



PACIFIC AMERICAN COAL LIMITED

(Formerly Metals Finance Limited)

ASX RELEASE

Tuesday 31st March 2015

ASX CODE

PAK, PAKO

CAPITAL STRUCTURE

Quoted Shares	58,892,600
Quoted Options	26,818,980

ABOUT

Pacific American Coal Limited (formerly Metals Finance Limited) is focused on the production, development and exploration of metallurgical coal assets in North America. The Company holds a 30% equity interest in the P8N underground operating coal mine in Oklahoma, 100% ownership in 8 Coal Leases in the Kootenay and Peace River Coal Fields in British Columbia - Canada and tenements in application in low volatile bituminous region of the Arkoma coal basin in Oklahoma and the Raton coal basin in Colorado.

Board

Non-Executive Chairman – Geoff Hill
Non-Executive Director – Simon Bird
Non-Executive Director – Paul Chappell
Alternate Director – Matt Hill

Company Secretary

Ian Morgan

Management

Chief Executive Officer – Mark Sykes
Business Development – Dom Hill

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QUARTERLY REPORT FOR THE PERIOD TO

28th February 2015

Pacific American Coal Limited (ASX: PAK) is pleased to provide its Quarterly Activities Report for the three months ended 28th February 2015.

During the quarter, the Company successfully implemented all changes proposed by Directors and approved at the Company's general meeting of shareholders held on 28th October 2014. The activities over the past quarter have enabled transformational change of the Company, as it focuses on the strategic development and exploration of metallurgical coal assets in North America.

Key activities facilitating the transformational change include successful completion of:

- **\$3.8 million capital raising**
- **TOCC Acquisition**
- **GCI Acquisition**
- **Reinstatement of ASX quotation**
- **Maiden coal production**
- **Exploration activity commences on 100% owned coal leases**
- **Investigations to acquire undervalued assets**

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CORPORATE ACTIVITY

Successful completion of Capital Raising

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

On 3rd Feb 2015, PAK successfully closed the Offer having received applications for A\$ 3,801,600.

Upon closing the Offer, the Company satisfied the ASX's conditions for re-listing, including meeting the threshold of shareholders holding a minimum marketable parcel, and ASX quotation was reinstated on 16th February 2015.

Successful completion of the TOCC Acquisition

Following consolidation of the Company's capital structure, the Company finalised its acquisition of Texas and Oklahoma Coal Co. by issuing securities to TOCC's shareholders. The acquisition of TOCC provides the Company's shareholders with exposure to a portfolio of metallurgical coal assets located in North American coal producing basins.

Through the acquisition of TOCC, the Company holds a 30% interest in Oklahoma's largest underground operating coal mine with an existing cash flow from supplies to the domestic Oklahoma market.

The Company holds a portfolio of assets, with 2012 JORC Exploration Targets totalling 1.031 billion tonnes. All references to Exploration Targets in this document are in accordance with the guidelines of the JORC Code (2012). As such it is conceptual in nature and there has been insufficient exploration drilling to define a coal resource on the coal lease, it is uncertain if further exploration will result in discovery of a coal resource on the coal lease. The portfolio includes:

Project	Status	Region	Coal Type	Exploration Target (million tonnes)
Elko	Coal Lease	BC	Coking	224 - 336
South Hazell	Coal Lease	BC	Coking	57 - 86
Hartford	Application	OK	Metallurgical & Energy	87 - 117
Lafayette	Application	OK	Metallurgical & Energy	41 - 54
Howe	Application	OK	Metallurgical & Energy	59 - 94
Bokoshe	Application	OK	Metallurgical & Energy	93 - 140
Left Fork	Application	CO	Coking & Energy	136 - 204
TOTAL EXPLORATION TARGET (million tonnes)				697 – 1,031

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Successful completion of the GCI Acquisition

The Company successfully finalised the acquisition of a 30% interest in GCI. The Company holds a 30% interest in the P8N operating coal mine through its 30% direct interest in GCI. Through to March 2017, PAK has the ability to increase ownership in GCI to 80%.

P8N is located in the low volatile bituminous region of the Arkoma Basin in Oklahoma. P8N produces approximately 400,000 tonnes of coal per year sold under long-term contract to the local power utility. P8N is strategically located near the Van Buren river transportation hub, where production from P8N has potential to be diverted to international export markets via the Arkansas and Mississippi rivers.

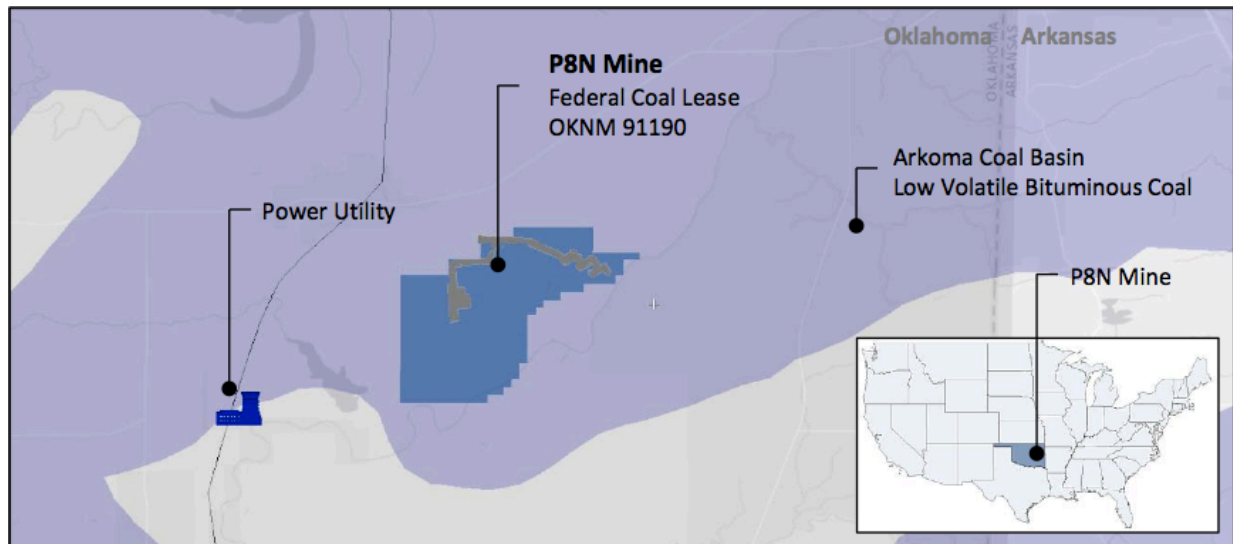


Figure 1 - Location of P8N in the Arkoma Basin

PAK's partners in GCI have a proven history of successfully operating in the Arkoma Basin for over 10 years. The knowledge and experience of PAK's partners offers PAK a strategic benefit over others seeking to explore and develop coal operations in the region.

Successful reinstatement to official ASX quotation

On 16th February 2015, the Company was successfully re-instated to official ASX quotation - with ASX code PAK. Re-instatement of the Company is the successful outcome culminating work undertaken over the past 12 months by the Company's Board and Management. Reinstatement removed the Company's suspension from official quotation, implemented by the ASX after the Company's shareholders passed all resolutions at a general meeting held on 28 October 2014.

Corporate Activity

On the 27th January 2015, the Company held its Annual General meeting of members. At the meeting, all resolutions put to members were passed. The quarter saw the appointment of Mr Paul Chappell as non-executive director of the Company – effective 27th January 2015.

Following his appointment commencing 8 Oct 2009, on 23rd February 2015 Mr Rick Anthon stood down as the Company's non-executive director.

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Maiden coal production for PAK

Over the period, the group through its associate GCI produced 89,000 tonnes of coal, that is sold to a local energy utility under long term contract.

Year to Date (YTD) production of 60,000 tonnes is 93% of target. There were no significant downtime delays experienced.

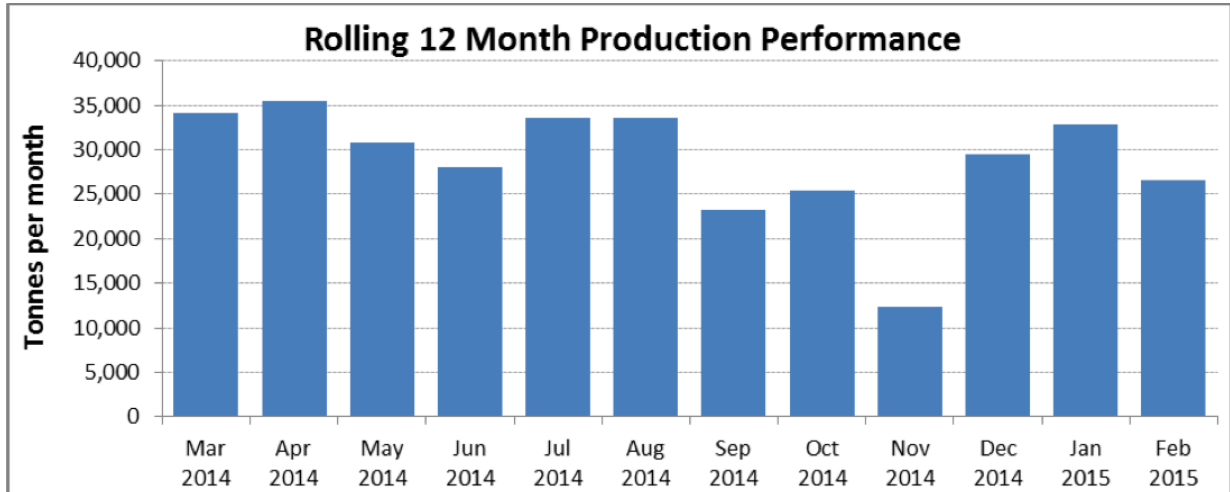


Figure 2 - Production Statistics from P8N

Exploration activity commences on 100% owned coal leases

The Company has engaged consulting geologists to commence exploration activity on the Coal Leases in the Kootenay Coal Field. The Company's objective is to improve the JORC classification of the Exploration Target to a maiden resource statement.

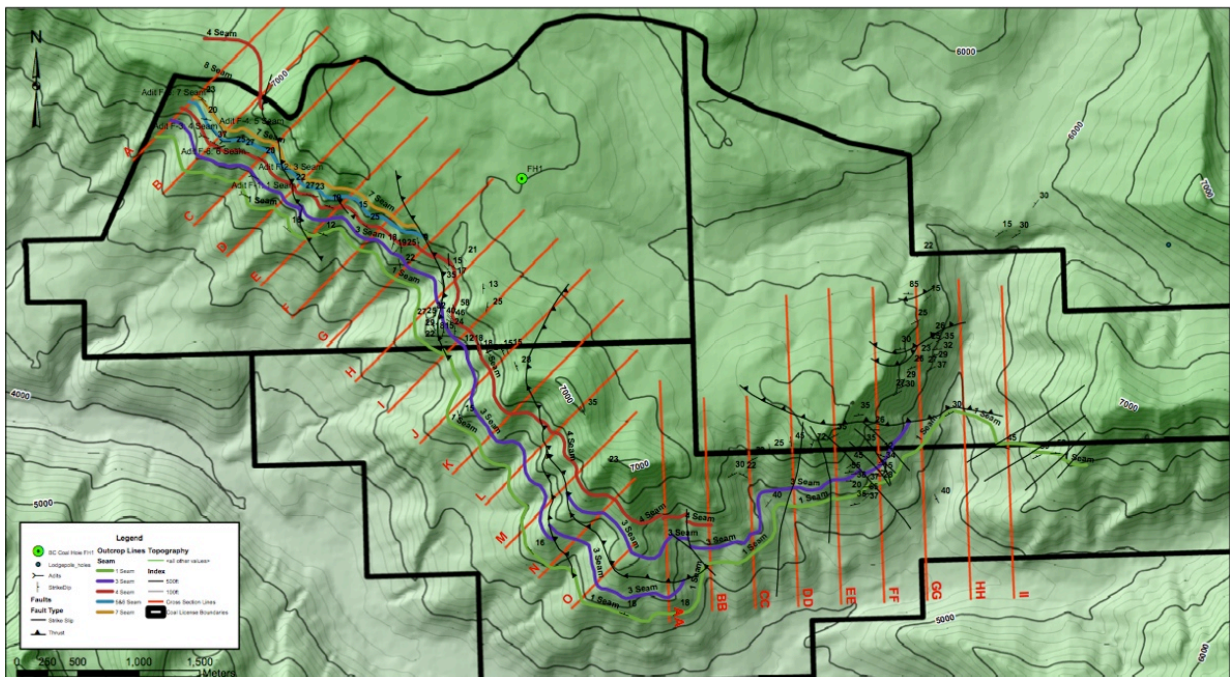


Figure 3 - Elko Coal Lease - Coal Outcrop

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During the period, the Company collated available geological data covering and adjoining the Elko and Hazell Coal Leases. This data will be used for the next stage of geological work that will focus on ground surveying and truthing. The aim of ground surveying and truthing is correlate available geological data points and validate the existing geological model. The Elko Coal Lease (refer Figure 3) has multiple outcropping coal seams within the coal lease that will undergo confirmatory mapping as part of this initial work program.

Upon updating the geological model with the ground truthing data, PAK will then move towards completing a high level economic assessment of the coal lease. The high level economic assessment is anticipated to commence July 2015.

The outcomes from the assessment process will guide PAK's initial exploration plan. The exploration plan requires approval from the British Columbia Ministry of Energy and Mines prior to commencing drilling activities.

PAK's Chairman, Mr Geoff Hill stated, *"The Elko and Hazell Coal Leases are exciting projects having the potential to become Tier 1 operations. Collectively the exploration targets for these projects contain over 400 million tonnes of coal and are located in a high quality coking coal region with existing large scale operations and infrastructure"*.

Investigations to acquire undervalued assets

PAK is committed to expanding its footprint in the Arkoma Basin in Oklahoma. In collaboration with PAK's partners in GCI, PAK is reviewing new investment opportunities that have the potential to expand cash flow capabilities and deliver cash benefits during FY2016. PAK values the local experience and expertise that PAK's partners have gained through operating in the Arkoma Basin for over 10 years

FOR FURTHER INFORMATION CONTACT:

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More details are available on PAK 's website

www.pamcoal.com

COMPETENT PERSON'S STATEMENT

Previously Released Information

This ASX announcement refers to information extracted from the following report, which is available for viewing on the Company's website www.pamcoal.com

- **16.06.2014 TOCC Assets Independent Review**

The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcement, and, in the case of exploration targets, that all material assumptions and technical parameters underpinning the exploration targets in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings presented have not been materially modified from the original market announcement.