COAL ASSESSMENT REPORT TITLE PAGE AND SUMMARY

TITLE OF REPORT: Coal Assessment Report for Licenses 418645, 418646 and 418647

TOTAL COST: $8,210.00

AUTHOR(S): Dwight M. Kinnes, Dominic Hill
SIGNATURE(S):

NOTICE OF WORK PERMIT NUMBER(S)/DATE(S):
STATEMENT OF WORK EVENT NUMBER(S)/DATE(S):

YEAR OF WORK: 2015

PROJECT NAME: Hazell Coal Project

COAL LICENSE(S) AND/OR LEASES ON WHICH PHYSICAL WORK WAS DONE:

COAL LICENSE(S) IN PROJECT AREA ON WHICH NO PHYSICAL WORK WAS DONE OVER THE CURRENT REPORTING PERIOD: 418645, 418646 and 418647

BC MINERAL INVENTORY MINFILE NUMBER(S), IF KNOWN: 082GSE029

MINING DIVISION: Fort Steele

NTS / BCGS: 082G037
LATITUDE: 49° 17’ 37"
LONGITUDE: 114° 48’ 0" (at centre of work)
UTM Zone: EASTING: NORTHING:

OWNER(S): TEXAS AND OKLAHOMA COAL COMPANY (CANADA) LIMITED

MAILING ADDRESS: Ste. 106, 3495 Cambie Street, Vancouver, BC V5Z 4R3

OPERATOR(S) [who paid for the work]: Texas and Oklahoma Coal (USA) LLC

MAILING ADDRESS: 3026 Mockingbird Lane, #312, Dallas, TX, 75205

REPORT KEYWORDS (lithology, age, stratigraphy, structure, alteration, mineralization, size and attitude. **Do not use abbreviations or codes**):

REFERENCES TO PREVIOUS ASSESSMENT WORK AND ASSESSMENT REPORT NUMBERS:

n/a

[redacted]

[redacted]

[redacted]

SUMMARY OF TYPES OF WORK IN THIS REPORT		EXTENT OF WORK (in metric units)	ON WHICH TENURES
GEOLOGICAL (scale, area)			
	Ground, mapping		
	Photo interpretation		
GEOPHYSICAL (line-kilometres)			
	Ground (Specify types)		
	Airborne (Specify types)		
	Borehole		
	Gamma, Resistivity,		
	Resistivity		
	Caliper		
	Deviation		
	Dip		
	Others (specify)		
	Core		
	Non-core		
SAMPLING AND ANALYSES			
Total Number of Samples			
	Proximate		
	Ultimate		
	Petrographic		
	Vitrinite reflectance		
	Coking		
	Wash tests		
PROSPECTING (scale/area)			
PREPARATORY/PHYSICAL			
Line/grid (km)			
Trench (number, metres)			
Bulk sample(s)			

Pacific American Coal Company

Pacific American Coal

Coal Assessment Report for Licenses 418645, 418646 and 418647

CONFIDENTIAL

September 2015

Compiled by
Highland GeoComputing, LLC

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1.0 Introduction, Location and Statement of Costs

Introduction

The Pacific American Coal (PAK), subsidiary Texas Oklahoma Coal Company (Canada), Ltd. (TOCC), and Highland GeoComputing, LLC (HGC) prepared this coal assessment report for the Hazell coal project area near Fernie, British Columbia, Canada as required by the British Columbia Coal Act.

In September 2014, The British Columbia Ministry of Energy and Mines granted PAK yearly coal title licenses for three areas that comprise the Hazell coal project area. The three active coal licenses for the Hazell coal project area are 418645, 418646, and 418647, Table 1.

Table 1 - Coal Licenses

Tenure No.	Owner	Tenure Type	Anniv. Date	Area (ha)
418645	Texas Oklahoma Coal Company (Canada), Ltd. (aka PAK)	Coal License	09/19/2015	1,183 ha.
418646	Texas Oklahoma Coal Company (Canada), Ltd. (aka PAK)	Coal License	09/19/2015	801 ha.
418647	Texas Oklahoma Coal Company (Canada), Ltd. (aka PAK)	Coal License	09/19/2015	830 ha.

PAK and HGC did not perform any significant new work on the Hazell coal project area in 2015. Time and cost constraints restricted PAK and HGC personnel to basically driving through the north end of the Hazel license areas.

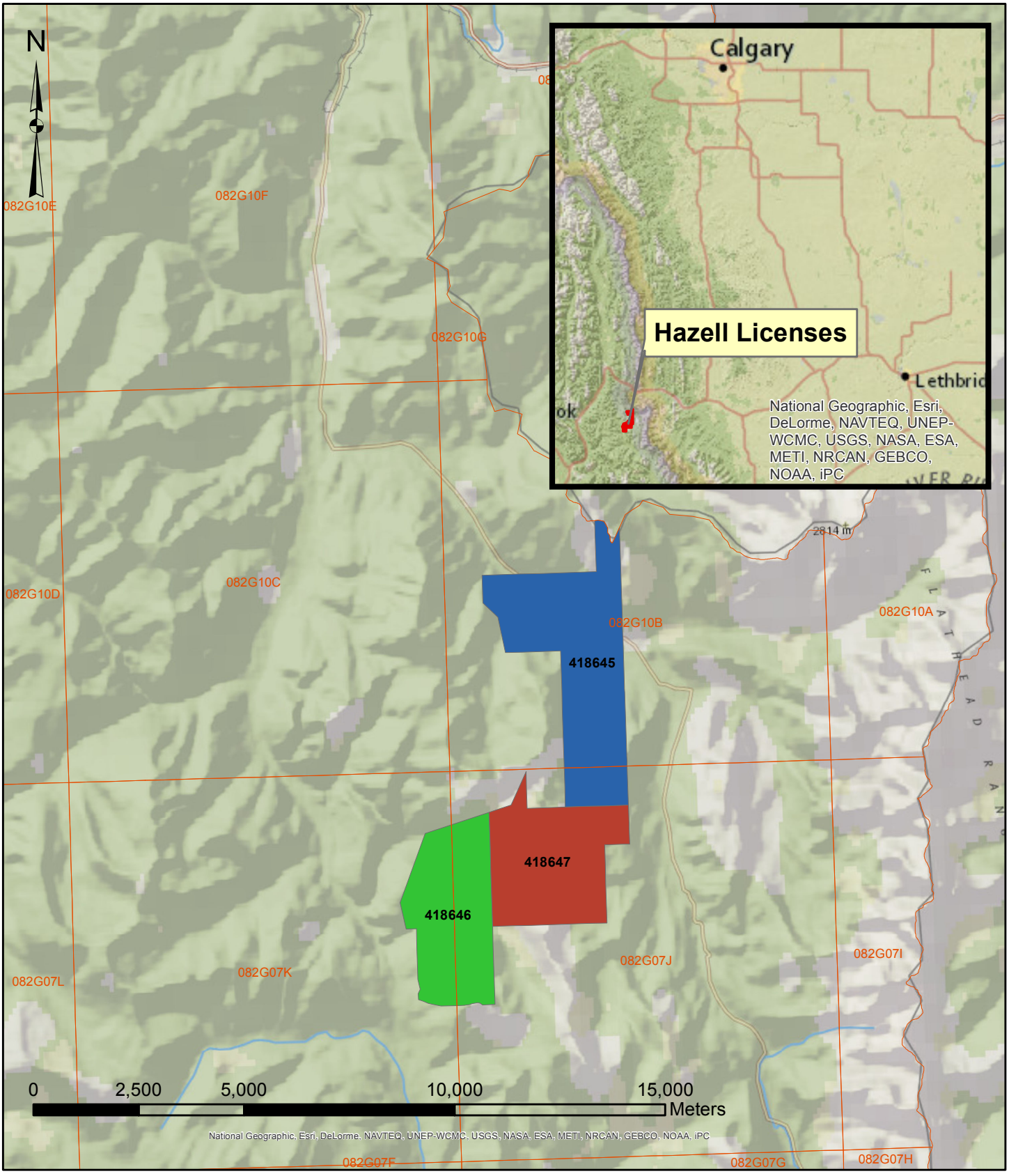
PAK plans on performing a more in depth field reconnaissance and geological mapping project in 2016 in the Hazell coal project area.

Location

The Hazell coal project area is located approximately 40 kilometers south of the town of Sparwood, British Columbia and approximately 70 kilometers east of the town of Fernie, British Columbia, Figure 1. The Hazell coal project area covers portions of two NTS maps: 082G.07 and 082G.10. The Hazell coal project area is quite remote and high in elevation. Access to the project area is restricted to four-wheel drive trails and pipeline service roads.

Statement of Costs

A detailed statement of costs accompanies with report using the standard spreadsheet document provided by the British Columbia Ministry of Energy and Mines.



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Legend

License No.

- License 418645
- License 418646
- License 418647

Hazell Coal Project Area

Figure 1
Location Map

Sparwood, British Columbia
August 2015

2.0 Statement of Qualifications

Qualified Person

The information in this document is based on information compiled by Mr. Dwight M. Kinnes, CPG who is President and Principal Consultant of Highland GeoComputing, LLC and is a registered member of the Society of Mining and Engineering (No. 4063295). Mr. Kinnes has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Qualified Person as defined in NI 43-101.

A signed and dated Certificate of Qualified Person resides in the appendix of this report.

3.0 Exploration Program Summary

No detailed exploration of the Hazell coal project was performed in 2015.

4.0 General Geology and Exploration History

General Geology

The South Hazell license areas reside within the Crowsnest Coal basin. The Crowsnest Coal basin consists of Jurassic and Cretaceous sedimentary rocks belonging to the Fernie Formation – Jfe (mostly shales), the Kootenay Formation – JKK (interbedded sandstones, shales and coal), and the Blairmore Formation – IKTBC (conglomerates), Map 1. The Hazell licenses reside at the southern end of the Crowsnest Coal basin with regional southwesterly dips ranging from 15 to 40 degrees.

The Fernie Formation is the lowest geological unit in the Hazell mine area. The coal title licenses primarily reside in the Lower Cretaceous Kootenay Formation. The Kootenay Formation is divided into three members, the Moose Mountain Member, Mist Mountain Member, and the Elk Member. The Blairmore Group overlies the Kootenay Formation.

The Mist Mountain Member of the Kootenay Formation rests on the Moose Mountain sandstone with thickness between 425 to 500 meters. The unit consists of sandstone, siltstone, mudstone and potentially economic coal seam. Conglomerate lenses up to 1 meter in thickness occur at the top of the member. BC Coal Ltd. identified at least 4 coal seams with mineable thickness and quality in the Mist Mountain Member. The Mist Mountain coal seams frequently contain several intra-seam partings of shale and carbonaceous shale.

Exploration History

Kaiser Resources performed almost all of the geological exploration in the Hazell coal project area in 1973 and 1978. This work consisted of geological mapping, outcrop sampling, and hand trenching, Table 2.

Coleman Colleries Ltd. performed extensive drilling, and eventually developed the Tent Mountain mine area at the north and of the Hazell project area.

Byron Creek Colleries and Shell Canada Resource Ltd. also performed exploration and drilling in the Corbin Creek area, which is located east of the Hazell mine areas.

Table 2 - Coalfile Reports Near Hazell Coal Project

Year	Coal File Report	Operator	Report Type
1978	260	Byron Creek Colleries	Regional Geological Coal Assessment
1974	444 pt1	Kaiser Resources	Maps, Cross Sections, Adit Drawings - No Text - Taylor South Area (South Hazell)
1974	444 pt2	Kaiser Resources	Maps, Cross Sections, Adit Drawings - No Text - Taylor South Area (Michel Head)
1979	445	Kaiser Resources	Exploration Report, Resources, Cross-Sections - Taylor South (South Hazell)
1973	448	Coleman Colleries Ltd. (Kaiser)	Tent Mtn. - Geologic Maps and Cross Sections
1976	449 pt1	Coleman Colleries Ltd. (Kaiser)	Tent Mtn. - 1975 Exploration Report, Reserves, 1976 Plan
1976	449 pt2	Coleman Colleries Ltd. (Kaiser)	Tent Mtn. - 1975 Exploration Report, maps and cross sections (partial)
1977	450 pt1	Coleman Colleries Ltd. (Kaiser)	Tent Mtn. - 1976 Exploration Report, Drilling Data, Elogs, Maps, CQ Data
1977	450 pt2	Coleman Colleries Ltd. (Kaiser)	Tent Mtn. - 1976 Exploration Report, Additional Drilling Data, Elogs, Maps, CQ Data
1981	452	Shell Canada Resources Ltd.	Corbin-Tent Mtn. Property - Geological Summary - Hand Tenches, Mapping

5.0 Geophysical Surveys

No geophysical surveys were performed during 2015.

6.0 Geochemical Surveys

No geochemical surveys were performed or geochemical samples were collected during 2015.

7.0 Drilling Exploration

No exploration drilling was performed during 2015.

8.0 Prospecting Surveys

No prospecting surveys were performed during 2015

9.0 Physical Work

No excavations, roads or trenches were cut or cleared during 2015.

10.0 Preliminary Resource Estimate

No estimates of coal resources within the Hazell coal licenses were calculated during 2015.

12.0 Documentation

"The JORC Code, 2012 Edition", The Australasian Institute of Mining and Metallurgy, Australian Institute of Geosciences and Minerals Council of Australia, December 2012.

"A Standardized Coal Resource/Reserve Reporting System for Canada", Paper 88-21, Geological Survey of Canada, 1989.

"Section 5 - NI 43-101 Standards of Disclosure for Mineral Projects, Form 43-101F1 Technical Report and Related Consequential Amendments", OSC Bulletin Volume 34, Issue 25, The Ontario Securities Commission, June 24, 2011.

"K Taylor (East and South) Reserve Estimate Charts", Kaiser Resources Ltd., 1974. (B.C. Coalfile #444).

" Taylor South Licences", Kaiser Resources Ltd., October 1979. (B.C. Coalfile #445).

Appendix

CERTIFICATE OF QUALIFIED PERSON

Dwight M. Kinnes, CPG, SME-RM 4063295

I, Dwight Kinnes, do hereby certify that:

1. I am President and Principal Consultant of:
   Highland GeoComputing, LLC
   7117 S Adams Cir.
   Centennial, CO 80122

2. I graduated with a Bachelor of Science degree in geology from Colorado State University in 1986. I have been a coal resource geologist for 29 years. My relevant experience includes building geological reserve models in British Columbia and Alberta Canada for coal and oil sands, building geological reserve models in every producing coal basin in the United States, building geological reserve models in select coal basins in Australia, Indonesia, Venezuela, Germany, and Thailand. I have performed exploration drilling projects in Wyoming, Montana, Texas and Thailand. I have been president and principal consultant for Highland GeoComputing, LLC since 2004.

3. I am a Registered Member of the Society of Mining, Metallurgy and Exploration (SME) No. 4063295. I am a certified profession geologist with the American Institute of Professional Geologists (AIPG) No. 10244. I am a licensed professional geologist in the state of Wyoming PG-2653.

4. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) as certify that by reason of my education, affiliation with a professional organization (as defined by NI 43-101) and past relevant work experience, I fulfill the requirements

to be a "qualified person" for the purposes of NI 43-101.

5. I am responsible for the preparation of "Coal Assessment Report for Licenses 418645, 418646 and 418647" report, dated September 16, 2015. I visited the Hazell Coal Project on July 28, 2015.

6. I consent to the filing of this report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the report.

7. As of September 16, 2015 to the best of my knowledge, information and belief that the scientific and technical information in this report is not misleading.

Dated this 16th day of September 2015.

Dwight M. Kinnes, CPG, SME-RM 4063295

SME
Society for Mining, Metallurgy & Exploration
Dwight M. Kinnes
SME Registered Member No. 4063295
Signature
Date Signed 9/16/2015
Expiration date 8/31/2015

Highland GeoComputing, LLC.
7117 South Adams Circle
Centennial, CO 80122

Tel: (303) 915-4640
Email: dkinnes@highlandgeocomp.com

Web: http://www.highlandgeocomp.com

Hazell Coal Project

Exploration Work type	Comment	Days			Totals
Personnel (Name)* / Position	**Field Days (list actual days)**	**Days**	**Rate**	**Subtotal***	
Dwight Kinnes	July 28 - July 29	2	$1,300.00	$2,600.00	
Dominic Hill	July 28 - July 29	2	$600.00	$1,200.00	
			$0.00	$0.00	
			$0.00	$0.00	
			$0.00	$0.00	
			$0.00	$0.00	
				$3,800.00	**$3,800.00**
Office Studies	**List Personnel (note - Office only, do not include field days**				
Literature search	Mark Sykes	1.0	$1,080.00	$1,080.00	
Database compilation			$0.00	$0.00	
Computer modelling			$0.00	$0.00	
Reprocessing of data			$0.00	$0.00	
General research	Dominic Hill	1.0	$600.00	$600.00	
Report preparation			$0.00	$0.00	
Other (specify)				$1,680.00	
				$3,360.00	**$3,360.00**
Airborne Exploration Surveys	**Line Kilometres / Enter total invoiced amount**				
Aeromagnetics			$0.00	$0.00	
Radiometrics			$0.00	$0.00	
Electromagnetics			$0.00	$0.00	
Gravity			$0.00	$0.00	
Digital terrain modelling			$0.00	$0.00	
Other (specify)			$0.00	$0.00	
				$0.00	**$0.00**
Remote Sensing	**Area in Hectares / Enter total invoiced amount or list personnel**				
Aerial photography			$0.00	$0.00	
LANDSAT			$0.00	$0.00	
Other (specify)			$0.00	$0.00	
				$0.00	**$0.00**
Ground Exploration Surveys	**Area in Hectares/List Personnel**				
Geological mapping					
Regional		*note: expenditures here*			
Reconnaissance		*should be captured in Personnel*			
Prospect		*field expenditures above*			
Underground	Define by length and width				
Trenches	Define by length and width			$0.00	**$0.00**
Ground geophysics	**Line Kilometres / Enter total amount invoiced list personnel**				
Radiometrics					
Magnetics					
Gravity					
Digital terrain modelling					
Electromagnetics	*note: expenditures for your crew in the field*				
SP/AP/EP	*should be captured above in Personnel*				
IP	*field expenditures above*				
AMT/CSAMT					
Resistivity					
Complex resistivity					
Seismic reflection					
Seismic refraction					

Well logging	Define by total length				
Geophysical interpretation					
Petrophysics					
Other (specify)					
				$0.00	**$0.00**
Geochemical Surveying	**Number of Samples**	**No.**	**Rate**	**Subtotal**	
Drill (cuttings, core, etc.)			$0.00	$0.00	
Stream sediment			$0.00	$0.00	
Soil	*note: This is for assays or*		$0.00	$0.00	
Rock	*laboratory costs*		$0.00	$0.00	
Water			$0.00	$0.00	
Biogeochemistry			$0.00	$0.00	
Whole rock			$0.00	$0.00	
Petrology			$0.00	$0.00	
Other (specify)			$0.00	$0.00	
				$0.00	**$0.00**
Drilling	**No. of Holes, Size of Core and Metres**	**No.**	**Rate**	**Subtotal**	
Diamond			$0.00	$0.00	
Reverse circulation (RC)			$0.00	$0.00	
Rotary air blast (RAB)			$0.00	$0.00	
Other (specify)			$0.00	$0.00	
				$0.00	**$0.00**
Other Operations	**Clarify**	**No.**	**Rate**	**Subtotal**	
Trenching			$0.00	$0.00	
Bulk sampling			$0.00	$0.00	
Underground development			$0.00	$0.00	
Other (specify)			$0.00	$0.00	
				$0.00	**$0.00**
Reclamation	**Clarify**	**No.**	**Rate**	**Subtotal**	
After drilling			$0.00	$0.00	
Monitoring			$0.00	$0.00	
Other (specify)			$0.00	$0.00	
Transportation		**No.**	**Rate**	**Subtotal**	
Airfare	Dominic Hill, Dwight Kinnes		$0.00	$600.00	
Taxi			$0.00	$0.00	
truck rental			$0.00	$200.00	
kilometers			$0.00	$0.00	
ATV			$0.00	$0.00	
fuel			$0.00	$ 50.00	
Helicopter (hours)			$0.00	$0.00	
Fuel (litres/hour)			$0.00	$0.00	
Other					
				$850.00	**$850.00**
Accommodation & Food	**Rates per day**				
Hotel			$0.00	$200.00	
Camp			$0.00	$0.00	
Meals	day rate or actual costs-specify		$0.00	$0.00	
				$200.00	**$200.00**
Miscellaneous					
Telephone			$0.00	$0.00	
Other (Specify)					

				$0.00	**$0.00**
Equipment Rentals					
Field Gear (Specify)			$0.00	$0.00	
Other (Specify)					
				$0.00	**$0.00**
Freight, rock samples					
			$0.00	$0.00	
			$0.00	$0.00	
				$0.00	**$0.00**
TOTAL Expenditures					**$8,210.00**

662,000
664,000
666,000
668,000
5,490,000
5,488,000
5,486,000
5,484,000
5,482,000
5,480,000

N

082G10C
082G10B
418645
418647
082G07K
082G07J
418646

Legend

StrikeDip	**Seam**	**BCGS Fault Type**	**Stratigraphic Unit**	TrSRsf
Outcrop Samples	10 Seam	Dextral fault	IKTBC *Blairmore Fm*	PnPR
Adits	8 Seam	Extension fault	JKK *Kootenay Fm*	MRE
Towns	9 Seam	Fault	JFe *Fernie Fm.*	
Fault	M Seam	Normal fault		
	PAC Coal Licenses	Sinistral fault	Regional Geological Map Units	
	Coal Grid Map Sheet and Blocks	Strike-slip fault	British Columbia Geologica Survey, 2013	
		Thrust fault		

0 250 500 1,000 Meters

1:10,000

Pacific American Coal

Hazell Coal Project Area

Regional Geology for the Hazell Coal Project

Spanwood, British Columbia
NAD 1983 UTM Zone 11N

Drawn By: D. Kinnes	Scale: 1:10,000
Approved By:	Date: Sep 16, 2015
Revision:	Draw No.:
Highland GeoComputing, LLC	Filename: Hazell_regional_geology_E.mxd