PanAsiaMetals

ASX Announcement | March 23, 2021

Drilling update
Bang I Tum Lithium Prospect, Thailand

HIGHLIGHTS

- PAM has completed six holes at the Bang I Tum lithium prospect for a total of 963m
- Pegmatite dyke swarms intersected in all holes, over substantial widths
- Pegmatite extends to plus 100m below surface
- Pegmatite contains quartz, feldspar and potentially lithium bearing muscovite and local lepidolite
- Spot hand-held XRF analysis of drill core has identified the presence of elevated Sn and Nb along with elevated lithium indicator elements, such as Rb and Mn
- Core is being cut and sampled for dispatch to laboratory for analysis
- Drill rig has mobilised to the Reung Kiet Lithium prospect

Specialty metals explorer and developer **Pan Asia Metals Limited (ASX: PAM) ('PAM' or 'the Company')** is pleased to report that six diamond drill holes have been completed at the Bang I Tum lithium prospect for a total of 963m.

Pan Asia Metals Managing Director Paul Lock said: "*We are very pleased with the drilling results. The pegmatite dyke swarms are relatively wide and extend to significant depths beneath the old pit and along strike to the south. Whilst we await results from the lab we are buoyed by the hhXRF results and visual indications which support the presence of lepidolite and muscovite and therefore the potential for lithium to be hosted in both. The presence of elevated tin and niobium, the latter as a proxy for tantalum, is also very encouraging.*"

The BIT prospect 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.

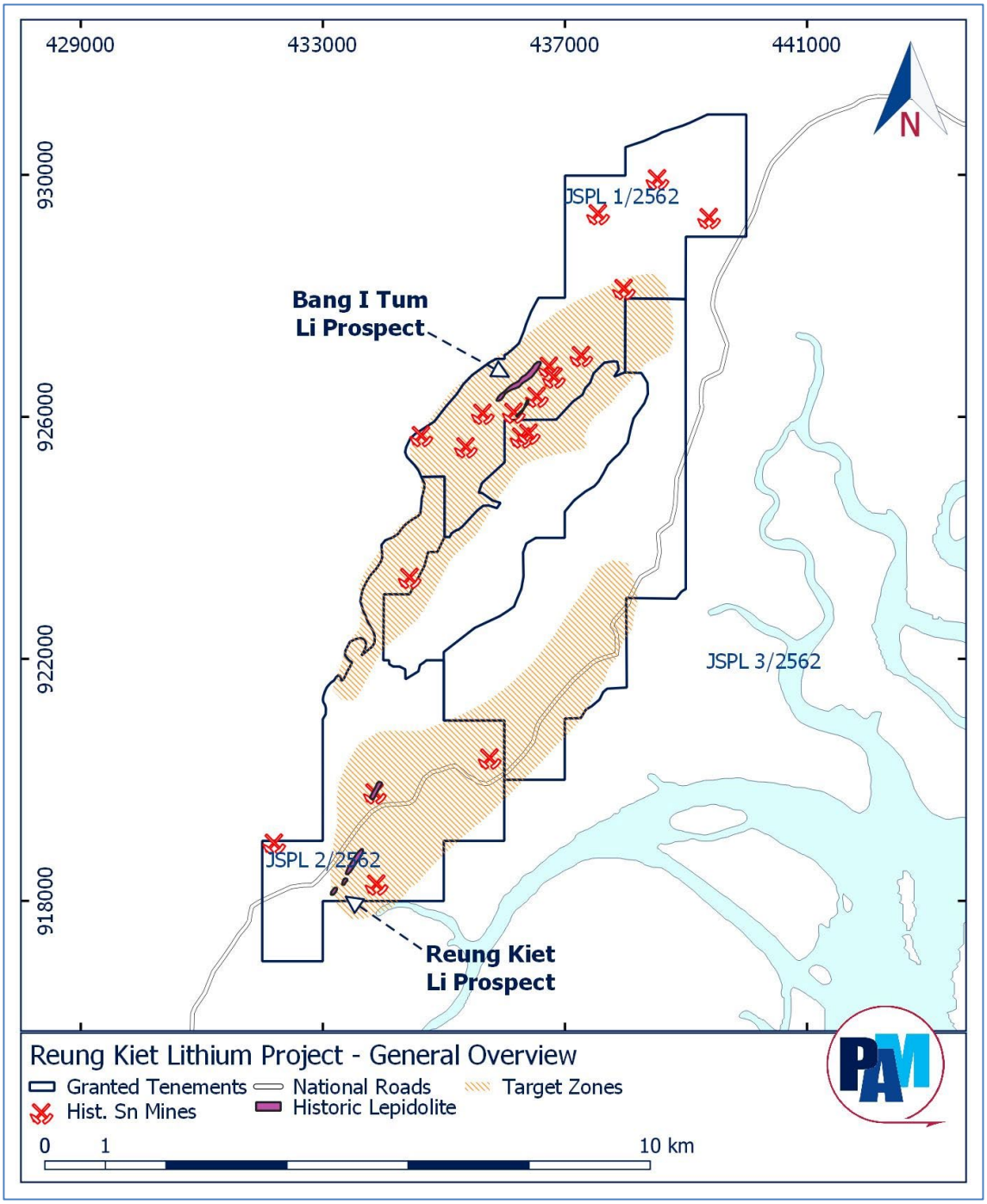

Figure 1: The Reung Kiet Lithium Project, Phang Nga Province, southern Thailand

Bang I Tum Lithium Prospect (BIT)

The Bang I Tum prospect was a relatively large open cut tin mine. The old pit is about 650m long and up to 125m wide (see Figure 2). Mining of the weathered pegmatites extended up to 30m below surface, to the top of hard rock.

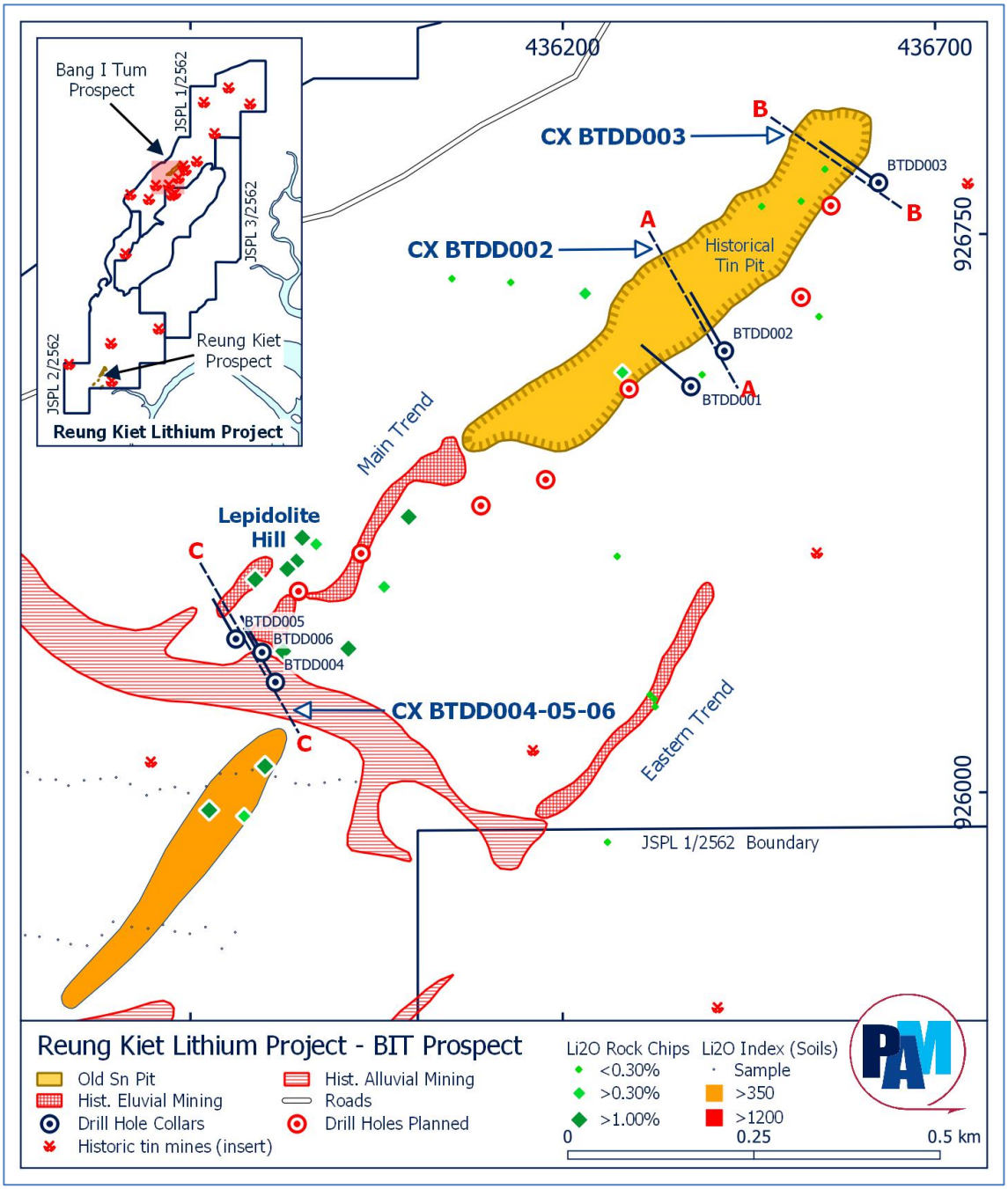

Figure 2: The Bang I Tum Lithium Prospect with proposed drill hole locations

The mined pegmatite is recorded to be at least 20m wide[i]. The pit is now water filled, with water depths to a maximum 15m. Additional smaller scale mining extended further along strike to the southwest. Soil and rock-chip sampling has defined the Main trend and an Eastern trend located approximately 350m east of, and parallel to the Main trend. The prospective Main trend and the Eastern trend are both about 1.5km long (see Figure 2).

A lepidolite rich pegmatite dyke swarm can be observed on "Lepidolite Hill", located about 400m along strike southwest of the pit.

The Company's earlier rock chip sampling program has yielded 14 of 24 samples >0.5% Li_2O, with an average grade of 1.23% Li_2O plus up to 0.19% Sn and up to 542ppm Ta_2O_5 .

Recent drilling

The drilling program at Bang I Tum was designed to test beneath the old open pit and also along strike to the southwest in the vicinity of 'Lepidolite Hill' (see Figure 2). The program consisted of six (6) HQ3 diamond core holes (BTDD001 to 006) for a total of 963m. Collar details are provided in Table 1 below:

Table 1. Bang I Tum drillhole collars

Hole ID	East	North	Dip	Azimuth	Meters ASL	Total Depth
BTDD001	436372	926545	-60	310	50	171
BTDD002	436417	926593	-62	330	50	190
BTDD003	436624	926819	-60	305	62	190
BTDD004	435814	926148	-65	330	45	196
BTDD005	435761	926206	-55	330	46	106
BTDD006	435796	926188	-60	330	45	110

Additional technical data is provided in Appendix 1, being JORC Table 1.

Drillholes BTDD001, 002 and 003 were drilled at relatively wide spacings beneath the old Bang I Tum open pit. Each of these holes intersected an extensive swarm of pegmatite dykes, veins and stringers. The composite downhole width of the pegmatite intersections in each of these holes is approximately 30m. Results for BTD001 were previously reported, see PAM's ASX announcement Reung Kiet Lithium Project – Drilling Update February 1, 2021.

All of the pegmatites intersected contain quartz, feldspar, local tourmaline and varying amounts of fine grained to clotty muscovite. The observed muscovite is visually estimated to vary between 5% and 25% of the pegmatite. As indicated in the 1960's study the muscovite or "white lepidolite" is potentially lithium bearing. The pegmatite also contains disseminated cassiterite (tin oxide) and local pyrite and chalcopyrite. Tin is a potentially valuable component of the pegmatite, and the 1960's study states that at Bang I Tum: "The pegmatites have all been deeply excavated because of their rich tenor of tin".

Hole BTDD002 was drilled approximately 100m along strike of BTDD001 (see Figure 2). The hole intersected pegmatite with a combined thickness of 33.5m, with individual zones ranging from 0.1m to 7.8m. The central part of the pegmatite swarm from 79m-142m contained a composite pegmatite thickness of 26m (see Figure 3). A pegmatite approximately 7.8m wide was intersected from 95m (see Photo 1).

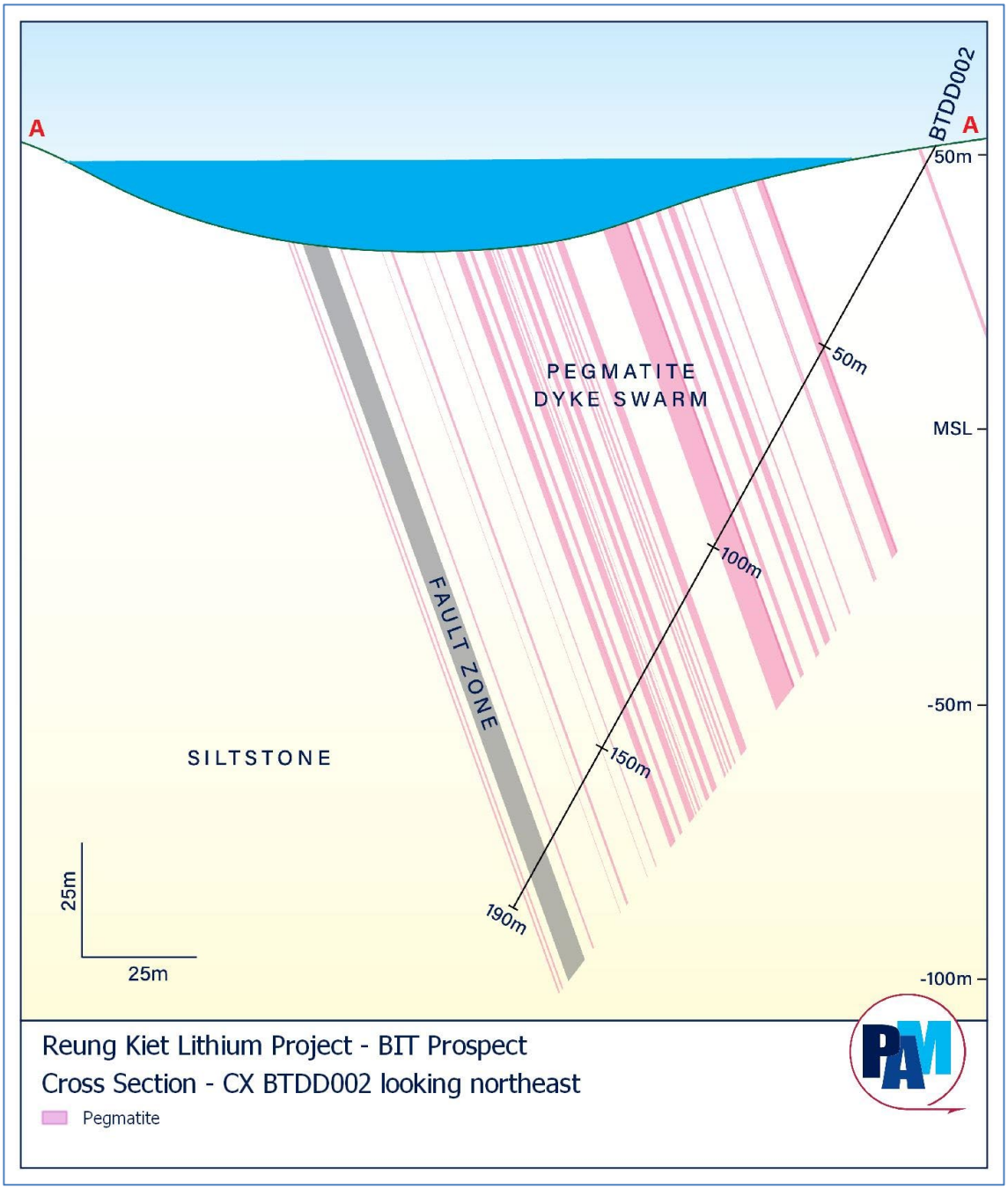

Figure 3. Cross Section BTDD002

Photo 1: BTDD002-showing pegmatite from 95.1 to 102.9m

Hole BTDD003 was drilled approximately 300m along strike of BTDD002. The hole intersected pegmatite with a composite thickness of 27.2m. The main part of the dyke swarm from 106.2 to 153.7m contained a composite thickness of 25.9m (see Figure 4 and Photo 2).

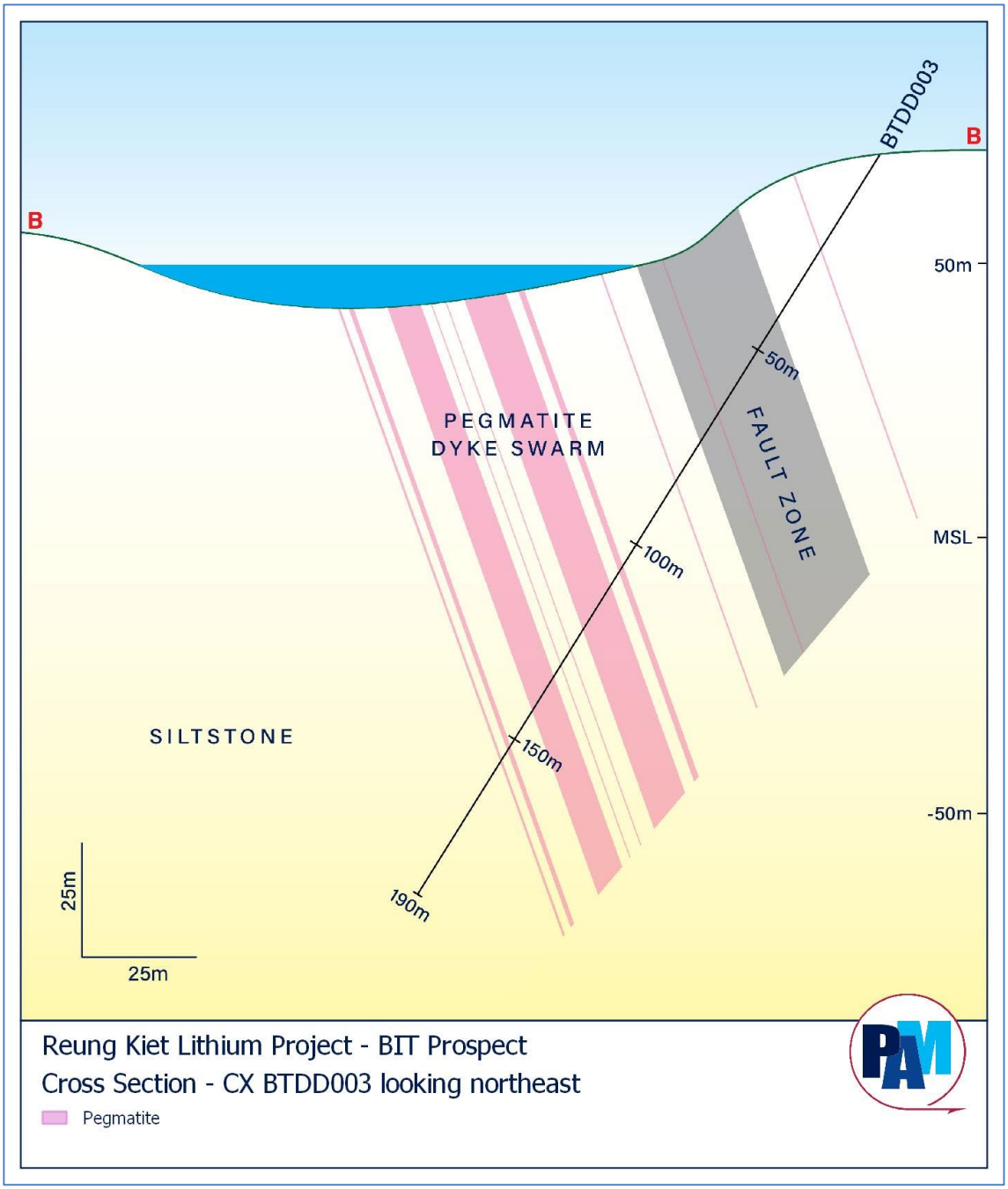

Figure 4. Cross section BTDD003

Photo 2: BTDD003-showing pegmatite from 111.7m to 124.6m

Drill holes BTDD004, 005 and 006 were drilled approximately 500m along strike southwest of the Bang I Tum pit. These holes were all drilled on the same cross section (see Figure 5). The pegmatites intersected in these holes contain quartz, feldspar and zones of lepidolite mineralisation, identifiable by its characteristic purple-pink colour (see Photo 3). Muscovite is also present, along with minor cassiterite and tourmaline.

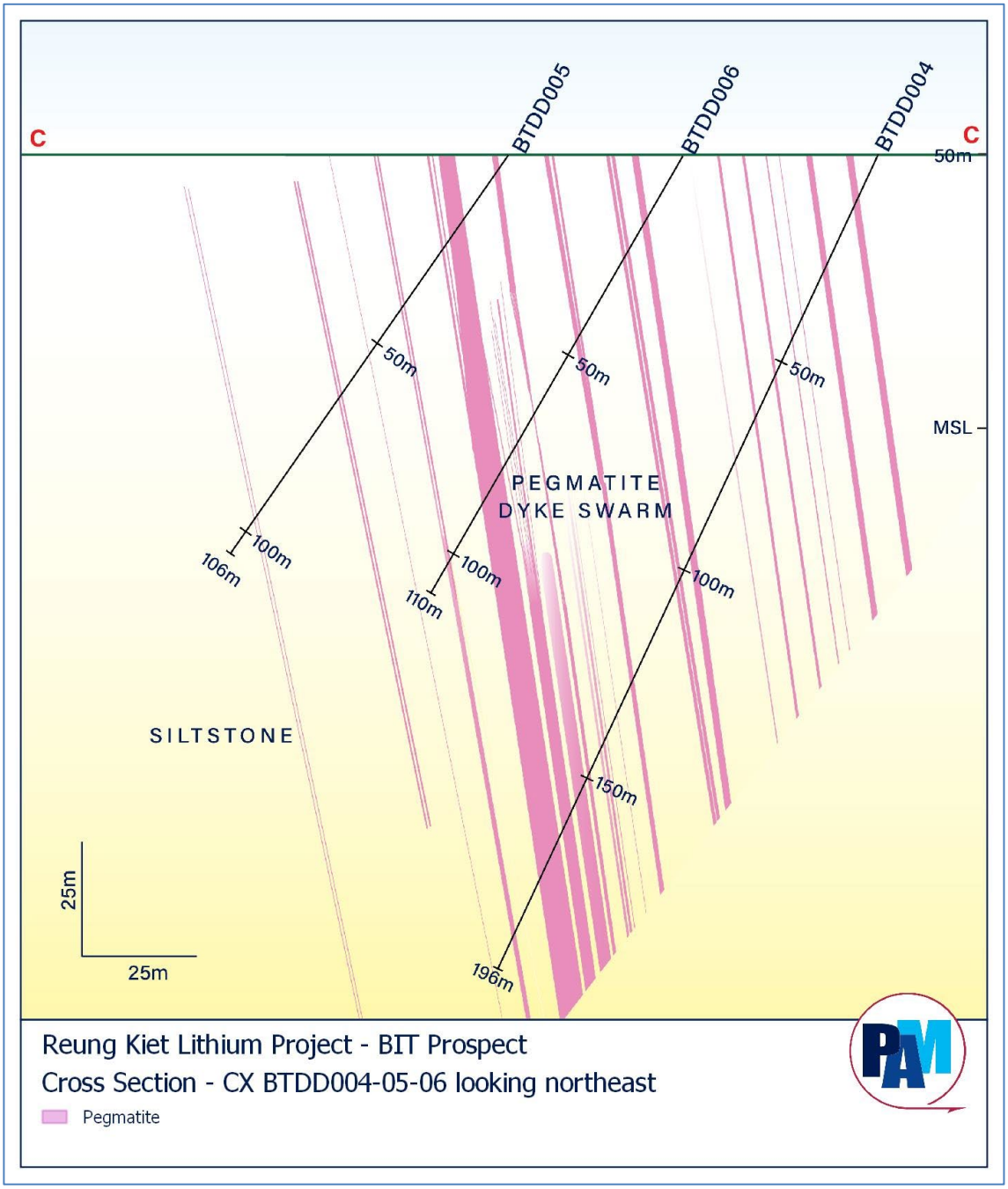

Figure 5. Cross Section BTDD004, 005, 006

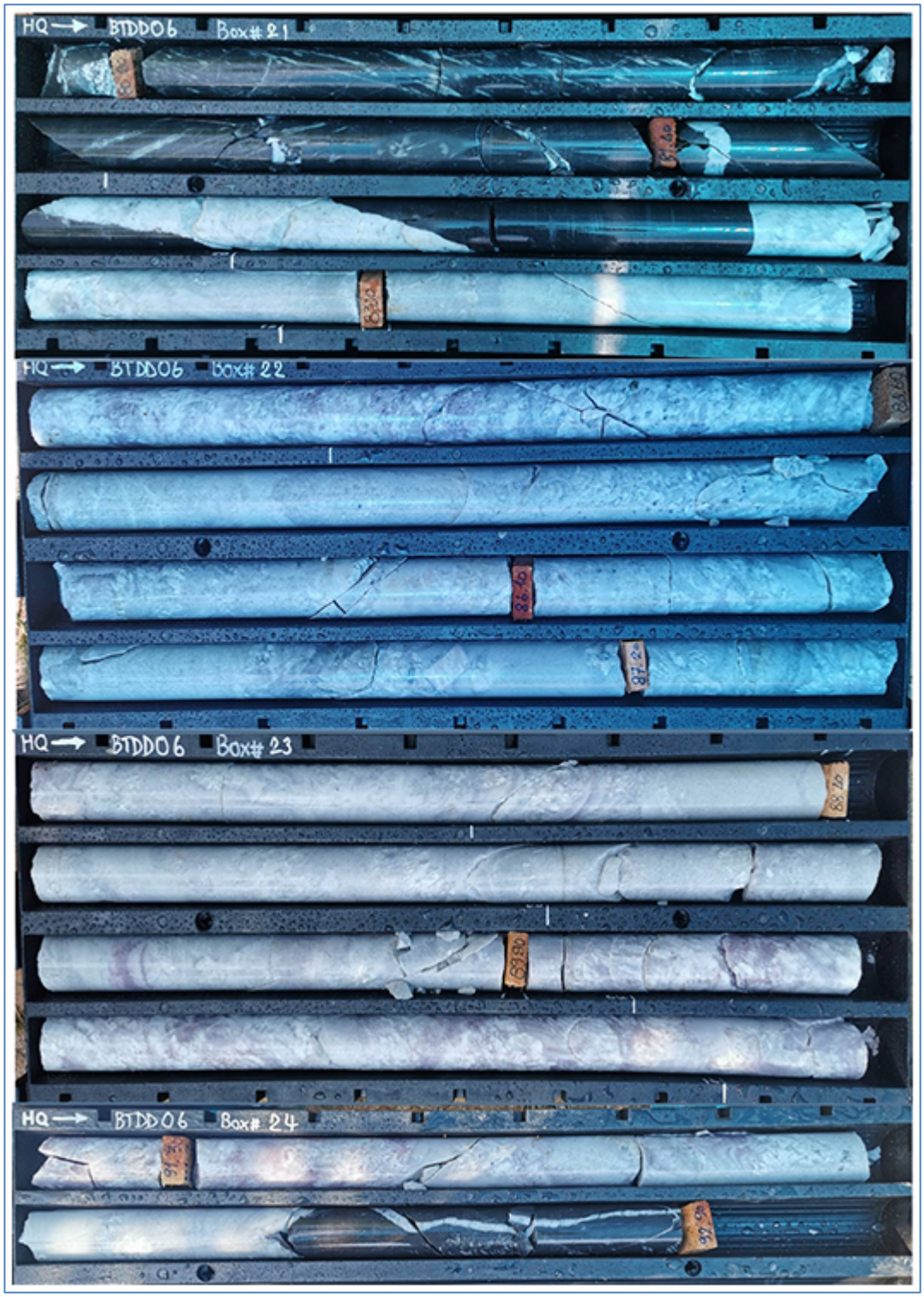

Photo 3: BTDD006-showing pegmatite with lepidolite from 82.5 to 92.5m

PAM has conducted spot hand held X-Ray flouresence (hhXRF) analysis at regular spacings along the drill core, especially in the sections of pegmatite. Sample points are typically at 0.3-0.5m. PAM used a Thermo Scientific Niton XL3t GOLDD$^+$ analyser which uses an X-ray fluorescence tube to take relatively rapid (60 seconds) measurements over an area about 20mm^2 and reports 36 elements.

The hhXRF is used by PAM geologists to take readings on drill core to evaluate the presence or otherwise of targeted mineralisation and associated pathfinder elements. This assists with onsite decision making and in the selection of intervals to sample and dispatch for laboratory analysis. **The Company wishes to emphasise that the spot hhXRF results <u>are not</u> formal assays but are preliminary indications of grade only and are not considered representative. The results require confirmation by appropriate sampling and independent laboratory analysis**.

The Niton hhXRF analyser is not able to report Li/Li_2O, but it does report other elements including tin (Sn) as well as rubidium (Rb) and manganese (Mn), which are considered as lithium indicator minerals. Niobium (Nb) is also reported and is considered an indicator mineral for tantalum (Ta/Ta_2O_5), which is not reported by the hhXRF. We are not reporting the hhXRF results as they are not definite in the current context.

Many of the pegmatites returned anomalous to locally highly elevated spot hhXRF values for Sn, Rb, Mn and Nb. The Company is now cutting and sampling the drill core for dispatch to the laboratory for analysis.

Government support

In October 2020 PAM was invited by the Chief Executive Officer of the Phang Nga Provincial Administrative Organisation (PAO), a Phang Nga Provincial Government coordinating body, to present PAM and the Reung Kiet Lithium Project. The meeting was called to assist the Phang Nga Provincial Government with their considerations for the potential establishment of mining and industrial development areas. Also present was the Chairman of the Phang Nga New Town Planning Committee, who conveyed the Committee's support for the Reung Kiet Lithium Project. The PAO stated that it wants to ensure that the requirements of the Reung Kiet Lithium Project are incorporated into the Phang Nga New Town Planning Committee's zoning plans to ensure that the project can progress should exploration and feasibility results prove positive. See PAM's ASX announcement dated 21st October, 2020, and titled 'Positive Discussions regarding Reung Kiet Lithium Project with Phang Nga Provincial Government'.

Forward planning

PAM has further drill holes planned at BIT, with additional drilling contingent on positive results from holes BTDD001-006. PAM has relocated the drill rig to the nearby Reung Kiet lithium prospect to conduct additional drilling that will target lepidolite rich pegmatites identified in previous trenching and mapping programs conducted by PAM.

With continued success the Company may elect to report a drill supported Exploration Target and then proceed to defining 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.

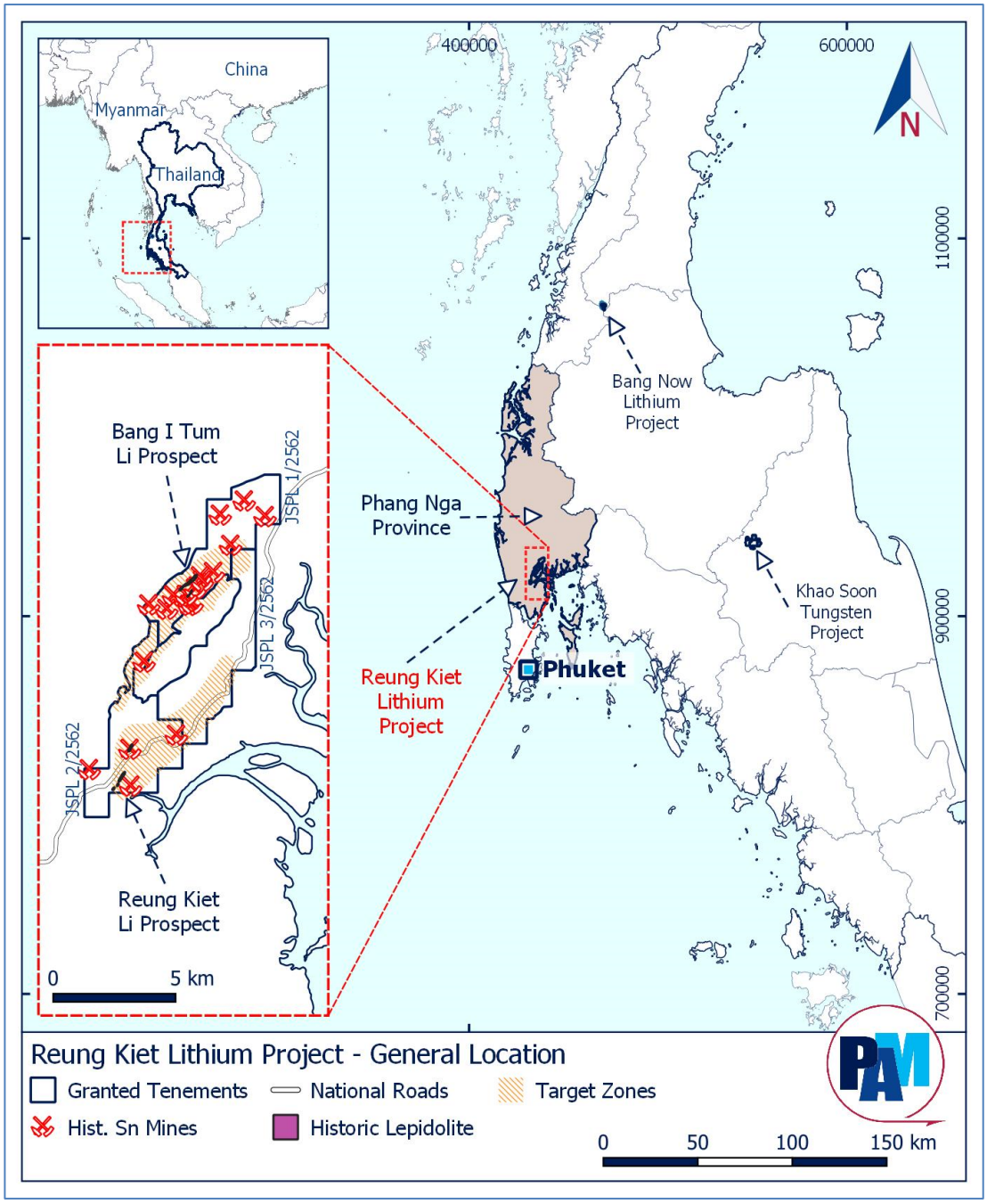

Figure 6: Regional map identifying the location of Phang Nga and the Reung Kiet Lithium Project

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

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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.

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Notes

i.Nakapadungrat. S. and Maneenai. D,.1993. The Phuket, Phangnga and Takua Pa Tin-field, Thailand. Journal of Southeast Asian Earth Sciences, Vol. 8, Nos 1-4, pp. 359-368.

Appendix 1: JORC Code, 2012 Edition – Table 1

PAM Lithium Projects

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).	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 elements. Certified Reference Material is routinely analysed to ensure the XRF is operating accurately and/or precisely.
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).	All holes are diamond core from surface of HQ triple tube diameter. The core was not oriented.
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?	Drill core recovery is recorded for every drill run by measuring recovered solid core length over the actual drilled length for that run. Triple tube drill methods were used to assist with maximising sample recovery especially in the weathered zone. Sample recovery through the mineralised zones averages well over 90%, so little bias would be anticipated.
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.	The drill core was geologically logged at sufficient detail. Geotechnical logging was limited to contact zones and major structures. 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.
Sub-sampling techniques and sample	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? 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.	This is not relevant to the results being reported.

Criteria	JORC Code explanation	Commentary
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.	Spot hand held XRF results are being reported. Samples are analysed using a hand held Thermo Scientific Niton XL3t GOLDD^{+} X-Ray Flourescence analyser in Mining mode, with analysis for 60 seconds each. Li cannot be analysed by hhXRF. However, Rb, K, Mn 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. 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.
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 Chief Geologist and Senior Geologist. Li mineralisation is associated with visual zones of distinctively coloured lepidolite. 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.
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.	Drill hole locations are derived from hand held GPS, with approximately 2-5m accuracy, sufficient for this type of reconnaissance drilling. All locations reported are UTM WGS84 Zone 47N. Topographic locations interpreted from Thai base topography in conjunction with GPS results.
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.	The drilling was conducted on wide spaced sections. Resources or reserves are not 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.	The drill holes reported are drilled normal to the strike of the mineralised dykes.
Sample security	The measures taken to ensure sample security.	Drill core is securely stored in a filed compound.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No formal audits conducted at this stage of the exploration 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 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.
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 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. 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.
Geology	Deposit type, geological setting and style of mineralisation.	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.
Drillhole Information	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.	Drillhole information and intersections are reported in tabulated from.
Data aggregation methods	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.	Not reported

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If mineralisation geometry with respect to the drillhole 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').	Intercept lengths are reported as downhole length. The mineralised zones dip around 70-80 degrees southeast. Holes were drilled at -55 to -65 degrees towards the northwest (normal to strike). The true width of the mineralisation reported is around 65-75% of the reported downhole width.
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.	The drilling results reported are from holes targeting mineralisation beneath an old open cut. Rock-chip sampling by Pan Asia indicate additional 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. 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.
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).	Planned further work will include drilling especially along strike to the south. Infill drilling is also planned around existing holes that have intersected higher grade mineralisation. This may later lead to deeper/step out drilling should geological controls on higher grade zones be identified.