

# **Pacific American Coal Limited**

## **ABN 83 127 131 604**

### **Entitlement Offer Document**

For a pro rata non-renounceable rights issue to Eligible Shareholders on the basis of one (1) New Share for every eight (8) Existing Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.10 per New Share (together with one (1) attaching New Option for every two (2) New Shares subscribed for and issued) to raise up to approximately AUD1,800,000 (before costs).

Eligible Shareholders may also apply for additional New Securities under the Top Up Offer.

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**  
It should be read in its entirety.

**IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE,  
PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT  
OR OTHER PROFESSIONAL ADVISER WITHOUT DELAY.**

This Offer Document is not a prospectus and has not been lodged with ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Securities offered under this Offer Document.

The New Securities offered under this Offer Document should be considered speculative.

The Entitlement Offer opens on Thursday 10 November 2016 and closes at 5.00pm (AEDT) on Wednesday 30 November 2016. Valid acceptances must be received before the closing deadline.

Applications for New Shares by Eligible Shareholders can only be made by using or following the instructions on the Entitlement and Acceptance Form accompanying this Offer Document. Each Entitlement and Acceptance Form sets out the Eligible Shareholder's Entitlement to participate in the Offer. Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

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## Section A      **Important Information**

This Offer Document is issued pursuant to section 708AA of the Corporations Act for the offer of New Shares without disclosure to investors under Part 6D.2 of the Corporations Act, as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

This Offer Document has been prepared by Pacific American Coal Limited ABN 83 127 131 604 (ASX:PAK) (**PAK or Company**) and was lodged with ASX on Thursday 10 November 2016. ASX takes no responsibility for the content of this Offer Document.

### Not a prospectus

This Offer Document is not a prospectus and has not been lodged with ASIC. This Offer Document does not contain all of the information that an investor would find in a prospectus or which may be required by an investor in order to make an informed investment decision regarding, or about the rights attaching to, New Securities. Nevertheless, this Offer Document contains important information and requires your immediate attention. It should be read in its entirety. If you are in any doubt as to how to deal with this Offer Document, you should consult your professional adviser as soon as possible.

### No authorisation

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Entitlement Offer.

### No investment advice

The information provided in this Offer Document and the accompanying Entitlement and Acceptance Form is not financial product advice and has been prepared without taking into account each Eligible Shareholder's investment objectives, financial circumstances or particular needs.

The information contained in this Offer Document and the accompanying Entitlement and Acceptance Form should not be considered to be comprehensive or to comprise all the information which an Eligible Shareholder may require in order to determine whether or not to subscribe for New Shares and New Options and the information may be changed, modified or amended at any time by the Company. Neither the Company, nor any advisor of the Company intends to update the Offer Document or accepts any obligation to provide the recipient with access to information or to correct any additional information or to correct any inaccuracies that may become apparent in this Offer Document or in any other information that may be made available concerning the Company. Potential investors should conduct their own due diligence investigations regarding the Company.

If an Eligible Shareholder has any questions it should consult its professional adviser before deciding whether or not to accept all or any part of its Entitlement.

## Applications for New Shares

Applications for New Shares and New Options by Eligible Shareholders can only be made on an **original** Entitlement and Acceptance Form, enclosed with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's entitlement to participate in the Entitlement Offer.

## Overseas shareholders

This Offer Document does not constitute an offer in any overseas jurisdiction where it would be unlawful to make the Offer. You must ensure compliance with all laws of any country relevant to your Application. We will take the return of a duly completed Entitlement and Acceptance Form as a representation by you that there has been no breach of any laws and that you are an Eligible Shareholder. Shareholders who reside outside Australia and New Zealand and receive this Offer Document should consult their professional advisers before taking any further action. In any case, this Offer is not being made to shareholders who reside in the United States of America or Hong Kong.

## Disclaimers

No representation or warranty, express or implied, is made by any person in relation to the fairness, accuracy, completeness or reliability of all or part of this Offer Document, or any constituent or associated presentation, information or material, or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in, or implied by, the information or any part of it. The information in this Offer Document may include information derived from third party sources that has not been independently verified.

## Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purpose of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purpose set out in this Offer Document and may disclose it for those purposes to the Company's share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Collection, maintenance and disclosure of personal information is governed by legislation including the *Privacy Act 1988* (Cth), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

## Section B Chairman's Letter

Dear Shareholder

### **PRO RATA NON-RENOUCEABLE ENTITLEMENT OFFER**

On behalf of the Board, it is my pleasure to invite you to participate in a pro-rata non-renounceable entitlement offer of one (1) New Share in Pacific American Coal Limited (**PAK or Company**) for every eight (8) Existing Shares held by you at an issue price of \$0.10 per New Share (together with one (1) attaching New Option for every two (2) New Shares issued, each with an exercise price of \$0.25 cents per Option, and expiry date of 31 December 2017), to raise up to approximately AUD1,800,000 (before costs) (**Entitlement Offer**).

Eligible Shareholders are also offered the opportunity to apply for New Securities in addition to their Entitlement, if the Entitlement Offer is not fully subscribed (**Top Up Offer**). Subject to any restrictions imposed by the Corporations Act and the ASX Listing Rules, the Directors reserve the right to issue the New Securities under the Top Up Offer. The Top Up Offer is a separate offer made pursuant to this Offer Document and may remain open after the Closing Date. The New Securities offered under the Top Up Offer will have the same price and rights as the New Securities offered under the Entitlement Offer.

#### **Overview of the Entitlement Offer**

The Entitlement Offer is being made to Eligible Shareholders who are registered as a holder of PAK Shares as at 7.00pm (AEDT) on the Record Date being Wednesday 9 November 2016.

The Entitlement Offer is non-renounceable and has been fully underwritten.

Please refer to paragraph 1.6 for more details about the underwriting.

Eligible Shareholders are also invited to apply for additional New Securities in excess of their entitlement under the Top Up Offer if there is a shortfall between applications received from Eligible Shareholders and the number of New Securities proposed to be issued under the Entitlement Offer.

#### **Company Strategy**

PAK will continue to pursue its North American coal interests with the most valuable asset being the Elko coking coal project in British Columbia, Canada.

We are seeking to optimise potential project development parameters and engage in negotiations with industry operators with a view to eventually developing the project for sales into export markets, primarily in eastern Asia.

Imagine IM, PAK's 40% owned associate, is developing graphene-based coatings for industrial textiles and fibres as well as other graphene related commercial applications. It is the first company in the world to develop conductive geosynthetic materials using functionalised graphene.

PAK's investment in Imagine IM is integral to Pacific American's strategy to seek exposure to high growth carbon technologies that are compatible with ownership and development of its quality coking coal assets in British Columbia.

Please see our website [www.pamcoal.com](http://www.pamcoal.com) for further information.

We believe the Entitlement Offer is in the best interests of all Shareholders and invite you to participate in the Entitlement Offer and join us in our endeavours to build the value of the Company.

Yours sincerely

A handwritten signature in black ink, appearing to read "Geoff Hill".

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Mr Geoff Hill  
Non-Executive Chairman

## Section C Details of the Entitlement Offer

### 1. Details of the Entitlement Offer

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#### 1.1 Overview

The Company is making a pro-rata non-renounceable entitlement issue of one (1) New Share in the Company for every eight (8) fully paid ordinary shares held in the Company at an issue price of \$0.10 per New Share (together with one (1) attaching New Option for every two (2) New Shares subscribed for and issued) to raise up to approximately AUD\$1,800,000 (before costs) (**Entitlement Offer**).

As at date of this Offer Document, the Company has an issued capital of 142,305,886 Shares and 53,383,589 Options.

Assuming no options are exercised before the Record Date, up to 17,788,235 New Shares and 8,894,117 New Options will be issued under the Entitlement Offer (subject to rounding).

If all the existing Options are exercised before the Record Date, up to 24,461,184 New Shares and 12,230,592 New Options will be issued under the Entitlement Offer (subject to rounding).

Where the determination of the Entitlement of any Shareholder results in a fraction of a New Security, such fraction will be rounded up to the nearest whole New Security.

All of the New Shares offered under this Offer Document will rank equally with the Shares on issue at the date of this Offer Document. All Shares issued on the conversion of New Options will rank equally with the Shares on issue at the date of this Offer Document.

#### 1.2 Eligibility of Shareholders

The Entitlement Offer is only available to eligible shareholders. An eligible shareholder means a registered holder of ordinary shares in the capital of the Company as at 7:00pm (AEDT) on the Record Date who:

- (a) has a registered address in Australia or New Zealand or is a shareholder that the Company has otherwise determined is eligible to participate;
- (b) subject to a determination by the Company as outline in paragraph (a), is not in the United States and is not a nominee or custodian acting for the account or benefit of a person in the United States; and
- (c) is eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Directors and other related parties who are Eligible Shareholders may participate in the Entitlement Offer.

By returning a completed Entitlement and Acceptance Form and making a payment you will be taken to have represented and warranted that you satisfy each of the criteria listed above. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of a Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of these regulations.

### 1.3 Excluded Shareholders

The Company will not make an Offer to Shareholders with a registered address within the United States of America or Hong Kong as at the Record Date (**Excluded Shareholders**). The Company has decided that it is unreasonable to extend the Offer to Excluded Shareholders having regard to:

- (a) the number of Shareholders within the United States of America and Hong Kong;
- (b) the number and value of New Shares that would be offered to Shareholders within the United States of America and Hong Kong; and
- (c) the cost of complying with the legal requirements, and requirements of regulatory authorities, in the overseas jurisdictions.

### 1.4 Reasons for Entitlement Offer and funding allocation

The primary purpose of the Entitlement Offer is to raise up to approximately AUD\$1,800,000 (before costs).

The purpose of the Entitlement Offer is to raise proceeds that will be applied principally to fund the ongoing development of the Elko Coking Coal Project.

The Company intends to apply the funds raised from the Entitlement Offer as follows:

Description of cash outflows	\$000	%
Exploration Documentation and Approvals	41	2.3%
Exploration Activity	911	51.2%
Project Management & Stakeholder Engagement	154	8.7%
Geological Modelling and Reporting	155	8.7%
Environmental Baseline Setup	63	3.5%
Stakeholder Engagement	48	2.7%
Mine layout and planning	194	10.9%
Licence Renewals	71	4.0%
Associated expenses of the Entitlement Offer	142	8.0%
<b>Total funds raised under the Entitlement Offer</b>	<b>1,779</b>	<b>100.0%</b>

The above table is a statement of the Board's current intentions as at the date of this Offer Document. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on the number of



factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds received under the Entitlement Offer are applied.

If less than the total funds are raised under the Entitlement Offer, the Company intends to pay the associated expenses of the Entitlement Offer and then apply the balance to exploration activity.

#### 1.5 **Minimum subscription**

There is no minimum subscription under the Entitlement Offer.

#### 1.6 **Underwriting**

The Entitlement Offer is fully underwritten.

As announced on Friday 21 October 2016, Far East Capital Limited (**FEC**) initially agreed to act as Lead Manager to the Entitlement Offer.

As announced on Tuesday 8 November 2016, the Company and FEC entered into an underwriting agreement (**Underwriting Agreement**) pursuant to which FEC has agreed to fully underwrite any shortfall under the Entitlement Offer up to \$1,778,823.50 (**Underwritten Amount**), representing 17,788,235 New Shares and 8,894,117 New Options (subject to rounding).

Under the terms of the Underwriting Agreement, the Company has agreed to pay to FEC an underwriting fee of 6% of the Underwritten Amount (exclusive of any GST).

#### 1.7 **No rights trading**

The Entitlement Offer is non-renounceable. Accordingly, there will be no trading of rights pursuant to this Offer Document on the ASX and you may not sell or dispose of your rights to subscribe for New Securities under the Entitlement Offer to any other party.

If you do not take your Entitlement to New Securities under the Entitlement Offer by the Closing Date Wednesday 30 November 2016, the Entitlement Offer to you will lapse.

#### 1.8 **Application under Top Up Offer**

Any New Securities offered under the Entitlement Offer for which Applications are not received will be offered to Eligible Shareholders in excess of their Entitlement (**Top Up Offer**). The Top Up Offer is a separate offer under this Offer Document.

Under the Top Up Offer, Eligible Shareholders may apply for New Securities in excess of their Entitlement, at the same price as New Securities under the Entitlement Offer. The New Securities offered under the Top Up Offer will have the same rights as the New Securities offered under the Entitlement Offer, i.e. all of the New Shares offered under the Top Up Offer will rank equally with the Shares on issue at the date of this

Offer Document and all Shares issued on the conversion of New Options under the Top Up Offer will rank equally with the Shares on issue at the date of this Offer Document.

Eligible Shareholders wishing to apply for additional New Securities under the Top Up Offer must apply for New Securities at the same time as they take up New Securities under their Entitlement, by completing the appropriate section of the Entitlement and Acceptance Form. There is no limit on the number of New Securities that Eligible Shareholders may apply for under the Top Up Offer, however, applications under the Top Up Offer will only be satisfied to the extent that the Entitlement Offer is not fully subscribed.

In addition, no New Securities will be issued to any Eligible Shareholder if, in the view of the Directors, to do so would increase that Eligible Shareholder's voting power above 19.9% or otherwise result in a breach of the ASX Listing Rules, the Corporations Act or any other applicable law.

The issue of New Securities under the Top Up Offer is at the discretion of the Directors. Should such applications exceed the New Securities available, a scale-back will be applied in the manner determined by the Directors.

#### 1.9 **Opening and Closing Dates and Indicative timetable**

The Entitlement Offer opens on the Opening Date, being Friday 11 November 2016. The Company will accept Entitlement and Acceptance Forms until 5.00pm (AEDT) on the Closing Date or such other date as the Directors determine, subject to the ASX Listing Rules.

The Offer is being conducted in accordance with the following timetable:

Event	Date
Market Announcement of the Entitlement Offer and cleansing notice lodged	Friday 21 October 2016
Notice to option holders that they cannot participate in the Entitlement Offer without first exercising their options	Wednesday 2 November 2016
Notice containing Appendix 3B details and indicative timetable sent to shareholders	Thursday 3 November 2016
Shares trade on an "ex Entitlement" basis	Tuesday 8 November 2016
Record Date for determining eligibility to participate in the Entitlement Offer (7.00 pm AEDT)	Wednesday 9 November 2016
Offer Document and Entitlement and Acceptance Forms despatched to Eligible Shareholders and announce despatch has occurred	Friday 11 November 2016
Entitlement Offer opens	Friday 11 November 2016

Event	Date
Last day to extend the closing date	Friday 25 November 2016
Entitlement Offer closes – last date for lodgement of Entitlement and Acceptance Forms and payment of application money in full (5.00 pm Sydney time)	Wednesday 30 November 2016
Deferred settlement trading of New Shares commences	Thursday 1 December 2016
Announcement of Entitlement Offer shortfall	Monday 5 December 2016
Allotment of New Shares and New Options issued under Entitlement Offer and dispatch of holding statements for New Shares. Deferred settlement trading ends	Wednesday 7 December 2016
Commencement of trading of New Shares and New Options on ASX on a normal basis	Thursday 8 December 2016

This timetable is indicative only and subject to change. The Company reserves the right to change the dates, including the Closing Date without prior notice, subject to the ASX Listing Rules. Any extension of the Closing Date will have a consequential effect on the anticipated date for allotment and issue of the New Shares.

#### 1.10 Entitlements and acceptances

The Entitlement of Eligible Shareholders to participate in the Offer is determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Document.

#### 1.11 Ranking of New Shares

The New Shares issued under the Offer will be fully paid and rank equally with Existing Shares.

#### 1.12 Dilution and effect on the control of the Company

Given the structure of the Entitlement Offer as a pro-rata offer with a Top Up Offer, the potential effect that the issue of New Shares will have on the control of the Company is as follows:

- (a) if all Eligible Shareholders take up their New Securities under the Entitlement Offer, then each Eligible Shareholder's percentage holding in the Company will remain and the Entitlement Offer will not have a significant effect on the control of the Company;
- (b) to the extent that a Shareholder does not or is not eligible to take up their entitlement under the Entitlement Offer, that Shareholder's percentage holding in the Company will be diluted; and

- (c) to the extent that a Shareholder subscribes for and is issued New Securities under the Top Up Offer, that Shareholder's interest will increase, subject to the Corporations Act and the ASX Listing Rules.

If Eligible Shareholders take up their full Entitlement under the Entitlement Offer they will not be diluted (subject to the treatment of fractional entitlements). If Eligible Shareholders do not exercise their Entitlement under the Entitlement Offer, or only exercise part of their Entitlement, they will be diluted.

Ineligible Shareholders will have their holdings diluted by the Entitlement Offer. The extent of any dilution will depend on the level of participation in the Entitlement Offer.

Given no nominee has been appointed for foreign Shareholders under section 615 of the Corporations Act, Eligible Shareholders will not be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of its Entitlement, it must have regard to the takeover prohibition in section 606 of the Corporations Act.

No person will be issued New Securities if such issue would result in their voting power in the Company increasing beyond the thresholds set out in the takeover prohibition in section 606 of the Corporations Act unless that person can rely on any other exception to the takeover prohibition set out in section 611 of the Corporations Act.

Accordingly, the Offer will not be extended to Excluded Shareholders and Excluded Shareholders will be notified that they will not be eligible to participate in the Entitlement Offer in accordance with the requirements of the Corporations Act and the ASX Listing Rules.

### 1.13 Capital structure

On the basis that the Company completes the Entitlement Offer on the terms of this Offer Document and that the Entitlement Offer is fully subscribed, the Company's capital structure will be as follows:

	Number of Shares	Number of Options
Balance at the date of this Offer Document	142,305,886	53,383,589 <sup>1</sup>
To be issued under the Entitlement Offer <sup>2</sup>	17,788,235	8,894,117
<b>Maximum number of Shares on issue upon completion of the Entitlement Offer (approximately)</b>	<b>160,094,121</b>	<b>62,277,706</b>

<sup>1</sup> There are 53,383,589 unlisted Options exercisable at \$0.25 on or before 31 December 2017.

<sup>2</sup> The number of New Shares to be issued under the Entitlement Offer is subject to rounding and assumes that no Options are exercised before the Record Date.

## Notes

Option holders are not entitled to participate in the Entitlement Offer without first exercising their Options (in accordance with the terms and conditions of their Options) and being registered as a Shareholder on the Record Date.

### 1.14 Participation of Directors under the Entitlement Offer

Director	Current Security Holding		Entitlement	
	Number of Shares	Number of Options	Number of New Shares	Number of New Options
Mr Geoff Hill	16,279,224	6,712,103	2,034,903	1,017,452
Mr Simon Bird	255,834	255,834	31,979	15,990
Mr Paul Chappell	1,680,557	1,591,668	210,070	105,035
Mr Matthew Hill*	20,000	20,000	2,500	1,250

\*Mr Matthew Hill is an alternate director.

### 1.15 Substantial Shareholders under the Entitlement Offer

Substantial Shareholder	Current security holding				Entitlement			
	Number of Shares	%	Number of Options	%	Number of New Shares	%	Number of New Options	%
H F T Nominees Pty Ltd	16,279,224	11.4	6,712,103	12.6	2,034,903	11.4	1,017,452	11.4
Gregorach Group (Warwick Grigor)	14,220,010	10.0	2,386,430	4.5	1,777,501	10.0	888,751	10.0
John Wardman and Associated Companies	7,926,736	5.6	3,356,375	6.3	990,842	5.6	495,421	5.6

If all substantial Shareholders who are Eligible Shareholders accept their Entitlements, there will be no change to the substantial Shareholders on completion of the Offer.

### 1.16 Allotment and ASX trading

The Company has applied for quotation of the New Shares on the ASX.

If the ASX does not grant quotation of the New Shares, the Company will not allot any New Shares and all application moneys will be refunded without interest.

It is expected that allotment of the New Shares under the Entitlement Offer and despatch of holding statements will take place no more than six Business Days after the Closing Date.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading the New Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk.

### 1.17 Market price of the Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares and Options are quoted on the ASX.

The highest and lowest and last market sale price of the Shares and Options on the ASX during the three months immediately preceding the date of this Offer Document and the respective dates of those sales are as follows.

Shares	Cents	Date
Highest	19.0	10 August 2016
Lowest	10.0	15 September 2016
Last	10.0	8 November 2016
<b>Options</b>		
Highest	4.5	1 September 2016
Lowest	2.8	24 October 2016
Last	2.8	24 October 2016

### 1.18 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement operates CHESS in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are registered in the Issuer Sponsored Subregister, your statement will be despatched by Boardroom Pty Limited (the Company's share registry) and will contain

the number of New Securities issued to you under this Offer Document and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will be sent to Shareholders at the end of any calendar month during which the balance of their holding changes. Shareholders may request a statement at any other time, however there may be a charge associated with the provision of this service.

#### **1.19 Rights attaching to New Securities**

The New Shares and attaching New Options will, from allotment, rank equally with Existing Shares and Existing Options.

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

The terms of the New Options are the same as the terms of the Existing Options (\$0.25 exercise price and expiry date of 31 December 2017), which are currently listed on the ASX under the code 'PAKO'.

#### **1.20 Brokerage**

No brokerage is payable by Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for an Entitlement.

#### **1.21 Withdrawal of Offer**

The Directors may at any time decide to withdraw this Offer Document and the offer of New Shares and attaching New Options made under this Offer Document in which case the Company will return all Application Monies (without interest) within 28 days of giving such notice of withdrawal.

#### **1.22 Governing law**

This Offer Document and the contracts which arise on the acceptance of Applications are governed by the laws applicable in New South Wales and each applicant submits to the non-exclusive jurisdiction of the courts of New South Wales.

#### **1.23 Enquiries**

This document is important and should be read in its entirety. Persons who are in doubt as to the course of action to be followed should consult their stockbroker or professional adviser without delay.

If you have any questions regarding your Entitlement or the Entitlement Offer, please do not hesitate to contact the Company Secretary on +61 29252 5300 or the Share Registry on +1300 737 760 (in Australia) + 61 29290 9600 (international) or contact your stockbroker or professional advisor.

## Section D      How to Apply

### 2.      How to apply

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#### 2.1      **Action required by Shareholders**

##### *Your choices*

The personalised Entitlement and Acceptance Form will detail the number of New Shares to which you are entitled. You may:

- (a)      take up all or part of your Entitlement in accordance with this Offer Document;
- (b)      take up all of your Entitlement in full and apply for additional New Securities in excess of your Entitlement under the Top Up Offer in accordance with this Offer Document; or
- (c)      decline to exercise all or part of your Entitlement and allow it to lapse.

You cannot sell or transfer any of your Entitlement to another person.

That part of your Entitlement not taken up will form part of the Top Up Offer that will be dealt with in accordance with the Top Up Offer.

The issue price of any New Shares and attaching New Options offered pursuant to the Top Up Offer shall be \$0.10 per Share, being the Issue Price at which the Entitlement has been offered to Shareholders under this Offer Document.

The Company reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date. In this case, any Application Monies (without interest) will be returned.

In the event that there is a Shortfall in the subscriptions under the Entitlement Offer, the allocation of any additional New Securities under the Top Up Offer will be determined by the Company.

The Company reserves the right to reject any application for additional New Securities or allocate fewer additional New Securities than applied for by subscribers under the Top Up Offer. Application Monies received but not applied towards subscriptions for additional New Securities under the Top Up Offer will be refunded as soon as practicable. No interest will be paid on Application Monies held.

#### 2.2      **Take up all of your Entitlement**

If you wish to take up your Entitlement in full, complete the Entitlement and Acceptance Form in accordance with the instructions set out on the form and forward it, together with your Application Monies for the amount shown on the form, to reach Boardroom Pty Limited (Share Registry) by the Closing Date.



### **2.3 Taking up all of your Entitlement and Applying for Additional New Securities under the Top Up Offer**

If you wish to apply for New Securities in addition to your Entitlement, complete the Entitlement and Acceptance Form for additional New Securities under the Top Up Offer and forward it, together with your Application Monies for the amount shown on the form, to reach the Share Registry by the Closing Date.

### **2.4 Taking up Part of Your Entitlement**

If you wish to take up part of your Entitlement, complete the Entitlement and Acceptance Form for the number of New Securities you wish to take up and forward it, together with your Application Monies for the amount shown on the form, to reach the Share Registry by the Closing Date. In this case, the New Securities not taken up by you will form part of the Shortfall and will be dealt with in accordance with the Top Up Offer.

### **2.5 Not Take Up Any of Your Entitlement**

If you do not wish to accept any part of your Entitlement, do not take any further-action. In this case, your whole Entitlement will form part of the Shortfall and will be dealt with in accordance with the Top Up Offer.

### **2.6 Payment for New Shares**

The offer price for the New Shares and attaching New Options under the Entitlement Offer is \$0.10 per New Share.

If you are paying the Application Monies by cheque, please enclose it with the Entitlement and Acceptance Form. Cheques must be drawn in Australian currency on an Australian bank, made payable to Pacific American Coal Limited - Rights Issue Account' and crossed 'Not Negotiable'. Do not forward cash or money orders. Receipts for payment will not be issued.

Alternatively, payment can be made by BPAY® or direct deposit (using the BPAY® or deposit details on the Entitlement and Acceptance Form).

Application Monies will be held on trust for applicants until allotment of the New Shares and attaching New Options. Any Application Monies refunded will not include interest.

### **2.7 Entitlement and Acceptance Form is Binding**

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire New Securities on the terms and conditions set out in this Offer Document and, once lodged, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid application for New Securities. The Directors' decision whether to treat an Entitlement and Acceptance Form as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

## 2.8 Representations by acceptance

By completing and returning your personalised Entitlement and Acceptance Form, in addition to the representations set out elsewhere in this Offer Document and in the Entitlement and Acceptance Form, you:

- (a) represent to the Company that you are an Eligible Shareholder;
- (b) acknowledge that you have read and understood this Offer Document and the Entitlement and Acceptance Form in their entirety;
- (c) agree to be bound by the terms of the Entitlement Offer and if applicable, the Top Up Offer, the provisions of this Offer Document and the Constitution;
- (d) authorise the Company to register you as the holder(s) of the New Securities allotted to you;
- (e) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (f) acknowledge that once the Company receives your completed personalised Entitlement and Acceptance Form, you may not withdraw your Entitlement and Acceptance Form or Application Monies except as allowed by law;
- (g) agree to apply for and be issued up to the number of New Securities specified in the Entitlement and Acceptance Form at the issue price of \$0.10 per New Share;
- (h) declare that you were the registered holder(s) at the Record Date of the Shares indicated on your personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (i) acknowledge that this Offer Document is not a prospectus, does not contain all of the information that you require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to the ASX;
- (j) acknowledge the statement of risks in Section 3 of this Offer Document and that investments in the Company are subject to risk;
- (k) represent and warrant that the law of any place does not prohibit you from being given this Offer Document and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Securities and that you are otherwise eligible to participate in the Entitlement Offer;
- (l) represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States; and
- (m) you understand and acknowledge that neither the Entitlements nor New Securities have been, or will be, registered under the US Securities Act 1933 or the securities laws of any state or other jurisdiction in the United States and the Entitlements may not be issued, to, purchased or traded by, or taken up or exercised by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account of a person in the United States.

## Section E Risk Factors

### 3. Risk Factors

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#### 3.1 General risks

An investment in New Shares should be regarded as speculative and involves a number of risks.

Eligible Shareholders intending to participate in the Entitlement Offer should refer to the announcements made by the Company to the ASX. This information is available from the ASX website, [www.asx.com.au](http://www.asx.com.au) (ASX Code: PAK).

Shareholders should consider the investment in the context of their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Shareholder should consult their own stockbroker, solicitor, accountant or other professional adviser before deciding whether or not to invest in the New Shares.

The New Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

The following general risks may significantly impact the Company, its performance and the price or value of the New Shares:

- (a) economic conditions in Australia and internationally;
- (b) investors' sentiment and share market conditions;
- (c) changes in fiscal and monetary policy by governments;
- (d) changes in taxation and other laws;
- (e) natural disasters;
- (f) war or terrorist attacks;
- (g) changes in commodity prices and foreign exchange rates; and
- (h) availability of credit.

#### 3.2 Dilution

The completion of the Entitlement Offer will result in the issue of approximately 17,788,235 New Shares, assuming no Options are exercised by the Record Date. If an Eligible Shareholder does not take up their full Entitlement their percentage holding of Shares will be diluted.

### **3.3 No cooling off**

There are no cooling off rights in relation to the Entitlement Offer. You cannot withdraw your Application for New Shares once it has been submitted.

### **3.4 No guarantee of future performance**

While the Entitlement Offer will help improve the Company's financial position and provide it with additional flexibility, it does not guarantee the Company's future financial performance.

### **3.5 Liquidity risk**

There can be no guarantee that there will be an active market for the Shares or that the price of the Shares will increase. There may be relatively few buyers or sellers of Shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the price paid under the Offer. Furthermore, there is a risk that, should the market for the Shares become illiquid, Shareholders will be unable to realise their investment in the Company.

### **3.6 Movement in Australian and overseas securities markets and financial markets generally**

A number of factors affect the performance of securities market investments that could also affect the price at which securities trade on the ASX. Movements on international securities markets, local interest rates and exchange rates, domestic and international economic conditions, as well as government taxation and other policy changes may affect the securities market.

### **3.7 Future capital requirements**

The Company may require further financing in the future, in addition to amounts raised pursuant to the Entitlement Offer, for example to make an acquisition(s) or retire debt. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or Issue Price) or may involve restrictive covenants, which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities. The increase in the number of Securities issued and outstanding and the possibility of sales of such Securities may have a depressive effect on the price of Securities. In addition, as a result of such additional Securities, the voting power of the Company's existing Shareholders will be diluted.

No assurances can be given that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

### **3.8 Potential acquisitions**

As part of its business strategy, the Company intends to make acquisitions of or significant investments in companies it identifies as potential acquisition targets. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies.

### **3.9 Exploration and Development Risk**

Exploration and development of coal is a high risk endeavour, the success of which depends on the discovery and delineation of a significant mineral resource. The Company's Elko Coking Coal Project has total JORC mineral resources of 257.5Mt, including measured, indicated and inferred mineral resources. There can be no assurance that the Company's exploration activities will result in the upgrade of all the Company's inferred resources to indicated resources or indicated resources to measured resources. Even if that occurs, there are a number of factors that influence the successful development of coal deposits into economically viable mining operations. Therefore, even if a significant coal resource is identified, there can be no guarantee that it can be economically exploited.

### **3.10 Resource Estimations**

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such estimates are inherently imprecise and rely to some extent on interpretations and assumptions. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available.

### **3.11 Coal Industry Specific Risks**

Coal quality is known to vary. As such, there is a risk that any coal identified by the Company may not be of sufficient quality to develop commercial mining operations, which could have an adverse impact on the Company. Actual coal qualities produced during the life of the mine may vary from those expected currently. Substantial changes to or on going conditions in coal markets, coal prices and other macroeconomic factors including foreign exchange rates could have an adverse impact on the commercial viability of exploiting coal resources. At completion of construction of any projects the market price of the coal could be less than the cost of production. The Company may be forced to defer or suspend some or all of its planned exploration and/or mining activities.

### **3.12 Licence and approvals**

The Company must obtain a number of permits issued by various governmental agencies and regulatory bodies to carry out its planned operations. The Company may be unable to obtain and renew permits and licences necessary for its exploration, development or mining of specific coal deposits.

The Elko and South Hazell coal projects in British Columbia have been granted renewal of the Company's six coal licences in the East Kootenay Coal Basin. The Company's retains 100% ownership over the Elko Coking Coal Project and the South Hazell Project. The renewal of the Coal Licenses by the BC Government is valid for 12 months commencing 19 September 2016. Relevant subsequent approval may be delayed or not approved.

### **3.13 Construction and Operational Cost Risks**

The capital expenditure required to develop the Company's coal projects may differ from the current expectations of the Company. In addition, actual operational costs may differ from current estimates. Increases in capital or operating expenditure will adversely affect the profitability of the projects.

Operational risks: The Company's coal projects are exposed to material operating risks including potential risk of sub-standard coal quality specifications, outbursts or spontaneous combustion from gas within the coal seam, mining and processing technical difficulties encountered in commissioning and operating plant and equipment, mechanical failure and industrial and environmental accidents.

Labour risks: There is a risk that the Company's coal projects are unable to attract the skilled labour force necessary.

Infrastructure risk: There is no guarantee that suitable and affordable rail and port capacity will be available to commercially export coal.

### **3.14 Key Personnel**

The Company may be adversely affected if any of the Directors or management leaves the Company. The Company might not be able to replace them with persons of equivalent expertise and experience within a reasonable period of time or at all and the Company may incur additional expenses to recruit, train and retain personnel.

### **3.15 Substantial Shareholders**

The concentration of the ownership among existing shareholders means that applicants may have limited ability to influence the management, control, operation and control of the Company and the ownership structure will likely limit control transaction to those sanctioned by those shareholders.

### **3.16 Environmental Risks**

Despite efforts to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, there is a risk of an adverse environmental event occurring which could delay the Company's coal projects' development timetable and may subject the Company to substantial penalties including fines, damages, clean-up costs or other penalties.

### 3.17 **Political and Regulatory**

New legislation and/or new regulations may be adopted that adversely affect the Company's current and proposed mining operations, cost structure and/or the ability of its customers to use coal.

## Section F Additional Information

### 4. Additional information

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#### 4.1 Effects of rounding and warning against Share splitting

All Entitlements will be rounded up to the nearest whole number of New Shares and New Options. If the Company reasonably believes that a Shareholder has been a party to the splitting or division of a shareholding in an attempt to obtain an advantage from the rounding up of Entitlements, then the Company reserves the right to round the Entitlement of such holdings so as to provide only the number of New Shares that would have been received but for the splitting or division.

#### 4.2 Financial information

The Company published its results for the half year ended 30 June 2016 on 8 September 2016. Shareholders should refer to the Half Yearly Accounts and related announcements on the ASX website ([www.asx.com.au](http://www.asx.com.au)) should they wish to obtain more detailed disclosures and commentary on historical financial information.

Investors should note that the past price performance of the Company's securities provides no guidance as to future price performance.

#### 4.3 Forward looking statements

This Offer Document may include forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward looking statements.

#### 4.4 Tax

You should be aware that there may be taxation implications associated with participating in the Entitlement Offer.

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under the Offer.

The Company does not accept any responsibility in this regard, and Shareholders should consult with their professional tax adviser.

The Directors recommend that all Shareholders consult their own professional tax advisers in connection with subscribing for, or subsequent disposal of, New Shares and New Options.



#### 4.5 **Continuous disclosure**

The Company is a 'disclosing entity' under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

The Company is required to notify the ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its securities. That information is available to the public from the ASX.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company, which has been notified to ASX, and does not include all the information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for New Shares under the Entitlement Offer. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available on the ASX website [www.asx.com.au](http://www.asx.com.au) (ASX: PAK).

Some documents are required to be lodged with ASIC in relation to the Company. These documents may be obtained from, or inspected at, an ASIC office. In addition, the Company is required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the ASX website.

#### 4.6 **Competent Person's Statement**

The Offer Document 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](http://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.

## Section G Defined Terms

The following definitions are used in this Offer Document:

<b>AEDT</b>	means Australian eastern daylight saving time.
<b>Applicant</b>	means a person who submits an Entitlement and Acceptance Form and pays the applicable Application Monies.
<b>Application</b>	means an application for New Shares (including Shortfall Shares under the Shortfall Facility) pursuant to the Offer made under an Entitlement and Acceptance Form or by making payment via BPAY®.
<b>Application Monies</b>	means the Issue Price, multiplied by the number of New Shares.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ABN 98 008 624 691, or where the context prescribes, the Australian Securities Exchange operated by ASX Limited.
<b>ASX Listing Rules</b>	means the official listing rules issued and enforced by the ASX, as amended from time to time.
<b>ASX Settlement</b>	means ASX Settlement Pty Ltd ABN 49 008 504 532.
<b>ASX Settlement Operating Rules</b>	means the operating rules of ASX Settlement.
<b>Board or Board of Directors</b>	means the board of Directors of the Company.
<b>Business Day</b>	means a day which is not a Saturday, Sunday or public holiday in Sydney.
<b>Closing Date</b>	means 5.00 pm (AEDT) on Wednesday 30 November 2016 unless extended in accordance with the ASX Listing Rules.

<b>Company or PAK</b>	means Pacific American Coal Limited ABN 83 127 131 604.
<b>Constitution</b>	means the constitution of the Company, as amended from time to time.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	means the directors of the Company.
<b>Dollars or \$ or AUD or Cents</b>	is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia.
<b>Eligible Shareholders</b>	means a person who is registered as the holder of Shares on the Record Date and has a registered address in Australia and New Zealand as recorded with the Share Registry as at the Record Date.
<b>Entitlement</b>	means the entitlement to subscribe for New Securities under the Entitlement Offer.
<b>Entitlement Offer</b>	has the meaning given to that term in section 1.1.
<b>Entitlement and Acceptance Form</b>	means the 'Entitlement and Acceptance Form' accompanying this Offer Document.
<b>Existing Options</b>	the Options in the Company on issue as at the Record Date.
<b>Existing Shares</b>	the Shares in the Company on issue as at the Record Date.
<b>Issue Price</b>	means \$0.10 per New Share.
<b>Issuer Sponsored</b>	means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHES.
<b>New Option</b>	means an Option offered pursuant to this Offer Document.

<b>New Securities</b>	means the New Shares and New Options.
<b>New Share</b>	means a new Share proposed to be issued pursuant to the Entitlement Offer under this Offer Document.
<b>Offer Document</b>	means this offer document dated Friday 11 November 2016.
<b>Official Quotation and Officially Quoted</b>	means officially quoted on the ASX.
<b>Opening Date</b>	means the date that the Entitlement Offer opens, being Friday 11 November 2016.
<b>Option</b>	means an option expiring 31 December 2017 to acquire one Share for an exercise price of 25 cents per Share and <b>Options</b> means any two or more of them..
<b>Record Date</b>	means 7.00pm (AEDT) on Wednesday 9 November 2016.
<b>Securities</b>	means the Shares and Options
<b>Share</b>	means a fully paid ordinary share in the issued capital of the Company and <b>Shares</b> means any two or more of them.
<b>Share Registry</b>	means Boardroom Pty Limited ABN 14 003 209 836 of Grosvenor Place, Level 12, 225 George Street, Sydney, NSW, 2000.
<b>Shareholder</b>	means a registered holder of Shares.
<b>Shortfall</b>	means those New Securities not applied for by Eligible Shareholders under the Entitlement Offer.
<b>Top Up Offer</b>	has the meaning given to that term in section 1.8.

## Section H Corporate Directory

### Directors

Mr Geoff Hill (Non-Executive Chairman)  
Mr Simon Bird (Non-Executive Director)  
Mr Paul Chappell (Non Executive Director)  
Mr Matthew Hill (Alternate Director for Geoff Hill)

### Share Registry\*

Boardroom Pty Limited  
Grosvenor Place  
Level 12, 225 George Street  
SYDNEY NSW 2000  
AUSTRALIA

### Chief Executive Officer

Mr Mark Sykes

### Registered Office

Level 14, 52 Phillip Street  
SYDNEY NSW 2000  
AUSTRALIA

### Auditor\*

Hall Chadwick  
Level 40, 2 Park Street  
SYDNEY NSW 2000  
AUSTRALIA

### Company Secretary

Mr Ian Morgan

### ASX Codes

PAK, PAKO

\* These have been included for information purposes only. They have not been involved in the preparation of this Offer Document.

# PACIFIC AMERICAN COAL LIMITED

ABN: 83 127 131 604

BoardRoom

Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001

Tel: 1300 737 760 (within Aust)  
Tel: + 61 2 9290 9600 (outside Aust)  
Fax: + 61 2 9279 0664

www.boardroomlimited.com.au  
enquiries@boardroomlimited.com.au

## ENTITLEMENT AND ACCEPTANCE FORM

Entitlement No.

Subregister

SRN/HIN.

Number of Shares held at 7pm  
(AEDT) on 9 November 2016

Entitlement

**Offer Closes: 5pm (AEDT) 30 November 2016**

This Entitlement and Acceptance Form relates to a **non-renounceable pro-rata entitlement issue** of up to 17,788,235 New Shares at an issue price of \$0.10 each on the basis of one (1) new share for every eight (8) ordinary shares held on the Record Date, together with one (1) free attaching listed option exercisable at \$0.25 on or before 31 December 2017 for every two (2) New Shares subscribed for and issued, to raise up to approximately \$1,779,000.00 (before costs) (**Offer**).

### A Acceptance of Entitlement

If you wish to accept your **ALL, PART OR MORE THAN YOUR ENTITLEMENT (TOP UP)**, please complete and return this form **WITH YOUR PAYMENT FOR THE AMOUNT SHOWN BELOW**. The return of this form by the Closing Date (5pm AEDT on 30 November 2016) with payment will constitute acceptance of the Offer. Your signature is only required when an alteration to your address is indicated by you over the page.

Number of New Shares accepted (being not more than your Entitlement shown above) <b>A</b>		Number of additional New Shares (Top Up) <b>B</b>
	+	

Please complete this form showing in the box below the **TOTAL NUMBER OF NEW SHARES BEING ACCEPTED** and the appropriate amount payable (number of New Shares accepted multiplied by the price per New Share of \$0.10).

Total number of Number of New Shares accepted (add Boxes A and B)	Price Per New Share	Amount Enclosed
=	\$0.10 per New Share =	\$

### B Payment

Payment may only be made by electronic BPAY, cheque or bank draft. Cash will not be accepted via the mail or at the Pacific American Coal Limited Share Registry.

Payments cannot be made at any bank. Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.

**If paying by BPAY you do not need to return the Entitlement and Acceptance Form.**

#### Payment Option 1 – BPAY



Billers Code:  
Ref:

#### Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

More info: [www.bpay.com.au](http://www.bpay.com.au)

® Registered to BPAY Ltd ABN 69 079 137 518

If paying by BPAY the amount of your payment received in the account divided by the price per New Share will be deemed to be the total number of shares you are applying for.

#### Payment Option 2 – Cheque (Record cheque details below)

DRAWER	CHEQUE NO.	BSB NO.	ACCOUNT NO.	AMOUNT \$AUD
				\$

Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.

Your cheque or bank draft must be made payable to "Pacific American Coal Limited – Rights Issue A/C" and crossed "Not Negotiable."

**THIS FORM CONTINUES OVERLEAF**

**C Contact Details**

CONTACT NAME	TELEPHONE WORK	TELEPHONE HOME	EMAIL ADDRESS
	( )	( )	

By submitting this Entitlement and Acceptance Form or by using the BPAY facility to accept the Offer, I/We represent and warrant that I/we have received and read a full and unaltered version, either in electronic or paper format, of the Entitlement Offer Document and declare that this Application is completed and lodged according to the Entitlement Offer Document and the instructions on the reverse of the Entitlement and Acceptance Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of Pacific American Coal Limited and agree to the terms and conditions of the Offer.

The Offer to which this Entitlement and Acceptance Form relates does not constitute an offer to any person who is not eligible to apply for New Shares (as described in the Prospectus), and in particular is not being made to Shareholders with registered addresses outside Australia or New Zealand. This Entitlement and Acceptance Form does not constitute an offer in the United States of America (or to, or for the account or benefit of, US Persons) or in any jurisdiction in which, or to any persons to whom it would not be lawful to make such an offer.

**LODGEMENT INSTRUCTIONS TO APPLICANTS**

Please read these instructions carefully

**ACCEPTANCE OF YOUR ENTITLEMENT IN FULL OR PART**

Multiply the number of New Shares for which you are accepting by \$0.10 then fill in the acceptance details, where necessary, in the space provided on the front of this form. Complete your cheque details on the front of this form and send your cheque/draft and completed form to:

Boardroom Pty Limited  
 GPO Box 3993  
 SYDNEY NSW 2001  
 Telephone No. 02 9290 9600  
 Facsimile No. 02 9279 0664

**If you do not deal with your Entitlement, it will lapse at 5pm (AEDT) on 30 November 2016.**

**PAYMENT****Cheque or Draft**

All cheques or drafts (expressed in Australian currency) are to be made payable to "Pacific American Coal Limited –Rights Issue A/C" and crossed "Not Negotiable".

**BPAY**

If you make payment using BPAY you must contact your Australian bank, credit union or building society to make this payment from your cheque or savings account. For more information: [www.bpay.com.au](http://www.bpay.com.au). Refer to the front of this form for the Biller Code and Customer Reference Number. Payments must be received by BPAY before **5.00 pm (AEDT) on 30 November 2016**. Applicants should be aware that their own financial institutions may impose earlier cut off times regarding electronic payment, and should therefore take this into consideration when making payment.

**PAYMENT - OVERSEAS RESIDENTS**

Overseas shareholders who are permitted to apply for shares must obtain a draft in Australian currency payable on a bank in Australia, or where the shareholder has an account with a bank in Australia, by a cheque drawn on that bank within Australia.

The Australian currency draft should be attached to your completed form and the document mailed to:

Boardroom Pty Limited  
 GPO Box 3993  
 SYDNEY NSW 2001

OVERSEAS SHAREHOLDERS ARE ADVISED TO ENSURE THEIR DOCUMENTS ARE POSTED TO AUSTRALIA BY AIRMAIL.

Personal cheques drawn on overseas banks in Australian or any foreign currency will not be accepted. These will be returned and the acceptance deemed to be invalid.

**INTERPRETATION**

Terms used in this Entitlement and Acceptance Form have the same meaning as defined in the Entitlement Offer Document.

**CHANGES OF ADDRESS SUPPORTED BY YOUR SIGNATURE(S)**

If your address is not exactly as shown, please provide details below. This is only relevant for Issuer Sponsored registered holdings. CHES holders must notify your sponsoring broker for amendments to holdings on the CHES Subregister.

CHANGE OF ADDRESS DETAILS – ISSUER SPONSORED ONLY		
SIGN HERE FOR ADDRESS AMENDMENTS:		

Shareholder 1 (Individual) /  
 Sole Director & Sole Company  
 Secretary

Joint Shareholder 2 (Individual) /  
 Director

Joint Shareholder 3 (Individual) /  
 Director/Company Secretary  
 (Delete one)

**Privacy Statement:**

Boardroom Pty Limited advises that Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Entitlement and Acceptance Form.

Our privacy policy is available on our website (<http://www.boardroomlimited.com.au/privacy.html>).