

2020

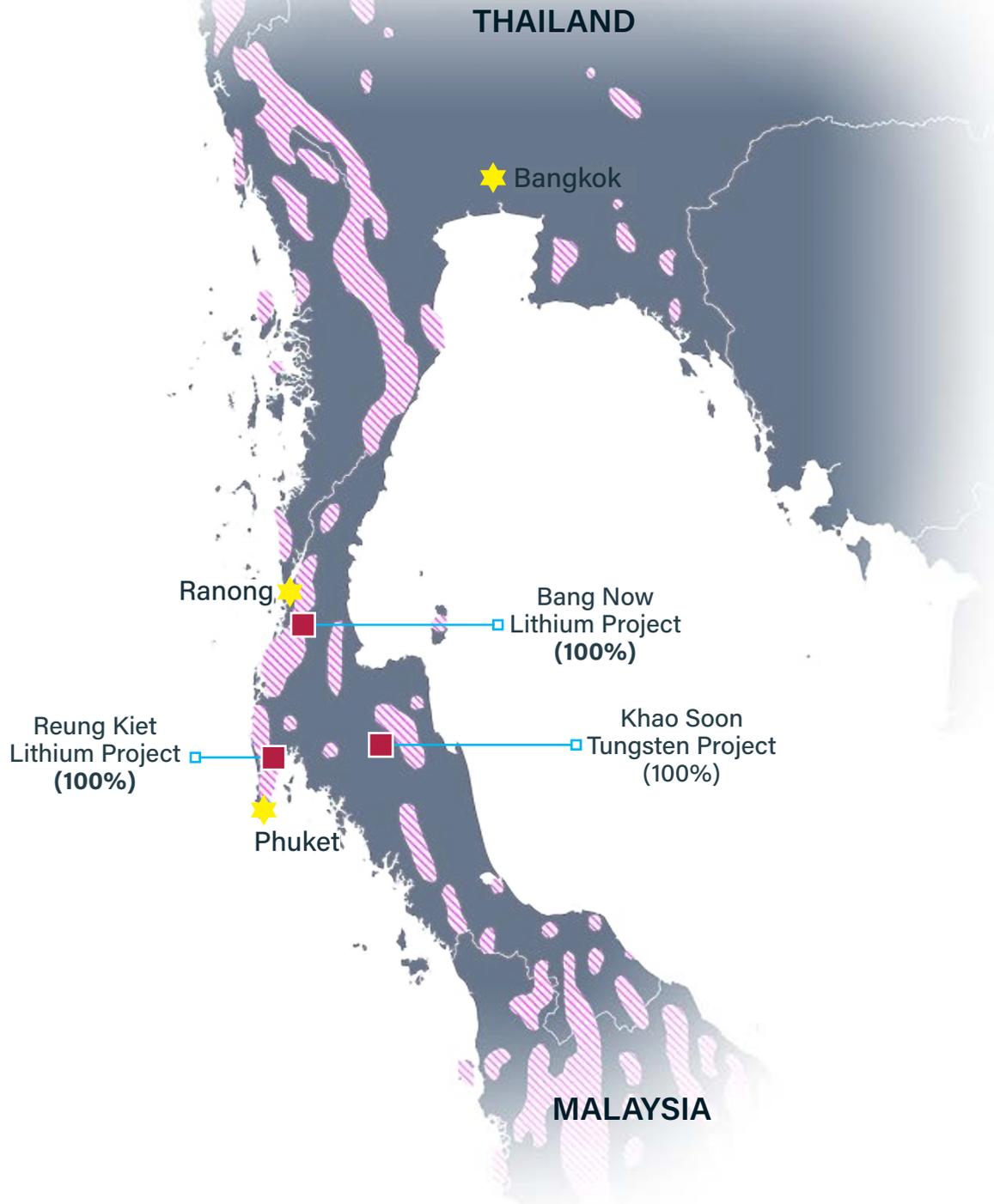
Annual Report

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PanAsiaMetals

Creating a **low cost** **Southeast Asian** focused **Specialty Metals** group, Responsibly



 The South East Asian Tin - Tungsten Belt comprises several types of granite provinces (Source: after Cobbing et al. (1986) and Gardiner et al. (2014))

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This report has been authorised for release by the Board of Directors

Forward Looking Statements

This report prepared by Pan Asia Metals Limited (or "Pan Asia" or "PAM" or "the Company") include forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation. Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control. Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Competent Persons Statement

The information in this Annual 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.

Khao Soon Tungsten Project JORC Exploration Target

Pan Asia Metals Limited has generated a drill supported Exploration Target of 15-29 million tonnes grading 0.2-0.4% WO₃ as defined under JORC Code (2012). The Exploration Target comprises 4-8 million tonnes grading 0.2-0.4% WO₃ at the Than Pho West prospect, 1-2 million tonnes grading 0.2-0.4% WO₃ at the Than Pho Ridge prospect, 6-12 million tonnes grading 0.1-0.3% WO₃ at the Target 2 prospect, and 4-7 million tonnes grading 0.2-0.4% WO₃ at the Rabbit prospect. Readers are advised that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource. Readers are advised to refer to the following ASX releases for details on the Exploration Target:

08/10/2020 Technical Reports for PAM Projects

30/10/2020 Khao Soon Tungsten Project - Drilling Update

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Executive Chairman's Report

Dedicated people creating a low cost Southeast Asian focused Specialty Metals Group, Responsibly

On behalf of the Board of Directors of Pan Asia Metals Limited, I am proud to present you with the Company's 2020 Annual Report.

When Pan Asia was formed in 2017 the then Directors wanted to bring together the assets and initiatives that they had been working on since 2013 and with further exploration de-risk them in preparation for a listing. This plan was completed successfully with the Company's listing on the Australian Stock Exchange in October 2020. With Pan Asia's listing the Company is well positioned to move into its next phase of growth, which is the generation of JORC Resources at its key projects and the initiation of feasibility studies.

Pan Asia is a Southeast Asian focused minerals exploration and development company with tungsten and lithium projects located in southern Thailand. The Company is specifically focused on Southeast Asia for both geological and economic reasons. The Company's projects are located in the Southeast Asian Tin - Tungsten Belt, which extends from Myanmar in the north through Thailand and Peninsular Malaysia to the Tin Islands in the South. This belt appeals due to the occurrence of a suite of specialty metals associated with granite related tin, tungsten, lithium, tantalum, niobium, rubidium, cesium, rare earths and other rare metals. This contains some of the largest historical tin producing districts in the world, specifically in Southern Thailand and much of Peninsula Malaysia, and has experienced very limited modern exploration.

Operating in Southeast Asia, especially in Thailand and Malaysia, gives the Company access to modern industrial economies with globally competitive cost environments. We are also located in close proximity to larger markets in Asia, the fastest growing and most populous region on earth. Our strategy is simple, we seek to secure exploration and development assets which have the potential to be positioned in the lowest or leading third of the cost curve and which position the Company for downstream value adding opportunities. Cost curve positioning is paramount in our decision-making, as assets positioned further up the cost curve are generally more difficult to finance

and develop as they struggle to provide a satisfactory return in investment. Regardless of the size or grade of an asset, if finance cannot be secured then the asset is worth relatively little.

The opportunity to move downstream is also very important. In general, value adding mine output will offer the Company better and more consistent profit margins and a larger footprint of customers, and exposure to new opportunities. Although it is unusual for an exploration company to be considering downstream initiatives, and to some this may sound 'optimistic', the fact is that for many specialty metals, including tungsten and lithium, value adding can be more easily incorporated into a feasibility study if the geology, geography and cost environment is right.

We have a preference for Southeast Asia because it is a low cost operating environment, and hence there is greater potential to move down-stream and value add in certain circumstances. Value adding mine output is out of reach for most explorers and developers due to the mineral, and or the geography, and or the cost environment, i.e. if the target mineral is a bulk commodity (e.g. coal or iron ore) or a base metal (e.g. copper, zinc or lead) then economies of scale and capital requirements are generally barriers to entry to all but the largest mining companies. Furthermore, if the project is remote then the availability and cost of process inputs and availability of infrastructure generally increase barriers to entry, and if the project is situated in a high cost environment then capital and operating costs can also be a barrier to entry. This is where Pan Asia has an advantage over many of its peers, the Company's tungsten and lithium projects are situated such that balance sheet requirements are expected to be much less demanding as its projects are located in close proximity to the advanced industrial centres in Thailand and Malaysia. These countries offer competitively priced process inputs as well as being low-cost operating environments – something which applies to

Pan Asia's projects sit between two **Complex Industrial Economies**

THAILAND

GDP Rank: 19¹
ECI Rank: 28¹

★ Bangkok

★ Rahong

★ Phuket

★ Kuala Lumpur

★ Singapore

- Khao Soon Tungsten Project (100%)
- Reung Kiet Lithium Project (100%)
- Bang Now Lithium Project (100%)

Economic Complexity Index (2018 Ranking)

Japan: No. 01
Taiwan: No. 03
Germany: No. 04
Singapore: No. 06
Malaysia: No. 25
Thailand: No. 28
China: No. 29
Australia: No. 72
Chile: No. 75

Thailand 4.0 and S-Curve Targets

Aerospace
Alternative Energy
Next-gen Automotive
& Robotics
Bioeconomy
Bio-plastics
Defense
Digital Economy
& Software
Food
Machinery
Medical Hubs
Printing
Smart Electronic
Textiles

Thai Electric Vehicle Policy

Focus on EVs and LIBs Prod.
Up to 10 Year Tax Exemptions
Import Tariff Exemptions
Manufacturing Underway

Thai Auto Industry (No. 1 in SE Asia)

18 Auto Assemblers
9 Motorbike Assemblers
710 Tier 1 Auto Parts Cos
1,700 Tier 2 & 3 Suppliers
No. 1 Auto Manufacturer in SE Asia
No.2 1-Ton Pickup Manufacturer Globally
No.4 Auto Manufacturer in Asia
No.6 Commercial Vehicle Manufacturer Globally
Largest Auto Export Market: Australia

ISUZU



1. The Observatory of Economic Complexity: <https://oec.world/en/rankings/eci/hs6/hs92>; 2. Other data: Thailand Board of Investment: <https://www.boi.go.th/en/index/>

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Southeast Asia in general and is why processors and manufacturers of all types choose to locate there.

Pan Asia has a 100% interest in four projects, consisting of two tungsten project areas and two lithium project areas. Three of these four projects fit Pan Asia's strategy of downstream value-adding development opportunities located in low cost environments proximal to end market users.

Pan Asia's Khao Soon Tungsten Project (Khao Soon, Thailand, 100%) is a significant historical producer. Modern exploration has discovered, potentially world class, district scale tungsten mineralisation across numerous prospects. Pan Asia started its second drilling campaign at Khao Soon just before listing and both drilling programs have intersected robust widths and tungsten trioxide (WO_3) grades associated with strong surface anomalies, from which Exploration Targets have been estimated. Additional drilling has been undertaken to support Mineral Resource estimation

Pan Asia's Reung Kiet Lithium Project (Reung Kiet, Thailand, 100%) is situated in a region of previous large-scale tin mining. Lithium mineralization occurs in association with some of these mined areas. Pan Asia's exploration discovered lepidolite and muscovite (lithium-rich micas) occurring in pegmatites over a combined strike length of 2.5km. Rock-chip and trench sampling have generally defined consistent high grades across good widths and initial diamond drilling has also resulted in some encouraging intersections. The Company started its second drilling campaign in mid January 2021, targeting the previously un-drilled Bang I Tum prospect. Initial metallurgical test work conducted in early 2020 provided some very positive results.

The Company also holds the Bang Now Lithium Project (Bang Now, Thailand, 100%) and the Minter Tungsten Project (Minter, Australia, 100%). Bang Now is also in a historical mining area where lepidolite-rich pegmatites were mined for tin. Exploration of this project area is at an early stage with work to date having defined potential for a lithium rich pegmatite dyke swarm around 2km long and 400m wide, with individual dykes up to 2m wide. Minter is located in the Lachlan Fold Belt in central NSW, Australia. Past explorers have defined broad areas of elevated tungsten in soil sampling and mostly shallow follow-up drilling. More recent diamond drilling and mapping would indicate that all drilling has not been appropriately oriented to adequately test the mineralisation. Pan Asia plans to conduct appropriately directed drilling. Whilst Minter does not directly fit Pan Asia's strategy we see it as a potential source of tungsten concentrate to feed future

SE Asian based downstream processing operations.

Complementing Pan Asia's project suite is the Company's target generation program. Our aim is to build a pipeline of target assets in battery and critical metals, and rare earths, (specialty metals) which fit our criteria. This program has been running for several years and Pan Asia has a pipeline of target areas and target assets in SE Asia which are at various stages of consideration.

At Pan Asia our strategy is simple, we aim to secure assets which have the potential to place future operations at the bottom of the cost curve and which offer the option to extend down-stream and value add. If we achieve this then our operating margins will naturally be higher, allowing the Company to prosper in all price environments. The Company has built a strong reputation in Southeast Asia and as a result Pan Asia's Shareholders and Stakeholders will benefit as the current assets are developed and new assets are secured.

Yours sincerely



Paul Lock
Executive Chairman
Managing Director

Operational Review

Pan Asia is focused on building a pipeline of battery and critical metals assets which are situated at or near the bottom of their peer group cost curves

Pan Asia has been drilling since it listed in October, 2020, the Company's aim is to produce inaugural JORC Mineral Resources at its key projects and progress to feasibility studies

Pan Asia's activities during 2020 can be broken into two segments, pre Pan Asia's listing on the ASX and post listing. During the prelisting period of January through to October 8, 2020, the Company's focus was primarily on the IPO process, although field work including a geophysics program took pace early in the year. During the Post IPO period the Company focused on drilling at the Khao Soon Tungsten Project.

COVID-19

During the entire period the COVID-19 crisis has impacted all businesses globally, including Pan Asia. Thailand incorporated monitoring measures such as thermal imaging cameras at its international airports very early in January 2020 and went into lock down for several months from late March. In December there was a fresh COVID-19 outbreak, which rolled through into January 2021. Throughout the year the Thai authorities managed to keep COVID-19 numbers very low and except for the period March through June the Company has not experienced any disruptions to its field activities. Thailand has maintained one of the best COVID-19 performance track records during this global crisis and Pan Asia has been able to maintain a full field presence since listing. As the Company has in country administration and field teams, it has been able to maintain normal operations and also has received approval for several exploration licenses during the period, despite the crisis. Although senior management in Australia was subject to travel restrictions these restrictions have had little impact on the Company's day to day operations, particularly so with the increasing use of Zoom and similar video conferencing tools as a result of the crisis.

Licensing

During the period Pan Asia's Bang Now Lithium Project (BNLP) Exploration Prospecting Licences (EPL) AEPL 1/2561 and AEPL 2/2561 were granted. These are two year licences which enable the Company to assess the prospectivity of a license area without committing

to the application process for a Special Prospecting Licences (SPL), which have terms of 5 years. The EPL licence permits the Company to carry out all exploration activities including drilling and bulk sampling and if the licence area is assessed as prospective and meets the Company's internal hurdles on a number of factors including potential position on the cost curve, then the Company will apply for an SPL. During the period, the Company was also granted Special Prospecting Licences TSPL1/2563 and TSPL 2/2562 covering the Khao Soon Tungsten Project. Both licences were effectively re-applications and their grant was subject to the Department of Primary Industry and Mines' (DPIM) satisfaction that the Company had met its commitments on the former licences, which expired in late 2019.

Initial Public Offering

The Company lodged its Prospectus with the Australian Securities and Investment Commission (ASIC) and the Australian Securities Exchange (ASX) on the 8th and 9th of July 2020 respectively. Lodgment was delayed by about 3 months due to COVID-19. The Company's shares commenced trading on the ASX on the 8th of October. The Company raised A\$4.29 million before costs via the issuance of 21,430,000 ordinary shares at A\$0.20 each. Funds are primarily being directed to drilling activities at the Khao Soon Tungsten Project and the Reung Kiet Lithium Project with the aim of generating inaugural JORC Mineral Resources and progressing to feasibility studies.

Khao Soon Tungsten Project

The Khao Soon Tungsten Project (KSTP) was a significant historical tungsten producer and modern exploration has discovered potentially world class, district scale tungsten mineralisation across numerous prospects. Reconnaissance diamond drilling by Pan Asia has intersected robust widths and WO₃ grades associated with strong surface anomalies, from which an Exploration Target of 15-29Mt at 0.2-0.4% WO₃ has

Khao Soon Tungsten Project

- Historic Khao Soon Tungsten Mine estimated average grades of 2-4% WO₃
- At least 10 individual prospect areas with a combined prospective strike length of at least 10km
- Drill supported Exploration Target of 15 to 29 Million tonnes @ 0.2% to 0.4% WO₃
- Peer group leading drill intersections:
 - KSD001 - 51.5m @ 0.50% WO₃ from 0m, incl. 12.8m @ 1.07% WO₃ from 14.8m
 - KSD032 - 32.9m @ 0.53% WO₃ from 0m, incl. 7.5m @ 1.22% WO₃ from 13.6m
 - KSD033 - 23.4m @ 0.58% WO₃ from 0m, incl. 13.5m @ 0.75% WO₃ from 10m



- Licence Boundary
- IP Geophysics Lines
- Rail
- High Voltage Power
- Drill Holes
- 100ppm WO₃ Soils
- Forest (req. cabinet approval)
- Historic KS Mine
- <3,000ppm WO₃ Rock Chips

Reung Kiet Lithium Project

Bang I Tum Lithium Prospect

- The Bang I Tum historic mine mine is about 650m long and up to 125m wide
- Mining of weathered pegmatites to approx. 15-20m below surface, to top of hard rock
- Pegmatite recorded up to 25m wide
- Additional smaller scale mining extended further along strike
- Area is host to extensive alluvial and eluvial mining in many drainages



Reung Kiet Lithium Prospect

- Main Pit is approx. 450m long and up to 125m wide, pegmatite up to 20m wide
- RKDD001: 6.3m @ 0.65% Li₂O from 66m and 5.8m @ 0.73% Li₂O from 80m
- RKDD002: 15.6m @ 0.82% Li₂O from 55m, including 9m @ 1.00% Li₂O
- Lepidolite rich pegmatite dyke swarm

- Licence Boundary
- Prospective Trends
- Sealed Road
- High Voltage Power
- Historic Tin Mines

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been estimated.

Pan Asia began the 2020 exploration program at KSTP with a reconnaissance Induced Polarization Program at several KSTP prospects in February. The program was conducted by Austhai Geophysical Consultants (Thailand) Co Ltd (Austhai), consisting of a series of 2D inline dipole – dipole array induced polarization and resistivity surveys, as well as core sample testing. This followed on from a survey conducted in 2018 with similar objectives. A total of six lines were acquired with three lines at Rabbit prospect and one line each at the Than Pho West, Target 2 and Last Hill prospects. Most lines were about 1km long with an effective depth penetration of the IP readings of about 250m below surface.

Post listing Pan Asia commenced drilling at the Target 2 Prospect (T2) within the KSTP on October 4th, four days prior to Pan Asia's listing on the ASX. Target 2 is defined by a large high tenor, tungsten in soil anomaly about 450m long and 150m wide. Shallow drilling by previous explorers intersected tungsten mineralised laterite on the western side of the soil anomaly. The drilling program at Target 2 had three main objectives: a. Test an Induced Polarisation anomaly; b. Test the WO₃ in soil anomaly; and c. Evaluate the Exploration Target defined at Target 2. A total of nine holes have been drilled for an aggregate of 773.3m. Drilling results have confirmed robust near surface WO₃ grades exist beneath much of the tungsten in soil anomaly which are generally in-line with the grades stated for the Exploration Target. Results for holes drilled to test a deep Induced Polarisation and holes drilled to test laterite hosted WO₃ mineralisation west of the soil anomaly, have tended to downgrade these targets, although further drilling is required due to the wide spaced nature of previous and current drillholes at these targets. Additional drilling is planned at Target 2 and will test the soil anomaly along strike to the northeast and southwest where it remains open. Further holes are also planned to test the mineralised zone down dip. The estimation of a Mineral Resource is contingent upon the results of future drilling.

At conclusion of the preliminary T2 drilling program discussed above Pan Asia shifted its drilling rig to the Than Pho West Prospect (TPW) in mid November. TPW is defined by a large plus 1km long WO₃ soil anomaly. Pan Asia previously completed seven diamond holes at TPW and defined near surface tungsten mineralisation up to 50m true width. Drilling at TPW was designed as infill and extensional drilling to previous programs upon which the Exploration Target estimate at TPW is based. A successful outcome will allow Pan Asia to estimate an inaugural Mineral Resource.

As at the 31st of December a total of eight PQ diameter priority 1 drillholes had been drilled for 698.2m and subsequent to the year end this phase of the TPW program was completed with 2 additional PQ drillholes for a program total of 828.2m in 10 holes. The program was a success with wide mineralised zones and robust WO₃ grades achieved. Several sections that were drilled delineated thick zones of mineralisation with the thickest zone being 63 metres. Drill intersections often produced grades greater than 0.5% WO₃ with the best intersection to date being 7.5m at 1.22% WO₃.

See ASX:Pan Asia 24-02-2021 'Strong Results from Khao Soon Tungsten Project' ; 15-01-2021 'Khao Soon Tungsten Project Drilling Update'; 23-12-2020 'Khao Soon Tungsten Project Drilling Update'; 30-11-2020 'Khao Soon Tungsten Project Drilling Update'; 08-10-2020 'Pan Asia Projects – Technical Reports'

Reung Kiet Lithium Project

The Reung Kiet Lithium Project (RKLP) is another of Pan Asia's key projects. RKLP is a hard rock project with demonstrated potential for lithium hosted in lepidolite rich pegmatites chiefly composed of quartz, albite, lepidolite / muscovite with minor cassiterite and tantalite as well as other accessory minerals including some rare earths. The advantage of lepidolite is that lithium can be extracted without the need for energy intensive roasting, and lepidolite has a suite of potential by-products which are recoverable at the concentrator and latter processing stages of the flow sheet. Peer feasibility work has demonstrated lepidolite has the potential to be one of the highest purity sources of battery grade lithium carbonate and lithium hydroxide, that lepidolite is one of the lowest cost sources of lithium hydroxide on an All In Sustaining Costs basis, and that lepidolite has one of the lowest capex requirements on a per tonne LCE basis after by-products.

During the year Pan Asia initiated a metallurgical test-work program to test a bulk composite sample derived from a trenching program undertaken by Pan Asia at the southern end of the Reung Kiet Prospect in 2019. The main aim of the testwork was to produce a lepidolite concentrate with acceptable grade and recovery characteristics. The rock being tested represents weathered lepidolite rich pegmatite. A single 25kg composite sample was prepared from 104 individual samples. The calculated average grade of the sample is 1.35% Li₂O and it would likely represent initial mill feed early in the mine life. The program was also successful in characterising potentially valuable by-products that would otherwise report to tailings. These by-products include: i. kaolin clay, which could potentially be sold as raw product and/or be used as feed to produce HPA (high purity aluminium); and ii. quartz, which in its

crudest form can be marketed as refined sand - which happens to be in short supply in Asia. If successful the possible extraction of these by-products would result in a much reduced tailings waste stream, the best outcome would be near zero tailings. Additional test-work is planned to investigate the incorporation of by-product recovery in the processing flow-sheet. Pan Asia's Consulting Metallurgical Engineer, Mr Rolly Nice of RW Nice & Assoc Pty Ltd., who has substantial experience consulting on metallurgical matters for a wide range of metals, including lithium (lepidolite) and tungsten (wolframite), coordinated the test work. The program was a success with the metallurgical test-work on the weathered pegmatite indicating 93.6% Li recovery to a rougher concentrate grading 2.76% Li₂O. Whilst the cleaner concentrate test-work is yet to be completed, we believe a lepidolite concentrate grading approximately 3.5-4.0% Li₂O with overall Li recovery around 85% is potentially achievable. However, the cleaner concentrate and further optimisation test-work will determine the ultimate grade/recovery characteristics of the lepidolite concentrate. The lepidolite concentrate will also contain appreciable levels of rubidium, caesium, potassium, aluminium and silicon - all by-products which are potentially recoverable during the processing of lepidolite to extract lithium.

During the period Pan Asia was invited by the Chief Executive Officer of the Phang Nga Provincial Administrative Organisation (PAO), a Phang Nga Provincial Government coordinating body, to present Pan Asia and RKLP. Attending the meeting was the Head and representatives of Phang Nga Provincial Industry and representatives of the Phang Nga Provincial Public Works and Town Planning Office. The purpose of the meeting was to assist the Phang Nga Provincial Government and their considerations for the potential establishment of mining and industrial development areas. The Head of Phang Nga Provincial Industry has also been appointed by the Phang Nga Governor as Chairman of the Phang Nga New Town Planning Committee. During the meeting the Chairman of this Committee conveyed the Committee's support for the RKLP and the PAO's aim is to ensure that the requirements of the RKLP 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.

No further field work or drilling was conducted during the period.

See ASX:Pan Asia 01-02-2021 'Reung Kiet Lithium Project - Drilling Update'; 21-10-2020 'Reung Kiet Lithium Project Update'; 08-10-2020 'Pan Asia Projects - Technical Reports'

Bang Now Lithium Project

The Bang Now Lithium Project (BNLP) is located about 480km WSW of Bangkok and about 60km from Ranong City in the western part of Chumpon Province. Much of the prospect area has been mined for tin using alluvial and soft rock mining methods, mining ended in the 1980's.

The BNLP EPLs were granted in early 2020. Subsequent reconnaissance exploration work, by Pan Asia has identified a zone of lepidolite rich pegmatite dykes - this zone is interpreted to be part of a pegmatite dyke swarm possibly up to 400m wide and over 2km long. From seven samples, laboratory analyses returned Li₂O grades ranging from 0.50 to 3.38%, with an average of 1.92%, and handheld X-Ray Fluorescence (hhXRF) analysis of the pulp rejects returned average grades of 700ppm Sn, 158ppm Ta₂O₅, and 0.68% Rb. Laboratory analysis of a further 13/16 samples returned an averaged 1.58% Li₂O using a cut-off grade of 0.5% Li₂O, resulting in an average grade of 20/24 samples of 1.75% Li₂O using a cut-off grade of 0.5% Li₂O.

No further field work or drilling was conducted during the period.

See ASX:Pan Asia 08-10-2020 'Pan Asia Projects - Technical Reports'

Minter Tungsten Project

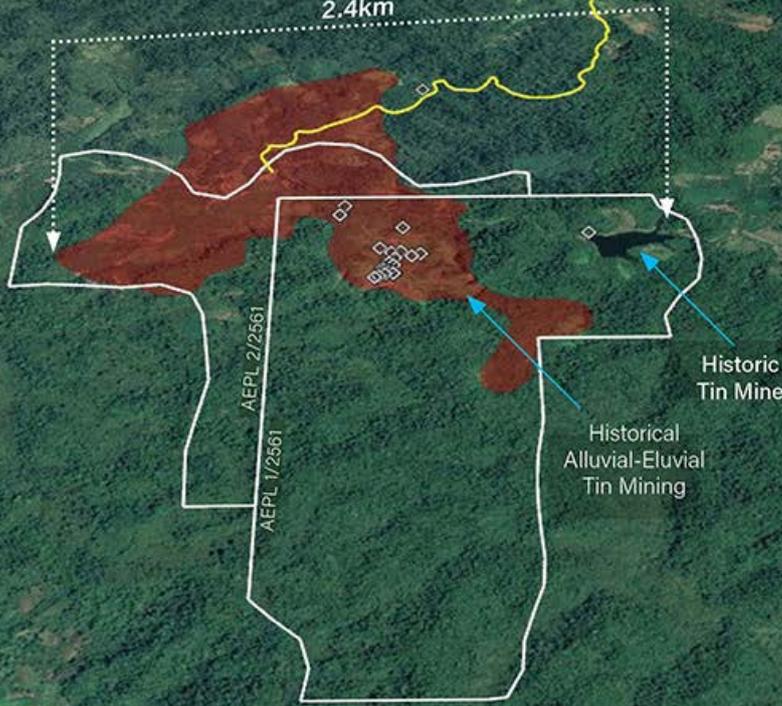
The Minter Project is located within the central portion of the Lachlan Orogen (the "Lachlan Fold Belt"), which includes the broadly-defined "Wagga Tin Belt", which extends about 700kms from north-eastern Victoria in a belt 100-150km wide and continues into central NSW. The Wagga Tin Belt hosts numerous granites of particular composition that give rise to tin, tin-tungsten, tungsten and gold mineralisation hosted within the granite intrusions and/or adjacent metasediments, and commonly in quartz veins. The Minter project sits midway between the productive Gibsonvale and Tallebung tin-tungsten fields and 110 kilometres north-northwest of the substantial Ardlethan tin field

Exploration by previous explorers at Minter has defined a belt of prospective tungsten mineralisation hosted in quartz veins occurring within metasediments near a granite contact. At the Doyenwae prospect there has been approximately ~3,600m of drilling in 59 holes yielding numerous low to moderate grade WO₃ intersections over a relatively large area. Much of this drilling was shallow aircore drilling to about 20-25m vertically below surface along with 17 RC holes and one diamond core hole.

Bang Now Lithium Project

60km to Ranong
37km to Ranong Airport
(All weather access)

2.4km



Weathered lepidolite pegmatite, assaying:
20405- 2.06% Li₂O
20406- 1.68% Li₂O

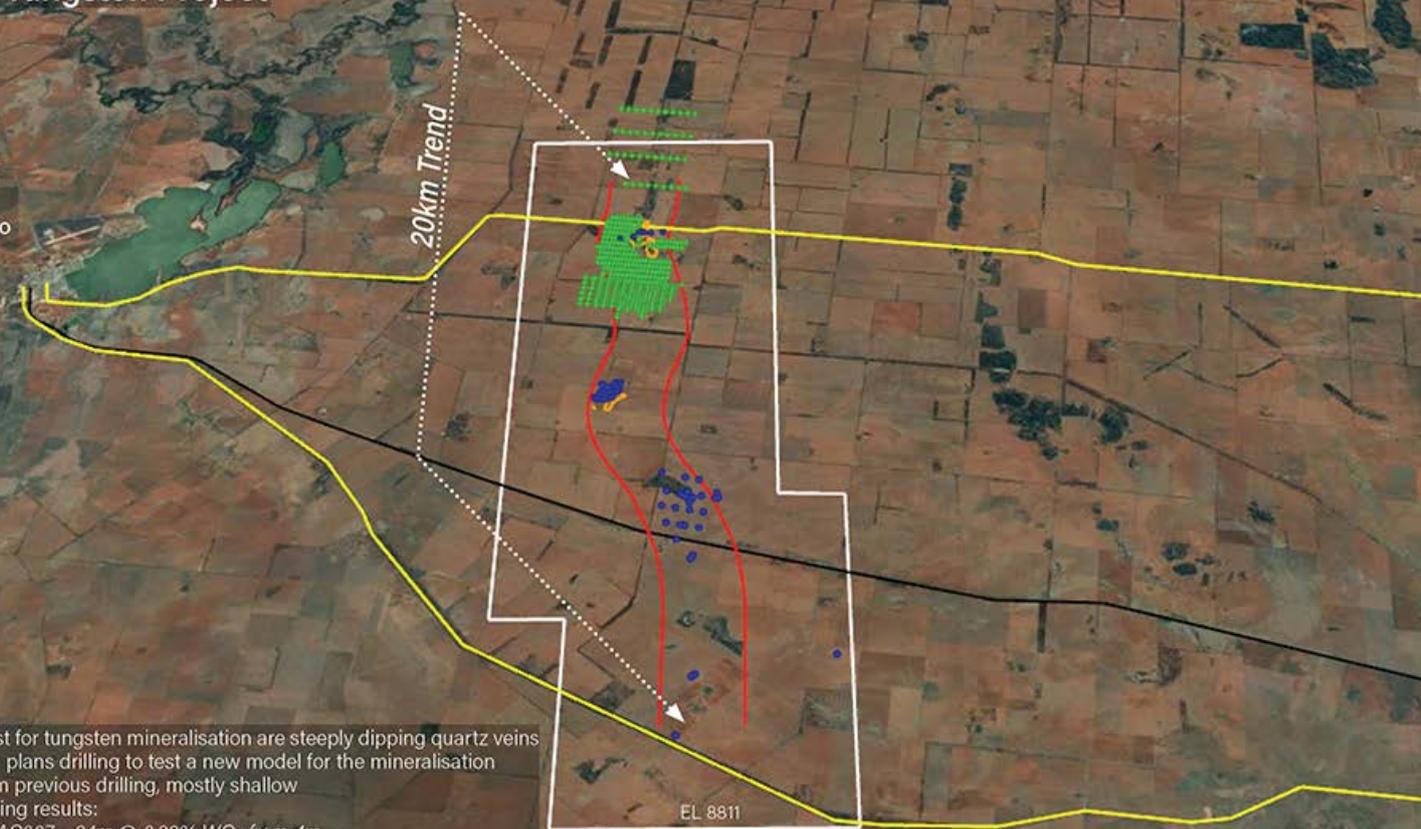
- ▷ Average of 1.75% Li₂O from 20 of 24 rock chip samples
- ▷ Grades of between 0.5% and 3.38% Li₂O
- ▷ Potential target area of 2km x 400m hosting extensive lepidolite rich pegmatite dyke swarm
- ▷ Potential for lithium mineralisation to be present in metasediment in contact with pegmatite dykes

- Licence Boundary — All Weather Road
- ◇ Li₂O Channel and Rock Chip Samples
- Historical Alluvial-Eluvial Tin Mining

Minter Tungsten Project

20km Trend

Lake Cargelligo



- ▷ Main host for tungsten mineralisation are steeply dipping quartz veins
- ▷ Pan Asia plans drilling to test a new model for the mineralisation
- ▷ ~10,000m previous drilling, mostly shallow
- ▷ Best drilling results:
 - ▷ DAC007 - 24m @ 0.32% WO₃ from 4m
 - ▷ ABRAB-82077 - 6m @ 0.54% WO₃ from 16m
 - ▷ PDH05 - 27m @ 0.17% WO₃ from 1.5m
 - ▷ DAC017 - 26m @ 0.16% WO₃ from 2m

- Licence Boundary — Sealed Roads — Rail — Tungsten Trend
- 100ppm WO₃ Soil Anomaly ● Historic Drilling

In late November Pan Asia received permission from the NSW Government to conduct a six (6) hole, 1000-1200m reverse circulation (RC) drilling program at the Doyenwae prospect. The aim of the program is to test potential for near-surface tungsten mineralisation that may be amenable to open pit mining. Pan Asia's aspiration is to produce tungsten concentrate from the project as potential feed into South East Asian downstream processing initiatives.

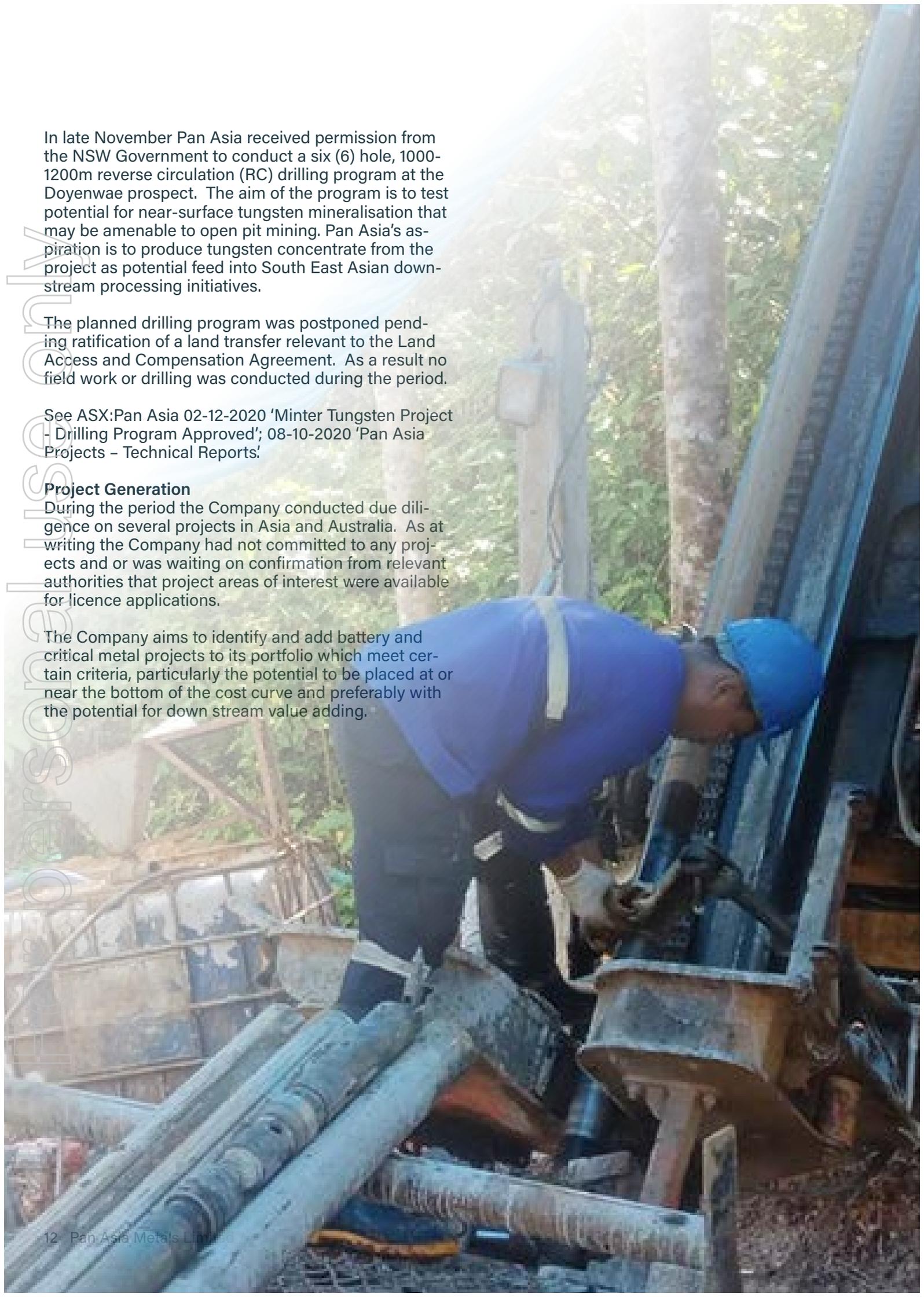
The planned drilling program was postponed pending ratification of a land transfer relevant to the Land Access and Compensation Agreement. As a result no field work or drilling was conducted during the period.

See ASX:Pan Asia 02-12-2020 'Minter Tungsten Project - Drilling Program Approved'; 08-10-2020 'Pan Asia Projects - Technical Reports'

Project Generation

During the period the Company conducted due diligence on several projects in Asia and Australia. As at writing the Company had not committed to any projects and or was waiting on confirmation from relevant authorities that project areas of interest were available for licence applications.

The Company aims to identify and add battery and critical metal projects to its portfolio which meet certain criteria, particularly the potential to be placed at or near the bottom of the cost curve and preferably with the potential for down stream value adding.



Corporate Social Responsibility

Pan Asia wants its people to be proud of where they work and the communities in which Pan Asia works to welcome them

Pan Asia focuses on developing very strong connections with the communities in which it works, working closely with community leaders to deliver community focused programs in education, health and sport

Although Pan Asia is a young ASX listed company it has been operating in SE Asia since October 2017 and its founding directors, Paul Lock, David Hobby, David Docherty, and Thanasak Chanyapoon, and its key staff members in Thailand, have been involved in exploration in SE Asia for many years.

We are of the view that regardless of your geography it is essential that you have a relationship with your community as it is at their invitation that you are working there. It is particularly important that this is understood by companies operating in foreign jurisdictions, regardless of geography.

Pan Asia's community engagement programs have three key focus areas:

Education

Through "The Village Scientist", an educational focused program, Pan Asia aims to help schools with essentials so that education can be delivered. Pan Asia has helped with the installation of air conditioning, the purchase of basic school equipment such as desks and chairs, and other teaching related tools and equipment.

Pan Asia would like to see The Village Scientist grow



Delivering new chairs to the Ban Klong Chai Tai Child Development Center under the Village Scientist program

into an education focused not for profit which works with a broad base of companies to help schools deliver positive educational outcomes to their students.

Health

Pan Asia regularly contributes to regional and local medical facilities and hospitals. Contributions are normally in the form of medical equipment and basic repairs and maintenance. During the COVID-19 pandemic Pan Asia delivered food packs and personal protective equipment to local community organisations who then distributed these items to those in need.



Pan Asia's Sucharoen Boonyalongkorn delivering two water tanks which are to be used for community water

Most recently Pan Asia helped with food aid to flood effected areas near the KSTP in southern Thailand following a large monsoonal rain event.

Sport

Pan Asia regularly sponsors community sports teams, providing sports equipment and clothing.

Although Pan Asia is a small company with limited resources its community engagement programs are an important aspect of Pan Asia's relationship building activities in and around the communities in which it is involved.

The Village Scientist



Growing minds to grow community

Welcome to **The Village Scientist**, a community program being developed by the staff of Pan Asia Metals Limited, an exploration company focusing on sustainable mineral development opportunities in South East Asia.

Our objective at **The Village Scientist** is to help communities develop an environment conducive to inspired childhood education. This is a grass roots focused initiative which we hope will grow with the participation of like-minded individuals and companies operating in the South East Asian region and elsewhere around the world.

In the name "**The Village Scientist**" we are trying to convey the message that a child can be just about anything he or she wants to be - if given the right opportunity. We believe that a country's future lies in the education that its children receive now, and we hope that we can contribute to the prosperity of children, and their country, by helping provide communities with some of the fundamental tools for a good education. We may achieve this by helping a community build a school house, purchase learning materials, books and other equipment, or find a teacher to help get a community started with its school program.

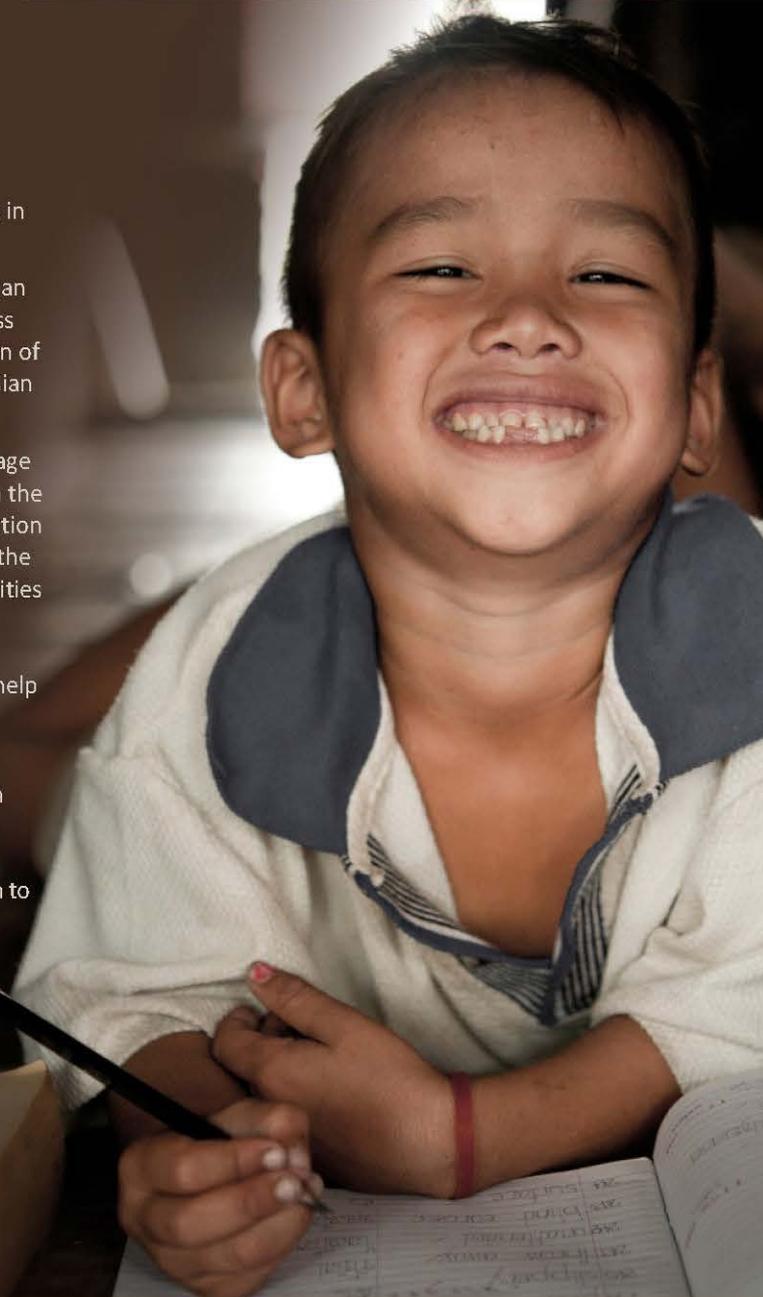
We believe in the Montessori philosophy of helping children to help themselves. **The Village Scientist** was first conceptualised when I sat on the board of a Montessori school which my family helped establish, a school which my children attended. Having seen my children enjoy learning in this environment I would like to help spread this enthusiasm to other children through **The Village Scientist**.



As a demonstration of my commitment to this endeavor 10% of my personal gains generated through my participation in the mining sector will be committed to **The Village Scientist**.

We hope you share our vision for childhood education and development.

Paul Lock
Managing Director
August, 2017



Board of Directors



Paul Lock
Executive Chairman
Managing Director



David Hobby
Technical Director
Chief Geologist



David Docherty
Non-Executive
Director



Thanasak Chanyapoon
Non-Executive
Director



Ian B Mitchell
Non-Executive
Director



Roger Jackson
Non-Executive
Director

Paul Lock

Executive Chairman and Managing Director

AAusIMM, Master of Political Economy, University of Sydney; Master of International Studies, University of Sydney; Master of Commercial Law, Macquarie University; Master of Business Administration, Macquarie Graduate School of Management; and Bachelor of Business, Marcus Oldham College

Paul has been involved in minerals exploration in South East Asia since 2012, with his work in this region forming the foundations of what is now Pan Asia Metals.

Before Pan Asia Metals Paul was a corporate adviser at Everspring Partners, a boutique Sydney based advisory firm that he founded. Before this Paul worked in corporate advisory and leveraged finance roles at Commonwealth Bank of Australia. Paul initially focused on corporate and single asset project finance in the resource sector before moving into leveraged finance for private equity initiatives and then into a corporate advisory role where he was sector agnostic and focused on generating corporate transactions.

Prior to banking Paul worked for Rothschild & Co in Australia where he was a derivatives trader and a high yield bond investor focusing on a variety of asset classes, generally distressed or complex assets. Paul also had some involvement in structuring derivatives solutions for resource companies in conjunction with Rothschild's corporate advisory team. Prior to Rothschild Paul worked for Japanese trading conglomerate Marubeni Corporation in the soft commodity trading division.

Other current directorships: None

Former directorships (last 3 years): None

Interest in shares: 42,099,750 fully paid ordinary shares

Interests in options: None

David Hobby

Technical Director and Chief Geologist

MAusIMM, Competent Person under the JORC Code, Bachelor of Applied Science (Geology) from University of Canberra

David is an Economic geologist and has been involved in the minerals industry for over 30 years. Since graduating from the University of Canberra in 1989 David has worked in a variety of geological terrains in Australia, Asia, South America, USA and Africa, and has experience in all facets of the minerals project cycle with a focus on exploration and evaluation.

David has held senior geological management and consulting positions with listed and private companies and progressed several projects through to feasibility and pre-production, including the Adelong Gold Project, Broula King Gold Project, Webb's Silver Project and the Woodlawn Zn-Cu project.

David has been focused on SE Asia since 2013. His geological qualifications and experience are complimented with skills in project management, environmental management, Occupational Health and Safety, contractor, government and stakeholder management.

Other current directorships: None

Former directorships (last 3 years): None

Interest in shares: 4,677,750 fully paid ordinary shares

Interests in options: None

David Docherty

Non-Executive Director

David has gained a lifetime of experience in the resource sector commencing with stockbroking in London before commencing a valuable career experience as an analyst with Investment Bank, Slater Walker London in 1965. David moved to Sydney in 1968 with Slater Walker to develop resource investment strategy, organising finance to enable Poseidon to drill its 'famous' Mt Windarra nickel discovery in 1969, as well as financing many other resource assets of that time. The same year David organised the ASX float of Slater Walker sponsored Mining Finance Corporation, becoming its Managing Director. In later times, David successfully guided Sedimentary Holdings as CEO to joint ownership and open-pit development of the old Cracow Gold Mine (Qld) in 1984-87.

David became an equity partner in the Thai resource sector in 1987 when the Government deregulated gold exploration and mining. Thereafter, he jointly financed the formation of a team of young, keen local geologists who were responsible for the discovery of what is now the Chatree Gold Mine, a prospect which ultimately developed into the core gold asset of Kingsgate Consolidated and which, at its peak, was capitalised at more than \$1 billion.

In 2002 David was a foundation director and is CEO of Thai Goldfields NL, an unlisted public company which holds Thai applications (and re-applications) over gold resources defined by previous JV partners Oxiana and Tigers Realm Minerals and exploration tenements previously investigated by Newmont, Ivanhoe, Phelps Dodge.

Other current directorships: Thai Goldfields NL, Sydney Equities Pty Ltd

Former directorships (last 3 years): None

Interest in shares: 21,329,091 fully paid ordinary shares

Interests in options: None

Thanasak Chanyapoon

Non-Executive Director

Master degree in law (LL.M.), Certificate of American and International Law, Bachelor degree in law (LL.B. (Hons))

Thanasak is a Partner at The Capital Law Office, a leading Bangkok based legal practice. Thanasak's area of expertise is tax law, advising national and international financial institutions, equity funds and corporations for more than 25 years. Prior to joining The Capital Law Office, he has worked with Baker & McKenzie, Bangkok, and Linklaters, Bangkok. He was also the co-founder of LawAlliance Limited specializing in Thailand tax laws including double tax treaties made with Thailand. Since 2008 to date, Thanasak is a special lecturer in various tax law subjects at Law Faculty, Chulalongkorn University, and in Faculty of Business Administration, Kasetsart University.

Other current directorships: Cal-Comp Electronics (Thailand) PCL

Former directorships (last 3 years): None

Interest in shares: 3,070,965 fully paid ordinary shares

Interests in options: None

Ian B Mitchell

Non-Executive Director

BA, Dip Law

Ian is a practicing solicitor of over 44 years' standing. Ian has been a director of over 13 ASX listed companies since 1987 and also as a company secretary of many more ASX listed and non-listed public companies.

Ian has over 30 years' experience as a director and company secretary of listed and nonlisted mining, exploration and industrial companies. Ian's legal expertise is in commercial law, contract law and ASIC and ASX compliance.

Other current directorships: Ark Mines Limited

Former directorships (last 3 years): None

Interest in shares: None

Interests in options: None

Roger Jackson

Non-Executive Director

FAusIMM, Competent Person under the JORC Code; Bachelor of Science, major in Geology and Geophysics; Diploma in Financial Management; Diploma in Education. Member of the Australian Institute of Company Directors; Fellow of the Geological Society of London; Member of the Australian Institute of Geoscientists.

Roger has been actively involved in the Mining industry for 25 years as a Mine Operator, in Mine Services and in Mineral Exploration. He has been a founding director of a number of private and public mining and mine service companies. He is currently a Director of NQ Minerals PLC.

Roger has maintained a Geological and Mining Consulting business for the past 10 years whilst holding several executive roles. He has strong knowledge of Gold exploration and Mining. He also has a sound knowledge of base metal mining and exploration. He has developed several mining and ore processing operations in Australia and abroad and has significant experience in marketing gold and base metal concentrate across the globe.

Other current directorships: QX Resources Ltd, Ark Mines Limited

Former directorships (last 3 years): None

Interest in shares: None

Interests in options: None

Company Secretaries

Wayne John Kernaghan - B.Bus, ACA, FAICD, FCIS

Mr Kernaghan is a qualified chartered accountant who spent 5 years with Price Waterhouse. On leaving Price Waterhouse he has spent over thirty years as Finance Director and Company Secretary within the mining industry for ASX and UK listed companies, unlisted public companies and as an Investment Manager in Australia and the United Kingdom. He is also a Fellow of the Australian Institute of Company Directors and a Chartered Secretary.

Fiza Alwi

Fiza Alwi is a Director of ZICO Corporate in Singapore. She acts as Secretary to a diversified range of local and foreign listed and non-listed companies. In her role as Company Secretary, Fiza helps the Company on matters related to corporate transactions and also advises and provides guidance on procedures and practices, code of corporate governance, compliance and regulatory requirements. Fiza holds a Bachelor of Law (Hons) degree and is also a fellow of the Chartered Secretaries Institute of Singapore and a Practising Chartered Secretary..

Tenement Schedule

For personal use only

- Bang Now Lithium Project (100%)
- Khao Soon Tungsten Project (100%)
- Reung Kiet Lithium Project (100%)
- Minter Tungsten Project (100%)

Tenement / Application	Holder / Applicant	% Held	Grant Date	Term (Years)	Area (Km ²)	Country
Reung Kiet Lithium Project						
JSPL 1/2562	SIM	100	15-Feb-2019	5	12.3	Thailand
JSPL 2/2562	SIM	100	15-Feb-2019	5	12.7	Thailand
JSPL 3/2562	SIM	100	15-Feb-2019	5	11.9	Thailand
Khao Soon Tungsten Project						
TSPL 1/2563	TMV	100	14-May-2020	5	71	Thailand
TSPL 2/2563	TMV	100	20-Aug-2020	5	15.9	Thailand
TSPL 1/2549	TMV	100	Application	na	11.0	Thailand
Bang Now Lithium Project						
AEPL 1/2561	PAM3	100	14-Feb-2020	2	3.5	Thailand
AEPL 2/2561	PAM3	100	14-Feb-2020	2	1.5	Thailand
Minter Tungsten Project						
EL 8811	PAMA	100	14-Dec-2018	4	145	Australia

SIM: Siam Industrial Metal Co. Ltd.; PAM3: Pan Asia 3 Metals (Thailand) Co. Ltd.; TMV: Thai Mineral Ventures Co. Ltd.; PAMA: Pan Asia Metals (Aus) Pty. Ltd. SIM, PAM3, TMV and PAMA are all subsidiaries of the Company or a subsidiary of one of the Company's 100% held subsidiaries.

Financial Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Pan Asia Metals Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2020.

Directors

The following persons were directors of Pan Asia Metals Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Paul Lock
Mr David Hobby
Mr David Docherty
Mr Thanasak Chanyapoon
Mr Ian B Mitchell (Appointed to Non-Executive Director role on 1 October 2020)
Mr Roger Jackson (Appointed to Non-Executive Director role on 1 October 2020)

Principal activities

Pan Asia Metals Limited (Pan Asia) is a Singapore registered company with a principal focus on the identification and development of specialty metals assets situated in low cost environments which are proximal to advanced industrial centres, and which present the opportunity to move beyond the mine gate and value add. The Company's principal geography is SE Asia. The Company also considers other opportunities which offer strong potential to benefit Company's shareholders without placing a material burden on management and cash resources.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to US\$786,461 (31 December 2019: US\$620,676).

The net assets of the Company increased by US\$2,056,344 to US\$8,610,308 as at 31 December 2020 (31 December 2019: US\$6,553,964).

Working capital, being current assets less current liabilities, increased by US\$1,437,949 to surplus of US\$2,058,870 (31 December 2019: positive US\$620,921). The Company had negative cash flows from operating activities for the year of US\$353,025 (31 December 2019: US\$590,949 negative cash flow). The total cash and cash equivalents at the end of the financial year amounted to US\$2,417,703 (31 December 2019: US\$562,436).

Significant changes in the state of affairs

On 1 January 2020 the Company's subsidiary Pan Asia Metals (Thailand) Co. Limited changed office address to Level 23, 52 Thaniya Plaza, Zone B, Silom Road, Suriyawong, Bangrak, Bangkok, 10500.

On 23 January 2020, full ownership of Mandalay Mining and Metals Pte Ltd was transferred from a director of the Company, Paul Lock, to Pan Asia Metals for \$1, free and clear of all liabilities. The Company acquired assets of cash at bank of \$626 and plant and equipment of \$3,801. The Company is protected from any liabilities remaining on the balance sheet as at the transfer date. This acquisition did not have a material impact on the consolidated entity.

On 7 February 2020 the Company engaged Advanced Share Registry of 110 Stirling Hwy, Nedlands, Western Australia, as the Company's provider of share registry services in preparation for the Initial Public Offering ("IPO") on the ASX.

On 14 February 2020 the Company was awarded its exploration license for the Bang Now Lithium Project.

On 14 February 2020 the Company was awarded exploration licence numbers AEPL 1/2561 and AEPL 2/2561 at its Bang Now Lithium Project.

On 15 February 2020 the Company changed its Singapore based Company Secretary to ZICO Corporate Services in preparation for IPO.

On 15 February 2020 the Company changed its registered office address to Level 3, 8 Robinson Road, ASO Building, Singapore, 048544. This is the Company's Registered Office in Singapore.

On 20 February 2020 Ian Mitchell was appointed Company Secretary to advise the Company on its reporting requirements for ASIC and ASX in preparation for IPO.

On 14 May 2020 the Company was awarded exploration licence number TSPL 1/2563 at its Khao Soon Tungsten Project.

On 9 July 2020, the Company lodged PAM's Prospectus with the ASX. Offers for the IPO was closed on 31 August 2020.

On 20 July 2020, with shareholders approval the Company issued 26,766,874 shares to investors at various prices.

On 22 July 2020, the Company launched its Initial Public Offering to raise equity capital and list on the Australian Securities Exchange (ASX).

On 20 August 2020 the Company was awarded exploration licence number TSPL 2/2563 at its Khao Soon Tungsten Project.

On 28 August 2020 the Company successfully completed its Initial Public Offering, raising A\$4.29m.

On 1 October 2020, the Company appointed Mr Ian B Mitchell and Mr Roger Jackson as Non-Executive Directors.

On 4 October 2020 the Company started diamond drilling at its Khao Soon Tungsten Project.

On 7 October 2020, the Company was admitted to the Official List of ASX with a total of \$4.29m raised by the issue of 21,430,000 shares at an issue price of A\$0.20 per share.

On 8 October 2020, the Company's shares were quoted on the ASX.

On 2 December 2020, the NSW Government approved a 6 hole drilling program at the Minter Tungsten Project.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

Subsequent to year end, on 15 January 2021 the Company mobilised its drilling rig to the Reung Kiet Lithium Project and on 17 January 2021 the Company collared its first hold at the Bang I Tum prospect at the Reung Kiet Lithium Project.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The Company's objective is to advance its key projects to a JORC Resource and begin feasibility studies during the following period. The Company also considers opportunities from time to time to expand its portfolio of projects in line with its strategy. These are likely developments in the operations of the consolidated entity, as discussed in the review of operations.

Environmental regulation

Except for environmental regulations related to the consolidated entity's exploration licences the consolidated entity is not subject to any significant environmental regulation under the laws of the jurisdictions in which it operates.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 31 December 2020, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Mr Paul Lock	14	14
Mr David Hobby	13	14
Mr David Docherty	14	14
Mr Thanasak Chanyapoon	13	14
Mr Ian B Mitchell	6	6
Mr Roger Jackson	6	6

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The performance of the consolidated entity depends upon the quality of its Directors and executives. The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. From time to time, the Board receives advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. There was no remuneration consultants used in the year. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was per s22.5 of the Prospectus, where the shareholders approved a maximum annual aggregate remuneration of US\$140,000 (AUD\$200,000).

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

Incentives are payable to Executives based upon the attainment of agreed corporate and individual milestones and are reviewed and approved by the Board of Directors. In 2020 no cash incentives were paid.

The long-term incentives ('LTI') include long service leave.

Consolidated entity performance and link to remuneration

At present the Remuneration Committee is considering executive remuneration, STIs and LTIs.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Pan Asia Metals Limited:

- Mr Paul Lock, Managing Director
- Mr David Hobby, Technical Director
- Mr David Docherty, Non-Executive Director
- Mr Thanasak Chanyapoon, Non-Executive Director
- Mr Ian B Mitchell, Non-Executive Director
- Mr Roger Jackson, Non-Executive Director

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total US\$
	Cash salary and fees US\$	Cash bonus US\$	Non-monetary US\$	Super-annuation US\$	Long service leave US\$	Equity-settled US\$	
2020							
<i>Non-Executive Directors:</i>							
Mr David Docherty*	-	-	-	-	-	30,000	30,000
Mr Thanasak Chanyapoon*	-	-	-	-	-	30,000	30,000
Mr Ian B Mitchell**	36,327	-	-	-	-	3,750	40,077
Mr Roger Jackson**	3,750	-	-	-	-	3,750	7,500
<i>Executive Directors:</i>							
Mr Paul Lock***	137,618	-	-	13,074	-	-	150,692
Mr David Hobby***	137,618	-	-	13,074	-	-	150,692
	<u>315,313</u>	<u>-</u>	<u>-</u>	<u>26,148</u>	<u>-</u>	<u>67,500</u>	<u>408,961</u>

- * \$14,959 of this amount owed to Mr Docherty and Mr Chanyapoon was settled by issue of shares on 20 July 2020 and \$15,041 remains outstanding and will be settled in shares as at 31 December 2020.
- ** Both cash and equity payments for the period from October to December 2020 for Mr Mitchell and Mr Jackson remaining outstanding as at 31 December 2020. Mr. Mitchell's salary and fee for the year included \$32,577 (exclusive of GST) that was paid to Ian. B Mitchell and Associates, a firm related to Mr Mitchell, for the legal services in relation to the company's IPO and listing process.
- *** The Company paid USD\$83,259 to Mr Lock and Mr Hobby's fees for a portion of the noted above in FY20. The remaining Director's fee is accrued as at 31 December 2020.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2020	At risk - STI 2020	At risk - LTI 2020
<i>Non-Executive Directors:</i>			
Mr David Docherty	100%	-	-
Mr Thanasak Chanyapoon	100%	-	-
Mr Ian B Mitchell	100%	-	-
Mr Roger Jackson	100%	-	-
<i>Executive Directors:</i>			
Mr Paul Lock	100%	-	-
Mr David Hobby	100%	-	-

There is no comparative remuneration report since this is the first year reporting as a listed company.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Mr Paul Lock
Title:	Managing Director
Agreement commenced:	1 January 2020
Details:	The term of the agreement is for five (5) years from the date of appointment, thereafter the agreement is reviewed annually. The agreement may be extended for a further 2 years if agreed in writing. The initial salary is A\$200,000 per year plus an equivalent to the Australian superannuation contribution of 9.5% or as may be increased from time to time. The employee is entitled to all statutory entitlements and four (4) weeks annual leave per year. Termination requires six (6) months notice unless otherwise agreed, upon termination the Company shall pay twelve (12) months salary and the employee is subject to a 12 month restriction period during which the employee shall not compete with the Company. Executive Director's are entitled to appropriate Director's and Officer's insurance to indemnify the Director in respect of actions taken as a Director within the scope of his authority and power.

Name: Mr David Hobby
Title: Technical Director
Agreement commenced: 1 January 2020
Details: The term of the agreement is for five (5) years from the date of appointment, thereafter the agreement is reviewed annually. The agreement may be extended for a further 2 years if agreed in writing. The initial salary is A\$200,000 per year plus an equivalent to the Australian superannuation contribution of 9.5% or as may be increased from time to time. The employee is entitled to all statutory entitlements and four (4) weeks annual leave per year. Termination requires six (6) months notice unless otherwise agreed, upon termination the Company shall pay twelve (12) months salary and the employee is subject to a 12 month restriction period during which the employee shall not compete with the Company. Executive Director's are entitled to appropriate Director's and Officer's insurance to indemnify the Director in respect of actions taken as a Director within the scope of his authority and power.

Name: Mr David Docherty
Title: Non-Executive Director
Agreement commenced: 1 January 2020
Details: The term of the agreement is for three (3) years from the date of appointment subject to confirmation by election as a Non-Executive Director (Director) of the Company at the next Annual General Meeting. The agreement may be extended for a further term by mutual agreement. A Director's fee of US\$30,000 per year is payable and the Director may elect to receive part or all of this fee in PAM shares. Directors are entitled to receive US\$500 per day for up to 5 days per month should the Company require the Director to perform services in excess of the usual and normal duties of a Board Member. Director's are entitled to appropriate Director's and Officer's insurance upon their appointment to indemnify them in respect of actions taken as a Director within the scope of his authority and power.

Name: Mr Thanasak Chanyapoon
Title: Non-Executive Director
Agreement commenced: 1 January 2020
Details: The term of the agreement is for three (3) years from the date of appointment subject to confirmation by election as a Non-Executive Director (Director) of the Company at the next Annual General Meeting. The agreement may be extended for a further term by mutual agreement. A Director's fee of US\$30,000 per year is payable and the Director may elect to receive part or all of this fee in PAM shares. Directors are entitled to receive US\$500 per day for up to 5 days per month should the Company require the Director to perform services in excess of the usual and normal duties of a Board Member. Director's are entitled to appropriate Director's and Officer's insurance upon their appointment to indemnify them in respect of actions taken as a Director within the scope of his authority and power.

Name: Mr Ian B Mitchell
Title: Non-Executive Director
Agreement commenced: 1 October 2020
Details: The term of the agreement is for three (3) years from the date of appointment subject to confirmation by election as a Non-Executive Director (Director) of the Company at the next Annual General Meeting. The agreement may be extended for a further term by mutual agreement. A Director's fee of US\$30,000 per year is payable and the Director may elect to receive part or all of this fee in PAM shares. Directors are entitled to receive US\$500 per day for up to 5 days per month should the Company require the Director to perform services in excess of the usual and normal duties of a Board Member. Director's are entitled to appropriate Director's and Officer's insurance upon their appointment to indemnify them in respect of actions taken as a Director within the scope of his authority and power.

Name: Mr Roger Jackson
Title: Non-Executive Director
Agreement commenced: 1 October 2020
Details: The term of the agreement is for three (3) years from the date of appointment subject to confirmation by election as a Non-Executive Director (Director) of the Company at the next Annual General Meeting. The agreement may be extended for a further term by mutual agreement. A Director's fee of US\$30,000 per year is payable and the Director may elect to receive part or all of this fee in PAM shares. Directors are entitled to receive US\$500 per day for up to 5 days per month should the Company require the Director to perform services in excess of the usual and normal duties of a Board Member. Director's are entitled to appropriate Director's and Officer's insurance upon their appointment to indemnify them in respect of actions taken as a Director within the scope of his authority and power.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2020 are set out below:

Name	Date	Shares	Issue price	US\$
Mr David Docherty	20 July 2020	182,426	US\$0.082	14,959
Mr Thanasak Chanyapoon	20 July 2020	182,426	US\$0.082	14,959

The shares were issued in settlement of director fees incurred in the period.

Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 31 December 2020.

Additional information

The earnings of the consolidated entity for the three years to 31 December 2020 are summarised below:

	2020 US\$	2019 US\$	2018 US\$
Other income	269	160	32
Loss before income tax	(786,461)	(620,676)	(574,662)
Loss after income tax	(786,461)	(620,676)	(574,662)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2020
Share price at the start of financial year (US\$)	-
Share price at the end of financial year (US\$)	0.13
Basic earnings per share (dollars per share)	(0.01)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions*	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Mr Paul Lock	-	-	42,099,750	-	42,099,750
Mr David Hobby	-	-	4,677,750	-	4,677,750
Mr David Docherty**	-	-	21,329,091	-	21,329,091
Mr Thanasak Chanyapoon	-	-	3,070,965	-	3,070,965
Mr Ian B Mitchell	-	-	-	-	-
Mr Roger Jackson	-	-	-	-	-
	-	-	71,177,556	-	71,177,556

*Balance held upon listing on the ASX on 7 October 2020.

**By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Mr. David Michael Docherty is deemed to have an interest in the Company.

This concludes the remuneration report, which has been audited.

Shares under option

There were no unissued ordinary shares of Pan Asia Metals Limited under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of Pan Asia Metals Limited issued on the exercise of options during the year ended 31 December 2020 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the consolidated entity are important.

Details of the amount paid or payable to the auditor (William Buck) for audit and non-audit services provided during the year are set out in note 13.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 13 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of William Buck

There are no officers of the company who are former partners of William Buck.

Auditor's independence declaration

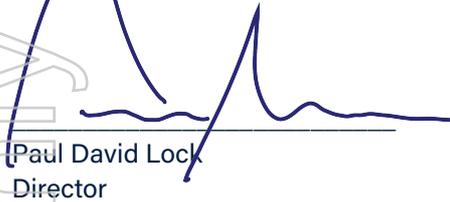
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

William Buck continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Paul David Lock
Director

26 March 2021

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF PAN ASIA METALS LIMITED

I declare that, to the best of my knowledge and belief during the year ended 31 December 2020 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A. A. Finnis

A. A. Finnis
Director

Melbourne, 26 March 2021

ACCOUNTANTS & ADVISORS

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(WB015_2007)



**Statement of profit or loss and other comprehensive income
For the year ended 31 December 2020**

	Note	Consolidated 2020 US\$	2019 US\$
Other income		269	160
Expenses			
Employment expenses		(453,275)	(112,070)
Depreciation expense		(29,544)	(1,198)
IPO related expenses		(21,392)	-
Corporate and administration expenses		(464,197)	(507,568)
Unrealised FX gains/losses		181,678	-
Loss before income tax expense		(786,461)	(620,676)
Income tax expense	5	-	-
Loss after income tax expense for the year attributable to the owners of Pan Asia Metals Limited		(786,461)	(620,676)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		24,434	46,761
Other comprehensive income for the year, net of tax		24,434	46,761
Total comprehensive loss for the year attributable to the owners of Pan Asia Metals Limited		(762,027)	(573,915)
		Cents	Cents
Basic earnings per share	21	(0.83)	(0.87)
Diluted earnings per share	21	(0.83)	(0.87)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Statement of financial position
As at 31 December 2020
(Consolidated)

	Note	Consolidated 2020 US\$	2019 US\$
Assets			
Current assets			
Cash and cash equivalents	6	2,417,703	562,436
Other receivables		81,974	92,251
Related party loans		-	82,908
Prepayments		7,442	1,437
Total current assets		<u>2,507,119</u>	<u>739,032</u>
Non-current assets			
Plant and equipment		70,133	3,598
Right-of-use assets		54,904	-
Exploration and evaluation	7	<u>6,470,044</u>	<u>5,929,445</u>
Total non-current assets		<u>6,595,081</u>	<u>5,933,043</u>
Total assets		<u>9,102,200</u>	<u>6,672,075</u>
Liabilities			
Current liabilities			
Trade and other payables	8	129,180	63,338
Lease liabilities		27,639	-
Employee benefits		61,684	54,773
Accrued expenses		244,201	-
Total current liabilities		<u>462,704</u>	<u>118,111</u>
Non-current liabilities			
Lease liabilities		29,188	-
Total non-current liabilities		<u>29,188</u>	<u>-</u>
Total liabilities		<u>491,892</u>	<u>118,111</u>
Net assets		<u>8,610,308</u>	<u>6,553,964</u>
Equity			
Issued capital	9	7,412,600	4,589,214
Reserves	10	3,303,231	3,283,812
Accumulated losses		<u>(2,105,523)</u>	<u>(1,319,062)</u>
Total equity		<u>8,610,308</u>	<u>6,553,964</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of financial position
As at 31 December 2020
(Company)

	Note	Company 2020 US\$	2019 US\$
Assets			
Current assets			
Cash and cash equivalents		2,305,793	448,483
Inter-company receivables		1,835,072	1,129,665
Prepayments		2,408	-
Total current assets		<u>4,143,273</u>	<u>1,578,148</u>
Non-current assets			
Plant and equipment		4,829	-
Exploration and evaluation		85,995	-
Investment in subsidiaries		5,717,183	5,717,430
Total non-current assets		<u>5,808,007</u>	<u>5,717,430</u>
Total assets		<u>9,951,280</u>	<u>7,295,578</u>
Liabilities			
Current liabilities			
Trade and other payables		13,171	11,745
Accrued expenses		271,400	-
Total current liabilities		<u>284,571</u>	<u>11,745</u>
Non-current liabilities			
Lease liabilities		-	-
Total non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>284,571</u>	<u>11,745</u>
Net assets		<u>9,666,709</u>	<u>7,283,833</u>
Equity			
Issued capital	9	7,412,600	4,589,214
Reserves	10	3,331,620	3,336,635
Accumulated losses		(1,077,511)	(642,016)
Total equity		<u>9,666,709</u>	<u>7,283,833</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of changes in equity
For the year ended 31 December 2020

Consolidated	Issued capital US\$	Capital reserve US\$	Foreign currency translation reserve US\$	Warrants reserve US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 January 2019	1,334,395	5,338,620	(99,584)	5,015	(698,386)	5,880,060
Loss after income tax expense for the year	-	-	-	-	(620,676)	(620,676)
Other comprehensive income for the year, net of tax	-	-	46,761	-	-	46,761
Total comprehensive income for the year	-	-	46,761	-	(620,676)	(573,915)
<i>Transactions with owners in their capacity as owners:</i>						
Cash received in advance for shares not yet issued (note 9)	1,244,819	-	-	-	-	1,244,819
Exercise of deferred consideration shares	2,010,000	(2,007,000)	-	-	-	3,000
Balance at 31 December 2019	<u>4,589,214</u>	<u>3,331,620</u>	<u>(52,823)</u>	<u>5,015</u>	<u>(1,319,062)</u>	<u>6,553,964</u>

Consolidated	Issued capital US\$	Capital reserve US\$	Foreign currency translation reserve US\$	Warrants reserve US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 January 2020	4,589,214	3,331,620	(52,823)	5,015	(1,319,062)	6,553,964
Loss after income tax expense for the year	-	-	-	-	(786,461)	(786,461)
Other comprehensive income for the year, net of tax	-	-	24,434	-	-	24,434
Total comprehensive income for the year	-	-	24,434	-	(786,461)	(762,027)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (note 9)	2,823,386	-	-	(5,015)	-	2,818,371
Balance at 31 December 2020	<u>7,412,600</u>	<u>3,331,620</u>	<u>(28,389)</u>	<u>-</u>	<u>(2,105,523)</u>	<u>8,610,308</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of changes in equity
For the year ended 31 December 2020

Company	Issued capital US\$	Capital reserve US\$	Warrants reserve US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 January 2019	1,334,395	5,338,620	5,015	(333,109)	6,344,921
Loss after income tax expense for the year	-	-	-	(308,907)	(308,907)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(308,907)	(308,907)
<i>Transactions with owners in their capacity as owners:</i>					
Cash received in advance for shares not yet issued (note 9)	1,244,819	-	-	-	1,244,819
Exercise of deferred consideration shares	2,010,000	(2,007,000)	-	-	3,000
Balance at 31 December 2019	<u>4,589,214</u>	<u>3,331,620</u>	<u>5,015</u>	<u>(642,016)</u>	<u>7,283,833</u>

Company	Issued capital US\$	Capital reserve US\$	Warrants reserve US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 January 2020	4,589,214	3,331,620	5,015	(642,016)	7,283,833
Loss after income tax expense for the year	-	-	-	(435,495)	(435,495)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(435,495)	(435,495)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 9)	2,823,386	-	(5,015)	-	2,818,371
Balance at 31 December 2020	<u>7,412,600</u>	<u>3,331,620</u>	<u>-</u>	<u>(1,077,511)</u>	<u>9,666,709</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of cash flows
For the year ended 31 December 2020

		Consolidated	
	Note	2020	2019
		US\$	US\$
Cash flows from operating activities			
Payments to suppliers (inclusive of GST)		(353,294)	(590,949)
Interest received		269	-
Net cash used in operating activities	20	<u>(353,025)</u>	<u>(590,949)</u>
Cash flows from investing activities			
Payments for plant and equipment		(69,002)	-
Payments for exploration and evaluation	7	<u>(540,772)</u>	<u>(305,738)</u>
Net cash used in investing activities		<u>(609,774)</u>	<u>(305,738)</u>
Cash flows from financing activities			
Proceeds from issue of shares	9	2,907,463	3,000
Proceeds received in advance for issue of shares		-	1,244,819
(Payments to) / proceeds from related parties		-	14,736
Repayment of lease liabilities		<u>(27,778)</u>	<u>-</u>
Net cash from financing activities		<u>2,879,685</u>	<u>1,262,555</u>
Net increase in cash and cash equivalents		1,916,886	365,868
Cash and cash equivalents at the beginning of the financial year		562,436	196,568
Effects of exchange rate changes on cash and cash equivalents		<u>(61,619)</u>	<u>-</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>2,417,703</u></u>	<u><u>562,436</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the Financial Statements

Note 1. General information

The financial statements cover Pan Asia Metals Limited as a consolidated entity consisting of Pan Asia Metals Limited ("the Company") and the entities it controlled at the end of, or during, the year ("the consolidated entity"). The financial statements are presented in United States dollars, which is Pan Asia Metals Limited's functional and presentation currency. The financial statements have been prepared for the year ended 31 December 2020.

Pan Asia Metals Ltd is a company limited by shares, incorporated and domiciled in Singapore. Its registered office and principal place of business are:

Registered office

Level 3, 8 Robinson Road,
ASO Building
Singapore
048544

Principal place of business

Level 23, 52 Thaniya Plaza, Zone B
Silom Road Suriyawong, Bangkok
Thailand
10500

The financial statements were authorised for issue, in accordance with a resolution of directors, on 10 March 2021. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Financial Reporting Standards Board ('IASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, and in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards International ("SFRS(I)") as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Pan Asia Metals Limited ('company' or 'parent entity') as at 31 December 2020 and the results of all subsidiaries for the year then ended. Pan Asia Metals Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

The financial statements are presented in United States dollars, which is Pan Asia Metals Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into United States dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into United States dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into United States dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Trade and other receivables

Trade and other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Value added tax ('VAT') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the exploration and expenditure expected to be incurred, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred consideration

The deferred consideration liability is the difference between the total purchase consideration, usually on an acquisition of a business combination, and the amounts paid or settled up to the reporting date, discounted to net present value. The consolidated entity applies provisional accounting for any business combination. Any reassessment of the liability during the earlier of the finalisation of the provisional accounting or 12 months from acquisition-date is adjusted for retrospectively as part of the provisional accounting rules in accordance with AASB 3 'Business Combinations'. Thereafter, at each reporting date, the deferred consideration liability is reassessed against revised estimates and any increase or decrease in the net present value of the liability will result in a corresponding gain or loss to profit or loss. The increase in the liability resulting from the passage of time is recognised as a finance cost.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 4. Segment disclosures

The consolidated entity does not have any reportable operating segments as it solely operates in one segment, being the exploration of resources within the South East Asian region. The internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining allocation of resources are prepared on the consolidated entity as a whole.

Note 5. Income tax expense

	Consolidated	
	2020	2019
	US\$	US\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(786,461)	(620,676)
Tax at the statutory tax rate of 17% (2019:17%)	(133,698)	(105,515)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Depreciation of plant and equipment	8,863	-
Share-based payments	8,975	-
Current year tax losses not recognised	(115,860)	(105,515)
Income tax expense	-	-

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	2020	2019
	US\$	US\$
Cash at bank	2,417,703	562,436

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 7. Non-current assets - exploration and evaluation

	Consolidated	
	2020	2019
	US\$	US\$
Exploration and evaluation at cost	6,470,044	5,929,445

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below

Consolidated	US\$
Balance at 1 January 2019	5,558,326
Expenditure during the year	305,738
Exchange differences	65,381
Balance at 31 December 2019	5,929,445
Expenditure during the year	513,547
Exchange differences	27,052
Balance at 31 December 2020	6,470,044

The expenditure during the period was predominantly in respect of costs incurred on the Khao Soon Tungsten Project and Reung Kiet Lithium Project.

Accounting policy for exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Note 8. Current liabilities - Trade and other payables

	Consolidated	
	2020 US\$	2019 US\$
Trade payables	11,819	-
Other payables	117,361	63,338
	<u>129,180</u>	<u>63,338</u>

Refer to note 12 for further information on financial instruments.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 9. Equity - issued capital

	Consolidated			
	2020 Shares	2019 Shares	2020 US\$	2019 US\$
Ordinary shares - fully paid	<u>126,010,288</u>	<u>77,813,414</u>	<u>7,412,600</u>	<u>4,589,214</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	US\$
Balance	31 December 2019 ⁽¹⁾	77,813,414		4,589,214
Monies received in advance for shares awaiting to be issued	1 January 2020 to 20 July 2020 ⁽²⁾	-	US\$0.000	142,560
Issue of shares to investors	20 July 2020 ⁽³⁾	26,766,874	US\$0.000	-
Issue of IPO	7 October 2020	21,430,000	US\$0.140	3,055,805
Cost of capital raising		-	US\$0.000	(374,979)
Balance	31 December 2020	<u>126,010,288</u>		<u>7,412,600</u>

(1) The opening balance as at 31 December 2019 of \$4,589,214 includes \$1,244,819 which require formal approval at EGM before shares can be approved for issuance by directors and recorded with Advanced Share Registry upon PAM's Initial Public Offering (IPO).

(2) Upon investment subscription monies being received by the Company, the Company issued the subscriber with a Holding Statement recognising that the subscriber had subscribed for a certain number of shares in the Company and the price at which those shares were subscribed. While the Company was unlisted it was required to submit new subscriptions to an EGM for formal shareholder approval before these shares can be issued. This approval was received at AGM/EGM on 20 July 2020. As the Company's listing is imminent the new shares was recorded with Advanced Share Registry as part of the IPO preparations and the updated total share capital of the Company subscribed on IPO was recorded on Singapore Accounting and Corporate Regulatory Authority (ACRA) on IPO date. As part of the Company's preparation for IPO it was convened a simultaneous AGM and EGM, the AGM approved the Company's accounts for the 31 December 2019 financial year, as well as previous financial years; and the EGM formally approved any outstanding shares. During this EGM the Company put forward several other items as required to prepare the Company for its IPO. The approved shares were recorded with Advanced Share Registry in preparation for the IPO.

(3) On 20 July 2020, 26,136,874 shares which were required formal approval at EGM before they recorded with ACRA were issued to investors.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 10. Equity - reserves

	Consolidated	
	2020	2019
	US\$	US\$
Foreign currency reserve	(28,389)	(52,823)
Capital reserve	3,331,620	3,331,620
Warrants reserve	-	5,015
	<u>3,303,231</u>	<u>3,283,812</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to United States dollars.

Capital reserve

This reserve relates to the difference between the issued share price of US\$0.067 per share and the exercise price of US\$0.0001 per share for the 50,000,000 ordinary shares amounting to US\$3,331,620 for the tranche 1 and 2 to be issued in connection to the transfer of 100% equity interest in Pan Asia M Metals (Thailand) Co, Ltd and its subsidiaries to the Company, which occurred in the FY18 financial year.

A summary of the performance hurdles in respect of the consideration shares issued is shown below

Tranche	Conditions precedent and status	Number of shares	Exercise price per share	Amount	Probability of achievement	Fair value
				payable upon exercise		
		Number	US\$	US\$	%	US\$
Tranche 1	Upon the definition of a mineral resource containing aggregate 20,000t W03 (tungsten trioxide)	25,000,000	0.0001	3,000	83%	1,665,810
	Status - not complete					
Tranche 2	Upon the definition of a mineral resource containing in aggregate 50,000t Li2O (lithium oxide)	25,000,000	0.0001	3,000	83%	1,665,810
	Status - not complete					
		<u>50,000,000</u>	<u>0.0001</u>	<u>6,000</u>		<u>3,331,620</u>

Warrants reserve

During the previous financial year the Company issued 59,701 share warrants at US\$0.084 per share amounting to US\$5,015 in consideration of services rendered. The share warrants are convertible into ordinary shares within three years from the date of issue. The exercise price of the warrants shall be bench-marked against the relevant equity capital raising for which the service fee is due and fixed as 125% of the price of a share in that equity capital raising. On 11 May 2020, the share warrants were cancelled and 29,581 shares were issued for the original serviced rendered.

Note 11. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 12. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange risks.

Risk management is carried out by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The consolidated entity has exposure to fluctuations between the US dollar and the Thai Baht.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2020 US\$	2019 US\$	2020 US\$	2019 US\$
Consolidated				
Thai Bhat	177,927	688,842	52,152	323,198
Australian dollars	2,264,412	418,812	70,027	53,598
	<u>2,442,339</u>	<u>1,107,654</u>	<u>122,179</u>	<u>376,796</u>

The consolidated entity has exposure to fluctuations between the US dollar, the Thai Baht and Australian dollars. If the US\$ weakened /strengthened against the Thai Baht by 5% it would increase / decrease the net asset position of the consolidated entity by approximately \$7,000/\$6,000 respectively (31 December 2019: \$19,000/\$17,000 respectively). If the US\$ weakened /strengthened against the Australian dollar by 5% it would increase / decrease the net asset position of the consolidated entity by approximately \$115,000/\$104,000 respectively (31 December 2019: \$23,000/\$20,000 respectively).

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

The consolidated entity is not exposed to any significant interest rate risk.

Credit risk

The consolidated entity is not exposed to any significant credit risk.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	1 year or less US\$	Between 1 and 2 years US\$	Between 2 and 5 years US\$	Over 5 years US\$	Remaining contractual maturities US\$
Consolidated - 2020					
Non-derivatives					
<i>Non-interest bearing</i>					
Trade payables	11,819	-	-	-	11,819
Other payables	361,562	-	-	-	361,562
<i>Interest-bearing - variable</i>					
Lease liability	27,639	29,188	-	-	56,827
Total non-derivatives	401,020	29,188	-	-	430,208
Consolidated - 2019					
Non-derivatives					
<i>Non-interest bearing</i>					
Other payables	63,338	-	-	-	63,338
Total non-derivatives	63,338	-	-	-	63,338

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 13. Auditors remuneration

	Consolidated	
	2020	2019
	US\$	US\$
Amounts paid to the auditor of the consolidated entity		
Fee for the audit and review of the financial report	18,340	9,000
Other assurance services- Investigating accountants report.	8,000	1,000
Total audit fees	<u>26,340</u>	<u>10,000</u>

Note 14. Key management personnel disclosures

Directors

The following persons were directors of Pan Asia Metals Limited during the financial year:

Mr Paul Lock
Mr David Hobby
Mr David Docherty
Mr Thanasak Chanyapoon
Mr Ian B Mitchell
Mr Roger Jackson

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2020	2019
	US\$	US\$
Short-term employee benefits	315,313	248,414
Post-employment benefits	26,148	11,457
Share-based payments	67,500	-
	<u>408,961</u>	<u>259,871</u>

Refer to note 17, which discloses other transactions with related parties.

Note 15. Contingent assets and liabilities

As at 31 December 2020 the consolidated entity did not have any contingent assets or liabilities (December 2019: NIL)

Note 16. Commitments

There are no commitments as at reporting date. (December 2019: NIL)

Note 17. Related party transactions

Parent entity

Pan Asia Metals Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 18.

Key management personnel

Disclosures relating to key management personnel are set out in note 14 and the remuneration report included in the directors' report.

During the year, Mr. Mitchell was paid \$32,577 (exclusive of GST) was paid to Ian. B Mitchell and Associates, a firm related to Mr Mitchell, for the legal services in relation to the company's IPO and listing process.

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2020	2019
	US\$	US\$
Current receivables:		
Amount due from Director (P Lock)	-	41,775
Amount due from Director (D Hobby)	-	41,775

The receivable from the Directors were settlement against the Directors fee payable to them for the year.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 18. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2020 %	2019 %
Pan Asia Metals (Thailand) Co. Ltd	Thailand	100.00%	100.00%
Pan Asia Metals Pty Ltd	Australia	100.00%	100.00%
Pan Asia 1 Metals (Thailand) Co. Ltd*	Thailand	100.00%	100.00%
Pan Asia 2 Metals (Thailand) Co. Ltd*	Thailand	100.00%	100.00%
Pan Asia 3 Metals (Thailand) Co. Ltd*	Thailand	100.00%	100.00%
Pan Asia 4 Metals (Thailand) Co. Ltd*	Thailand	100.00%	100.00%
Siam Industrial Metal Company Limited*	Thailand	100.00%	100.00%
Thai Mineral Ventures Company Limited*	Thailand	100.00%	100.00%
Pan Asia Metals (Malaysia) Sdn Bhd	Malaysia	100.00%	100.00%
First Light Mandalay Mining & Metals Co. Ltd***	Myanmar	100.00%	-
Mandalay Mining & Metals Pte Ltd**	Singapore	100.00%	-

*The entities are controlled by Pan Asia Metals (Thailand) Co. Ltd

**On 23 January 2020, full ownership of these entities was transferred from a Director of the Company, Paul Lock, to the Company. This acquisition did not have a material impact on the consolidated entity.

***This entity is controlled by Mandalay Mining & Metals Pte. Ltd

Note 19. Events after the reporting period

Subsequent to year end, on 15 January 2021 the Company mobilised its drilling rig to the Reung Kiet Lithium Project and on 17 January 2021 the Company collared its first hold at the Bang I Tum prospect at the Reung Kiet Lithium Project.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 20. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2020	2019
	US\$	US\$
Loss after income tax expense for the year	(786,461)	(620,676)
Adjustments for:		
Foreign exchange differences	(397)	5,510
Depreciation	29,544	3,103
Finance cost	157	-
Change in operating assets and liabilities:		
Increase in prepayments	(6,005)	(270)
(Increase) / decrease in other receivables	93,185	24,461
(Decrease) / increase in other payables	310,041	(13,706)
Increase in employee benefits	6,911	10,629
Net cash used in operating activities	<u>(353,025)</u>	<u>(590,949)</u>

Note 21. Earnings per share

	Consolidated	
	2020	2019
	US\$	US\$
Loss after income tax attributable to the owners of Pan Asia Metals Limited	<u>(786,461)</u>	<u>(620,676)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>94,830,722</u>	<u>71,682,418</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>94,830,722</u>	<u>71,682,418</u>
	Cents	Cents
Basic earnings per share	(0.83)	(0.87)
Diluted earnings per share	(0.83)	(0.87)

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Pan Asia Metals Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 22. Share-based payments

	Consolidated	
	2020	2019
	US\$	US\$
Share-based payments*	<u>29,920</u>	<u>-</u>

*These related to share issued to directors for settlement of director fees for period from January to June 2020.

Accounting policy for share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

Directors' declaration

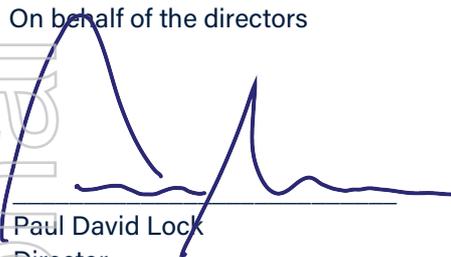
In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001, the Singapore Companies Act, Chapter 50 (the Act), the Singapore Financial Reporting Standards International ("SFRS(I)"), and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Paul David Lock
Director

26 March 2021

Pan Asia Metals Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pan Asia Metals Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

ACCOUNTANTS & ADVISORS

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(WB015_2007)



Emphasis of matter – Basis of Accounting

As described in Note 1 to the financial report the Company's country of incorporation is Singapore. The financial report has been prepared in accordance with Australian Accounting Standards; the *Corporations Act 2001*; the Singapore Companies Act, Chapter 50; and Singapore Financial Reporting Standards ("SFRS"). Our responsibility as auditor is to provide an opinion in respect of the Company's compliance with Australian Accounting Standards and the *Corporations Act 2001*. Accordingly, we do not express an opinion in respect of compliance with the Singapore Companies Act, Chapter 50 or SFRS. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

CARRYING VALUE AND CAPITALISATION OF EXPLORATION AND EVALUATION ASSETS	
Area of focus Refer to Note 2 and Note 7	How our audit addressed it
<p>The Group has incurred exploration and evaluation costs for exploration projects in South East Asia over a number of years.</p> <p>There is a risk that the Group may lose or relinquish its rights to explore and evaluate those areas of interest and therefore amounts capitalised to the statement of financial position from the current and historical periods be no longer recoverable.</p> <p>During the year no impairment charge was recognised in relation to exploration expenditure.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> — Understanding and vouching the underlying contractual entitlement to explore and evaluate each area of interest, including an evaluation of the Group's renewal in that area of interest at its expiry; — Examining project spend per each area of interest and comparing this spend to the minimum expenditure requirements set out in the underlying exploration expenditure plan; — Examining project spend to each area of interest to ensure that it is directly attributable to that area of interest; and — From an overall perspective, comparing the market capitalisation of the Group to the net carrying value of its assets on the statement of financial position to identify any other additional indicators of impairment. <p>We also assessed the adequacy of the Group's disclosures in the financial report.</p>

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Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2020 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our independent auditor's report.

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Report on the Remuneration Report

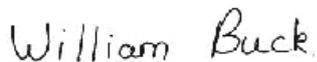
Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2020.

In our opinion, the Remuneration Report of Pan Asia Metals Limited, for the year ended 31 December 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads "William Buck".

William Buck Audit (Vic) Pty Ltd
ABN: 59 116 151 136

A handwritten signature in black ink that reads "A. A. Finnis".

A. A. Finnis
Director

Melbourne, 26 March 2021

Shareholder Information

The shareholder information set out below was applicable as at 23 March, 2021.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	3	-
1,001 to 5,000	76	0.21
5,001 to 10,000	133	0.96
10,001 to 100,000	295	9.25
100,001 and over	94	89.58
	<u>601</u>	<u>100.00</u>
Holding less than a marketable parcel	<u>39</u>	<u>0.08</u>

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares Number held	% of total shares issued
MR PAUL DAVID LOCK	42,099,750	33.41
THAI GOLDFIELDS NL	20,222,500	16.05
METAL TIGER PLC	7,311,713	5.80
HOLICARL PTY LTD <DOSSOR CHILDREN A/C>	6,976,744	5.54
MR DAVID JOHN HOBBY	4,677,750	3.71
MR THANASAK CHANYAPOON	3,070,965	2.44
ARROWTOWN INVESTMENTS PTY LTD	2,000,000	1.59
LINKWOOD HOLDINGS PTE LTD	1,522,388	1.21
INCU GLOBAL LIMITED <KNIGHT MEKONG STRATEGY FUND>	1,500,000	1.19
BEARAY PTY LIMITED <BRIAN CLAYTON S/F A/C>	1,250,000	0.99
MILLWOOD SUPERANNUATION PTY LTD <ROSU SUPERANNUATION A/C>	1,000,000	0.79
G J INVESTMENTS PTY LTD <C J RANSOM FAMILY A/C>	1,000,000	0.79
I & B MCDOUGALL PTY LTD <IAN MCDOUGALL FAMILY A/C>	920,417	0.73
SYDNEY EQUITIES PTY LTD	906,591	0.72
BOND STREET CUSTODIANS LIMITED <PRSEVI - D63221 A/C>	751,667	0.60
INVESTMENT COMPANY SERVICES PTY LTD <THE PETERS FAMILY A/C>	733,334	0.58
MR MARC DANIEL BARRINGTON + MRS EMILY LOUISE BARRINGTON <M & E BARRINGTON FAMILY A/C>	508,333	0.40
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	507,079	0.40
MR BRENT WILLIAM KRAUSE + MRS LARA MICHELLE KRAUSE	500,000	0.40
MR GREGORY JOHN HOWE	500,000	0.40
	97,959,231	77.74

Unquoted equity securities

There are no unquoted equity securities.

Substantial holders

There are four holders in the company: Mr Paul David Lock with 33.41%; Thai Goldfields NL with 16.05%; Metal Tiger PLC with 5.80%; and Holicarl Pty Ltd (Dossor Children A/C) with 5.54% of total shares issued.

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Corporate Directory

Directors

Mr Paul Lock (Executive Chairman and Managing Director)
Mr David Hobby (Executive Director and Technical Director)
Mr David Docherty (Non-Executive Director)
Mr Thanasak Chanyapoon (Non-Executive Director)
Mr Ian B Mitchell (Non-Executive Director)
Mr Roger Jackson (Non-Executive Director)

Company secretaries

Mr Wayne John Kernaghan (Australia)
Ms Fiza Alwi (Singapore)

Registered office

Level 3, 8 Robinson Road
ASO Building
Singapore 048544

Principal place of business

Level 23, 52 Thaniya Plaza, Zone B,
Silom Road, Suriyawong, Bangkok,
Thailand, 10500

Share register

Advanced Share Registry
110 Stirling Highway
Nedlands, WA, 6009
Phone: +61 8 9389 8033

Auditor (Australia)

William Buck
Level 20
181 William Street
Melbourne VIC 3000

Auditor (Singapore)

SYA PAC
160 Robinson Road, #26-03
Singapore Business Federation Center
Singapore 068914

Solicitors

Ian B. Mitchell & Associates
Level 9, 19-29 Martin Place
Sydney, NSW, 2000
Phone: +61 2 9232 5444

Stock exchange listing

Pan Asia Metals Limited shares are listed on the Australian Securities
Exchange
(ASX code: PAM)

Website

www.panasiametals.com

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PanAsiaMetals

Registered Office: Level 3, 8 Robinson Road, ASO Building, Singapore, 048544

Corporate Office: Level 23, 52 Thaniya Plaza, Silom Road, Bangrak, Bangkok, 10500, Thailand

ASX: PAM

www.panasiametals.com