

**PAN ASIA METALS LIMITED**  
**ARBN 639 599 554**

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**CLEANSING PROSPECTUS**

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For an offer of up to 1,000 Shares at an issue price of \$0.13 per Share to raise up to \$130 (before expenses) (**Offer**).

**This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.**

**IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered as highly speculative.

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## IMPORTANT NOTICE

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This Prospectus is dated 6 June 2024 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares offered by this Prospectus should be considered as highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form.

Although the Company's securities are currently suspended from ASX, the Company continues to be subject to the continuous disclosure regime provided for under the Corporations Act. This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

### No Investment Advice

The information contained in this Prospectus is not financial product

advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

### Suspension from ASX and Reinstatement and ASX Update

The Shares of the Company have been in voluntary suspension since 1 February 2024 and remain suspended as at the date of this Prospectus.

The Company is confident that it will be able to satisfy ASX that it has sufficient funding and level of activities to warrant the reinstatement to trading of its securities shortly after the lodgement of this Prospectus.

The Company is proactively working with ASX to achieve its reinstatement, however until such time as the Company is able to demonstrate to ASX that the Company's operations and financial condition warrant quotation on ASX, the Shares will remain suspended from trading and there will be no readily available liquid market for Shares.

Although the Company's securities are currently suspended the Company continues to be a disclosing entity for the purposes of the Corporations Act.

### Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.

### Applicants outside Australia

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

### Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

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Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 5.2 for further details.

### **Electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at [www.panasiametals.com](http://www.panasiametals.com). If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 411 764 556 during office hours or by emailing the Company at [ir@panasiametals.com](mailto:ir@panasiametals.com).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

### **Company Website**

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

### **Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

### **Photographs and Diagrams**

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

### **Definitions and Time**

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 7.

All references to time in this Prospectus are references to Australian Eastern Standard Time.

### **Privacy statement**

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application for Shares, the Company may not be able to accept or process your Application.

### **Enquiries**

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary on +61 411 764 556.

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## CORPORATE DIRECTORY

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### Board of Directors

**Paul Lock**

*Executive Chairman and Managing Director*

**David Hobby**

*Executive Director and Chief Geologist*

**David Docherty**

*Non Executive Director*

**Thanasak Chanyapoon**

*Non Executive Director*

### Company Secretaries

Ms Elissa Hansen, Australia

Ms Fiza Alwi, Singapore

### Corporate Office

Level 23, 52 Thaniya Plaza,  
Silom Road, Bangrak,  
BANGKOK 10500 THAILAND  
Phone: +66 2238 1639  
Email: [contactus@panasiametals.com](mailto:contactus@panasiametals.com)

### Singapore Reg. Office

Level 6  
77 Robinson Road,  
Robinson 77,  
SINGAPORE 068896  
Phone: +65 6538 0779

### Australian Reg. Office

Level 9  
MLC Centre,  
19-29 Martin Place,  
SYDNEY NSW 2000  
Phone: +61 9232 5444

### Stock Exchange\*

Australian Securities Exchange (**ASX:PAM**)

### Legal Advisers

Steinepreis Paganin  
Level 6  
99 William Street  
MELBOURNE VIC 3000

### Auditors\*

PKF-CAP LLP  
6 Shenton Way,  
OUE Downtown 1, #38-01  
SINGAPORE 068809  
Phone: +65 6500 9360

### Accountants\*

Vistra Australia  
Level 4  
100 Albert Road,  
SOUTH MELBOURNE VIC 3205  
Phone: +61 3 9692 7222

### Bankers\*

DBS Bank Limited, Singapore  
12 Marina Boulevard  
Level 3 MBFC Tower 3  
SINGAPORE 018982

Westpac Banking Corp., Australia  
Royal Exchange  
Cnr Pitt & Bridge Street  
SYDNEY NSW 2000

### Share Registry\*

Automic  
Level 5  
126 Phillip Street  
SYDNEY NSW 2000  
[www.automicgroup.com.au](http://www.automicgroup.com.au)

### Website

[panasiametals.com](http://panasiametals.com)

These entities have been included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

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## 1. DETAILS OF THE OFFER

### 1.1 Indicative Timetable

| Action                                        | Date         |
|-----------------------------------------------|--------------|
| Lodgement of Prospectus with the ASIC and ASX | 6 June 2024  |
| Opening Date                                  | 6 June 2024  |
| Issue of Tranche 1 Placement Shares           | 7 June 2024  |
| Closing Date*                                 | 11 June 2024 |

\* These dates are indicative only and may change without notice. The Directors reserve the right to extend the Closing Date at any time after the Opening Date without notice. The Offer

Pursuant to this Prospectus, the Company invites investors identified by the Directors to apply for up to 1000 Shares at an issue price of \$0.13 per Share, to raise up to \$130 (before expenses) (**Offer**).

The Offer will only be extended and Application Forms will only be provided to specific parties on invitation from the Directors.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 3 for further information regarding the rights and liabilities attaching to the Shares.

### 1.2 Background to the Offer

#### Placement Shares

On 14 May 2024, the Company announced that it had received firm commitments from existing and new sophisticated and professional investors and related parties of the Company for the issue of 9,346,154 Shares at an issue price of \$0.13 per Share to raise up to \$1,215,000 including a commitment of \$165,000 from Directors. Subsequent to announcement, the Company received firm commitments a further 538,461 shares at an issue price of \$0.13 per Share to raise an additional \$70,000. The Company has therefore received firm commitments of for the issue of 9,890,390 Shares at an issue price of \$0.13 per Share (**Placement Shares**) to raise up to \$1,285,750 (before costs) (**Placement**).

The Placement comprises two tranches as follows:

- (a) 8,621,159 Placement Shares to be issued to existing and new institutional and professional investors to raise \$1,120,750 (**Tranche 1 Placement Shares**); and
- (b) 1,269,231 Placement Shares to be issued to related parties of the Company to raise \$165,000, subject to Shareholder approval being obtained at a general meeting of Shareholders to be held on or about 18 July 2024 (**General Meeting**) (**Tranche 2 Placement Shares**).

The Company intends to issue the Tranche 1 Placement Shares pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1 during the Offer period.

The funds raised under the Placement will be used towards geophysics and initial reconnaissance drilling (\$450-570k) in Chile, feasibility and resource definition in Thailand (\$120-160k), licensing and legal requirements (\$150-200k), strategic investor engagement and general working capital purposes (\$335-545k). The above is a statement of the Board's current intentions as at the date of this Prospectus. However, Shareholders should note that, as with any budget, the allocation of funds set out above may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

As noted above, certain Directors of the Company intend to participate in the issue of the Tranche 2 Placement Shares under the Placement to raise \$165,000 which will result in the issue of 1,269,231 Placement Shares, subject to Shareholder approval being obtained at the General Meeting.

The Directors have agreed to subscribe for an aggregate of \$165,000 (1,269,231 Placement Shares) as follows:

- (a) Mr Paul Lock intends to subscribe for \$100,000, which will result in, subject to shareholder approval, the issue of 769,230 Placement Shares; and
- (b) Mr David Hobby intends to subscribe for \$65,000, which will result in, subject to shareholder approval, the issue of 500,000 Placement Shares.

#### Lead Manager Mandate

Novus Capital Limited (ACN 006 711 995) (AFSL 238168) (**Novus Capital**) was appointed as the lead manager of the Placement (**Lead Manager Mandate**). The material terms and conditions of the Lead Manager Mandate and total fees payable in respect of the Placement are summarised below:

|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Transaction Fees</b> | <p>The Company has agreed to pay Novus Capital:</p> <ul style="list-style-type: none"> <li>(a) a work fee of \$3,000;</li> <li>(b) a management and placement fee of 6.5% of all capital raised under the Placement (except Directors personal investments); and</li> <li>(c) a success fee of 0.75% of the total amount raised by Novus Capital (or by Novus Capital introduced brokers).</li> </ul> <p>Note: After adjusting for Director's personal investments and funds raised in Asia, for which reduced fees were agreed, the total transaction fee payable is equivalent to about 6.15% of the Placement.</p> |
| <b>Advisory Fees</b>    | <p>The Company has also agreed to pay Novus Capital a monthly advisory promotion and work fee of \$5,000 for the duration of the Term (defined below) or otherwise for the duration of the Lead Manager Mandate.</p>                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Term</b>             | <p>The Lead Manager Mandate will commence on the date of execution and will remain in place for six months (<b>Term</b>).</p> <p>Following the Term, the Lead Manager Mandate will automatically continue until terminated by either party by giving 30 days' notice in writing to the other party.</p>                                                                                                                                                                                                                                                                                                               |

|                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Termination by the Company</b>               | <p>The Company may terminate the Lead Manager Mandate prior to the expiry of the Term, by giving 60 days' notice to Novus Capital.</p> <p>Upon termination, the Company may be liable to pay fees accrued or otherwise accruable during the Term and/or the break fee (as included below).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Termination by Novus Capital</b>             | <p>Novus Capital may in its sole and absolute discretion terminate the Lead Manager Mandate by giving 30 days' notice of the at least one of the following events occurring:</p> <ul style="list-style-type: none"> <li>(a) equity capital markets conditions not reasonably, in Novus Capital's judgement, being conducive to successful completion of the Placement;</li> <li>(b) material adverse change in financial markets, political or economical conditions of Australia;</li> <li>(c) new proposal or legislation introduced or announced at a state or federal level;</li> <li>(d) material adverse change in assets, liabilities, financial position or prospects of the Company;</li> <li>(e) there is a materially false or misleading statement or misrepresentation by the Company;</li> <li>(f) default by the Company of any material term of the Lead Manager Mandate;</li> <li>(g) appointment by the Company of another broker without the consent of Novus Capital;</li> <li>(h) breach of warranty or representation by the Company;</li> <li>(i) director or proposed director of the Company charged with an indictable offence;</li> <li>(j) the chair, chief executive officer or other key personnel of the Company vacates office, which in the opinion of Novus Capital adversely affects the validity of the Company; and</li> <li>(k) ASIC or other securities exchange or threatens to issue, a proceedings, hearing or investigation in relation to the Placement.</li> </ul> |
| <b>Lock-Up and Post-Transaction Obligations</b> | <p>In the event the Company conducts a series of further capital raising, the Company must negotiate in good faith to procure a role for Novus Capital or pay out any remaining fees under the Lead Manager Mandate.</p> <p>Further, any investment made post termination of the Lead Manager Mandate by any investor introduced or presented to by the Company (either directly or indirectly via Novus Capital) during the Term shall be subject to the following fees:</p> <ul style="list-style-type: none"> <li>(a) 100% of fees otherwise payable to Novus Capital on any investments made within 120 days of termination of Lead Manager Mandate;</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                  | <p>(b) 66% of fees otherwise payable to Novus Capital on any investments made after 120 days but within 180 days of termination of Lead Manager Mandate; and</p> <p>(c) 33% of fees otherwise payable to Novus Capital on any investments made after 180 days but within 365 days of termination of Lead Manager Mandate.</p> <p>The Company will not be liable to pay the fees above in the event the Lead Manager Mandate is terminated by Novus due to reasons beyond the control of the Company or terminated by the Company for any breach or repudiation of the Lead Manager Mandate by Novus Capital.</p> |
| <b>Break Fee</b> | <p>In the event the Lead Manager Mandate is terminated by the Company prior to expiry of the Term, the Company must pay all outstanding fees, including the remaining work fees payable up until the end of the Term. The Company will not be liable to pay the fees above in the event the Lead Manager Mandate is terminated by Novus Capital due to reasons beyond the control of the Company or terminated by the Company for any breach or repudiation of the Lead Manager Mandate by Novus Capital.</p>                                                                                                    |

The Lead Manager Mandate otherwise contained provisions considered standard of an agreement of its nature (including representations, warranties, indemnities and confidentiality provisions).

#### Director Shares

On 31 May 2024, the Company issued and allotted 4,541,944 fully paid ordinary Shares to Directors and one previous Director (**Director Shares**) as approved by Shareholders at the Company's annual general meeting held on 6 May 2024.

The Director Shares issued comprised of the following:

- (a) 2,000,000 Shares were issued to the Mr Paul Lock, at \$0.25 as part of a capital raise in August 2023;
- (b) 1,333,333 Shares were issued to Paul Lock and 266,666 were issued to Mr David Hobby at \$0.15 each as part of a capital raise in October 2023;
- (c) 390,796 Shares were issued to Mr David Docherty in lieu of Directors' fees;
- (d) 390,796 Shares were issued to Mr Thanasak Chanyapoon in lieu of Directors' fees; and
- (e) 160,353 Shares were issued to previous Director Supriya Sen in lieu of Directors' fees.

### 1.3 Objective

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus). In particular, the Offer is intended to remove any on-sale restrictions that may affect the Tranche 1 Placement Shares. Accordingly, the Company is seeking to raise only a nominal amount of \$130 under the Offer as the purpose of the Offer is not to raise capital.

The Company is not currently able to issue a cleansing notice under section 708A(5) of the Corporations Act due to its Shares having been suspended from trading on ASX for more than 5 trading days within the last 12 months. Accordingly, the primary purpose of this Prospectus is to remove any on-sale restrictions that may affect Shares that may be issued by the Company prior to the lodgement of this Prospectus, in particular the Director Shares.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
  - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
  - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

### 1.4 Application for Shares

Applications for Shares must be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Payment for the Shares must be made in full at the issue price of \$0.13 per Share.

Completed Application Forms and accompanying cheques must be mailed or delivered to the Company as follows:

| Delivery by hand                                             | Delivery by post                                             |
|--------------------------------------------------------------|--------------------------------------------------------------|
| Level 9, MLC Centre<br>19-29 Martin Place<br>SYDNEY NSW 2000 | Level 9, MLC Centre<br>19-29 Martin Place<br>SYDNEY NSW 2000 |

Cheques should be made payable to "Pan Asia Metals Limited" and crossed "Not Negotiable". Completed Application Forms and cheques must reach the address set out in the Application Form by no later than the Closing Date.

## **1.5 Minimum subscription**

There is no minimum subscription.

## **1.6 Oversubscriptions**

No oversubscriptions will be accepted by the Company.

## **1.7 Underwriting**

The Offer is not underwritten.

## **1.8 Issue of Shares**

As noted in Section 1.3, the primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus).

If the Directors decide to issue Shares under this Prospectus, the issue of Shares under the Offer will be issued in accordance with the ASX Listing Rules and will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of all the Shares. The Directors reserve the right to reject any Application Form or to allocate any Applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, the surplus monies will be returned by cheque as soon as practicable after the Closing Date. Where no issue of Shares is made, the amount tendered on Application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on monies refunded.

The Company's decision on the number of Shares to be allocated to an Applicant will be final.

Holding statements for Shares issued under the Offer will be mailed as soon as practicable after the issue of Shares as soon as practicable after their issue.

## **1.9 ASX listing**

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

## **1.10 Restrictions on the distribution of the Prospectus**

The distribution of this Prospectus outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws.

The Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an Application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

## 2. PURPOSE AND EFFECT OF THE OFFER

### 2.1 Purpose of the Offer

The purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus).

Under the Offer, an amount of approximately \$130 (before expenses) may be raised. The funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 5.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

### 2.2 Effect on capital structure

The effect of the Offer on the capital structure of the Company is set out below.

#### Shares<sup>1</sup>

|                                                                            | Number             |
|----------------------------------------------------------------------------|--------------------|
| Shares currently on issue                                                  | 172,358,722        |
| Tranche 1 Placement Shares to be issued under the Placement <sup>2,3</sup> | 8,621,159          |
| Shares offered under this Prospectus <sup>4</sup>                          | 1,000              |
| <b>Total Shares on issue after completion of the Offer<sup>5</sup></b>     | <b>180,979,881</b> |

#### Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 3 of this Prospectus.
2. Further details in respect of the Placement are set out in the ASX announcement released by the Company on 14 May 2024.
3. Including only the Tranche 1 Placement Shares.
4. It is noted that the Shares under offered under the Prospectus will not be issued and that the purpose of the Offer is to fulfill a technical requirement of the Corporations Act, so that the Company can remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the closing date of the Offer (including prior to the date of this Prospectus).
5. Excluding Tranche 2 Placement Shares, as these will be issued subject to Shareholder approval being obtained at a General Meeting to be held after the Closing Date.

#### Convertible Notes

|                                                                       | Number         |
|-----------------------------------------------------------------------|----------------|
| Convertible Notes currently on issue                                  | 934,619        |
| Convertible Notes offered under this Prospectus                       | Nil            |
| <b>Total Convertible Notes on issue after completion of the Offer</b> | <b>934,619</b> |

#### Notes:

1. Convertible Notes mature 12 months from issue (on or around 28 March 2025);
2. Convertible Notes and any associated interest may be converted into fully paid ordinary shares at \$0.15 per shares at any time at the noteholders election;
3. Interest is payable on the Convertible Notes at 16% per annum;

4. The Convertible Notes are unsecured and rank equally with all other unsecured creditors; and
5. The Company may repurchase the Convertible Notes from the Noteholders by paying the principal amount together with any interest (with a minimum of 6 months interest being payable if repurchased less than 6 months from issue).

### **2.3 Financial effect of the Offer**

After expenses of the Offer of approximately \$8,208, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$130) will be met from the Company's existing cash reserves.

As such, the Offer will have an effect on the Company's financial position, being receipt of funds of \$130 less costs of making the Offer of approximately \$8,208.

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### **3. RIGHTS AND LIABILITIES ATTACHING TO SHARES**

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### **(a) General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

#### **(b) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### **(c) Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Shares contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of Constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

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## 4. RISK FACTORS

### 4.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors to consider the risk factors set out in this Section 4, together with information contained in this Prospectus.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 4, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 4 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

### 4.2 Company specific

| Risk Category                              | Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Additional requirements for capital</b> | The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing to develop its business in addition to amounts raised under the Placement. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. |
| <b>Exploration Risk</b>                    | <p>The Company's tenements are at an early stage of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>There can be no assurance that exploration of the Company's tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p>The exploration costs of the Company are based on certain assumptions with respect to the method and</p>                                                                                                                                                                  |

| Risk Category         | Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                       | <p>timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p> <p>Whilst the Directors will make every effort to reduce this risk, the fact remains that the discovery and development of a commercially viable resource is the exception rather than the rule.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Operations</b>     | <p>The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.</p> <p>No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Sovereign Risk</b> | <p>The Company has exploration projects and lithium processing initiatives located outside Australia in Thailand, Vietnam and Chile. There are risks associated with operating in jurisdictions outside Australia, including, but not limited to, economic, social or political instability or change, disease outbreak, hyperinflation, currency instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, royalty arrangements, mining, rates of exchange, export duties, mine safety, labour relations, exploration licensing, environmental protection, as well as government control over mineral properties or government regulations that require the employment of local residents or contractors.</p> <p>In addition, changes to exploration, mining or investment policies or a shift in political attitude in the jurisdictions in which the Company operates may have a material adverse effect on the Company, including the Company's ability to raise additional equity and debt funding. The Company may also be required by local authorities to invest in social projects for the benefit of the local community.</p> <p>Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of the Company's securities. No assurance</p> |

| Risk Category                                                   | Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                 | <p>can be given regarding future stability in any country in which the Company operates.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p><b>Commodity Price Volatility and Exchange Rate Risk</b></p> | <p>The Company's ability to proceed with the development of its mineral projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will be primarily from the sale of lithium. Consequently, any future earnings are likely to be closely related to the price of lithium and the terms of any off-take agreements the Company enters.</p> <p>The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for lithium that may be mined commercially in the future from the Company's project areas, forward selling by producers and production cost levels in major mineral-producing regions. Minerals prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. Metals are principally sold through the world in US dollars. The Company's cost base will be payable in various currencies including Australian dollars and US dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board, to mitigate such risks.</p> |
| <p><b>Climate Risk</b></p>                                      | <p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> <li>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</li> <li>(b) climate change may cause certain physical and environmental risks that cannot be predicted by</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| Risk Category                           | Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                         | <p>the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p><b>Coronavirus (COVID-19)</b></p>    | <p>The outbreak of the coronavirus disease may continue to impact global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown.</p> <p>The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p><b>Land access</b></p>               | <p>Land access is critical for the success of the Company's exploration and development activities and it is essential that satisfactory commercial arrangements are negotiated with land owners and occupiers. The Company may need to enter into land access agreements with land owners and occupiers for the impact on land by the proposed exploration activities. The Company's exploration operations and profitability may be adversely impacted or delayed in the event of a dispute with a land owner and this could materially adversely affect its financial position and performance</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p><b>Environmental regulations</b></p> | <p>The Company's planned exploration and development activities will be subject to significant governmental oversight, regulation and control. In addition to obtaining and complying with licences, the Company must obtain and maintain various licences and authorisations, including applicable environmental authorities which either may not be granted or may be withdrawn or made subject to limitations or conditions. Pan Asia Metals Limited cannot provide assurances that it will be able to obtain all necessary licences. A failure to obtain a necessary licence, the withdrawal of a necessary licence or the imposition of conditions or limitations will limit the scope of the Company's exploration and development activities and may result in higher costs to meet the standards required. Before exploration activities are undertaken, environmental studies may need to be carried out. Whilst the Company cannot guarantee that there will not be environmental difficulties, it is not aware of any particular concern with respect to its planned exploration activities in relation to its existing tenements. The Company intends to comply with all environmental laws and intends on rehabilitating sites after production activities. However, the legal framework governing environmental laws is constantly changing and compliance may be difficult, costly and could result in delays to the project. As a result of exploration,</p> |

| Risk Category | Risk                                                                                                                                                                                                                                    |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               | operational and environmental risk, actual costs may materially differ from forecast costs. This could also materially adversely affect the Company's exploration activities and the financial position and performance of the Company. |

### 4.3 General risks

| Risk Category            | Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Economic</b>          | General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration and development activities, as well as on its ability to fund those activities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Market conditions</b> | <p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> <li>(a) general economic outlook;</li> <li>(b) introduction of tax reform or other new legislation;</li> <li>(c) interest rates and inflation rates;</li> <li>(d) changes in investor sentiment toward particular market sectors;</li> <li>(e) the demand for, and supply of, capital; and</li> <li>(f) terrorism or other hostilities.</li> </ul> <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> |
| <b>Litigation risks</b>  | The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Dividends</b>         | Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

| Risk Category                                                  | Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Taxation</b>                                                | <p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p>                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Reliance on key personnel</b>                               | <p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Economic conditions and other global or national issues</b> | <p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p>                                                      |
| <b>Ukraine conflict</b>                                        | <p>The current conflict between Ukraine and Russia (<b>Ukraine Conflict</b>) is impacting global economies and financial markets. The nature and extent of the effect the Ukraine Conflict may have on the Company's operations remains uncertain at this time. In the short to medium term, the Company's Share price may be adversely affected by the economic uncertainty caused by the Ukraine Conflict and the wider effect the conflict has on global economies and financial markets.</p> <p>The Directors are monitoring the potential secondary and tertiary macroeconomic impacts of the Ukraine Conflict, including the fluctuations in commodity and energy prices and the potential risk of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving</p> |

| Risk Category        | Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                      | Russia, may adversely impact the Company's operations and are likely to be beyond the control of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Gaza conflict</b> | <p>The ongoing military and political conflict between Israel and Palestine (<b>Gaza Conflict</b>) is likely to impact global economies and financial markets. The nature and extent of the Gaza Conflict, and the effects that the conflict may have on the Company's operations, remains uncertain at this time. In the short to medium term, the Company's Share price may be adversely affected by the volatile nature of the Gaza Conflict and the wider, unknown economic effect the conflict may have on global economies and financial markets.</p> <p>The Directors are monitoring the potential secondary and tertiary macroeconomic impacts of the Gaza Conflict, including the fluctuations in oil, gas and other commodity prices impacting governments and businesses. Further, any governmental or industry measures taken in response to the Gaza Conflict, including limitations on travel and changes or halts to international trade channels, may adversely impact the Company's operations and are beyond the control of the Company.</p> |

#### 4.4 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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## 5. ADDITIONAL INFORMATION

### 5.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### 5.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged by the Company with the ASIC;
  - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
  - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

| Date        | Description of Announcement                   |
|-------------|-----------------------------------------------|
| 3 June 2024 | Change of Director's Interest Notice x4       |
| 3 June 2024 | Application for quotation of securities - PAM |
| 24 May 2024 | RK Lithium - KT East Discovery Expands        |
| 20 May 2024 | Proposed issue of securites - PAM             |

| Date          | Description of Announcement                                      |
|---------------|------------------------------------------------------------------|
| 20 May 2024   | Update – Proposed issue of securities – PAM                      |
| 20 May 2024   | Convertible Note Funding – Clarification                         |
| 17 May 2024   | Response to Further ASX Query Letter                             |
| 14 May 2024   | Proposed issue of securities - PAM                               |
| 14 May 2024   | Proposed issue of securities - PAM                               |
| 14 May 2024   | A\$1.2 Million Placement and A\$10 Million Funding Line          |
| 13 May 2024   | Response to ASX Query Letter                                     |
| 9 May 2024    | RK Lithium – KT Licence Grant Discovery                          |
| 9 May 2024    | Continuation of Suspension from Quotation                        |
| 7 May 2024    | PAM Corporate Presentation                                       |
| 7 May 2024    | PAM Tama Atacama Lithium Presentation                            |
| 6 May 2024    | Results of Meeting                                               |
| 3 May 2024    | Final Director's Interest Notice                                 |
| 3 May 2024    | Continued Voluntary Suspension                                   |
| 30 April 2024 | Quarterly Activities/Appendix 5B Cash Flow Report                |
| 18 April 2024 | Tama Atacama Lithium - PAM to Submit RFI for 1200km <sup>2</sup> |
| 18 April 2024 | Continued Voluntary Suspension                                   |
| 11 April 2024 | Notice of Extraordinary General Meeting/Proxy Form               |
| 11 April 2024 | Notice of Annual General Meeting/Proxy Form                      |
| 4 April 2024  | Continued Voluntary Suspension                                   |
| 2 April 2024  | Appendix 4G and Corporate Governance Statement                   |
| 2 April 2024  | Annual Report                                                    |

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website, <https://panasiametals.com/>.

### 5.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The Company has been suspended from trading since 1 February 2024 under Listing Rule 17.3. Due to the suspension the highest and lowest market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus is not available. The last recorded closing sale price of the Shares on ASX prior to the voluntary suspension and lodgement of this Prospectus with the ASIC was \$0.16 (1 February 2024). This price is not a reliable indicator as to the potential value of Shares after closure of the Offer or upon reinstatement to trading on ASX.

## 5.4 Details of substantial Shareholders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

| Shareholder                                       | Shares     | Convertible Notes | Voting Power % |
|---------------------------------------------------|------------|-------------------|----------------|
| Paul David Lock <sup>1</sup>                      | 45,433,083 | Nil               | 26.36%         |
| Sydney Equities Pty Ltd <Superannuation Fund A/C> | 16,521,440 | Nil               | 9.84%          |
| Citicorp Nominees Pty Limited                     | 13,528,195 | Nil               | 8.06%          |

### Notes

1. Mr Paul Lock is a Director and substantial shareholder of the Company.

In the event the Offer is fully subscribed there will be no change to the substantial holders on completion of the Offer.

In relation to Director and substantial shareholder Mr Paul Lock, the Company will seek to issue the Placement Shares (subject to shareholder approval) under the 3% creep exception included in item 9 of section 611 of the Corporations Act.

## 5.5 Directors' interests

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer.

## Security holdings

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus is set out in the table below.

| Director                         | Shares     | Convertible Notes |
|----------------------------------|------------|-------------------|
| Paul David Lock <sup>1</sup>     | 45,433,083 | Nil               |
| David John Hobby <sup>2</sup>    | 4,944,416  | Nil               |
| David Docherty <sup>3</sup>      | 22,901,215 | Nil               |
| Thanasak Chanyapoon <sup>4</sup> | 3,993,089  | 42,500            |

### Notes

1. Held directly by Mr Lock.
2. Held directly by Mr Hobby.
3. Comprising:
  - (a) 872,314 held indirectly by Mr Docherty through Sydney Equities Pty Ltd in which the Mr Docherty is a director and shareholder.
  - (b) 17,096,440 held indirectly by Mr Docherty through Sydney Equities Pty Ltd as trustee for the Sydney Equities Superfund in which the Mr Docherty is a director and shareholder of the Sydney Equities Pty Ltd and beneficiary of the Sydney Equities Superfund.
  - (c) 4,932,461 held indirectly by Mr Docherty through Thai Goldfields NL in which the Mr Docherty is a director and shareholder.
4. Held directly by Mr Chanyapoon.

No Director or any of their associates intend to participate in the Offer.

## Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$200,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration paid to both executive and non-executive Directors.

| Director                 | Financial year ending<br>31 December 2023 | Proposed financial<br>year ending 31<br>December 2024 |
|--------------------------|-------------------------------------------|-------------------------------------------------------|
| Paul Lock <sup>1</sup>   | A\$333,000                                | A\$333,000                                            |
| David Docherty           | US\$45,000                                | US\$45,000                                            |
| David Hobby <sup>1</sup> | A\$305,250                                | A\$305,250                                            |
| Thanasak Chanyapoon      | US\$45,000                                | US\$45,000                                            |
| Supriya Sen <sup>2</sup> | US\$45,000                                | US\$11,250                                            |

**Notes:**

1. Inclusive of superannuation.
2. Resigned 31 March, 2024.

## 5.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$5,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received any other fees for any other services.

## **5.7 Consents**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

## **5.8 Expenses of the Offer**

The estimated expenses of the Offer are estimated to be approximately \$8,208 (excluding GST) and are expected to comprise of legal fees and other administrative expenses, including ASIC fees. The estimated expenses will be paid out of the Company's existing working capital.

## **5.9 Electronic Prospectus**

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 9232 5444 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

## **5.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will not be issuing Share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

## **5.11 Privacy Act**

If you complete an application for Shares, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

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**6. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

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## 7. GLOSSARY

**A\$** means the lawful currency of the Commonwealth of Australia.

**Applicant** means an investor who applies for Shares pursuant to the Offer.

**Application** means an application for Shares made on an Application Form.

**Application Form** means an application form either attached to or accompanying this Prospectus.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHESS.

**Board** means the board of Directors unless the context indicates otherwise.

**Closing Date** means the date specified in the timetable set out in Section 1.1 of this Prospectus (unless varied).

**Company** means Pan Asia Metals Limited (ABN 40 639 599 554).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Convertible Note** means the convertible notes issued by the Company which may be converted into Shares in accordance with their terms.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company as at the date of this Prospectus.

**Director Shares** has the meaning set out in Section 1.2.

**General Meeting** has the meaning set out in Section 1.2.

**Lead Manager Mandate** means the lead manager mandate entered into between the Company and Novus Capital dated 19 April 2024.

**Novus Capital** means Novus Capital Limited (ACN 006 711 995) (AFSL 238168).

**Offer** means the offer of Shares referred to in Section 0 of this Prospectus.

**Official Quotation** means official quotation on ASX.

**Opening Date** means the date specified in the timetable set out in Section 1.1 of this Prospectus (unless varied).

**Option** means an option to acquire a Share.

**Placement** has the meaning set out in Section 1.2.

**Placement Shares** has the meaning set out in Section 1.2.

**Prospectus** means this prospectus.

**Section** means a section of this Prospectus.

**Securities** means Shares and/or Options as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Tranche 1 Placement Shares** has the meaning set out in Section 1.2.

**Tranche 2 Placement Shares** has the meaning set out in Section 1.2.

**US\$** means the lawful currency of the United States of America