



ASX RELEASE

Wednesday 31st December 2014

ASX CODE

MFCⁱ

CAPITAL STRUCTURE

Shares on Issue
(30th November 2014) 7,310,980

ABOUT

MFCⁱ 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 acquisition for shareholder approval.

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

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QUARTERLY REPORT FOR THE PERIOD TO

30th November 2014

Metals Finance Limited (**Company**) (ASX: MFC)ⁱ is pleased to provide its Quarterly Activities Report for the three months ended 30th November 2014.

SUMMARY

During the quarter, the Company progressed activity towards finalising its transaction with Texas and Oklahoma Coal Co Limited (**TOCC**). Key activities concluded by the Company are:

- **Lodgement of Prospectus**
- **Capital Raising Activity**
- **Passing all Resolutions at a General Meeting**
- **Consolidation of the Company's Capital**

TOCC'S ACTIVITY

- **As anticipated in the Prospectus, approval of two additional coal leases in British Columbia**

CORPORATE ACTIVITY

Lodgement of Prospectus

On 1st October 2014, the Company lodged its Prospectus, to facilitate the Company's acquisition of TOCC and undertake a capital raising of between A\$ 3,500,000 and A\$ 5,000,000.

The Prospectus details the Company's strategy to produce and export 2 -3 Mtpa of metallurgical coal within 3 – 5 years from North America.

A successful investor receives one share for \$0.20, plus a free attaching option exercisable at \$0.25 up to 31 December 2017. The Prospectus provides an allocation of shares and options to existing Company shareholders, enabling shareholders to "Top -Up" their holdings to a minimum parcel of 10,000 shares (\$2,000).

During the offer period, the Company extended the closing date of the offer to 4th December 2014.

Passing of all Resolutions at General Meeting

On 28th October 2014, the Company held a General Meeting of shareholders to approve the following:

1. Change in Nature and Scale of Activities
2. 1 for 10 Consolidation of Capital
3. Acquisition of TOCC
4. Capital raising pursuant to a Prospectus – 1 Share plus 1 free attaching Option
5. Change of Company Name (special resolution) to Pacific American Coal Limited

All resolutions were passed unanimously, with proxy results released to the market on 28th October 2014.

Commencing 28th October 2014, the Company was suspended from quotation on the ASX Official List.

Re-quotation is expected with the Company's successful acquisition of TOCC and compliance with the ASX Listing Rules.

Consolidation of the Company's Capital

Subsequent to the General Meeting, on 11th November 2014 the Company consolidated its shares.

The consolidation of one (1) new share for ten (10) existing shares resulted in consolidating 73,109,576 pre-consolidation shares to 7,310,980 post-consolidation shares. The Consolidation included the issue and allotment of 23 post-consolidation shares from rounding up fractional entitlements to the nearest whole post-consolidation share.

Capital Raising Activity



During the quarter, the Company promoted its Prospectus and engaged with applicants to subscribe for the Company's securities. Due to the level of interest shown by applicants, the Company's Directors remained confident that the minimum Capital Raising would be achieved.

Subsequent to 30th November 2014, the Company successfully raised over \$3,700,000 through the Offer.

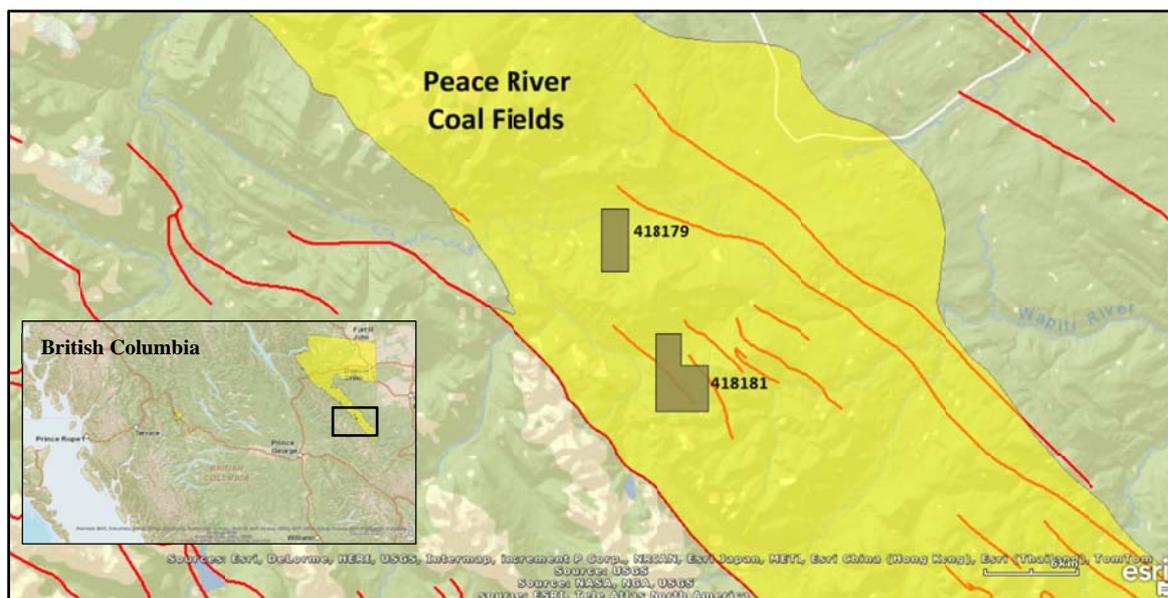
TOCC'S ACTIVITY

Secured tenure over an additional two (2) Coal Leases in British Columbia

On 20th November 2014, TOCC received notification from the British Columbia, Ministry of Energy and Mines that TOCC was granted two Coal Licences in the Peace River Coal Basin. The licences issued correlate to the Peace River projects as described in the ITGR. The licences are:

Project	Licence No	Area (hectares)	Land District
Peace River North	418676 (418179 in the ITGR)	597	Peace River
Peace River South	418677 (418181 in the ITGR)	1,196	Peace River
Total		1,793	

TOCC applied for the Coal Lease areas in May 2012. The Coal Lease areas are in the prospective Peace River Coal Fields. At the time of review, there was an insufficient amount of geological data available to issue a JORC statement on these areas.



Wapiti tenements in the Peace River Coal Basin

The Company will continue to keep shareholders informed as it advances activities and discussions.

FOR FURTHER INFORMATION CONTACT:

Mark Sykes

Chief Executive Officer

Metals Finance Limitedⁱ

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More details are available on MFC'sⁱ website
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 that contain JORC 2012 Exploration Targets are:

Project	Status	Region	Basin / Coalfield	In-situ Exploration Target (Million tonnes)
Hartford	Pending	Oklahoma	Arkoma	87 - 117
Lafayette	Pending	Oklahoma	Arkoma	41 - 54
Howe	Pending	Oklahoma	Arkoma	59 - 94
Bokoshe	Pending	Oklahoma	Arkoma	93 - 140
Left Fork	Pending	Colorado	Raton	136 - 204
Elko	Granted	British Columbia	Crowsnest	224 - 336
South Hazell	Granted	British Columbia	Crowsnest	57 - 86
Total In-Situ Exploration Target Tonnes (Millions)				697 – 1,031

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."

ⁱ Effective 19th December 2014, the name of Metals Finance Limited changed to Pacific American Coal Limited. The new ASX ticker code is expected to be PAK.

