

21 December 2022

Dale Allen
Manager, Listings Compliance (Perth)
ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Dear Dale

Pan Asia Metals Limited (“PAM”): ASX Aware Letter

We refer to your letter dated 15 December 2022 and provide the response to your queries as follows:

1. What date did PAM receive an indication the Malaysian Government intends to support PAM's proposed chemical processing plant, please detail the date and time that PAM or the Malaysian Government executed any relevant documentation.

PAM has received a letter of support from the Malaysian Investment Development Authority (MIDA), a government body focused on foreign investment and development in Malaysia.

MIDA's letter of support dated 5 December 2022 (Letter) was received by email addressed to PAM's Managing Director (MD) on Tuesday 6 December 2022 at 7.04pm Bangkok time. Other than PAM's Malaysian Advisor and MIDA staff, no one else had received this email. The MD was travelling and had a full schedule of meetings with various parties related to PAM's SE Asian strategies and general PAM business. The MIDA letter was forwarded to PAM's Board and Company Secretary on Thursday 8 December 2022 at 2.11PM Bangkok time. The MD proceeded to draft the Article (“Refers to the Article published on mining.com.au and hotcopper.com.au on 13 December 2022”) while travelling on the 9 December 2022 and emailed it to PAM's Board and Company Secretary at 11.13PM EST on Friday 9 December 2022 upon his arrival in Sydney from Singapore. The Board consulted over the weekend and on Monday the 12th, before finalising the Article.

With regard to Listing Rule 3.1: The Article reported to shareholders and investors progress being made and directions being pursued by the Company to develop and utilise its resources (which had already been announced) in Thailand and directions being pursued by the Company to take advantage of the rapid growth of the electric vehicle manufacturing industry in Southeast Asia via a letter of support from MIDA. The type and size of facility in Malaysia and likely available funding to build such plant were referred to in the Article but there is no suggestion that such facility was already owned or available to the Company or that any specific funding was being sought for any purpose connected therewith. Specifically, in relation to the proposed lithium chemical conversion facility, the Company states in the Article that *“PAM's strategy is to explore opportunities to move downstream and participate in the lithium chemical ecosystem in Southeast Asia. The planning and feasibility process is a relatively low cost - low risk exercise, positioning PAM uniquely should this work confirm the assumptions that PAM is basing its downstream strategy on.”*

PAN ASIA METALS LIMITED

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With regard to Listing Rule 3.1A: Under the circumstances we do not believe the timing between the receipt of MIDA's letter by PAM in the evening of the 6 December 2022 and the intended release of the Article on the 13 December 2022, with 4 working days lapsing, is a material delay. In relation to the specific matters referred to in Listing Rule 3.1A, they all either apply or are not relevant to the Article.

2. In liaising with the Malaysian Government in relation to the Malaysian Government Support Information, did PAM provide any costings or production data that is supported by technical studies? If so, please confirm the nature of the technical studies and whether the studies were released to ASX.

As stated in the Article "PAM's strategy is to explore opportunities to move downstream and participate in the lithium chemical ecosystem in Southeast Asia. The planning and feasibility process is a relatively low cost - low risk exercise, positioning PAM uniquely should this work confirm the assumptions that PAM is basing its downstream strategy on."

In Malaysia this process begins with MIDA, in effect MIDA needs to sanction a proposal if it is to assist the promotor in developing the proposal. As stated in the Article, MIDA has agreed to provide PAM planning assistance and support for the development of a 25,000tpa lithium chemical conversion facility as proposed by PAM. This support is multifaceted and includes identifying an appropriate site, proposed tax and tariff benefits, and interactions with other Malaysian Government entities to help PAM gain the required approvals to construct and operate.

To gain MIDA's support PAM was required to provide MIDA with some context about the proposal, this included the provision of plant capacity and estimates for plant cost, required land area, site requirements, process inputs and outputs, expected by-product and waste streams, and so on. These are high level estimates based on similar facilities to provide MIDA with an insight as to what the proposal entails. A capital expenditure estimate was also provided to help MIDA understand the potential quantum of foreign direct investment and therefore justify why it is acting positively towards PAM's proposal. This estimate is based on the capital costs of similar plants proposed or built elsewhere.

The data provided to MIDA is not supported by technical studies as the process PAM is embarking on in Malaysia is to produce those technical studies – hence, except for the plant capacity, which is standard for a single production train of this nature, detailed information was not published in the Article. The data though was accumulated with the help of experienced industry professionals, i.e. PAM's advisor 'Lithium Consultants Australasia (LCA)', who has been engaged to consider such questions. LCA has been involved in the design and planning of several lithium conversion facilities and therefore has a detailed understanding of these types of facilities.

The provision of high level information as provided by PAM is normal for an initial discussion or proposal with a counterparty, regardless of whether it be a corporate or government entity.

PAM's proposal is a proposal to begin planning for a plant in Malaysia, feasibility studies will now begin – the announcement was not about building a plant.

3. Has PAM released an announcement on ASX detailing the Malaysian Government Support Information? If so, please provide details.

No.

4. Please explain whether PAM was involved in providing information to mining.com.au that resulted in the publication of the Article?

PAM provided a copy of the Article under embargo, specifically stating “*Please see attached ASX announcement which is embargoed.*”

The Company retracts the Article and it should not be relied upon.

We note that the media which breached the embargo has now withdrawn the publication thereof.

5. If PAM was involved in providing information to mining.com.au, when was the information provided to mining.com.au? Please provide the date and time PAM provided the information.

PAM provided the ‘embargoed’ Proposed Release on Mon, 12 Dec 2022 8:04:13 PM +1100 (AEST), the evening before the Proposed Release was to be released.

6. Who prepared and/or provided any content given to mining.com.au which was contained in the Article including the Malaysian Government Support Information?

PAM’s Managing Director provided the Article under embargo

7. What arrangements does PAM have in place to ensure PAM complies with the Listing Rules, particularly Listing Rule 15.7?

The Company has a policy of compliance with ASX Listing Rules and, where relevant, engaging competent persons to assist in the compilation of reports. The Directors approve all draft announcements.

8. Noting that the intention to construct a 25,000tpa lithium chemical conversion facility supplied by lithium chemicals produced by the company’s Reung Kiet Lithium Project constitutes a production target for the purposes of Listing Rule 5.16, in the absence of announcement which contains the requirements of Listing Rule 5.16, please confirm that PAM has released an announcement which retracts any reference to the Malaysian Government Support Information as being contrary to the Listing Rules, PAM does not have any reasonable basis for stating that Malaysian Government Support Information and includes a statement to the effect that investors should not rely on that information for their investment decision.

The Company retracts the Article and does not have any reasonable basis for stating that Malaysian Government Support Information and investors should not rely on that information for their investment decision.

9. Please confirm that PAM is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

The Company so confirms.

10. Please confirm that PAM’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PAM with delegated authority from the board to respond to ASX on disclosure matters.

The Company so confirms.

Should you have any further queries do not hesitate to contact me.

Yours faithfully
Pan Asia Metals Limited

A handwritten signature in black ink, appearing to read 'Wayne', followed by a horizontal line.

Wayne Kernaghan
Company Secretary

15 December 2022

Mr Wayne Kernaghan

Pan Asia Metals Limited
Level 9, MLC Centre
Sydney NSW 2000

By email: wayne@cassiusmining.com

Dear Mr Kernaghan

Pan Asia Metals Limited ("PAM"): ASX Aware Letter

ASX Limited ("ASX") refers to the following.

- A. A news article ASX understands was made available on mining.com.au on or about 13 December 2022 entitled 'Pan Asia Metals receives Malaysian government support to develop lithium chemical conversion facility' which has subsequently been removed from mining.com.au ('Article'). ASX understands the Article stated the following:

'Pan Asia Metals (ASX: PAM) reports the Malaysian government has offered it planning and implementation assistance and support for the design and development of a phase one lithium chemical conversion facility with a capacity of 25,000tpa lithium chemicals. The battery and critical metals explorer and developer is in advanced negotiations with a large Thai-listed regional chemical producer to form a joint venture to manufacture Cathode Active Materials (CAM) using lithium chemicals produced by the company's Reung Kiet Lithium Project (RKLP) and other projects located in Southern Thailand.'

Although the nature and substance of these negotiations is subject to confidentiality, negotiations have been underway for some time and are well advanced. Pan Asia is also in discussions with leading CAM manufacturers to license their manufacturing processes, which will reduce qualification timelines. Addressing the government assistance, Pan Asia Metals Managing Director Paul Lock says: "The PAM team has been working on its regional battery metals and chemicals strategy for over 12 months, including joint venture discussions with a leading chemical producer, discussions with government agencies in several Asian countries, discussions with potential knowledge partners and downstream chemical manufacturers and consumers, and other participants in the regional EV ecosystem – which is seeing massive growth.'

('Malaysian Government Support Information').

- B. The re-publication of Malaysian Government Support Information on the www.hotcopper.com.au website on 13 December 2022.
- C. Section 1041F of the *Corporations Act 2001* (Cth) ("Act") which, amongst other things, prohibits a person from inducing another person to deal in financial products "by making or publishing a statement, promise or forecast if the person knows, or is reckless as to whether, the statement is misleading, false or deceptive".
- D. Section 1041H of the Act which, amongst other things, prohibits a person from engaging in "conduct, in relation to a financial product or a financial service, that is misleading or deceptive or is likely to mislead or deceive."
- E. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

F. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity”

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* “When does an entity become aware of information”.

G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

H. Listing Rule 5.16 which contains the requirements for publishing a production target.

I. Listing Rule 15.7 which states:

“An entity must not release information that is for release to the market to any person until it has given the information to ASX and has received an acknowledgement that ASX has released information to the market.”

J. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Having regard to the above, ASX asks PAM to respond separately to each of the following questions and requests for information.

1. What date did PAM receive an indication the Malaysian Government intends to support PAM’s proposed chemical processing plant, please detail the date and time that PAM or the Malaysian Government executed any relevant documentation.
2. In liaising with the Malaysian Government in relation to the Malaysian Government Support Information, did PAM provide any costings or production data that is supported by technical studies? If so, please confirm the nature of the technical studies and whether the studies were released to ASX.

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3. Has PAM released an announcement on ASX detailing the Malaysian Government Support Information? If so, please provide details.
 4. Please explain whether PAM was involved in providing information to mining.com.au that resulted in the publication of the Article?
 5. If PAM was involved in providing information to mining.com.au, when was the information provided to mining.com.au? Please provide the date and time PAM provided the information.
 6. Who prepared and/or provided any content given to mining.com.au which was contained in the Article including the Malaysian Government Support Information?
 7. What arrangements does PAM have in place to ensure PAM complies with the Listing Rules, particularly Listing Rule 15.7?
 8. Noting that the intention to construct a 25,000tpa lithium chemical conversion facility supplied by lithium chemicals produced by the company's Reung Kiet Lithium Project constitutes a production target for the purposes of Listing Rule 5.16, in the absence of announcement which contains the requirements of Listing Rule 5.16, please confirm that PAM has released an announcement which retracts any reference to the Malaysian Government Support Information as being contrary to the Listing Rules, PAM does not have any reasonable basis for stating that Malaysian Government Support Information and includes a statement to the effect that investors should not rely on that information for their investment decision.
 9. Please confirm that PAM is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
 10. Please confirm that PAM's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of PAM with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, **by not later than 12.00 pm Perth time on Tuesday, 20 December 2022.**

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at listingscomplianceperth@asx.com.au. It should **not** be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to PAM's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that PAM's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, providing the information requested in this letter.

Further, if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, PAM's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in this letter and may require PAM to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;

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- that you are not aware of any reason why the trading halt should not be granted; and
 - any other information necessary to inform the market about the trading halt, or that we ask for.

We will require the request for the trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you do not respond to this letter by the deadline set out above or if ASX does not consider your response to be satisfactory, ASX is likely to suspend trading in PAM's securities under Listing Rule 17.3.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Dale Allen
Manager, Listings Compliance (Perth)