



ASX Announcement | 01 October 2024

Convertible Note Funding – Updated Terms

Battery and critical metals explorer and developer, Pan Asia Metals Limited (ASX: PAM) (“PAM” or “the Company”) is pleased to advise that it has updated the terms of its Convertible Notes, resulting in a spreading of maturity dates.

On 28 March 2024 PAM announced that it had entered into a series of Convertible Notes (Notes), with total commitments of A\$934,619. The Notes had a 1 year term and a conversion price of A\$0.15 per share.

PAM recently offered Note Holders the opportunity to reduce the conversion price for 1/2 of their Notes from \$0.15 per share to \$0.075 per share in return for extending the term of the other 1/2 of their notes by 90 days. 10 of the 14 note holders participated, resulting in 62% of the Notes being adjusted. Annexure A provides the Note terms and the following table summarises the results:

	Notes Outstanding	Conversion Price	Maturity
Tranche 1	\$290,062	A\$0.075 per share	1 Year
Tranche 2	\$354,495	A\$0.150 per share	1 Year
Tranche 3	\$290,062	A\$0.150 per share	1 Year and 90 Days

The objective of this exercise was to spread the maturity date of the Notes by reducing the conversion price in part and extending the maturity date in part.

Pan Asia Metals’ Managing Director, Paul Lock, commented:

“This is a great outcome for the Note Holders, who supported PAM during very poor market conditions earlier this year, and for PAM as the adjustment spreads the maturity dates.”

- Ends -

Authorised by the Board of Directors

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ANNEXURE A: Convertible Note Terms

Issuer	Pan Asia Metals Ltd
Noteholders/Investors	Sophisticated, wholesale, professional investors or other investors exempt from offer document disclosure by way of section 708 of the Corporations Act
Aggregate Face Value	A\$934,619 (including the related party Note subject to Shareholder approval)
Maturity Date	
Tranche 1	12 months from issue
Tranche 2	12 months from issue
Tranche 3	12 months and 90 Days from issue
Conversion	Notes and any associated interest may be converted into fully paid ordinary shares in the capital of the Company at any time at the Noteholder's election
Tranche 1	A\$0.075 per share
Tranche 2	A\$0.150 per share
Tranche 3	A\$0.150 per share
Interest	16% per annum
Repurchase	The Company may repurchase the Notes from the Noteholders by paying the principal amount outstanding together with any interest (with a minimum of 6 months interest being payable if repurchased less than six months from issue)
Repayment	
Tranche 1	12 months from issue
Tranche 2	12 months from issue
Tranche 3	12 months and 90 Days from issue
Security	The Notes are unsecured and rank equally with all other unsecured creditors
Brokerage/Costs	Company led with minor broker participation, total brokerage ~0.5%.



ABOUT PAN ASIA METALS LIMITED (ASX:PAM)

Pan Asia Metals Limited is an ASX listed battery metals company with lithium and copper exploration and development projects located in South-East Asia and South America. PAM has 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 ICE and NEV producer in the region. PAM's lithium project is located on the coast in Southern Thailand with all infrastructure needs satisfied to facilitate movement of lithium concentrates into Thailand's Eastern Economic Corridor, an industrial corridor with over 20 vehicle manufactures and ancillary first and second tier suppliers which will position PAM to produce lithium chemicals cost competitively to supply the region's soaring demand for battery minerals. PAM's South American assets are strategically located in Chile - the lowest cost and largest lithium chemical and copper producing country in the world. PAM has one of South America's largest and most strategically positioned lithium brine projects which is situated at an altitude of 800-1100m with all necessary transport and energy infrastructure. The project is north of Chile's lithium chemical refining hub in Antofagasta, with access by rail and road, and only 75km from Iquique, a well-equipped coastal city with a population of 200,000, a deep water bulk and container port. PAM's copper project is one of the most strategically placed copper projects in South America, situated 10km to the north of Codelco's El Salvador Copper Mine and 100km from Enami's El Salado oxide and sulphide copper ore processing plant (actual road distance). Codelco's Porterillos Copper Smelter is also located 40km south of the El Salvador mine (actual road distance).

PAM is focused on securing battery metals projects which have the potential to position PAM as a low cost producer of the metals essential for electrification – lithium and copper. PAM aims to produce high-value products with a minimal carbon footprint. PAM is also a respected local company and local employer.

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

Stay up to date with the latest news by connecting with PAM on [LinkedIn](#) and [Twitter](#).

Competent Persons Statement

The information in this report that relates to Exploration Targets and Exploration Results, is based on information compiled by Mr. David Hobby, who 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.

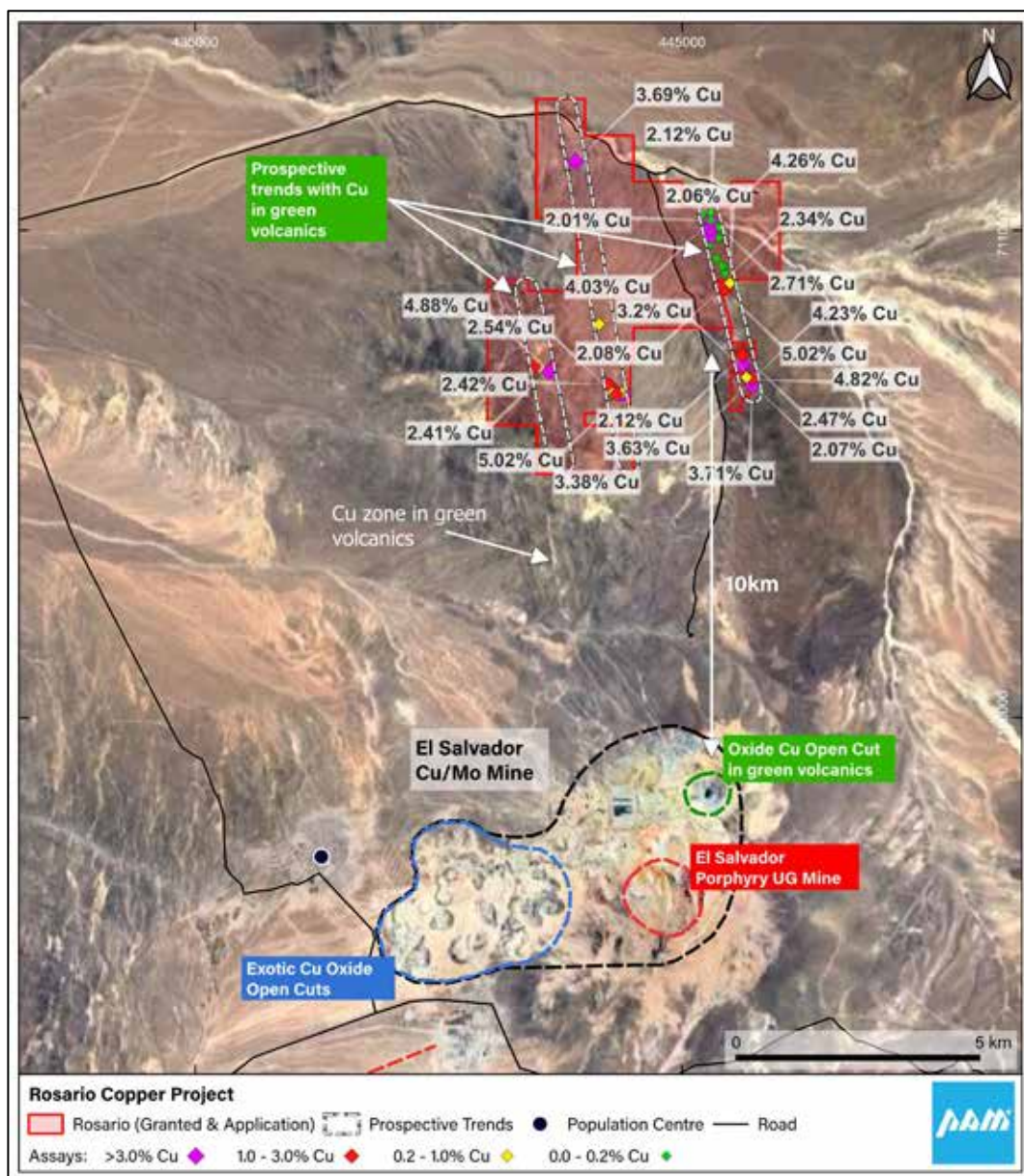
Important

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.

APPENDIX 1 – PAM’S PROJECT PORTFOLIO

ROSARIO COPPER PROJECT

The Rosario Copper Project is located in the commune of Diego de Almagro, Chanaral Province in the Atacama region of northern Chile. The Project is interpreted as highly prospective yet significantly under explored Manto style copper-silver project. This style of mineralisation occurs throughout the northern parts of Chile and is responsible for significant historical and current copper production. The largest examples of this deposit style have historic production and Mineral Resources of plus 200Mt at grades of 1% Cu or better along with by-product silver. These include the Mantos Blancos, El Solado and Michilla mines, along with a host of ‘smaller’ but significant deposits



Rosario Copper Project relative to Codelco's El Salvador Copper Projects

The Project is approximately 120 kilometres east of the port city of Chanaral and 160km north of the mining city of Copiapo. Access to the project is via well-formed paved roads and then dirt roads for the last 10km. The project lies about 10km north of the El Salvador mine (owned by CODELCO) and the town of El Salvador (pop. ~ 7000). The infrastructure in the area is excellent.



Rosario Copper Project and its regional setting

TAMA ATACAMA LITHIUM PROJECT

The Tama Atacama Lithium Project distinguishes itself as one of South America's largest and most strategically positioned lithium brine projects. The project is set at an altitude of 800-1100m, and sits within the 12,500km² Pampa del Tamarugal Basin, in the Atacama Desert in northern Chile, which is a hyper-arid environment with very high evaporation rates. The total project area is ~1,535km², of which ~1,234km² comprises granted exploration concessions and ~1,036km² is subject to binding Option Agreements to purchase 100%. See Figure 2 and PAM's ASX announcement titled "*Tama Atacama Lithium Option Agreements Signed*" dated 2nd January 2024.

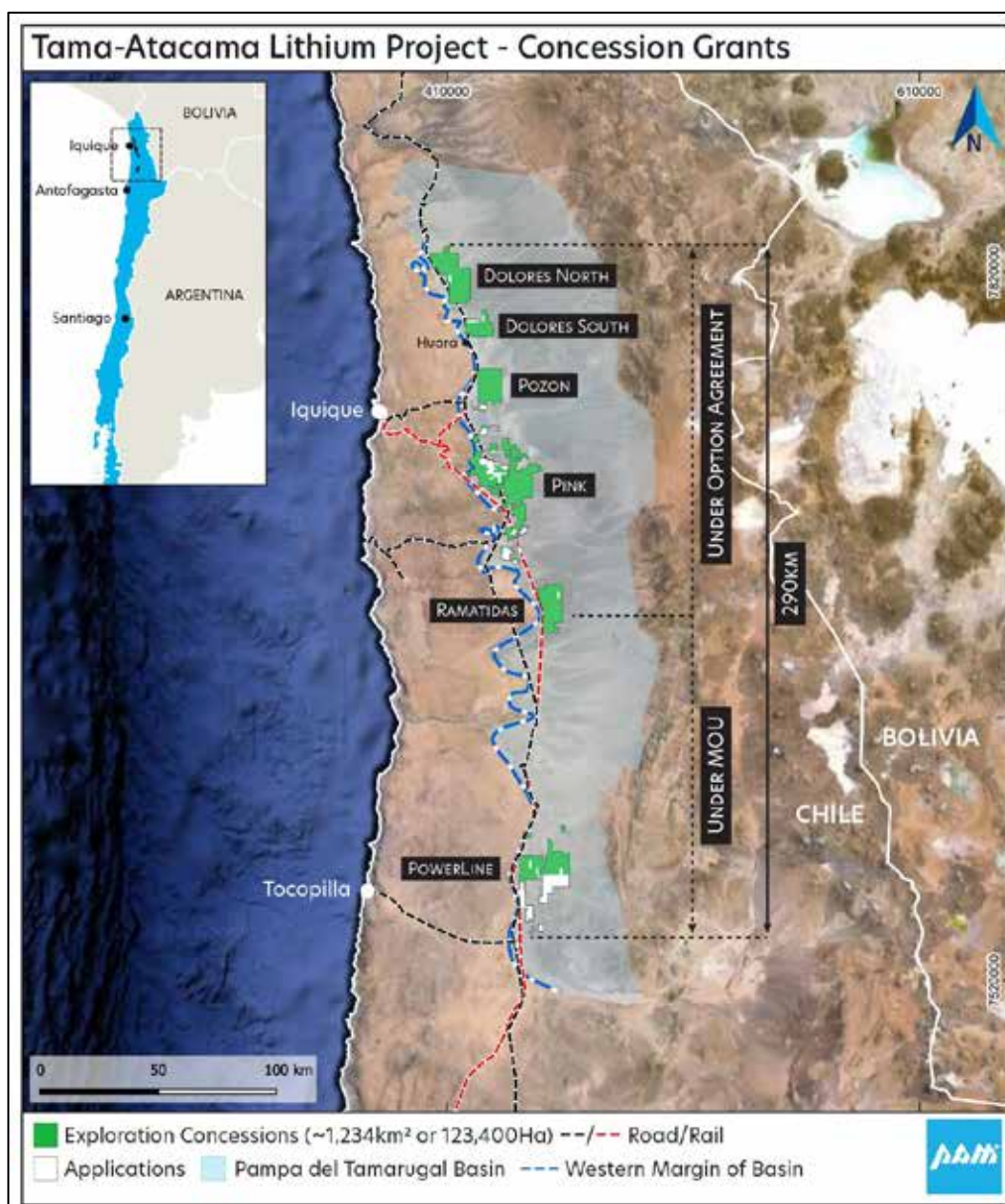


Figure 2. Tama Atacama Lithium Project: Granted Licenses under Option Agreements and MOU

The project 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. The project 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. The project is north of Chile's lithium chemical refining hub in Antofagasta, with access by rail and road. See Figure 3.

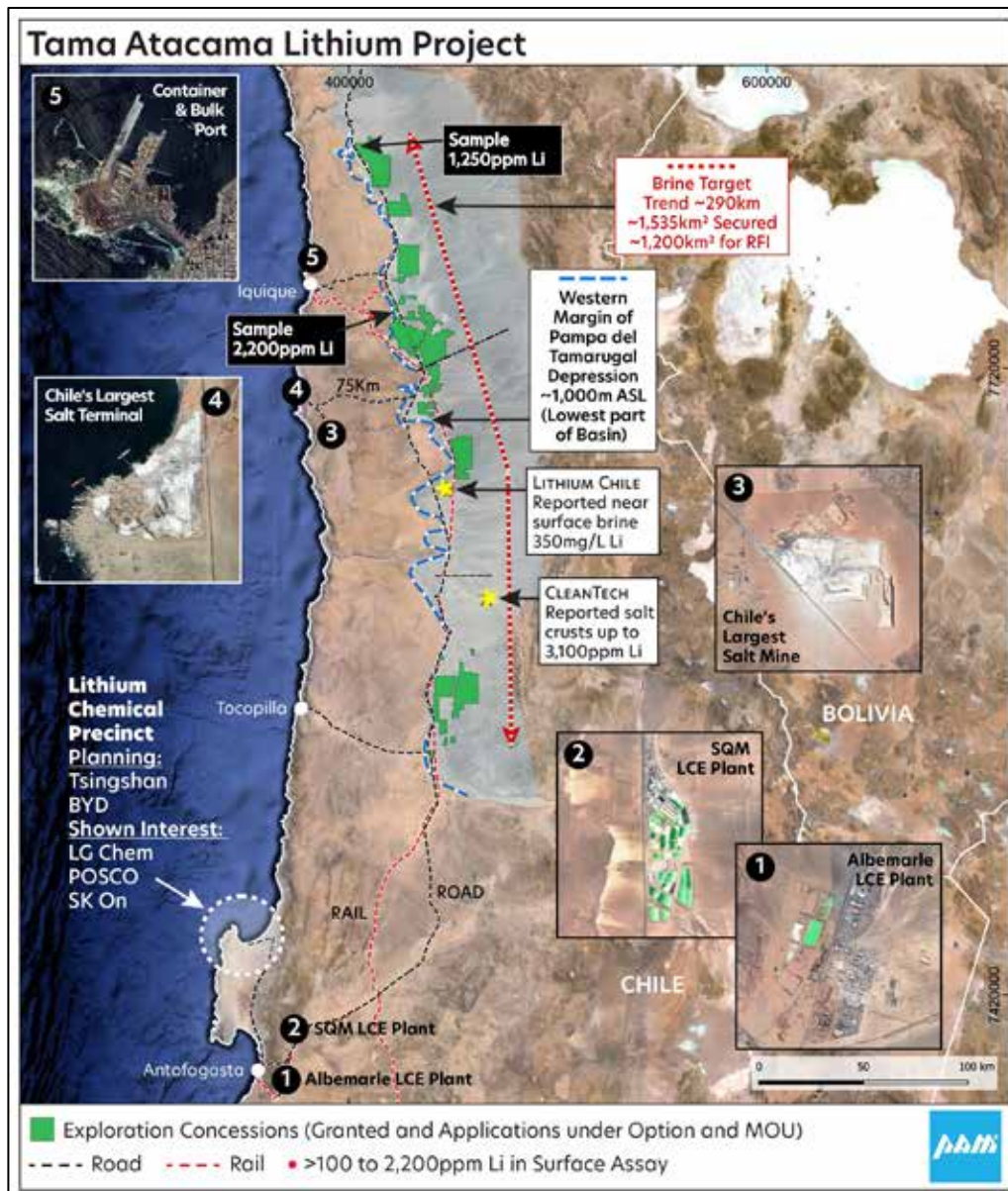
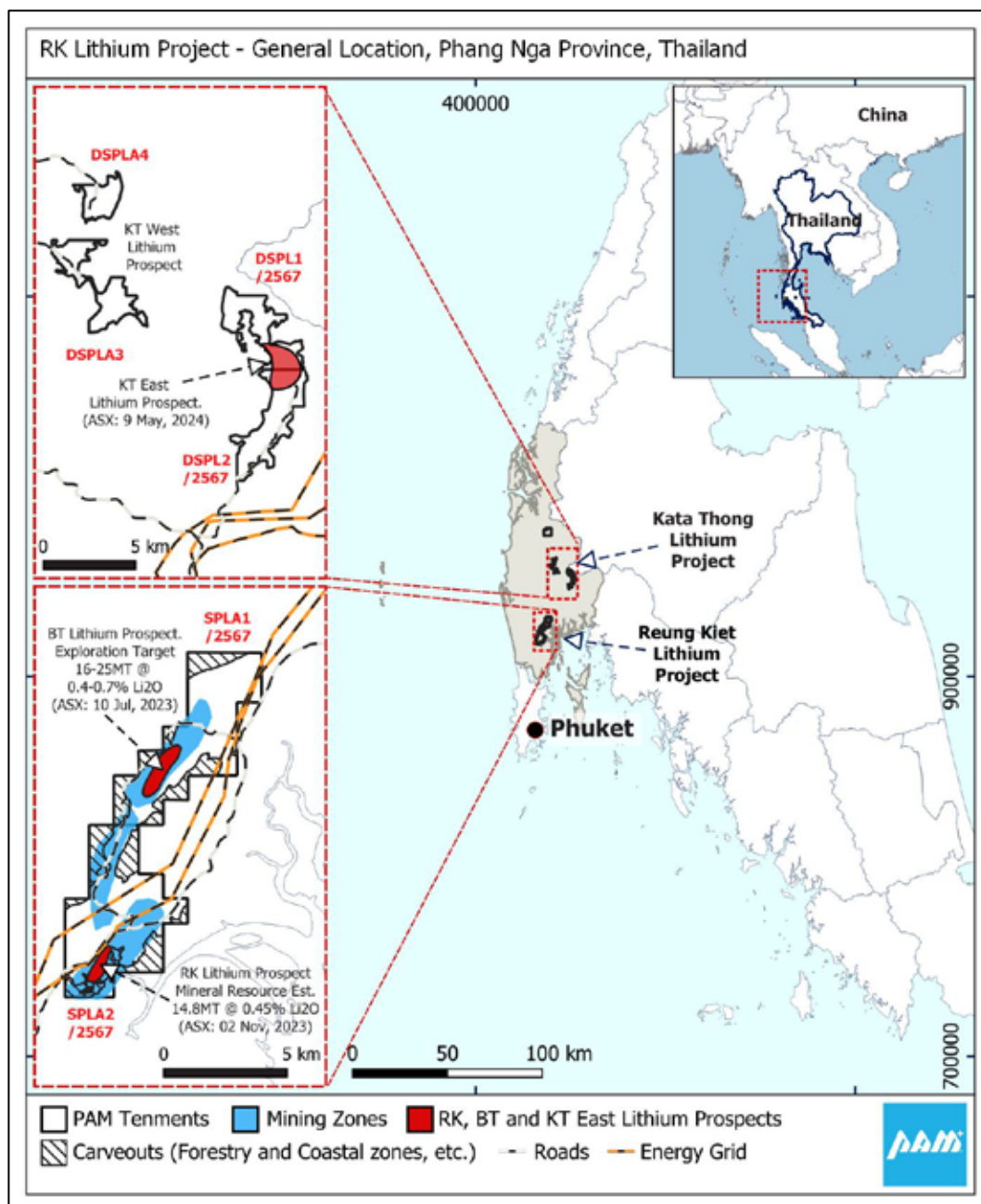


Figure 3. Tama Atacama Lithium Project: Proximal Lithium Chemical Refining Plants

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.

RK LITHIUM PROJECT

The RK Lithium Project ('RKLP'), inclusive of the RK Lithium Prospect (RK), the BT Lithium Prospect (BT), 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.



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



Provincial Map: RK Lithium Project, PhangNga Province Southern Thailand

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% Li₂O, 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% Li₂O cut-off (2nd November 2023)

Resource Category	Resource (Mt)	Li ₂ O %	Sn ppm	Ta ₂ O 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% Li₂O based on 28 diamond drill holes. See Table 2 and PAM ASX announcement “*Reung Kiet Lithium Project Exploration Target Substantially Increased*” dated 10 July, 2023. Since generating the Exploration Target PAM has completed a further 19 drill holes and there is sufficient drilling to report a Mineral Resource Estimate.

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

	Million Tonnes	Li ₂ O %	Sn %	Ta ₂ O 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.