



# Metals Finance Limited

SPECIALISTS IN METAL RECOVERY

## ASX RELEASE

Monday 30<sup>th</sup> June 2014

## ASX CODE

MFC

## CAPITAL STRUCTURE

Shares on Issue	73,109,576
52 Week High	\$ 0.021
52 Week Low	\$ 0.005
Share Price (25/06/14)	\$ 0.007

## ABOUT

MFC applies the extensive experience of its executives, board and consultants to seek out resource investment opportunities that will add value to shareholders in the long term. MFC undertakes rigorous review and due diligence when assessing the value proposition of an investment. MFC is seeking to deliver a company changing a acquisition for shareholder approval in 2014.

## Board

Non-Executive Chairman – Geoff Hill  
Non-Executive Director – Simon Bird  
Non-Executive Director – Rick Anthon  
Alternate Director – Matt Hill

## Company Secretary

Ian Morgan

## Management

Chief Executive Officer – Mark Sykes

Metals Finance Limited  
ABN 83 127 131 604  
GPO BOX 3486  
SYDNEY, NSW, 2001  
P. +61 2 9252 5300  
Email: [info@metalsfinance.com](mailto:info@metalsfinance.com)

[www.metalsfinance.com](http://www.metalsfinance.com)

## QUARTERLY REPORT FOR THE PERIOD TO

**31<sup>st</sup> MAY 2014**

Metals Finance Limited (ASX: MFC) is pleased to provide its Quarterly Activities Report for the three month period ended 31<sup>st</sup> May 2014.

## SUMMARY

During the quarter, Metals Finance progressed due diligence on the Texas and Oklahoma Coal Co (**TOCC**) assets. This incorporated the issue of the Independent Technical & Geological Report prepared by Geos Mining and advancing the preparation of a Prospectus.

Metals Finance requires shareholder approval to finalise the acquisition of TOCC.

## CORPORATE

- **TOCC Due Diligence**
- **Issued Independent Technical & Geological Report (announced 16<sup>th</sup> June 2014)**
- **Updated Timetable**

## CORPORATE

### TOCC Due Diligence

The Due Diligence process conducted by Metals Finance has advanced in the areas of geology, mining, accounting and legal.

#### *Geology*

Following the TOCC site visit by Geos Mining on 16<sup>th</sup> – 20<sup>th</sup> March 2014, Geos Mining prepared an Independent Technical & Geological Report on the TOCC assets. The Geos Mining report was released on the 16<sup>th</sup> June 2014 to the ASX.

#### *Mining*

Metals Finance conducted an additional site visit in late-April. The April 2014 visit was to inspect suitable site locations for a Coal Handling Preparation Plant and hold discussions with River Port facilities for barging operations on the Arkansas and Mississippi Rivers. The River Port facility discussions confirmed the competitive transportation costs from the mine to the export coal terminals in the Gulf of Mexico.

#### *Accounting*

Metals Finance has reviewed the TOCC accounts and the audited accounts of GCI. A final independent Investigating Accountants Report (IAR) is being prepared by Hall Chadwick for inclusion in the Prospectus.

#### *Legal*

Legal matters have included a review of agreements in place and the preparation of outstanding agreements required prior to the issue of the Prospectus. A tenure report has been prepared confirming the status of the TOCC tenements along with the status and ownership of the GCI mining leases. A final legal audit and confirmatory review of the fixed asset capital register are outstanding.



**April Site tour of P8 Mine and supporting infrastructure facilities**

Metals Finance is undertaking a rigorous due diligence review that has resulted in the due diligence period taking longer than originally anticipated. The issue of a Notice of Meeting to MFC Shareholders and the publication of a Prospectus are subject to outstanding agreements and a legal audit being finalised. Metals Finance anticipates this would occur by September 2014.

### Issued Independent Technical Report

Geos Mining has finalised an Independent Technical and Geological Report (ITGR) on the TOCC assets. The ITGR was released on 16<sup>th</sup> June 2014 to the ASX. The report confirms that coal from the Hartshorne Seam mined at P8 exhibits some properties found in metallurgical and coking coals. The ITGR also supports the activities proposed by Metals Finance that include undertaking confirmatory quality and metallurgical work to increase the certainty and reliability of the metallurgical data across the entire P8 Mine resource.

The ITGR is supportive of the portfolio of assets reviewed and states:

***“Geos Mining concludes that a risk assessment of all of TOCC’s projects in the USA and Canada, has not identified any risk impairments.”***

Risks identified by Geos Mining across the portfolio of assets are considered to be at an acceptable level, provided management undertake certain risk mitigation actions. These actions include improving the exploration, resource and quality drilling on the tenements and ensuring appropriate safety systems are implemented at the current operation.

With this supportive information, Metals Finance maintains a vision of being a metallurgical coal export company with projects throughout North America, exporting over 2Mt per annum of metallurgical coal within a 3-5 year time frame.

### Key dates, timelines and events

Subject to regulatory and shareholder approval, MFC will undertake the following key activities:

Activity	Indicative Timeframe
<b>Notice of Meeting to MFC shareholders</b> Transaction approval MFC’s renaming	July / Aug 2014
<b>Lodge and issue of Prospectus</b> Full disclosure document Including independent expert reports	Aug /Sep 2014
<b>Allotment of shares</b>	Aug / Sep 2014
<b>Re-listing on ASX</b>	Aug /Sep 2014

Metals Finance will continue to keep shareholders informed as it advances activities and discussions.



**FOR FURTHER INFORMATION CONTACT:**

Mark Sykes

Chief Executive Officer

Metals Finance Limited

T: +61 (2) 9252 5300

More details are available on MFC's website [www.metalsfinance.com](http://www.metalsfinance.com)



## Texas and Oklahoma Coal Co Exploration Assets

TOCC has established a portfolio of tenements throughout North America. The tenements are located in major coal fields, with a focus on geological coal measures that contain coking coal characteristics. The tenements are in an advanced stage of application and are awaiting final approvals. TOCC is not aware of any impediment to the applications being granted.

The exploration assets are:

Project	Country	Region	Basin / Coalfield	In-situ Exploration Target (Million tonnes)
JORC Exploration Targets				
Hartford	USA	Oklahoma	Arkoma	87 - 117
Lafayette	USA	Oklahoma	Arkoma	41 - 54
Howe	USA	Oklahoma	Arkoma	59 - 94
Bokoshe	USA	Oklahoma	Arkoma	93 - 140
Left Fork	USA	Colorado	Raton	136 - 204
Elko	Canada	British Columbia	Crowsnest	224 - 336
South Hazell	Canada	British Columbia	Crowsnest	57 - 86
Non-JORC Exploration Targets				
Wapiti	Canada	British Columbia	Peace River	20
<b>Total In-Situ Exploration Target Tonnes (Millions)</b>				<b>717 – 1,051</b>

TOCC engaged Mr Dwight Kinnes of Highland GeoComputing as an independent Competent Person as defined in the 2012 Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) to assess and signoff on the exploration targets. All references to Exploration Targets in this document are in accordance with the guidelines of the JORC Code. As such, targets are conceptual in nature and there has been insufficient exploration drilling to define a coal resource on the licence, it is uncertain if further exploration will result in discovery of a coal resource on the licence. The majority of tenements have JORC defined exploration targets, with the combined portfolio having the potential to contain between 717 million and 1.05 billion tonnes of coking coal resources.

The exploration targets are based on a combination of actual Exploration Results from drilling that have historically occurred on the tenements and on proposed exploration programmes that TOCC is planning to undertake. Areas of planned exploration are focused on the geological interpretation of the coal seams and regional structural geology.

### **Competent Persons Declaration**

*The information in this Report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Dwight Kinnes who is a registered member of the Society of Mining Engineers. Mr Dwight Kinnes is employed by Highland GeoComputing LLC. Mr Dwight Kinnes has been engaged by Texas and Oklahoma Coal Co Limited (TOCC) to prepare JORC Exploration Targets for TOCC. Mr Dwight Kinnes has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Dwight Kinnes consents to the inclusion in the report of the matters based on his information in the form and context in which it appears."*

