

Pan Asia Metals Limited and its subsidiaries

Registration Number (Singapore) 201729187E

Interim Financial Information

For the six months ended 30 June 2023

| | |
|--|-------|
| Corporate directory | 2 |
| Directors' report | 3-6 |
| Independence Auditors' Review Report | 7-8 |
| Interim consolidated statement of comprehensive income | 9 |
| Interim consolidated statement of financial position | 10 |
| Interim consolidated statement of changes in equity | 11 |
| Interim consolidated statement of cash flows | 12 |
| Notes to the interim financial information | 13-18 |
| Directors' declaration | 19 |

| | |
|-----------------------------|--|
| Directors | Mr Paul David Lock (Executive Chairman and Managing Director) Mr David John Hobby (Executive Director and Technical Director) Mr David Michael Docherty (Non-Executive Director) Mr Thanasak Chanyapoon (Non-Executive Director) Ms Supriya Sen (Non-Executive Director) |
| Company secretaries | Mr Wayne John Kernaghan (Australia) (Resigned on 16 February 2023) Ms Elissa Hansen (Australia) (Appointed on 16 February 2023) Ms Nor Hafiza Binte Alwi (Singapore) |
| Registered office | 77 Robinson Road #06-03 Robinson 77 Singapore 068896 |
| Principal place of business | Level 23, 52 Thaniya Plaza, Zone B, Silom Road, Suriyawong, Bangkok Thailand, 10500 |
| Auditor (Singapore) | PKF-CAP LLP 6 Shenton Way OUE Downtown 1 #38-01 Singapore 068809 |
| Solicitors | Ian B. Mitchell & Associates Level 9, 19-29 Martin Place Sydney, NSW, 2000 Phone: +61 2 9232 5444 |
| Website | www.panasiametals.com |

The directors present their report, together with the interim financial information, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Pan Asia Metals Limited (referred to hereafter as the 'Company') and its subsidiaries for the six months period ended 30 June 2023.

Directors

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

Mr Paul David Lock
Mr David John Hobby
Mr David Michael Docherty
Mr Thanasak Chanyapoon
Ms Supriya Sen

Principal activities

Pan Asia Metals Limited (PAM) is a Singapore registered minerals exploration company focused on the identification and development of strategically situated battery and critical metals assets which are in low cost environments proximal to advanced industrial centres. The Company places emphasis on assets which present it an opportunity to move beyond the mine gate and value add.

Review of operations

The loss for the Consolidated Entity after providing for income tax amounted to US(\$1,567,668) (30 June 2022: US\$939,208).

The net assets of the Consolidated Entity increased by US\$309,147 to US\$10,704,447 as at 30 June 2023 (31 December 2022: US\$10,395,300).

Working capital, being current assets less current liabilities, decreased by US\$487,350 to US\$113,372 (31 December 2022: US\$600,722). The Consolidated Entity had net cash outflows from operating activities for the period of US\$ 1,697,047 (30 June 2022: US\$757,654 cash outflow). The total cash at banks and deposits as at 30 June 2023 amounted to US\$ 363,251 (31 December 2022: US\$970,098).

For the six months ended 30 June 2023, PAM completed infill and extension drilling at the Reung Kiet Lithium Prospect (RKLP), which is one of two prospects at the Reung Kiet Lithium Project, the other being the Bang I Tum Lithium Prospect. The RKLP program was completed on diamond core hole 102 with 18,833m drilled. CSA Global is finalising resource modelling with an updated Mineral Resource due in September 2023, in accordance with the JORC Code (2012). During the period the Company shifted its two drill rigs to the Bang I Tum Lithium Prospect where drilling is ongoing with an inaugural Mineral Resource targeted for delivery later in 2023. PAM completed the period on diamond hole BTDD033, 034, 035 with a total of 6,344.9m drilled.

During the period, the Thai Cabinet approved the Mineral Management Master Plan No.2 (MMMP2). The MMMP2 was prepared by the National Mineral Management Policy Commission (NMMPC). Provisions contained in MMMP2 allow the NMMPC to designate Mining Zones. This resulted in Mining Zones being declared across much of the Reung Kiet Project Area and captures the entire Reung Kiet and Bang I Tum mineralised trends. The declaration of these Mining Zones now gives PAM the legal right to submit Mining Lease applications and to conduct all activities relevant to establishing a mining business on its tenements which make up the project. In addition to declaring Mining Zones, the MMMP2 was also expanded to include investment promotion and facilitate mechanisms and policies for mineral exploration, resource extraction and related downstream industries. MMMP2 also aims to educate the public to increase its knowledge and understanding of the Mineral Management Master Plan. See PAM's ASX announcements dated 19 April 2023, and titled '*Reung Kiet Lithium Project Mining Zones Declared*'.

Review of operations (continued)

During the period, PAM released initial metallurgical testwork results for flotation recovery of lithium mica concentrates using representative samples from the Reung Kiet lithium prospect. The testwork was conducted by Beijing General Research Institute of Mining & Metallurgy (BGRIMM) in China, which has particular experience and expertise regarding metallurgical aspects of lithium mica 'lepidolite' deposits in China. The testwork was overseen by Dr Evan Kirby of Metallurgical Management Services, a metallurgist with over 45 years' experience in minerals testing and feasibility work, including several assignments with BGRIMM. The testwork was conducted on two separate composites, comprising of fresh and weathered mineralisation, which were selected to represent mineralisation throughout the deposit and containing both internal and external dilution predominantly composed of low-grade siltstone. See PAM's ASX announcement dated 19 January 2023, and titled '*Reung Kiet Lithium Project Metallurgical Testwork Results*'.

During the period, PAM received results from sulphate roast and lithium extraction testwork undertaken on samples of lepidolite concentrates from the Reung Kiet Lithium Prospect. This testwork was conducted by ALS Metallurgy in Perth under the supervision of Lithium Consultants Australasia, a lithium consulting firm with substantial experience in the field. Two samples of lepidolite concentrate, weighing approximately 1kg each, were generated from the testwork program performed by BGRIMM Technology Group (BGRIMM).

From the leach results in terms of lithium extraction v gypsum + sodium sulphate addition, it was evident that the fresh and oxide samples show similar trends across the five tests conducted. The results generated from this Phase 1 roast-leach testwork were highly encouraging and roast and leach conditions remain to be optimised with further investigation of roast reagent ratios, roast time and temperature and the effect of agglomerating the roast feed to be undertaken in the following period. See PAM's ASX announcement dated 20 April 2023, and titled '*Reung Kiet Lithium Project Positive Roasting and Leaching testwork results*'.

During the period, PAM announced that it had entered into a non-binding Memorandum of Understanding (MOU) with VinES Energy Solutions Joint Stock Company (VinES), a member of Vingroup, the largest private conglomerate in Vietnam, with VinES' sister company being NASDAQ listed VinFast. The MOU is a cooperation agreement between the parties for the evaluation of a Lithium Conversion Facility located close to VinES' battery plant in Vietnam. The evaluation is considering an initial annual capacity of 20-25,000tpa of lithium carbonate and / or lithium hydroxide. The feed source will be an aluminosilicate such as spodumene or petalite or a blend thereof. PAM is undertaking pre-feasibility study (PFS) work, which is being conducted by Lithium Consultants Australasia. See PAM's ASX announcement dated 19 May 2023, and titled '*Non-Binding MOU with VinES for Lithium Conversion Plant*'.

Post period end, PAM announced an updated Exploration Target for the Bang I Tum Lithium Prospect. The Exploration Target was increased to 16-25Mt @ 0.40-0.70% Li₂O and represented a ~80 to 100% increase in tonnage to the previous Exploration Target of 8-14Mt @ 0.5-0.8% Li₂O. 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.

Table 1. RKLP – Bang I Tum Prospect - Exploration Target, 10 July, 2023

| | Million Tonnes | Li ₂ O % | Sn % | Ta ₂ O ₅ (ppm) | Rb % | Cs (ppm) | K (%) |
|-------|----------------|---------------------|------|--------------------------------------|------|----------|-------|
| Lower | 16.0 | 0.70 | 0.16 | 130 | 0.30 | 250 | 2.80 |
| Upper | 25.0 | 0.40 | 0.11 | 90 | 0.25 | 200 | 2.40 |

The updated Exploration Target considered newly acquired information which has served to extend the previous Exploration Target to the east, north and west. Some of these zones still remain open and await drill testing. The updated Exploration Target is based on the current geological interpretation of mineralisation, geometry, geochemistry and geology. This was provided by 28 diamond drillholes with assay results for 7 of these holes, surface soil and rock-chip sampling and associated geological observations. See PAM's ASX announcement dated 10 July 2023, and titled '*Bang I Tum Lithium Prospect - Exploration Target Substantially Increased*'.

Review of operations (continued)

Post period end, PAM released results for confirmatory flotation testwork on two separate composite samples from Reung Kiet Lithium Prospect comprised of fresh and weathered mineralisation. The metallurgical flotation test-work was conducted by Nagrom. It demonstrated that relatively high recoveries of lithium to concentrate are achievable utilising industry standard methods with both the fresh and weathered mineralisation undergoing similar comminution and beneficiation. The testwork results in a material improvement in Li₂O grade and recovery for concentrate derived from weathered mineralisation, showing 71% Li₂O recovery at 3.11% Li₂O grade. For the fresh material, the testwork showed 76% Li₂O recovery at 3.10% Li₂O grade and ~80% Li₂O recovery at ~2.95% Li₂O grade, reaffirming previous test-work results. This testwork was subsequently superseded by testwork on ore sorted material, with a non-diluted ore sort labelled 'Optimum Mining Scenario' producing a 3.0% Li₂O con with 87% Li recoveries or a 3.6% Li₂O con with 77% Li recoveries, which should be achievable in certain fresh ore mining situations. PAM also developed a Modelled Mining Scenario which introduced 20% dilution, with a 3.0% Li₂O con with 78% Li recoveries achieved. See PAM's ASX announcements dated 18 July 2023 and titled '*RK Lithium Confirmatory Met Testwork Positive*' at 18 August 2023 and titled '*RK Lithium Project – Exceptional Flotation Test-work Results*'.

Post period end, PAM announced that it had entered into binding MOU to acquire a suite of highly prospective lithium (Li) brine and clay projects in northern Chile called the Tama-Atacama Lithium Project. It comprises six project areas in northern Chile extending over 290km north to south and covering an area of approximately 1600km². The project is situated at an elevation of ~800-1,100m AMSL, which is ~1,000m below Saar de Atacama and 2,300-3,500m below most of PAM's peers in South America. The target areas are based on well-established geology and work completed to date by PAM, which demonstrates strong potential for Li in brine and Li in clay deposits hosted in the Pampa del Tamarugal basin in the northern part of the Atacama Desert, with significant lithium values and by-product/pathfinders identified in surface sampling of salt and clay layers including highly elevated Li in surface samples with 57 of 185 samples >250ppm Li averaging 702ppm Li and ranging up to 2200ppm Li. Tama Atacama sees PAM entering into a world-class district at an opportune time, securing projects that have the potential to be both large scale and low cost, with the project areas adhering to PAM's requirement for highly prospective projects which are easily accessible, close to all key infrastructure, with ample water supply. See PAM's ASX announcement dated 28 July 2023 and titled '*Tama-Atacama Brine-Clay Lithium Project - PAM Enters the South American Lithium Triangle*'.

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.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Consolidated Entity during the financial period.

Matters subsequent to the end of the financial period


No matter or circumstance has arisen since 30 June 2023 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.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Paul David Lock
Director



David John Hobby
Director



PKF-CAP LLP
6 Shenton Way
OUE Downtown 1 #38-01
Singapore 068809

Tel: (65) 6500 9360
www.pkfsingapore.com
UEN: T07LL0568F

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PAN ASIA METALS LIMITED

Report on review of interim financial information For the six months ended 30 June 2023

Introduction

We have reviewed the accompanying condensed interim financial information of Pan Asia Metals Limited (the "Company") and its subsidiaries (collectively, the "Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six months period then ended, selected notes comprising a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Singapore Financial Reporting Standard (International) 1-34, *Interim Financial Reporting* ("SFRS(I) 1-34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Singapore Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of the Consolidated Entity as at 30 June 2023, and of its financial performance and its cash flows for the six-month period then ended in accordance with Singapore Financial Reporting Standard (International) 1-34, *Interim Financial Reporting*.



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF PAN ASIA METALS LIMITED**

Report on review of interim financial information

For the six months ended 30 June 2023

Emphasis of Matter

Going concern

We draw attention to Note 2 to the interim financial information with respect to use of the going concern basis.

The financial information has been prepared on a going concern basis.

The cash at banks and deposits of the Consolidated Entity as at 30 June 2023 was \$363,251 (31 December 2022: \$970,098). As at 30 June 2023, the Consolidated Entity had net current assets of \$113,372 (31 December 2022: \$600,722). During the financial period, the Consolidated Entity has incurred a net loss after tax of \$1,567,668 (30 June 2022: \$939,208) and has a net cash outflow from operating and investing activities of \$ 2,681,358 (30 June 2022: \$1,919,977).

As the Consolidated Entity is currently in the exploration and evaluation stage and has not generated any mining revenue, consideration of the availability of sufficient future funding for the Consolidated Entity to meet its obligations is considered to be a key part of our going concern assessment and therefore a significant aspect of our review.

Our conclusion is not qualified in respect of this matter.

PKF-CAP LLP

PKF-CAP LLP
Public Accountants and
Chartered Accountants

Singapore

Pan Asia Metals Limited and its subsidiaries
Interim consolidated statement of comprehensive income
For the six months ended 30 June 2023

PAN ASIA METALS

| | Consolidated | |
|---|---------------------|---------------------|
| | 30 June 2023 | 30 June 2022 |
| | US\$ | US\$ |
| Other income | 7,001 | 34,391 |
| Expenses | | |
| Employment expenses | (417,277) | (293,028) |
| Depreciation expense | (22,091) | (19,355) |
| Finance costs on lease liabilities | (2,350) | (481) |
| Short term rental expenses | (2,709) | (6,303) |
| Corporate and administration expenses | (417,539) | (183,650) |
| Professional fee | (273,407) | (96,418) |
| Marketing and promotion expenses | (276,150) | (143,391) |
| Subscription expenses | (68,500) | (30,015) |
| Unrealised foreign exchange losses | (94,646) | (200,958) |
| Loss before income tax expense | (1,567,668) | (939,208) |
| Income tax expense | - | - |
| Loss after income tax expense for the period attributable to the owners of Pan Asia Metals Limited | (1,567,668) | (939,208) |
| Other comprehensive loss | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | |
| Foreign currency translation | (220,764) | (139,056) |
| Other comprehensive loss for the period, net of tax | (220,764) | (139,056) |
| Total comprehensive loss for the period attributable to the owners of Pan Asia Metals Limited | (1,788,432) | (1,078,264) |
| | Cent | Cent |
| Basic and diluted loss per share | 1.03 | 0.64 |

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

Pan Asia Metals Limited and its subsidiaries
Interim consolidated statement of financial position
As at 30 June 2023

| | | Consolidated | |
|-----------------------------------|------|-------------------|-------------------|
| | Note | 30 June 2023 | 31 December 2022 |
| | | US\$ | US\$ |
| Assets | | | |
| Current assets | | | |
| Cash at banks and deposits | 4 | 363,251 | 970,098 |
| Other receivables | 5 | 325,527 | 130,394 |
| Prepayments | | 17,148 | 85,341 |
| Total current assets | | <u>705,926</u> | <u>1,185,833</u> |
| Non-current assets | | | |
| Plant and equipment | | 78,287 | 93,539 |
| Right-of-use assets | | 59,210 | 72,036 |
| Exploration and evaluation assets | 6 | 10,498,214 | 9,686,898 |
| Other receivables | | 19,378 | 19,911 |
| Total non-current assets | | <u>10,655,089</u> | <u>9,872,384</u> |
| Total assets | | <u>11,361,015</u> | <u>11,058,217</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Other payables | 7 | 216,510 | 136,076 |
| Lease liabilities | | 22,408 | 22,298 |
| Accrued expenses | 8 | 353,636 | 426,737 |
| Total current liabilities | | <u>592,554</u> | <u>585,111</u> |
| Non-current liabilities | | | |
| Accrued expenses | 8 | 27,212 | 28,068 |
| Lease liabilities | | 36,802 | 49,738 |
| Total non-current liabilities | | <u>64,014</u> | <u>77,806</u> |
| Total liabilities | | <u>656,568</u> | <u>662,917</u> |
| Net assets | | <u>10,704,447</u> | <u>10,395,300</u> |
| Equity | | | |
| Share capital | 9 | 15,170,086 | 13,072,507 |
| Reserves | 10 | (371,802) | (151,038) |
| Accumulated losses | | (4,093,837) | (2,526,169) |
| Total equity | | <u>10,704,447</u> | <u>10,395,300</u> |

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

Pan Asia Metals Limited and its subsidiaries
Interim consolidated statement of changes in equity
For the six months ended 30 June 2023

| Consolidated | Issued capital US\$ | Foreign currency translation reserve US\$ | Accumulated losses US\$ | Total equity US\$ |
|--|--------------------------------|--|--|------------------------------|
| Balance at 1 January 2022 | 12,974,382 | (54,022) | (479,652) | 12,440,708 |
| Loss for the period | - | - | (939,208) | (939,208) |
| Other comprehensive loss for the period, net of tax | - | (139,056) | - | (139,056) |
| Total comprehensive loss for the period | - | (139,056) | (939,208) | (1,078,264) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Issuance of new shares to directors | 98,125 | - | - | 98,125 |
| Balance at 30 June 2022 | <u>13,072,507</u> | <u>(193,078)</u> | <u>(1,418,860)</u> | <u>11,460,569</u> |

| Consolidated | Issued capital US\$ | Foreign currency translation reserve US\$ | Accumulated losses US\$ | Total equity US\$ |
|--|--------------------------------|--|--|------------------------------|
| Balance at 1 January 2023 | 13,072,507 | (151,038) | (2,526,169) | 10,395,300 |
| Loss for the period | - | - | (1,567,668) | (1,567,668) |
| Other comprehensive loss for the period, net of tax | - | (220,764) | - | (220,764) |
| Total comprehensive loss for the period | - | (220,764) | (1,567,668) | (1,788,432) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Issuance of new shares | 2,249,635 | - | - | 2,249,635 |
| Share issue expenses | (152,056) | - | - | (152,056) |
| Balance at 30 June 2023 | <u>15,170,086</u> | <u>(371,802)</u> | <u>(4,093,837)</u> | <u>10,704,447</u> |

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

Pan Asia Metals Limited and its subsidiaries
Interim consolidated statement of cash flows
For the six months ended 30 June 2023

PAN ASIA METALS

| | Consolidated | |
|--|-----------------------|-------------------------|
| Note | 30 June 2023 | 30 June 2022 |
| | US\$ | US\$ |
| Cash flows from operating activities | | |
| Loss of the financial year | (1,567,668) | (939,208) |
| Adjustments for: | | |
| Unrealised foreign exchange differences | (63,725) | 200,958 |
| Depreciation of plant and equipment | 10,176 | 5,729 |
| Depreciation of right of use assets | 11,915 | 13,626 |
| Finance costs on lease liabilities | 2,350 | 481 |
| Write back of provision for employee benefit | - | (34,362) |
| Share-based payment expenses | 29,835 | - |
| | <u>(1,577,117)</u> | <u>(752,776)</u> |
| Changes in working capital: | | |
| - Prepayments | 68,193 | 8,642 |
| - Other receivables | (194,600) | (21,542) |
| - Other payables and accrued expenses | 7,333 | 5,583 |
| - Provision of employee benefit | (856) | 2,439 |
| | <u>(1,697,047)</u> | <u>(757,654)</u> |
| Cash flows from investing activities | | |
| Payments for plant and equipment | - | (765) |
| Payments for exploration and evaluation (Note 6) | (984,311) | (1,161,558) |
| | <u>(984,311)</u> | <u>(1,162,323)</u> |
| Cash flows from financing activities | | |
| Proceeds from issuance of ordinary shares | 2,067,744 | - |
| Repayment of lease liabilities | (14,265) | (14,097) |
| Decrease in restricted bank deposits | 1,958 | - |
| | <u>2,055,437</u> | <u>(14,097)</u> |
| Net cash generated from/(used in) financing activities | | |
| | <u>2,055,437</u> | <u>(14,097)</u> |
| Net decrease in cash and cash equivalents | <u>(625,921)</u> | <u>(1,934,074)</u> |
| Cash and cash equivalents at the beginning of the period | <u>905,607</u> | <u>5,274,787</u> |
| Effects of exchange rate changes on cash and cash equivalents | <u>21,032</u> | <u>(186,778)</u> |
| Cash and cash equivalents at the end of the period | <u><u>300,718</u></u> | <u><u>3,153,935</u></u> |

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

Note 1. General information

Pan Asia Metals Ltd is a company limited by shares, incorporated and domiciled in Singapore and whose shares are publicly traded on the Australian Securities Exchange. Its registered office and principal place of business are:

Registered office

77 Robinson Road
#06-03
Robinson 77
Singapore 068896

Principal place of business

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

These interim financial information as at and for the six-month period ended 30 June 2023 comprise Pan Asia Metals Limited ("the Company") and its subsidiaries ("the Consolidated Entity").

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are in the identification and development of specialty metals assets situated in low-cost environments which are proximal to advanced industrial centres. The Consolidated Entity's principal operations are in Southeast Asia.

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

The interim financial information were authorised for issue, in accordance with a resolution of the board of directors, on 13 September 2023.

Note 2. Significant accounting policies

These interim financial information for the six months ended 30 June 2023 have been prepared in accordance with Singapore Financial Reporting Standards SFRS(I) 1-34 Interim Financial Reporting and the Companies Act 1967 (the Act). Compliance with SFRS(I) 1-34 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The interim financial information does not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Consolidated Entity's financial position and performance of the Consolidated Entity since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

A number of amendments to SFRS(I)s have become applicable for the current reporting period. The Consolidated Entity did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

Use of judgements and estimates

In preparing the interim financial information, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Consolidated Entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Seasonal operations

The Consolidated Entity's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

Note 2 Significant accounting policies

Going concern

The interim financial information has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Consolidated Entity has no source of operating cash inflows other than interest income and funds sourced through capital raising activities. The cash at banks and deposits of the Consolidated Entity as at 30 June 2023 amounted to \$363,251 (31 December 2022: \$970,098). As at 30 June 2023, the Consolidated Entity had net current assets of \$113,372 (31 December 2022: \$600,722).

The Directors believe that the Consolidated Entity has access to sufficient cash resources to allow it to meet its minimum exploration expenditure commitments on existing tenements and continue its activities for at least the next 12 months. For this reason, this interim financial information is prepared on a going concern basis based on the following considerations:

- Subsequent to the period end, the company has raised USD 840,556. This comprises of private placement of 3,060,000 shares for raising a capital of USD 502,340 and USD 338,216 received from the Managing Director of the company for which shares will be issued upon the shareholders approval in the next annual general meeting;
- Ability of the company to raise additional capital;
- The ability of the Consolidated Entity to further scale back parts of its operations and reduce costs if required; and
- Meeting its obligations by farming out exploration and evaluation activities with external parties.

In the long term, the development of mineral reserve found depends on the Consolidated Entity's ability to raise additional capital. Additional funds will be required for the successful exploration and subsequent exploitation of its areas of interest through development and sale. The main source of future funds presently available to the Consolidated Entity is the raising of equity capital by the Consolidated Entity. The ability to arrange such funding in the future will depend on the prevailing capital market conditions as well as the business performance of the Consolidated Entity and its exploration and evaluation results.

The interim financial information presented does not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

Note 3. Operating segments

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 4. Cash at banks and deposits

| | Consolidated 30 June 2023 US\$ | 31 December 2022 US\$ |
|--------------------------|--------------------------------------|--------------------------------|
| Cash at banks | 300,718 | 905,607 |
| Restricted bank deposits | 62,533 | 64,491 |
| | <u>363,251</u> | <u>970,098</u> |

As at 30 June 2023, the Consolidated Entity's has pledged fixed deposits of US\$62,533 (31 December 2022: US\$64,491) as collateral for bank guarantees issue of obligation of the performance under the contract with Department of Primary Industries and Mines (DPIM).

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following at the end of the financial year:

| | Consolidated 30 June 2023 US\$ | 31 December 2022 US\$ |
|--------------------------------|--------------------------------------|--------------------------------|
| Cash at bank and deposits | 363,251 | 970,098 |
| Less: Restricted bank deposits | (62,533) | (64,491) |
| Cash and cash equivalents | <u>300,718</u> | <u>905,607</u> |

Note 5. Other receivables

| | 30 June 2023 US\$ | 31 December 2022 US\$ |
|---------------------------------|----------------------|--------------------------------|
| GST | 9,092 | 9,337 |
| Advance to third parties (Note) | 152,975 | - |
| VAT receivables | 163,460 | 121,057 |
| | <u>325,527</u> | <u>130,394</u> |

Note – The advance represents the payments paid to Chile project towards application of licenses.

Note 6. Non-current assets - exploration and evaluation

| | Consolidated 30 June 2023 US\$ | 31 December 2022 US\$ |
|------------------------------------|--------------------------------------|-----------------------------|
| Exploration and evaluation at cost | <u>10,498,214</u> | <u>9,686,898</u> |

Reconciliations of the carrying amount at the beginning and end of the current and previous financial period are set out below:

| | Consolidated US\$ |
|-------------------------------|----------------------|
| Balance at 1 January 2023 | 9,686,898 |
| Expenditure during the period | 984,311 |
| Exchange difference | <u>(172,995)</u> |
| Balance at 30 June 2023 | <u>10,498,214</u> |

The expenditure during the period was predominantly in respect of costs incurred on the 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.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. Where a decision is made to proceed with development, accumulated expenditure will be tested for impairment, transferred to property, plant and equipment expenditure, and then amortised over the life of the reserves associated with the area of interest once production have commenced.

Note 7. Other payables

| | Consolidated 30 June 2023 US\$ | 31 December 2022 US\$ |
|----------------|--------------------------------------|-----------------------------|
| Other payables | 216,510 | 136,076 |

Note 8. Accrued expenses

| | Consolidated 30 June 2023 US\$ | 31 December 2022 US\$ |
|--------------------------------|--------------------------------------|-----------------------------|
| <u>Current</u> | | |
| Directors' fee | 185,293 | 221,165 |
| Professional fee | 10,950 | 29,850 |
| Other accrued expenses | 157,393 | 175,722 |
| | 353,636 | 426,737 |
| <u>Non-current</u> | | |
| Provision of employee benefits | 27,212 | 28,068 |
| | 380,848 | 454,805 |

Note 9. Equity - issued capital

| | Consolidated 30 June 2023 Number of shares | 31 December 2022 Number of shares | Consolidated 30 June 2023 US\$ | 31 December 2022 US\$ |
|------------------------------|--|---|---|-----------------------------|
| Ordinary shares - fully paid | 155,266,304 | 146,855,590 | 15,170,086 | 13,072,507 |

| June 2023 | No. of ordinary shares | Amount US\$ |
|-------------------------------|---------------------------|----------------|
| Balance as at 01 January 2023 | 146,855,590 | 13,072,507 |
| Shares issued to investors | 8,250,000 | 2,219,800 |
| Share-based payments expense | 160,714 | 29,835 |
| Capital raising cost | - | (152,056) |
| Balance as at 30 June 2023 | 155,266,304 | 15,170,086 |

Note 9. Equity - issued capital (continued)

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.

Note 10. Equity - reserves

| | Consolidated | |
|--------------------------|--------------|------------------|
| | 30 June 2023 | 31 December 2022 |
| | US\$ | US\$ |
| Foreign currency reserve | (371,802) | (151,038) |

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.

Note 11. Contingent assets and liabilities

The Company has following contingent liabilities towards Thai Goldfields NL as performance payments related to tungsten production at the Khao Soon Tungsten Project:

- (i) Thai Goldfields NL (TGF) will receive a A\$2m cash payment upon first WO3 concentrate production being achieved for a tungsten project on Special Prospecting Licence Application No.1/2549 (TSPLA 1/2549) or its successor title over the historic Khao Soon Tungsten Mine; and
- (ii) TGF will receive a A\$2m cash payment upon first WO3 concentrate production being achieved for a project on any tenement abutting TSPLA 1/2549 or any successor title.

(b) On 15 December 2021, the Company adopted the Bonus share plan for its employees. The scheme allows for the issue of 250,000 shares per year for the next 4 years. This is a discretionary scheme with the distribution to the staff based on the recommendation by management. As of 30 June 2023, there were 245,000 bonus shares issued to the staff, accordingly a bonus share expenses of US\$59,692 was included in employment expense.

Note 12. Events after the reporting period

Subsequent to the period end, the company has raised USD 840,556. This comprises of private placement of 3,060,000 shares for raising a capital of USD 502,340 and USD 338,216 received from the Managing Director of the company for which shares will be issued upon the shareholders approval in the next annual general meeting.

Note 13. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial information.

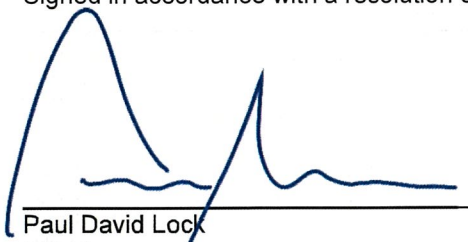
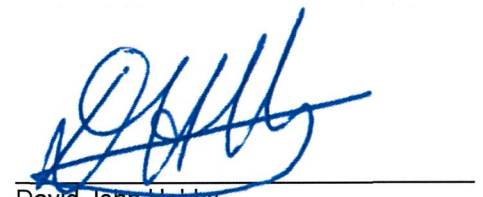
Pan Asia Metals Limited and its subsidiaries
Directors' declaration
30 June 2023

PAN ASIA METALS

In the directors' opinion:

- the attached financial information and notes comply with the Companies Act 1967 (the Act), Singapore Financial Reporting Standards SFRS(I) 1-34 Interim Financial Reporting and other mandatory professional reporting requirements;
- the attached financial information and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of its financial performance, changes in equity and cash flows for the six months period 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.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.


Paul David Lock
Director
David John Hobby
Director