



Dear Shareholder,

**NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS OF PACIFIC AMERICAN COAL LIMITED
ABN 83 127 131 604 (COMPANY)**

Notice is hereby given that the Annual General Meeting (**AGM**) of the Company's members is to be held at:

Venue: Level 10, 171 Clarence Street Sydney NSW 2000

Time: 2.00 pm (Sydney time)

Date: Tuesday 30 May 2017

You are encouraged to attend the AGM, but if you cannot you are requested to complete and return the enclosed Proxy Form without delay as follows:

Proxies may be lodged using the reply-paid envelope, or

BY MAIL

Share Registry
Boardroom Pty Ltd
GPO Box 3993
Sydney NSW 2001

BY FAX

+ 61 2 9290 9655

IN PERSON

Share Registry
Boardroom Pty Ltd
Level 12
225 George Street
Sydney NSW 2000 Australia

By order of the Board

Ian Morgan
Company Secretary
21 April 2017

**This is an important document that should be read in its entirety.
If you are in any doubt about the action you should take, you should consult with your professional advisers without delay.
If you wish to discuss any aspects of this document with the Company, please contact:
Mr Ian Morgan, Company Secretary of Pacific American Coal Limited on +61 2 9238 1175.**

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NOTICE IS GIVEN that the Annual General Meeting of Pacific American Coal Limited ABN 83 127 131 604 (**Company**) will be held at 2.00 pm (Sydney time) on Tuesday 30 May 2017 at Level 10, 171 Clarence Street Sydney NSW 2000.

The Proxy Form accompanying this Notice is incorporated in and comprises part of this Notice.

Explanatory notes appearing under each item of business below have been prepared to provide you with material information reasonably required to enable you to make an informed decision on how to vote upon the business to be conducted at the AGM.

The Explanatory Memorandum explains in greater detail the background to the Resolutions. Defined terms not otherwise defined in this Notice or the Explanatory Memorandum are defined in the Glossary which appears on page 6 of this Notice.

The purpose of the AGM is to consider and if thought fit, pass the Resolutions.

Directors recommend that Members read this Notice in its entirety.

ITEMS OF GENERAL BUSINESS

Receive and consider Financial Statements

To receive the Financial Statements, Directors' Report and Auditor's Report for the Company and its controlled entities for the year ended 31 December 2016 (**2016 Annual Report**).

Notes:

- There is no requirement for Members to approve the 2016 Annual Report.
- The 2016 Annual Report is available at www.pamcoal.com for Members to access and download.
- Members will be given an opportunity to raise questions of the Directors and the Company's Auditor on the 2016 Annual Report at the AGM.
- If you would like to receive a hard copy of the 2016 Annual Report free of charge you can contact the Company by telephoning +61 2 9238 1175.
- Further information regarding the 2016 Annual Report, including the financial statements, appears in the attached Explanatory Memorandum.

RESOLUTION 1 Remuneration Report

To consider, and if thought fit, to pass, with or without amendment, the following resolution as a **non-binding advisory-only resolution**:

"That the Company adopt the Remuneration Report for the year ended 31 December 2016."

Notes on Resolution 1:

- Resolution 1 is advisory only and does not bind the Company or the Directors.
- The Directors will consider the outcome of the vote and comments made by Members on the Remuneration Report at the AGM when reviewing the Company's remuneration policies.
- The Chairman intends to vote all undirected proxies in favour of Resolution 1.
- If 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Members will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting will be held within 90 days, at which all of Directors must go up for re-election.

Further information regarding the Remuneration Report appears in the attached Explanatory Memorandum.



RESOLUTION 2 Re-election of Director – Geoffrey Hill

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Mr Geoffrey Hill being a director of the Company who retires by rotation pursuant to rule 13.4 of the Company’s Constitution, and being eligible, is re-elected as a Director of the Company.”

Notes:

- Mr Hill consents to be re-elected as a director of the Company.
- Non-candidate Directors unanimously support the re-election of Mr Hill.
- The Chairman intends to vote undirected proxies in favour of Resolution 2.

Further information about Mr Hill appears in the attached Explanatory Memorandum.

ITEMS OF SPECIAL BUSINESS

RESOLUTION 3 Ratification and Approval of Past Allotment and Issue of Equity Securities

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Members ratify and approve the past issue of 5,211,620 Shares and 2,605,810 attaching Options at a total issue price of \$0.10 per Share to sophisticated and professional investors on the terms as set out in the Explanatory Memorandum.”

The Chairman intends to vote all undirected proxies in favour of Resolution 3.

RESOLUTION 4 Approval of 10% Placement Facility

To consider, and if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That for the purposes of ASX Listing Rule 7.1A and for all other purposes, Members approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.”

The Chairman intends to vote all undirected proxies in favour of Resolution 4.

VOTING RIGHTS AND PROXIES

Members are encouraged to attend the AGM, but if you are unable to attend the AGM we encourage you to complete and return the enclosed proxy form.

- A Member entitled to attend and vote at the AGM has a right to appoint a proxy.
- This appointment may specify the proportion or number of votes that the proxy may exercise.
- The proxy need not be a Member of the Company.
- A Member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If the Member appoints two proxies and the appointment does not specify the proportion or number of the Member’s votes that each proxy may exercise, each proxy may exercise half of the votes.

HOW THE CHAIRMAN WILL VOTE UNDIRECTED PROXIES

The Chairman of the AGM will vote all undirected proxies in favour of all proposed resolutions.



VOTING EXCLUSIONS

Resolution 1

The Company will disregard any votes cast on Resolution 1 (Remuneration Report):

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration is disclosed in the Remuneration Report and any Closely Related Party of that Key Management Personnel;
- (b) any Associate of those persons; and
- (c) as a proxy by a member of the Key Management Personnel or a Closely Related Party of that Key Management Personnel.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 3

The Company will disregard any votes cast on Resolution 3 by:

- (a) a person who participated in the issue; and
- (b) any Associate of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4

The Company will disregard any votes cast on Resolution 4 (Approval of 10% Placement Facility) by:

- (a) a person who may participate in the proposed issue;
- (b) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- (c) any Associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.



PROXY VOTING

To vote by proxy, please complete, sign and return the enclosed Proxy Form without delay as follows:

BY MAIL	BY FAX	IN PERSON
Share Registry	+ 61 2 9290 9655	Share Registry
Boardroom Pty Ltd		Boardroom Pty Ltd
GPO Box 3993		Level 12
Sydney NSW 2001		225 George Street
		Sydney NSW 2000 Australia

Proxy Forms must be received not later than 48 hours before the time specified for the commencement of the AGM.

DATE FOR DETERMINING HOLDERS OF SHARES

For the purpose of determining a person's entitlement to vote at the AGM, a person will be recognised as a Member of the Company and the holder of Shares if that person is registered as a holder of those Shares at 7:00pm Sydney time on Sunday 28 May 2017.

INTERPRETATION

For the purposes of interpreting the Explanatory Memorandum and the Notice:

- (a) the singular includes the plural and vice versa;
- (b) words importing any gender include the other genders;
- (c) reference to any statute, ordinance, regulation, rule or other law includes all regulations and other instruments and all consolidations, amendments, re-enactments or replacements for the time being in force;
- (d) all headings, bold typing and italics (if any) have been inserted for convenience of reference only and do not define limit or affect the meaning or interpretation of the Explanatory Memorandum and the Notice;
- (e) reference to persons includes bodies corporate and government authorities and in each and every case, includes a reference to the person's executors, administrators, successors, substitutes (including without limitation persons taking by novation and assignment); and
- (f) reference to **cents**, **\$**, **A\$**, **Australian Dollars** or **dollars** is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia.

GLOSSARY

- **AGM or Annual General Meeting** means the annual general meeting to commence 2.00 pm (Sydney time) on Tuesday 30 May 2017 and notified to the Company's Members by this Notice.
- **Associate** has the meaning given to that term in Part 1.2 Division 2 of the Corporations Act.
- **ASX** means ASX Limited ABN 98 008 624 691.



- **ASX Listing Rules** means the official listing rules issued and enforced by the ASX, as amended from time to time.
- **Board or Board of Directors** means the board of directors of the Company.
- **Closely Related Party** of a member of the Key Management Personnel means:
 - a spouse or child of the member;
 - a child of the member's spouse;
 - a dependent of the member or the member's spouse;
 - anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
 - a company the member controls; or
 - a person prescribed by the Corporations Regulations 2001 (Cth) as a "closely related party".
- **Company** means Pacific American Coal Limited ABN 83 127 131 604.
- **Consolidated Entity** means the Company together with all the entities it is required by the accounting standards to include in consolidated financial statements.
- **Constitution** means the constitution of the Company, as amended from time to time.
- **Corporations Act** means the *Corporations Act 2001* (Cth).
- **Director** means a director of the Company.
- **Equity Securities** has the same meaning as in the ASX Listing Rules.
- **Explanatory Memorandum** means the explanatory memorandum accompanying the Notice which convened this AGM.
- **Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company.
- **Notice** means this notice of Annual General Meeting.
- **Option** means a quoted option issued by the Company, each to acquire one Share, exercisable at 25 cents each on or before 31 December 2017.
- **Remuneration Report** means the remuneration report which forms part of the financial statements of the Company and its controlled entities.
- **Share** means a fully paid ordinary share in the issued capital of the Company and **Shares** has a corresponding meaning.
- **Member** means a shareholder of the Company.
- **Trading Day** means a day determined by the ASX to be a trading day, notified to market participants, and otherwise as defined by the ASX Listing Rules.



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EXPLANATORY MEMORANDUM TO MEMBERS

This Explanatory Memorandum has been prepared to assist members of the Company to understand the business to be put to the Company's members, for their consideration at the forthcoming Annual General Meeting of the Company.

The Directors recommend that you read this Explanatory Memorandum in its entirety and attend the forthcoming Annual General Meeting.

Financial Statements

The Corporations Act requires the Company's financial statements for the year ended 31 December 2016, and reports of the Directors and Auditor, to be laid before the Annual General Meeting. The Company's financial statements for the year ended 31 December 2016 and reports of the Directors and Auditor are contained in the Company's 2016 Annual Report, a copy of which is available on the Company's website at www.pamcoal.com.

While no resolution is required in relation to this item, Members should consider these documents and raise any matters of interest with the Company's Directors when this item is being considered.

The Company's Auditor will be present at the AGM and Members will have an opportunity to ask the Auditor questions in relation to the conduct of the audit, the Auditor's report, the Company's accounting policies and the independence of the Auditor.

RESOLUTION 1 Remuneration Report

The Remuneration Report of the Company for the year ended 31 December 2016 is set out in the Company's 2016 Annual Report available on the Company's website www.pamcoal.com.

The Remuneration Report sets out the Company's remuneration arrangements for Directors. The Chairman will allow a reasonable opportunity for Members to ask questions about, or make comments on, the Remuneration Report at the AGM. In addition, Members will be asked to vote on the Remuneration Report.

The Resolution is advisory only and does not bind the Company or its Directors. The Board will consider the outcome of the votes and comments made by Members on the Remuneration Report at the AGM when reviewing the Company's remuneration policies.

Under the Corporations Act, if 25% or more of votes cast are voted against the adoption of a remuneration report at two consecutive AGMs, Members will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another Members' meeting will be held within 90 days.

If the spill resolution is passed at the second AGM, all the Company's Directors must go up for re-election within 90 days - at the next Members' meeting.

The Company encourages all Members to cast their votes on Resolution 1 (Remuneration Report). Members not attending the AGM may use the enclosed Proxy Form to lodge their vote by appointing a proxy.

Any undirected proxies held by the Chairman, other Directors or other Key Management Personnel or any of their Closely Related Parties will not be voted on Resolution 1 (Remuneration Report), unless the vote is cast by the Chairman pursuant to an express authorisation on the Proxy Form made by a Member who is entitled to vote on Resolution 1.

Key Management Personnel of the Consolidated Entity are the Directors of the Company, and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the year ended 31 December 2016. Their Closely Related Parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control. If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1



(Remuneration Report) by marking either “For”, “Against” or “Abstain” on the Voting Form for those items of business.

RESOLUTION 2: Re-election of Director – Geoffrey Hill

It is a requirement under rule 13.4 of the Company’s Constitution that one third of all Directors (other than the Managing Director and Directors appointed since the last annual general meeting to fill a casual vacancy) retire at each annual general meeting. Accordingly, Mr Geoffrey Hill retires from office, and being eligible, offers himself for re-election as a non-executive Director of the Company.

Geoffrey Hill Non-Executive Chairman

Geoff Hill BEcon (Syd), MBA (NSW), FFIN, FCPA, FAICD is a merchant banker and Director with over 30 years of international experience. He is the Founder of Bancorp Holdings Limited, a former MD of Morgan Grenfell Australia and a former Director of Morgan Grenfell PLC. Mr. Hill was also the founding Partner and Managing Director of Pitt Capital Partners in Australia and a former Chairman of Pitt Capital Partners Asia Limited (HK).

He is the Executive Chairman of International Pacific Securities Limited Group and Chairman of Hong Kong Administrative Services Limited, a Partner of Hill Sherlock and Willis [Sydney] and was Chairman of Australasian Investment Holdings Limited [Singapore]. A Director and Founder of Asian Property Services Limited and Asian Property Investments Limited, he is also the Non-Executive Chairman of Parry International Trading. Mr Hill is the Hong Kong Representative of Lagerkvist & Partners, Sweden.

An experienced Company Director for over 30 years, current public company boards include Chairman Texas & Oklahoma Coal Company Inc.

Geoff currently sits on the board of Broken Hill Prospecting Limited and is a former director of:

- Broken Hill Prospecting Limited (February 1989 to June 2014)
- Heritage Gold NZ Limited (July 1999 to April 2012)
- Mount Gibson Iron Limited (May 2011 to April 2014)

A current member of RHKYC and WPO Hong Kong Chapter in Hong Kong, Mr Hill is a member of the Australian Union, Royal Sydney Yacht Squadron and CYCA in Sydney.

RESOLUTION 3: Ratification and Approval of Past Allotment and Issue of Equity Securities

The Company issued and allotted 5,211,620 Shares and 2,605,810 Options to sophisticated and professional investors at a cash price of \$0.10 per Share as follows.

	Number of Shares	Number of Options	Equity Securities
Date issued 14 December 2016	2,211,620	1,105,810	3,317,430
Date issued 12 January 2017	3,000,000	1,500,000	4,500,000
New Equity Securities	5,211,620	2,605,810	7,817,430
Total Equity Securities Issued	165,305,889	64,883,607	230,189,496
Dilution	3.3%	4.2%	3.5%

Resolution 3 seeks Member approval pursuant to ASX Listing Rule 7.4 for the issue of these Shares.



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ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12-month period any Equity Securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12-month period. ASX Listing Rule 7.4 allows for subsequent shareholder approval if the company did not breach ASX Listing Rule 7.1 at the time of issue and holders of ordinary shares subsequently approve it.

The Company did not breach ASX Listing Rule 7.1 at the time of issue of the Equity Securities to sophisticated and professional investors.

By Members approving this issue, the Company will retain the flexibility to issue Equity Securities in the future up to:

- (a) the 15% annual placement capacity set out in ASX Listing Rule 7.1; and
- (b) subject to the approval of Members of Resolution 4 at the AGM, an additional 10% placement facility pursuant to ASX Listing Rule 7.1A,

without the requirement to obtain prior Member approval.

Required Disclosure

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the approval of the matters specified above:

Number of securities issued	5,211,620 Shares and 2,605,810 Options were issued and allotted.
Issue Price	Issue price for the Shares was \$0.10 per Share.
Terms of the securities	The Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The Options are quoted options issued by the Company, each to acquire one Share, exercisable at 25 cents each on or before 31 December 2017
Allottees	The allottees are sophisticated and professional investors investing on the same terms and conditions as under the Company's non-renounceable entitlement offer announced 21 October 2016. ¹
Use of funds	As per the Company's market announcement on 21 October 2016, funds are to advance the Elko Coking Coal Project through exploration and

¹ As announced to the ASX on Friday 21 October 2016, Pacific American Coal Limited undertook a pro-rata non-renounceable entitlement offer of one (1) new Share for every eight (8) fully paid ordinary shares held in the Company at an issue price of A\$0.10 per new Share (together with one (1) attaching new Option for every two (2) new Shares subscribed for an issued). (**Entitlement Offer**) Far East Capital Limited acted as lead manager and underwriter to the Entitlement Offer. Given the strong level of demand for the Entitlement Offer. The Company's directors agreed to place additional shares and options on the same terms and conditions as the Entitlement Offer.



Voting exclusion statement	supporting activities and working capital A voting exclusion statement is included in the Notice.
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Recommendation

The Board unanimously recommends that Members vote in favour of Resolution 3.

RESOLUTION 4 Approval of 10% Placement Facility

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is an eligible entity.

The Company is seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Further information is set out below.

The effect of Resolution 4 will be to allow the Board to issue Equity Securities under ASX Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

Description of ASX Listing Rule 7.1A

(a) Shareholder Approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting. It therefore requires the approval of 75% of the votes cast by Members present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing **quoted** class of Equity Securities of the Company. At the date of the Notice, the Company has quoted Shares and Options on issue.

(c) Formula for calculating 10% Placement Facility

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12-month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of Shares on issue 12 months before the date of issue or agreement:



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- (i) plus the number of fully paid Shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- (ii) plus the number of partly paid Shares that become fully paid in the 12 months;
- (iii) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under ASX Listing Rule 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid Shares cancelled in the 12 months.

Note that A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under the ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Members under ASX Listing Rule 7.1 or 7.4.

Number of Shares on Issue

At the date of the Notice, the Company has a total of 165,305,889 Shares and 64,883,607 Options on issue (including 5,211,620 Shares and 2,605,810 Options subject to Members' approval under Resolution 3).

Based on 165,305,889 total Shares on issue at Tuesday 30 May 2017 and subject to receiving Members' approval of Resolution 3 and Resolution 4 at the Meeting, during the 12 months commencing Tuesday 30 May 2017 the Company has the following maximum capacity to issue Equity Securities without Member approval:

	%	Number of Equity Securities
Total Shares on issue at Tuesday 30 May 2017		165,305,889
Less Shares issued and allotted on 25 May 2016 in excess of 33,000,000 Shares approved on 5 May 2016 by Members		<u>(200,000)</u>
		<u>165,105,889</u>
Maximum Capacity to issue Equity Securities without Member Approval		
In accordance with ASX Listing Rule 7.1 and subject to Members' approval of Resolution 3 at the AGM.	15	24,765,883
In accordance with ASX Listing Rule 7.1A and subject to Members' approval of Resolution 3 and Resolution 4 at the AGM.	10	<u>16,510,588</u>
		<u>41,276,471</u>

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated on the date of issue of Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Minimum Issue Price

The issue price of Equity Securities issued under ASX Listing Rule 7.1A must be not less than 75% of the volume weighted average price (VWAP) of Equity Securities in the same class calculated over the 15 Trading Days on which trades in the relevant class were recorded immediately before:

- (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (b) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.



10% Placement Period

Member approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (a) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (b) the date of the approval by Members of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main understanding) (**10% Placement Period**).

Specific Information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

- (a) the Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in the relevant class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (a) (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 4 is approved by Members and the Company issues Equity Securities under the 10% Placement Facility, the existing Members' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised). There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the AGM; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (c) The table below shows the dilution of existing Members on the basis of the current market price of Shares and the current number of Shares for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of the issues of Shares that do not require Member approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Members' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.



Variable 'A' in ASX Listing Rule 7.1A.2

	Number of Shares examples		50% decrease in Issue Price	Issue Price	100% Increase in Issue Price
Issue price examples			3.75 cents	7.50 cents	15.00 cents
Current Variable A	165,305,889	10% Voting Dilution	16,530,588	16,530,588	16,530,588
		Funds raised	\$619,897	\$1,239,794	\$2,479,588
50% increase in Current Variable A	247,958,834	10% Voting Dilution	24,795,883	24,795,883	24,795,883
		Funds raised	\$929,846	\$1,859,691	\$3,719,383
100% increase in Current Variable A	330,611,778	10% Voting Dilution	33,061,177	33,061,177	33,061,177
		Funds raised	\$1,239,794	\$2,479,588	\$4,959,177

- (d) The table has been prepared on the following assumptions:
- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
 - (ii) 165,305,889 Shares are on issue, being total Shares on issue at the date of the Notice;
 - (iii) No Options (including any Options issued under the 10% Placement Facility) are exercised before the date of the issue of the Equity Securities;
 - (iv) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (v) The table does not show an example of dilution that may be caused to a particular Member by reason of placements under the 10% Placement Facility, based on that Member's holding at the date of the AGM.
 - (vi) The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.
 - (vii) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Members.
 - (viii) The issue price is 7.5 cents, being the closing price of the Shares on the ASX on 20 April 2017.
- (e) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Members approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities or ASX Listing Rule 11.2 (disposal of main undertaking)). The 10% Placement Period will run from the date of the AGM until the earlier of any future Member approval under ASX Listing Rule 11.1.2 and 12 months from the date of the AGM.
- (f) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to allocate the funds towards additional working capital.



- (g) The Company will comply with the disclosure obligations under the ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities. The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Members and/or new Members who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be vendors of the new resources assets or investments.



PACIFIC AMERICAN COAL LIMITED NOTICE OF ANNUAL GENERAL MEETING 30 MAY 2017

- (h) The Company previously obtained Member approval under ASX Listing Rule 7.1A at the Company's Annual General Meeting held on 5 May 2016:

During the preceding 12 months, the following Equity Securities were issued by the Company:

	Date	Shares		Total Equity	Total	Value of Equity	
		Number	Options	Securities		Cash	Non-Cash
			Number	Number			
Outstanding	21 April 2016	83,005,899	53,383,589	136,389,488	100.0		
Cash Placement ²	25 May 2016	33,200,000	-	33,200,000	24.3	1,593,600	-
Share exchange ³	2 Aug 2016	26,099,987	-	26,099,987	19.1	-	1,252,799
Entitlement Offer	14 Dec 2016	17,788,383	8,894,208	26,682,591	19.6	1,778,838	-
Cash Placement ⁴	14 Dec 2016	2,211,620	1,105,810	3,317,430	2.4	221,162	-
Cash Placement ⁴	12 Jan 2017	3,000,000	1,500,000	4,500,000	3.3	300,000	-
Outstanding	21 April 2017	165,305,889	64,883,607	230,189,496	168.8		

- (i) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Member or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Member's votes will therefore be excluded under the voting exclusion in the Notice.

Recommendation

The Board unanimously recommends that Members vote in favour of Resolution 4.

² A cash placement of up to 33,000,000 Shares was approved at the Company's annual general meeting held 5 May 2016.

³ A share exchange was approved at the Company's annual general meeting held 5 May 2016.

⁴ Cash placements made on 14 December 2016 and 12 January 2017 are subject to Members' approval under Resolution 3 of the Notice.



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APPOINTMENT OF CORPORATE REPRESENTATIVE

Pursuant to Section 250D of the *Corporations Act*

_____ (ABN/ACN/ARBN)

(Insert name of Shareholder/Body Corporate & ACN/ARBN)

Hereby Authorises

(Insert name of appointee)

- (*) 1. To act as the Company's representative at all General Meetings of Pacific American Coal Limited ABN 83 127 131 604.
- (*)2. To act as the Company's Representative at the Annual General Meeting to be held commencing 2.00 pm (Sydney time) on Tuesday 30 May 2017 and any adjournment thereof.

Dated this _____ day of _____

Executed by the corporation in accordance with its Constitution/Section 127 of the *Corporations Act* in the presence of:

_____ _____
(*) Director (*) Sole Director & Sole Secretary

(*) Director/Secretary

Affix Common Seal here (optional)

(*) Delete if not applicable

This authority may be sent to the registered office or share registry office of the Company in advance of the meeting as set out in the Notice of Annual General Meeting which this appointment accompanies or handed in at the Annual General Meeting when registering as a company representative. In either case, the authority will be retained by the Company.



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All Correspondence to:

-  **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
-  **By Fax:** +61 2 9290 9655
-  **Online:** www.boardroomlimited.com.au
-  **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 2:00pm (Sydney time) on Sunday 28 May 2017.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.



Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **2:00pm (Sydney time) on Sunday 28 May 2017.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

-  **By Fax** + 61 2 9290 9655
-  **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
-  **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address
 This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of Pacific American Coal Limited (Company) and entitled to attend and vote hereby appoint:

the Chair of the Meeting (mark box)

OR if you are NOT appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at Level 10, 171 Clarence Street Sydney NSW 2000 on Tuesday 30 May, 2017 at 2.00 pm (Sydney time) and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 1). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS
 * If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

Ordinary Business	For	Against	Abstain*
Resolution 1 To Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director – Geoffrey Hill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special Business			
Resolution 3 Ratification and Approval of Past Allotment and Issue of Equity Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date / / 2017