



ASX Announcement | 18 November 2024

**PAM Secures A\$35 Million Capital Commitment Agreement
Commitment Positions PAM to Deliver Significant Project Outcomes
Company to be re-named Flagship Minerals Limited**

Highlights

- 4 Year \$35 Million equity investment via Capital Commitment Agreement (Facility) secured.
- Facility with Global Emerging Markets Group, a \$3.4 billion alternative assets management group.
- Facility significantly reduces PAM's capital raising risks but maintains PAM's capital raising flexibility.
- Facility structured to incentivise GEM to build value in PAM, with equity commitments at fixed pricing reflecting traditional capital raising structures.
- Facility potentially funds PAM through to Resource and Preliminary Feasibility at Rosario Copper and Tama Atacama Lithium Projects.
- PAM will seek shareholder approval to rename the Company 'Flagship Minerals Limited'.

Pan Asia Metals' Managing Director, Paul Lock, commented:

"We have been working on this Capital Commitment Agreement with GEM for several months and have found the GEM team constructive and collegiate. The facility provides PAM a pathway to Resource definition and pre-feasibility at both the Rosario Copper and Tama Atacama Lithium projects, as well as working capital for the Company's other needs. I am also pleased to put forward to our shareholders a proposal for a company name change to Flagship Minerals Limited. We are seeking the name change as we have noticed confusion from investors regarding the Company's geographic focus."

Battery and critical metals explorer and developer, Pan Asia Metals Limited (**ASX: PAM**) ("**PAM**" or "**the Company**") is pleased to advise that it has entered into a binding Capital Commitment Agreement ("Facility") with New York based Global Emerging Markets Group for a 4 year \$35 million equity investment commitment, providing PAM with a reliable source of equity funding to see it through to JORC Resource and Pre-Feasibility at its Rosario Copper and Tama Atacama Lithium projects.

PAN ASIA METALS LIMITED

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The Company will also seek shareholder approval to be renamed Flagship Minerals Limited. The name change marks a break in PAM's exclusive geographic focus on Asia.

Global Emerging Markets ("GEM") is a \$3.4 billion alternative investment group that manages a diverse set of investment vehicles focused on emerging markets across the world, having completed over 570 transactions in 70 countries. GEM's investment vehicles provide the group and its investors with a diversified portfolio of asset classes that span the global private investing spectrum. Each investment vehicle has a different degree of operational control, risk-adjusted return and liquidity profile, providing GEM and its partners with exposure to Small-Mid Cap Management Buyouts, Private Investments in Public Equities (PIPE's) and select venture investments.

The GEM Facility will be primarily employed for Resource definition and preliminary feasibility work at the Company's Rosario Copper and Tama Atacama Lithium projects. The GEM facility also positions PAM to undertake strategic acquisitions, should appropriate opportunities present.

The PAM Board is of the opinion that the GEM Facility is a transformative step for the Company, providing a pathway for near and medium term funding requirements but not limiting the Company from meeting its capital requirements from other sources, including traditional equity capital and convertible notes.

Key Terms of the GEM Capital Commitment Agreement

The Capital Commitment Agreement between the Company, GEM Global Yield LLC SCS and GEM Yield Bahamas Limited, provides the Company the option, but not the obligation, to draw down up to an aggregate \$35 million at any point during the 4 year term of the Facility, subject to certain conditions, including the provision of a drawdown notice to commence a 15 trading days pricing period, with the subscription price being 90% of the higher of:

- a. The average closing bid price of PAM shares as quoted by ASX over the pricing period; or
- b. A fixed floor price nominated by PAM equal or higher than the closing price immediately preceding the Capital Call; and

the Company's shares are continuously quoted on ASX during the 15 days prior to the Capital Call.

The quantum of the first 3 drawdowns can be for up to \$1.5 million each and the following 3 for up to \$5 million each for up to an aggregate \$19.5 million. The remaining drawdowns and outstanding Facility after the initial 6 drawdowns are limited to 700% of the daily trading volume and GEM may opt to subscribe for 50% to 200% of the drawdown face value provided that any issue of Shares to GEM (or its nominee) would not be a breach of any law or the ASX Listing Rules, including GEM breaching the 19.9% threshold of issued Shares held.

The Company will pay GEM a fee of 2% of the Capital Commitment of \$35 million, or A\$700,000, within 12 months, exclusive of GST, which is payable in cash and/or shares at the Company's election. The Company will also issue GEM with 2 tranches of 10 million 5 year call options with a strike price of 12.5c and 20c and expiring 5 years from issue, subject to Shareholder approval.



PAM's Managing Director, Paul Lock, will provide GEM with collateral shares equivalent to the Commitment Fee, calculated at 90% of the closing bid price at signing of the Agreement and re-calculated every 90 days thereafter until the Commitment Fee has been paid. The Board will seek shareholder approval to replace Mr Lock's collateral shares should they be drawn upon.

- Ends -

Authorised by the Board of Directors

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ABOUT PAN ASIA METALS LIMITED (ASX:PAM)

Pan Asia Metals Limited is an ASX listed battery metals company with lithium and copper exploration and development projects located in South-East Asia and South America. PAM has agreements with key battery and chemical producers in the Asian region to produce advanced battery chemicals.

PAM's Asian assets are strategically located in Thailand – the largest ICE and NEV producer in the region. PAM's lithium project is located on the coast in Southern Thailand with all infrastructure needs satisfied to facilitate movement of lithium concentrates into Thailand's Eastern Economic Corridor, an industrial corridor with over 20 vehicle manufactures and ancillary first and second tier suppliers which will position PAM to produce lithium chemicals cost competitively to supply the region's soaring demand for battery minerals. PAM's South American assets are strategically located in Chile - the lowest cost and largest lithium chemical and copper producing country in the world. PAM has one of South America's largest and most strategically positioned lithium brine projects which is situated at an altitude of 800-1100m with all necessary transport and energy infrastructure. The project is north of Chile's lithium chemical refining hub in Antofagasta, with access by rail and road, and only 75km from Iquique, a well-equipped coastal city with a population of 200,000, a deep water bulk and container port. PAM's copper project is one of the most strategically placed copper projects in South America, situated 10km to the north of Codelco's El Salvador Copper Mine and 100km from Enami's El Salado oxide and sulphide copper ore processing plant (actual road distance). Codelco's Porterillos Copper Smelter is also located 40km south of the El Salvadore mine (actual road distance).

PAM is focused on securing battery metals projects which have the potential to position PAM as a low cost producer of the metals essential for electrification – lithium and copper. PAM aims to produce high-value products with a minimal carbon footprint. PAM is also a respected local company and local employer.

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 Exploration Targets and Exploration Results, is based on information compiled by Mr. David Hobby, who 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.

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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

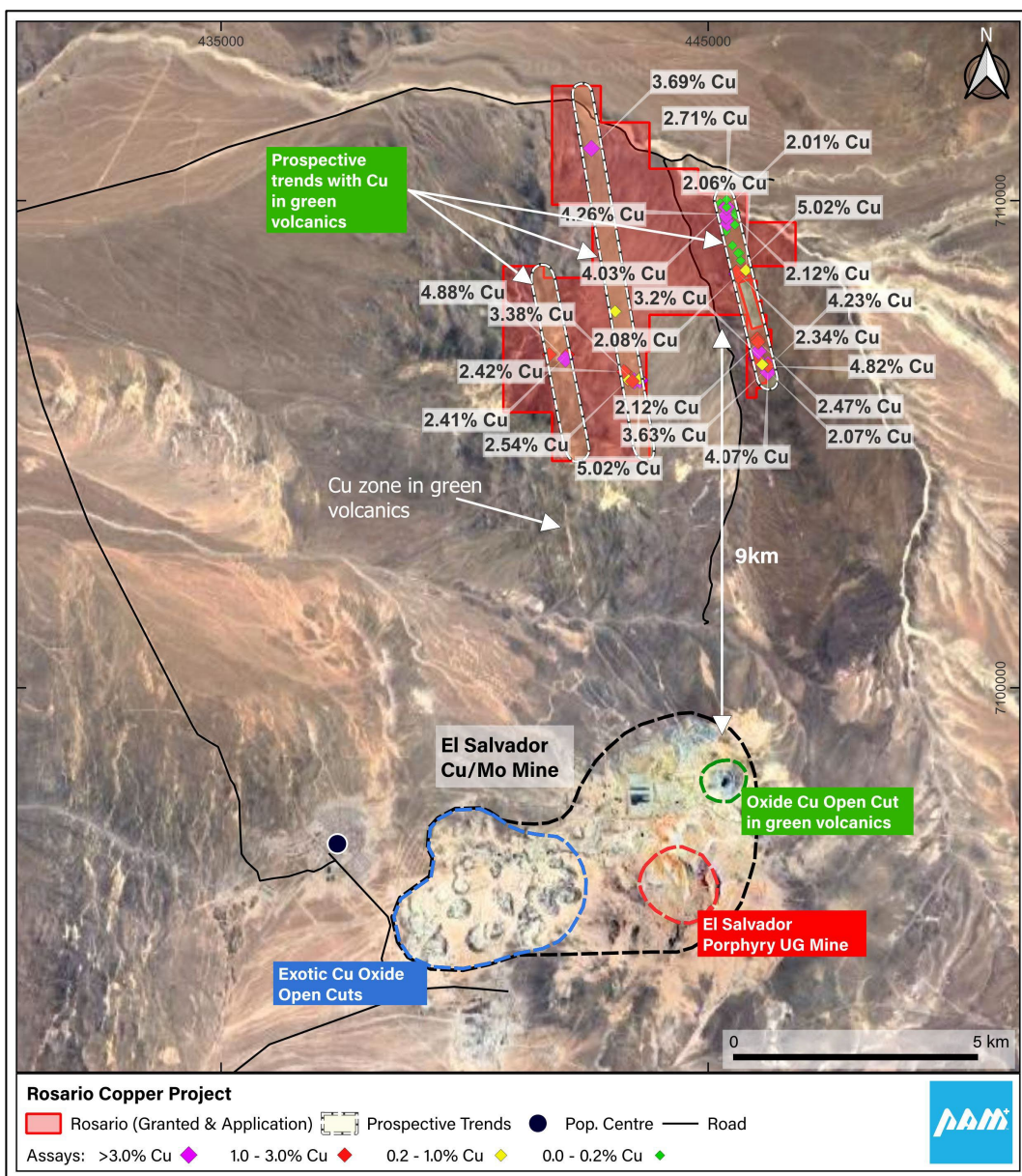
To the extent permitted by law, PAM and its officers, employees, related bodies corporate and agents (Agents) disclaim all liability, direct, indirect or consequential (and whether or not arising out of the negligence, default or lack of care of PAM and/or any of its Agents) for any loss or damage suffered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

APPENDIX 1 – PAM’S PROJECT PORTFOLIO

ROSARIO COPPER PROJECT

The Rosario Copper Project is located in the commune of Diego de Almagro, Chanaral Province in the Atacama region of northern Chile. The Project is interpreted as highly prospective yet significantly under explored Manto style copper-silver project. This style of mineralisation occurs throughout the northern parts of Chile and is responsible for significant historical and current copper production. The largest examples of this deposit style have historic production and Mineral Resources of plus 200Mt at grades of 1% Cu or better along with by-product silver. These include the Mantos Blancos, El Solado and Michilla mines, along with a host of ‘smaller’ but significant deposits

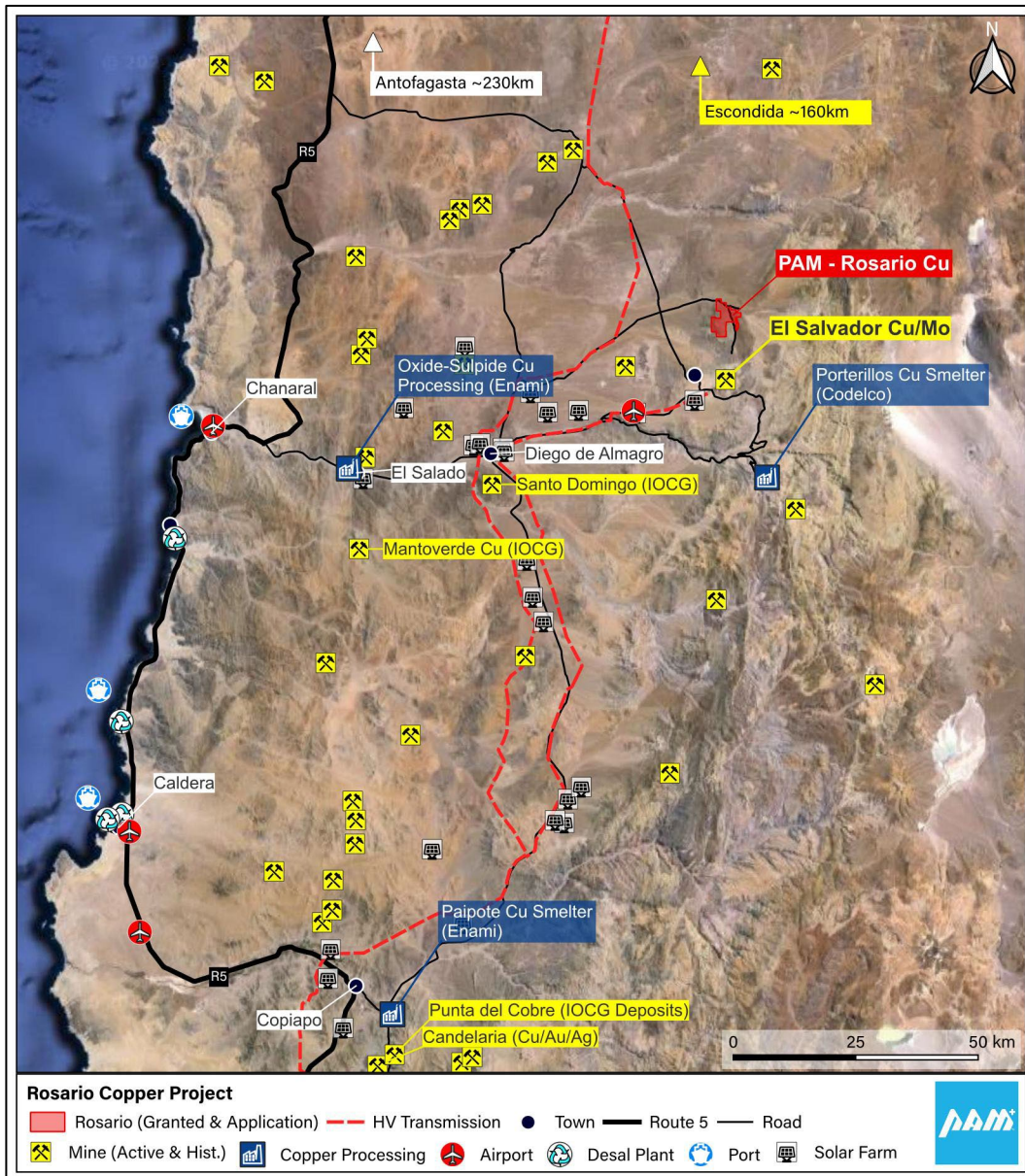
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Rosario Copper Project relative to Codelco's El Salvador Copper Projects

The Project is approximately 120 kilometres east of the port city of Chanaral and 160km north of the mining city of Copiapo. Access to the project is via well-formed paved roads and then dirt roads for the last 10km. The project lies about 10km north of the El Salvador mine (owned by CODELCO) and the town of El Salvador (pop. ~ 7000). The infrastructure in the area is excellent.

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Rosario Copper Project and its regional setting

TAMA ATACAMA LITHIUM PROJECT

The Tama Atacama Lithium Project distinguishes itself as one of South America's largest and most strategically positioned lithium brine projects. The project is set at an altitude of 800-1100m, and sits within the 12,500km² Pampa del Tamarugal Basin, in the Atacama Desert in northern Chile, which is a hyper-arid environment with very high evaporation rates. The total project area is ~1,535km², of which ~1,234km² comprises granted exploration concessions and ~1,036km² is subject to binding Option Agreements to purchase 100%. See Figure 2 and PAM's ASX announcement titled "Tama Atacama Lithium Option Agreements Signed" dated 2nd January 2024.

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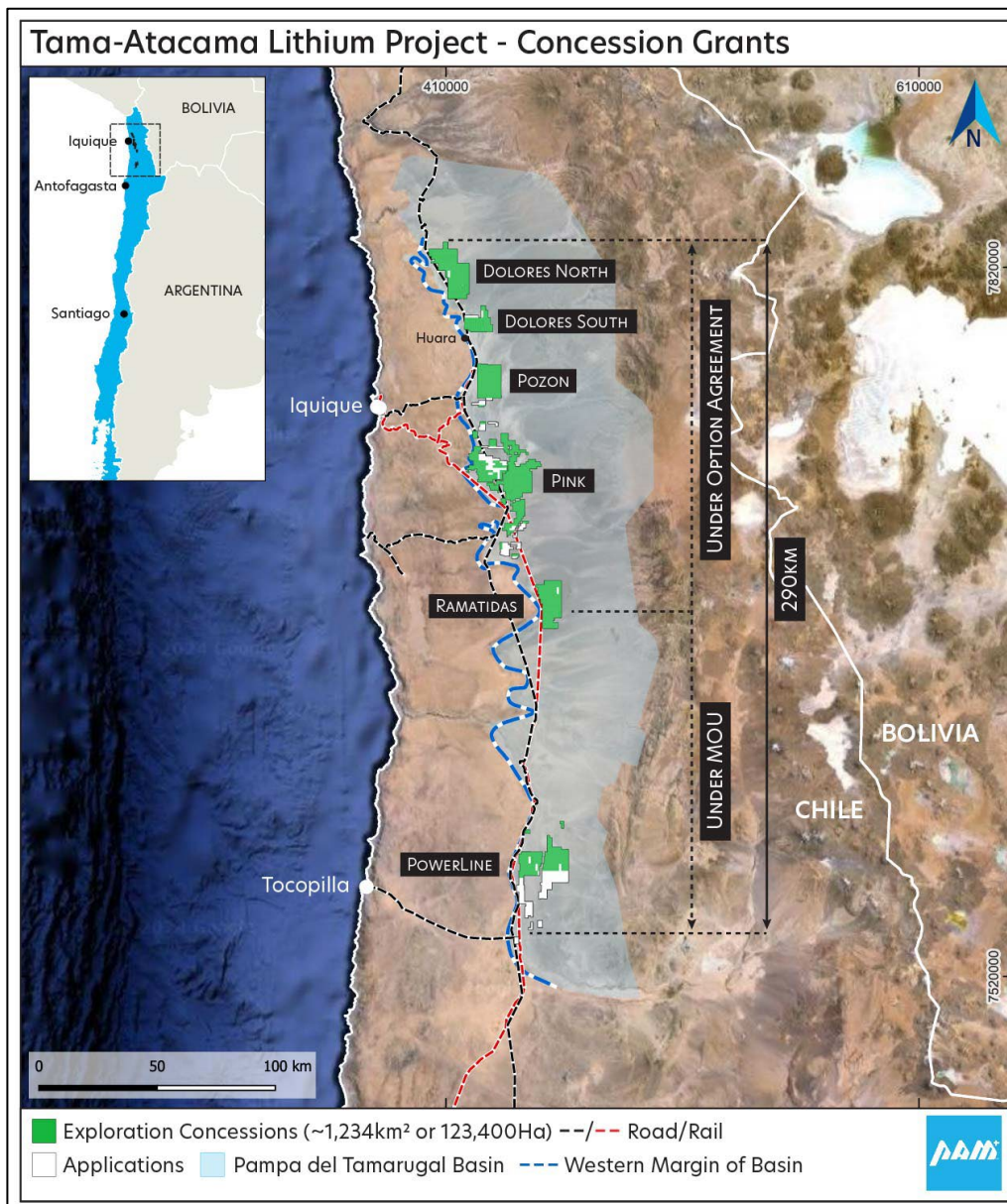


Figure 2. Tama Atacama Lithium Project: Granted Licenses under Option Agreements and MOU

The project 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. The project 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. The project is north of Chile's lithium chemical refining hub in Antofagasta, with access by rail and road. See Figure 3.

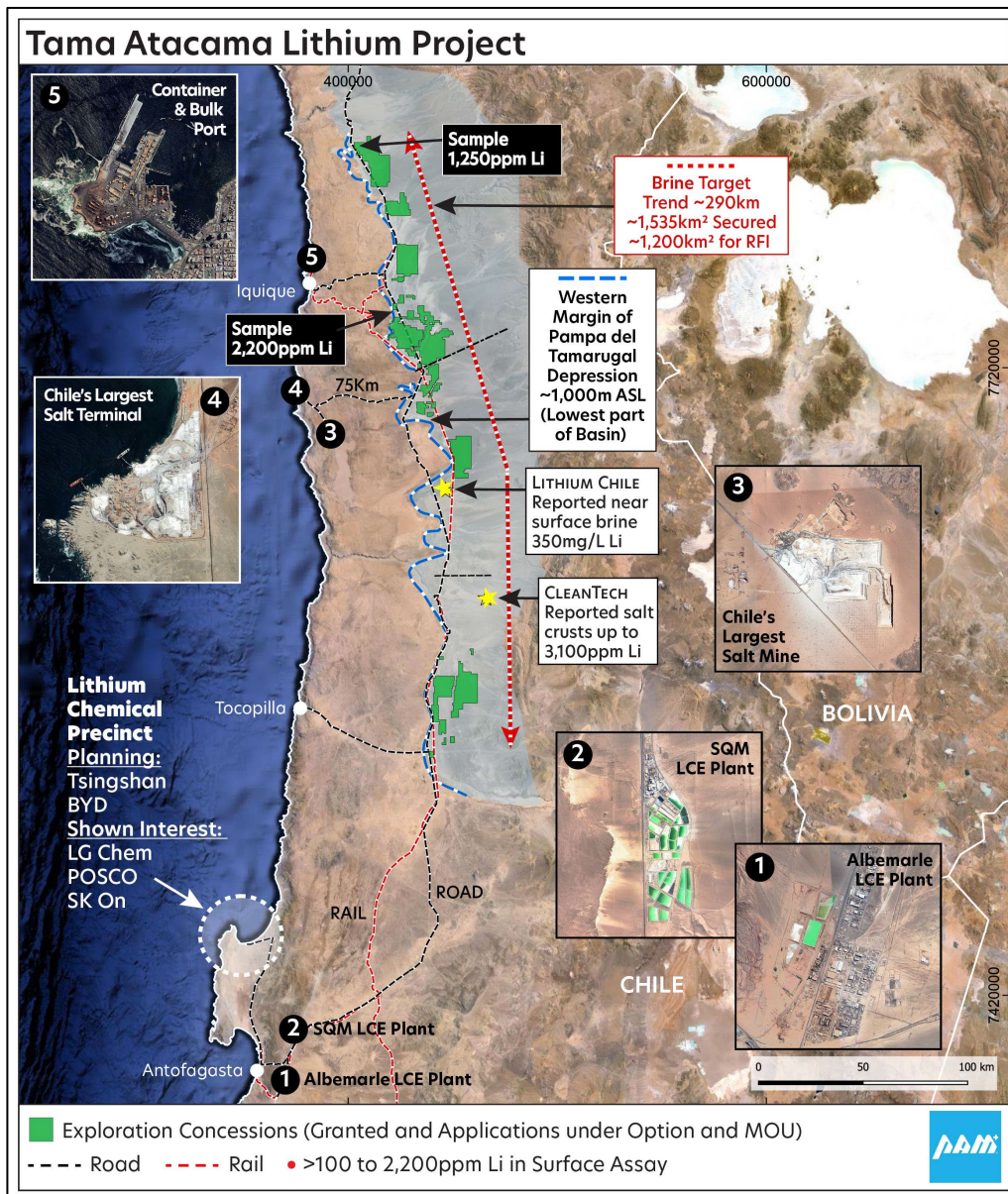


Figure 3. Tama Atacama Lithium Project: Proximal Lithium Chemical Refining Plants

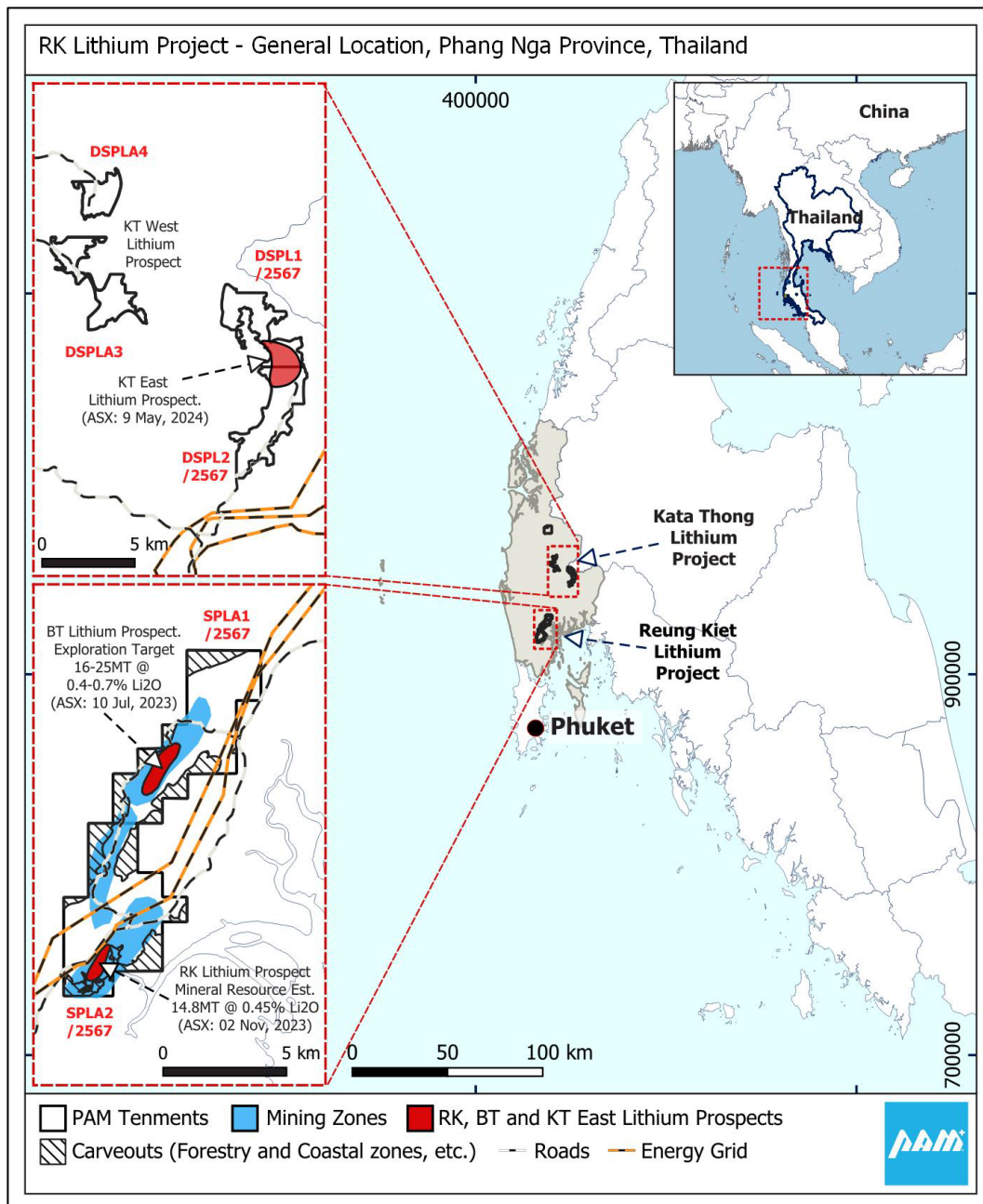
Reconnaissance work suggests similar geochemical signatures to Salar de Atacama. Analysis of historical geophysics (seismic) show a very large basin up to 600m deep. Extensive lithium surface anomalies with lithium results up to 2,200ppm Li, and averaging 700ppm Li (56/177 assays, 270ppm cutoff) extend over ~160km.

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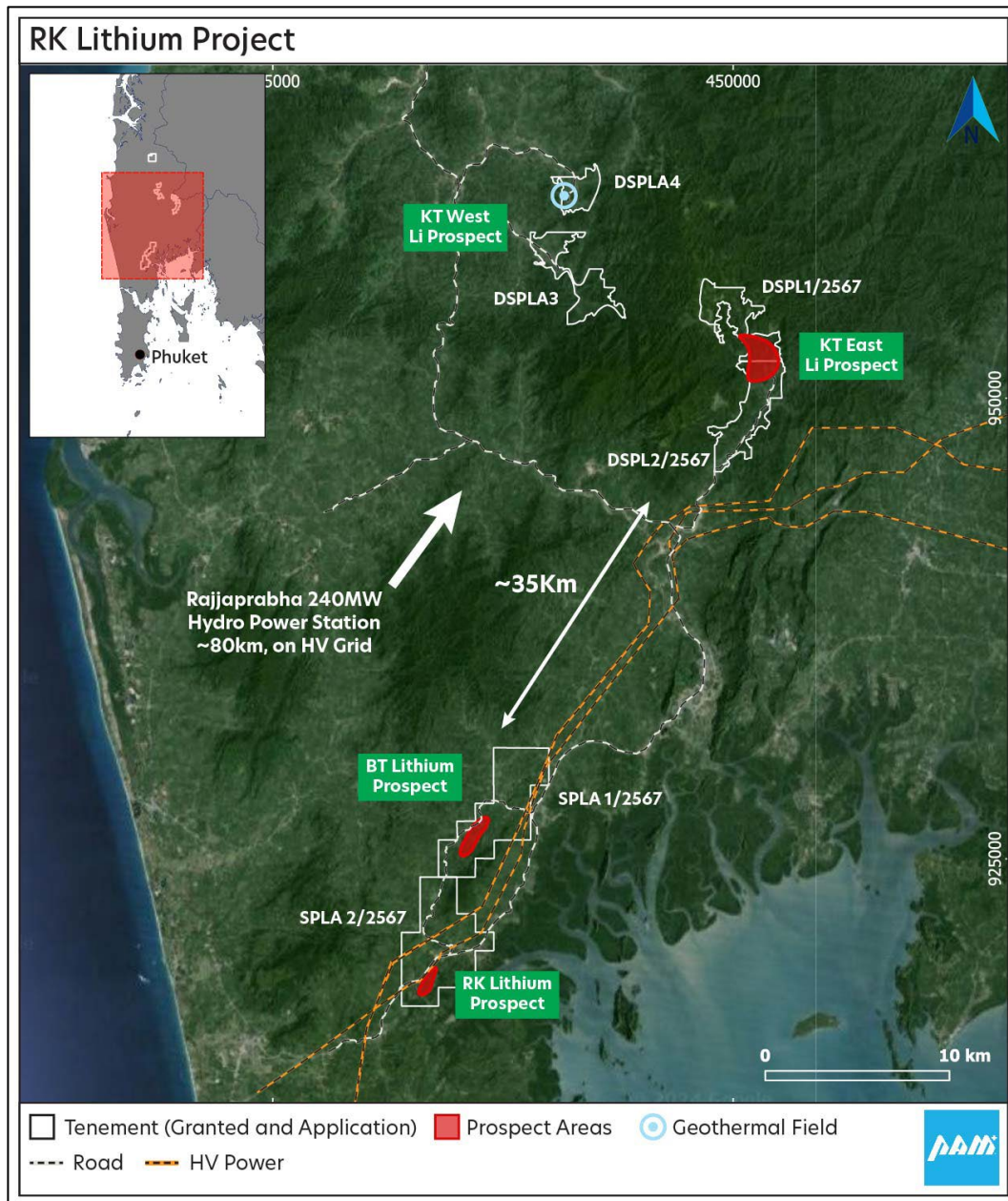
RK LITHIUM PROJECT

The RK Lithium Project ('RKLP'), inclusive of the RK Lithium Prospect (RK), the BT Lithium Prospect (BT), the KT East Lithium Prospect (KT East) and the KT West Lithium Prospect under application, 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.

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



Provincial Map: RK Lithium Project, PhangNga Province Southern Thailand

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 based on 28 diamond drill holes. See Table 2 and PAM ASX announcement "Reung Kiet Lithium Project Exploration Target Substantially Increased" dated 10 July, 2023. Since generating the Exploration Target PAM has completed a further 19 drill holes and there is sufficient drilling to report a Mineral Resource Estimate.

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.