

ASX Announcement | May 03, 2021

Drilling Update Reung Kiet Lithium Prospect, Thailand

HIGHLIGHTS

- PAM has completed three more holes at the Reung Kiet Lithium Prospect
- Pegmatite dyke swarms have been intersected in all holes
- Pegmatite contains locally abundant lepidolite
- Spot hand-held XRF analysis of pegmatite drill core shows elevated levels of Rb, Cs, Mn as well as accessory Sn, Ta and Nb
- Pegmatite is shallow dipping, extends to plus 100m down dip from surface and remains open down dip
- Pegmatite trend is 1km long and remains open along strike
- Drilling is ongoing with a further nine priority one holes planned
- Core is being sampled and dispatched for analysis

Specialty metals explorer and developer **Pan Asia Metals Limited (ASX: PAM)** ('PAM' or 'the Company') is pleased to report that three more diamond drill holes have been completed at the Reung Kiet Lithium Prospect (RK).

Pan Asia Metals Managing Director Paul Lock said: *"The results for diamond core holes RKDD008 through RKDD010 support earlier drilling and trenching, indicating a pegmatite dyke swarm that continues for over 400m along strike and which remains open to the south west and north east. Previous trench and rock chip sampling at the surface expression of the pegmatites intersected in the drilling returned consistent Li₂O grades with 122 of 126 samples being >0.5% Li₂O with an average of 1.49% Li₂O. We are encouraged by the drilling results and look forward to the lab assay results."*

The Reung Kiet prospect (RK) forms part of the Reung Kiet Lithium Project (RKLP), one of PAM's key projects (see Figure 1). RKLP, is a hard rock project with demonstrated potential for lithium hosted in lepidolite/mica rich pegmatites chiefly composed of quartz, albite, muscovite and lepidolite, with minor cassiterite and tantalite as well as other accessory minerals, including some rare earths.

The RK prospect was a relatively large open cut tin mine. The old pit is about 500m long and up to 125m wide (see Figures 1 and 2). Mining of the weathered pegmatites extended up to 25m below surface, to the top of hard rock.

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Reung Kiet Prospect - Drilling

Pan Asia Metals has completed a further three HQ3 diameter diamond drill holes at Reung Kiet South Prospect for a total of 325m. Collar details are provided in Table 1 below: These holes are in addition to those reported in ASX announcement 'Drilling Update - Reung Kiet Lithium Prospect' dated March 25, 2021, and other holes drilled at RK Pit as reported ASX announcement 'PAM Projects – Technical Reports' October 8, 2020.

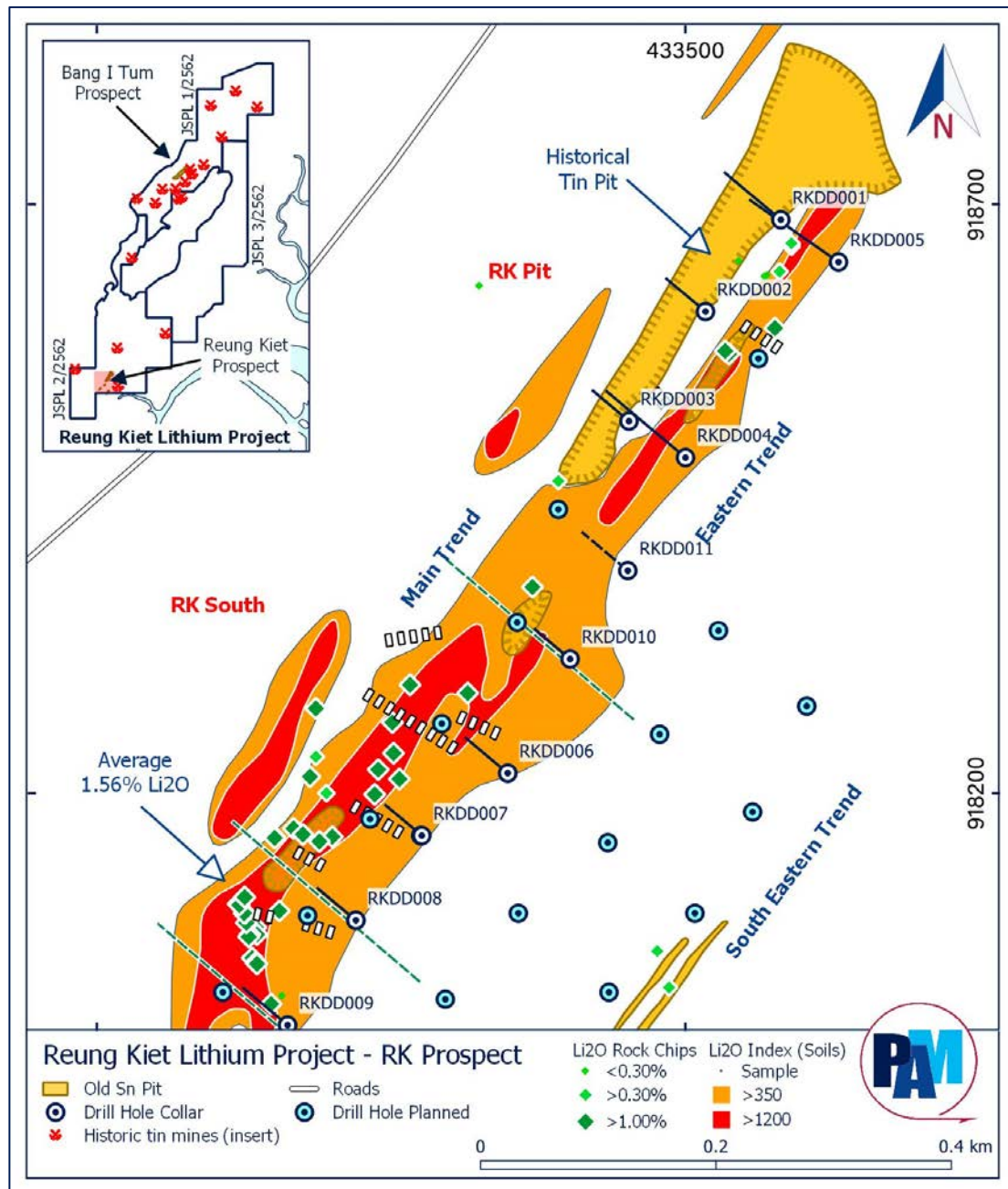


Figure 1: The Reung Kiet Lithium Project, Phang Nga Province, southern Thailand

The drilling program is aimed at testing for depth extensions to an extensive lepidolite rich pegmatite dyke swarm identified at surface by previous work, conducted by PAM. This work

included mapping, trenching and rock chip sampling. The trenching program consisted of 7 trenches at RK South (see Figure 2).

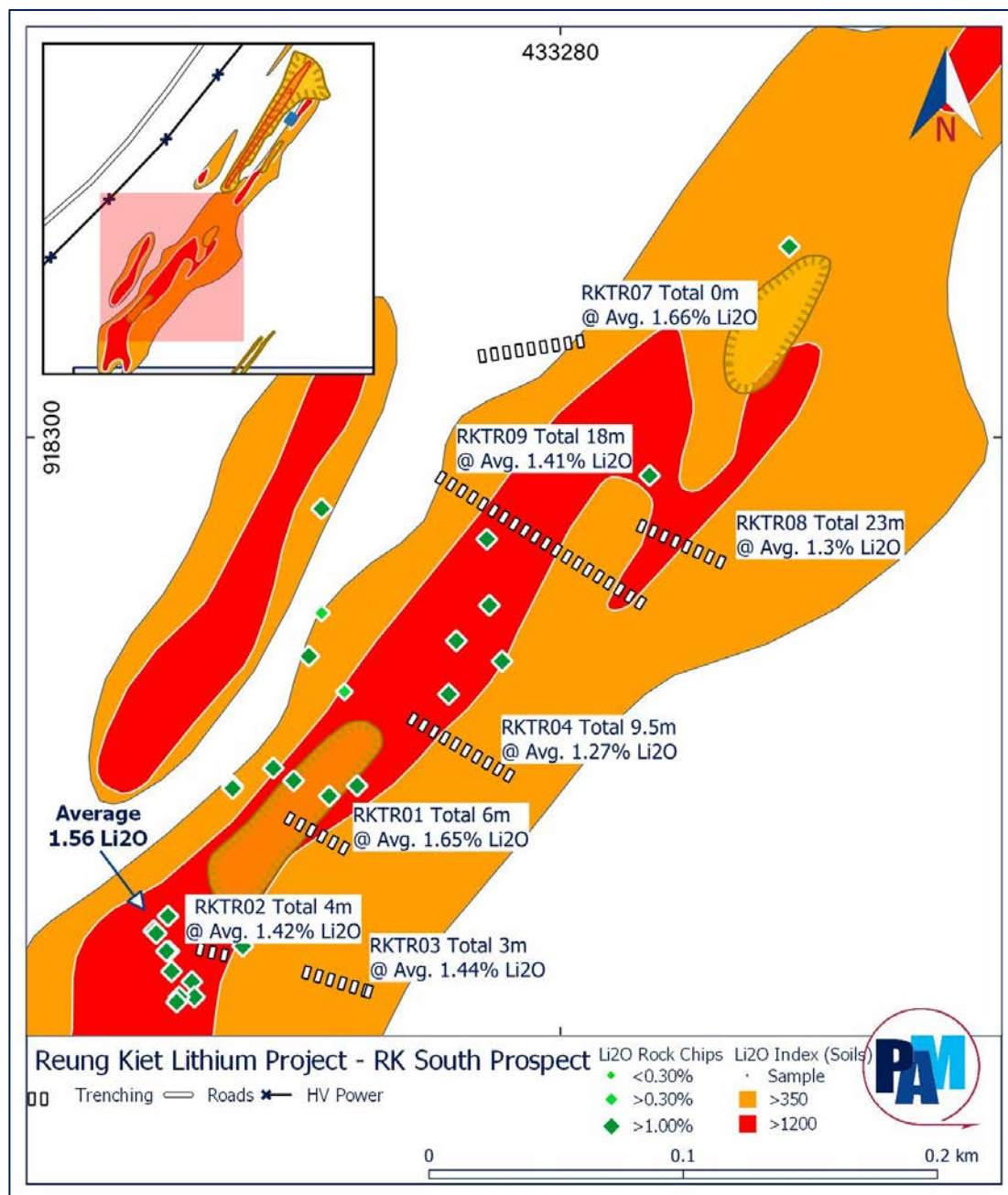


Figure 2: RKLP Reung Kiet South Prospect – Trenching

Mostly horizontal channel-chip sampling of pegmatite in the trench walls was undertaken. Some vertical sampling was also completed as well as sampling of some pegmatite in the trench floor. In total 90 samples were collected from the 7 trenches, representing about 127m; the average sample width is 1.45m, generally ranging from 1-2m. The average grade of 88 of the 90 samples $>0.5\%$ Li_2O was 1.42% Li_2O , see Trenching Results in Appendix 1. The trenching results are further supported by rock chip sampling of pegmatite outcrop and float in the area (see Figure 2). From 36 samples collected 34 returned Li_2O values of $>0.5\%$ Li_2O

with an average of 1.64% Li_2O . Readers are also advised to refer to the following ASX announcements October 8, 2020 in ASX announcement 'PAM Projects – 'Technical Reports'

The target being drilled occurs to the southwest along strike from the old open cut (see Figure 3). The whole trend has a combined strike length of about 1km.

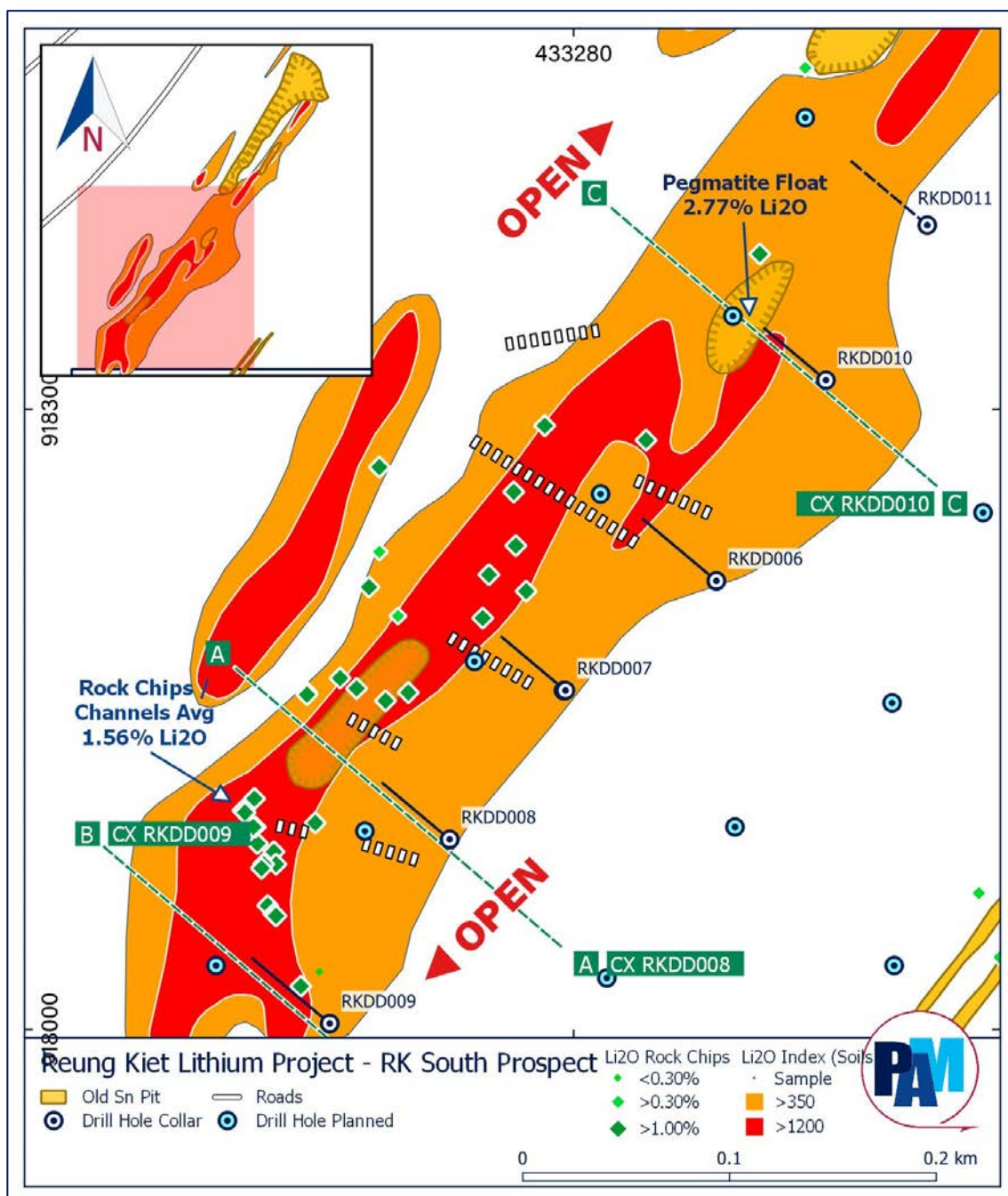


Figure 3: RKLP Reung Kiet South Prospect

Table 1. Drill collars

Hole_ID	East UTM Zone 47E	North UTM Zone 47N	Elevation (m)	Dip	Azimuth (mag)	Depth (m)
RKDD008	433220	918092	40	-65	310	112
RKDD009	433162	918003	19	-65	310	121
RKDD010	433402	918314	20	-65	310	92

The three recently completed holes RKDD008, 009 and 010 have all intersected an extensive swarm of pegmatite, stringers, veins and dykes that intrude fine grained metasediments. The pegmatites are the down dip extension of a pegmatite dyke swarm that has been identified at surface and found to contain abundant lithium from trench and rock-chip samples. The pegmatites are interpreted to be dipping about 20-30 degrees to the southeast and in line with exposures observed in trenching and surface outcrops.

RKDD008 was drilled to test for down dip extensions of a pegmatite dyke swarm identified at surface. The hole intersected a lepidolite rich dyke and vein swarm with a composite downhole width of approximately 26m from 8.6m to 102.9m. The central part of the swarm from 8.6m to 80.5m intersected lepidolite rich pegmatite zones ranging from 0.2 to 3.0m wide, with a composite width of 22.65m (see Figure 4 and Photo 1).

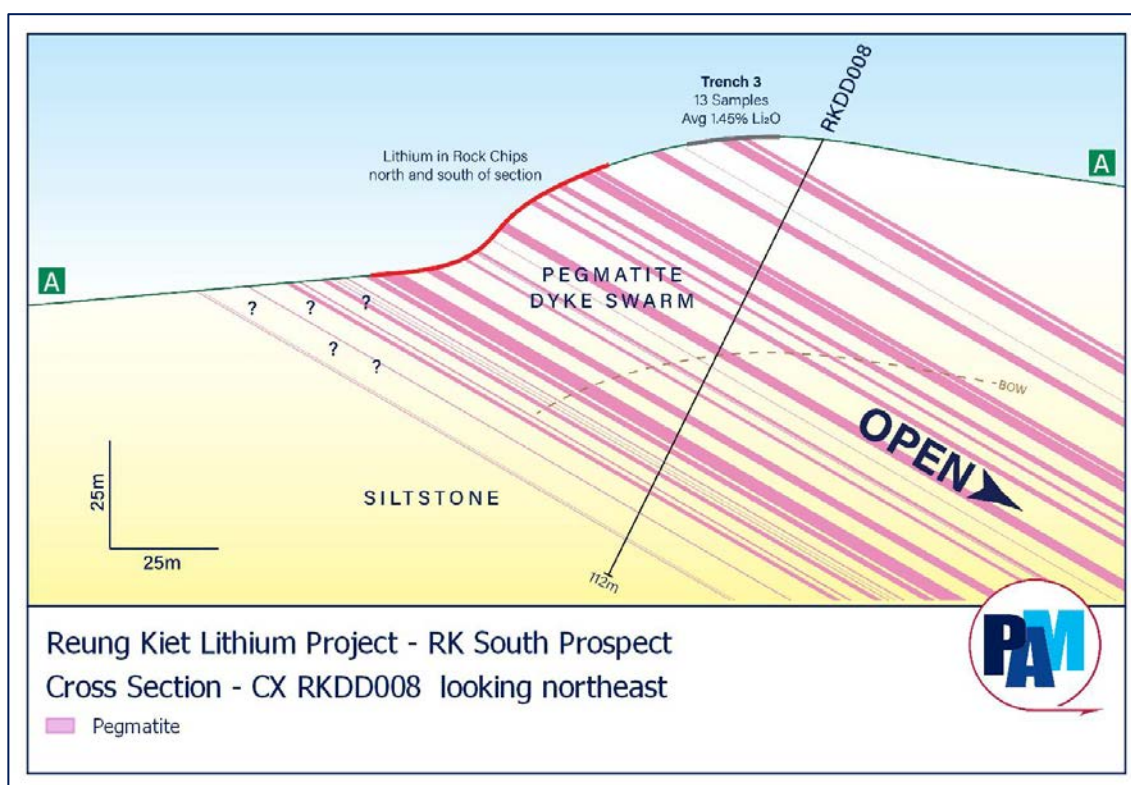


Figure 4: RKLP Reung Kiet South Prospect – Cross Section RKDD008, looking northeast



Photo 1: RKDD008-drill core from 75.3m to 81m, showing lepidolite pegmatite dyke swarm (purple colours)

RKDD009 was drilled approximately 100m southwest along strike from RKDD008. A total composite pegmatite width of 28m was intersected from 4.3m to 108.8m. In the main portion of this zone, from 10.1m to 68.3m, the composite downhole width of the pegmatite was 17.6m, with pegmatites ranging in width from 0.55m to 3.7m (see Figure 5). The pegmatites generally contain abundant lepidolite, (see Photo 2).

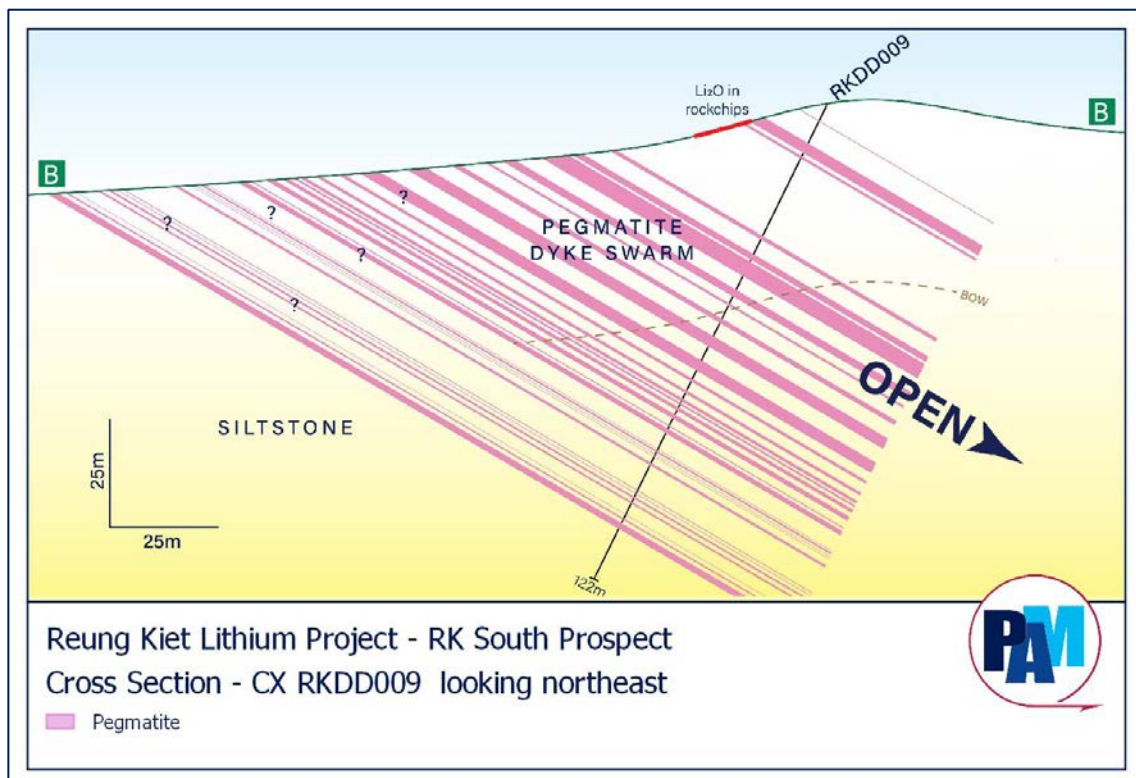


Figure 5: RKLP Reung Kiet South Prospect – Cross Section RKDD009, looking northeast



Photo 2: RKDD009 drill core from 104.2m to 108.7m, showing lepidolite pegmatite dykes (purple colours)

RKDD010 was drilled toward the north end of the target area to a depth of 92m. The hole intersected a pegmatite vein-dyke swarm from 13.5m to 87.35m with a composite width of 14.35m. Some of the pegmatites can be correlated with a small old pit on the surface (see Figure 6). Individual dykes range in thickness up to a maximum 3.05m (see Photo 3)

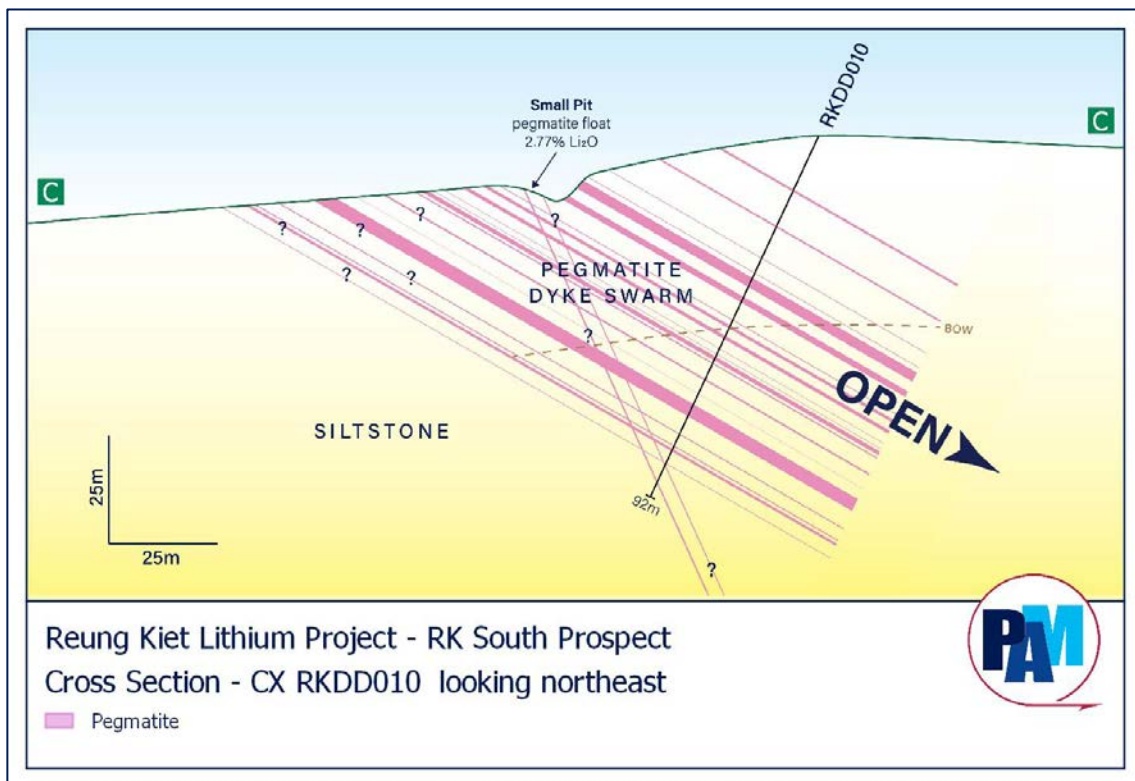


Figure 6: RKLP Reung Kiet South Prospect – Cross Section RKDD010, looking northeast



Photo 3: RKDD010-drill core from 67.3m to 71.8m, showing lepidolite pegmatite dyke (purple colours)

Discussion

The three newly completed drillholes indicate that a lepidolite rich pegmatite dyke and vein swarm would appear to extend from surface and up to 150m down dip. This zone is approximately 400m long. The dyke swarm is relatively shallow dipping and the reported downhole widths essentially represent true thickness. Most of the pegmatites intersected contain lepidolite which occurs as clots, bands or massive zones.

Previous trenching and rock chip sampling at the surface expression of the pegmatite swarm intersected in the drilling has returned consistent Li_2O grades. However, lithium grades in the pegmatites intersected in the drilling can only be confirmed by laboratory analysis.

Spot hand-held XRF analysis of the pegmatites has been conducted on drill core at regular intervals. The results show generally elevated levels of rubidium (Rb), manganese (Mn), tin (Sn) and niobium (Nb) as well as tantalum (Ta) and cesium (Cs). The Rb, Cs and Mn generally support the visual presence of lepidolite, and elevated Sn, Ta and Nb are in common association with the pegmatite.

Weathering in the drillholes extends to up to 55m below surface. Metallurgical testing of weathered pegmatites sampled from the trenching program has indicated that high recoveries of lepidolite can be achieved from the weathered material. The weathered pegmatite also contains potentially recoverable by-products such as kaolin and quartz which are potentially valuable but would otherwise report to tailings. Tin and tantalum are also potentially recoverable.

The total length of the pegmatite trend at Reung Kiet as defined by drilling is now approximately 1km, the trend remains open along strike to the northeast and southwest and remains to be closed off down dip.

Forward Planning

The ongoing results from the drilling at RK are highly encouraging. Drilling continues at the prospect with hole RKDD011 in progress with a further nine holes currently planned with additional drilling contingent upon the success of these holes. Further success may lead to the delineation of a drill supported Exploration Target and/or a Mineral Resource defined in accordance with the JORC Code (2012).

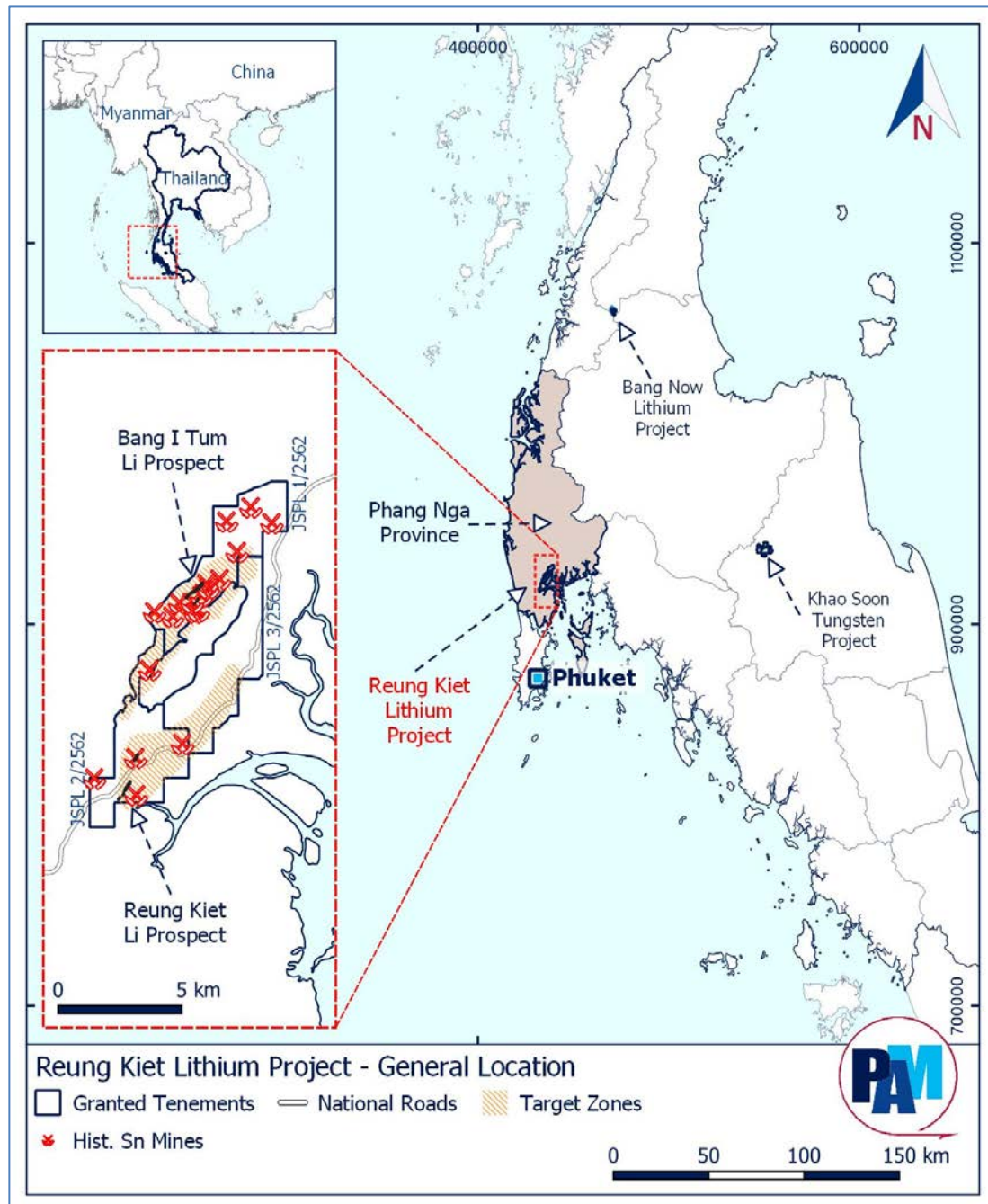
The Company looks forward to keeping Shareholders and the market updated on the drilling progress and results obtained from the drilling program at the Reung Kiet Lithium Project.

Ends

Authorised by:
Board of Directors

About the Reung Kiet Lithium Project

The Reung Kiet Lithium Project is a lepidolite style lithium project located about 70km north-east of Phuket in the Phang Nga Province in southern Thailand. Pan Asia holds a 100% interest in 3 contiguous Special Prospecting Licences (SPL) covering about 38km².



Regional map identifying the location of Phang Nga and the Reung Kiet Lithium Project

About Pan Asia Metals Limited (ASX:PAM)

Pan Asia Metals Limited (ASX:PAM) is a specialty metals explorer and developer focused on the identification and development of projects in Asia that have the potential to position Pan Asia Metals to produce metal compounds and other value-added products that are in high demand in the region.

Pan Asia Metals currently owns two tungsten projects and two lithium projects. Three of the four projects are located in Thailand, fitting Pan Asia Metal's strategy of developing downstream value-add opportunities situated in low-cost environments proximal to end market users.

Complementing Pan Asia Metal's existing project portfolio is a target generation program which identifies desirable assets in the region. Through the program, Pan Asia Metals has a pipeline of target opportunities in Asia which are at various stages of consideration. In the years ahead, Pan Asia Metals plans to develop its existing projects while also expanding its portfolio via targeted and value-accretive acquisitions.

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

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Competent Persons Statement

The information in this Public Report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr David Hobby, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Hobby is an employee, Director and Shareholder of Pan Asia Metals Limited. Mr Hobby has sufficient experience that is relevant to the style of mineralization 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. Mr Hobby consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

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

Important

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

Appendix 1

Drill Collars

Hole_ID	East UTM Zone 47E	North UTM Zone 47N	Elevation (m)	Dip	Azimuth (mag)	Depth (m)
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Trenching Results

Trench ID	Length (m)	Horizontal Pegmatite Width (m)	No. of Samples	Li2O (%)
RKTR01	26	6	8	1.62
RKTR02	11	4	5	1.42
RKTR03	24	3	13	1.45
RKTR04	42	9.5	11	1.29
RKTR07	40	float cobbles	1	1.66
RKTR08	30	23	27	1.33
RKTR09	94	18	25	1.42

The assay results reported are weighted averages (sample width x grade) of every sample in each trench. True widths are estimated to be 40-60% of the reported horizontal width.

Trenches RKTR05 and RKTR06 were located at the northern end of the Reung Kiet Lithium Prospect.

Appendix 2: JORC Code, 2012 Edition – Table 1

PAM Lithium Projects

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<p>Nature and quality of sampling (eg cut channels, random chips, downhole gamma sondes, handheld XRF instruments, etc).</p> <p>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</p> <p>Aspects of determination of mineralisation that are Material to the Report (eg 'RC drilling used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'; or where there is coarse gold that has inherent sampling problems).</p>	<p>Drillcore is subjected to spot analysis by hand held XRF at intervals of around 0.3-0.5m within and adjacent to pegmatite dykes. The quality of this sampling is not representative of the core as a whole and so the results are viewed as preliminary indications of the grade of target or target indicator elements.</p> <p>Certified and internal Reference Material is routinely analysed to ensure the XRF is operating accurately and/or precisely.</p>
Drilling techniques	<p>Drill type (eg core, reverse circulation, etc) and details (eg core diameter, triple tube, depth of diamond tails, face-sampling bit, whether core is oriented; if so, by what method, etc).</p>	<p>All holes are diamond core from surface of HQ triple tube diameter. Most holes not oriented. All holes are being oriented from RKDD009 onwards.</p>
Drill sample recovery	<p>Method of recording and assessing core and chip sample recoveries and results assessed.</p> <p>Measures taken to maximise sample recovery, ensuring representative nature of samples.</p> <p>Is sample recovery and grade related; has sample bias occurred due to preferential loss/gain of fine/coarse material?</p>	<p>Drill core recovery is recorded for every drill run by measuring recovered solid core length over the actual drilled length for that run.</p> <p>Triple tube drill methods were used to assist with maximising sample recovery especially in the weathered zone.</p> <p>Sample recovery through the mineralised zones averages about 88%, lower in weathered material. A relationship has not been established.</p>
Logging	<p>Have core/chip samples been geologically/geotechnically logged to a level of detail to support appropriate resource estimation, mining studies and metallurgical studies.</p> <p>Is logging qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</p> <p>The total length and percentage of the relevant intersections logged.</p>	<p>The drill core was geologically logged at sufficient detail. Geotechnical logging was limited to contact zones and major structures.</p> <p>The logging is mostly qualitative in nature, with some quantitative data recorded. Photographs of each core tray wet and dry, and of wet cut core were taken. The total length of core logged is 953m.</p>
Sub-sampling techniques and sample	<p>If core, cut or sawn and whether quarter, half or all core taken.</p> <p>If non-core, riffled, tube sampled etc and sampled wet or dry?</p> <p>For all sample types, nature, quality and appropriateness of sample preparation technique.</p> <p>QAQC procedures for all sub-sampling stages to maximise representivity of samples.</p> <p>Measures taken to ensure sampling is representative of the material collected, e.g. results for field duplicate/second-half sampling.</p> <p>Whether sample sizes are appropriate to the grain size of the material being sampled.</p>	<p>This is not relevant to the results being reported.</p>

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<p>Nature, quality and appropriateness of the assaying and laboratory procedures used; whether the technique is considered partial or total.</p> <p>For geophysical tools, spectrometers, handheld XRF instruments etc, parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied, their derivation, etc.</p> <p>Nature of QAQC procedures adopted (eg standards, blanks, duplicates, external laboratory checks); whether acceptable accuracy levels (ie lack of bias) / precision established.</p>	<p>Spot hand held XRF results are being reported.</p> <p>Samples are analysed using a hand held Thermo Scientific Olympus Vanta X-Ray Fluorescence analyser in 3 beam mode, with analysis for 20 seconds per beam. Li cannot be analysed by hhXRF. However, Rb, K, Mn, Cs show good correlation with lab reported Li results. Other elements of interest such as Sn and Nb are also recorded by hhXRF as well as many others. Certified standards are routinely analysed.</p> <p>The laboratory reports results for internal standards, duplicates, prep duplicates and blanks. PAM has conducted ¼ sampling and re-analysis of sample pulps utilising different digestion and assay methods. Both the lab QA/QC and additional PAM data indicate acceptable levels of accuracy and precision.</p>
Verification of sampling and assaying	<p>Verification of significant intersections by independent / alternative company personnel.</p> <p>The use of twinned holes.</p> <p>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</p> <p>Discuss any adjustment to assay data.</p>	<p>Sample results have been checked by company Chief Geologist and Senior Geologist. Li mineralisation is associated with visual zones of distinctively coloured lepidolite.</p> <p>Assays reported as Excel xls files and secure pdf files.</p> <p>Data entry carried out both manually and digitally by Geologists. To minimize transcription errors field documentation procedures and database validation are conducted to ensure that field and assay data are merged accurately.</p>
Location of data points	<p>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings etc used in estimation.</p> <p>Specification of grid system used.</p> <p>Quality and adequacy of topographic control.</p>	<p>Drill hole locations are derived from hand held GPS, with approximately 2-5m accuracy, sufficient for this type of reconnaissance drilling.</p> <p>All locations reported are UTM WGS84 Zone 47N.</p> <p>Topographic locations interpreted from Thai base topography in conjunction with GPS results.</p>
Data spacing and distribution	<p>Data spacing for reporting of Exploration Results.</p> <p>Is data spacing and distribution sufficient to establish degree of geological and grade continuity appropriate for Resource / Reserve estimation procedure(s) and classifications applied?</p> <p>Whether sample compositing has been applied.</p>	<p>The drilling was conducted on wide spaced sections.</p> <p>Resources or reserves are not being reported.</p> <p>Sample compositing was not applied</p>
Orientation of data in relation to geological structure	<p>Does the orientation of sampling achieve unbiased sampling of possible structures; extent to which this is known/understood.</p> <p>If relationship between drilling orientation and orientation of mineralised structures has introduced a sampling bias, this should be assessed and reported if material.</p>	<p>The drill holes reported are drilled normal to the strike of the mineralised dykes.</p>
Sample security	<p>The measures taken to ensure sample security.</p>	<p>Drill core is securely stored in a filed compound.</p>
Audits or reviews	<p>The results of any audits or reviews of sampling techniques and data.</p>	<p>No formal audits conducted at this stage of the exploration program.</p>

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<p>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</p> <p>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</p>	<p>Three contiguous Special Prospecting Licences (JSPL1, 2 and 3) covering an area of 48sq km are registered to Thai company Siam Industrial Metals Co. Ltd. (SIM). Pan Asia Metals holds 100% of SIM located 60km north of Phuket in southern Thailand. The tenure is secure and there are no known impediments to obtaining a licence to operate, aside from normal considerations.</p>
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	<p>The Institute of Geological Sciences, a precursor of the British Geological Survey (BGS) in the late 1960's conducted geological mapping, documenting old workings, surface geochemical sampling, mill concentrates and tailings sampling and metallurgical test work on the pegmatite then being mined at Bang I Tum Reung Kiet. This work appears to be of high quality and is in general agreement with Pan Asia's work.</p> <p>In 2014 ECR Minerals reported Li results for rock samples collected in Reung Kiet project area. The locations and other details of the samples were not reported. But the samples showed elevated Li contents.</p>
Geology	Deposit type, geological setting and style of mineralisation.	<p>The project is located in the Western Province of the South-East Asia Tin Tungsten Belt. The Reung project area sits adjacent and sub-parallel to the regionally extensive NE trending Phangnga fault. The Cretaceous age Khao Po granite intrudes into Palaeozoic age Phuket Group sediments along the fault zone, Tertiary aged LCT pegmatite dyke swarms intrude parallel to the fault zone.</p>
Drillhole Information	<p>A summary of information material to the understanding of the exploration results including a tabulation for all Material drill holes of:</p> <ul style="list-style-type: none"> • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in meters) of the drill hole collar • dip and azimuth of the hole • downhole length and interception depth • hole length. <p>If exclusion of this information is not Material, the Competent Person should clearly explain why this is the case.</p>	Drillhole information and assay intersections if reported, are reported in tabulated form.
Data aggregation methods	<p>Weighting averaging techniques, maximum/ minimum grade cutting and cut-off grades are Material and should be stated.</p> <p>Where compositing short lengths of high grade results and longer lengths of low grade results, compositing procedure to be stated; typical examples of such aggregations to be shown in detail.</p> <p>Assumptions for metal equivalent values to be clearly stated.</p>	Not reported

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If mineralisation geometry with respect to the drillhole angle is known, its nature should be reported.</p> <p>If it is not known and only down hole lengths are reported, a clear statement to this effect is required (eg 'down hole length, true width not known').</p>	<p>Intercept lengths are reported as downhole length.</p> <p>The mineralised zones dip around 20-30 degrees southeast. Holes were drilled at -60 or -65 degrees towards the northwest (normal to strike). The true width of the mineralisation reported can be considered very close to true width.</p>
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts to be included for any significant discovery. These to include (not be limited to) plan view of collar locations and appropriate sectional views.	Appropriate plans and sections are provided.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Results are reported for every drillhole.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	<p>The drilling results reported are from holes targeting mineralisation beneath surface indications. Rock-chip sampling by Pan Asia indicate mineralisation is present along trend to the south. Weaker surface Li anomalism is also present immediately north of the pit. The whole mineralised trend is potentially 1km or more long.</p> <p>Garson et al 1969 conducted work on concentrates, tailings and met test-work on a sample taken from the mine. This work was positive, no deleterious substances have been identified to date.</p>
Further work	<p>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas (if not commercially sensitive).</p>	<p>Planned further work will include drilling.</p> <p>Extensional drilling down dip is being conducted also planned beyond existing holes. Broader step out drilling may also be conducted.</p>