

30 October 2015

SEPTEMBER 2015 QUARTERLY ACTIVITIES REPORT

Pan Asia Corporation Limited (ASX: **PZC**) (the **Company**) is pleased to report on its activities for the quarter ending 30 September 2015 (the **Quarter**).

HIGHLIGHTS

- **AGM set to consider \$5m Convertible Note Facility**
- **Rights Issue raised \$918,000**
- **Sale of TCM asset to Universal update**

AGM and Meeting to Approve Convertible Note

The Notice of Meeting ("NOM") for the Company's Annual General Meeting ("AGM") to be held on November 30th, 2015 has been dispatched to shareholders. One of the resolutions to be considered at this AGM, is for the approval of a \$5M Convertible Note Facility with Coleman Ventures Limited ("Coleman").

In April 2015, the Company executed a convertible agreement with Coleman for the total amount of \$5m able to be drawn down over two years, subject to shareholder approval (please refer to the NOM for further detailed conditions).

As Coleman will likely obtain an interest >20% in the Company if the Convertible Notes and attaching options are ultimately converted into fully paid shares in the Company, the Company has commissioned an Independent Expert Report ("IER") with an accompanying technical valuation for the IER to determine whether or not the Convertible Note transaction is fair and reasonable to shareholders.

The Company advises that shareholders should read and consider the NOM and the accompanying IER to help them decide as to best how to vote. The NOM and IER outline's all the facts and relevant disclosures to enable shareholders to make an informed decision to vote on the resolutions at the AGM.

Completion of Entitlements Issue in TCM

On 8 July 2015, the Company announced a \$2m non-renounceable Rights Issue to shareholders on the basis of 4 new shares for every 5 shares held @ \$0.007 per to raise up to approximately \$2m ("**Rights Issue**"). The Rights Issue was offered at the same price as the conversion price for the convertible notes under the Convertible Note Facility (refer above).

The Entitlements Issue closed on 6 August 2015 and raised approximately \$918,000.

The Company has until COB on 5 November 2015 to place any shortfall. At this point in time, no shortfall shares have been placed.

Universal

On 4 June 2015, the Company announced that it had entered into an exclusive Heads of Agreement with Universal Coal Resources Pte Ltd of Singapore ("Universal"), for the commercial sale of the Company's 75% interest in the PT Transcoal Minergy Coal Project in South Kalimantan Indonesia ("TCM") ("the Transaction"). Universal has agreed to purchase a 100% interest in the Company's 100% owned Singapore subsidiary, Innovation West Mantewe Pte Ltd ("IWMPL") owner of the 75% interest in TCM for SGD \$30m value. Universal is to undertake an SGX Catalist listing, and Pan Asia upon completion of the successful listing will receive shares in Universal to the value of SGD \$30m at the IPO issue price.

Universal has assumed, prior to completion of the Transaction, the responsibilities including expenses, of obtaining all statutory approvals, including but not limited to the forestry permit, obtaining all relevant contracts, obtaining any high-wall access and undertaking all value-added works, in connection with IWMPL or TCM or as required by SGX (Catalist).

The Parties have acknowledged and agreed that the Transaction will be subject to a number of key commercial outcomes and conditions which were outlined in the previous June 2015 quarterly.

Pan Asia is currently working with Universal to assist them with all aspects of moving the project forward.

Other

The Company undertook additional steps to further streamline its operations to better conform to its current level of activity.

Future Projects

The Company continues to look at other possible future project opportunities to ultimately replace the TCM Project prior to the TCM transaction completing.

ENDS

Mining Tenement Details

The Company owns a 75% interest in PT Transcoal Minergy, the owner of mining operation production licence 545/091/IUP-OP/D.PE/2010 dated 28 April 2010, located in the Tanah Bumbu Province in the Regency of South Kalimantan, Indonesia

About Pan Asia

Pan Asia Corporation Limited flagship project ("TCM") is a high CV thermal coal project in South Kalimantan in which PZC owns a 75% interest.

Pan Asia seeks to build significant projects; de-risking them ready for development partnership / offtake agreements with quality, life of mine partners

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