



21 October 2016

ASX Market Announcements
Australian Securities Exchange

Non-renounceable Entitlement Offer to raise approximately \$1.8 million

Pacific American Coal Limited ABN 83 127 131 604 (ASX: PAK) (**PAK or Company**) announces that it intends to undertake a one for eight pro rata non-renounceable entitlement offer of fully paid ordinary shares in PAK (**New Shares**) to raise approximately \$1.8 million (**Entitlement Offer**).

The offer price of the Entitlement Offer will be \$0.10 per New Share (**Issue Price**). The Entitlement Offer represents a 13.0% discount to the closing price of PAK shares on Thursday 20 October 2016 (the last trading day before this announcement).

Under the Entitlement Offer, eligible shareholders will be able to subscribe for one New Share for every eight Existing Shares held at 7.00pm (Sydney time) on Monday 7 November 2016 (**Record Date**) (together with one attaching New Option for every two New Shares subscribed for) at the Issue Price (**Entitlements**).

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

The Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements will not receive any value for those Entitlements that they do not take up. Shareholders who are not eligible to receive Entitlements will not receive any value for the Entitlements they would have received had they been eligible.

It is expected that approximately 18 million New Shares and 9 million New Options will be issued as part of the Entitlement Offer. New Shares and New Options issued under the Entitlement Offer will rank equally with existing shares and options.

Eligible Shareholders will be invited to participate in the Entitlement Offer. The Entitlement Offer will open on Thursday 10 November 2016 and close at 5.00pm (Sydney time) on Wednesday 30 November 2016. The Entitlement Offer will include a top-up facility under which Eligible Shareholders who take up their full Entitlement will be invited to apply for additional shares in the Entitlement Offer from a pool of those not taken up by other Eligible Shareholders. There is no guarantee that applicants under this top-up facility will receive all or any of the New Shares and New Options they apply for under the facility.

PAK will notify shareholders as to whether they are eligible to participate in the Entitlement Offer. Eligible Shareholders will be sent, on or around Thursday 10 November 2016, an information booklet including a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer. A copy of the Information Booklet will also be lodged with the ASX on or about Thursday 10 November 2016. Those shareholders who PAK determines to be ineligible shareholders will also be notified.

Far East Capital Limited has agreed to act as Lead Manager.

Proposed timetable¹

PAK expects that the Entitlement Offer will be conducted according to 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	Friday 4 November 2016
Record Date for determining eligibility to participate in the Entitlement Offer (7.00 pm AEDT)	Monday 7 November 2016
Offer Document and Entitlement and Acceptance Forms despatched to Eligible Shareholders and announce despatch has occurred	Thursday 10 November 2016
Entitlement Offer opens	Thursday 10 November 2016
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

¹ 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 and New Options.



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Important information

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