



ASX Announcement | 12 February 2024

## Tama Atacama Lithium Project – Additional Exploration Concessions Granted

**Battery and critical metals explorer and developer Pan Asia Metals Limited (ASX: PAM) ('PAM' or 'the Company')** is pleased to advise that a fourth series of Exploration Concessions have been granted at its Tama Atacama Lithium Project, increasing the total area of granted Exploration Concessions under Option Agreements and MOU to ~996km<sup>2</sup> or 99,600Ha.

PAM has received confirmation that an additional net total of ~116km<sup>2</sup> or 11,600Ha of Exploration Concessions have been granted, mainly at the Pink Lithium Prospect, which forms part of PAM's Tama Atacama Lithium Project. These granted Exploration Concessions fall within Option Agreements 1 and 2 (see Appendix 1). **The total area under Option Agreements with granted Exploration Concessions has increased to ~746km<sup>2</sup> or 74,600Ha**, see Figures 1 and 2.

This is the fourth series of Exploration Concession grants, the first three being announced on the 12<sup>th</sup> and 29<sup>th</sup> of January, and 5<sup>th</sup> of February, 2024, see PAM's ASX announcements dated the 12<sup>th</sup> and 29<sup>th</sup> January, and 5<sup>th</sup> February, 2024, and titled '*Tama Atacama Lithium Project – Exploration Concessions Granted*'. The grant of Exploration Concessions in Chile is a judicial process, therefore one can have a high degree of confidence in the procedure for their grant. Further Exploration Concessions are expected to be granted in February, March and April.

A further net total of ~32km<sup>2</sup> or 3,200Ha of Exploration Concessions have been granted at the Ramatidas Lithium Prospect, which is south of the Pink Lithium Prospect, see Figure 3. These granted concessions are part of the ~400km<sup>2</sup> target lithium brine and clay blocks comprising the southern half of Ramatidas and the Powerline blocks, which remain under MOU and are under review and consideration, and if progressed will form part of PAM's Tama Atacama Lithium Project. **The total area under MOU with granted Exploration Concessions is ~250km<sup>2</sup> or 25,000Ha**. See Figure 4.

On the 19<sup>th</sup> of December 2023, the Chilean Congress approved Law No. 21420, bringing into effect modifications to the Chilean Mining Code. Of significance is the increase in the term of Exploration Concessions to 4 years with the possibility to extend for a further 4 years, replacing the former 2 year + 2 year licensing regime. This means that these recently granted Exploration Concessions will expire in 2027 and 2028.

### Next Steps

PAM is in discussions with geophysics and drilling service providers and plans to begin drilling on granted license areas at the Pink Project early this year. The aim of the drilling program is to identify lithium bearing aquifers at depth. Upon identification, PAM will conduct detailed drilling in anticipation of defining an initial resource later in 2024. Final timing for drill testing will be subject to rig availability. PAM's objective is to conduct evaporation testwork as well as submit bulk volumes of lithium brines for evaluation by various DLE providers.

Ends

Authorised by:  
Board of Directors

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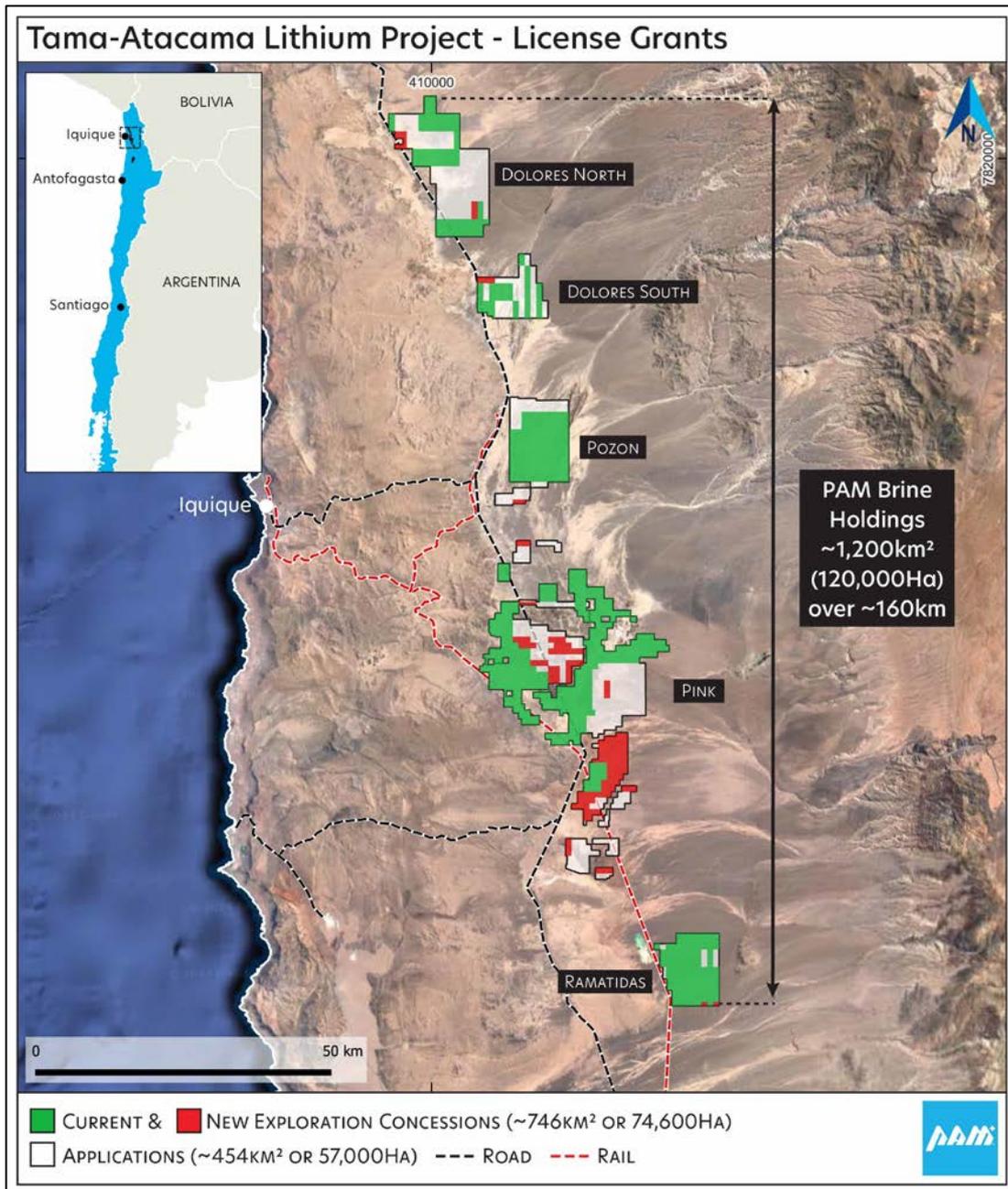


Figure 1. Tama Atacama Lithium Project: Granted Exploration Concessions under Option Agreements

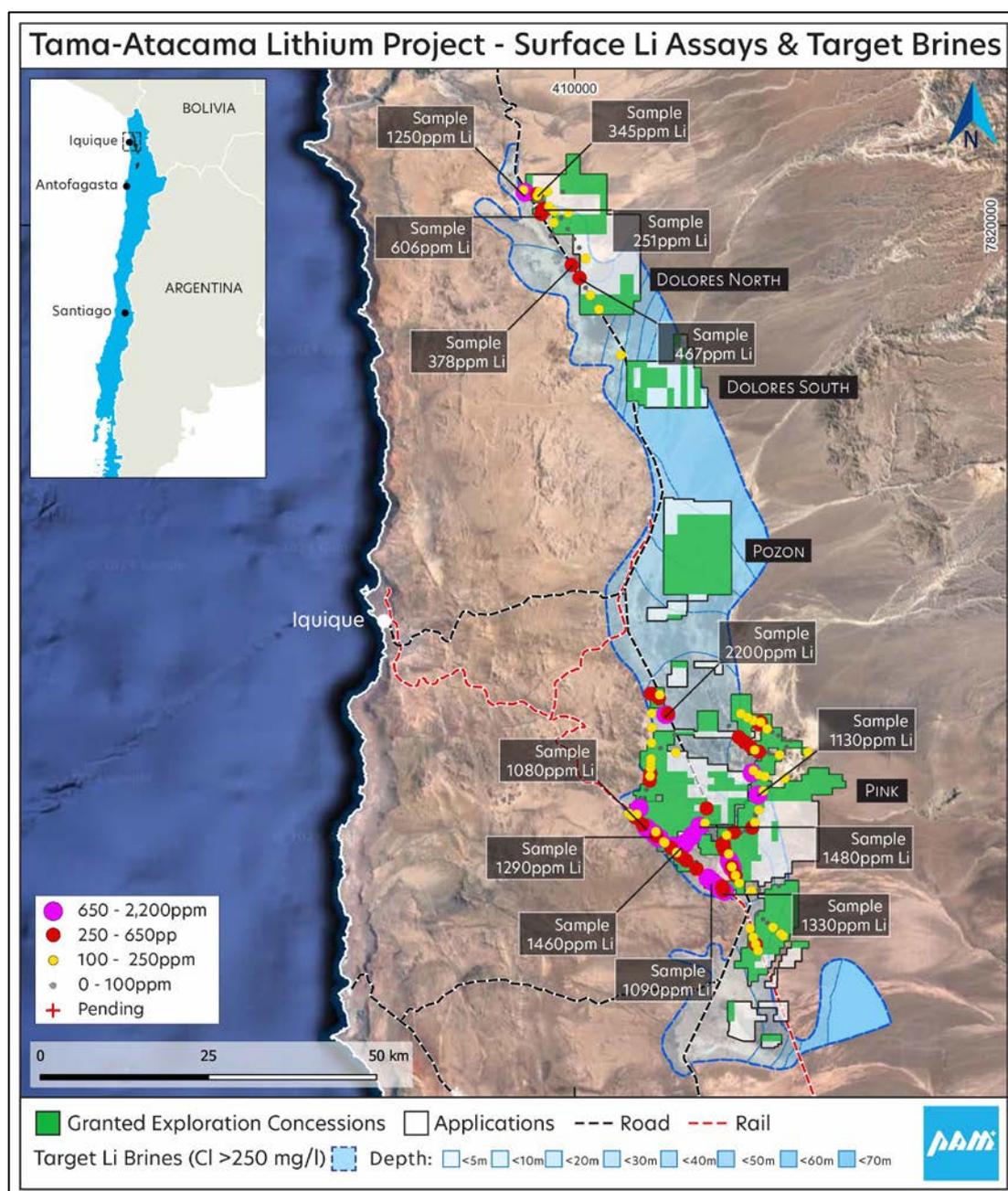


Figure 2. Tama Atacama Lithium Project –Granted Exploration Concessions and Surface Li Assays

For Assay and other information presented in Figure 2 please see PAM ASX announcements “Tama-Atacama Brine-Clay Lithium Project, PAM Enters the South American Lithium Triangle” dated 28<sup>th</sup> July, 2023, “Tama Atacama Lithium – Solid Seismic Data Interpretations” dated 18<sup>th</sup> of September, 2023, and “Tama-Atacama Lithium Project - Exploration Update, Salar Dolores Lithium Prospect” dated 8<sup>th</sup> of November, 2023.

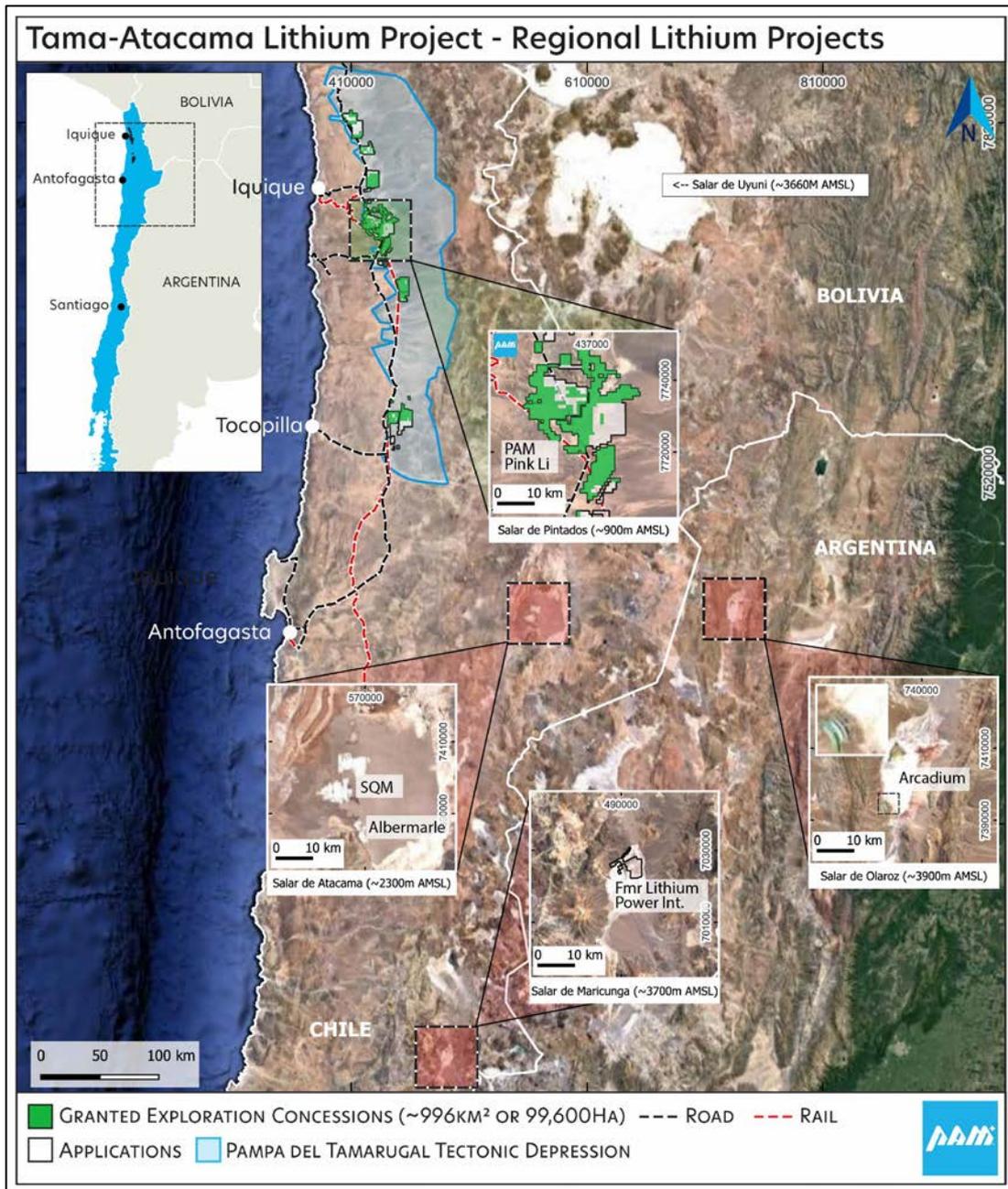


Figure 3. Tama Atacama Lithium Project - General Geography and Key Regional Lithium Projects



## **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 1200km<sup>2</sup> 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](http://www.panasiametals.com)

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

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### 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 (~1,200km<sup>2</sup>) 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 2<sup>nd</sup> January and 12<sup>th</sup> February, 2024 respectively.

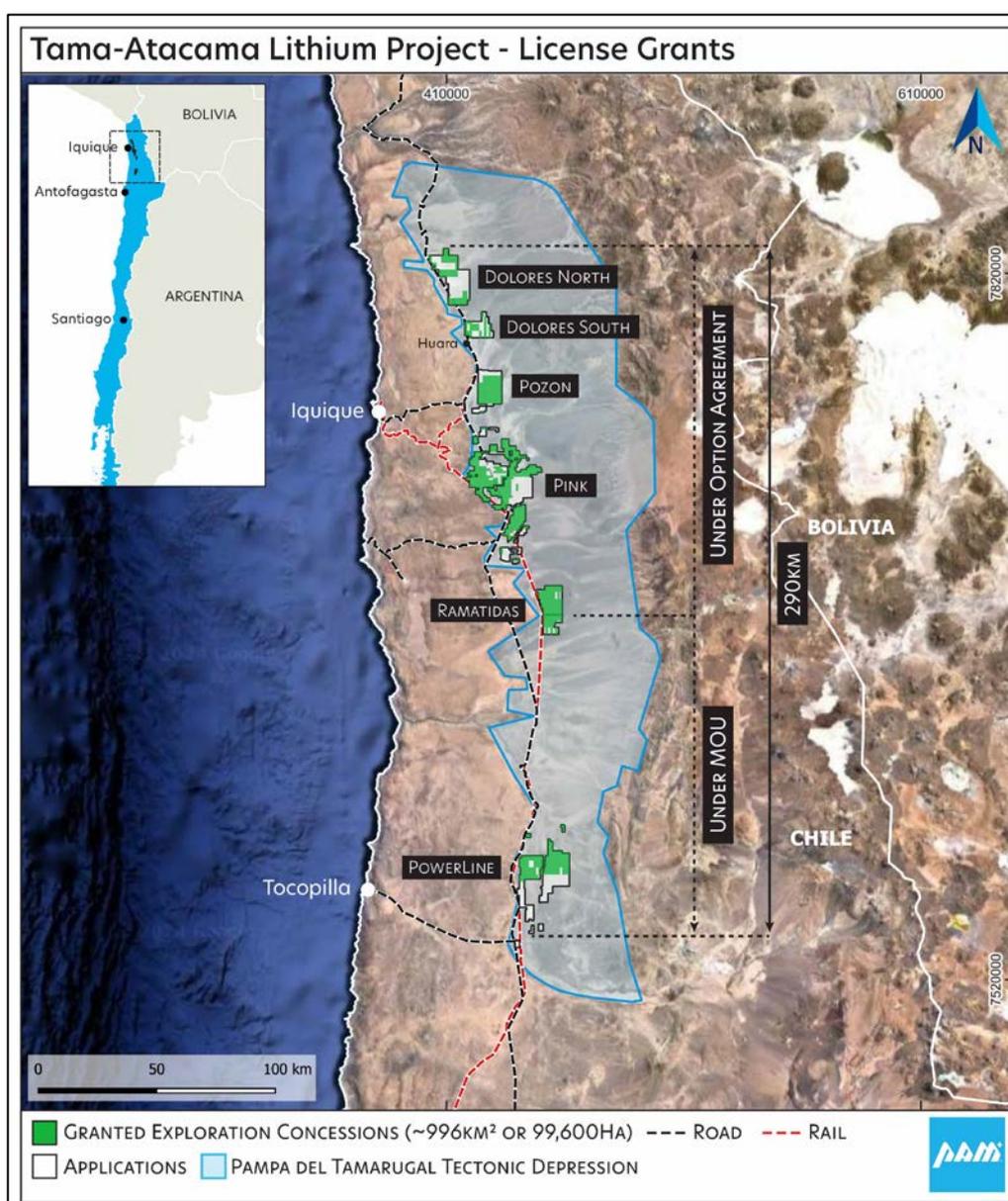


Figure 4. Tama Atacama Lithium Project: Granted Licenses under Option Agreements and MOU

The project sits within the 12,500km<sup>2</sup> 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.

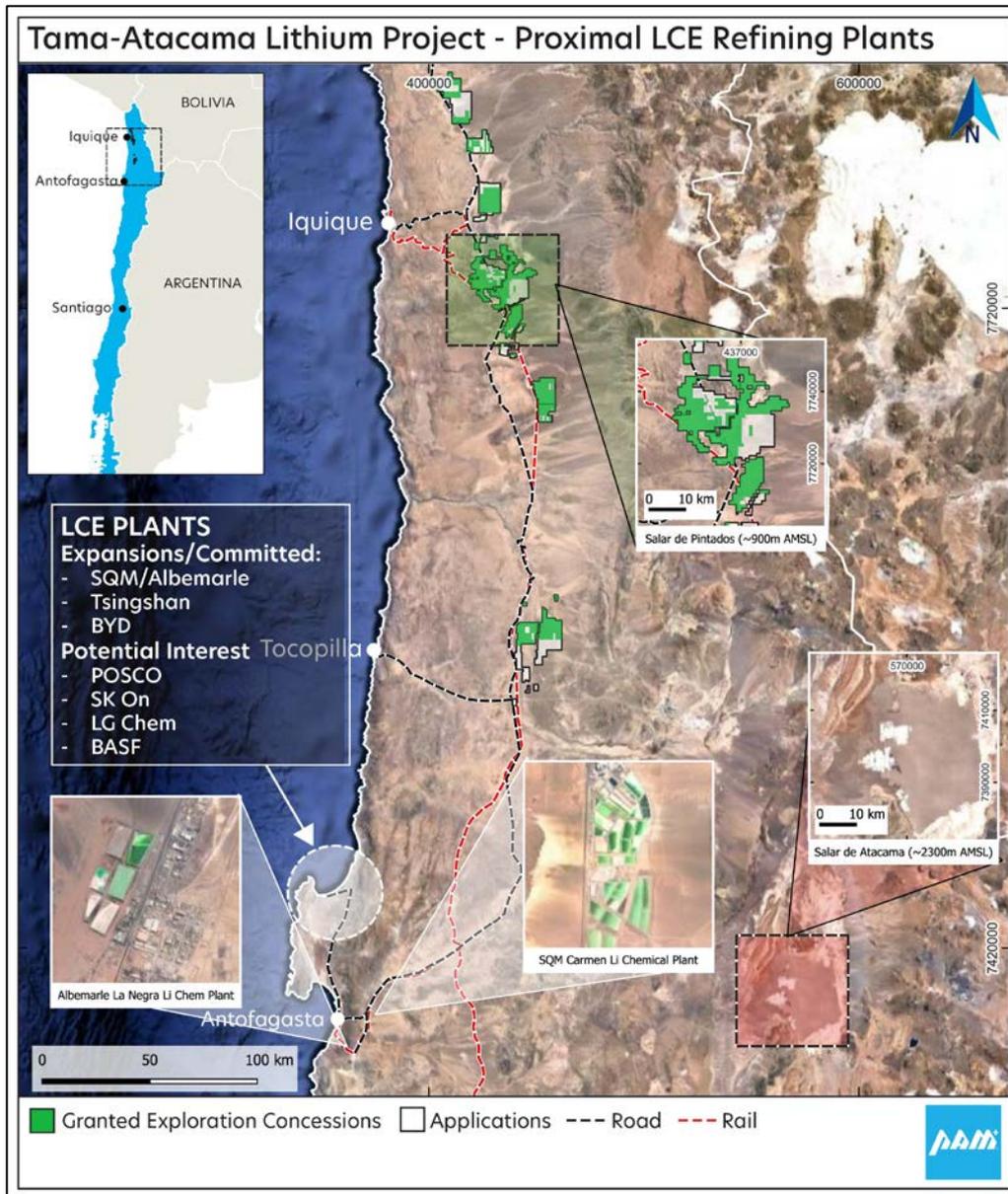


Figure 5. Tama Atacama Lithium Project: Proximal Lithium Chemical Refining Plants

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.

## Appendix 1 - Options to Purchase – Key Commercial Terms

Parties			
	Option Agreement 1	Option Agreement 2	Option Agreement 3
Purchaser	Pan Asia Metals Limited through its Chilean Subsidiaries		
Vendor	Rajo Partnership	Rajo Partnership	Thomas Eggers
Project	Dolores North (~222km <sup>2</sup> ) Dolores South (~96km <sup>2</sup> )	Pozon (~158km <sup>2</sup> ) Pink (~550km <sup>2</sup> ) Ramatisdos (northern portion of project area, approx. ~110km <sup>2</sup> )	25 exploration concessions (~75km <sup>2</sup> ) in Salars Bellavista and Pintados and adjacent to the Project Pink exploration concessions.
Key Commercial Terms			
Term	3 Years + 1 additional year by mutual Agreement <sup>(1)</sup>	3 Years + 1 additional year by mutual Agreement <sup>(1)</sup>	5 Years <sup>(2)</sup>
Earn-in	100%	100%	100%
Management	PAM	PAM	PAM
Licensing	Meet all obligations including annual licensing payments to maintain titles in good standing		
Minimum Annual Spend	Not applicable	Not applicable	To Jan '25: US\$120,000 To Jan '26: US\$420,000 To Jan '27: US\$1,260,000
Option Payment	Dec '24: US\$100,000 Dec '25: US\$100,000 Dec '26: US\$2,000,000 <sup>(3)</sup>	Dec '24: US\$100,000 Dec '25: US\$100,000 Dec '26 US\$2,000,000 <sup>(3)</sup>	Jan '24: US\$66,000 Jan '25: US\$30,000 Jan '26: US\$90,000 Jan '27: US\$180,000 Jan '28: US\$600,000 CEOL: US\$1,800,000 <sup>(4)</sup>
Royalty	Not applicable	Not applicable	2% NSR with buyback options <sup>(5)</sup>
<p>(1) By mutual agreement PAM and Rajo Partnership can extension the term of the Option Agreement by 1 year, and if extended PAM would be required to pay an additional Option Payment of US\$100,000.</p> <p>(2) The final term of the agreement with Thomas Eggers is subject to the award of a Special Lithium Operations Contract ('Contratos Especiales de Operación de Litio' or 'CEOL').</p> <p>(3) PAM can exercise the US\$2 million Option Payment early, upon which no further annual payments of US\$100,000 will be payable.</p> <p>(4) The final payment of US\$1,800,000 is subject to the award of a CEOL, if 54 months have passed and the CEOL is awarded, then this payment is payable, alternatively, this payment is payable within 6 months of the CEOL being awarded.</p> <p>(5) The NSR includes an option the buy back.</p> <p>a. The first 1% of the NSR can be bought back for US\$600,000.</p> <p>b. The second 1% of the NSR can be bought back with the price based on a formula related to: i. 0.5% of the NPV10 before commercial production begins and 0.75% of the NPV10 after commercial production begins, or ii. 0.5% of the Asset Sale Price before commercial production begins and 0.75% of the Asset Sale Price after commercial production begins.</p>			