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ASX/Media Announcement

## Metals Finance on Track to Become a US Coal Producer

- **Over \$3,700,000 raised in successful share issue**
- **Investment in P8 Mine will bring first coal sales in 2015**
- **Expansion opportunities seen in a growing US economy**

Metals Finance Ltd (MFC) expects to benefit from a strong domestic USA economy and improved demand for metallurgical coal in 2015. The Offer closed today after exceeding the minimum capital raising requirements. The \$3,700,000 received, will be used to purchase a 30% shareholding in Georges Colliers Inc (GCI), the owner and operator of the P8 Mine. MFC retains the option to increase its equity in GCI up to 80%. The capital raising will also help fund a feasibility study to expand the mine, initial exploration at MFC's coal tenements in British Columbia and secure leases in Oklahoma and Colorado.

Once MFC relists on the ASX, it will become known as Pacific American Coal Ltd (PAK) to reflect its new focus as a North American miner.

MFC's Chairman, Geoff Hill, said it was heartening to win strong support from investors. "Unlike other ASX-listed coal companies moving into the US, MFC now has a significant shareholding in a coal mine with existing cash flow that supplies the domestic US market. That gives us significant cost benefits ahead of producers in places like Australia, and exposure to an economy that is experiencing strong growth."

The company has the right to acquire up to 80% of GCI, which has plans to boost production from P8 Mine to 1.25 million tonnes per annum and to upgrade the coal output so that it can supply steel producers with low volatile pulverised coal.

Mr Hill said that in completing the deal, MFC won the support of new shareholders who saw MFC'S long term potential, including private investors who appreciated the competitive position that the company now holds and its significant leverage to any increase in coking coal prices.

The deal involved the issue of shares to new subscribers, and also the purchase of the privately-owned Texas and Oklahoma Coal Co Ltd (TOCC) which held the North American coal assets. The TOCC acquisition was funded with the issue of MFC shares. The restructured company will have in excess of 500 shareholders with over 300 shareholders holding minimal marketable parcels.

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