notice by the Company.

Upon the Company electing to commence Farm-In B, the Company shall issue 7 million unlisted options to Salazar exercisable at 2 cents each ("Tranche 2 Options") on or before 2 years from the date of issue.

The unlisted Tranche 1 Options and Tranche 2 Options will be issued upon receiving shareholders' approval, which the Company will seek at its next General Meeting.

During the Farm-In period, the Company will sole fund exploration activity with all works being jointly agreed between the Company and Salazar.

Apart from the above, no matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in financial years subsequent to 31 December 2020.

10. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Whilst the Board will continue with planned decisions to conserve cash, the Company is continuing to identify, pursue and explore new projects and investment opportunities together with procuring funding for its existing projects. Neither the expected results of any operations nor strategy for new projects have been included in this report, as in the opinion of the Directors this information would prejudice the interest of the Company if included.

11. DIRECTORS' INTERESTS

The relevant interest of each Director in the shares issued by the Company, as notified by the Directors to the Australian Securities Exchange ('ASX') in accordance with Section 205G(1) of the *Corporations Act 2001*, at the date of this Directors' Report is as follows:

	Ordinary Shares	Unquoted Options
G Hill ¹	30,874,587	500,000
S Bird ¹	575,628	500,000
M Sykes ¹	70,000	500,000

¹ Held directly and indirectly

12. AUDITOR'S INDEPENDENCE DECLARATION

We confirm that we have obtained the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* (Cth) which is set out on page 17.

13. AUDITOR

Hall Chadwick is appointed auditor in office in accordance with section 327 of the *Corporations Act 2001*.

14. SHARES UNDER OPTION

At the date of this report there are 1,500,000 unissued ordinary shares of the Company under option (2019: 2,000,000)

15. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND AUDITORS

Indemnification

Under the Company's Constitution, the Company indemnifies each Director, Officer and Agent of the Company ('Officer') against:

- any liability incurred by that Officer as such in defending any proceedings, whether civil or criminal, in which judgement is given in favour of the Officer or which are discontinued, withdrawn, dismissed or struck out, or in which the Officer is acquitted, or in connection with any application in relation to those proceedings in which relief is granted to the Officer by the Court; and
- any liability incurred by an Officer in carrying out the business or exercising the powers of the Company which does not involve any negligence, default, breach of duty or breach of trust by the Officer in relation to the Company.

Insurance Premiums

Since the end of the year, the Company has paid insurance premiums of \$19,570 (2019: \$13,853) in respect of directors' and officers' liability and legal expenses' insurance contracts, for current and former Officers, including senior executives of the Company and directors, senior executives and secretaries of its controlled entities. The insurance premiums relate to:

- costs and expenses incurred by the relevant Officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The insurance policy outlined above does not contain details of the premiums paid in respect of individual Officers.

16. NON-AUDIT SERVICES

Fees for non-audit services provided by Hall Chadwick, its related practices and non-related audit firms in the December 2020 financial year were \$4,500 (2019 \$3,000) - for taxation services.

Directors are satisfied that the services disclosed above did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

17. REMUNERATION REPORT - AUDITED

The remuneration committee reviews and makes recommendations to the board on remuneration packages and policies applicable to the executive officers and directors of the Company and of other executives of the Group. It is also responsible for share option schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements, fringe benefits policies and professional indemnity and liability insurance policies.

The members of the remuneration committee during the year were:

- Simon Bird (Chairman) – Non-Executive Director
- Geoff Hill – Non-Executive Board Chairman

The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for security holders. The remuneration structures take into account a range of factors, including the following:

- the capability and experience of the key management personnel;
- the requirement to utilise those skills in the furtherance of the Group's strategic objectives;
- the performance of the key management in their particular role;
- the Group's overall performance;
- the remuneration levels being paid by competitors for similar positions; and
- the need to ensure continuity of executive talent and smooth succession planning.

In assessing the performance of a particular executive, consideration of various other aspects is taken into account regardless of only the immediate profit and loss performance. The nature of the Group's operations and investment is such that decisions are constantly being taken that will not have profit repercussions for several years. Moreover, the evaluation of executive performance also has regard to the Executive's effectiveness in developing a capable support team and in showing leadership qualities and instilling positive cultural values within the Group.

Remuneration packages included fixed remuneration only for the past financial year, but a revision of a performance bonus structure is under consideration. There was no performance-based remuneration in either the current or the prior financial year.

Fixed Remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any fringe benefits tax charges related to employee benefits including motor vehicles, car parking and other specified benefits), as well as employer contributions to superannuation funds.

Remuneration levels are reviewed annually through a process that considers the factors outlined above.

Non-executive Directors

The Board's policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. No remuneration consultants were used in the 2020 financial year. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. On 16 December 2008, shareholders last approved a maximum aggregate amount totalling \$250,000. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Non-Executive Directors' interests with shareholders' interests, the Non-Executive Directors are encouraged to hold shares in the Group and may receive options as long-term incentive remuneration.

Executives

Executive Directors and other Company executives (Executives) receive either a salary plus superannuation guarantee contributions as required by law, currently set at 9.50%, or provide their services via a consultancy arrangement. Individuals may elect to sacrifice part of their salary to increase payments towards superannuation. Bonus payments are at the discretion of the Board and based on an Executive's performance.

Base Salary

Structured as a total employment cost package comprising cash, leave benefits and superannuation, Executives' remuneration is reviewed annually for competitiveness and performance. There are no guaranteed salary increases fixed in any Executives' contract.

Benefits

Executives may receive reimbursement for out-of-pocket expenses incurred in undertaking their duties, including reasonable travel, accommodation and entertainment expenses.

When considering the relationship between the Group's Remuneration Policy and the performance of the Group and Executives and the subsequent benefits the performance had on shareholders' wealth, the Remuneration Committee had regard to the following:

	2020	2019	2018	2017
Net loss (\$)	(925,981)	(1,344,944)	(103,361)	(1,596,775)
Loss per share (cents)	(0.38)	(0.81)	(0.06)	(0.97)
Dividends / distributions (\$)	-	-	-	-
Share price at year end (\$)	0.022	0.031	0.041	0.035
Market capitalisation (\$)	6,920,868	5,534,777	6,777,541	5,785,706
Director & Key Management Personnel remuneration (\$)	264,922	373,357	382,332	465,937

The Remuneration Committee considers that the Group's remuneration policy is appropriate.

Employment Contracts

No director or key management personnel are employed under an official contract of service as at 31 December 2020.

Details of Key Management Personnel

Directors

Name	Position
G Hill	Non-Executive Chairman
S Bird	Non-Executive Director
M Sykes	Executive Director/Chief Executive Officer

Other Key Management Personnel

Name	Position
W Kernaghan (Appointed 16 December 2020)	Chief Financial Officer /Company Secretary
I Morgan (Retired 31 December 2020)	Chief Financial Officer /Company Secretary

Key management personnel are those directly accountable and responsible for the operational management and strategic direction of the Company and the Group.

Details of the nature and amount of each element of the remuneration of Directors and other Key Management Personnel of the Company during the financial year are:

	Year	Short-Term Employee Benefits			Post-Employment	Share Based Payments	Total	Proportion of Remuneration Performance Related	Value of Options as a Proportion of Remuneration
		Salary & Fees	Bonus	Non-Monetary Benefits	Super-annuation Benefits	Options			
Key Management Personnel		\$	\$	\$	\$	\$	%	%	
Directors									
G Hill	2020	50,100	-	-	-	50,100	-	-	
	2019	67,500	-	-	-	71,050	-	5.8	
S Bird	2020	32,700	-	-	-	32,700	-	-	
	2019	32,700	-	-	-	36,250	-	9.8	
M Sykes	2020	141,500	-	-	-	141,500	-	-	
	2019	177,592	-	-	-	181,142	-	2.0	
Executives (Other)									
W Kernaghan	2020	3,500	-	-	-	3,500	-	-	
	2019	-	-	-	-	-	-	-	
I Morgan	2020	37,122	-	-	-	37,122	-	-	
	2019	84,915	-	-	-	84,915	-	-	
Total	2020	264,922	-	-	-	264,922	-	-	
	2019	362,707	-	-	-	373,357	-	2.9	

No termination payments, bonuses or long-term benefits have been paid or accrued for any director or key management personnel in the year ended 31 December 2020 (2019: \$Nil).

Compensation options: Granted and vested during the year

No options were granted to Directors or key management personnel as part of the remuneration during 2020, while 1,500,000 unquoted options were granted during the year ended 31 December 2019 to Directors or key management personnel as part of their remuneration, that was approved by shareholders at the Company's AGM held on 14 May 2019 (2019: 1,500,000):

Equity Instruments held by Key Management Personnel

The number of shares and options over shares in the Company held during the financial year by each Director of and each of the other key management personnel, including their personally related entities, are set out below:

Movement in Share holdings held by Key Management Personnel

	Held at 31 December 2019	Other Changes During the Year	Held at 31 December 2020
2020			
Directors			
G Hill ¹	21,469,879	9,404,708	30,874,587
S Bird ¹	287,814	287,814	575,628
M Sykes ¹	35,000	35,000	70,000
Executives			
W Kernaghan ³	-	-	-
I Morgan ⁴	17,452	-	17,452
Total	21,810,145	9,727,522	31,537,667
	Held at 31 December 2018	Other Changes During the Year	Held at 31 December 2019
2019			
Directors			
G Hill ¹	21,469,879	-	21,469,879
S Bird ¹	287,814	-	287,814
M Sykes ^{1,2}	35,000	-	35,000
Executives			
I Morgan	17,452	-	17,452
Total	21,810,145	-	21,810,145

¹ Held directly and indirectly

² M Sykes was appointed Executive Director on 31 December 2017

³ W Kernaghan was appointed Chief Financial Officer/Company Secretary on 16 December 2020

⁴ I Morgan retired as Chief Financial Officer/Company Secretary on 31 December 2020

No shares were granted as remuneration in 2020.

Movement in Option holdings held by Key Management Personnel

No options were granted as remuneration in 2020, while 1,500,000 unquoted options were granted as remuneration and held by key management personnel during 2019.

	Held at 31 December 2019	Options granted	Net Change Other	Held at 31 December 2020	Total Vested and Exercisable
Directors					
G Hill	500,000	-	-	500,000	-
S Bird	500,000	-	-	500,000	-
M Sykes	500,000	-	-	500,000	-
Executives					
W Kernaghan ¹	-	-	-	-	-
I Morgan ²	-	-	-	-	-
Total	1,500,000	-	-	1,500,000	-

¹ W Kernaghan was appointed Chief Financial Officer/Company Secretary on 16 December 2020

² I Morgan retired as Chief Financial Officer/Company Secretary on 31 December 2020

Loans to Key Management Personnel

There were no loans to key management personnel during the year.

Transactions with Related Entities

There were transactions with related entities during the year

END - REMUNERATION REPORT – AUDITED

18. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purposes of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

19. ROUNDING OF AMOUNTS

Amounts in the financial report and Directors' Report are rounded off to the nearest dollar, unless otherwise stated.

20. COMPETENT PERSON'S STATEMENT

Previously Released Information

The Chief Executive Officer's and Directors' Reports refer to information extracted from reports available for viewing on the Company's website www.pacificamerican.com.au and announced on 16.01.2019 "Elko Coking Coal Project JORC Resource Increased to 303Mt", and on 01.10.2020 "Drill Ready Western Australian Gold Project".

The Company 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 announcement continues to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings presented have not been materially modified from the original market announcement.

Signed in accordance with a resolution of the Directors



Simon Bird

Director

Date 30 March 2021

Sydney

**PACIFIC AMERICAN HOLDINGS LIMITED
ABN 83 127 131 604
AND ITS CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF PACIFIC AMERICAN HOLDINGS LIMITED**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

Ph: (612) 9263 2600
Fx: (612) 9263 2800

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Pacific American Holdings Limited. As the lead audit partner for the audit of the financial report of Pacific American Holdings Limited for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Hall Chadwick

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

Drew Townsend

DREW TOWNSEND
Partner
Dated: 30 March 2021

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Year Ended 31 December 2020

	Note	12 months to 31 December 2020 \$	12 months to 31 December 2019 \$
Other revenue:			
Interest income		1,495	4,951
Other income		-	18,397
		1,495	23,348
Expenses:			
Employee expenses		(303,796)	(324,708)
Administration		(495,231)	(1,002,042)
Fixed assets impaired	7	-	(2,485)
Foreign currency exchange difference		(5,695)	(39,057)
Impairment of equity accounted investments	8	(43,472)	-
Impairment of receivables	5	(79,282)	-
		(925,981)	(1,344,944)
Loss before income tax			
Income tax expense	2	-	-
		(925,981)	(1,344,944)
Loss after income tax			
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation differences		(386,404)	69,754
Total other comprehensive income		(386,404)	69,754
Total comprehensive income		(1,312,385)	(1,275,190)
		Cents	Cents
Loss per share:			
Basic loss	3	(0.38)	(0.81)
Diluted loss	3	(0.38)	(0.81)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

	Note	31 December 2020 \$	31 December 2019 \$
Current Assets:			
Cash and cash equivalents	4	1,014,973	407,441
Trade and other receivables	5	44,802	35,315
Other assets	6	14,824	37,702
Total Current Assets		1,074,599	480,458
Non-Current Assets:			
Plant and equipment	7	-	-
Security deposits		155,805	171,283
Investments in associates	8	-	30,504
Deferred exploration and evaluation costs	9	2,955,386	3,253,962
Total Non-Current Assets		3,111,191	3,455,749
Total Assets		4,185,790	3,936,207
Current Liabilities:			
Trade and other payables	10	126,296	214,538
Total Current Liabilities		126,296	214,538
Total Liabilities		126,296	214,538
Net Assets		4,059,494	3,721,669
Equity:			
Contributed equity	11	15,229,089	13,578,879
Options reserve	12	10,650	12,600
Foreign Exchange Translation Reserve	13	(190,324)	196,080
Accumulated losses		(10,989,921)	(10,065,890)
Total equity attributable to the equity holders of the Company		4,059,494	3,721,669

The Consolidated Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the Year Ended 31 December 2020

	Contributed Equity	Options Reserve	Foreign Exchange Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
Balance at 31 December 2018	13,170,374	-	126,326	(8,720,946)	4,575,754
Comprehensive income					
Loss after income tax for the year	-	-	-	(1,344,944)	(1,344,944)
Foreign currency translation differences for foreign operations	-	-	69,754	-	69,754
Total comprehensive income for the year	-	-	69,754	(1,344,944)	(1,275,190)
Transactions with owners in their capacity as owners					
Issue of share capital	450,000	-	-	-	450,000
Share issue costs	(41,495)	-	-	-	(41,495)
Options issued	-	12,600	-	-	12,600
	408,505	12,600	-	-	421,105
Balance at 31 December 2019	13,578,879	12,600	196,080	(10,065,890)	3,721,669
Comprehensive income					
Loss after income tax for the year	-	-	-	(925,981)	(925,981)
Foreign currency translation differences for foreign operations	-	-	(386,404)	-	(386,404)
Unquoted options lapsed transferred to accumulated losses	-	(1,950)	-	1,950	-
Total comprehensive income for the year	-	(1,950)	(386,404)	(924,031)	(1,312,385)
Transactions with owners in their capacity as owners					
Issue of share capital	1,756,136	-	-	-	1,756,136
Share issue costs	(105,926)	-	-	-	(105,926)
	1,650,210	-	-	-	1,650,210
Balance at 31 December 2020	15,229,089	10,650	(190,324)	(10,989,921)	4,059,494

The Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the Year Ended 31 December 2020

	Note	12 months to 31 December 2020 \$	12 months to 31 December 2019 \$
Cash Flows from Operating Activities:			
Interest received		1,495	4,951
Cash payments in the course of operations		(953,695)	(1,210,826)
Net Cash Used In Operating Activities	16	(952,200)	(1,205,875)
Cash Flows from Investing Activities:			
Security deposits		-	(65,466)
Payment for exploration and evaluation costs		(119,663)	(528,909)
Investments in associates		(12,968)	(30,504)
Net Cash Used In Investing Activities		(132,631)	(624,879)
Cash Flows from Financing Activities:			
Proceeds from the issue of securities		1,756,136	450,000
Share issue costs		(105,926)	(41,495)
Net Cash from Financing Activities		1,650,210	408,505
Net increase/(decrease) in cash and cash equivalents		565,379	(1,422,249)
Net foreign exchange differences		42,153	9,507
Cash and cash equivalents at beginning of year		407,441	1,820,183
Cash and Cash Equivalents at End of Year	4	1,014,973	407,441

The Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Introduction

This financial report covers the group of Pacific American Holdings Limited (the "Company") and its controlled entities (together referred to as the "Group"). Pacific American Holdings Limited is a listed public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Operations and principal activities:

The principal activities of the Group are investment in renewable energy and coal exploration.

Currency

The financial report is presented in Australian dollars, rounded to the nearest dollar, which is the functional currency of the Parent Entity.

Authorisation of financial report:

The financial report was authorised for issue on 30 March 2021.

(b) Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Pacific American Holdings Limited is a for-profit entity for the purpose of preparing the financial statements.

Accounting Policies

The accounting policies and methods of computation applied by the Group in the consolidated financial report are the same as those applied by the Group in the previous financial year and corresponding reporting period.

Compliance with IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Historical cost convention

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on historical experiences and the best available current information on current trends and economic data, obtained both externally and within the Group. These estimates and judgments made assume a reasonable expectation of future events, but actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period and future periods, if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described below.

Key estimates – impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Key judgements – exploration and evaluation assets

The Group performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of drilling results performed to balance date.

Going Concern

The Group incurred a net loss of \$925,981 and had operating cash outflows of \$952,200 for the year ended 31 December 2020. As at 31 December 2020 the Group has cash and cash equivalents of \$1,014,973 and net assets of \$4,059,494.

Management continues to preserve operating cash. Current cash levels are sufficient to fund ongoing operations. The ability of the Group to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the Group to raise additional capital in the form of equity;
- the continued support of current shareholders; and
- the ability to successfully develop and extract value through development and/or sale of its projects that are under development.

These conditions give rise to a material uncertainty over the Group's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- To date the Group has funded its activities through issuance of equity securities and it is expected that the Group will be able to fund its future activities through further issuances of equity securities; and
- The directors believe there is sufficient cash available for the Group to continue operating until it can raise sufficient further capital to fund its ongoing activities within the forecast period.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern

(c) Principles of consolidation

The consolidated financial statements comprise the financial statements of Pacific American Holdings Limited and its subsidiaries at 31 December each year ("the Group"). Subsidiaries are entities (including structured entities) over which the Group has control. The Group has control over an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to use its power to affect those returns. Subsidiaries are consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 24 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the Group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is re-measured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the consolidated statement of comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Joint Ventures

The Group's share of the assets, liabilities, revenue and expenses of joint ventures are included in the appropriate items of the consolidated financial statements.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of its associate's post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised as reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equal or exceed its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Australian dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

Foreign Currency

Transactions in foreign currencies are translated to the respective functional currencies of Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(e) Income tax

The income tax benefit (expense) for the year comprises current income tax benefit (expense) and deferred tax benefit (expense). Current income tax benefit (expense) credited (charged) to profit or loss is the tax receivable (payable) on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

The credit (charge) for current income tax benefit (expense) is based on the profit (loss) for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(f) Plant and equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a re-valued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer below for details of impairment).

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of asset is:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Plant and Equipment	10% - 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

(g) Deferred Exploration and Evaluation Costs

Exploration and evaluation assets incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(h) Leases

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(i) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component, or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon de-recognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;

- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables; and
- contract assets (eg amounts due from customers under construction contracts).

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach; and
- the simplified approach

De-recognition

De-recognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

De-recognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

De-recognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for de-recognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (ie the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(j) Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a re-valued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a re-valued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(k) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within 1 year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 1 year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Equity-settled compensation

Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the binomial pricing model. The volatility input in the pricing model is determined by the historical volatility of the Company's share price over a similar period to the exercise period. Where applicable, the number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(l) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method.

(m) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

(n) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(o) Share capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(p) Earnings per share

The Group presents basic and diluted earnings (loss) per share (EPS) data for the Parent's ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, adjusted as appropriate. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(q) Comparative figures

When required by accounting standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. Comparative figures have also been changed where classifications of income and expenditure items have been altered from the prior year as a result of a review by directors. The new classifications have been made to reflect a more accurate view of the Group's operations.

(r) New standards and interpretations adopted

Accounting Standards issued by the AASB that are mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted, are discussed below:

AASB 16 Leases is effective for annual periods beginning on or after 1 January 2019. This new standard and amendments have been applied in preparing these financial statements and does not have had a significant effect on the financial statements of the Group, other than a change in accounting policy as outlined in Note 1 (h) above.

AASB 16 Leases removes the lease classification test and required all leases (including operating leases) to be brought onto the balance sheet. The definition of a lease is also amended and is now the new on/off balance sheet test for lessees. Management has assessed the impact of AASB 16 and, as the Group has no leases, has deemed the impact to be nil.

(s) Research and development

Research expenditure is recognised as an expense as incurred.

Costs incurred on development projects (relating to the development of mining projects) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably.

The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, which varies from 3 to 5 years.

Currently all of the Group's projects have not yet reached the stage where research and development costs are capitalised.

2. INCOME TAX

Reconciliation of Income Tax Benefit to Loss Before Income Tax

	12 months to 31 December 2020	12 months to 31 December 2019
	\$	\$
Loss before income tax	(925,981)	(1,344,944)
Tax at the Australian tax rate of 27.5%	(240,755)	(403,483)
Non-deductible expenses and non-assessable income	18,680	19,470
Deferred tax assets not recognised	222,075	384,013
Income Tax Benefit	-	-

At 31 December 2020 the Group had Australian tax losses of \$14,392,679 (31 December 2019: \$13,798,030) which may be carried forward and used to reduce certain taxable income in future years. The Australian losses carry forward indefinitely.

No tax benefit has been recognised at reporting date as the Directors of the Company believe it is too uncertain to determine whether sufficient taxable income will be generated in future periods to utilise these tax losses.

3. LOSS PER SHARE

(a) Basic and Diluted Loss per Share

	12 months to 31 December 2020 \$	12 months to 31 December 2019 \$
Loss used to calculate basic and diluted EPS	<u>925,981</u>	<u>1,344,944</u>

(b) Weighted Average Number of Shares and options

	Number	Number
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted earnings per share	<u>245,403,476</u>	<u>167,046,421</u>
Number of options excluded from the diluted loss per share calculation because they are anti-dilutive	<u>1,500,000</u>	<u>2,000,000</u>

Options were not considered dilutive as they were out of the money.

4. CASH AND CASH EQUIVALENTS

	31 December 2020 \$	31 December 2019 \$
Cash at bank	<u>1,014,973</u>	<u>407,441</u>
Total Cash and Cash Equivalents	<u>1,014,973</u>	<u>407,441</u>

5. TRADE AND OTHER RECEIVABLES

Other receivables	44,802	35,315
Receivable from associates	79,282	-
	<u>124,084</u>	<u>35,315</u>
Impairment of receivables	(79,282)	-
Total Current Receivables	<u>44,802</u>	<u>35,315</u>

6. OTHER ASSETS

Prepayments	14,824	37,702
Total other assets	<u>14,824</u>	<u>37,702</u>

7. PLANT AND EQUIPMENT

Plant and equipment		
At cost	25,891	25,891
Accumulated depreciation	(23,406)	(23,406)
Amount impaired	(2,485)	(2,485)
Total Plant and Equipment	<u>-</u>	<u>-</u>

Movements during the Year

Plant and Equipment:		
Balance at beginning of year	-	2,485
Exchange difference	-	-
Amount impaired	-	(2,485)
Balance at End of Year	<u>-</u>	<u>-</u>

8. INVESTMENTS IN ASSOCIATES

	31 December 2020 \$	31 December 2019 \$
Non-Current:		
Investments in associates	-	30,504
	-	30,504
Movements during the year		
Balance at beginning of year	30,504	-
Additions during the year	12,968	30,504
Amount impaired	(43,472)	-
Balance at end of year	-	30,504
Summary of financial information on associates		
Current assets	2,315	
Non-current assets	23,904	
Total assets	26,219	
Current liabilities	209,206	
Net assets	(182,987)	
Total revenue	-	
Loss for the financial year	(132,111)	

9. DEFERRED EXPLORATION AND EVALUATION COSTS

Deferred exploration and evaluation costs	2,955,386	3,253,962
Movements during the year		
Balance at the beginning	3,253,962	2,749,916
Additions	119,663	483,636
Disposals	-	-
Foreign currency difference to exchange reserve	(418,239)	20,410
Balance at end of year	2,955,386	3,253,962

Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation of areas of interest, and the sale of minerals or the sale of the respective areas of interest.

10. TRADE AND OTHER PAYABLES

Current:		
Trade payables	21,442	140,924
Other creditors and accruals	104,854	73,614
Total Current Trade and Other Payables	126,296	214,538

Trade payables are usually due within 30 days.

Secured Amounts Payable

None of the payables are secured.

11. CONTRIBUTED EQUITY

	31 December 2020	31 December 2019
Issued Capital - Number of shares	314,584,900	178,541,184
Value of Issued Capital	\$15,229,089	\$13,578,879

Movement in contributed equity during the year:

Share Capital Movements during the year	31 December 2020		31 December 2019	
	Number	\$	Number	\$
Fully paid ordinary shares at beginning of year	178,541,184	13,578,879	165,305,889	13,170,374
Shares issued under rights offer	98,543,716	1,006,136	-	-
Shares issued under placement offer	37,500,000	750,000	13,235,295	450,000
Share issue costs	-	(105,926)	-	(41,495)
Total fully paid ordinary shares at end of year	314,584,900	15,229,089	178,541,184	13,578,879

Terms and Conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Capital Management

Management controls the capital of the Company in order to provide capital growth to shareholders and ensure the Company can fund its operations and continue as a going concern. The Company's capital includes ordinary share capital, reserves and accumulated losses as disclosed in the Consolidated Statement of Financial Position. There are no externally imposed capital requirements. Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and the market. These responses include the management of share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

12. OPTIONS RESERVE

The Company also grants incentive stock options for the purchase of ordinary fully paid shares of the Company to its officers, directors, employees and consultants. The exercise price and vesting terms of the share options is determined by the board of directors of the Company at the time of the option grant.

	31 December 2020	31 December 2019
Unquoted options Issued - Number of options	1,500,000	2,000,000
Value of options issued	\$10,650	12,600

Movement in options reserve during the year:

Options reserve movements during the year	31 December 2020		31 December 2019	
	Number	\$	Number	\$
Unquoted options at beginning of year	2,000,000	12,600	-	-
Unquoted options issued to directors expiring 4 June 2024 exercisable at 6.3 cents	-	-	1,500,000	10,650
Unquoted options issued to a consultant expiring 2 July 2020 exercisable at 10 cents	-	-	500,000	1,950
Unquoted options expired 2 July 2020	(500,000)	(1,950)	-	-
Total unquoted options over ordinary shares at end of year	1,500,000	10,650	2,000,000	12,600

Information relating to the Pacific American Holdings Limited's Share Option Plan (ESOP), including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of financial year, is set out in Note 25.

13. FOREIGN EXCHANGE TRANSLATION RESERVE

	31 December 2020 \$	31 December 2019 \$
Foreign exchange translation reserve	(190,324)	196,080
Movement in Foreign Exchange Translation Reserve		
Balance at beginning	196,080	9,592
Foreign currency translation	(386,404)	186,488
Balance at end	(190,324)	196,080

Nature and purpose of reserves

Foreign exchange translation reserve

The foreign exchange translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

14. COMMITMENTS

The Group did not have any commitments as of 31 December 2020 (December 2019: Nil).

15. CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as of 31 December 2020 (December 2019: Nil).

16. CASH FLOW INFORMATION

	12 months to 31 December 2020 \$	12 months to 31 December 2019 \$
Loss after income tax	(925,981)	(1,344,944)
<i>Add / (less) non-cash items:</i>		
Fixed assets impaired	-	2,485
Share based payments	-	12,600
Foreign exchange	5,695	39,057
Impairment of associates	43,472	-
<i>Change in operating assets and liabilities</i>		
(Increase)/decrease in other receivables	(9,487)	6,483
Decrease in other assets	22,878	15,262
(Decrease)/increase in trade and other payables	(88,777)	63,182
Net Cash Used In Operating Activities	(952,200)	(1,205,875)

Non-cash Investing Activities

There were no non-cash financing activities during the current year and the previous corresponding year,

17. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key Management Personnel Compensation

	31 December 2020 \$	31 December 2019 \$
Short-term benefits	264,922	362,707
Share based payments	-	10,650
	264,922	373,357

(b) Loans to Key Management Personnel

There were no loans to key management personnel during the year.

18. RELATED PARTIES

Transactions with Related Entities

Transactions with related entities during the year and previous corresponding year are as follows:

	31 December 2020	31 December 2019
	\$	\$
Share issue cost - International Pacific Capital Ltd an entity relating to Geoffrey Hill	-	6,000
	-	6,000

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

19. AUDITOR'S REMUNERATION

	31 December 2020	31 December 2019
	\$	\$
Audit of the Group		
Hall Chadwick:		
Audit and review of Financial Reports	36,527	35,866
Taxation services	4,500	3,000
Others	-	495
	41,027	39,361

20. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise deposits with banks, accounts receivable and payable and investments. The main purpose of these financial instruments is to raise cash for the Group's operations. The Group's policy is to manage its finance costs using a mix of fixed and variable interest rates.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, price risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessments of market forecasts for interest rate prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, and liquidity risk is monitored through the development of future rolling cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the directors of the Group. They review and agree to policies for managing each of the risks identified below, including limits for approved instruments, transaction values, tenor and counterparties with whom the Group transacts. The Group does not enter into financial transactions for the purpose of short-term trading.

(a) Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect the Group's income or the value of its instruments which arises on floating rate instruments. The Group's exposure to market interest rates relates primarily to cash and cash equivalents.

At reporting date, the Group had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	Note	31 December 2020	31 December 2019
		\$	\$
Financial Assets:			
Cash assets	4	1,014,973	407,441
		1,014,973	407,441

Interest rates over the 12-month period were analysed and a sensitivity analysis determined to show the effect on profit and equity after tax if the interest rates at the reporting date had been 1.0% higher or lower, with all other variables held constant. This level of sensitivity was considered reasonable given the current level of both short-term and long-term Australian interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

At 31 December, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgments of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	31 December 2020 \$	31 December 2019 \$	31 December 2020 \$	31 December 2019 \$
Group				
+1.00%	7,105	2,852	7,105	2,852
- 1.00%	(7,105)	(2,852)	(7,105)	(2,852)

(b) Foreign currency risk

Foreign currency risk arises as a result of having instruments/cash flows denominated in a currency other than the functional currency. On balancing date, the Group had cash balances made up of Australian, United States and Canadian Dollars as follows:

Currency	31 December 2020 \$	31 December 2019 \$
AUD	994,079	309,951
USD	18,963	85,717
CAD	1,931	11,773
	1,014,973	407,441

At 31 December, if the AUD:USD exchange rate had moved as illustrated in the table below with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgments of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	31 December 2020 \$	31 December 2019 \$	31 December 2020 \$	31 December 2019 \$
Group				
+10.00%	1,899	6,000	1,899	6,000
- 10.00%	(1,899)	(6,000)	(1,899)	(6,000)

At 31 December, if the AUD: CAD exchange rate had moved as illustrated in the table below with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgments of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	31 December 2020 \$	31 December 2019 \$	31 December 2020 \$	31 December 2019 \$
Group				
+10.00%	176	824	176	824
- 10.00%	(176)	(824)	(176)	(824)

(c) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet contractual obligations. The Group does not hold any collateral.

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Receivable balances are monitored on an ongoing basis.

At 31 December 2020 the Group had a concentration of credit risk relating to cash deposits totalling \$1,014,973 (31 December 2019: \$407,441). Cash deposits are only held with banks and financial institutions who are independently rated parties with a minimum rating of 'A'. The Group had no other concentrations of credit risk with any single counterparty or group of counterparties.

(d) Liquidity Risk

The Group's objective is to maintain a balance between continuity of funding and flexibility.

The table below reflects the contractual maturity of fixed and floating rate financial liabilities. Cash flows for financial liabilities without fixed amount or timing are based on the conditions existing at 31 December 2020, the amounts disclosed represent undiscounted cash flows. The remaining contractual maturities of the financial assets and liabilities are:

	≤ 6 months	6-12 months	1-2 years	2-5 years	5+ years	Contractual cash flows	Carrying Amount
	\$	\$	\$	\$	\$	\$	
31 December 2020							
Receivables:							
Trade and other receivables	44,802	-	-	-	-	44,802	44,802
	44,802	-	-	-	-	44,802	44,802
31 December 2019							
Receivables:							
Trade and other receivables	35,315	-	-	-	-	35,315	35,315
	35,315	-	-	-	-	35,315	35,315
31 December 2020							
Financial Liabilities:							
Payables	126,296	-	-	-	-	126,296	126,296
	126,296	-	-	-	-	126,296	126,296
31 December 2019							
Financial Liabilities:							
Payables	214,538	-	-	-	-	214,538	214,538
	214,538	-	-	-	-	214,538	214,538

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21. SEGMENT INFORMATION

Identification of reportable operating segments

The Group operates mainly in Canada with the head office located in Australia.

The Group has identified its operating segment based on internal reports that are reviewed and used by the executive team in assessing performance and determining the allocation of resources. The Group does not yet have any products or services from which it derives an income.

Currently, management identifies the Group as having only two reportable segments, being the geographic location of assets in Canada and Australia.

	Canada \$	Australia \$	Total \$
Consolidated 12 Months Ended December 2020			
Other revenue			
Interest income	-	1,495	1,495
Foreign currency exchange difference	436	-	436
	436	1,495	1,931
Expenses			
Employee expenses	(220,996)	(82,800)	(303,796)
Administration	(61,102)	(434,129)	(495,231)
Foreign currency exchange difference	-	(6,131)	(6,131)
Share of losses of equity accounted associates	-	(43,472)	(43,472)
Impairment of receivables	-	(79,282)	(79,282)
Loss before income tax	(281,662)	(644,319)	(925,981)
Consolidated 12 Months Ended December 2019			
Other revenue			
Interest income	-	4,951	4,951
Other income	18,397	-	18,397
	18,397	4,951	23,348
Expenses			
Employee expenses	(213,858)	(110,850)	(324,708)
Administration	(75,737)	(926,305)	(1,002,042)
Fixed assets impaired	(2,485)	-	(2,485)
Foreign currency exchange difference	(1,370)	(37,687)	(39,057)
Loss before income tax	(275,053)	(1,069,891)	(1,344,944)

Below is an analysis of the Group's assets and liabilities from reportable segments:

Consolidated December 2020			
Current assets	29,707	1,044,892	1,074,599
Non-current assets	3,063,297	47,894	3,111,191
Total assets	3,093,004	1,092,786	4,185,790
Current liabilities	58,121	68,175	126,296
Non-current liabilities	-	-	-
Total liabilities	58,121	68,175	126,296
Net segment assets	3,034,883	1,024,611	4,059,494
Consolidated December 2019			
Current assets	33,747	446,711	480,458
Non-current assets	3,425,245	30,504	3,455,749
Total assets	3,458,992	477,215	3,936,207
Current liabilities	111,993	102,545	214,538
Non-current liabilities	-	-	-
Total liabilities	111,993	102,545	214,538
Net segment assets	3,346,999	374,670	3,721,669

22. SUBSEQUENT EVENTS

In January 2021 the Company finalised a Farm-In Agreement with Salazar Gold Pty Ltd ("Salazar") to start a drilling program over the highly prospective Porphyry North Gold Project. The Company also completed a small placement of 4,000,000 shares at 2c each to fund the support of the exploration program and any additional works.

The Farm-In Agreement focuses on the three tenements covering 113 km² that comprise the Porphyry North Gold Project (E31/910, E31/942 and E39/1975). Farm-In milestones include:

Farm-In A: Expenditure of \$750,000 before 30 November 2021 to earn 35% with a minimum expenditure of \$250,000

Farm-In B: Expenditure of \$500,000 (for an aggregate of \$1,250,000) before 30 November 2022 to increase the equity to 50% and

Farm-In C: Expenditure of \$750,000 (for an aggregate of \$2,000,000) before 30 November 2023 to increase the interest in the tenements to 60%.

Upon completion of Farm-In B, Salazar may elect that the Farm-In C expenditure is reduced to \$500,000 in consideration for the issue of 10,000,000 fully paid ordinary shares of the Company to Salazar.

Conditions Precedent

All conditions precedent to the Farm-In Agreement between Salazar and the Company have been satisfied.

Upon execution of Farm-In Agreement and subject to shareholders approval, the Company shall issue 7 million unlisted options to Salazar exercisable at 2 cents each ("Tranche 1 Options"). Each Tranche 1 option shall expire on the earlier of:

- a) 30 June 2022;
- b) 30 September 2021 where the Company does not comply with Farm-In A and
- c) 1 month following the issue of an Exit Date Notice by the Company.

Upon the Company electing to commence Farm-In B, the Company shall issue 7 million unlisted options to Salazar exercisable at 2 cents each ("Tranche 2 Options") on or before 2 years from the date of issue.

The unlisted Tranche 1 Options and Tranche 2 Options will be issued upon receiving shareholders' approval, which the Company will seek at its next General Meeting.

During the Farm-In period, the Company will sole fund exploration activity with all works being jointly agreed between the Company and Salazar.

Apart from the above, no matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in financial years subsequent to 31 December 2020.

23. DIVIDENDS AND FRANKING CREDITS

There were no dividends paid or recommended during the financial year. There were no franking credits available to the shareholders of the Group.

24. PARENT ENTITY INFORMATION

The parent in Australia, and ultimate parent entity, is Pacific American Holdings Limited.

	31 December 2020 \$	31 December 2019 \$
Current assets	1,080,330	445,809
Non-current assets	5,782,340	5,321,256
Total assets	6,862,670	5,767,065
Current liabilities	68,174	102,545
Non-current liabilities	-	-
Total liabilities	68,174	102,545
Net assets	6,794,496	5,664,520
Contributed equity	33,681,029	32,030,819
Options reserve	10,650	12,600
Reserves	266,594	266,594
Accumulated losses	(27,163,777)	(26,645,493)
Total equity	6,794,496	5,664,520
Loss after income tax	(520,234)	(219,545)
Other comprehensive income	1,950	-
Total comprehensive income	(518,284)	(219,545)

(a) Guarantees entered into by the parent entity

The parent entity has not provided any financial guarantees as at 31 December 2020 (31 December 2019: \$Nil).

(b) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 31 December 2020 or 31 December 2019.

(c) Contractual commitments for acquisition of property, plant and equipment

As at 31 December 2020, the parent entity did not have any contractual commitments for the acquisition of property, plant or equipment.

(d) Significant investment in subsidiaries:

Name	Formation / Incorporation	Class of Share	Interest Held % ¹	
			December 2020	December 2019
Primary Power Pty Ltd (formerly Pacific American Hydro Pty Ltd)	Australia	Ordinary	100	100
Texas and Oklahoma Coal Company (USA) LLC ²	USA	Ordinary	100	100
Pacific American Coal Ltd (formerly Texas and Oklahoma Coal Company Ltd ²)	British Virginia Island	Ordinary	100	100
Pacific American Coal Canada Ltd (formerly Texas and Oklahoma Coal Company (Canada) Ltd ²)	Canada	Ordinary	100	100
Texas and Oklahoma Coal Company Pickaxe Exploration LLC ²	USA	Ordinary	100	100
Pacific American Gold Western Australia Pty Ltd	Australia	Ordinary	100	-

¹ Percentage of voting power is in proportion to ownership being a combined direct and indirect holding.

² These companies have a 30 June reporting date.

25. SHARE BASED PAYMENTS

Equity based instruments – Options

Employee option plan

The Pacific American Holdings Limited Directors and Employee Option Incentive Plan (“the Employee Plan”) was last approved by shareholders at the annual general meeting held 20 December 2012.

Options granted to Company employees are issued under the Employee Plan. Options are granted under the Employee Plan for no consideration and once capable of exercise entitle the holder to subscribe for one fully paid ordinary share upon exercise, at the exercise price.

Options granted under the Employee Plan that have not vested at the time an option holder becomes ineligible (i.e. no longer an employee), are forfeited and not capable of exercise. When an option holder becomes ineligible and the options have already vested then the option holder has 3 months to exercise or they expire. Options must be exercised by the expiry dates or they lapse.

At 31 December 2020, there were 1,500,000 unquoted options over ordinary shares and all were employee options (2019: 1,500,000).

26. INTERESTS IN OTHER ENTITIES

Individually immaterial associates

The Group has an interest in Metals Finance Africa Ltd that is accounted for as an associate. No amounts are recognised in the accounts of the Group as the Group’s interest has been reduced to zero and additional losses are not provided for as the Group has not incurred legal or constructive obligations or made payments on behalf of Metals Finance Africa Ltd.

Should Metals Finance Africa subsequently report profits, the Group will resume recognising its share of profits only after its share of the profits equals the share of losses not recognised.

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DIRECTORS' DECLARATION

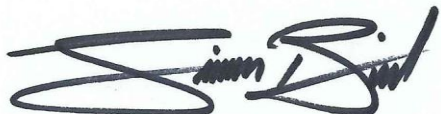
In the Directors' opinion:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001* (Cth), the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the period ended on that date;
- the remuneration disclosures included in pages 12 to 16 of the Directors' Report (as part of audited Remuneration Report), for the year ended 31 December 2020, comply with section 300A of the *Corporations Act 2001*; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the *Corporations Act 2001*.

Signed for and on behalf of the directors by:



Simon Bird

Director

Date 30 March 2021

Sydney

PACIFIC AMERICAN HOLDINGS LIMITED
 ABN 83 127 131 604
 AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO
 THE MEMBERS OF PACIFIC AMERICAN HOLDINGS LIMITED

SYDNEY

Level 40
 2 Park Street
 Sydney NSW 2000
 Australia
 Ph: (612) 9263 2600
 Fx: (612) 9263 2800

Opinion

We have audited the accompanying financial report of Pacific American Holdings Limited (the company) and its controlled entities (the group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the group's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) in the financial report which indicates that the group incurred a loss of \$925,981 and incurred operating cash outflows of \$952,200 during the year ended 31 December 2020. These conditions, along with other matters as set forth in Note 1(b) indicate the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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PACIFIC AMERICAN HOLDINGS LIMITED
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 AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO
 THE MEMBERS OF PACIFIC AMERICAN HOLDINGS LIMITED

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 31 December 2020. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
------------------	--

Capitalised Exploration and Evaluation Assets

Refer to Note 9 "*Deferred Exploration and Evaluation Costs*" of \$2,955,386 and Note 1 "Significant Accounting Policies"

As at 31 December 2020 the group's statement of financial position includes capitalised exploration and evaluation assets amounting to \$2,955,386.

This is a key audit matter due to significant management judgement applied in determining whether capitalised exploration and evaluation expenditure meets the requirements of Accounting Standard AASB 6 "Exploration for and Evaluation of Mineral Resources".

Our procedures included:

- Evaluating the nature of the type of the exploration and evaluation expenditure that was capitalised to verify such expenditure had met the capitalisation criteria as prescribed in AASB 6.
- Assessing the renewal of exploration licences to confirm the exploration licences are current.
- Tested a sample of additions of capitalised exploration and evaluation expenditure incurred during the year to supporting documentation.
- Conducting a review for any impairment indicators to assess the carrying value of capitalised exploration expenditure.

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INDEPENDENT AUDITOR'S REPORT TO
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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

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PACIFIC AMERICAN HOLDINGS LIMITED

ABN 83 127 131 604

AND ITS CONTROLLED ENTITIES

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF PACIFIC AMERICAN HOLDINGS LIMITED**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 16 of the directors' report for the year ended 31 December 2020.

In our opinion, the Remuneration Report of Pacific American Holdings Limited for the year ended 31 December 2020 complies with section 300A of the *Corporations Act 2001*.

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PACIFIC AMERICAN HOLDINGS LIMITED

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AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF PACIFIC AMERICAN HOLDINGS LIMITED

Responsibilities

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



HALL CHADWICK (NSW)

Level 40, 2 Park Street

Sydney NSW 2000



DREW TOWNSEND

Partner

Dated: 30 March 2021

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ADDITIONAL SECURITY HOLDER INFORMATION

The information set out below was prepared as at 28 February 2021.

1. Class of Shares and Voting Rights

There are currently 827 holders of the Company's ordinary fully paid shares.

The voting rights attaching to ordinary shares set out in the Company's Constitution are:

- (a) On a show of hands each person present as a member, proxy, attorney or representative has one vote; and
- (b) On a poll each member present in person or by proxy, attorney or representative has:
 - (i) one vote for each fully paid share held by him; and
 - (ii) in respect of each partly paid share held by him, a fraction of a vote equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited). Amounts paid in advance of a call shall be ignored when calculating the proportion.

2. Distribution of Shareholders

Holdings Ranges	Number Holders	Number of Shares	Percentage of Total Shares
1-1,000	111	52,899	0.020
1,001-5,000	96	274,490	0.090
5,001-10,000	92	849,973	0.270
10,001-100,000	272	11,916,783	3.740
100,001-9,999,999,999	256	305,490,755	95.890
Totals	827	318,584,900	100.000
Minimum \$ 500.00 parcel (share price 2.2 cents)	385	2,632,158	0.826

3. Substantial Shareholders

Substantial Holder Name	Balance of Shares Held	Percentage of Total Shares
H F T NOMINEES PTY LTD	30,874,587	9.81%
GREGORACH GROUP (WARWICK GRIGOR)	36,849,892	11.71%

4. Largest Twenty Shareholders

	Holder Name	Balance of Shares Held	Percentage of Total Shares
1	DOVIDO PTY LIMITED	21,000,000	6.59%
2	GREGORACH PTY LTD	20,581,482	6.46%
3	INTERNATIONAL PACIFIC SECURITIES LIMITED	16,469,163	5.17%
4	JETOSEA PTY LTD	15,246,501	4.79%
5	GREGORACH PTY LTD <GRIGOR SUPERFUND A/C>	12,585,034	3.95%
6	DEVIRU PTY LTD	10,500,000	3.30%
7	IPS NOMINEES LIMITED	9,562,500	3.00%
8	HFT NOMINEES PTY LTD	9,448,998	2.97%
9	JOHN WARDMAN & ASSOCIATES PTY LTD <THE WARDMAN SUPER FUND A/C>	9,033,333	2.84%
10	MRS ELISA ANTOSKA & MR MICHAEL ALAN ANTOSKA	7,000,000	2.20%
11	MR ROBERT ASHLEY PEARCE	6,500,000	2.04%
12	JETOSEA PTY LTD	5,341,000	1.68%
13	MR KENNETH ARNOLD ROGERS & MRS WENDY ISOBEL ROGERS	5,000,000	1.57%
14	CITICORP NOMINEES PTY LIMITED	4,647,174	1.46%
15	DRYCA PTY LTD <DRYCA EMPLOYEES RET/F A/C>	4,000,000	1.26%
16	FAR EAST CAPITAL LIMITED	3,783,376	1.19%
17	INTERNATIONAL PACIFIC SECURITIES LTD	3,628,502	1.14%
18	MR MATTHEW JAMES DEANE	3,370,505	1.06%
19	ANIKAVA PTY LTD	3,000,000	0.94%
20	VECTOR NOMINEES PTY LIMITED <THE VECTOR SUPER FUND A/C>	2,897,500	0.91%
		173,595,068	54.52%

5. Unquoted Options

Issue Date	Expiry Date	Strike Price Cents	Holder	Number
4-Jun-19	4-Jun-24	6.3	H F T Nominees Pty Ltd <HFT Super Fund A/C>	500,000
4-Jun-19	4-Jun-24	6.3	BNE Management Pty Ltd ATF <BIRD SUPER FUND A/C>	500,000
4-Jun-19	4-Jun-24	6.3	PBAV Pty Ltd	500,000
				1,500,000

6. Mining Tenements

The Company holds 100% ownership of the following licences:

- Elko Coal Licences in British Columbia, Canada. Licences 418648, 418649 and 418650

7. Restricted Securities

The Company has no restricted securities.

8. On-market Buy Back

There is no current on-market buy back.

9. Corporate Governance Statement

The Company's Corporate Governance statement is available for members to download and access from www.pacificamerican.com.au

10. Securities Exchange Listing

The Company's ordinary shares (ASX: PAK) are listed on the Australian Securities Exchange. Home exchange is Sydney, Australia.

11. Securities Registrar

Boardroom Pty Limited
Level 12, 225 George Street
Sydney, NSW, 2000
Telephone: +61 2 9290-9600
Facsimile: +61 2 9279-0664
Website: www.boardroomlimited.com.au

12. Registered Office

Suite 706, Level 7
89 York Street
Sydney 2000
Telephone: +61 2 8964 4373

13. Auditor

Hall Chadwick
Level 40, 2 Park Street
Sydney 2000

14. Company Secretary

Wayne Kernaghan.

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