ASX Announcement | March 25, 2021

Drilling update
Reung Kiet Lithium Prospect, Thailand

HIGHLIGHTS

- PAM has completed two holes at the Reung Kiet Lithium Prospect
- Following up an earlier trenching program with lithium grades up to 1.99% Li_2O.
- Pegmatite dyke swarms have been intersected in both holes, over substantial widths
- Pegmatite contains abundant lepidolite along with quartz and feldspar
- Pegmatite is shallow dipping, extends to plus 100m down dip from surface and remains open
- Weathering extends to about 40m below surface
- Core is being logged, in preparation for sampling and dispatch for analysis
- Drilling is ongoing with a further 6 holes planned
- Further drilling will be contingent on outcomes from this drilling program

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

Pan Asia Metals Managing Director Paul Lock said: "*We are very pleased with these first two holes. The dyke swarms intersected are relatively wide and are shown to extend at shallow dip from surface where previous trenching work identified the lepidolite rich pegmatite dyke swarm with channel assays up to 1.99% Li_2O. The shallow dip and depth of weathering also offers benefits with regard to potential future mining and processing options. Previous metallurgical testwork indicates that we can recover lepidolite from the weathered pegmatites and also potentially valuable by products such as kaolin and quartz.*"

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 Figure 2). Mining of the weathered pegmatites extended up to 25m below surface, to the top of hard rock.

Reung Kiet Prospect - Drilling

Pan Asia Metals has completed two (2) HQ3 diameter diamond drill holes at Reung Kiet for a total of 205m.

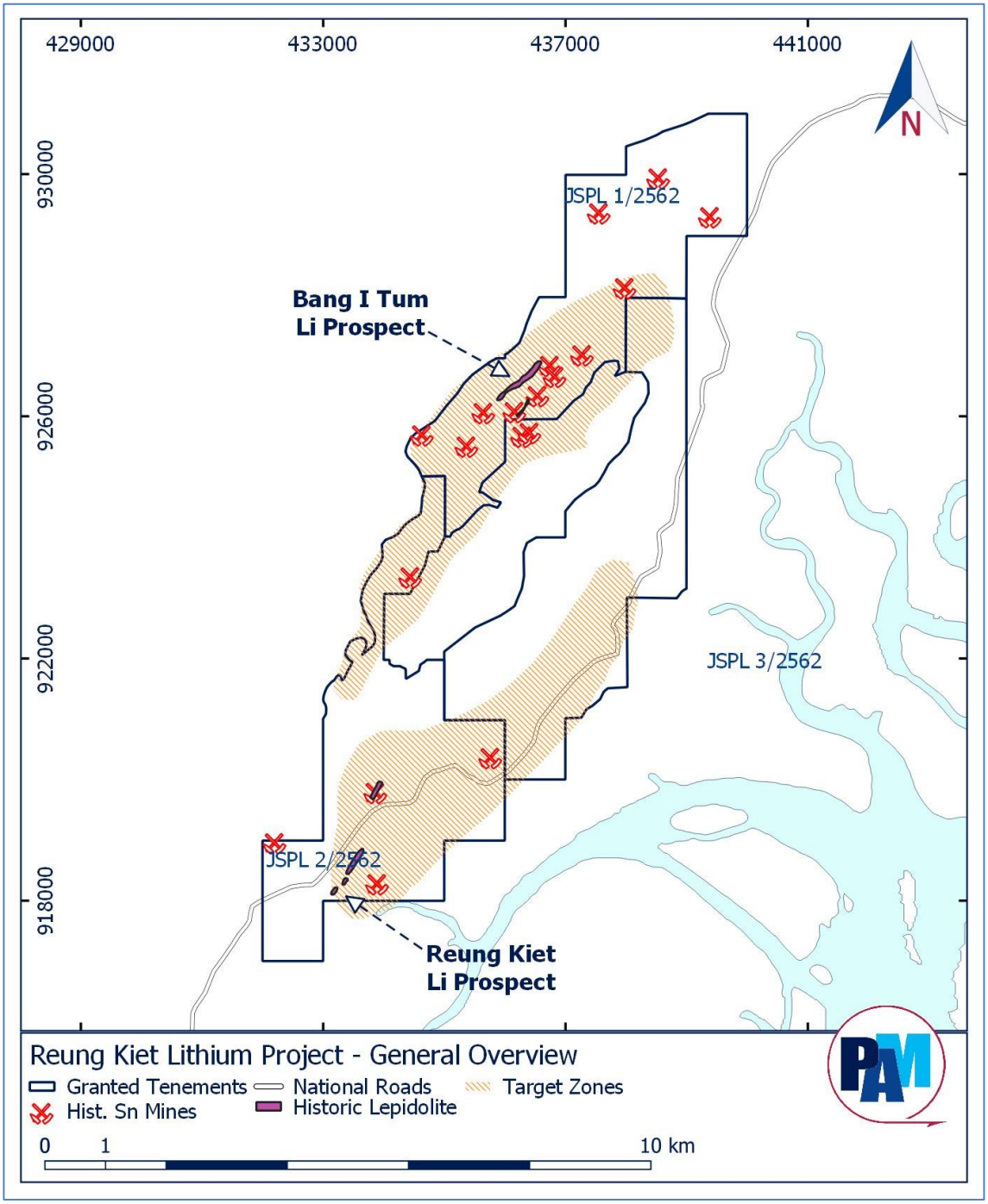

Figure 1: The Reung Kiet Lithium Project, Phang Nga Province, southern Thailand

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 target being drilled occurs to the southwest along strike from the old open cut (see Figure 2). The whole trend has a combined strike length of about 1km. Please refer to Appendix 1, being JORC Code Table 1, for drill program details and previous work including the trenching program.

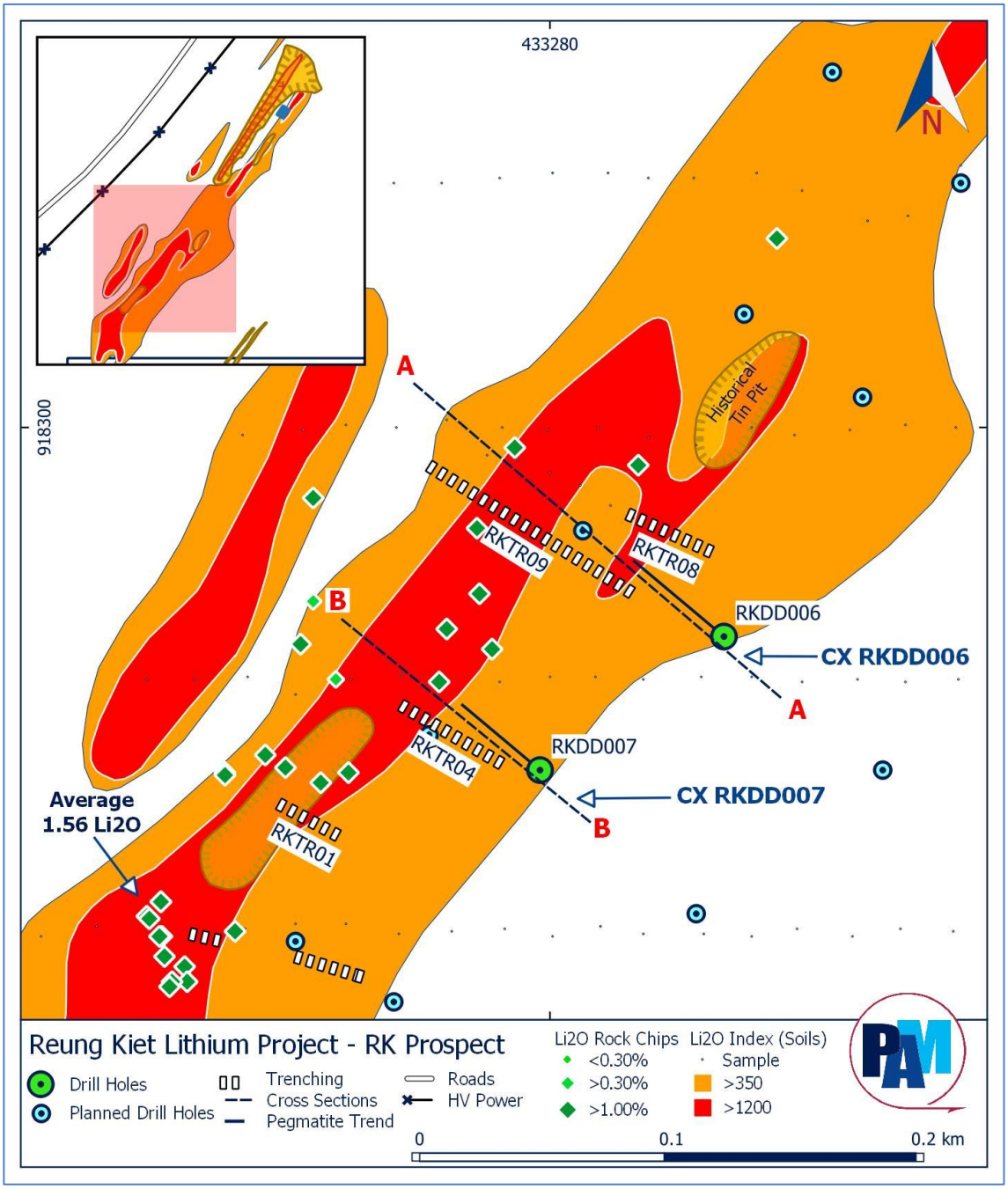

Figure 2: RKLP Reung Kiet Prospect – South end of Prospect

The two completed holes RKDD006 and 007 have both intersected an extensive swarm of pegmatite, stringers, veins and dykes that intrude into fine grained metasediments. The pegmatites are located immediately down dip of similar pegmatite dyke swarm that have been identified at surface. The pegmatites are interpreted to be dipping about 20-30 degrees to the southeast in line with exposures observed in trenching and in an old mine excavation at the southern end of the trend.

RKDD006 was drilled to test for down dip extensions of a lepidolite rich pegmatite swarm that was identified in previous trenching. The hole intersected a lepidolite rich dyke and vein swarm with a composite downhole width of approximately 24m from 5.8m to 101.2m. The central part of the swarm from 24.15m to 80.5m intersected numerous lepidolite rich pegmatites ranging from 0.2 to 2.45m, with a composite width of 18.35m (see Figure 3 and Photo 1).

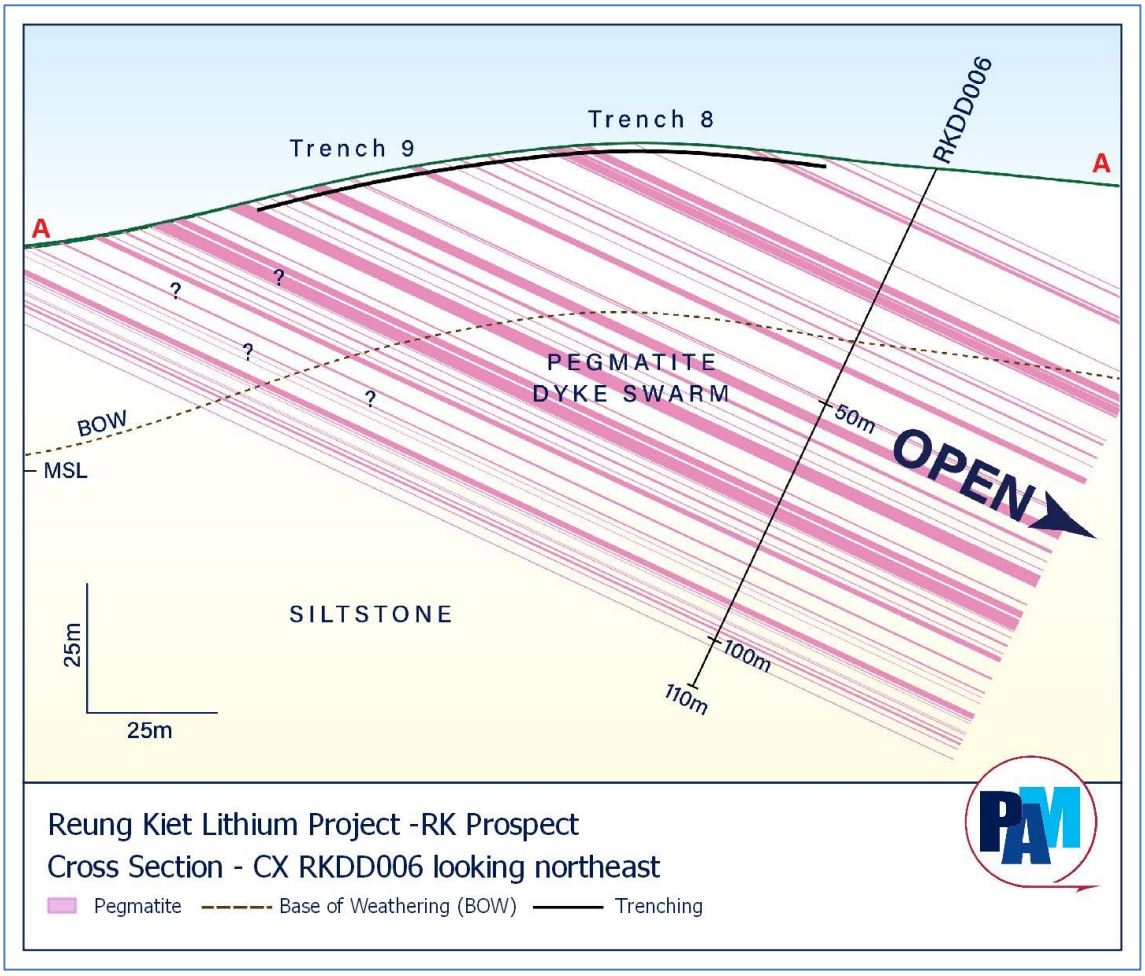

Figure 3: RKLP Reung Kiet Prospect – Cross Section RKDD006, looking northeast

Hole RKDD006 was drilled on a section effectively in between but close to Trenches 8 and 9 (see Figure 2). These trenches intersected numerous lepidolite rich pegmatite dykes and veins. Sampling of the pegmatites in these trenches showed that from the 52 channel samples collected, 50 samples were >0.5% Li_2O and returned an average grade of 1.41% Li_2O, with a maximum value of 1.99% Li_2O.

Photo 1: RKDD006-showing lepidolite rich dyke swarm (purple colours) from 60.9-73.8m (right to left)

RKDD007 was drilled approximately 100m southwest along strike from RKDD006, to a depth of 95m. From 14.1m to 88.25 the total composite width of the pegmatite intersected was 19.1m. In the central portion of this zone from 17.75m to 67.4m the composite downhole width of the pegmatite was 15.5m (see Figure 4). The pegmatites contain abundant lepidolite (see Photo 2).

RKDD007 was drilled almost on the same section as Trench 4. This trench was relatively short. The 11 samples of pegmatite dyke collected in the trench returned average values of 1.29% Li_2O ranging between 0.52% to a maximum of 1.81% Li_2O.

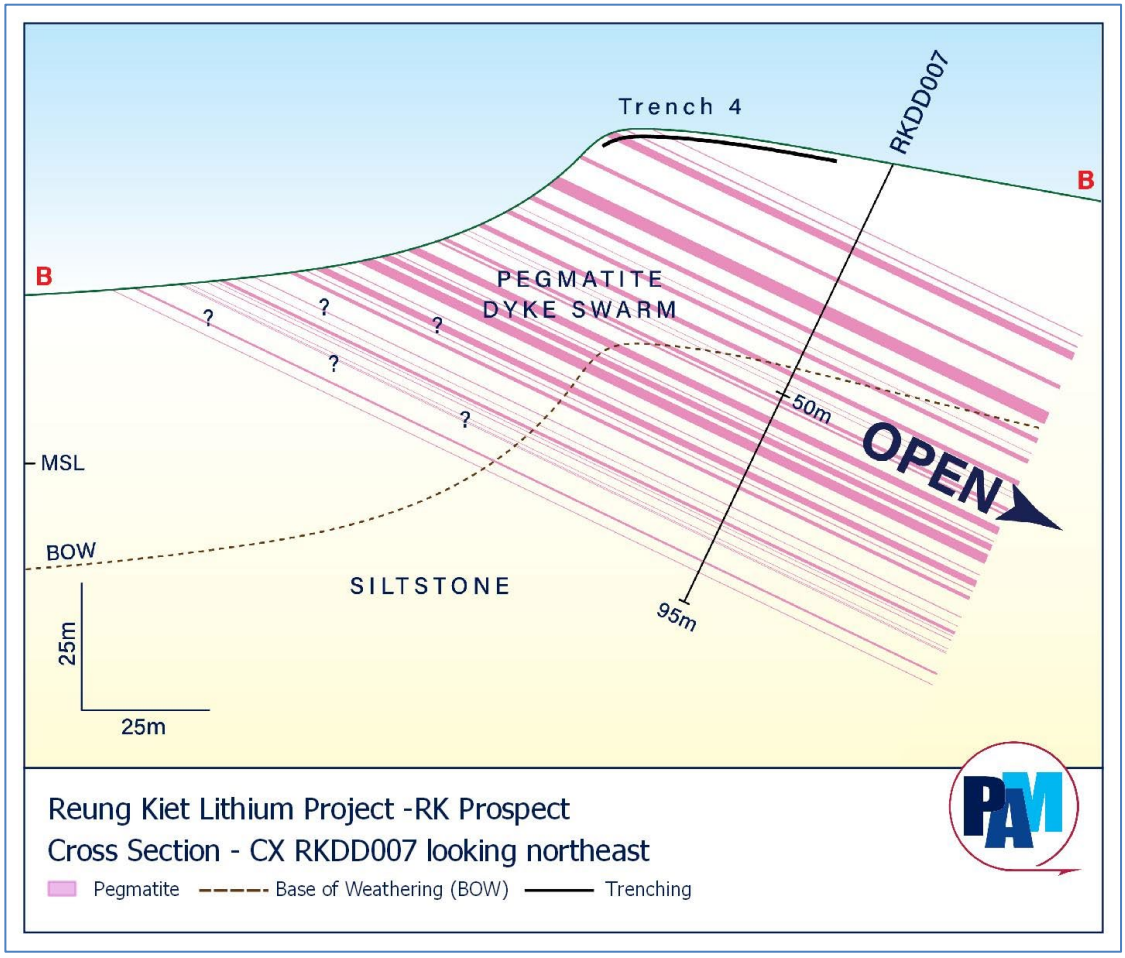

Figure 4: RKLP Reung Kiet Prospect – Cross Section RKDD006, looking northeast

Photo 2: RKDD007-showing lepidolite rich dyke swarm (purple colours) from 59.8-70.2m (right to left)

Discussion

The two holes so far completed indicate that a lepidolite rich pegmatite dyke and vein swarm would appear to extend from surface and up to 150m down dip. The dyke swarm is relatively shallow dipping and the reported downhole widths essentially represent true thickness. Most of the pegmatites intersected contain abundant lepidolite which occurs as clots, bands or massive zones.

Previous trenching at the interpreted surface expression of the pegmatites 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.

Weathering in the drillholes extends to approximately 40m 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.

Forward Planning

The initial results from the drilling at RK are highly encouraging. Drilling continues at the prospect and a further six holes are 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.

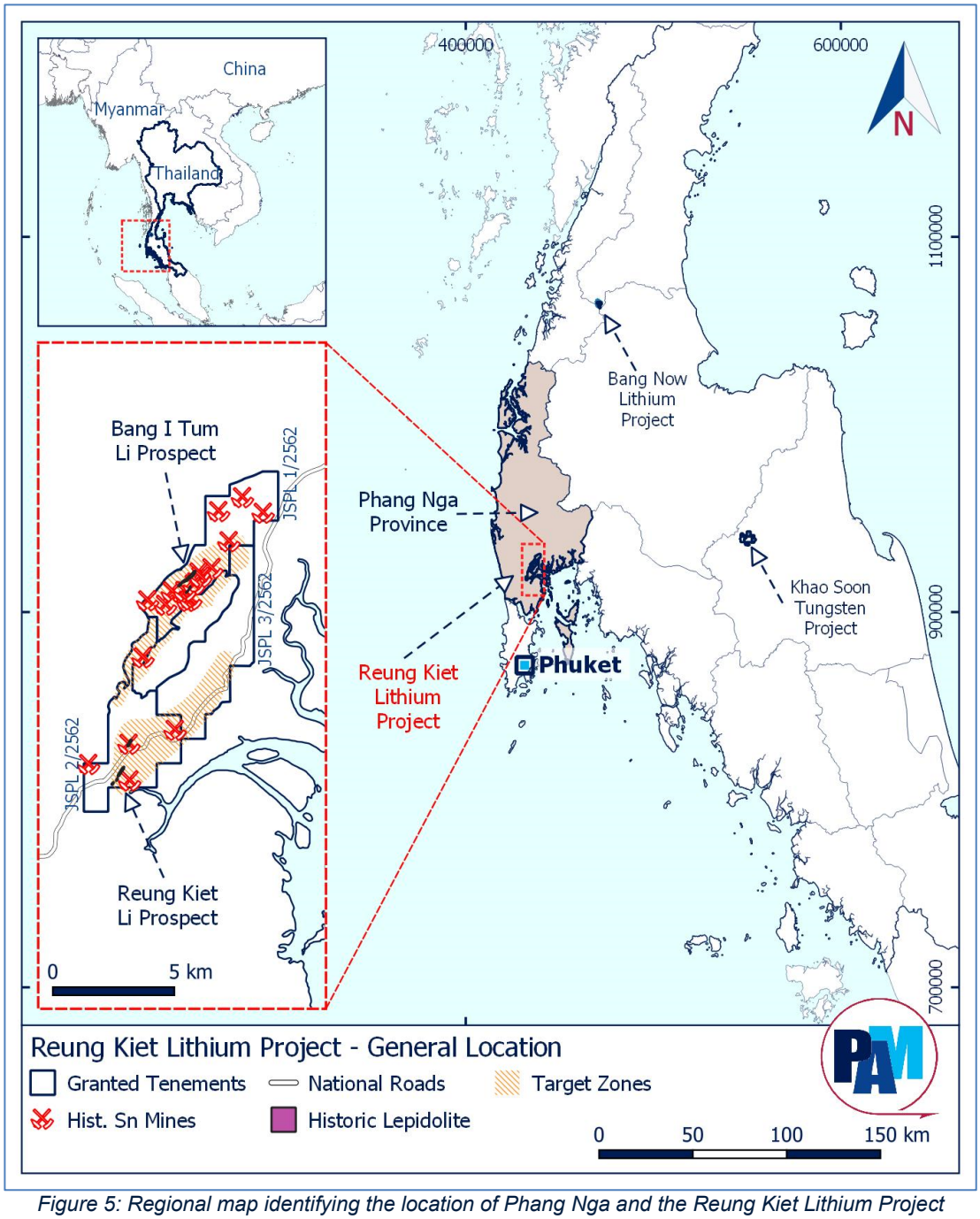

Figure 5: Regional map identifying the location of Phang Nga and the Reung Kiet Lithium Project

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 South East 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 South East 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

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

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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: JORC Code, 2012 Edition – Table 1

PAM Lithium Projects. Geochemical sampling and drilling

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	Nature and quality of sampling (eg cut channels, random chips, downhole gamma sondes, handheld XRF instruments, etc). Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. 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).	Rock-chip, channel and float samples. Samples collected were around 1- 5kg. Most samples are pegmatite which occurs as outcrop, sub-crop, float or in dumps. A few granite and metasediment samples were also collected. Channel-chip samples of outcrops were collected where possible, especially in trenches. Soil samples are collected from the base of a 20-40cm deep hole dug with a spade. B Horizon samples are generally preferred, with some local C-Horizon samples collected. Samples were selected in order to ascertain the degree of lithium enrichment and enable geochemical characterisation. As such, the samples are representative of the lithium mineralisation within the samples collected but may not necessarily represent the composition of the entire pegmatite, with the possible exception of channel-chip samples. Samples were collected by PAM employed field geologists and/or supervised field assistants, then samples are sent to either ALS Chemex in Brisbane or SGS in Perth for analyses. No drilling samples are being reported. Internal QAQC standards, duplicates and blanks were inserted by the laboratory.
Drilling techniques	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).	Drilling is HQ triple tube diamond core ~63mm diameter
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery, ensuring representative nature of samples. Is sample recovery and grade related; has sample bias occurred due to preferential loss/gain of fine/coarse material?	Solid core recovered is measured and this is divided by the interval of the drill run to assess recovery. HQ triple tube is used to maximise core recovery Sample recoveries of analysed drill samples is typically >95%.
Logging	Have core/chip samples been geologically/geotechnically logged to a level of detail to support appropriate resource estimation, mining studies and metallurgical studies. Is logging qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged.	Detailed logging is yet to be undertaken, no resources or other studies are being reported. Only summary logging has been undertaken at this stage.
Sub-sampling techniques	If core, cut or sawn and whether quarter, half or all core taken. If non-core, riffled, tube sampled etc and sampled wet or dry?	Not applicable, no drill sampling is being reported The rock and soil sample preparation technique of fine crush, riffle or rotary split sub-sample, the

Criteria	JORC Code explanation	Commentary
and sample	For all sample types, nature, quality and appropriateness of sample preparation technique. QAQC procedures for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure sampling is representative of the material collected, e.g. results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled.	pulverisation is industry standard and practice for this stage of investigation and style of mineralization. The laboratory reports particle size analysis for crushed and pulverised samples about every 25 samples. Duplicate sampling has been undertaken for some soil and rock chips. Results indicate acceptable represebtivity. The sample sizes are considered appropriate for the typically <3mm grain sizes in the aplo-pegmatite.
Quality of assay data and laboratory tests	Nature, quality and appropriateness of the assaying and laboratory procedures used; whether the technique is considered partial or total. 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. Nature of QAQC procedures adopted (eg standards, blanks, duplicates, external laboratory checks); whether acceptable accuracy levels (ie lack of bias) / precision established.	The rock and soil samples were dried, crushed to -3mm, and sub-sample of 500-1000g is riffle or rotary split and then pulverized to 90% passing 75 microns. For SGS samples, preparation is done at an SGS lab in Bangkok. For ALS samples, preparation was completed at ALS in Laos. 100g -75 micron pulps are then dispatched for analysis. All pulp samples were analysed using a hand held Olympus Delta 400 Premium in Geochem and/or soil mode, with dual beam analysis for 30 seconds each. Rb, K, Mn assays show very good correlation with lab derived Li analysis. Other elements of interest also exhibit good correlation with lab results. Samples were digested by either mixed acid digest or sodium peroxide with ICP finish by ALS Chemex in Brisbane for Li and at times also Sn, Ta and Rb. Samples to ALS were analysed by sodium peroxide fusion digest with ICP-MS finish at SGS in Perth for Li, Sn, Ta. Internal laboratory standards, splits and repeats were used for quality control. PAM did insert any QA/QC samples. Although some outcrops have been sampled up to 3 times and could be considered as filed duplicates, and Li results exhibit strong agreement.
Verification of sampling and assaying	Verification of significant intersections by independent / alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data.	Sample results have been checked by company Senior Geologist. Assays reported as Excel xls files and secure pdf files. 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. Following factor adjustments applied to assay data for reporting purposes: Li x 2.153 to convert to Li_2O
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings etc used in estimation. Specification of grid system used. Quality and adequacy of topographic control.	Sample and drill hole locations are from hand held GPS, with approximately 2-5m accuracy for X-Y, sufficient for this type of exploration. For trenches to start and end points are recorded. Sample locations are then measured from the start point using a tape measure. All locations reported are UTM WGS84 Zone 47N.

Criteria	JORC Code explanation	Commentary
		Topographic locations interpreted from Thai base topography in conjunction with GPS results. These are accurate to about 10m.
Data spacing and distribution	Data spacing for reporting of Exploration Results. Is data spacing and distribution sufficient to establish degree of geological and grade continuity appropriate for Resource / Reserve estimation procedure(s) and classifications applied? Whether sample compositing has been applied.	All samples were selected by the geologist to assist with identification of the nature of the mineralisation present at each location. No set sample spacing was used for rock samples, except in channel chips at outcrops and in trenches, where sample widths generally varied between 1 and 3m. Soil samples are collected along lines at 20-25m spacing, with lines spaced at 100m or 200m. No Resources or Reserves are being reported Sample compositing was not applied
Orientation of data in relation to geological structure	Does the orientation of sampling achieve unbiased sampling of possible structures; extent to which this is known/understood. If relationship between drilling orientation and orientation of mineralised structures has introduced a sampling bias, this should be assessed and reported if material.	Channel-chip samples collected off exposed faces, which may not true width information. Trench samples are collected in trenches oriented normal to the known trend. Associated structural measurements and interpretation by geologist can assist in understanding geological context. All other rock samples are essentially point samples. Soil samples were collected on lines oriented normal to known pegmatite trends. Drilling is undertaken perpendicular or near perpendicular to strike and dip of the target.
Sample security	The measures taken to ensure sample security.	Samples are securely packaged and transported by independent reputable carrier or transported by company personnel to independent sample preparation. Pulp samples for analysis are then air freighted to Australia in accordance with relevant laboratory protocols. Bulk and pulp rejects are returned to PAM in Thailand, by reputable courier.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	None conducted at this stage of the exploration and drilling program.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	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. 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.	Three contiguous Special Prospecting Licences (JSPL1, 2 and 3) covering an area of 40sq 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.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	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

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>pegmatite then being mined at Reung Kiet. This work appears to be of high quality and is in general agreement with Pan Asia's work.

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.

.</td></tr>
<tr><td>Geology</td><td>Deposit type, geological setting and style of mineralisation.</td><td>The projects are located in the Western Province of the South-East Asia Tin Tungsten Belt. The Reung Kiet 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 along the fault zone .</td></tr>
<tr><td>Drillhole Information</td><td>A summary of information material to the understanding of the exploration results including a tabulation for all Material drill holes of:
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.
If exclusion of this information is not Material, the Competent Person should clearly explain why this is the case.</td><td><table><tr><th>Hole ID</th><th>East_m</th><th>North_m</th><th>Dip</th><th>Az_mag</th><th>mASL</th><th>Depth</th></tr><tr><td>RKDD006</td><td>433349</td><td>918217</td><td>-65</td><td>310</td><td>45</td><td>110</td></tr><tr><td>RKDD007</td><td>433276</td><td>918164</td><td>-65</td><td>310</td><td>51</td><td>95</td></tr></table>Other data is presented in the text of the report.</td></tr>
<tr><td>Data aggregation methods</td><td>Weighting averaging techniques, maximum/ minimum grade cutting and cut-off grades are Material and should be stated.

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.

Assumptions for metal equivalent values to be clearly stated.</td><td>Drilling results are not being reported. Other data not applicable to sample type and methods reported.

Where average grades are reported the lower cut-off grade and number of samples above and below cut-off are reported as well as average and maximum grades of the dataset.

Not being reported</td></tr>
<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>These relationships are particularly important in the reporting of Exploration Results.

If mineralisation geometry with respect to the drillhole</td><td>Rock chip sample results reported as individual surface samples collected from float sub-crop or exposed faces. For channel samples relationship between sample width and true width varies.
For drilling the pegmatite dyke swarm are all assumed to dip at about -25 degrees to SE and strike at 40 degrees. The true width of the reported pegmatites is about 100% of the downhole width.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	angle is known, its nature should be reported. 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').	
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.	Soil,rock sample results and trench locations are provided on relevant maps in the report. Drill sections and plans are provided in the report.
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 of assays of all samples collected are reported as appropriate in the text or on plans and sections.
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.	Pan Asia has conducted geological mapping, rock chip and soil sampling to support the geological interpretations. XRD studies have been conducted on some rock samples to confirm mineralogy. Sighter metallurgical testwork has been conducted on weathered pegmatite samples from the Reung Kiet lithium prospect. Drilling has been conducted to test beneath the Reug Kiet open pit, but is not being reported here.
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas (if not commercially sensitive).	It is envisaged that further mapping and sampling is warranted to investigate potential additional lithium pegmatites, Drilling to test extensions at depth and along strike is also planned. Appropriate diagrams appear in the repor