

25 October 2016

ASX Market Announcements

Early receipt of initial \$130,000 payment from sale of interest in GCI

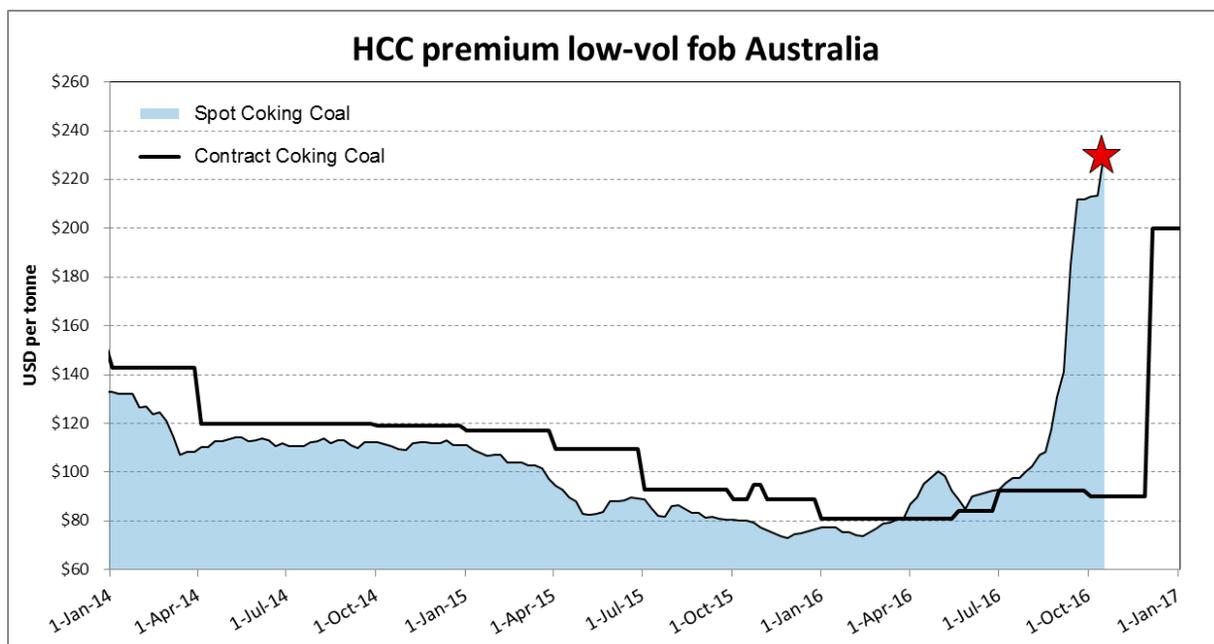
- **PAK confirms receipt of \$130,000**
- **A further \$870,000 remains payable to PAK as part of the GCI sale agreement**
- **December Quarter coking coal contract prices, have doubled to US\$200/t**

Pacific American Coal limited (**ASX:PAK**) is pleased to announce the Company has received an initial payment from the sale of its interest in GCI. The initial payment of \$130,000, received earlier than anticipated, is part of a payment plan that will see the Company recover 100% of its \$1,000,000 investment in GCI. The outstanding balance, starting at \$870,000 will attract an 8% interest rate from 15 Jan 2017, and is payable over a 24 month period. Late payments will attract an additional 4% penalty rate.

The proceeds from the sale will go towards advancing the development of the Company's 100%-owned Elko Coking Coal Project, in East Kootenay, British Columbia, which contains a 257.5Mt JORC resource.

Contract Coking Coal prices has doubled to US\$200 per tonne

The December Quarter coking coal contract prices have settled at US\$200 per tonne, more than double the September quarter contract pricing of US\$90 per tonne. While the dramatic rise in coking coal pricing has sparked the interest of many investors, the Company is of the view that the cyclical low of the coking coal commodity price has passed.



The positive coking coal outlook supports the Company's decision to invest in the Elko Coking Coal Project during the downturn and reaffirms the decision to commit further investment to advance the project. The next phase of investment will target a detailed exploration program.

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

Competent Person's Statement

This announcement refers to information extracted from the report released 2 November 2015 and titled "Elko Project Maiden JORC Resource 257.5 Million Tonnes", which is available for viewing on PAK's website www.pamcoal.com.

PAK confirms it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. PAK confirms that the form and context in which the Competent Person's findings presented have not been materially modified from the original market announcement.