ASX Announcement | 08 July 2024

Reinstatement Disclosure

Battery and critical metals explorer and developer Pan Asia Metals Limited (**ASX: PAM**) ('**PAM**' or '**the Company'**) is pleased to provide the following information, as required by the Australian Stock Exchange (ASX) in connection with reinstatement of trading of the Company's ordinary shares.

Business Objectives (12 months)

The Company's business strategy and activities following completion of its capital raising via a Placement are detailed below.

RK Lithium Project: The RK project has three prospects and is the subject of an MOU between PAM and a large Thai chemical company, IRPC, to consider a definitive agreement for the construction of a lithium mine, a lithium conversion facility and a cathode active material processing facility, See PAM's ASX announcement dated 31 July 2023 and titled "*Pan Asia Metals and IRPC sign MOU to develop a lithium-ion chemical supply chain in Thailand, which is leading Asia as a regional EV manufacturing hub*". The Company is currently undertaking a Feasibility Study on the RK Lithium Prospect; the BT Lithium Prospect is awaiting assays[1] prior to preparation of an inaugural Mineral Resource Estimate; the KT Lithium Prospect is the subject of initial fieldwork where PAM recently reported the discovery of the very large mineralised lepidolite pegmatite dyke swarm, see PAM's ASX announcements dated 24 May 2024 and 24 June 2024 and titled "*Exploration Success Continues at KT East Lithium Prospect – Pegmatite Dyke Swarm Discovery expands to 2.4 x 2.4km*" and "*RK Lithium Project - KT East Lithium Prospect - Abundant Lepidolite Pegmatite Zone Identified – 1.5km x 500m*" respectively. PAM is in discussions with several strategic partners/investors with the objective of bringing specialist knowledge and capital to the project.

At present there are no mandatory exploration or feasibility expenditure requirements for the RK and BT Lithium Prospects, and the field work underway on the KT Lithium Prospect is low cost and reflected in s8.2 of the 31 March Quarterly Report 5B. KT related exploration costs for the June Quarter are expected to be similar.

PAM is in advanced discussions with a potential strategic partner, an Asian based lithium chemicals processor, for development of the RK Lithium Project. Successful negotiations could see a three-way agreement between the potential strategic partner, PAM and IRPC. PAM held initial meetings with the Asian based lithium chemicals processor in mid June and discussions are ongoing. If successful PAM expects that the two partners will be contributing partners, and their expertise will be utilised to complete the necessary feasibility studies.

PAM expects an outcome from these discussions in the September 2024 quarter however, there can be no guarantee that these discussions will result in any agreement/s or other outcome between the parties.

[1] Samples were prepared and dispatched in early March and the lab will be advised to process them once the Placement is complete and the Shares are issued. Assay turn-around is expected to be 4 – 6 weeks.

Tama Atacama Lithium Project: The Tama Atacama Lithium Project has six prospects on which PAM is targeting lithium brines. Part of the funds raised from the recent Placement will be used to fund project geophysics and initial exploration drilling at this Project.

Tama Atacama is one of the largest and most strategically placed lithium brine exploration projects in its global peer group. In January 2024, PAM entered into binding option agreements over a large portion of the project area (see PAM's ASX announcement dated 2 January 2024 and titled "*PAM signs Formal Documentation to Acquire 100% interest in ~1,200km² Tama Atacama Lithium Brine Project*") and subsequently has had approximately 66% of the project's exploration concession applications granted. Granting of the outstanding concession applications are expected soon. The costs associated with these licenses applications have been paid.

At present, there are no mandatory exploration expenditure requirements for the Tama Atacama Lithium Project. As at writing PAM has taken steps to initiate a geophysics program in the northern part of the project area. The results from this program will govern the location of drill holes in an initial, limited drilling campaign, which will start with relatively cheap reconnaissance drilling.

Geophysics contractors will be engaged in first half July and PAM will engage a drilling contractor upon completion of the geophysics program. Based on PAM's experience, the geophysics program will cost about A$120,000, and drilling is expected to cost not more than A$250-300 per meter all in. Subject to geophysics results, the initial drilling program will comprise about 700-1000m (3 x 250-350m holes). Therefore, total costs, including contingency for geophysics, will be ~A$120k (~US$80k) and drilling A$190-315k (US$125-208k). Timing of drilling expenditure will be governed by results and timing of the geophysics program however is expected to commence during the third Quarter CY 2024. This program is expected to be expanded at a later date and upon funding availability.

Other Costs: Other general costs are reflected in s.8.1 and 8.2 of the March 31 quarterly report.

Project Costs Summary (US$ '000s):

	Jun 24 Qtr	Sep 24 Qtr	Dec 24 Qtr	Mar 25 Qtr
RK Lithium (Field work, assays, misc.)	60	60	60	60
Tama Atacama (Geophysics, Drilling, assays, misc.)	100	150	200	200
Total	**160**	**210**	**260**	**260**
Cum. Total	160	370	630	890

Pro-forma Statement of Financial position updated for the actual funds raised under the Placement

The Pro-forma Balance Sheet for 31 December 2023, takes into account capital raised during the March Quarter and the capital raise as announced on 14 May, 2024 and 25 June, 2024. The calculation incorporates adjustments as outlined in PAM's 13 May, 2024, response to ASX's 'Financial Condition Query' dated 7 May, 2024, as well as those noted below.

Proforma Consolidated Statement of Financial Position of Pan Asia Metals Limited

	Audited	Pro forma adjustments						Unaudited
	31 December 2023 (USD)	Convertible Note raising[1]	Capital raising[2]	Cost of capital raising[3]	Share to be issued to the Directors[4]	Convertible notes to the Director[5]	Shares issue in lieu of Directors' fee[6]	Proforma Financials (USD)
Assets								
Cash and cash equivalents	120,138	365,876	967,600	-	-	-	-	1,453,614
Other receivables	197,096	-	-	-	-	-	-	197,096
Other assets	25,961	-	-	-	-	-	-	25,961
Total current assets	**343,195**	**365,876**	**967,600**	**-**	**-**	**-**	**-**	**1,676,671**
Non-current assets								
Property, plant and equipment	68,287	-	-	-	-	-	-	68,287
Right-of-use assets	49,803	-	-	-	-	-	-	49,803
Exploration and evaluation assets	11,999,831	-	-	-	-	-	-	11,999,831
Other receivables	20,224	-	-	-	-	-	-	20,224
Total non-current assets	**12,138,145**	-	-	-	-	-	-	**12,138,145**
Total assets	**12,481,340**	**365,876**	**967,600**	**-**	**-**	**-**	**-**	**13,814,816**
Current liabilities								
Trade and other payables	1,295,495	(199,332)	-	54,000	(439,560)	(27,984)	(29,700)	652,919
Lease liability	24,246	-	-	-	-	-	-	24,246
Accrued expenses	334,533	-	-	-	-	-	-	334,533
Total current liabilities	**1,654,274**	**(199,332)**	**-**	**54,000**	**(439,560)**	**(27,984)**	**(29,700)**	**1,011,698**
Non-current liabilities								
Employee benefit provision	38,214	-	-	-	-	-	-	**38,214**
Lease liability	25,558	-	-	-	-	-	-	**25,558**
Borrowings	-	565,208	-	-	-	27,984	-	**593,192**
Total non-current liabilities	**63,772**	**565,208**	**-**	**-**	**-**	**27,984**	**-**	**656,964**
Total liabilities	**1,718,046**	**365,876**	**-**	**54,000**	**(439,560)**	**-**	**(29,700)**	**1,668,662**
Net assets	**10,763,294**	**-**	**967,600**	**(54,000)**	**439,560**	**-**	**29,700**	**12,146.154**
Equity								
Issued capital	16,725,974	-	967,600	(**54,000**)	439,560	-	29,700	18,108,834
Reserves	(97,227)	-	-	-	-	-	-	(97,227)
Accumulated losses	(5,865,453)	-	-	-	-	-	-	(5,865,453)
Total Equity	**10,763,294**	**-**	**967 ,600**	**(54,000)**	**439,560**	**-**	**29,700**	**12,146,154**

Notes:

1. The proceeds from Convertible Notes consists of 934,619 Convertible Notes issued at AU$ 1.00 each. As at 31 March, 2024, the Company has issued Convertible Notes AU$852,219 (equivalent to US$565,208) of which AU$560,000 (equivalent to US$365,876) were issued for cash and balance of AU$292,219 (equivalent to US$199,332) were issued in settlement of outstanding liabilities. The Pro forma presentation of the impact of the raising from the convertible notes is based on the nominal value of proceeds. The Company will be undertaking an independent valuation of the convertible notes in accordance with Australian Accounting Standards, the results of which may materially be different to the amounts presented herein.

2. As announced on ASX on 14 May 2024 and 25 June 2024 the Company has received firm commitments to raise capital of $AU1,215,000 (equivalent to US$801,900) and $AU200,000 (equivalent to US$133,000) at AU$0.13 per share. Post the 14 May 2024 announcement the Company received an additional commitment of $AU50,000 (equivalent to US$32,668) at AU$0.13 per share. The placement includes participation by Directors for AU$165,000 (equivalent to US$108,900), the issue of which is subject to Shareholders' approval in the next General Meeting. In addition to this, the Company has received and accepted an offer from Alpha Investment Partners to enter into a $10 million 'At-the Market' (ATM) funding facility.
3. The capital raising cost associated with AU$1.465m capital raised consist of Lead Manager fee of AU$81,185 (equivalent to ~US$54,000).
4. Shareholders' approval was received in the General Meeting to issue shares to the Directors in consideration for their participation in placements in August and October 2023. These funds (AU$666,000 (Equivalent to US$439,560)) were treated as non-interest bearing loans until the shares were issued.
5. Shareholders' approval was received in the General Meeting to issue Convertible Notes for AU$42,400 (equivalent to US$ 27,984) to a Non-executive Director towards settlement of outstanding liabilities.
6. Shareholders' approval was received in the General Meeting to issue shares to the Non-executives Directors in lieu of payment of directors' fee of AU$45,000 (equivalent to US$29,700) for 6 months ended 31 December 2023.

Working Capital

PAM raised gross $1.465m[2] (equivalent US$971k[3]) (additional A$250,000 received) and net $1.384m (equivalent US$917k) after the Novus Capital Partners capital raising fee of ~5.53% or ~$81k (inclusive GST, equivalent ~US$54k) through its recent Placement. Following completion of the Placement, PAM will have sufficient working capital at the time of reinstatement to carry out its objectives.

PAM also secured a $10m (equivalent US$6.6M) At-the-Market equity funding facility with Alpha Investment Partners ('**AIP**'). The facility has a capital raising fee of 7% on funds raised, and no other obligations. The provision of any funding by AIP is entirely at AIP's discretion and there is no guarantee any funding will be provided to PAM pursuant to the agreement announced by PAM on 14 May, 2024.

Should the facility be fully utilised, assuming available placement capacity, then the net funds available to PAM would be A$9,300,000 (equivalent US$6.6M). There is no requirement for PAM to use the facility and it may be terminated by PAM at any time without cost or penalty.

Table 1 below is a Pro-forma reflection of PAM's 31 March, 2024, Quarterly Report, adjusted for:

i. The net $1.384m (US$917k) capital raise (after costs), increasing estimated quarters funding to 3.16; and
ii. The ATM facility, assuming the remainder of PAM's existing 15% LR7.1 placement capacity is utilised (5,396,184 shares at A$0.13), increases net capital raised after costs by ~A$702k (US$465K) to A$2.086m (US$1.382m), increasing estimated quarters funding to 4.52.

Note: PAM intends to refresh is 15% LR7.1 placement capacity at an Extraordinary General Meeting expected to be held later this year. PAM will seek shareholder approval to ratify the Placement and re-ratify the issue of convertible notes as discussed in the ASX Query Letter response of 13 May, 2024, at the meeting. It is expected that the ratification of past security

[2] This calculation includes a $165,000 contribution from Directors, which is subject to shareholder approval.
[3] RBA AUD/USD FX Rate as at 31 May of 0.6637 applied to A$1.262m and as at 24/25 June of ~0.665 applied to A$200k: https://www.rba.gov.au/statistics/frequency/exchange-rates.html

issues will increase PAM's ASX Listing Rule 7.1 capacity (15%) to 25,896,208 shares, increasing net capital available under the ATM facility to A$3.37m (US$2.23m).

		March 31	Without ATM	With ATM
8.	Estimated cash available for future operating activities	$US'000	$US'000	$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(209)	(209)	(209)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(134)	(134)	(134)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(343)	(343)	(343)
8.4	Cash and cash equivalents at quarter end (item 4.6)	167	167	167
	Capital Raise (after fees)		917	1382
8.5	Unused finance facilities available at quarter end (item 7.5)	-	-	-
8.6	Total available funding (item 8.4 + item 8.5)	167	1084	1549
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	0.49	3.16	4.52

The Directors confirm that PAM is in ongoing compliance with the ASX Listing Rules including, in particular, Listing Rule 3.1. PAM is not aware of any reason why its securities should not be reinstated to quotation.

Ends
Authorised by:
Board of Directors

ABOUT PAN ASIA METALS LIMITED (ASX:PAM)

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

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

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

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

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

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

For Investor & Media Enquiries, reach out to:

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

Competent Persons Statement

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

The information in this report that relates to Exploration Targets and Exploration Results, is based on information compiled by Mr. David Hobby, is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Hobby is a full time employee, Director and Shareholder of Pan Asia Metals Limited. Mr. Hobby has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr. Hobby consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

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

Important

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

Tama Atacama Lithium Brine Project

The Tama Atacama Lithium Project distinguishes itself as one of South America's largest and most strategically positioned lithium brine projects with ~120,000ha (~1,200km²) of granted exploration licenses or exploration license applications over which PAM has entered into binding Option Agreements to Purchase 100% of the project area. See Figure 1 and PAM ASX announcements titled "*Tama Atacama Lithium Option Agreements Signed*" and "*Tama Atacama Lithium Presentation*" dated 2nd January and 5th May, 2024 respectively.

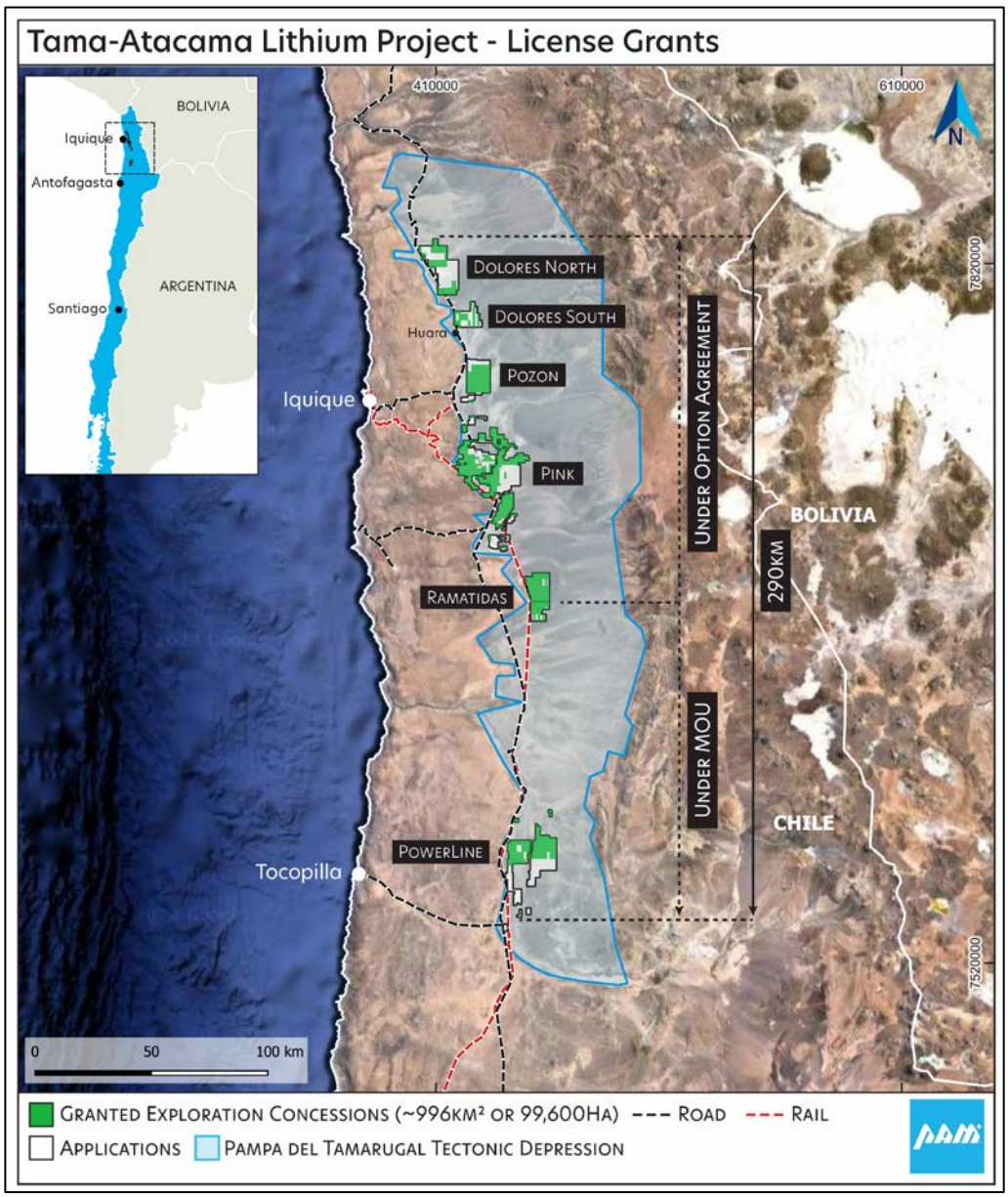

Figure 1. Tama Atacama Lithium Project: Granted Licenses under Option Agreements and MOU

The project sits within the 12,500km² Pampa del Tamarugal Basin, which is located in the Atacama Desert in northern Chile. Reconnaissance work suggests similar geochemical signatures to Salar de Atacama. Analysis of historical geophysics (seismic) show a very large basin up to 600m deep.

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

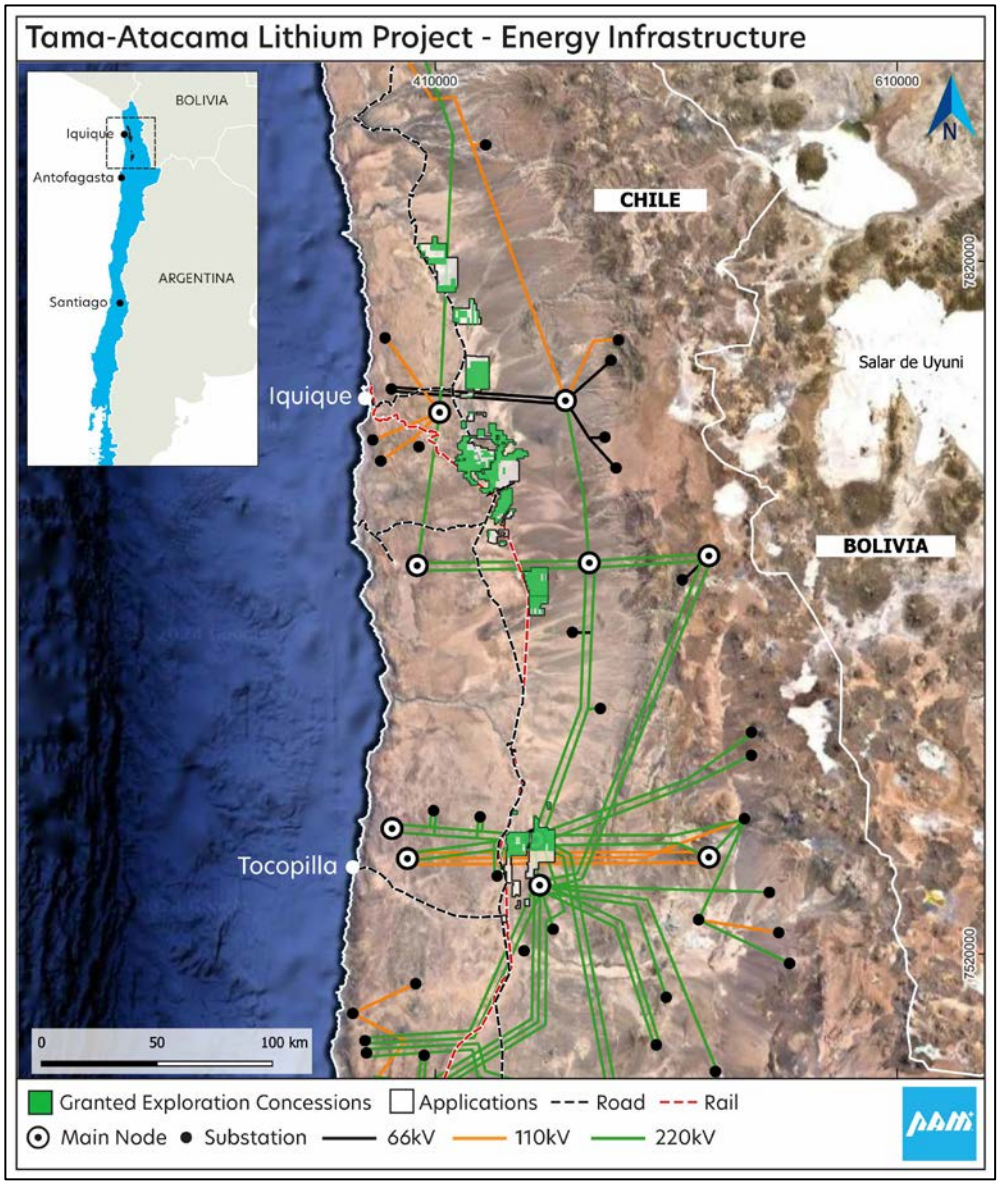

Figure 2. Tama Atacama Lithium Project: Proximal Energy Infrastructure

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

RK Lithium Project

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

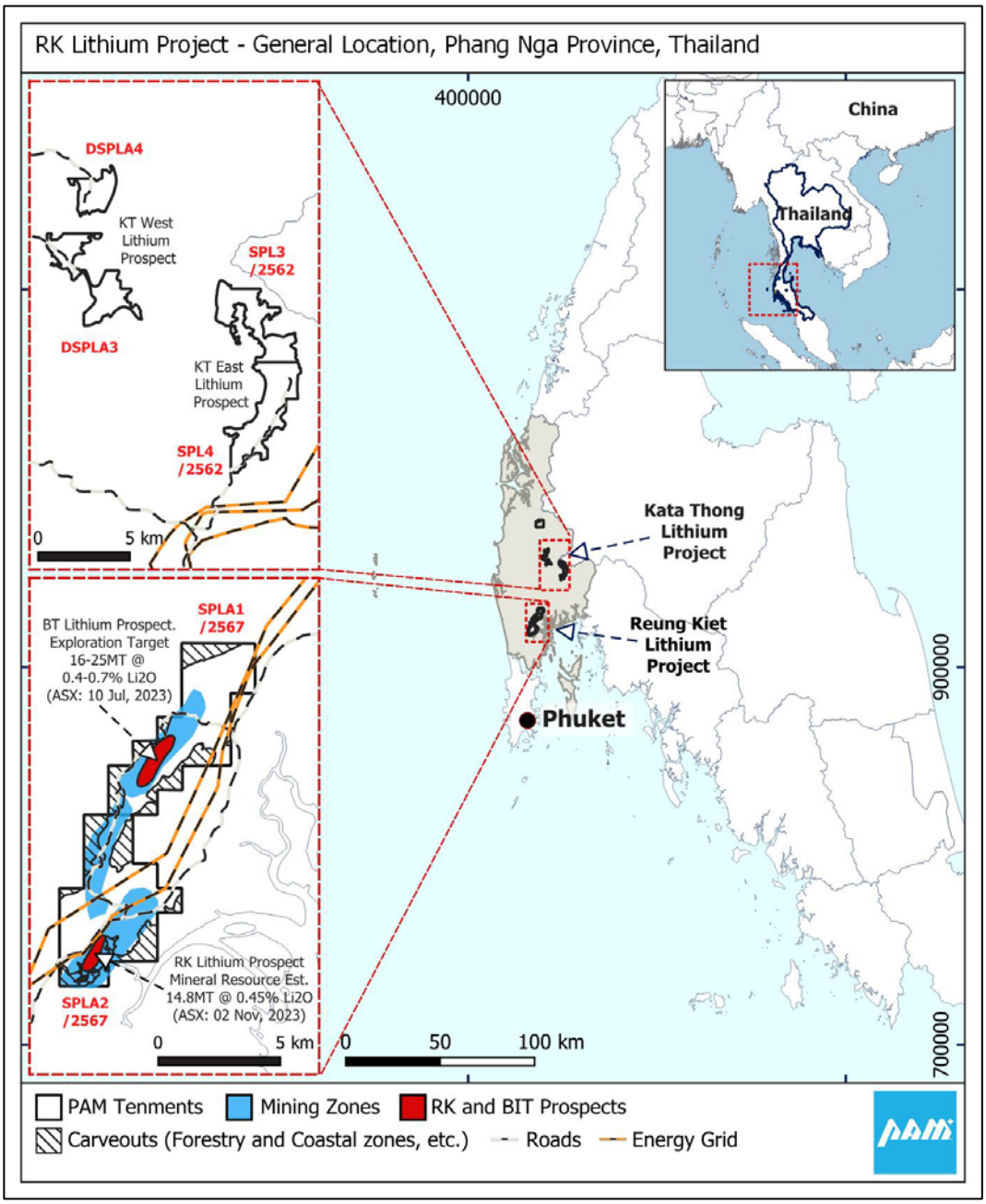

Figure 3: Regional map: Location of Phang Nga and the Reung Kiet Lithium Project

RK Lithium Prospect

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

Table 1. RK Lithium Prospect – Mineral Resource at a 0.25% Li2O cut-off (2nd November 2023)

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

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

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

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

BT Lithium Prospect

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

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

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

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

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