



ASX Announcement | 18 April 2024

Chile's National Lithium Strategy Advances Private Companies can Explore for Lithium - PAM to submit 1,200km² RFI

- Chile's National Lithium Strategy is advancing, further clarifications recently published
- Private companies will be permitted to explore for, extract and process lithium
- PAM has ~1,200km² of concession holdings which qualify for the RFI Process
- These properties have been secured on the basis of their prospectivity for Li brines
- PAM to submit RFI before the June 17 deadline
- Additional lithium brine blocks under consideration.

Pan Asia Metals' Managing Director, Paul Lock, said: *"Earlier this week the Chilean Government added further clarification to its National Lithium Strategy, specifying which salars were open to lithium exploration by private companies, and essentially de-risking lithium exploration in Chile. Pan Asia Metals embarked on a concession procurement program in early 2023 targeting lithium brines, understanding that Chile had the largest and highest grade lithium brine resources in the world, with the lowest operating costs for LCE production. This strategy resulted in the formation of the Tama Atacama Lithium Project. As global lithium resources grew it became apparent that being positioned for potential large scale low cost LCE production would be essential – hence PAM's Chilean strategy. Even though lithium prices were recently at their 3 year lows, for an extended period, the Chilean based lithium brine projects were still very profitable, keeping in mind that lithium production in Chile was profitable when lithium was <\$10,000/t. The Chilean Government's release of the policy framework earlier this week, inviting private companies to submit RFIs, has all but de-risked lithium exploration in Chile."*

Battery and critical metals explorer and developer Pan Asia Metals Limited (ASX: PAM) ('PAM' or 'the Company') is pleased to announce that the Chile Government has released the policy framework which will allow private companies to explore for, extract and process lithium. As a result PAM is positioned to make a submission under the RFI for ~1,200km² of its target lithium brine holdings.

The Chilean Government, under its 'National Lithium Strategy' policy, has released the policy framework ('Framework') under which a private company can make a submission for a Special Lithium Operation Contract' which, without distinction between local and foreign companies, will allow for the exploration, extraction and processing of lithium.

Key objectives of the National Lithium Strategy (Lithium Strategy) broadly include the sustainable development of Chile's lithium resources, social and environmental sustainability, technological development, community and state participation. With regard to lithium exploration the Framework segregates Chile's current and future lithium resources into three categories: i. Salar de Atacama and Salar de Maricunga, whereby the State has a 50.1% contributing interest in all lithium projects; ii. Salars other than those listed in Points 'i' and 'iii', which are available for exploration and development

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by private companies within the Framework; and iii. 38 Salars which have been excluded and 3 salars which have been partially excluded.

The Government has invited private companies to indicate their interest via a Request for Information (RFI) process. The information submitted will be used to define those lithium target areas over which priority will be given to enter into Special Lithium Operation Contracts. Expressions of interest under the RFI are due by 17 June, 2024.

After reviewing the above conditions PAM is pleased to report that of the total area of ~1,600km² of exploration concessions (granted and applications) that it currently holds, ~1,200km² meets the requirements under the Framework and, importantly, PAM's holdings abut the western margin of the Pampa del Tamarugal Depression, which comprises the lowest section of the depression (see Figure 1). ~850km² is situated in the north western section of the Depression, which has a strike length of 170km under which a large portion is salt flat with highly anomalous Li in surface assays.

We note that the area which has been excluded from the RFI process can be explored for all other minerals and had a drilling permit granted in 2019 to previous operators. Therefore, this area will be retained as a strategic holding as the policy environment may further improve under the existing government or with a change of Government in late 2025.

The exploration model applied to PAMs holdings within the Pampa de Tamarugal Depression is for lithium rich brines occurring at depth across much of the basin. The presence of Salars on the western margin of the basin with elevated lithium in the salt crusts, as well as in nearer surface brines, supports this model.

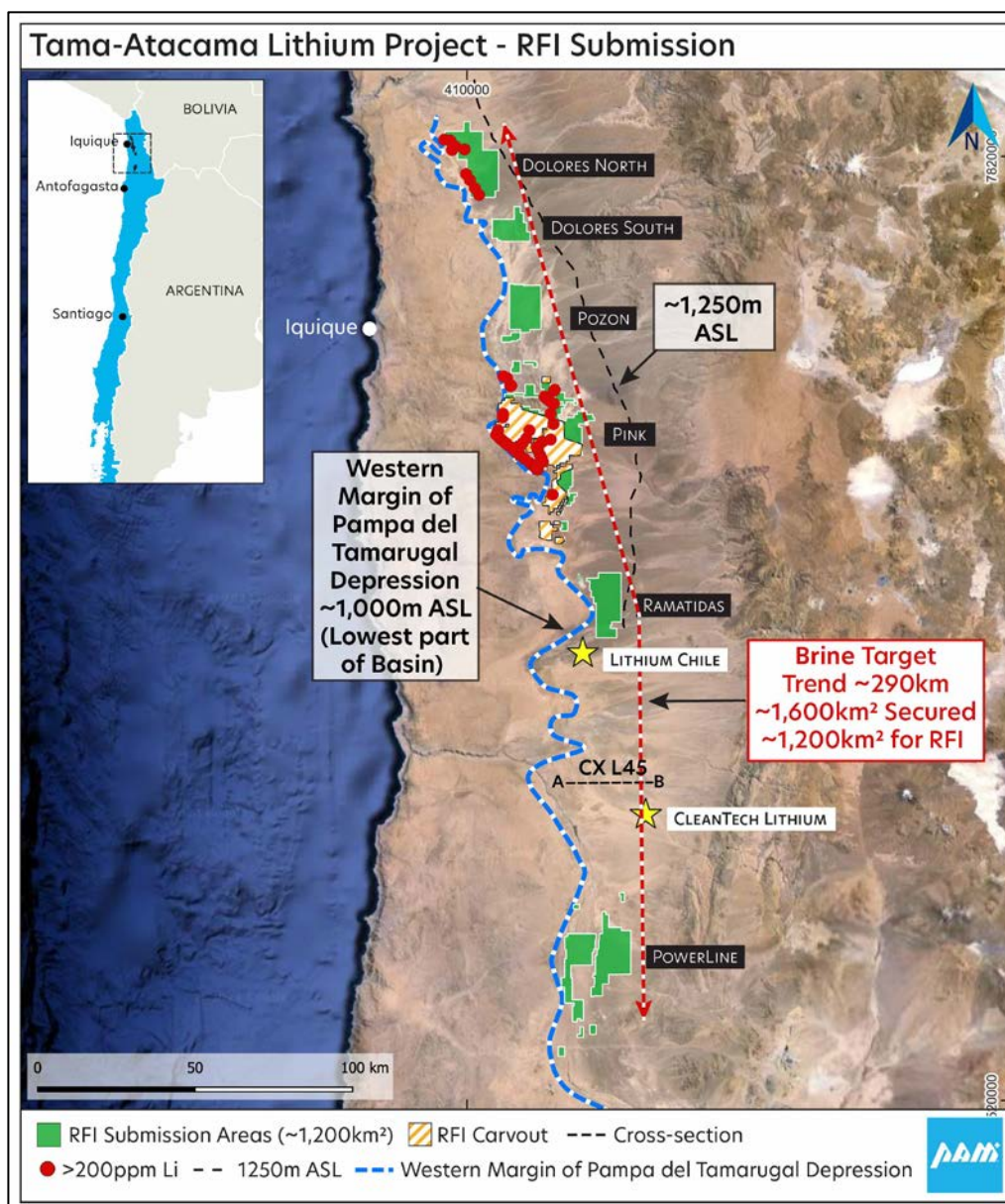


Figure 1: Tama Atacama Lithium Project – RFI Submission Areas

Recent work by CleanTech Lithium (AIM:CTL) has identified extensive low resistivity zones using TEM geophysics¹. These zones are interpreted to represent extensive zones of subsurface hypersaline brine. The location of the TEM line (CX L45) is about halfway between PAM’s Ramatidas and Powerline projects (see Figure 1). The results of the TEM line are shown in Figure 2 where a large low resistivity layer commences at about 200m below surface and continues to 500m below surface. This zone is interpreted to be approximately 25km wide (east-west). CleanTech have reported historical results in the area, with salt crusts up to 3,100ppm Li and clays up to 2,400ppm Li.

¹ <https://ctlithium.com/projects/llamara/>

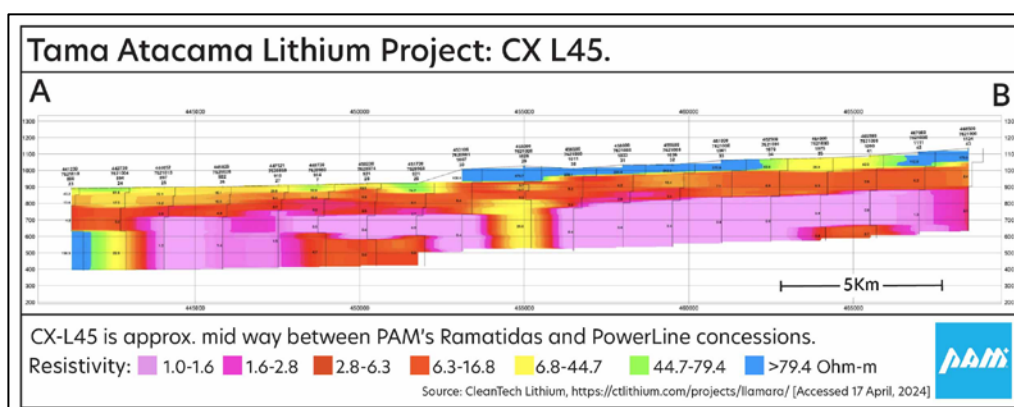


Figure 2: Tama Atacama Lithium Project – Cross-section L45 (Source: CleanTech Lithium)

Lithium Chile (TSXV:LITH) has been conducting exploration on their Salar de Llamara project² which is located west-southwest of PAM’s Ramatidas project (see Figure 1). Lithium Chile has reported near surface bine assays up to 350mg/L Li. In March 2024 Lithium Chile announced that large French multinational Eramet has entered into a farm-in agreement incorporating the Llamara project³.

We look forward to keeping PAM’s shareholders and the market updated with PAM’s progress on its Tama Atacama Lithium Project and the RFI submission.

Ends

Authorised by:
Board of Directors

² <https://lithiumchile.ca/salar-de-llamara/>

³ <https://lithiumchile.ca/wp-content/uploads/2024/03/March-5-2024-LITHIUM-CHILE-PARTNERS-WITH-MAJOR-EUROPEAN-MINING-GROUP-ERAMET-TO-EXPLORE-FOUR-OF-ITS.pdf>



ABOUT PAN ASIA METALS LIMITED (ASX:PAM)

Pan Asia Metals Limited is the only publicly traded battery materials company with lithium projects in South-East Asia and South America, and with agreements with key battery and chemical producers in the Asian region to produce advanced battery chemicals.

PAM's RK Lithium Project is strategically located in Thailand – the largest vehicle producer in the region. With Asia accounting for more than half of the global annual vehicle production, PAM is uniquely positioned to capitalise on the soaring demand for battery minerals in the region. PAM's Tama Atacama Lithium Project is strategically located in the Atacama region of Chile. At about 1200km² and located on key infrastructure, 40km from the coast and 75km from Iquique - with a population of 200,000 and large port infrastructure - it is one of the largest and most strategically placed lithium brine assets in the global peer group.

PAM's dedication to producing innovative, high-value products with a minimal carbon footprint makes us an ideal partner for meeting our needs in both battery chemicals and sustainable energy. PAM is also a respected local company, with a strategy focused on developing an integrated supply chain to cost-effectively deliver relevant and in-demand products to the Li-ion battery market.

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

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

Stay up to date with the latest news by connecting with PAM on [LinkedIn](#) and [Twitter](#).

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Competent Persons Statement

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

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

Forward Looking Statements

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

Important

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

Tama Atacama Lithium Brine Project

The Tama Atacama Lithium Project distinguishes itself as one of South America's largest and most strategically positioned lithium brine projects with ~120,000ha (~1,200km²) of granted exploration licenses or exploration license applications over which PAM has entered into binding Option Agreements to Purchase 100% of the project area. See Figure 4 and PAM ASX announcements titled “Tama Atacama Lithium Option Agreements Signed” and “Tama Atacama Lithium Presentation” dated 2nd January and 12th February, 2024 respectively.

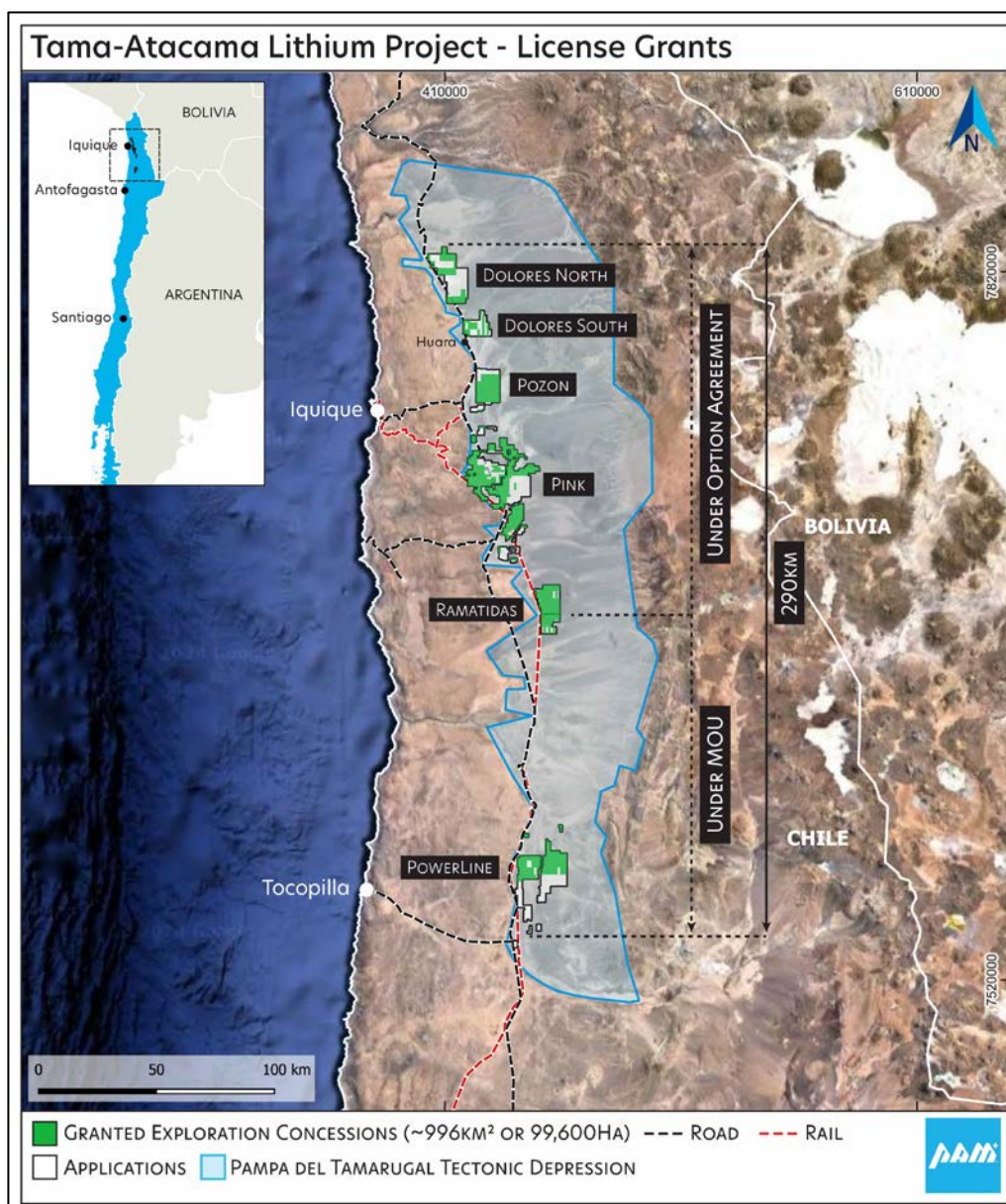


Figure 4. Tama Atacama Lithium Project: Granted Licenses under Option Agreements and MOU

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

Extensive lithium surface anomalies with lithium results up to 2,200ppm Li, and averaging 700ppm Li (56/177 assays, 270ppm cutoff) extend over ~160km, see Figure 2. The project is north of Chile's lithium chemical refining hub in Antofagasta, see Figure 5.

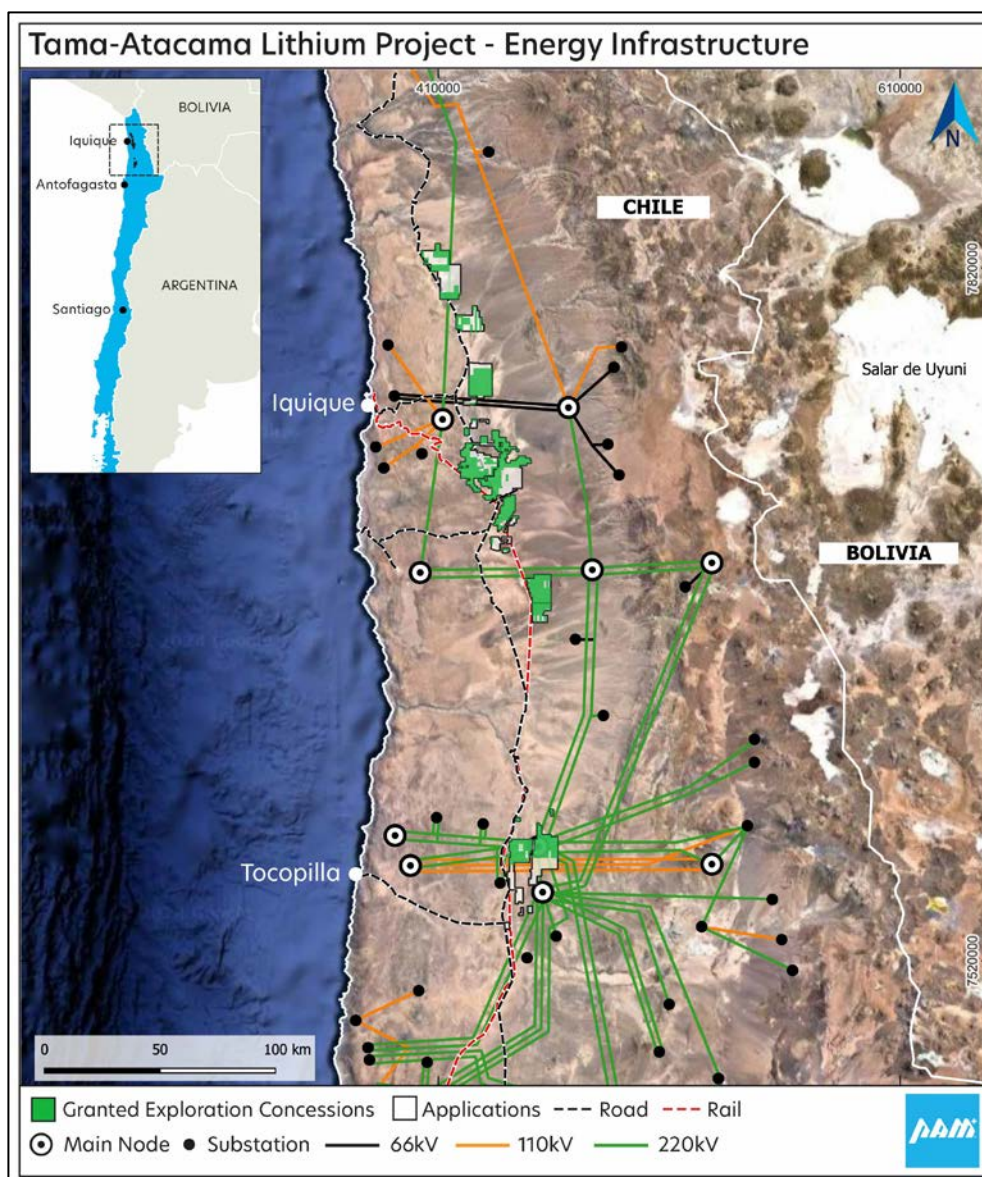
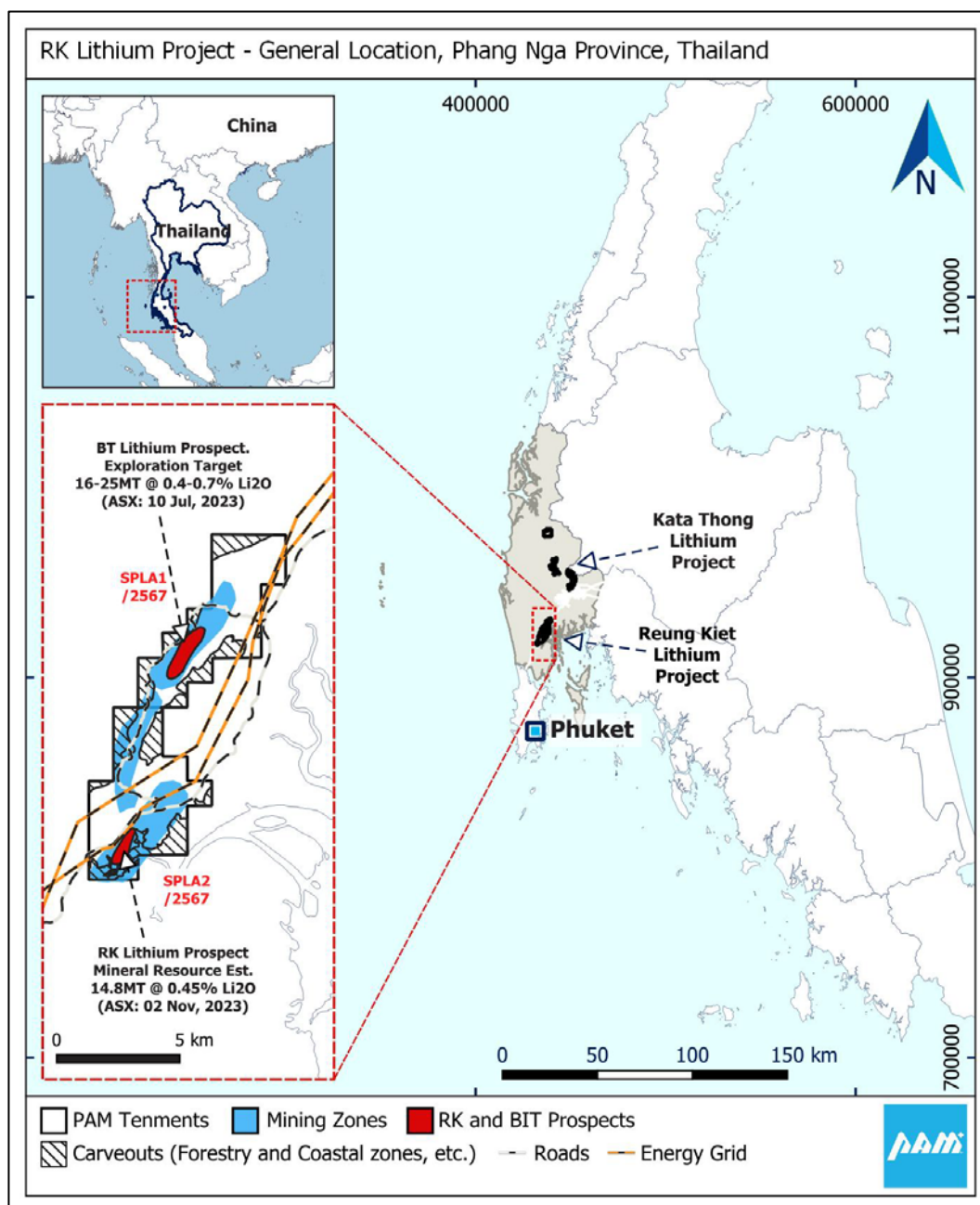


Figure 5. Tama Atacama Lithium Project: Proximal Energy Infrastructure

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

RK Lithium Project

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



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

RK Lithium Prospect

The RK Lithium Prospect (RK) is located about 8km south of the BT Lithium Prospect (BT) in southern Thailand. At RK PAM has estimated a Mineral Resource Estimate of 14.8 million tonnes at a grade 0.45% Li₂O, containing 164,500 tonnes LCE. See Table 1 and PAM ASX announcement “*Reung Kiet Lithium Project Mineral Resource Update*” dated 2 November, 2023.

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

Resource Category	Resource (Mt)	Li ₂ O %	Sn ppm	Ta ₂ O ₅ ppm	Rb %	Cs ppm	Cont. LCE
Measured	7.80	0.44	410	74	0.20	230	85,289
Indicated	3.26	0.49	349	85	0.20	261	39,375
Inferred	3.74	0.41	390	78	0.19	229	38,252
Total	14.80	0.45	391	77	0.20	237	164,500

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

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

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

BT Lithium Prospect

The BT Lithium Prospect (BT) is located about 8km north of the RK in southern Thailand. At BT PAM has estimated a drill supported Exploration Target of 16 to 25 million tonnes at a grade ranging between 0.4% to 0.7% Li₂O. See Table 2 and PAM ASX announcement “*Reung Kiet Lithium Project Exploration Target Substantially Increased*” dated 10 July, 2023.

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

	Million Tonnes	Li ₂ O %	Sn %	Ta ₂ O ₅ (ppm)	Rb %	Cs (ppm)	K (%)
Lower	16.0	0.70	0.16	120	0.30	250	2.80
Upper	25.0	0.40	0.11	95	0.25	200	2.40

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

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