

3 April 2018

ASX ANNOUNCEMENT

Transaction Update - Sale of TCM to Glory Merry

In April 2017, Pan Asia Corporation Ltd ("PZC" or the "Company") entered into a heads of agreement ("HOA") to sell the company's 100% owned subsidiary, Innovation West Mantewe Pte Ltd ("IWM") to Glory Merry Limited. IWM is the owner of a production operation mining business in Indonesia (the "TCM Project").

The terms of the HOA included:

1. GM would be provided with a due diligence period of 180 days.
2. GM was to pay US\$500,000 to an independent consultant to carry out an updated feasibility study on the TCM Project.

GM has received the feasibility report. In January 2018, the parties agreed to extend the due diligence period to 31 March 2018.

The parties have entered into an "extension agreement" under which GM "agrees and confirms that it will purchase TCM from the parties providing the conditions precedent are met by May 31, 2018".

The conditions precedent are conditions which would be expected to be found in a commercial agreement of this kind, including:

1. All Indonesian government and regulatory approvals are in place;
2. The shares in IWM and TCM are free from any claim, option, charge, lien, encumbrance, right of pre-emption or third party right;
3. IWM and TCM are not engaged in any litigation or other proceedings; and
4. Any Australian regulatory approvals that may be required have been obtained.

Brett Crowley
Company Secretary