

19 May 2016

Mr Jeremy Newman  
Senior Adviser, Listings Compliance (Perth)  
ASX Compliance Pty Ltd  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth WA 6000

By Email: [jeremy.newman@asx.com.au](mailto:jeremy.newman@asx.com.au)

Dear Jeremy

**ASX Appendix 5B Query**

We refer to your letter to Pan Asia Corporation Limited ("PZC" or the "Company") regarding the Company's Appendix 5B for the quarter ended 31 March 2016.

We respond to each of your queries as follows (adopting your numbering):

**1. (Sufficient Cash to Fund Activities )**

Whilst the Company is an exploration mining company and the Company does not expect to receive any funds from product sales, the Company believes that it will have sufficient cash to fund its activities for the June quarter and beyond for the following reasons:

- a) The Company notes that it has 100% security placement capacity under Listing Rules 7.1 and 7.1A. The Board is in discussions with sophisticated investors and has every expectation that sufficient funds will be raised to fund operations ;
- b) The Company has in place a \$5m convertible note, approved by shareholders, to draw upon if the board feels that it is required to raise the requisite funds to cover its outgoings.

The rate and timing of expenditure is within the Company's control and funds will not be disbursed or committed until sufficient capital is available.

**2. (Negative operating cash flows)**

Yes the Company expects that it will have negative operating cash flows for the time being and going forward for the foreseeable future. As the Company is an exploration mining company, it does not generate any revenue.

As reported in the Quarterly Activities Report, the Company continues to work with Universal Coal Limited Pte Ltd ("Universal") on the commercial sale of its TCM asset and realisation of cash through the successful listing of Universal of the SGX catalyst market.

Again, as stated in 1. above, the Board is in discussions with sophisticated investors and has every expectation that sufficient funds will be raised to fund operations. In addition the Company has in place a \$5m convertible note, approved by shareholders, to draw upon if the

board feels that it is required to raise the requisite funds to cover its outgoings.

**3. (Ability to meet business objectives)**

The Company has entered into an arrangement with Universal for the sale of its TCM asset (as previously disclosed in prior announcements), subject to one of the conditions that the asset will be listed on the SGX catalyst market in Singapore and the Company will realise SGD 30m on completion of the transaction. Going forward, the Company has positioned itself to be able to meet and fund its business objectives.

**4. (Compliance with Listing Rule 3.1)**

The Company confirms that it is in compliance with the Listing Rules and in particular Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that rule.

**5. (Compliance with Listing Rule 12.2)**

The Company's financial condition is adequate to warrant the continued quotation of its securities and its continued listing for the following reasons:

- a) Access to raise capital as a listed ASX entity in the market via placement or rights issue;
- b) Access to sophisticated investors to raise funds;
- c) \$5m convertible note to draw upon if required.

On behalf of the Board

Yours sincerely

PAN ASIA CORPORATION LIMITED

A handwritten signature in black ink, appearing to be 'J. Campbell', written over a horizontal line.

**Jason Campbell**  
**Company Secretary**



17 May 2016

Mr Jason Campbell  
Company Secretary  
Pan Asia Corporation Limited

*By email: [jcampbell@panasiacorp.com.au](mailto:jcampbell@panasiacorp.com.au)*

Dear Mr Campbell

**Pan Asia Corporation Limited (the "Company"): Appendix 5B query**

I refer to the Company's Quarterly Report in the form of Appendix 5B for the period ended 31 March 2016, released to ASX Limited ("ASX") on 29 April 2016 (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from product sales of \$0.
2. Net negative operating cash flows for the quarter of \$21,000.
3. Estimated cash outflows of \$120,000.
4. Cash at end of quarter of \$10,000

In light of the information contained in the Appendix 5B, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?



5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

### **Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rules 3.1 – 3.1B".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to [jeremy.newman@asx.com.au](mailto:jeremy.newman@asx.com.au). It should not be sent to ASX Market Announcements.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **2.00 pm WST on Friday, 20 May 2016**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries please let me know.

Yours sincerely,

*[sent electronically without signature]*

Jeremy Newman  
**Senior Adviser, ASX Listings Compliance**