



PACIFIC AMERICAN COAL LIMITED

(Formerly Metals Finance Limited)

ASX RELEASE

Tuesday 30th June 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

31st May 2015

Pacific American Coal Limited (ASX: PAK) is pleased to provide its Quarterly Activities Report for the three months ended 31st May 2015.

During the quarter, the Company continued to receive positive production results from its operating asset in Oklahoma. The Company undertook a detailed review of the Elko project in preparation for the field exploration program scheduled in Q3 2015.

Key activities the Company engaged in the period included:

- **P8N Coal Production**
- **Elko Exploration Update**
- **Investment Targets**

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P8N Coal Production

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.

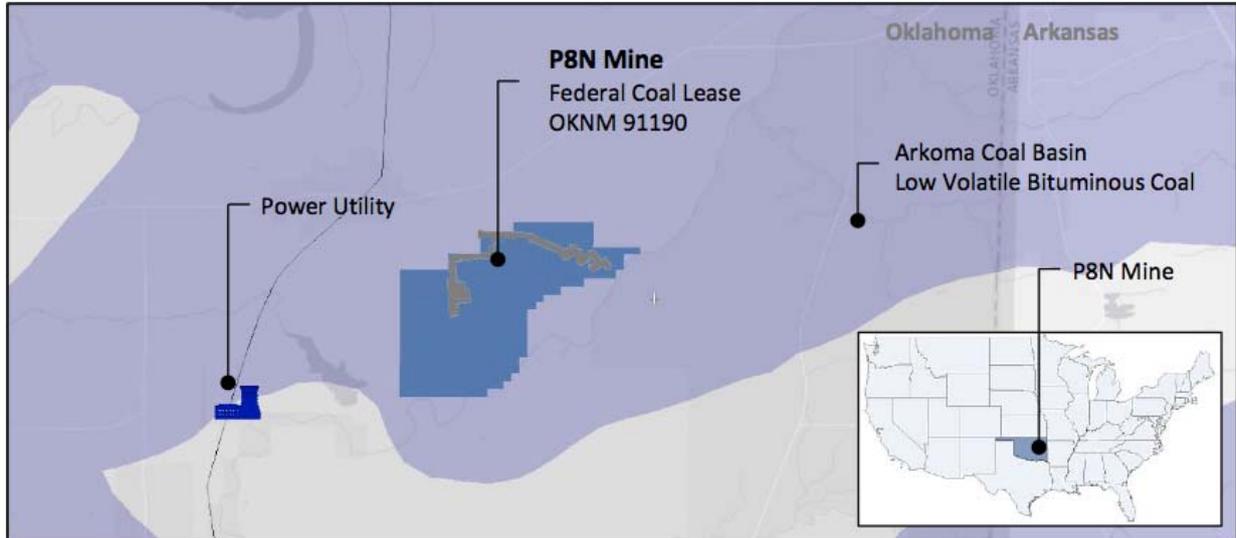


Figure 1 - Location of P8N in the Arkoma Basin

Over the period, the group through its associate GCI produced 95,000 tonnes of coal. GCI continued to focus on improving workforce productivity, with production rates 5% higher than the previous corresponding period.

Year to Date (YTD) production of 155,000 tonnes is 92% of target. While one of the production units experienced higher than average downtime, there were no significant downtime delays experienced.

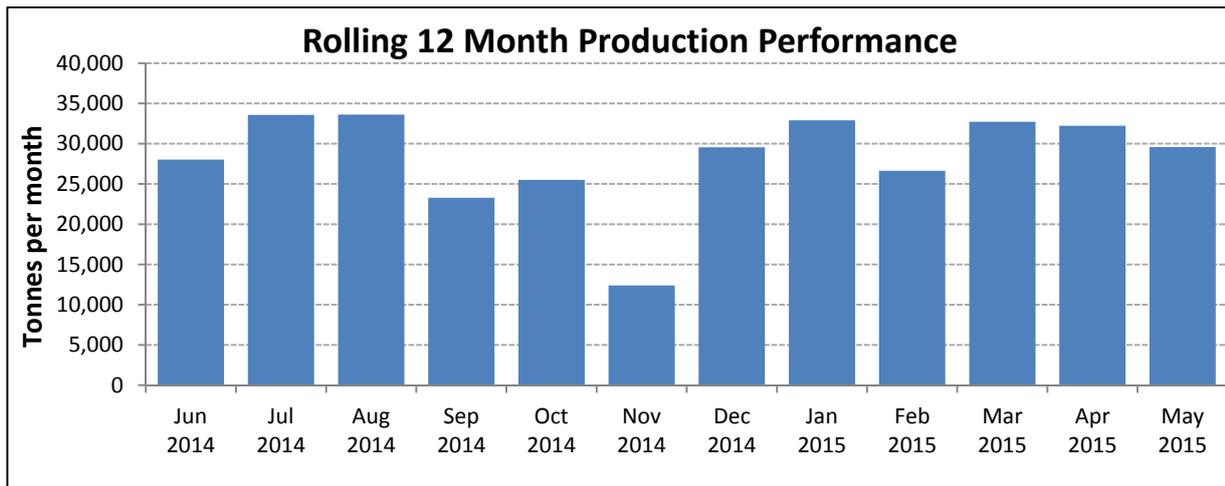


Figure 2 - Production Statistics from P8N

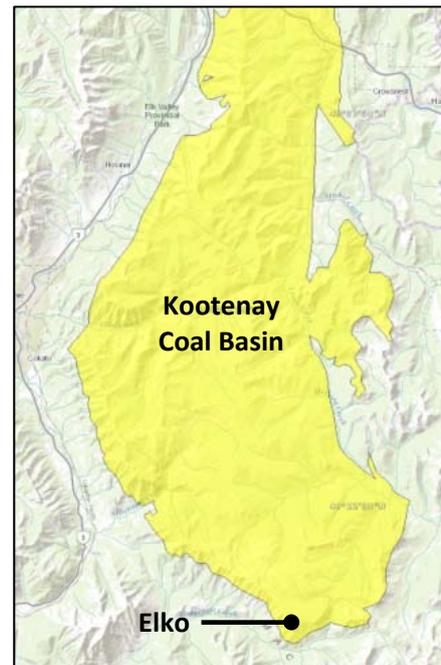
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Elko Exploration Update

During the period the Company undertook a detail review of the 100% owned Elko project in the Kootenay coal field of British Columbia. The research to date has confirmed the Company's view that Elko has the potential to be a Tier 1 asset based on the stated Exploration Target of between 224Mt and 336Mt. 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 Company's view that Elko is a Tier 1 asset is based on:

- A comparison of competitor resource statements holding Coal Licenses in the Kootenay Basin, indicates that Elko would be the 2nd largest resource in the Basin, should the project confirm a resource tonnage at the lower end of expectations.
- The completion of a feasibility study of a potential 1Mtpa underground operation within 5km of Elko, showing the project was economically viable at the time. The feasibility study documented testing results that were completed by Japanese steel mills.
- Within 20km by public road to the rail network servicing the export bulk port at Vancouver.
- Limited opportunities remaining due to declared wilderness areas and Federal owned land.
- Approximately 8km of outcropping coal mapped within the Elko Coal Licenses.



The Company is preparing to commence the on-site summer exploration program in Q3 2015. The exploration program will undertake confirmatory mapping of the coal seam and geo-positioning historical coal adits located within the Licence Area. The objective of the Q3 program is to define a JORC Inferred Resource that the Company plans to announce in the H2 2015.

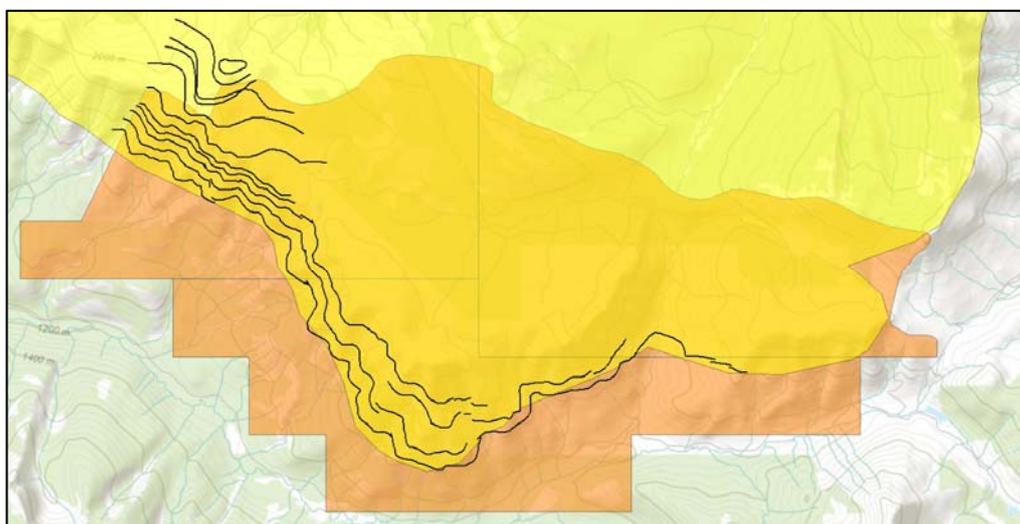
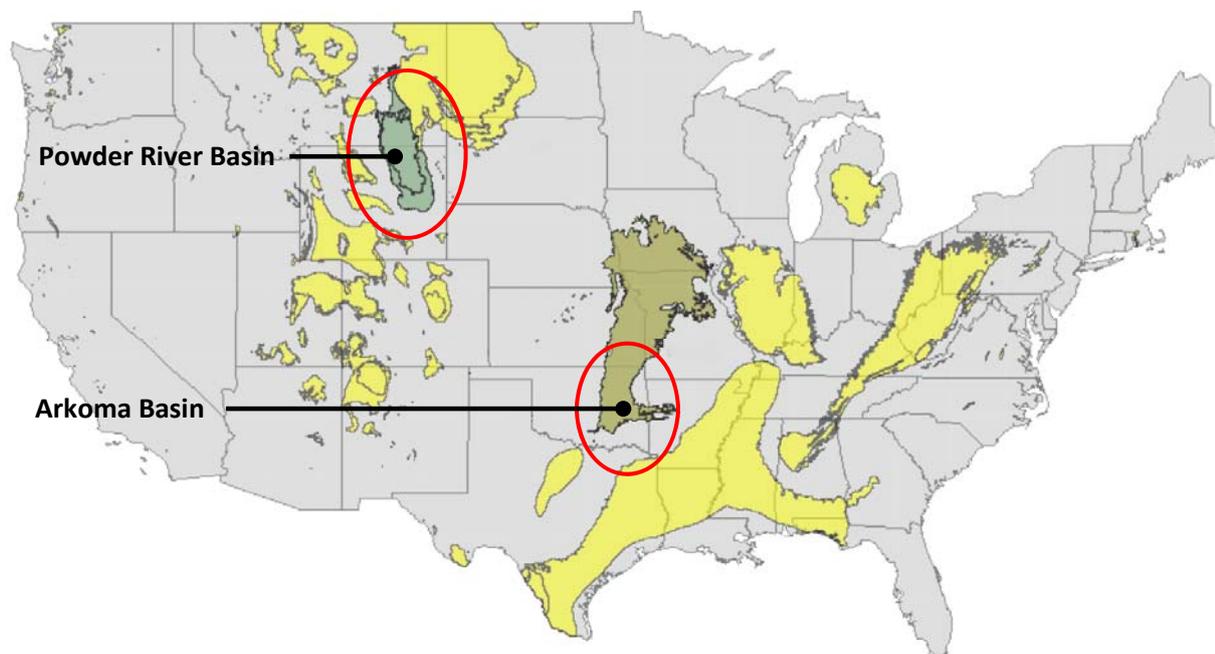


Figure 3 - Elko Coal License with outcropping coal seams

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Investigations to acquire undervalued assets

During the period PAK investigated coal investment opportunities within the Arkoma Basin in Oklahoma. Declining coal prices are placing greater financial pressure on domestic USA coal producers by reducing margins. Lower pricing combined with firm freight charges can create a coal pricing arbitrage whereby southern state producers, such as Oklahoma, have an opportunity to increase sales to existing markets, and open up new markets.



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.