

22 September 2016

ASX Market Announcements

**Imagine Intelligent Materials
Market Update – September 2016**

Pacific American Coal limited (**ASX:PAK**) is pleased to provide shareholders the latest Imagine Intelligent Materials (**Imagine IM**) presentation. PAK holds a 40% equity interest in Imagine IM, which forms the cornerstone of the Company's investment into technology companies. Imagine IM is focused on delivering value through the commercialisation of graphene based technologies.

The Imagine IM Market Update – September 2016 includes details about;

- *Imagine IM's Business Model*
- *Strategic developments via the formation of international corporate relationships*
- *Commercialisation Pathway*
- *Short and long term objectives*

For information further on the Imagine IM Market Update – September 2016, please contact:

Chris Gilbey OAM

Chief Executive Officer

Imagine Intelligent Materials Pty Ltd

By visiting <http://imgne.com/>

For further information on Pacific American Coal Limited, please contact:

Mark Sykes

Chief Executive Officer

Australia

Dom Hill

Business Development Manager

North America

Pacific American Coal Limited - Tel: +61 (2) 9252-5300, Fax: +61 (2) 9252-8400

More details are available on PAK's website: www.pamcoal.com



Market Update
September 22nd 2016



High Volume Commercialisation Of Graphene

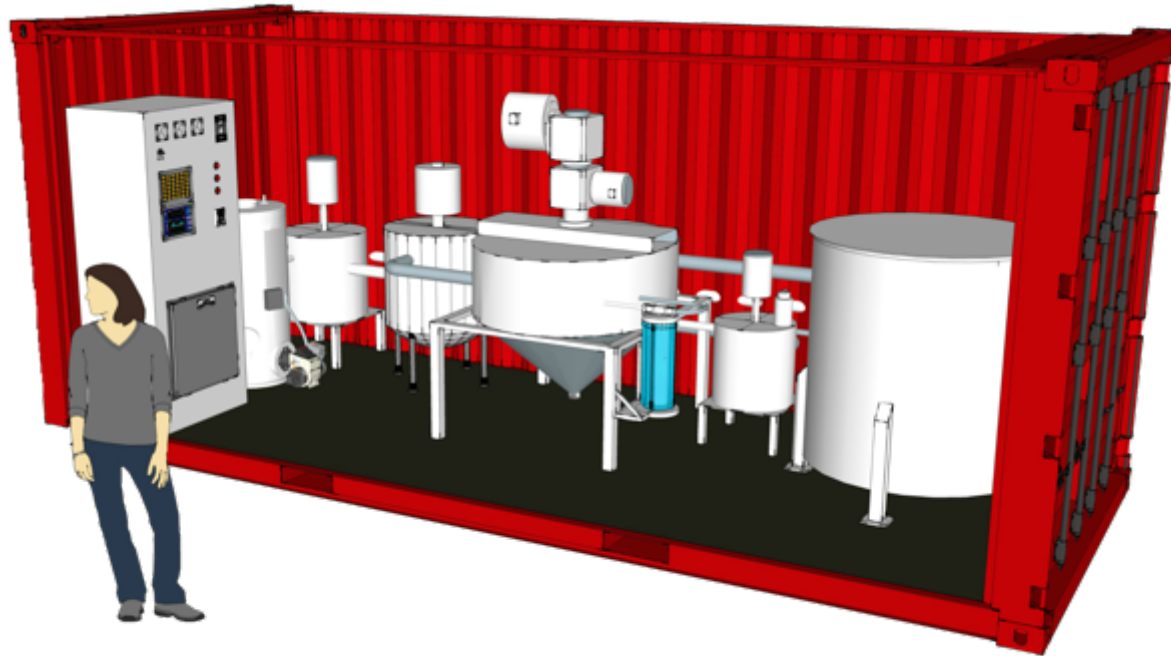


- The Imagine IM Graphene *pilot plant* commenced operations June 14th 2016 in Geelong.
- It was designed to deliver a three step process – to exfoliate graphene, functionalise it and put it into a commercially scalable dispersion that will satisfy the future needs of the Australian geosynthetics marketplace and enable Imagine IM to open up commercial activities in other market verticals in Australia and Internationally
- The plant will reach full capacity in time for anticipated product launch of Geofabrics bidim[®] using imgne X3 before the end of Q4 2016

Imagine IM: Commercialisation Path To Date

- We identified an opportunity that requires high volumes of graphene
- We developed a detailed understanding of the supply chain
- We closed an initial commercial agreement to deliver the solution and validated our business model
- We developed a laboratory proof of concept and migrated it into a manufacturable product and process
- We built a pilot plant that delivers the commercial end product and have now successfully completed field trials (August 11th)

Imagine IM - Plant In A Box



Our plant was designed to fit into a 40' shipping container so that it can be deployed to the optimum location for supply & integration into a manufacturing production process.

3 Pillars Business Model



Licensing

- Licensee coatings / compounding companies pay royalty on all sales
- Only certified companies are able to be part of the supply chain.
- All supply chain participants pay royalty to be certified

Manufacturing

- Graphene and masterbatch manufacturing
- Ensures we maintain trade secrets
- Independent revenue stream

Certification

- Different manufacturing processes & raw materials means different functionalities
- Chemical characterization is essential to ensure quality and replicability at scale in manufacturing
- Generates independent revenue stream

Functionalised Graphene

Long Term Goal: 'Internet Of Things' Products

- Moving beyond leak detection in geotextiles
- Goal is real time monitoring of stress, leaks etc in dams and infrastructure using large scale graphene sensor technology