ASX Announcement | 14 May 2024

$1.2 Million Placement and $10 Million At-Call Funding Facility

Key Takeaways:

- PAM receives firm commitments to raise $1.2 million by way of Placement
- PAM secures $10 million 'At-the-Market' (ATM) funding facility with Alpha Investment Partners (AIP)
- The ATM facility will help support the Company's strong financial position to accelerate development of the Tama Atacama Lithium and RK Lithium projects
- The ATM facility provides PAM with access to cost-effective standby equity capital during its 5-year term
- The Company has the option to negotiate with AIP a potential increase in the facility face value or term as it delivers successful outcomes.

Pan Asia Metals' Managing Director, Paul Lock, said: *"We are pleased to complete a $1.2 million Placement in conjunction with securing a $10 million, 5 year ATM facility with Alpha Investment Partners, the latter providing PAM another important tool to optimise capital efficiency, facilitating capital raises at market prices with minimal dilution and less disruption. Off the back of the Placement, PAM can start preparations to commence drilling in Chile and continue strategic investor discussions in Thailand. The Alpha Investment Partners ATM will assist PAM achieve these objectives, positioning the Company well as the lithium price cycle turns for the positive. We would like to thank participating Shareholders and welcome new Shareholders."*

Battery and critical metals explorer and developer Pan Asia Metals Limited (**ASX: PAM**) ('**PAM**' or '**the Company'**) is pleased to announce that it has received firm commitments to raise $1.215 million (before costs) by way of Placement as well as securing a $10 million At-the-Market Facility (ATM) Agreement with Alpha Investment Partners (AIP) to support the continued development of the RK Lithium and the Tama Atacama Lithium projects.

Placement

PAM has received firm commitments to raise A$1.215 million (before costs) by way of a placement to new and existing sophisticated and institutional shareholders (Placement). The Company will issue 9,346,154 fully paid ordinary shares at $0.13 per share (Shares). The Shares will be issued within the Company's existing 15% LR7.1 placement capacity. It is expected that the Shares will be issued on Monday, 20 May, 2024. The cost of the Placement is 6%, the Placement was at a 19% discount to last trade and 30% discount to it's a January VWAP. The Placement was led by Novus Capital Limited. We would like to thank the Novus team, participating Shareholders and we also welcome new Shareholders.

The Placement included participation by the Company's Chairman and Managing Director, Paul Lock, who subscribed for $100,000, and Executive Director, David Hobby, who subscribed for $65,000. The issue of Mr Lock's and Mr Hobby's Shares will be subject to Shareholder approval at the next General Meeting, which has yet to be scheduled.

ATM Funding Facility

The ATM represents a further funding milestone in support of the development of the RK Lithium and the Tama Atacama Lithium projects.

The ATM facility provides PAM with up to $10 million of standby equity capital over the next 5 years, enabling additional flexibility for the Company to conduct capital raising activities over time, closely aligning capital needs with operational activities.

PAM retains full control over all major aspects of the placement process, having sole discretion as to whether to use the ATM, the number of issued shares, and the minimum issue price of shares for any placement. The final issue price will be calculated as the greater of a floor price set by PAM and a Volume Weighted Average Price (VWAP) over a period of the Company's choosing (at the sole discretion of the Company subject to a minimum 5 qualifying business days) less a discount of seven percent.

A key advantage of using the ATM Facility is control over the timing of capital issuances with estimated net proceeds received occurring with minimal dilution. Furthermore, there are no restrictions at any time on PAM raising capital through other methods.

As initial collateral for the ATM facility, PAM has agreed to place three (3) million collateral shares from its existing 15% LR7.1 capacity, at no consideration to Alpha Investment Partners. PAM may, at any time, buy back those shares for no consideration (subject to shareholder approval if required).

Importantly, PAM may terminate the ATM at any time without incurring termination costs. Upon termination all outstanding collateral shares are returned to PAM for no consideration.

Use of Funds

The funds raised will be allocated to:

- Geophysics and initial reconnaissance drilling in Chile,
- Feasibility and resource definition in Thailand,
- Licensing and legal requirements,
- Strategic Investor engagement, and
- General working capital purposes.

Importantly, PAM has raised sufficient funds to achieve several key milestones.

Ends
Authorised by:
Board of Directors

ABOUT PAN ASIA METALS LIMITED (ASX:PAM)

Pan Asia Metals Limited has lithium projects in South-East Asia and South America, and agreements with key battery and chemical producers in the Asian region to produce advanced battery chemicals.

PAM's Asian assets are strategically located in Thailand – the largest vehicle producer in the region. With Asia accounting for more than half of the global annual vehicle production, PAM is uniquely positioned to capitalize on the soaring demand for battery minerals in the region. PAM's South American assets are strategically located in the Atacama region of Chile, it is one of South America's largest and most strategically positioned lithium brine projects, situated at an altitude of 800-1100m with all necessary transport and energy infrastructure and only 75km from Iquique, a well-equipped coastal city with a population of 200,000, a deep water bulk and container port, and regular flights to Santiago.

The strategic positioning of PAM's lithium projects makes it an ideal partner for both battery chemicals and sustainable energy producers. PAM is also a respected local company, focused on developing cost-effective projects to deliver relevant and in-demand products to the Li-ion battery market.

PAM is rapidly advancing its lithium projects through to feasibility and plans to expand its global lithium resource sustainably through its extensive holdings in Asia and South America.

To learn more, please visit: www.panasiametals.com

Stay up to date with the latest news by connecting with PAM on LinkedIn and Twitter.

For Investor & Media Enquiries, reach out to:

Pan Asia Metals Limited
Investor Relations &
Business Development
contactus@panasiametals.com

Competent Persons Statement

The information in this report that relates to Mineral Resources is based on information compiled by Ms Millicent Canisius and Mr Anthony Wesson, both full-time employees of CSA Global. Mr Anthony Wesson is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy and Ms Millicent Canisius is a Member of the Australasian Institute of Mining and Metallurgy. Mr Anthony Wesson and Ms Millicent Canisius have sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking, to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Anthony Wesson and Ms Millicent Canisius consent to the disclosure of the information in this report in the form and context in which it appears.

The information in this report that relates to Exploration Targets and Exploration Results, is based on information compiled by Mr. David Hobby, is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Hobby is a full time employee, Director and Shareholder of Pan Asia Metals Limited. Mr. Hobby has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is 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 (JORC Code). Mr. Hobby consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

Various statements in this document constitute statements relating to intentions, future acts and events which are generally classified as “forward looking statements”. These forward looking statements are not guarantees or predictions of future performance and involve known and unknown risks, uncertainties and other important factors (many of which are beyond the Company’s control) that could cause those future acts, events and circumstances to differ materially from what is presented or implicitly portrayed in this document. For example, future reserves or resources or exploration targets described in this document may be based, in part, on market prices that may vary significantly from current levels. These variations may materially affect the timing or feasibility of particular developments. Words such as “anticipates”, “expects”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “potential” and similar expressions are intended to identify forward-looking statements. Pan Asia Metals cautions security holders and prospective security holders to not place undue reliance on these forward-looking statements, which reflect the view of Pan Asia Metals only as of the date of this document. The forward-looking statements made in this document relate only to events as of the date on which the statements are made. Except as required by applicable regulations or by law, Pan Asia Metals does not undertake any obligation to publicly update or review any forward-looking statements, whether as a result of new information or future events. Past performance cannot be relied on as a guide to future performance.

Important

To the extent permitted by law, PAM and its officers, employees, related bodies corporate and agents (Agents) disclaim all liability, direct, indirect or consequential (and whether or not arising out of the negligence, default or lack of care of PAM and/or any of its Agents) for any loss or damage suffered by a Recipient or other persons arising out of, or in connection with, any use or reliance on this document or information.

Tama Atacama Lithium Brine Project

The Tama Atacama Lithium Project distinguishes itself as one of South America's largest and most strategically positioned lithium brine projects with ~120,000ha (~1,200km^2) of granted exploration licenses or exploration license applications over which PAM has entered into binding Option Agreements to Purchase 100% of the project area. See Figure 1 and PAM ASX announcements titled "*Tama Atacama Lithium Option Agreements Signed*" and "*Tama Atacama Lithium Presentation*" dated 2nd January and 5th May, 2024 respectively.

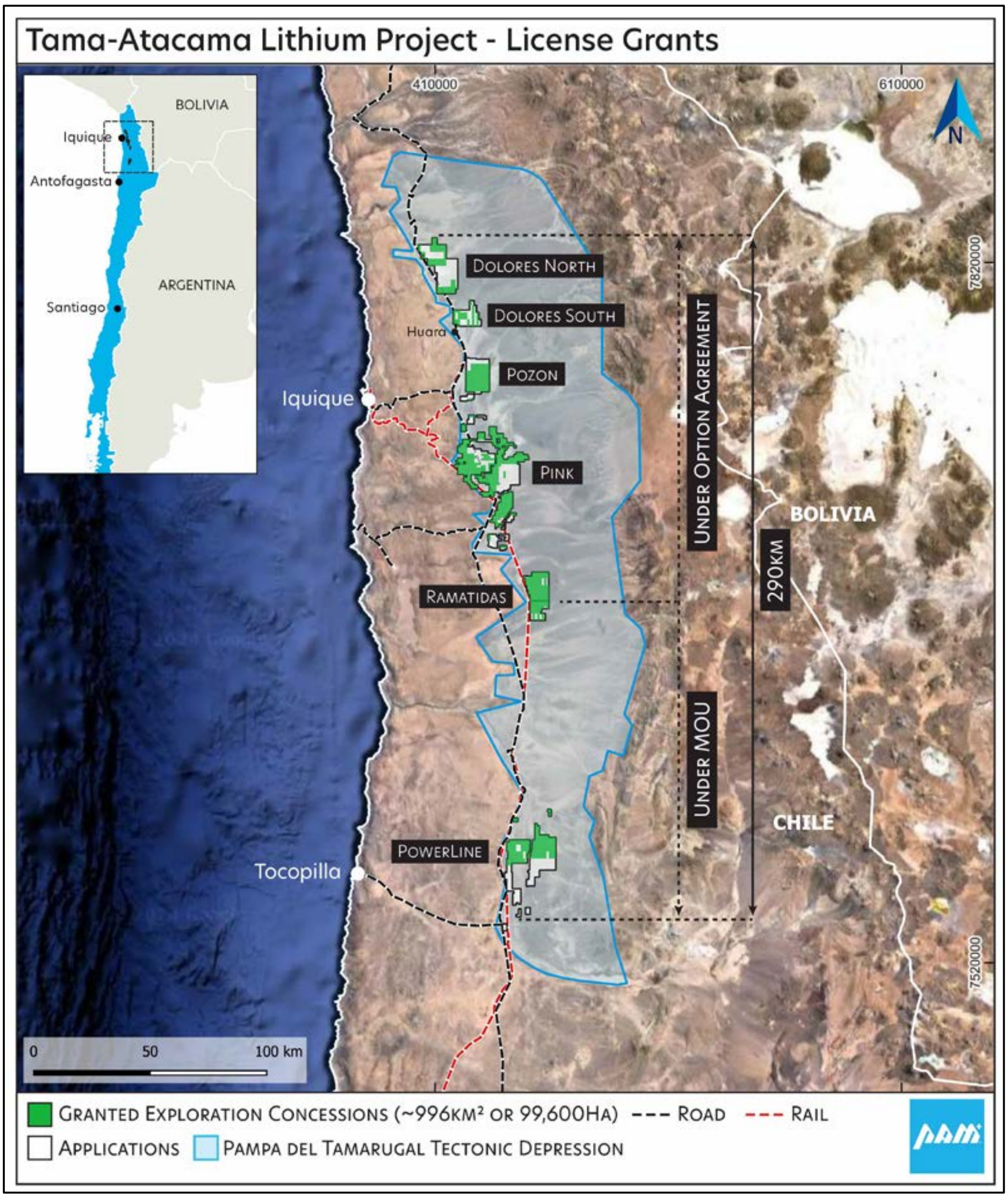

Figure 1. Tama Atacama Lithium Project: Granted Licenses under Option Agreements and MOU

The project sits within the 12,500km^2 Pampa del Tamarugal Basin, which is located in the Atacama Desert in northern Chile. Reconnaissance work suggests similar geochemical signatures to Salar de Atacama. Analysis of historical geophysics (seismic) show a very large basin up to 600m deep.

Extensive lithium surface anomalies with lithium results up to 2,200ppm Li, and averaging 700ppm Li (56/177 assays, 270ppm cutoff) extend over ~160km. The project is north of Chile's lithium chemical refining hub in Antafagasto.

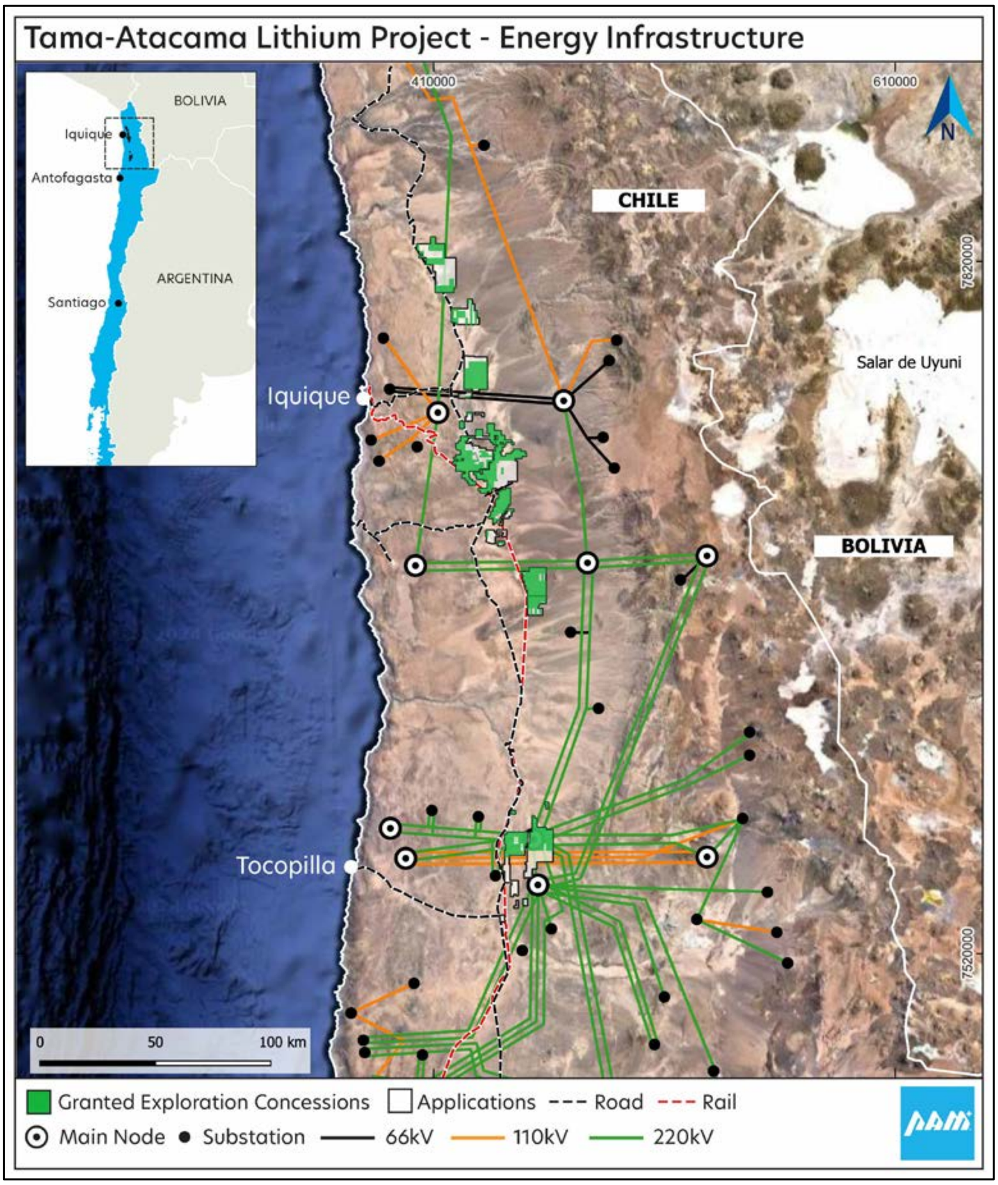

Figure 2. Tama Atacama Lithium Project: Proximal Energy Infrastructure

The Project is situated at an altitude of 800-1100m, it is one of the lowest-lying lithium brine projects globally, and the project is set in a hyper-arid environment with very high evaporation rates, is well-supported with all necessary transport and energy infrastructure, and is situated 40-60km from the coast and only 75km from Iquique, a well-equipped coastal city with a population of 200,000, a deep water bulk and container port, and regular flights to Santiago. Tama Atacama is only 75km from Port of Patillos, Chile's largest salt export terminal, providing PAM a potential solution for waste salt, and several pipelines pump sea water through PAM's project areas, providing a potential solution to achieving water balance.

RK Lithium Project

The RK Lithium Project ('RKLP'), inclusive of the RK Lithium Prospect (RK), the BT Lithium Prospect (RK), KT East Lithium Prospect (KT East) and the KT West Lithium Prospect under application, is one of PAM's key assets. RKLP is a hard rock lithium project with lithium hosted in lepidolite/muscovite rich pegmatites chiefly composed of quartz, feldspar, lepidolite and muscovite both lithium bearing micas, with minor cassiterite and tantalite as well as other accessory minerals. Previous open pit mining extracting tin from the weathered pegmatites was conducted into the early 1970's.

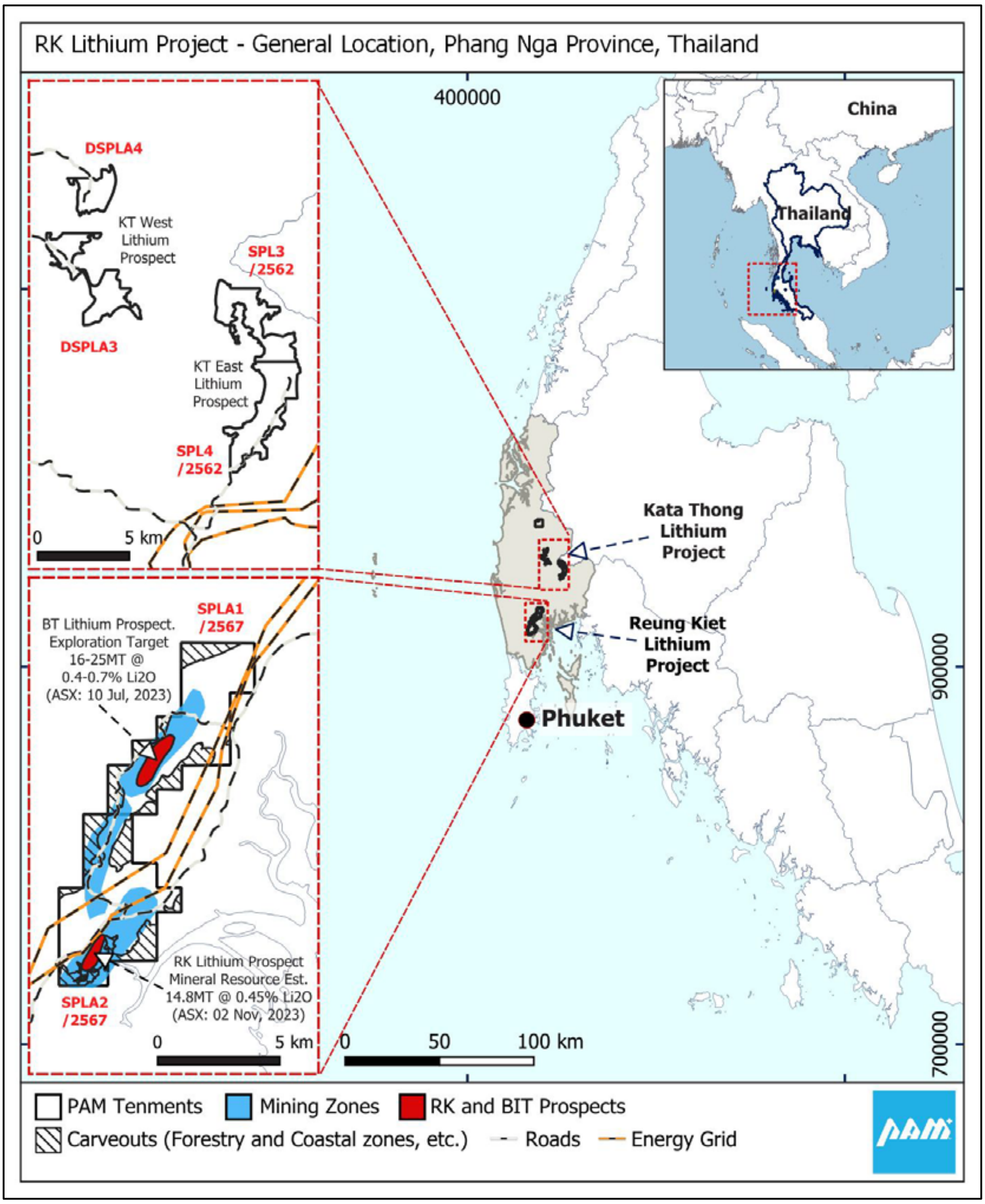

Figure 3: Regional map: Location of Phang Nga and the Reung Kiet Lithium Project

RK Lithium Prospect

The RK Lithium Prospect (RK) is located about 8km south of the BT Lithium Prospect (BT) in southern Thailand. At RK PAM has estimated a Mineral Resource Estimate of 14.8 million tonnes at a grade 0.45% Li_2O, containing 164,500 tonnes LCE. See Table 1 and PAM ASX announcement "*Reung Kiet Lithium Project Mineral Resource Update*" dated 2 November, 2023.

Table 1. RK Lithium Prospect – Mineral Resource at a 0.25% Li20 cut-off (2nd November 2023)

Resource Category	Resource (Mt)	Li_2O %	Sn ppm	Ta_2O_5 ppm	Rb %	Cs ppm	Cont. LCE
Measured	7.80	0.44	410	74	0.20	230	85,289
Indicated	3.26	0.49	349	85	0.20	261	39,375
Inferred	3.74	0.41	390	78	0.19	229	38,252
Total	**14.80**	**0.45**	**391**	**77**	**0.20**	**237**	**164,500**

Note: Contained LCE for individual Resource categories is subject to tonnes and grade rounding.

The RK Prospect hosts a relatively large open cut tin mine that operated into the 1970's. The old pit is about 500m long and up to 125m wide. Mining of weathered pegmatites was undertaken by open cut hydraulic methods to about 30m below surface and ceased when hard rock was intersected.

Pan Asia has identified a prospective zone over 1km long. Mineralisation remains open along strike to the north and south, with strong mineralisation particularly evident at surface and at depth in the south. PAM retains a 100% interest in RK.

BT Lithium Prospect

The BT Lithium Prospect (BT) is located about 8km north of the RK in southern Thailand. At BT PAM has estimated a drill supported Exploration Target of 16 to 25 million tonnes at a grade ranging between 0.4% to 0.7% Li_2O. See Table 2 and PAM ASX announcement "*Reung Kiet Lithium Project Exploration Target Substantially Increased*" dated 10 July, 2023.

Table 2 – BT Lithium Prospect - Exploration Target, 10th July, 2023

	Million Tonnes	Li_2O %	Sn %	Ta_2O_5 (ppm)	Rb %	Cs (ppm)	K (%)
Lower	16.0	0.70	0.16	120	0.30	250	2.80
Upper	25.0	0.40	0.11	95	0.25	200	2.40

The potential quantity and grade of the Exploration Target are conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The BT hosts a significant historic tin mine that extends for almost 2km along strike. Mining of weathered pegmatites was undertaken by open cut hydraulic methods to about 40m below surface and ceased when hard rock was intersected. PAM retains a 100% interest in BT.